



***Deep Diamond India Limited***

**18<sup>th</sup>  
Annual Report  
2011-2012**

## **BOARD OF DIRECTORS**

**Mr. Prakash R. Solanki**

Chairman

**Mr. Dinesh R. Solanki**

Managing Director

**Mr. Manoj V. Jain**

Director

**Mr. Rajan Agarwal**

Director

**Mrs. Sangeeta R. Jain**

Director



## **STATUTORY AUDITORS**

**M/s. Ramprasad Sharma & Associates**

Chartered Accounts

325, Madhu Mansion, 4th Floor,  
Kalbadevi Road, Mumbai - 400 002.

## **BANKERS**

Rupees Co-operative Bank Limited

Bank of Baroda

ICICI Bank

## **REGISTERED OFFICE**

Office 202, Cosmos Court, S.V.Road,  
Vile Parle (W), Mumbai- 400056.

## **FACTORY**

Unit No. 6B, Planet Industrial Estate,  
Subhash Road, Vile Parle (E),  
Mumbai - 400057.

## **REGISTRARS & SHARE TRANSFER AGENT**

**UNIVERSAL CAPITAL SECURITIES PVT. LTD.**

21, Shakti Niwas, Mahakali Caves Road,  
Opp. Sai Baba Temple, Andheri (E),  
Mumbai - 400093.

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# ***Deep Diamond India Limited***

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## **NOTICE**

Notice is hereby given that the Eighteenth Annual General Meeting of the members of Deep Diamond India Limited will be held on Saturday, September 29, 2012 at 11.00 a. m. at The Silk Merchants' Association, Dahanukar Building, 1st Floor, 480, Kalbadevi Road, Mumbai-400002 to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2012 and the Profit and Loss Account for the year ended on that date and the Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Mr. Prakash Solanki who retires by rotation and is eligible for re-appointment.
3. To appoint Auditors and to fix their remuneration.

### **NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. THE INSTRUMENT APPOINTING A PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 21, 2012 to Saturday, September 29, 2012 (both days inclusive).
4. Members are requested to bring their copies of the Annual Report at the time of attending the Annual General Meeting.

5. Members are requested to notify promptly any change in their addresses to the Company's Registrar and Share Transfer Agents, Universal Capital securities Private Limited Private Limited, 21, Shakil Nivas Mahakali Caves Road, Opp. Sai Baba Temple, Andheri (East) Mumbai -400093.
  
6. Shareholders desiring information as regards the Accounts are requested to write to the Company at least 10 days before the Annual General Meeting to enable the Management to keep the information ready.

Registered Office:  
Office No. 202,  
Cosmos Court Premises  
Co-operative Society Ltd.  
S.V.Road, Vile Parle (W),  
Mumbai- 400056.

By Order of the Board  
For DEEP DIAMOND INDIA LIMITED

Prakash R. Solanki  
Executive Director

Dated: 11<sup>th</sup> August, 2012



**DIRECTORS' REPORT**

To,  
The Members

The Directors have pleasure in presenting the Eighteenth Annual Report together with the Statement of Accounts for the year ended March 31, 2012 :

**FINANCIAL RESULTS:**

	2011-12 (Rs.)	2010-11 (Rs.)
Sales & Other income	32222619	37141616
Profit before Interest and Depreciation	3025808	4079043
Less : Interest	181177	164969
Profit before Depreciation	3344631	3914074
Less : Depreciation	553053	548602
Profit before Taxation	2791578	3365472
Less : Provision for Taxation : Current	(866000)	(1000000)
Deferred	(11731)	(33000)
Profit after Tax	1913847	2332472
Add : Balance profit brought forward from previous year	32660091	30327619
Profit/(loss) carried to Balance sheet	34573938	32660091

**OPERATIONS:**

The Company's business comprised of Domestic Operations only and the decrease in Profitability is due to decrease in sales. It is expected to have better in the current year.

**DIVIDEND:**

In order to conserve the resources to meet its long term fund requirements of the Company, your Directors do not recommend any dividend for the year under review.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO:**

**(A) CONSERVATION OF ENERGY:**

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

**(B) TECHNOLOGY ABSORPTION :**

Presently the Company is not required any technology for its existing business.

(C) Foreign Exchange Earned	: Rs. Nil
Foreign Exchange Utilised	: Rs. Nil

**FIXED DEPOSITS:**

The company has not accepted any Fixed Deposits from the public during the year under review.

**LISTING:**

The Equity Shares of the Company are listed at the Pune, Ahmedabad, Delhi, Calcutta And Bangalore Stock Exchanges. The company has paid the Annual Listing Fees to the Stock Exchanges for the year 2012-2013.

**DIRECTORS:**

Shri Prakash Solanki would retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

Brief resume of the above Directors, nature of their expertise in specific functional areas and names of companies in which they hold directorship and membership / chairmanship of committees of the Board, as stipulated under clause 49 of the Listing Agreement with the Stock Exchange are given in the section on Corporate Governance in the Annual Report.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

As specifically required under the Companies Act, 1956, your Directors state that:

- (i) that in the preparation of the Annual Accounts, the applicable Accounting Standards had been followed alongwith proper explanation relating to material departures;
- (ii) that the Directors had 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 and of the profit of the Company for that period;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the annual accounts on a going concern basis.



**CORPORATE GOVERNANCE:**

Pursuant to clause 49 of the Listing Agreement with the Stock Exchange, Reports on Management Discussion & Analysis and on Corporate Governance along with a certificate from the Auditors form part of this Report.

**COMPLIANCE CERTIFICATE:**

A Compliance Certificate under Section 383A of the Companies Act, 1956 from the Practising Company Secretary in respect of the financial year ended on March 31, 2012 is attached hereto.

**PARTICULARS OF EMPLOYEES:**

The Company does not have any employee whose particulars are required to be given pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

**AUDITORS:**

M/s. Ramprasad Sharma & Associates, Chartered Accountants, the Auditors of the company would retire at the ensuing Annual General Meeting and are eligible for reappointment. You are requested to appoint Auditors and to fix their remuneration.

**ACKNOWLEDGEMENT:**

Your Directors greatly value the support and co-operation received during the year from the company's customers, suppliers, Financial Institutions, Bankers, statutory Authorities and all organizations connected with its business. Your Directors place on record their appreciation of the efficient and loyal services rendered by the employees of the Company at all levels. Our whole-hearted thanks to our shareholders, who have extended their valuable support.

For and on behalf of the Board of Directors

Prakash R. Solanki  
Chairman

Date : 30<sup>th</sup> May, 2012

## **ANNEXURE TO THE DIRECTORS' REPORT**

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

A report on Management Discussion and Analysis, which is forming part of this Report, adequately deals with the operations as also current and future outlook of the Company.

#### **INDUSTRY STRUCTURE, DEVELOPMENT, OPPORTUNITY AND THREATS:**

The Company is in the Business of Diamond and Gold Jewellery. The Indian jewellery market is mainly catered and dominated by traditional, unorganized jewellery manufactures and retailers.

Technologically (Organised and Corporate) Indian jewellery industry compares well with other major world centers, incorporating the most modern machinery and latest manufacturing process. However the cost remains higher than the traditional and unorganized manufactures and retailers.

The Indian jewellery market is dominated by retail jewellers. Indian jewellery has huge potential for exports also. The Company always looks forward to tap forward these huge potential of Indian jewellery market by offering latest well designed products. The Company has highly skilled labour and designers and marketing team to cater to the rising demand.

#### **SEGMENT – WISE PRODUCTION PERFORMANCE.**

Since the Company operations predominantly is in only one segment – viz. Jewellery of Gold and Diamond Studded, therefore the above figures relates to that segment.

#### **OUTLOOK:**

The Company and its products enjoy a demand in the market and in view of the dedicated clientele of retailers it hopes to increase the sale and profitability in the current year.

#### **RISKS AND CONCERNS:**

The Company is falling under Jewellery Industry. The Jewellery Industry, as such, is exposed to various types of risks and its growth is dependent, in general on the economy's growth and on several factors such as taxation, government regulations, fluctuations in gold and diamond price, etc. Jewellery industry currently in India has become highly competitive due to competition from unorganized sectors. Most of the retail jewelers are being serviced and supplied by these unorganized sectors of manufacturer of Jewellery. This in turn has affected the organized and corporate Jewellery industry that has to face pressure on margins.





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Exposure to few large customers has major impact on profitability and increases the credit risks, whereas, large customers with high repeat business lead to higher revenue growth and lower marketing cost. Therefore it is essential for the Company to strike a balance on this account. Your Company is trying to diversify its customer base, covering almost all in the country, wide dealer network and export customers. Your Company is also actively involved new business opportunities both in domestic and export markets in order to further increase its customer base.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has an effective system of accounting and administrative controls which ensures that all assets are safeguarded and protected against loss from unauthorised use or disposition. The company has a well defined organization structure with clear functional authority limits for approval of all transactions.

The Company has a reporting system, which evaluates and forewarns the management on issues related to compliance. The performance of the Company is regularly reviewed by the Board of Directors to ensure that it is in keeping with the overall corporate policy and in line with the pre- set objectives.

The Company's internal auditors review business processes and controls. Significant findings are then discussed by the Board and corrective measures initiated.

### **FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**

During the year under review, the turnover is Rs. 3,21,46,870/- as compared to Rs. 3,71,35,503/- of the previous year. Accordingly, the Company's net profit during the year is Rs. 19,13,847/- against Rs. 23,32,472/-of the previous year.

Your Company continue to make all the efforts to adopt the best systems and methods of doing the business, reduce overheads, improve productivity and establish better customer relations with improved quality and effective distribution network.

### **MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT:**

The affairs of the Company are being managed under the control and supervision of the Managing Director is being assisted with experienced and qualified management and marketing team.

In an on going effort to create high quality Human Resources, various initiatives were taken through development programmes where employees are encouraged to share creative ways and means to improve productivity.

As in the past identification and sourcing of high talent, promotion of performance excellence, development of on-the-job skills and effective employee communication will continue to receive focused attention.

Industrial relations were cordial throughout the year with no loss of production and man-hours.

The Company treats people as most valuable asset and has a structured system of performance appraisal and career advancement.

**CAUTIONARY STATEMENT:**

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be "forward- looking statements" within the meaning of applicable securities law and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations, include markets in which Company operates mainly, changes in Government regulations, tax laws and other statutes and incidental factors.

Place : Mumbai  
Date : 30<sup>th</sup> May, 2012

Prakash R. Solanki  
*Chairman*



## ***Deep Diamond India Limited***

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Company No: L51343MH1994PLC082609

Nominal Capital ₹s. 4,00,00,000/-

### **COMPLIANCE CERTIFICATE**

To,  
The Members  
DEEP DIAMOND INDIA LIMITED  
Office No. 202, Cosmos Court Premises Co-operative Society Ltd.  
S.V.Road, Vile Parle (W), Mumbai- 400056.

We have examined the registers, records, books and papers of Deep Diamond India Limited as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31<sup>st</sup> March, 2012. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and entries therein have been recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities as mentioned in the said Annexure.
3. The Company being a public limited company, comments that it has minimum prescribed paid-up capital and comments relating to Private Limited Company about maximum number of members, invitation to public to subscribe for shares and acceptance of deposits from persons other than its members, directors or their relatives, are not required.
4. The Board of Directors duly met 4 (Four) times on 30.05.2011, 12.08.2011, 14.11.2011 and 14.02.2012 in respect of which meetings notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. (No circular resolution was passed.)
5. The Company has closed its Register of Members from 23<sup>rd</sup> September 2011 to 30<sup>th</sup> September 2011 and necessary compliance of Section 154 of the Act, has been made.
6. The annual general meeting for the financial year ended on 31<sup>st</sup> March, 2011 was held on 30.09.2011 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.

7. No extra ordinary general meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the company has not obtained any approvals from the Board of Directors, members or approval of the Central Government.
12. The company has not issued any duplicate share certificates during the financial year.
13. (i) The Company has delivered all the certificates on lodgment thereof for transfer in accordance with the provisions of the Act. (ii) The Company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year. (iii) The Company was not required to post warrants to any member of the company as no dividend was declared during the financial year. (iii) There are no unpaid dividends, application money due for refund, matured deposits, matured debentures or the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years.(iv) The Company has complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted. There was no appointment of Additional Directors, Alternate Directors and Directors to fill casual vacancy during the financial year.
15. The Company has not appointed any Managing Director/Whole time Director /Manager during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such other authorities prescribed under the various provisions of the Act during the financial year.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the financial year.



## ***Deep Diamond India Limited***

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20. The Company has not bought back any shares during the financial year.
21. The company has not issued any preference shares or debentures.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The amount borrowed by the company from bank during the financial year ending 31<sup>st</sup> March, 2012 is within the borrowing limits of the company.
25. The Company has not made any loans or investments or given guarantees or provided securities to other bodies corporate during the financial year.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company was not required to deduct any contribution towards Provident Fund during the financial year.

Place : Mumbai

Date : 30.05.2012

For Shalini Hegde & Associates

Signature :

Name of Company Secretary : Shalini Bhat

C. P. No. : 6994

## Annexure 'A

### Statutory Registers as maintained by the Company

1. Register of Charges u/s 143 of the Act.
2. Register of Members u/s 150 of the Act.
3. Minutes Book of Board Meetings u/s 193 of the Act. (in loose-leaf)
4. Minutes Book of General Meetings u/s 193 of the Act. (in loose-leaf)
5. Books of Accounts u/s 209 of the Act are being audited by the Statutory Auditors of the Company.
6. Register of Contracts u/s 301 of the Act.
7. Register of disclosure of interest u/s 301 of the Act.
8. Register of Particulars of Directors etc. u/s 303 of the Act.
9. Register of Directors' Shareholding u/s 307 of the Act.

### Other Registers

1. Register of Transfers
2. Register of Directors' Attendance

Place : Mumbai

Date : 30.05.2012

For Shalini Hegde & Associates

Signature :

Name of Company Secretary : Shalini Bhat  
C. P. No. : 6994



**Annexure 'B'**

Forms and Returns as filed by the Company with the Registrar of Companies during the financial year ended on March 31, 2012.

Sr. No.	Form No./ Return	Filed under section	For	Date of filing	Whether filed within prescribed time Yes/No	If delay in filing whether requisite additional fee paid. Yes/No
1.	Form 66 alongwith Compliance Certificate for the year ended 31.03.2011	383A	Financial Year 2010-2011	19.10.2011	Yes	N.A.
2.	Form 20B along with Annual Return made upto 30.09.2011	159	Annual General Meeting held on 30.09.2011	10.11.2011	Yes	N.A.
3.	Form 23AC XBRL & 23ACA XBRL along with the Annual Report as on 31.03.2011	220	Adopted at the Annual General Meeting held on 30.09.2011	31.12.2011	Yes	N.A.

For Shalini Hegde & Associates

Place : Mumbai

Signature :

Date : 30.05.2012

Name of Company Secretary : Shalini Bhat

C. P. No. : 6994

## REPORT ON CORPORATE GOVERNANCE

(Pursuant to clause 49 of the Listing Agreement)

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy of Corporate Governance is to protect the long-term interest of the shareholders while respecting interest of other stakeholders and society at large.

The Company is committed to good corporate governance and transparency in its dealings and lays emphasis on integrity and regulatory compliance.

### 2. BOARD OF DIRECTORS

The Board of Directors of the Company consists of Five members.

Composition and category of Directors is as follows:

Name of Director	Category	No. of Board Meetings		Attendance at the last	Directorship in other Companies including private companies in India	No. of Committees in which Chairman/ Member (other than Deep Diamond India Limited)	
		Held	Attended			Member	Chairman
Shri Prakash R. Solanki	Executive Chairman	4	4	Yes	NIL	NIL	NIL
Shri Dinesh R. Solanki	Managing Director	4	4	Yes	1	NIL	NIL
Shri Manoj V. Jain	*I& N.E.D.	4	4	Yes	NIL	NIL	NIL
Shri Rajan Agarwal	*I& N.E.D.	4	4	Yes	1	NIL	NIL
Smt. Sangeeta R. Jain	*I& N.E.D.	4	4	Yes	NIL	NIL	NIL

\* I & N.E.D. – Independent & Non-Executive Director

Shri Prakash Solanki and Shri Dinesh Solanki are related to each other, none of the other Directors are related inte-se.

#### A. Non executive directors' compensation and disclosures

None of the non-executive directors is paid any remuneration nor they hold shares in the Company.





## **Deep Diamond India Limited**

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### **B. Independent Directors:**

The independent Directors are not related to promoters or management at the Board level. They review at every board meeting legal compliance reports prepared by the company.

### **C. BOARD MEETINGS**

Four Board Meetings were held during the year 2011-2012. The dates on which the said meetings were held are as follows :

30.05.2011, 12.08.2011, 14.11.2011 and 14.02.2012

The Company has a process to provide inter-alia the information to the Board as required under Annexure IA to Clause 49 of the Listing Agreement. The Board periodically reviews the compliance of all laws applicable to the Company.

All directors have made necessary disclosures about the committee positions, if any, held in other companies.

The Company has not entered into any materially significant transactions, during the year under report, with promoters, directors, senior management personnel etc. other than transactions if any, entered into in the normal course of company's business.

### **Details of Directors to be appointed**

The particulars of Directors who are proposed to be appointed/re-appointed at this Annual General Meeting, are given below, as required pursuant to clause 49 of the Listing Agreement:

Name of Directors	Shri Prakash Solanki
Age	50
Qualification	F.C.A
Nature of Expertise Administration	25 years experience in the field of Finance &
Name of other Companies in which holds Directorship	NIL
Names of other Companies in which holds Membership of committees of the Board	N. A.

**D. Code of Conduct:**

The Board has laid down a code of conduct for Board members and senior management personnel of the company. The board members and senior management personnel have affirmed compliance with the said code of conduct.

**3. AUDIT COMMITTEE**

The Audit Committee comprised solely of Qualified, Independent & Non-Executive Directors. The terms of reference to the Audit Committee cover the matters specified under Clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956 such as oversight of the company's financial reporting process; recommending the appointment / reappointment of statutory auditors; reviewing with the management annual financial statements; quarterly financial statements and other matters as covered under role of audit committee in clause 49. The audit committee has powers, inter-alia, to investigate any activity within its terms of reference and to seek information from any employee of the company as well as seek outside legal and professional advice.

The members of audit committee have knowledge on financial matters and majority of them have accounting or related financial management expertise. The Chairman of the audit committee is an independent director.

The audit committee reviews all the information that are required to be mandatorily reviewed by it under corporate governance.

Four meetings of the Committee were held during the year 2011-2012. The dates on which the meetings were held are as follows:

30.05.2011, 12.08.2011, 14.11.2011 and 14.02.2012

Composition and category of Members is as follows:

Name of Director	Category	No. of Audit Committee Meetings held	Attended
Shri Manoj V. Jain	Chairman	4	4
Shri Rajan Agarwal	Member	4	4
Smt. Sangeeta R. Jain	Member	4	4



The Chairman of the Audit Committee was present at the 17<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2011.

#### 4. WHISTLE BLOWER POLICY

The company has not framed any whistle blower policy. However, no personnel has been denied access to the audit committee.

The company has not adopted non mandatory requirements of clause 49. However the particulars relating to remuneration committee are given in this report.

#### 5. SUBSIDIARY COMPANY

The company has no subsidiary company.

#### 6. REMUNERATION COMMITTEE

The Remuneration Committee comprised solely of Independent & Non-Executive Directors namely Shri Manoj V. Jain, Shri Rajan Agarwal and Smt. Sangeeta R. Jain. Shri Rajan Agarwal is the Chairman of the Committee.

The remuneration committee deals with the matters specified in clause 49 of the listing agreement and also reviews the overall compensation structure and policies of the company. No meeting of the Committee was held during the year.

Details of remuneration paid to the Directors of the Company during the year ended March 31, 2012 are given below:

Name of Director	Salary	Perquisites	Commission	Others	Sitting Fees	Total
Shri Prakash R. Solanki	360000	Nil	Nil	Nil	Nil	360000
Shri Dinesh R. Solanki	360000	Nil	Nil	Nil	Nil	360000
Shri Manoj V. Jain	Nil	Nil	Nil	Nil	Nil	Nil
Shri Rajan Agarwal	Nil	Nil	Nil	Nil	Nil	Nil
Smt. Sangeeta Jain	Nil	Nil	Nil	Nil	Nil	Nil

The Company does not have a scheme for grant of stock options.

The terms of appointment of Managing Director/Executive Director will be terminated by either party by giving to other party not less than 90 days prior notice, in writing, without the necessity of showing any reason thereof. The terms may also be terminated by the company, at any time by giving three months salary and other emoluments in lieu of notice as aforesaid to the Managing Director/Executive Director.

## 7. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

The shareholders /Investors Grievance Committee comprised solely of Independent & Non-Executive Directors viz: Shri Manoj V. Jain, Shri Rajan Agarwal and Smt. Sangeeta R. Jain. Shri Manoj V. Jain is the Chairman of the Committee.

Since no Complaint was received, meeting of the Committee was not held during the year 2011-2012.

Shri Prakash R. Solanki is a Compliance Officer of the Company.

During the financial year ended 31<sup>st</sup> March, 2012, no complaints were received from the shareholders/investors. No requests for transfer was received for approval during the year 2011-12.

## 8. GENERAL BODY MEETINGS

Location and time of last three Annual General Meetings:

Year	Venue	Day, Date	Time
2008-2009	The Silk Merchants Association Dahanukar Bldg., 1st Floor, 480, Kalbadevi Road Mumbai 2.	Wednesday 30.09.2009	11.00 a.m.
2009-2010	The Silk Merchants Association Dahanukar Bldg., 1st Floor, 480, Kalbadevi Road Mumbai 400002	Thursday 30.09.2010	11.00 a.m.
2010-2011	The Silk Merchants Association Dahanukar Building, 1st Floor, 480, Kalbadevi Road Mumbai 400002	Friday 30.09.2011	11.00 a.m.

No Special Resolution passed at the General Meeting held in the past three years.



No postal ballots were used for voting at these meetings. At the ensuing Annual General Meeting, there is no item on the agenda that needs approval by postal ballot.

## 9. DISCLOSURES

### (A). Related Party Transactions

The particulars of transactions between the company and its related parties as per Accounting standard is set out in notes on accounts in the Annual Report. However, these transactions are not likely to have any conflict with the Company's interest.

### (B). Risk Management

The Company has adopted a risk management policy. The Board of Directors have been informed from time to time of the business risks faced by the Company and the steps taken by the management to face them.

### (C). Proceeds from Initial Public Offerings( IPOs) etc

The Company has not made any IPO during the year.

### (D). Management

A Separate report on Management Discussion and Analysis which forms part of the report is annexed.

The Company has complied with the requirements of regulatory authorities on matters related to capital markets and no penalties/ strictures have been imposed against the company during the last three years.

Clause 49 of the Listing agreement mandates to obtain a certificate from either the Auditors or Practicing Company Secretaries regarding compliance of conditions of corporate governance stipulated in the clause and annex the certificate with the Directors' report, which is sent annually to all the shareholders. The company has obtained a certificate from the Auditors of the company to this effect and the same is given as an annexure to Directors' report.

## 10. MEANS OF COMMUNICATION

The half-yearly and quarterly results are regularly submitted to the Stock Exchange in accordance with the Listing Agreement and are published in newspapers like Free Press Journal (English) and Navshakti (Marathi). These are not sent individually to the shareholders.

There were no presentations made to the institutional investors or analysts.

## 11. GENERAL SHAREHOLDERS INFORMATION :

- i. 18<sup>th</sup> Annual General Meeting : Saturday, 29th September 2012 at 11 a. m.  
Date, Time and Venue : The Silk Merchants' Association, Dahanukar Building,  
1st Floor, 480, Kalbadevi Road, Mumbai – 400002.
- ii. Financial Year : 1<sup>st</sup> April, 2012 to 31<sup>st</sup> March, 2013  
Financial Reporting for :  
Quarter ending June, 2012 : Last week of July\*  
Quarter ending September, 2012 : Last week of October\*  
Quarter ending December, 2012 : Last week of January\*  
Annual Results for the year  
ending on March 31, 2013 : Last week of May\* \*Tentative
- iii. Date of Book Closure : Friday September 21, 2012  
to Saturday, September 29, 2012  
(both days inclusive)
- iv. Dividend Payment Date : Not applicable.
- v. Listing on Stock Exchange : Pune, Ahemdabad, Bangalore,  
Calcutta and Delhi Stock Exchange
- vi. (a) Stock Code – Physical : The Stock Exchange at :-  
Pune : DEED/160159  
Ahmedabad : D/ 13205  
Bangalore : DDI  
Calcutta : 14060  
Delhi Stock Exchange : 8919  
(b) ISIN Number in NSDL : ISIN No. INE005G01018
- vii. Stock Price Data : There is no sensdex maintained at Regional Stock  
Exchange, Pune, Hence Stock price data is not  
available.



## **Deep Diamond India Limited**

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viii. Registrar & Transfer Agents : Universal Capital securities Private Limited  
21, Shakil Niwas, Mahakali Caves Road,  
Opp. Saibaba Temple, Andheri (East), Mumbai -400093.

ix. Share Transfer System :

Applications for transfer of shares in physical form are processed by the Company's Registrar & Share Transfer Agents, M/s. Universal Capital securities Private Limited Share transfers are registered and duly transferred share certificates are returned to the lodger within a period of thirty days from the date of receipt, if the documents are otherwise in order. The share transfer committee meets as often as possible to approve transfers and related matters as may be required.

x. Categories of Shareholders as on 31<sup>st</sup> March, 2012:

Particulars	No. Of shares held	Percentage to total share capital
Promoters	1749500	62.79
Corporate Bodies	144400	5.18
NRI/OCB/FII	124000	4.45
General Public	768500	27.58
Total	2786400	100.00

xi. Dematerialization of shares and Liquidity :

As on 31<sup>st</sup> March 2012, 37.21% of the paid up share capital has been dematerialized. The shares of the Company are infrequently traded.

Outstanding GDRs /ADRs/Warrants or any convertible instruments conversion date and likely impact on equity: Nil

xii. Plant Location : DEEP DIAMOND INDIA LIMITED  
Unit No. 6-B, Planet Ind. Estate  
Subhash Road, Vile Parle (East), Mumbai-400057  
Maharashtra

xiii. Address for Correspondence :

Registrar and Share Transfer Agents :

Universal Capital securities Private Limited 21, Shakil Niwas, Mahakali Caves Road,  
Opp. Saibaba Temple, Andheri (East), Mumbai- 400 093 Tel: 283 66 620 Fax: 286 66 620e-  
mail: mcplrt @bom7.vsnl.net.in

Compliance Officer :

Shri Prakash Solanki Chairman & Executive Director office No. 202, Cosmos Court Premises Co-operative Society Ltd., S.V. Road, Vile Parle (W) Mumbai 400 056. Tel: 261 00 803 Fax: 261 74 321 e-mail deepjwly@mtnl.net.in

12. CEO/CFO Certification:

A certificate from the Managing Director of the company in terms of clause 49 (V) of the Listing agreement was placed before the Board at the Board meeting held on May 30, 2012 to approve the audited annual accounts for the year ended 31<sup>st</sup> March 2012.

Declaration

As provided under clause 49 of the listing agreement with the Stock Exchange the Board members and the senior management personnel have affirmed compliance with the Code of Conduct for the Board of Directors and senior management for the year ended 31<sup>st</sup> March, 2012.

For and on behalf of the Board

Dinesh R. Solanki  
Managing Director

Dated: 30<sup>th</sup> May, 2012





**C E R T I F I C A T E**

To  
The Members,  
DEEP DIAMOND INDIA LIMITED  
Office no.202,Cosmos Court  
Premises Co-operative Society Ltd.,  
S.V.Road,Vile- Parle (West),  
Mumbai 400 056

We have read the Report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance of conditions of Corporate Governance by Deep Diamond India Limited for the year ended on 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was conducted in the manner described in the Guidance Note on Certification of Corporate Governance s issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance. Our examination was neither an audit nor was it conducted to express an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and on the basis of our examination described above, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

We state that no grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders / Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the further viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For RAMPRASAD SHARMA & ASSOCIATES  
*Chartered Accountants*

Place: Mumbai  
Dated: 30th May, 2012

DHANANJAY SHARMA  
Partner

## **AUDITORS' REPORT**

### **Auditor's Report to the Member of DEEP DIAMOND INDIA LIMITED.**

1. We have audited the attached Balance Sheet of DEEP DIAMOND INDIA LIMITED, MUMBAI, 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 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 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 (Auditors Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a Statements on the matters specified in Paragraphs 4 and 5 of the said Order.
4. Further to our comments in Annexure referred to above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (ii) In our opinion, proper books of accounts as required by Law have been kept by the Company, so far as appears from our examination of the books;
  - (iii) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts of the Company;
  - (iv) In our opinion and to the best of our information and according to the explanation given to us, the said Balance Sheet, the 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;



## ***Deep Diamond India Limited***

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- (v) On the basis of written representations received from the Directors as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2012 from being appointed as Directors in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with Significant Accounting policies and other 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; and
- (ii) In the case of Statement of Profit and Loss of the Profit for the year ended 31st March, 2012; and
- (iii) In the case of cash flow statement, of the cash flows for the year ended on that date.

**FORRAMPRASAD SHARMA & ASSOCIATES**

Chartered Accountants

**DHANANJAY SHARMA**

Partner

Place: Mumbai

Dated: 30<sup>th</sup> May, 2012

**ANNEXURE TO THE AUDITOR'S REPORT**

(Referred to in paragraph 3 of our report of even date on the accounts of the Deep Diamond (India) Limited for the year ended 31<sup>st</sup> March,2012.

- 1)
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
  - (b) All the assets have been physically verified by the Management at the end of the year. In our opinion, the frequency of verification is adequate and we are informed that no material discrepancies were noticed on such verification.
  - (c) In our opinion, according to information and explanation given to us, a substantial part of fixed assets has not been disposed off by the Company.
  
- 2)
  - (a) The inventory has been physically verified by the management at the end of the year. In our opinion, the frequency of verification is reasonable.
  - (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
  
- 3)
  - (a) As per records no loans have been taken from Companies, firms or other listed in register maintained u/s 301 of the Companies Act, 1956.
  - (b) As per records no loans have been granted to Companies, firms or other companies listed in the register maintained u/s 301 of the Companies Act, 1956.
  
- 4) In our opinion and according to the information and explanation given to us, there are adequate internal control procedure commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit we have not observed any continuing failure to correct major weakness in internal controls.
  
- 5)
  - (a) According to the information and explanation given to us, we are of the opinion that the transaction that needed to be entered in to the register maintained under section 301 of the Companies Act, 1956, have been so entered.
  - (b) In our opinion and according to the information and explanations given to us, no transaction were made in pursuance of contracts or arrangements entered in



## **Deep Diamond India Limited**

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the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs.5,00,000/- (Rupees Five Lacs Only) in respect of any party during the year except for sale / purchase with related parties which have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

- 6) Our opinion and according to the information and explanation given to us, the Company has not accepted any deposits to which the provision of Section 58-A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 would apply.
- 7) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business, but requires effective implementation.
- 8) We are informed that the Central Government has not prescribed the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956.
- 9)
  - (a) According to the information and explanation given to us, that the Company is regular in depositing with appropriate authorities undisputed statutory dues income tax, sales tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it. It has been informed that the provision of provident fund, employees state insurance is not applicable to the company.
  - (b) According to the information and explanation given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Service Tax, Wealth Tax, Customs Duty, Excise Duty and cess were in arrears, as at 31st March, 2012 for a period of more than six months from the date they become payable.
  - (c) According to the information and explanation given to us, there are no dues of income tax, service tax, wealth tax, sales tax, custom duty, excise duty, and cess which have not been deposited on account of any dispute.
- 10) In our opinion, the Company has no accumulated losses as at March 31, 2012. And the Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- 11) According to the records of the Company examined by us and information and explanations given to us, the Company has not defaulted in the repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- 12) We are of the opinion that the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause 4 (xii) of the Companies (Auditor s Report) order 2003 are not applicable to the Company.

- 13) The Company is not a chit fund and nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor s Report)order 2003 are not applicable to the Company.
- 14) The Company is not dealing in or trading in shares, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor s Report) order 2003 are not applicable to the Company.
- 15) The Company has not given any guarantees, for loans taken by others from banks and financial institutions during the year.
- 16) To the best of our knowledge and belief and according to the information given to us, in our opinion, term loans availed by the company were ,prima facie applied by the company during the year for the purpose for which the loans were obtained, other than temporary deployment pending application.
- 17) According to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term investment. No funds have been used to finance short term assets.
- 18) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the act during the year.
- 19) According to the information and explanation given to us, during the period covered by our audit report, the Company has not issued debentures.
- 20) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practice in India, and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the Company, noticed during the year, nor have we been informed of such case by the management.

**FOR RAMPRASAD SHARMA & ASSOCIATES**  
Chartered Accountants

Place :Mumbai  
Dated : 30<sup>th</sup> May,2012

**DHANANJAY SHARMA**  
Partner



# Deep Diamond India Limited

## Balance Sheet as at 31-03-2012

( in Rupees)

Particulars		Note No.	As at 31st March, 2012	As at 31st March, 2011
1		2	3	4
<b>I. EQUITY AND LIABILITIES</b>				
<b>1 Shareholders' funds</b>				
(a)	Share capital	1	29932000	29932000
(b)	Reserves and surplus	2	34573938	32660091
<b>2 Share application money pending allotment</b>			NIL	NIL
<b>3 Non-current liabilities</b>				
(a)	Deferred tax liabilities (Net)	3	358555	346824
(b)	Long-term provisions			
<b>4 Current liabilities</b>				
(a)	Short-term borrowings	4	3032485	2050125
(b)	Trade payables		1340496	7485
(c)	Other current liabilities	5	146352	205587
(d)	Short-term provisions	6	3704000	2838000
<b>TOTAL</b>			<b>73087826</b>	<b>68040112</b>
<b>II. ASSETS</b>				
<b>Non-current assets</b>				
<b>1 (a) Fixed assets</b>				
(i)	Tangible assets	7	7075689	7583992
(b)	Non-current investments	8	356250	356250
(c)	Deferred tax assets (net)			
(d)	Long-term loans and advances	9	276900	276900
(e)	Other non-current assets			
<b>2 Current assets</b>				
(b)	Inventories	10	52736423	39380060
(c)	Trade receivables	11	7996267	17229993
(d)	Cash and cash equivalents	12	589480	337053
(e)	Short-term loans and advances	13	4056817	2875864
<b>TOTAL</b>			<b>73087826</b>	<b>68040112</b>
Notes on Financial Statements and Significant accounting policies		1-22		

As per our Report of even date  
For **RAMPRASAD SHARMA & ASSOCIATES**  
Chartered Accountants  
Firm No.: 112430W

**DHANANJAY SHARMA**  
Partner  
Membership No.: 039832  
Mumbai : 30th May, 2012

**PRAKASH SOLANKI**  
Chairman

**DINESH SOLANKI**  
Managing Director

**SANGEETA JAIN**  
Director

## Profit and loss statement for the year ended 31-03-2012 (in Rupees)

Profit and loss statement for the year ended 31st March		Refer Note No.	2012	2011
I.	Revenue from operations	14	32146870	37135503
II.	Other income	15	75749	102429
<b>III.</b>	<b>Total Revenue (I + II)</b>		<b>32222619</b>	<b>37237932</b>
IV.	Expenses:			
	Cost of Materials consumed	16	28130612	31371318
	Purchases of Stock-in-Trade		5889612	1487681
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	17	-11093726	-4537695
	Employee benefits expense	18	957087	928495
	Finance costs	19	181177	261285
	Depreciation	7	553053	548602
	Other expenses	20	4813226	3812774
	Total expenses		29431041	33872460
	Profit/(loss) before exceptional and extraordinary items and tax (III-IV)		2791578	3365472
V.	Exceptional items		0	0
VII.	Profit before extraordinary items and tax (V - VI)		2791578	3365472
VIII.	Extraordinary Items		0	0
IX.	Profit before tax (VII- VIII)		2791578	3365472
X	Tax expenses : Provision for Taxation			
	(1) Current tax		-866000	-1000000
	(2) Deferred tax		-11731	-33000
XI	Profit (Loss) for the period from continuing operations (VII-VIII) Profit After Tax		1913847	2332472
XII	Less: Provisions of Tax of Previous Year return- back		0	0
XIII	Add: Balance Brought forward			
XIV	Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		0	0
XV	Profit (Loss) for the period (XI + XIV)		1913847	2332472
XVI	Earnings per equity share:	21		
	(1) Basic		0.69	0.84
	(2) Diluted		0.69	0.84
	Notes on Financial Statements and Significant accounting policies	1-22		

As per our Report of even date  
For **RAMPRASAD SHARMA & ASSOCIATES**  
Chartered Accountants  
Firm No.: 112430W

**PRAKASH SOLANKI**  
Chairman

**DHANANJAY SHARMA**  
Partner  
Membership No.: 039832  
Mumbai : 30th May, 2012

**DINESH SOLANKI**  
Managing Director

**SANGEETA JAIN**  
Director





# Deep Diamond India Limited

## Note 1

<u>Share Capital</u>	As at 31 March 2012	As at 31 March 2011
	RUPEES	RUPEES
<u>Authorised Capital</u> 4000000 Equity Shares of Rs. 10/- each (Previous Year 4000000)	40000000	40000000
<u>Issued, Subscribed &amp; Paid-up Capital</u> 2786400 Equity Shares of Rs. 10/- each fully Paid-up (Previous Year 2786400)	27864000	27864000
Less: Call-in Arrears	0	0
206800 Equity Shares Forfeited (Previous Year 206800)	2068000	2068000
<b>Total</b>	<b>29932000</b>	<b>29932000</b>

Reconciliation of number of shares outstanding	As at 31 March 2012	As at 31 March 2011
	Number	Number
Shares outstanding at the beginning of the year	29932000	29932000
Shares Issued during the year		
Shares bought back during the year		
Shares outstanding at the end of the year	29932000	29932000

Name of Shareholder (Holding more than 5%)	As at 31 March 2012		As at 31 March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Dinesh Solanki	192600	6.91	192600	6.91
Prakash Solanki	207600	7.45	207600	7.45

## Note 2

<u>Reserves &amp; Surplus</u>	As at 31 March 2012	As at 31 March 2011
	RUPEES	RUPEES
Surplus		
Opening balance	32660091	30327619
Profit and Loss Account	1913847	2332472
Closing Balance	<b>34573938</b>	<b>32660091</b>
<b>Total</b>	<b>34573938</b>	<b>32660091</b>

## Note 3

<u>Deferred Tax Liability (Net)</u>	As at 31 March 2012	As at 31 March 2011
	RUPEES	RUPEES
Related to Fixed Assets	358555	346824
<b>Total</b>	<b>358555</b>	<b>346824</b>

## Note 4

<u>Short Term Borrowings</u>	As at 31 March 2012	As at 31 March 2011
	RUPEES	RUPEES
<u>Secured Loans</u>		
(a) Loans repayable on demand Working Capital Loan ( From Rupee Co.Op. Bank Ltd.) (Secured by : Joint hypothecation of stocks and Book Debts, hypothecation of plant and machinery and personal guarantees of all Directors of the Company )	3027570	2045210
(b) Other loans and advances Advance from customers	4915	4915
<b>Total</b>	<b>3032485</b>	<b>2050125</b>

## Note 5

<u>Other Current Liabilities *</u>	As at 31 March 2012	As at 31 March 2011
	RUPEES	RUPEES
Other payables		
Provision for expenses	131114	189375
TDS Payable	15238	0
CST Payable	0	16212
<b>Total</b>	<b>146352</b>	<b>205587</b>

## Note 6

<u>Short Term Provisions</u>	As at 31 March 2012	As at 31 March 2011
	RUPEES	RUPEES
(a) Provision for income tax	3704000	2838000
<b>Total</b>	<b>3704000</b>	<b>2838000</b>

## Note 8

<u>Non Current Investments</u>	As at 31 March 2012	As at 31 March 2011
	RUPEES	RUPEES
<u>Other investments</u>		
Investment in Equity instruments Long Term (Unquoted at cost )		
11250 Shares of Rupee Co.Op. Bank Ltd @ Rs. 25/-each fully paidup (previous year 11250)	281250	281250
Long Term (Quoted at cost) 7500 Shares of Shalibhadra Finance Ltd @ 10/- each fully paid up (previous year 7500)	75000	75000
<b>Total</b>	<b>356250</b>	<b>356250</b>
Less : Provision for dimunition in the value of Investments		
<b>Total</b>	<b>356250</b>	<b>356250</b>
Aggregate amount of quoted investments	75000	75000
Market value of Quoted Investments	412500	319500
Aggregate amount of unquoted investments	281250	281250



**Note 7**

	Gross Block				Accumulated Depreciation			Net B
	Balance as at 31 March 2011	Additions/ (Disposals)	Balance as at 31 March 2012	Balance as at 31 March 2011	Depreciation charge for the year	Balance as at 31 March 2012	Balance as at 31 March 2012	
	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	
<b>Fixed Assets</b>								
<b>Tangible Assets</b>								
Building	6864370		6864370	1387137	229270	1616407	5247963	
Plant & Machinery	2713856		2713856	1779408	128908	1908316	805540	
Dies	100000		100000	99999	0	99999	1	
Electric Installation	124133		124133	84279	5896	90175	33958	
Air conditioner	277170		277170	126502	13166	139668	137502	
Furniture & Fixtures	1528186	12250	1540436	1164552	97635	1262187	278249	
Vehicles	449593		449593	236693	38949	275642	173951	
Computers	406940	20350	427290	339123	16352	355475	71815	
Office Equipments	474061	12150	486211	136624	22877	159501	326710	
<b>Total</b>	<b>12938309</b>	<b>44750</b>	<b>12983059</b>	<b>5354317</b>	<b>553053</b>	<b>5907370</b>	<b>7075689</b>	
<b>Previous Year</b>	<b>12884081</b>	<b>54228</b>	<b>12938309</b>	<b>4805715</b>	<b>548602</b>	<b>5354317</b>	<b>7583992</b>	

## Note 9

Long Term Loans and Advances	As at 31 March 2012		As at 31 March 2011	
	RUPEES	RUPEES	RUPEES	RUPEES
<b>b. Security Deposits</b>				
Rental Deposit	200000		200000	
Electricity and other deposits	76900	276900	76900	276900
		276900		276900

## Note 10

Inventories (As Taken, Valued & Certified by the Mnagements)	As at 31 March 2012	As at 31 March 2011
	RUPEES	RUPEES
a. Raw Materials (At Cost )	8351423	6088786
b. Stock in Process ( At Cost )	21218273	18843141
c. Finished Goods ( At Lower of Cost or Net Realisable Value )	23166727	14448133
<b>Total</b>	<b>52736423</b>	<b>39380060</b>

## Note 11

Trade Receivables	As at 31 March 2012	As at 31 March 2011
	RUPEES	RUPEES
Unsecured, considered good		
Over Six Months	5102396	6239394
Others	2893871	10990599
<b>Total</b>	<b>7996267</b>	<b>17229993</b>

## Note 12

Cash and cash equivalents	As at 31 March 2012		As at 31 March 2011	
	RUPEES	RUPEES	RUPEES	RUPEES
<b>a. Balances with banks*</b>				
In Current Accounts				
ICICI Bank Ltd.	54113		59673	
Rupee Co-op. Bank Ltd.	41167		41167	
Bank of Baroda	6358	101638	6358	107198
<b>b. Cash on hand</b>		487842		229855
(As per Books & Certified )				
<b>TOTAL</b>		<b>589480</b>		<b>337053</b>

## Note 13

Short-term loans and advances	As at 31 March 2012	As at 31 March 2011
	RUPEES	RUPEES
<b>Others</b>		
Secured, considered good		
Unsecured, considered good		
Advances recoverable in cash or in Kind or for value to be received	194779	237815
Advance Tax	3862038	2638049
<b>Total</b>	<b>4056817</b>	<b>2875864</b>

**Note 14**

Revenue from Operations	For the year ended 31 March 2012	For the year ended 31 March 2011
	<b>RUPEES</b>	<b>RUPEES</b>
Sale of Gold and Diamond Studded jewellery	32146870	37135503
<b>Total</b>	<b>32146870</b>	<b>37135503</b>

**Note 15**

Other Income	For the year ended 31 March 2012	For the year ended 31 March 2011
	<b>RUPEES</b>	<b>RUPEES</b>
Dividend on shares	6000	6000
Interest on Income tax refund	0	96316
Miscellaneous income	69749	113
<b>Total</b>	<b>75749</b>	<b>102429</b>

**Note 16**

Cost of Materials Consumed (Indigenous)	For the year ended 31 March 2012	For the year ended 31 March 2011
	<b>RUPEES</b>	<b>RUPEES</b>
Gold	12,723,502	15542173
Diamond	15383048	15805584
Others	24062	23561
<b>Total</b>	<b>28130612</b>	<b>31371318</b>

**Note 17**

Changes in inventories of finished goods work-in-progress and Stock-in-Trade	For the year ended 31 March 2012	For the year ended 31 March 2011
	<b>RUPEES</b>	<b>RUPEES</b>
<u>Closing Stock</u>		
Finished Goods	23166727	14448133
Stock in Process	21218273	18843141
<u>Less: Opening Stock</u>	44385000	33291274
Finished Goods	14448133	15748327
Stock in Process	18843141	13005252
	33291274	28753579
<b>Total</b>	<b>-11093726</b>	<b>-4537695</b>

## Note 18

Employee Benefits Expense	For the year ended 31 March 2012	For the year ended 31 March 2011
	RUPEES	RUPEES
(a) Salaries and incentives	874300	857000
(b) Staff welfare expenses	82787	71495
<b>Total</b>	<b>957087</b>	<b>928495</b>

## Note 19

Finance Cost	For the year ended 31 March 2012	For the year ended 31 March 2011
	RUPEES	RUPEES
Interest Paid on Cash Credit Loan	181177	261285
<b>Total</b>	<b>181177</b>	<b>261285</b>

## Note 20

OTHER EXPENSES	For the year ended 31 March 2012	For the year ended 31 March 2011
	RUPEES	RUPEES
<b>Manufacturing Expenses</b>		
Factory Rent	390000	276000
Labour Charges	2387064	1677538
Electricity Expenses	167350	191312
Fuel and Gas	13979	15634
Repairs & Maintenance	23525	23286
Stores and Spares (Indigenous)	16494	46070
	<b>2998412</b>	<b>2229840</b>
<b>Establishment, Selling &amp; Distribution Expenses</b>		
Assaying and Hallmarking Charges	138059	42973
Auditor's Remuneration	22472	22060
Donation	111000	0
Electricity Expenses	44388	81932
Insurance Charges	210990	173632
Labour Charges (Office)	416361	316479
Listing Charges	50000	49662
Office Maintenance	100223	79116
Packing Material	21677	123488
Rate & Taxes	12916	22953
Repairs & Maintenance (Office)	107003	82406
Telephone & Telex Charges	100542	115810
General expenses	479183	472423
	<b>1814814</b>	<b>1582934</b>
<b>Total</b>	<b>4813226</b>	<b>3812774</b>



# Deep Diamond India Limited

## Note 20.1

Payments to the auditor as	For the year ended 31 March 2012	For the year ended 31 March 2011
	RUPEES	RUPEES
a. auditor	18000	18000
a. Tax auditor	2000	2000
b. service tax	2472	2060
<b>Total</b>	<b>22472</b>	<b>22060</b>

## Note 20.2 Expenditure in Foreign Currency : Rs. NIL

## Note 20.3 RELATED PARTY DISCLOSURE:

### A. NAMES OF THE RELATED PARTIES AND NATURE OF THE RELATIONSHIP:

#### Other Related Parties:

NIL

#### Key Management Personnel:

a) Mr. Prakash R. Solanki - Chairman      b) Mr. Dinesh R. Solanki - Managing Director

### B. TRANSACTIONS WITH ASSOCIATE FIRMS:

Amount in Rs.

Sale of Goods

nil

### C. TRANSACTIONS RELATING TO PERSONS AND THEIR RELATIVES MENTIONED IN 'A' ABOVE:

Previous

Remuneration to Director

Amount in Rs.

Year (Rs.)

Dinesh Solanki

360000

360000

Prakash Solanki

360000

360000

## Note 20.4

### Consumption Percentage of Raw Materials, Stores and Spares :

	2011-12		2010-11	
	Rs.	%	Rs.	%
(i) Raw Materials				
Imported	NIL	NIL	NIL	NIL
Indigenous	28130612	100	31371318	100
(ii) Stores and Spares				
Imported	NIL	NIL	NIL	NIL
Indigenous	16494	100	46070	100

**Note 20.5**

CIF Value of Imports :	3/31/2012	3/31/2011
Capital Goods	NIL	NIL
Components, Spares and Others	NIL	NIL

**Note 20.6**

As the Company is engaged in only one segment viz. Jewellery of Gold and Diamond Studded, there are no reportable segments as per Accounting Standards (AS 17).

**Note 21****Earning per share (EPS)**

	For the year ended 31 March 2012	For the year ended 31 March 2011
	RUPEES	RUPEES
Net Profit after Tax as per Statement of Profit and Loss	1913847	2332472
Weighted Average number of Equity Shares used as denominator for calculaing EPS	2786400	2786400
Basic and Diluted Earning per share	0.69	0.84
Face Value per Equity Share	10	10

Previous year's figures have been reworked, regrouped and rearranged wherever necessary.

Signature to note "1" to "21"

As per our Report of even date

For **RAMPRASAD SHARMA & ASSOCIATES**  
Chartered Accountants  
Firm No.: 112430W

**PRAKASH SOLANKI**  
Chairman

**DHANANJAY SHARMA**  
Partner  
Membership No.: 039832  
Mumbai : 30th May, 2012

**DINESH SOLANKI**  
Managing Director

**SANGEETA JAIN**  
Director





**NOTE 22: SIGNIFICANT ACCOUNTING POLICIES**

**1. Basis of Preparation of Financial Statements :**

- a) The financial statements have been prepared under the historical cost convention in accordance with and comply with the accounting standards referred to in section 211(3C) of the Companies Act, 1956.
- b) The Company generally follows mercantile system of accounting and recognises significant items of Income and expenditure on accrual basis.
- c) Accounting Policies not specifically referred to are consistent with generally accepted accounting Practices.

**2. Fixed Assets and Depreciation :**

- a) Fixed Assets are stated at cost less accumulated depreciation. The cost is inclusive of all direct incidental expenses related to acquisition.
- b) Depreciation on Fixed Assets is provided on Straight Line Method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

**3. Investments :**

Long term investments and unquoted current investments are stated at cost. Temporary diminution in the value of long term investments is not recognised.

**4. Inventories :**

Inventories of Raw Materials are valued at cost. Finished Goods are valued at lower of cost or net realisable value. Stock in Process is valued at approximate cost.

**5. Sales :** Sales includes Labour charges.

**6. Retirement Benefits :** There is no employee eligible for retirement benefits.

**7. Income Tax :** Provision for tax is made for both current and deferred taxes. Current tax is provided on the taxable income using the applicable tax rates and tax laws. Deferred tax assets and liabilities arising on account of timing differences, which are capable of being reversed in subsequent periods are recognised using tax rates and tax laws, which have been enacted or substantially enacted.

**8. Impairment of Assets :** As at each balance sheet date, the carrying amount of assets is tested for impairment so as to determine :

- a) the provision for impairment loss ,if any, required; or
- b) the reversal, if any, required of impairment loss recognised in the previous periods.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined : (a) in the case of an individual asset, at the higher of the net selling price and the value in use ; (b) in case of a cash generating unit (a group of assets that generates identified, independent cash flows) at the higher of the cash generating unit's net selling price and the value in use.

9. The accounts of certain Sundry Debtors, Sundry Creditors, Advances and Lenders are subject to confirmation / reconciliations and adjustments, if any. The Management does not expect any material difference affecting the current year's financial statements.
10. Provision for Taxation for the current year has been made taking into consideration benefits admissible under the provision of the Income Tax Act, 1961.
11. Travelling Expenses includes Director Travelling Expenses Rs.82735/-(Previous Year Rs. 82511/-)
12. In the opinion of the Board, Current Assets, Loans and Advances (including Capital Advances) have a value on realisation in the ordinary course of business, at least equal to the amount at which they are stated. 13. Dues to small-scale industrial undertakings and dues to micro enterprises and small enterprises. As at March 31, 2012, the Company has no outstanding dues to micro enterprises and small enterprises / small-scale industrial undertaking. As at March 31, 2011, the Company had no outstanding dues to small-scale industrial undertaking.
14. Deferred tax liability (net) at the year end comprises timing differences on account of Depreciation Rs.37965/- for the current year and Rs33000/- for the previous year. As per our Report of even date attached

**For RAMPRASAD SHARMA & ASSOCIATES**  
Chartered Accountants  
Firm No.: 112430W

**PRAKASH SOLANKI**  
Chairman

**DHANANJAY SHARMA**  
Partner  
Membership No.: 039832  
Mumbai : 30th May, 2012

**DINESH SOLANKI**  
Managing Director

**SANGEETA JAIN**  
Director



## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### I. Registration Details

Registration No.: 82609 State Code: 11  
Balance Sheet Date : 31.03.2012

### II. Capital raised during the year (Amount in Rs.)

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

### III. Position of Mobilisation and Deployment of Funds (Amount in Rs.)

<b>Total Liabilities</b>	73087826	<b>Total Assets</b>	73087826
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#### Sources of Funds

Paid-up Capital	29932000	Reserves & Surplus	34573938
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Secured Loans	3027570	Unsecured Loans	
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#### Application of Funds

Net Fixed Assets	7075689	Investments	356250
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Net Current Assets	60101568	Miscellaneous Exp.	0
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Accumulated Losses Nil

### IV. Performance of Company (Amount in Rs.)

Turnover	32146870	Total Expenditure	29355292
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Profit before Tax	2791578	Profit after Tax	1913847
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Earning per Share in Rs.	0.69	Dividend %	Nil
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### V. Generic Names of Three Principal Products of Company

Item Code No. (ITC Code)	:	711319-02
Product Description	:	Jewellery of Gold set with Diamonds
Item Code No. (ITC Code)	:	711319-03
Product Description	:	Jewellery

For and on behalf of the Board

**PRAKASH SOLANKI**

Chairman

Mumbai : 30th May, 2012

**DINESH SOLANKI**

Managing Director

**SANGEETA JAIN**

Director

**CASH FLOW STATEMENT FOR THE PERIOD APRIL 2011 TO MARCH 2012**

	2011-2012	2010-2011
Rs.	Rs.	Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	2791578	3365472
Adjustments for		
Depreciation	553053	548602
Interest Expenses	181177	261285
Loss on sale of fixed assets	0	0
Interest/Dividend Income	- 6000	- 102429
	<b>728230</b>	<b>707458</b>
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>3519808</b>	<b>4072930</b>
Adjustments for		
Trade and Other Receivables	9233725	1121477
Inventories	- 13356363	- 5383605
Loans and Advances	- 1180953	506295
Other Current Liabilities	- 59235	
Trade Payables	1333011	- 3401801
	<b>- 4029815</b>	<b>354032</b>
<b>Cash Generated from Operations</b>	<b>- 510007</b>	<b>671129</b>
Interest Expenses	- 181177	- 261285
Income Tax / Refund (Net)	0	- 1033000
<b>NET CASH FROM OPERATIONS</b>	<b>- 691184</b>	<b>- 623156</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchases & Sale of Fixed Assets	- 44750	- 54228
Purchase of Investments	0	0
Interest / Dividend Income	6000	102429
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>- 38750</b>	<b>48201</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Term Loan	0	0
Proceeds from Short Term Borrowings	982360	152098
<b>NET CASH FROM FINANCING ACTIVITY</b>	<b>982360</b>	<b>152098</b>
<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>252426</b>	<b>- 422857</b>
<b>CASH AND CASH EQUIVALENTS OPENING BALANCE</b>	<b>337054</b>	<b>759910</b>
<b>CASH AND CASH EQUIVALENTS CLOSING BALANCE</b>	<b>589480</b>	<b>337054</b>

For and on behalf of the Board

**DINESH R. SOLANKI**  
Managing Director

Mumbai : 30th May, 2012



***Deep Diamond India Limited***

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**AUDITORS CERTIFICATE**

TO,

**THE BOARD OF DIRECTORS,  
Deep Diamond India Limited.**

Dear Sirs,

We have examined the attached Cash Flow Statement of Deep Diamond India Limited for the year ended 31st March, 2012. The statement has been prepared by the Company in accordance with the requirements of Listing Agreement Clause 32 with several Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of 30th May, 2012 to the Members of the Company.

For **RAMPRASAD SHARMA & ASSOCIATES**

Chartered Accountants

Firm No.: 112430W

**DHANANJAY SHARMA**

Partner

Membership No.: 039832

Mumbai : 30th May, 2012



## **Deep Diamond India Limited**

Registered Office: 202, Cosmos Court, S.V.Road, Vile Parle (W), Mumbai- 400056.

### **ATTENDANCE SLIP**

18th Annual General Meeting - 29th September 2012

Regd. Folio No. \_\_\_\_\_ No. of Shres held \_\_\_\_\_

Full Name of member / Proxy \_\_\_\_\_

I certify that I am a Registered Shareholder / Proxy for the Registered Sharehold of the Company.

I hereby record my presence at the EIGHTEENTH ANNUAL GENERAL MEETING of the Company held at The Silk Merchant's Association, Dahanukar Building, 1st Floor, 480, Kalbadevi Road, Mumbai - 400 002. at 11.00 a.m. on Saturday, the 29th September, 2012.

Member's / Proxy's Signature :

**Note :** A Shareholder / Proxy wishing to attend the meeting must bring the Attendance Slip to the meeting and hand it over at the entrance duly filled and signed.

----- TEAR HER -----



## **Deep Diamond India Limited**

Registered Office: 202, Cosmos Court, S.V.Road, Vile Parle (W), Mumbai- 400056.

### **PROXY FORM**

Regd. Folio No. \_\_\_\_\_ No. of Shares held \_\_\_\_\_

I/We \_\_\_\_\_

of \_\_\_\_\_ in the district of \_\_\_\_\_ being a Member of the above named Company, hereby appoint Shri./Smt.

\_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_

as my / our Proxy to attend and vote for me / us and on my / our behalf at the EIGHTEENTH ANNUAL GENERAL MEETING of the Company held at The Silk Merchant's Association, Dahanukar Building, 1st Floor, 480, Kalbadevi Road, Mumbai - 400 002. on Saturday, the 29 September, 2012 at 11.00 a.m. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012

Signature \_\_\_\_\_

Affix Rs. 1/-  
Revenue Stamp

**Note :** This form in order to be effective should be duly stamped, complete and signed and must be deposited at the Registered Office of the Company, not less than 48 Hours before the Meeting.

If undelivered please return to :



***Deep Diamond India Limited***

Office No. 202, Cosmos Court Premises  
Co-operative Society Ltd., S.V.Road,  
Vile Parle (W), Mumbai- 400056.