



**NOTICE**

**Notice** is hereby given that the Nineteenth Annual General Meeting of the members of **Deep Diamond India Limited** will be held on Monday, September 30, 2013 at 11.00 a. m. at The Silk Merchants' Association, Dahanukar Building, 1<sup>st</sup> 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, 2013 and the statement of 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 Smt. Sangeeta Jain who retires by rotation and is eligible for re-appointment.
3. To appoint Auditors and to fix their remuneration.

**SPECIAL BUSINESS:**

4. To consider and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act. 1956 and subject to the approval of the concerned authorities, if required, the consent of the Company be and is hereby accorded to Ms. Jayashree Solanki, relative of directors of the company to hold with effect from August 1, 2012 and continue to hold an office or place of profit in the Company on a monthly remuneration of 15,000/- including all perquisites and amenities with power to the Board to increase from time to time upto Rs. 50,000/-per month.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do such acts, matters, deeds and things in order to give effect to the above resolution."

**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 Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the business item no.4 is annexed hereto.
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4. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 25, 2013 to Monday, September 30, 2013 (both days inclusive).
5. Members are requested to bring their copies of the Annual Report at the time of attending the Annual General Meeting.
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.
7. Members are requested to notify promptly any change in their addresses to the Company's Registrar and Share Transfer Agents, Universal Capital Securities Pvt. Ltd., 21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai – 400093, Share Transfer Agents of the Company quoting their Folio No.

**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: August 10, 2013



**ANNEXURE TO NOTICE**

Explanatory Statement as required by Section 173 of the Companies Act, 1956

Item No. 4

Ms. Jayashree Solanki has been looking after the marketing activities of the Company and she has been paid a monthly remuneration of Rs. 15,000/- with effect from August 1, 2012.

As per the provisions of Section 314 of the Companies Act, 1956 consent of the members of the company is required for the payment of aforesaid remuneration to relative of directors of the company by way of special resolution.

Accordingly, special resolution at item no. 4 of the accompanying notice are proposed for the approval of the members of the company.

Shri Prakash Solanki, Chairman and Executive Director is interested or concerned in the said resolution being relative of Ms. Jayashree Solanki

The directors commend the resolutions in proposed item No. 4 for approval of the members.

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By Order of the Board  
for DEEP DIAMOND INDIA LIMITED

Prakash R. Solanki  
Executive Director

Dated: August 10, 2013

**DIRECTORS' REPORT**

To,  
The Members

The Directors have pleasure in presenting the Nineteenth Annual Report together with the Statement of Accounts for the year ended March 31, 2013 :

**FINANCIAL RESULTS:**

	2012-13 (Rs.)	2011-12 (Rs.)
Sales & Other income	29638547	32222619
Profit before Interest and Depreciation	3890723	3525808
Less : Interest	423337	181177
Profit before Depreciation	3467386	3344631
Less : Depreciation	507220	553053
Profit before Taxation	2960166	2791578
Less : Provision for Taxation : Current	(930000)	(866000)
Deferred	(7431)	(11731)
Profit after Tax	2022735	1913847
Add : Balance profit brought forward from previous year	34573938	32660091
Profit/(loss) carried to Balance sheet	36596673	34573938

**OPERATIONS:**

During the year the company achieved sale of Rs. 2,96,08,534 /- After offsetting the expenses the company earned a net profit of Rs. 20,22,735/-.

**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.

<b>(C)</b> 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, Ahemdabad, Delhi, Calcutta And Bangalore Stock Exchanges. The company has paid the Annual Listing Fees to the Stock Exchanges for the year 2013-2014.

**DIRECTORS:**

Smt. Sangeeta Jain would retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

Brief resume of the above Director, nature of her 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:**

Pursuant to section 217(2AA) of the Companies Act, 1956 your Directors confirm the following:

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, 2013 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 : May 30, 2013



## **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.

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

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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. 2,96,08,534/- as compared to Rs. 3,21,46,870/- of the previous year. Accordingly, the Company's net profit during the year is Rs. 20,22,735/- against Rs. 19,13,847/-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.

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**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

**Prakash R. Solanki**

Dated: 30<sup>th</sup> May, 2013

*Chairman*

Company No: L51343MH1994PLC082609

Nominal Capital Rs. 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, 2013. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company 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 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 6 (Six) times on 30.05.2012, 11.08.2012, 14.11.2012, 03.01.2013, 14.02.2013 and 28.02.2013 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 21st September 2012 to 29th September 2012 and necessary compliance of Section 154 of the Act, has been made.
6. The annual general meeting for the financial year ended on 31st March, 2012 was held on 29.09.2012 after giving 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. The Company has obtained necessary approvals from the Board of Directors pursuant to section 314 of the Act wherever applicable. We are informed that the approval of the shareholders for the same is being obtained at the ensuing Annual General Meeting of the Company.
  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.
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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.
  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 31st March, 2013 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
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- 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. We are informed that 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.

For **Shalini Hegde & Associates**

Place : Mumbai

Signature :

Date : 30.05.2013

Name of Company Secretary : Shalini Bhat

C. P. No. : 6994

**DEEP DIAMOND INDIA LIMITED**

**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

For **Shalini Hegde & Associates**

Place : Mumbai  
Date : 30.05.2013

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, 2013.

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 31.03.2012	383A	Financial Year 2011-2012	09.10.2012	Yes	N.A.
2.	Form 20B along with Annual Return made upto 29.09.2012	159	Adopted at the Annual General Meeting held on 29.09.2012	08.12.2012	No	Yes
3.	Form 23AC XBRL & 23ACA XBRL along with the Annual Report as on 31.03.2012	220	Adopted at the Annual General Meeting held on 29.09.2012	07.01.2013	Yes	N.A.
4.	Form 61	Postal Ballot Rules	Filing of Calendar Events	26.02.2013	Yes	N.A.
5.	Form 23	192/293(1)(a)	Resolution passed through Postal Ballot to sell/lease/rent of the Registered Office and factory of the Company	30.03.2013	Yes	N.A.

Place : Mumbai

Date : 30.05.2013

For Shalini Hegde & Associates  
Signature :

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 AGM	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 Director & Chairman	6	6	Yes	NIL	NIL	NIL
Shri Dinesh R. Solanki	Managing Director	6	6	Yes	1	NIL	NIL
Shri Manoj V. Jain	*I& N.E.D.	6	6	Yes	NIL	NIL	NIL
Shri Rajan Agarwal	*I& N.E.D.	6	6	Yes	1	NIL	NIL
Smt. Sangeeta R. Jain	*I& N.E.D.	6	6	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.



**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**

Six Board Meetings were held during the year 2012-2013. The dates on which the said meetings were held are as follows :

30.05.2012, 11.08.2012, 14.11.2012, 03.01.2013, 14.02.2013 and 28.02.2013.

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	Smt. Sageeta Jain
Age	44 Year
Qualification	Graduate
Nature of Expertise	Assorting
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.

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### 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 2012-2013. The dates on which the meetings were held are as follows:

30.05.2012, 11.08.2012, 14.11.2012 and 14.02.2013.

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 18<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September, 2012.

### 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, 2013 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 2012-2013

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

During the financial year ended 31st March, 2013, no complaints were received from the shareholders/investors. Five requests for transfer was received for approval during the year 2012-13. The Shareholders' / Investors' Grievance Committee has delegated the powers of approving transfer / transmission of shares / Issue of Duplicate Share Certificates to a Share Transfer Committee, which met on frequent basis during the year 2012-2013. (also see para 11. ix)

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## 8. GENERAL BODY MEETINGS

Location and time of last three Annual General Meetings:

Year	Venue	Day, Date	Time
2009-2010	The Silk Merchants' Association Dahanukar Building, 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.
2011-2012	The Silk Merchants' Association Dahanukar Building, 1st Floor, 480, Kalbadevi Road Mumbai – 400002	Saturday 29.09.2012	11.00 a.m.

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

### Postal Ballot

During the Financial Year, the Company has passed two resolutions as an Ordinary Resolutions through Postal Ballot in accordance with the procedure prescribed in Section 192A of the Companies Act, 1956 (the Act”) read with the Companies (Passing of Resolution by Postal Ballot ) Rules, 2011. The details of the same are as follows:

Date of Notice	Brief details of the Resolutions passed	Type of Resolution	Result
January 03, 2013	Resolution to sell/lease/rent of the Office factory located at Jagruti Shopping Centre, Opp. Somnath Bus Stop, Vapi Daman Road, Dabhel, Daman (U.T.) -396210.	Ordinary Resolution pursuant to section 293(1)(a) of the Companies Act,1956	The votes cast in favour of the Resolution were 100%. The Resolution was accordingly passed by requisite majority.
January 03, 2013	Resolution to sell/lease/rent of the Registered Office located at 202, Cosmos Court Premises Cooperative Society Ltd, S.V. Road, Ville Parle (W), Mumbai-400056	Ordinary Resolution pursuant to section 293(1)(a) of the Companies Act,1956	The votes cast in favour of the Resolution were 100%. The Resolution was accordingly passed by requisite majority.



Mr. Vijay Kumar Mishra, Practising Company Secretary at Mumbai as the Scrutinizer conducted the Postal Ballot processes in a fair and transparent manner.

None of the resolutions proposed for the ensuing Annual General Meeting is needed to be passed by postal ballot.

## 9. DISCLOSURES

### (A). Related Party Transactions

The particular 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.

### ©. 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 Practising 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

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(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. 19th Annual General Meeting : Monday, 30th September, 2013 at 11 a. m.

Date, Time and Venue : The Silk Merchants' Association

DahanukarbBuilding, 1st Floor, 480, Kalbadevi Road, Mumbai – 400002.

ii. Financial Calendar : April to March First quarter results – Second week of August  
Second quarter results – First week of November  
Third quarter results – First week of February  
Annual Results for the year – last week of May

iii. Date of Book Closure : Wednesday September 25, 2013  
to Monday, September 30, 2013  
(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 sensex maintained at Regional Stock Exchange, Pune,  
Hence Stock price data is not available.

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 fifteen 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 31st March, 2013:

Particulars	No. Of shares held	Percentage to total share capital
Promoters	1749500	62.79
Corporate Bodies	208700	7.49
NRI/OCB/FII	124000	4.45
General Public	704200	25.27
Total	2786400	100.00

**xi. Dematerialization of shares and Liquidity :**

As on 31st March 2013, 37.01% 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 66 620  
e-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, 2013 to approve the audited annual accounts for the year ended 31st March 2013.

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**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 31st March, 2013.

For and on behalf of the Board

Dinesh R. Solanki  
Managing Director

Dated: 30th May, 2013



**CERTIFICATE**

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, 2013, 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  
DHANANJAY SHARMA  
Partner

Place: Mumbai  
Dated: 30th May, 2013

## **AUDITOR'S REPORT**

### **To the Members of Deep Diamond India Limited**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of Deep Diamond India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31,



2013;

(b) in the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company

**FOR RAMPRASAD SHARMA & ASSOCIATES**

*Chartered Accountants*

**DHANANJAY SHARMA**

*Partner*

Place: Mumbai

Dated:

30<sup>th</sup> May, 2013

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**ANNEXURE TO THE AUDITOR'S REPORT**

(Referred to in paragraph 1 of our report of even date on the accounts of the Deep Diamond (India) Limited for the year ended 31<sup>st</sup> March, 2013.

- 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 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, 2013 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, 2013. 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

**DHANANJAY SHARMA**

*Partner*

*Dated : 30<sup>th</sup> May, 2013*

**BALANCE SHEET AS AT 31ST MARCH 2013**

(in Rupees)

Particulars		Note No.	As at 31st March, 2013	As at 31st March, 2012
1		2	3	4
I.	<b>EQUITY AND LIABILITIES</b>			
1	Shareholders' funds			
	(a) Share capital	1	29932000	29932000
	(b) Reserves and surplus	2	36596673	34573938
	Share application money pending allotment		NIL	NIL
2	Non-current liabilities			
3	(a) Deferred tax liabilities (Net)	3	365986	358555
	(b) Long-term provisions			
	Current liabilities			
4	(a) Short-term borrowings	4	2286452	3032485
	(b) Trade payables		7485	1340496
	(c) Other current liabilities	5	140854	146352
	(d) Short-term provisions	6	4634000	3704000
II	<b>TOTAL</b>		<b>73963450</b>	<b>73087826</b>
1	<b>ASSETS</b>			
2	Non-current assets			
	(a) Fixed assets			
	(I) Tangible assets	7	6644657	7075689
	(b) Non-current investments	8	356250	356250
	(c) Deferred tax assets (net)			
	(d) Long-term loans and advances	9	286750	276900
	(e) Other non-current assets			
	Current assets			
	(b) Inventories	10	53098096	52736423
	(c) Trade receivables	11	7881273	7996267
	(d) Cash and cash equivalents	12	657626	589480
	(e) Short-term loans and advances	13	5038798	4056817
	<b>TOTAL</b>		<b>73963450</b>	<b>73087826</b>
	Note 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, 2013

DINESH SOLANKI  
Managing DirectorSANGEETA JAIN  
Director

## Profit and loss statement for the year ended 31-03-2013

(in Rupees)

Profit And Loss Statement For The Year Ended 31st March		Refer. Note No.	2013	2012
I.	Revenue from operations	14	29608534	32146870
II.	Other income	15	30013	75749
III.	Total Revenue (I + II)		29638547	32222619
IV.	Expenses:			
	cost of Material Consumed	16	11427152	28130612
	Purchases of Stock-in-Trade		3153263	5889612
	Changes in inventories of finished goods work-in progress and Stock-in-Trade	17	5487543	-11093726
	Employee benefits expense	18	1070636	957087
	Finance costs	19	423337	181177
	Depriciation	7	507220	553053
	Other expenses	20	4609230	4813226
	Total expenses		26678381	29431041
V.	Profit/ (loss) before exceptional and extraordinary items and tax (III-IV)		2960166	2791578
VI.	Exceptional items		0	0
VII.	Profit before extraordinary items and tax (v-vi)		2960166	2791578
VIII.	Extraordinary Items		0	0
IX.	Profit before tax (VII-VIII)		2960166	2791578
X.	Tax expenses : Provision for Taxation			
	(1) Current tax		-930000	-866000
	(2) Deferred tax		-7431	-11731
XI.	Profit (Loss) for the period form continuing operations (VII-VIII)			
	Profit After Tax		2022735	1913847
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)		2022735	1913847
XVI.	Earnings per equity share:	21		
	(1) Basic		0.73	0.69
	(2) Diluted		0.73	0.69
Notes on Financial Statements and Significant accounting policies		1-22		

As per our Report of even date

For RAMPRASAD SHARMA &amp; ASSOCIATES

Chartered Accountants

Firm No.: 112430W

DHANANJAY SHARMA

Partner

Membership No.: 039832

Mumbai :30th May, 2013

PRAKASH SOLANKI

Chairman

DINESH SOLANKI

Managing Director

SANGEETA JAIN

Director



Note 1

<u>Share Capital</u>	As at 31 March 2013	As at 31 March 2012
	RUPEES	RUPEES
Authorised Capital 4000000 Equity Shares of Rs. 10/- each (Previous Year 4000000)	40000000	40000000
Issued, Subscribed & Paid-up Capital 2786400 Equity Shares of Rs. 10/- each fully paid-up (Previous Year 2786400) Less : Call-in Arrears 413600 Equity Shares Forfeited (Previous Year 413600)	27864000 0 2068000	27864000 0 2068000
<b>Total</b>	<b>29932000</b>	<b>29932000</b>

Reconciliation of number of shares outstanding	As at 31 March 2013	As at 31 March 2012
	Number	Number
Shares outstanding at the beginning of the year	2786400	2786400
Shares Issued during the year		
Shares bought back during the year		
Shares outstanding at the end of the year	2786400	2786400

Name of Shareholder (Holding more than 5%)	As at 31 March 2013		As at 31 March 2012	
	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

The rights, powers and preferences relating to each class of share capital and the qualifications, limitations and restrictions thereof are contained in the Memorandum and Articles of Association of the Company. The principle rights are as follows: Equity Shares of Rs.10/- each

The Company has only one class of share capital namely Equity Shares having a face value of Rs.10/- per share

a. In respect of every Equity Share (whether fully paid or partly paid), voting right shall be in the same proportion as the capital paid up on such Equity Share bears to the total paid up Equity capital of the Company

b. In the event of liquidation, the shareholders of Equity Shares are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

Note 2

Reserves & Surplus	As at 31 March 2013	As at 31 March 2012
	RUPEES	RUPEES
Surplus		
Opening balance	34573938	32660091
Profit and Loss Account	2022735	1913847
Closing Balance	36596673	34573938
<b>Total</b>	<b>36596673</b>	<b>34573938</b>

Note 3

Deferred Tax Liability (Net)	As at 31 March 2013	As at 31 March 2012
	RUPEES	RUPEES
Related to Fixed Assets	365986	358555
<b>Total</b>	<b>365986</b>	<b>358555</b>

Note 4	<u>Short Term Borrowings</u>	As at 31 March 2013	As at 31 March 2012
		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 )	2281537	3027570
		2281537	3027570
	(b) Other loans and advances Advance from customers	4915	4915
		4915	4915
	Total	2286452	3032485

Note 5	<u>Other Current Liabilities *</u>	As at 31 March 2013	As at 31 March 2012
		RUPEES	RUPEES
	Other payables Provision for expenses TDS Payable CST Payable	124481 2100 14273	131114 15238 0
	Total	140854	146352

Note 6	<u>Short Term Provisions</u>	As at 31 March 2013	As at 31 March 2012
		RUPEES	RUPEES
	(a) Provision for income tax	4634000	3704000
	Total	4634000	3704000

Note 8	Non Current Investments	As at 31 March 2013	As at 31 March 2012
		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
	Total	356250	356250
	Less : Provision for dimution in the value of Investments		
	Total	356250	356250
	Aggregate amount of quoted investments	75000	75000
	Market value of Quoted Investments	435000	492000
	Aggregate amount of unquoted investments	281250	281250



**Note : 7**

	Gross Block			Accumulated Depreciation			Net Block	
	Balance as at 31 March 2012	Additions/ (Disposals) 31 March 2013	Balance as at 31 March 2013	Balance as at 31 March 2012	Depreciation charge for the year	Balance as at 31 March 2013	Balance as at 31 March 2012	Balance as at 31 March 2013
	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES
Fixed Assets								
Tangible Assets								
Building	6864370		6864370	1616407	229270	1845677	5018693	5247963
Plant & Machinery	2713856	34988	2748844	1908316	129710	2038026	710818	805540
Dies	100000		100000	99999	0	99999	1	1
Electric Installation	124133		124133	90175	5896	96071	28062	33958
Air conditioner	277170	19000	296170	139668	13640	153308	142862	137502
Furniture & Fixtures	1540436	0	1540436	1262187	48291	1310478	229958	278249
Vehicles	449593		449593	275642	38949	314591	135002	173951
Computers	427290	0	427290	355475	17662	373137	54153	71815
Office Equipments	486211	22200	508411	159501	23801	183302	325109	326710
Total	12983059	76188	13059247	5907370	507220	6414589	6644657	7075689
Previous Year	12938309	44750	12983059	5354317	553053	5907370	7075689	7583992

Deep Diamond India Limited

Note 9

Long Term Loans and Advances	As at 31 March 2013		As at 31 March 2012	
	RUPEES	RUPEES	RUPEES	RUPEES
b. Security Deposits				
Rental Deposit	200000		200000	
Electricity and other deposits	86750	286750	76900	276900
		286750		276900

Note 10

Inventories (As Taken, Valued & Certified by the Mnagements)	As at 31 March 2013	As at 31 March 2012
	RUPEES	RUPEES
a. Raw Materials (At Cost )	14200639	8351423
b. Stock in Process ( At Cost )	22580738	21218273
c. Finished Goods ( At Lower of Cost or Net Realisable Value )	16316719	23166727
<b>Total</b>	<b>53098096</b>	<b>52736423</b>

Note 11

Trade Receivables Unsecured, considered good Over six months Others	As at 31 March 2013	As at 31 March 2012
	RUPEES	RUPEES
	3896580	5102396
	3984693	2893871
<b>Total</b>	<b>7881273</b>	<b>7996267</b>

Note 12

Cash and cash equivalents	As at 31 March 2013		As at 31 March 2012	
	RUPEES	RUPEES	RUPEES	RUPEES
a. Balances with banks* In Current Accounts				
ICICI Bank Ltd.(Book overdraft)	-321071		54113	
Rupee Co-op. Bank Ltd.	41167		41167	
Bank of Baroda	6358	-273546	6358	101638
b. Cash on hand (As per Books & Certified )		931172		487842
<b>TOTAL</b>		<b>657626</b>		<b>589480</b>

Note 13

Short-term loans and advances	As at 31 March 2013	As at 31 March 2012
	RUPEES	RUPEES
Others		
Secured, considered good		
Unsecured, considered good		
Advances recoverable in cash or in Kind or for value to be received	176760	194779
Advance Tax	4862038	3862038
<b>Total</b>	<b>5038798</b>	<b>4056817</b>



Note 14	Revenue from Operations	For the year ended 31 March 2013	For the year ended 31 March 2012
		RUPEES	RUPEES
	Sale of Gold and Diamond Studded jewellery	29608534	32146870
	Total	29608534	32146870
Note 15	Other Income	For the year ended 31 March 2013	For the year ended 31 March 2012
		RUPEES	RUPEES
	Dividend on shares	6000	6000
	Miscellaneous income	24013	69749
	Total	30013	75749
Note 16	Cost of Materials Consumed (Indigenous)	For the year ended 31 March 2013	For the year ended 31 March 2012
		RUPEES	RUPEES
	Gold	6663050	12723502
	Diamond	4752423	15383048
	Others	11679	24062
	Total	11427152	28130612
Note 17	changes in inventories of finish goods work in progress and stock in trade	For the year ended 31 March 2013	For the year ended 31 March 2012
		RUPEES	RUPEES
	<u>Closing Stock</u>		
	Finished Goods	16316719	23166727
	Stock in Process	22580738	21218273
		38897457	44385000
	<u>Less : Opening Stock</u>		
	finished goods	23166727	14448133
	Stock in Process	21218273	18843141
		44385000	33291274
	Total	5487543	-11093726
Note 18	Employee Benefits Expense	For the year ended 31 March 2013	For the year ended 31 March 2012
		RUPEES	RUPEES
	(a) Salaries and incentives	997000	874300
	(b) Staff welfare expenses	73636	82787
	Total	1070636	957087
Note 19	Finance Cost	For the year ended 31 March 2013	For the year ended 31 March 2012
		RUPEES	RUPEES
	Interest Paid on Cash Credit Loan	423337	181177
	Total	423337	181177

Note 20

OTHER EXPENSES	For the year ended 31 March 2013	For the year ended 31 March 2012
	RUPEES	RUPEES
Manufacturing Expenses		
Factory Rent	420000	390000
Labour Charges	1638544	2387064
Electricity Expenses	182718	167350
Fuel and Gas	7739	13979
Repairs & Maintenance	62970	23525
Stores and Spares (Indigenous)	67272	16494
	2379243	2998412
Establishment, Selling & Distribution Expenses		
Assaying and Hallmarking Charges	110846	138059
Auditor's Remuneration	22472	22472
Donation	100000	111000
Electricity Expenses	45500	44388
Insurance Charges	199948	210990
Labour Charges (Office)	604324	416361
Listing Charges	48460	50000
Office Maintenance	119519	100223
Packing Material	39638	21677
Professional Fees	114500	91500
Rate & Taxes	31105	12916
Repairs & Maintenance (Office)	211408	107003
Telephone & Telex Charges	88771	100542
Travelling Expenses	103338	82735
General expenses	390158	304948
	2229987	1814814
Total	4609230	4813226

Note 20.1

Payments to the auditor as	For the year ended 31 March 2013	For the year ended 31 March 2012
	RUPEES	RUPEES
a. auditor	18000	18000
a. Tax auditor	2000	2000
b. service tax	2472	2472
Total	22472	22472



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:

(I) Other Related Parties:

Jayshree Solanki - Daughter of director

(ii) 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:

	Amount in	Previous Rs. Year (Rs.)
Remuneration to Director		
Dinesh Solanki	360000	360000
Prakash Solanki	360000	360000
Previous		
Salary to Relative of director	Amount in Rs.	Year (Rs.)
Jayshree Solanki	120000	0

## Note 20.4

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

	2012-13		2011-12	
	Rs.	%	Rs.	%
(i) Raw Materials				
Imported	<b>NIL</b>	<b>NIL</b>	NIL	NIL
Indigenous	<b>11427152</b>	<b>100</b>	28130612	100
(ii) Stores and Spares				
Imported	<b>NIL</b>	<b>NIL</b>	NIL	NIL
Indigenous	<b>67272</b>	<b>0</b>	16494	100
Note 20.5 CIF Value of Imports :	31/03/2013	31/03/2012		
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 2013	For the year ended 31 March 2012
	RUPEES	RUPEES
Net Profit after Tax as per Statement of Profit and Loss	2022735	1913847
Weighted Average number of Equity Shares used as denominator for calculaing EPS	2786400	2786400
Basic and Diluted Earning per share	0.73	0.69
Face Value per Equity Share	10	10

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

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, 2013

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

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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. 103388 /- (Previous Year Rs. 82735/-)
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, 2013, the Company has no outstanding dues to micro enterprises and small enterprises / small-scale industrial undertaking.

As at March 31, 2012, 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.24050/- for the current year and Rs.37965/- for the previous year.

As per our Report of even date attached  
For RAMPRASAD SHARMA & ASSOCIATES  
Chartered Accountants

PRAKASH SOLANKI  
Chairman

DHANANJAY SHARMA  
Partner  
Firm No.: 112430W  
Membership No.: 039832  
Mumbai : 30th May, 2013

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 : 31.03.2013

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>	73963450	<b>Total Assets</b>	73963450
<b>Sources of Funds</b>			
Paid-up Capital	29932000	Reserves & Surplus	36596673
Secured Loans	2281537	Unsecured Loans	Nil
<b>Application of Funds</b>			
Net Fixed Assets	6644657	Investments	356250
Net Current Assets	61809302	Miscellaneous Exp.	0
Accumulated Losses	Nil		

IV. Performance of Company (Amount in Rs.)

Turnover	29608534	Total Expenditure	26648368
Profit before Tax	2960166	Profit after Tax	2022735
Earning per Share in Rs.	0.73	Dividend %	Nil

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, 2013

**DINESH SOLANKI**  
Managing Director

**SANGEETA JAIN**  
Director

**CASH FLOW STATEMENT FOR THE PERIOD APRIL 2012 TO MARCH 2013**

	Rs.	2012-2013 Rs.	Rs.	2011-2012 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before Tax		2960166		2791578
Adjustments for				
Depreciation	507220		553053	
Interest Expenses	423337		181177	
Loss on sale of fixed assets	0		0	
Interest/Dividend Income	-6000	924557	-6000	728230
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		<b>3884723</b>		<b>3519808</b>
Adjustments for				
Trade and Other Receivables	114994		9233725	
Inventories	-361673		-13356363	
Loans and Advances	-991831		-1180953	
Other Current Liabilities	-5498		-59235	
Trade Payables	-1333011	-2577019	1333011	-4029815
Cash Generated from Operations		1307704		-510007
Interest Expenses		-423337		-181177
Income Tax / Refund (Net)		0		0
<b>NET CASH FROM OPERATIONS</b>		<b>884367</b>		<b>-691184</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchases & Sale of Fixed Assets	-76188		-44750	
Purchase of Investments	0		0	
Interest / Dividend Income	6000		6000	
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>-70188</b>		<b>-38750</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Term Loan	0		0	
Proceeds from Short Term Borrowings	-746033		982360	
<b>NET CASH FROM FINANCING ACTIVITY</b>		<b>-746033</b>		<b>982360</b>
<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>		<b>68146</b>		<b>252426</b>
<b>CASH AND CASH EQUIVALENTS OPENING BALANCE</b>		<b>589480</b>		<b>337054</b>
<b>CASH AND CASH EQUIVALENTS CLOSING BALANCE</b>		<b>657626</b>		<b>589480</b>

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

As per our Report of even date

For RAMPRASAD SHARMA & ASSOCIATES  
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Firm No.: 112430W

PRAKASH SOLANKI  
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