



Deep Diamond India Limited

20th

**Annual Report
2013-2014**

BOARD OF DIRECTORS

Mr. Prakash Rikhabchand Solanki
Chairman, Executive Director cum CFO

Mr. Dinesh Rikhabchand Solanki
Managing Director

Mr. Rajan Deshraj Agarwal
Independent & Non-Executive

Mr. Manoj Valchand Jain
Independent & Non-Executive

Mrs. Sangeeta Jain
Independent & Non-Executive

AUDITORS

M/s. Ramprasad & Associates
Chartered Accountants
325, Madhu Mansion, 4th Floor,
Kalbadevi Road, Mumbai - 400 002.

BANKERS

ICICI BANK
RUPEE CO-OP BANK

REGISTERED OFFICE

Office No.202, Cosmos Court Premises,
Co-Operative Society Ltd, S.V. Road,
Vile Parle (West), Mumbai -400004, MH.

Factory

105, Syndicate Industrial Estate,
Near Golaninaka, Valiv Road,
Vasai (E), Thane - 401 208.

TRANSFER AGENT

Universal Capital Securities Private Limited
21, Shakil Niwas, Mahakali Caves Road,
Opp. Saibaba Temple, Andheri (East)
Mumbai- 400093 | Phone: 28207203

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE 20th ANNUAL GENERAL MEETING OF DEEP DIAMOND INDIA LIMITED WILL BE HELD AT THE SILK MERCHANTS ASSOCIATION, DAHANUKAR BUILDING, 1ST FLOOR, 480, KALBADEVI ROAD, MUMBAI- 400002 ON TUESDAY, 30TH SEPTEMBER, 2014 AT 12.30 P.M. TO TRANSACT THE FOLLOWING BUSINESS:

I - ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2014 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.

2. Appointment of Auditor:

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s. Ramprasad Sharma & Associates, Chartered Accountants (Firm Registration No. 112430W), be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Twenty Third AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out-of-pocket, traveling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.

II - SPECIAL BUSINESS:

3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Rajan Deshraj Agarwal (holding DIN 00753320), Director of the Company who retires by rotation at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member, under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term upto year 31st March 2019.”

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Manoj Valchand Jain (holding DIN 01500163), Director of the Company who retires by rotation at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member, under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term upto year 31st March 2019.

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mrs. Sangeeta Jain (holding DIN 01510470), Director of the Company who retires by rotation at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member, under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby Appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term upto year 31st March 2019.

REGISTERED OFFICE
Office No.202, Cosmos Court Premises,
Co-Operative Society Ltd, S.V. Road,
Vile Parle (West), Mumbai -400004, MH.

By Order of the Board of Directors,
For DEEP DIAMOND INDIA LIMITED

Dinesh Rikhabchand Solanki
Managing Director

Place: Mumbai
Date : August 8, 2014



Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY / PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith.

2. Members/Proxies should bring the Attendance Slip duly filled in for attending the Meeting and also their copy of the Annual Report.

3. The Register of Members and the Share Transfer Books of the Company will remain closed from **Thursday, September 25, 2014 to Tuesday, September 30, 2014 (both days inclusive)** for the purpose of the Annual General Meeting of the Company.

4. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the ensuing Annual General Meeting is annexed hereto and forms part of this Notice.

5. The Members are requested to:

(a) Intimate change in their registered address, if any, to the Company's Registrar and Share Transfer Agents, M/s. Universal Capital Securities Private Limited, 21, Shakil Niwas, Mahakali Caves Road, Opp. Saibaba Temple, Andheri (East) Mumbai- 400093 in respect of their holdings in physical form.

(b) Notify immediately any change in their registered address to their Depository Participants in respect of their holdings in electronic form.

(c) Non-Resident Indian Members are requested to inform M/s. Universal Capital Securities Private Limited immediately of the change in residential status on return to India for permanent settlement.

(d) Register their email address and changes therein from time to time with M/s. Universal Capital Securities Private Limited for shares held in physical form and with their respective Depository Participants for shares held in demat form.

6. Corporate Members intending to send their authorized representatives are requested to send duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the ensuing Annual General Meeting of the Company.

7. In accordance with the provisions of Section 72 of the Companies Act, 2013, members are entitled to make nominations in respect of the Equity Shares held by them, in physical

form. Members desirous of making nominations may procure the prescribed form from the Registrar & Share Transfer Agents, M/s. Universal Capital Securities Private Limited and have it duly filled and sent back to them.

8. Re-appointment of Directors:

Section 152 of the Companies Act, 2013, provides inter alia that unless the articles provide for the retirement of all directors at every annual general meeting, not less than two-thirds of the total number of directors of a public company, or a private company which is a subsidiary of a public company, shall (a) be persons whose period of office is liable to determination by retirement of directors by rotation; and (b) save as otherwise expressly provided in the Act, be appointed by the Company in the general meeting.

9. MCA, Government of India, through its Circulars Nos. 17/2011 dated 21st April, 2011 and 18/2011 dated 29th April, 2011, respectively, has allowed companies to send documents viz. Notices of meetings, Annual Reports and other shareholder communication to their shareholders electronically as part of its Green Initiatives in corporate governance By Order of the Board of Directors, The Company supports the measures in the Green Initiative. Members are also requested to join the Company in this initiative by registering their Email ID with the Company or its RTA. A 'Green Initiative' Form can be downloaded from the Company's website viz. [www. deepdiamondltd.com](http://www.deepdiamondltd.com) to register the email id.

10. Electronic copy of the Annual Report for 2013-14 is being sent to all Members whose email Ids are registered with the Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2013-14 is being sent in the permitted mode.

11. Voting through electronic means

I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its members the facility to exercise their right to vote at the 20th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL):

The instructions for e-voting are as under:

A. In case of members receiving e-mail:

(i) Log on to the e-voting website www.evotingindia.com

(ii) Click on "Shareholders" tab.

(iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"



- (iv) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

For Members holding shares in Demat Form and Physical Form	
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none">Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none">Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.



B. In case of members receiving the physical copy:

- (A) Please follow all steps from sr. no. (i) to sr. no. (xvii) above to cast vote.
- (B) The voting period begins on 25/09/2014 Start Time: 9.00 am and ends on 27/09/2014 End Time: 6.00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) August 22/2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- II. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com
- III. If you are already registered with CDSL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The e-voting period commences on September 25, 2014 (9:00 am) and ends on September 27, 2014 (6:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 22 2014, may cast their vote electronically in the manner and process set out herein above. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- VI. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of August 22 2014.
- VII. Mr. Vijay Kumar Mishra, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VIII. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company
12. In case of those Members, who do not have access to e-voting facility, they can use the assent/dissent form sent herewith or can be downloaded from our website www.anuvinind.com and convey their assent/dissent to each one of the items of business to be transacted at the ensuing AGM and send the form to reach Mr. Vijay Kumar Mishra, Scrutinizer appointed by the Company at the registered office of the Company on or before September 27, 2014 (6.00 pm).

13. Members can choose only one of the two options, namely e-voting or voting through physical assent/ dissent form. In case the votes are casted through both the formats, then votes casted through e-voting shall stand cancelled and those votes casted through physical assent/dissent form would be considered, subject to the assent/dissent form being found to be valid.
14. The Results of e-voting, physical assent / dissent and poll, if any, shall be aggregated and declared on or after the AGM of the Company by the Chairman or by any other person duly authorised in this regard. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website **www. deepdiamondltd.com** and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.
15. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company between 11.00 am and 1 pm on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company

Dinesh Rikhabchand Solanki

Managing Director

Place: Mumbai

Date : 30.08.2014



Annexure to the Notice pursuant to section 102 of the Companies Act 2013

Item No. 3

Mr. Rajan Deshraj Agarwal is an Independent Director of the Company pursuant to Clause 49 of the Listing Agreement. He joined the Board of Directors of your Company in August, 2010.

He holds a degree of Bachelor in Commerce from Mumbai University and Fellow Member of Institute of Chartered Accountant. Mr. Rajan Agarwal is a Director on the Board of various Companies viz, Advantage india Advisors Pvt. Ltd. And has proprietorship firm named Rajan D. Agarwal & Co. and partner in C.P.M & Associates.

Mr. Rajan Deshraj Agarwal retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Rajan Deshraj Agarwal being eligible and offering himself for appointment, is proposed to be reappointed as an Independent Director for five consecutive years for a term upto 31st March, 2019.

Reference is also invited in this connection to new Clause 49 effective from October 1, 2014 of the Listing Agreement, Clause 49 provides inter alia that an independent director shall hold office for a term up to five consecutive years on the Board of a company and shall be eligible for reappointment for another term of up to five consecutive years on passing of a special resolution by the company.

Provided that a person who has already served as an independent director for five years or more in a company as on October 1, 2014 shall be eligible for appointment, on completion of his present term, for one more term of up to five years only.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Rajan Deshraj Agarwal as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Rajan Deshraj Agarwal as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Rajan Deshraj Agarwal, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange

Item No. 4

Mr. Manoj Valchand Jain is an Independent Director of the Company pursuant to Clause 49 of the Listing Agreement. He joined the Board of Directors of your Company in March, 2003.

He holds a degree of Bachelor in Commerce from Mumbai University and Fellow Member of Institute of Chartered Accountant.

Mr. Manoj Valchand Jain retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Manoj Valchand Jain being eligible and offering himself for appointment, is proposed to be reappointed as an Independent Director for five consecutive years for a term upto 31st March, 2019.

Reference is also invited in this connection to new Clause 49 effective from October 1, 2014 of the Listing Agreement, Clause 49 provides inter alia that an independent director shall hold office for a term up to five consecutive years on the Board of a company and shall be eligible for reappointment for another term of up to five consecutive years on passing of a special resolution by the company.

Provided that a person who has already served as an independent director for five years or more in a company as on October 1, 2014 shall be eligible for appointment, on completion of his present term, for one more term of up to five years only.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Manoj Valchand Jain as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Manoj Valchand Jain as an Independent Director, for the approval by the shareholders of the Company. Except Mr. Manoj Valchand Jain, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange

Item No. 5

Mrs. Sangeeta Jain is an Independent Director of the Company pursuant to Clause 49 of the Listing Agreement. She joined the Board of Directors of your Company in March, 2003. She is the Independent Director of your company.

She holds a degree of Bachelor in Commerce. She has more than 11 years of experience in the field of Diamond Grading and Jewellery business. Being an early starter she has worked on almost all levels of the organization which helps her understand and handle major functions of our company. Under her dynamic leadership and vast experience, we are able to deliver constant value to our customers time and again.

Mrs. Sangeeta Jain retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mrs. Sangeeta Jain being eligible and offering herself for appointment, is proposed to be reappointed as an Independent Director for five consecutive years for a term upto 31st March, 2019.

Reference is also invited in this connection to new Clause 49 effective from October 1, 2014 of the Listing Agreement, Clause 49 provides inter alia that an independent director shall hold office for a term up to five consecutive years on the Board of a company and shall be eligible for reappointment for another term of up to five consecutive years on passing of a



special resolution by the company.

Provided that a person who has already served as an independent director for five years or more in a company as on October 1, 2014 shall be eligible for appointment, on completion of his present term, for one more term of up to five years only. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mrs. Sangeeta Jain as an Independent Director.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mrs. Sangeeta Jain as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mrs. Sangeeta Jain as an Independent Director, for the approval by the shareholders of the Company. Except Mrs. Sangeeta Jain, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange

REGISTERED OFFICE

Office No.202, Cosmos Court Premises,
Co-Operative Society Ltd, S.V. Road,
Vile Parle (West), Mumbai -400004, MH.

By Order of the Board of Directors,
For DEEP DIAMOND INDIA LIMITED

Dinesh Rikhabchand Solanki
Managing Director

Place: Mumbai

Date : August 8, 2014

DIRECTORS' REPORT

Your Directors present their 20th Annual Report together with the Audited Statement of Accounts for the year ended 31st March 2014.

FINANCIAL HIGHLIGHTS

(in RS)

Particulars	Year ended	Year ended
	31.03.2014	31.03.2013
Income for the year	2,88,71,943	2,96,38,547
Profit before Interest, Depreciation and Tax	48,17,720	38,90,723
Less : Interest	34,257	4,23,337
Profit before Depreciation	47,83,463	34,67,386
Depreciation	3,26,387	5,07,220
Profit after Depreciation	44,57,076	29,60,166
Provisions for Taxation/ Deferred Tax	9,90,588	9,37,431
Net Profit After Taxes	34,66,488	20,22,735
Earlier Years Balance Brought forward	3,65,96,673	3,45,73,938
Profit/Loss Carried forward to Balance Sheet	4,00,63,161	3,65,96,673

OPERATIONS

During the year under review, our Company recorded a total income of Rs. 28871943 as against Rs. 29638547 in previous year and Net profit of Rs. 3466488/- as against Rs. 2022735/- in previous year. Further information kindly refers to Management Discussion and Analysis forming part of this Annual report.

DIVIDEND

The Board, for the year ended 31st March, 2014 in view of profit is to be re invested in business hence regret there in ability to declare any dividend for the year.

DIRECTORS

As per Section 149(4) of Companies Act, 2013 every listed company shall have atleast one third of the total number of directors as independent directors. They shall hold office for a term upto five consecutive years on the Board of the Company as per section 149(10).

As per Section 152 (6) (e) total number of directors shall not include independent directors. Mr. Rajan Deshraj Agarwal, Mr. Manoj Valchand Jain and Mrs. Sangeeta Jain have offered for election as Independent Director.

And other 2 directors are Executive director.



CORPORATE GOVERNANCE REPORT

Pursuant to Clause 49 of the Listing Agreement, the Management Discussion & Analysis Report and Corporate Governance Report together with Certificate from M/s. VKM & Associates, Practising Company Secretary, Mumbai, on compliance with the conditions of Corporate Governance as laid down, forms part of this report.

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 217(2A)

Pursuant to the provisions of section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, a statement relating to the particulars of employees forming part of this report has not been given as the company has not employed any person drawing remuneration exceeding the limits specified.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

Information regarding conservation of energy and technology absorption as per the provision of Section 217 (1) (e) of the Companies Act, 1956 read the Companies (Disclosure of particulars in the report of Board of Director) Rules, 1988, are not applicable since the project is in the implementation stage. During the year under review there was no Foreign Exchange Earning and Outgo.

DIRECTORS' RESPONSIBILITY STATEMENT

The Audited Accounts for the year under review are in conformity with the requirements of the Act and the Accounting Standards. The financial statements reflect fairly the form and substances of transactions carried out during the year under review and reasonably present your Company's financial condition and results of operations. Pursuant to the requirement of Section 134 of the Companies Act, 2013 and based on the representations received from the operating management, the Directors hereby confirm that:

1. in the preparation of the annual accounts for the financial year ended 31st March, 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs as at 31st March, 2014 and of the profit of the Company for the year under review;
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

4. The Directors have prepared the accounts for the financial year ended 31st March, 2014 on 'going concern' basis.

FIXED DEPOSITS AND LOANS/ ADVANCES

During the year under review the Company has not accepted any fixed deposits within the meaning of Section 73 of the Companies Act, 2013 and as such, no amount of principal or interest was outstanding as on the date of balance sheet from public.

AUDITORS & AUDITORS REPORT

Members are requested to appoint Auditors for the current year and to authorize the Board of Directors to fix their remuneration. At previous meeting, M/s. Ramprasad Sharma & Associates, Chartered Accountant, was appointed as Statutory Auditors of your Company from the conclusion of the previous Annual General Meeting. The said Statutory Auditors retire at the ensuing Annual General Meeting and being eligible under section 139 of the Companies Act, 2013, offer themselves for re-appointment. Report of the auditors read with the notes on accounts is self-explanatory and need no elaboration.

COMPOSITION OF AUDIT COMMITTEE

The Audit Committee of the Company as on 31st March, 2014 comprised the following 3 Directors of the Company:

1. Shri Manoj Valchand Jain,
2. Shri. Rajan Deshraj Agarwal, and
3. Smt. Sangeeta Jain

DISQUALIFICATION OF DIRECTORS

No Director of the Company is disqualified under any law to act as a Director.

ACKNOWLEDGEMENTS

Your Directors express their sincere appreciation of the co-operation received from shareholders, bankers and other business constituents during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff resulting in the performance of the Company during the year.

FOR AND BEHALF OF THE BOARD
FOR DEEP DIAMOND INDIA LIMITED

Place: Mumbai
Date: 29.05.2014

PRAKASH SOLANKI
DIRECTOR

DINESH SOLANKI
MANAGING DIRECTOR



CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement with the Bombay Stock Exchange Ltd..)

Company's Philosophy on the Code of Governance

The objective of your Company is not only to meet the statutory requirements of the code but to go well beyond it by instituting such systems and procedures as are in accordance with the latest global trend of making management completely transparent and institutionally sound.

Your Company has always believed in the concept of good Corporate Governance involving transparency, empowerment, accountability and integrity with a view to enhance stake holder value. The Company has professionals on its Board of Directors who are actively involved in the deliberations of the Board on all important policy matters.

Board of Directors

The Board of Directors along with its Committees provides leadership and guidance to the Company's management and direct, supervises and controls the performance of the Company.

The Board mix provides a combination of specialization, professionalism and experience in any manufacturing industry, thereby enhancing the value of stakeholders.

Composition of the Board

The Company has a combination of Executive and Non-Executive Directors. The Company has one Executive Chairman. The number of Independent Directors is 3.

None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees (as per Clause 49(I) (C) (ii)) across all the companies in which he is a Director. All the Directors have made the requisite disclosures regarding Committee positions occupied by them in other companies.

The Company's Board at present has 5 Directors comprising one Managing Director, one Executive Director cum chairman, one Executive Director, and three Non-Executive Directors. None of the directors are disqualified under section 164 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014.

Board Meetings held during the year

Five Board Meetings were held during the twelve months period ended 31st March 2014. Those were held on **30th April, 2013, 30th May, 2013, 14th August, 2013, 12th November, 2013 and 14th February, 2014**. The maximum gap between two Board Meetings was less than four months. The current composition of the Board of Directors as on date and attendance of the Directors at the Board Meetings as well as their directorship/membership in committees of public companies as on 31st March, 2014, is as follows:

Board Meetings held during the year

Five Board Meetings were held during the twelve months period ended 31st March 2014. Those were held on 30th April, 2013, 30th May, 2013, 14th August, 2013, 12th November, 2013 and 14th February, 2014. The maximum gap between two Board Meetings was less than four months. The current composition of the Board of Directors as on date and attendance of the Directors at the Board Meetings as well as their directorship/membership in committees of public companies as on 31st March, 2014, is as follows:

(Other directorships do not include alternate directorships, directorships of private limited companies, unlimited companies, Section 25 companies and of companies incorporated outside India. Chairmanships/Memberships of Board Committees include only Audit and Shareholders/Investors Grievance Committees of other public companies.)

Name of the Director	Category	Whether attended the last AGM held on 30.09.13	Number of Board Meeting during the year 2013 - 2014		Directorship in other Companies including private companies in India	Number of Committee positions held in other public companies	
			Held	Attend ed		Chairman	Mem ber
Mr. Dinesh Solanki (Managing Director)	Promoter, Non-independent	Yes	5	5	1	----	----
Mr. Prakash Solanki (CFO)	Promoter and Executive Director	Yes	5	5	----	----	----
Mr. Rajan Deshraj Agarwal	Independent & Non-Executive	Yes	5	5	1	----	----
Mr. Manoj Valchand Jain	Independent & Non	Yes	5	5	----	----	----
Mrs. Sangeeta Jain	Independent & Non Executive	Yes	5	5	----	----	----

Committees of the Board

A. Audit Committee

The Audit Committee of the Company as on date comprises of three members, i.e. Shri Manoj Valchand Jain, Shri. Rajan Agarwal, and Smt. Sangeeta Jain The constitution of the Committee is in line with Clause 49 of the Listing Agreement with the Stock Exchanges.

The Chairman of the Committee is Shri Manoj Valchand Jain, who is an Independent Director. The terms of reference of the Audit Committee includes the matters specified in Clause 49(II) of the Listing Agreement entered with the Stock Exchanges. The Committee acts as a link between the Statutory Auditors and the Board of Directors of the Company.



Four meetings of the Audit Committee were held during the financial year ended 31st March, 2014. The meeting of the Audit Committee was held on 30th May, 2013, 14th August, 2013, 12th November, 2013, 14th February, 2014 and the same were attended by all members of the Committee.

B. Nomination & Remuneration Committee

The composition of the Remuneration Committee as on date of report was as under:

Sr. No	Name of the Director	Designation	No. Of Meetings attended during 2013 -2014	Remarks
1	Mr. Rajan Agarwal	Chairman	1	
2	Mr. Manoj Valchand Jain	Member	1	
3	Mrs. Sangeeta Jain	Member	1	

All the above Directors are Non-Executive and the Chairman is an Independent Director.

Terms of Reference:

The term of reference of the Committee include recommending to the Board of Directors specific remuneration packages for Executive Directors and management staff.

Remuneration Policy:

1. Non Executive Directors

None of the Non-Executive Directors (NEDs) are paid any remuneration whether by way of Commission or Sitting Fees.

2. Executive Directors

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) to the Managing Director. Salary is paid within the range approved by the shareholders. The ceiling on perquisites and allowances as a percentage of salary is fixed by the Board, within the prescribed ceiling; the perquisite package is fixed by the Remuneration Committee.

Remuneration to Directors:

Remuneration of Rs. 3.6 Lacs paid to Mr. Dinesh Solanki, Managing Director and Rs. 6Lacs to Mr. Prakash Solanki during the year under review.

Employees retirement benefits:

As required by the mandatory accounting standard - 15 regarding "Accounting for Retirement Benefits in the Financial Statements of Employer". The Company has not provided any liability at present

C. Stakeholders' Grievance Committee:

The Shareholders & Investors Grievance Committee as on date comprises of three members, i.e. Shri Rajan Agarwal, Shri. Manoj Valchand Jain and Smt Sangeeta Jain. The Chairman of the Committee is Shri. Manoj Valchand Jain.

The renamed Committee complies with the requirement of Companies Act, 2013 and also handles investor grievance as envisaged under Clause 49 of the Listing Agreement.

Since no Complaint was received, meeting of the Committee was not held during the year 2013-2014.

The Company has paid the listing fees to all the Stock Exchanges till 31st March 2014.

During the financial year under review, the Company has not received any complaint. No investor complaint was pending as at the end of the financial year.

Details of General Body Meeting:

a) Location, date and time of General Meetings held during the last 3 years:

Year	Location	Date	Day	Time	No. of Special Resolutions
2011	The Silk Merchants' Association, Dahanukar Building, 1 st Floor, 480, Kalbadevi Road, Mumbai- 400002	30.09.2011	Friday	11.00 A.M.	NA
2012	The Silk Merchants' Association, Dahanukar Building, 1 st Floor, 480, Kalbadevi Road, Mumbai- 400002	29.09.2012	Saturday	11.00 A.M.	NA
2013	The Silk Merchants' Association, Dahanukar Building, 1 st Floor, 480, Kalbadevi Road, Mumbai- 400002	30.09.2013	Monday	11.00 A.M.	NA



Disclosures

a) During the financial year 2013-2014 there were no transactions of material nature with the directors or the management or relatives that had potential conflict with the interest of the Company.

b) Materially significant related party transaction that may have potential conflict with the interest of the Company

During 2013-14, there were no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors, or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of Company at large. Attention of Members is drawn to the disclosures of transactions with related parties set out in note number 40 of Notes to Accounts.

c) Whistle Blower Policy

With a view to establish a mechanism for protecting employees reporting unethical behaviour, frauds or violation of Company's Code of Conduct, the Board of Directors has adopted a Whistle Blower Policy (a non-mandatory requirement as per clause 49 of the Listing Agreement). No person has been denied access to the Audit Committee.

d) Policy to prevent sexual harassment at the workplace

The Company is committed to creating and maintaining an atmosphere in which employees can work together, without fear of sexual harassment, exploitation or intimidation. Every employee is made aware that the Company is strongly opposed to sexual harassment and that such behavior is prohibited both by law and by the DEEP DIAMOND Group. To redress complaints of sexual harassment, a Complaint Committee for the Group has been formed, which is headed by Mrs. Sangeeta Jain.

e) Details of Compliance with Mandatory Requirements

Particulars	Clause of Listing Agreement	Compliance Status Yes / No
I. Board of Directors	49 I	
(A) Composition of Board	49 (IA)	Yes
(B) Non-Executive Directors' compensation & disclosures	49 (IB)	Yes
(C) Other provisions as to Board and Committees	49 (IC)	Yes
(D) Code of Conduct	49 (ID)	Yes
II. Audit Committee	49 (II)	
(A) Qualified & Independent Audit Committee	49 (IIA)	Yes

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(B) Meeting of Audit Committee	49 (IIB)	Yes
(C) Powers of Audit Committee	49 (IIC)	Yes
(D) Role of Audit Committee	49 II(D)	Yes
(E) Review of Information by Audit Committee	49 (IIE)	Yes
III. Subsidiary Companies	49 (III)	No
IV. Disclosures	49 (IV)	
(A) Basis of related party transactions	49 (IV A)	Yes
(B) Disclosure of Accounting treatment	49 (IV B)	N.A.
(C) Board Disclosures	49 (IV C)	Yes
(D) Proceeds from public issues, rights issues, preferential issues etc.	49 (IV D)	N.A.
(E) Remuneration of Directors	49 (IV E)	Yes
(F) Management	49 (IV F)	Yes
(G) Shareholders	49 (IV G)	Yes
V. CEO/CFO Certification	49 (V)	Yes
VI. Report on Corporate Governance	49 (VI)	Yes
VII. Compliance	49 (VII)	Yes

e) Details of Non-compliance:

There has not been any non-compliance of mandatory requirements by the Company and no penalties or strictures were imposed on the Company by the Stock Exchanges, or SEBI, or any statutory authority, on any matter related to capital markets.

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.



Management Discussion and Analysis Report:

The discussion on financial performance with respect to the operational performance, review of operations, and prospects have been covered in the Director's Report.

The Company has adequate internal control system with regard to purchase of purchase of inventory, fixed assets and with regard to the sale of goods. The internal control system is supplemented by well documented policies and guidelines and the internal audit report are periodically reviewed by the top management.

The industrial relations during the year continued to be cordial. The Company is committed to provide necessary human resource development and training opportunities to equip them with the required modern skill and knowledge.

General Shareholder Information:

Annual General Meeting:	
Date and Time	: the 30 th day of September, 2014 at 11.00 AM
Venue	: THE SILK MERCHANTS' ASSOCIATION, DAHANUKAR BUILDING, 1ST FLOOR, 480, KALBADEVI ROAD, MUMBAI-400002
As required under Clause 49 (IV) (G)(i) of the Listing Agreements with the Stock Exchanges, particulars of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting (AGM) are given in the Annexure to the Notice of the AGM to be held on 30 th day of September, 2014.	
Financial Calendar	: 1 st April to 31 st March
Financial reporting for (subject to change)	
Quarter ending 30th June, 2014	: By Second Week of August
Quarter ending 30th Sept, 2014	: By Second Week of November
Quarter ending 31st Dec, 2014	: By Second Week of February
Year ending 31st March, 2015	: Latest by 31 st May, 2015
Annual General Meeting for the year ending 31st March, 2015	: By 30 th September, 2015
Dates of Book Closure	: the 25 th day of September, 2014 to 30 th day of September, 2014 (both days inclusive.)

Dividend payment date	: N.A
Stock Exchange where Company's Shares are listed	: Pune, Ahmedabad, Bangalore, Calcutta and Delhi Stock Exchange
	Scrip Code:
	Pune - DEED/160159
	Ahmedabad - D/13205
	Bangalore - DDI
	Calcutta - 14060
	Delhi Stock exchange - 8919

Registrars and Transfer Agents

Universal Capital securities Private Limited
 21, Shakil Niwas, Mahakali Caves Road,
 Opp. Saibaba Temple, Andheri (East),
 Mumbai -400093 | Tel : 91-22-28207203
 Fax : 91-22-2820 /7207 | Email : info@unisec.in

Share Transfer Process

Shares in physical form are processed by the Registrar and Share transfer agent M/s. Universal Capital securities Private Limited within 15 days from the date of receipt, if the documents are complete in all respects. Chairman and Compliance Officer have been severally empowered to approve transfers. The same shall be ratified by the Shareholders and Investors' Grievances Committee.

Distribution of Shareholding according to Numbers as at 31st March 2014

Slab of shareholdings	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1 - 500	198	44.595	73800	2.649
501 - 1000	120	27.027	106300	3.815
1001 - 5000	64	14.414	183300	6.578
5001 - 10000	11	2.477	92600	3.323
10001 & above	51	11.486	2330400	83.635
Total	444	100.00	2786400	100.00



Distribution of equity shareholding according to categories of shareholders as at 31st March 2014

Sr. No.	Category of Shareholder	Number of Share holders	Number of shares	%
(A)	Shareholding of Promoter and Promoter Group	85	1749500	62.79
(B)	Public shareholding			
1	Institutions			
(a)	Mutual Funds/ UTI	0	0	0
(b)	Financial Institutions / Banks	0	0	0
(c)	Insurance Companies	0	0	0
(d)	Foreign Institutional Investors	0	0	0
2	Non-Institutions			
(a)	Bodies Corporate	23	208700	7.49
(b)	Individuals			
	Individuals (i) holding nominal share capital up to Rs 1 lakh	286	187600	6.73
	(ii) Holding nominal share capital in excess of Rs. 1 lakh.	21	51600	18.54
	Others-HUF	29	124000	4.45
	Total Public Shareholding	359	1036900	37.21
	TOTAL	444	2786400	100.00

Outstanding GDRs/ ADRs/ Warrants or any convertible instruments

The Company has not issued any GDR's/ ADR's or any convertible instruments.

Investor Correspondence

Shareholders can contact the following Official for Secretarial matters of the Company.

Name	Address	Telephone No./ Fax No.	Email id
Universal Capital securities Private Limited	21, Shakil Niwas, Mahakali Caves Road, Opp. Saibaba Temple, Andheri (East), Mumbai -400093	Tel : 91-22-28207203 Fax : 91-22-2820 /7207	Email : info@unisec.in

DECLARATION

I, Dinesh Solanki, the Managing Director of Deep Diamond India Limited hereby declare that all the members of the Board of Directors and Senior Management Personnel have affirmed Compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Clause 49(1)(D)(ii) of the Listing Agreement entered into with the stock exchanges, for the year ended March 31, 2014.

**For DEEP DIAMOND INDIA LIMITED
Managing Director**

Date:29.05.2014

Place : Mumbai

CEO / CFO CERTIFICATION

The Board of Directors,
DEEP DIAMOND INDIA LIMITED

We hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March 2014 and that to the best of our knowledge and belief;
- 1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - 2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) No transaction is entered into by the company during the year which is fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee:
- 1) Significant changes in internal control over financial reporting during the year.
 - 2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - 3) Instances of significant fraud of which we have become aware and the involvement there in, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

FOR Deep Diamond india Limited

Place : Mumbai
Date : 29th May, 2014.

Prakash R Solanki
CFO



MANAGEMENT DISCUSSIONS & ANALYSIS

Forward looking statement:

The Statements made in this report describe the Company's objectives and projections that may be forward looking statements which are based on certain assumptions and expectations of future events. The Company's actual results may differ materially from those projected in any such forward looking statements depending on economic conditions, government policies and decisions which are beyond the control of the Company.

Segment-wise or product-wise performance:

The Company falls within a single business segment viz. 'diamond jewellery'. The sales are substantially in the domestic market and the said financial statements are reflective of the information required by Accounting Standard 17 "Segment Reporting", notified under the Companies (Accounting Standards) Rules, 2006.

Internal Control Systems:

The Company has in place an adequate and effective internal audit and control systems which ensures efficiency in operations, and optimum use of resources. Internal Control weaknesses are reported regularly and timely steps are taken as and when required. The effectiveness of the internal control systems is constantly monitored by the Audit Committee set up by the Board and the required changes are introduced as and when necessary.

Outlook:

Any downturn in the Indian economy as well as global economy will adversely affect the price of gold and foreign exchange rate and in turn the company's business. However, the Company hopes that the price of gold and foreign exchange rate will stabilize and which in turn will help the Company in increase in volume of sales.

Risk Management:

Your Company's risk management system comprises of prudential norms, timely reporting and stringent controls.

Human resources:

Your company has been able to employ and retain qualified professionals by offering the challenging work environment and compensation. The Company provides in house training to its employees.

Insurance:

The Company has insured its assets and operations against all insurable risks including fire, earthquake, flood, and etc. as part of its overall risk management strategies

ACKNOWLEDGMENT:

The Board wishes to place on records its appreciation to all its Shareholders, Customers, Bankers, and Employees for their co-operation and contributions made by them at all levels

FOR AND BEHALF OF THE BOARD
FOR DEEP DIAMOND INDIA LIMITED

PRAKASH SOLANKI
DIRECTOR

DINESH SOLANKI
MANAGING DIRECTOR

Place: Mumbai

Date: 29.05.2014



**PRACTISING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE
GOVERNANCE**

To
**The Members of
Deep Diamond India Limited**

We have examined the compliance of conditions of Corporate Governance by **Deep Diamond India Limited**, for the year ended 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of 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 the representations made by the Directors and the Management, we certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

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

**For VKM & Associates,
Practising Company Secretaries.**

**(Vijay Kumar Mishra)
Partner
M. No. F 5023**

Place : Mumbai
Date : 29/05/2014

Ramprasad Sharma & Associates



Chartered Accountants

4th FLOOR, MADHUMANSION, 325 KALBADEVI ROAD, MUMBAI-400002, Td. 22412951/22413686

Email Id: rpsharmaca@gmail.com

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, 2014, 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: 29th May, 2014

DHANANJAY SHARMA
Partner



Ramprasad Sharma & Associates

Chartered Accountants



4th FLOOR, MADHUMANSION, 325 KALBADEVI ROAD, MUMBAI-400002, Tel. 22412951/22413686
Email Id: rpsharmaca@gmail.com

Independent Auditors' 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 31 March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. 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.

Auditors' 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 the 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the 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 aforesaid 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 31 March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company 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 in terms of Section 227(4A) 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 purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
- (e) On the basis of the written representations received from the directors as on 31 March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

FOR RAMPRASAD SHARMA & ASSOCIATES
Chartered Accountants

DHANANJAY SHARMA
Partner

Place: Mumbai
Dated: 29th May, 2014



Ramprasad Sharma & Associates

Chartered Accountants



4TH FLOOR, MADHUMANSION, 325 KALBADEVI ROAD, MUMBAI-400002, Tel. 22412951/22413686

Email Id: rpsharmaca@gmail.com

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- 1) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) 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) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of 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 procedures 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) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - (b) Where each of such transaction is in excess of Rs. five lakhs in respect of any party, the transactions have been made at prices which are prima facie 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, 2014 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, 2014. 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 : 29th May, 2014

DHANANJAY SHARMA
Partner



DEEP DIAMOND INDIA LIMITED
Balance Sheet as at 31-03-2014

(in Rupees)

Particulars	Note No.	As at 31st March, 2014	As at 31st March, 2013
1	2	3	4
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	29932000	29932000
(b) Reserves and surplus	2	40063161	36596673
2 Share application money pending allotment		NIL	NIL
3 Non-current liabilities			
(a) Deferred tax liabilities (Net)	3	306574	365986
(b) Long-term provisions		—	—
4 Current liabilities			
(a) Short-term borrowings	4	0	2286452
(b) Trade payables		7485	7485
(c) Other current liabilities	5	218759	140854
(d) Short-term provisions	6	5684000	4634000
TOTAL		76211979	73963450
II. ASSETS			
Non-current assets			
1 (a) Fixed assets			
(i) Tangible assets	7	4462658	6644657
(b) Non-current investments	8	356250	356250
(c) Deferred tax assets (net)			
(d) Long-term loans and advances	9	386750	286750
(e) Other non-current assets		—	—
2 Current assets			
(b) Inventories	10	43609682	53098096
(c) Trade receivables	11	10840524	7881273
(d) Cash and cash equivalents	12	866026	657626
(e) Short-term loans and advances	13	15690089	5038798
TOTAL		76211979	73963450
Notes on Financial Statements and Significant accounting p	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 : 29th May, 2014

DINESH SOLANKI

Managing Director

SANGEETA JAIN

Director

20th Annual Report 2013-2014

DEEP DIAMOND INDIA LIMITED
Profit and loss statement for the year ended 31-03-2014

(in Rupees)

Profit and loss statement for the year ended 31st March		Refer Note No.	2014	2013
I.	Revenue from operations	14	25546478	29608534
II.	Other income	15	3325465	30013
III.	Total Revenue (I + II)		28871943	29638547
IV.	Expenses:			
	Cost of Materials consumed	16	17237809	11427152
	Purchases of Stock-in-Trade		1280710	3153263
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	17	-557698	5487543
	Employee benefits expense	18	1639331	1070636
	Finance costs	19	34257	423337
	Depreciation	7	326387	507220
	Other expenses	20	4454071	4609230
	Total expenses		24414867	26678381
	Profit/(loss) before exceptional and extraordinary items and tax (III-IV)		4457076	2960166
V.	Exceptional items		0	0
VI.	Profit before extraordinary items and tax (V - VI)		4457076	2960166
VIII.	Extraordinary Items		0	0
IX.	Profit before tax (VII- VIII)		4457076	2960166
X	Tax expenses : Provision for Taxation			
	(1) Current tax		-1050000	-930000
	(2) Deferred tax		59412	-7431
XI	Profit (Loss) for the period from continuing operations (VII-VIII)		3466488	2022735
	Profit After Tax		3466488	2022735
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)		3466488	2022735
XVI	Earnings per equity share:	21		
	(1) Basic		1.24	0.73
	(2) Diluted		1.24	0.73
	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 : 29th May, 2014

DINESH SOLANKI

Managing Director

SANGEETA JAIN

Director



DEEP DIAMOND INDIA LIMITED

Note 1

<u>Share Capital</u>	As at 31 March 2014	As at 31 March 2013
	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)	27864000	27864000
Less: Call-in Arrears	0	0
413600 Equity Shares Forfeited (Previous Year 413600)	2068000	2068000
Total	29932000	29932000

<u>Reconciliation of number of shares outstanding</u>	As at 31 March 2014	As at 31 March 2013
	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

<u>Name of Shareholder (Holding more than 5%)</u>	As at 31 March 2014		As at 31 March 2013	
	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

- 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
- 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

<u>Reserves & Surplus</u>	As at 31 March 2014	As at 31 March 2013
	RUPEES	RUPEES
Surplus		
Opening balance	36596673	34573938
Profit and Loss Account	3466488	2022735
Closing Balance	40063161	36596673
Total	40063161	36596673

Note 3

<u>Deferred Tax Liability (Net)</u>	As at 31 March 2014	As at 31 March 2013
	RUPEES	RUPEES
Related to Fixed Assets	306574	365986
Total	306574	365986



Deep Diamond India Limited

Note 4

<u>Short Term Borrowings</u>	As at 31 March 2014	As at 31 March 2013
	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)	0	2281537
	0	2281537
(b) Other loans and advances Advance from customers	0	4915
	0	4915
Total	0	2286452

Note 5

<u>Other Current Liabilities</u>	As at 31 March 2014	As at 31 March 2013
	RUPEES	RUPEES
<u>Other payables</u>		
Provision for expenses	67729	124481
TDS Payable	3600	2100
CST Payable	0	14273
VAT Payable	147430	0
Total	218759	140854

Note 6

<u>Short Term Provisions</u>	As at 31 March 2014	As at 31 March 2013
	RUPEES	RUPEES
(a) Provision for income tax	5684000	4634000
Total	5684000	4634000

Note 8

<u>Non Current Investments</u>	As at 31 March 2014	As at 31 March 2013
	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 diminition in the value of Investments		
Total	356250	356250
Aggregate amount of quoted investments	75000	75000
Market value of Quoted Investments	150000	435000
Aggregate amount of unquoted investments	281250	281250

Deep Diamond India Limited

Note 7

Fixed Assets	Gross Block						Accumulated Depreciation			Net Block	
	Balance as at 31 March 2013	Additions/ (Disposals)	Disposals	Balance as at 31 March 2014	Balance as at 31 March 2013	Depreciation charge for the year	Accumulated Depreciation on assets sold	Balance as at 31 March 2014	Balance as at 31 March 2014	Balance as at 31 March 2013	
	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	
Tangible Assets											
Building	6864370		-6864370	0	1845677	59110	-1904787	0	0	5018693	
Factory Building (Vasai)	0	2790559		2790559	0	15066		15066	2775493	0	
Plant & Machinery	2748844			2748844	2038026	129710		2167736	581108	710818	
Dies	100000			100000	99999	0		99999	1	1	
Electric Installation	124133	9000		133133	96072	5970		102042	31091	28061	
Air conditioner	296170	0		296170	153308	13640		166948	129222	142862	
Furniture & Fixtures	1540436	298812		1839248	1310478	24479		1334957	504291	229958	
Vehicles	449593	0		449593	314591	37470		352061	97532	135002	
Computers	427290	0		427290	373137	16990		390127	37163	54153	
Office Equipments	508411	5600		514011	183302	23952		207254	306757	325109	
Total	13059247	3103971	-6864370	9298848	6414590	326387	-1904787	4836190	4462658	6644657	
Previous Year	12983059	76188	0	13059247	5907370	507720	0	6414590	6644657	7075689	



Deep Diamond India Limited
Note 9

Long Term Loans and Advances	As at 31 March 2014		As at 31 March 2013	
	RUPEES	RUPEES	RUPEES	RUPEES
b. Security Deposits				
Rental Deposit	300000		200000	
Electricity and other deposits	86750	386750	86750	286750
		386750		286750

Note 10

Inventories (As Taken, Valued & Certified by the Mnagements)	As at 31 March 2014	As at 31 March 2013
	RUPEES	RUPEES
a. Raw Materials (At Cost)	4154527	14200639
b. Stock in Process (At Cost)	16390756	22580738
c. Finished Goods (At Lower of Cost or Net Realisable Value	23064399	16316719
Total	43609682	53098096

Note 11

Trade Receivables	As at 31 March 2014	As at 31 March 2013
	RUPEES	RUPEES
Unsecured, considered good		
Over Six Months	3469049	3896580
Others	7371475	3984693
Total	10840524	7881273

Note 12

Cash and cash equivalents	As at 31 March 2014		As at 31 March 2013	
	RUPEES	RUPEES	RUPEES	RUPEES
a. Balances with banks*				
In Current Accounts				
ICICI Bank Ltd.A/C 021105002251	28005		-321071	
ICICI Bank Ltd.641505000331	83788		0	
Rupee Co-op. Bank Ltd.	41167		41167	
Bank of Baroda	6358	159318	6358	-273546
b. Cash on hand (As per Books & Certified)		706708		931172
TOTAL		866026		657626

Note 13

Short-term loans and advances	As at 31 March 2014	As at 31 March 2013
	RUPEES	RUPEES
Others		
Unsecured, considered good		
Advances recoverable in cash or in Kind or for value to be rec	10086551	176760
Advance Tax	5603538	4862038
Total	15690089	5038798

Deep Diamond India Limited

Note 14

Revenue from Operations	For the year ended 31 March 2014	For the year ended 31 March 2013
	RUPEES	RUPEES
Sale of Gold and Diamond Studded jewellery	25546478	29608534
Total	25546478	29608534

Note 15

Other Income	For the year ended 31 March 2014	For the year ended 31 March 2013
	RUPEES	RUPEES
Dividend on shares	6750	6000
Interest income	463661	0
Capital Gain on sale of Fixed Assets	2854915	0
Miscellaneous income	139	24013
Total	3325465	30013

Note 16

Cost of Materials Consumed (Indigenous)	For the year ended 31 March 2014	For the year ended 31 March 2013
	RUPEES	RUPEES
Gold	800450	6663050
Diamond	16435767	4752423
Others	1592	11679
Total	17237809	11427152

Note 17

Changes in inventories of finished goods work-in-progress and Stock-in-Trade	For the year ended 31 March 2014	For the year ended 31 March 2013
	RUPEES	RUPEES
<u>Closing Stock</u>		
Finished Goods	23064399	16316719
Stock in Process	16390756	22580738
	39455155	38897457
<u>Less: Opening Stock</u>		
Finished Goods	16316719	23166727
Stock in Process	22580738	21218273
	38897457	44385000
Total	-557698	5487543

Note 18

Employee Benefits Expense	For the year ended 31 March 2014	For the year ended 31 March 2013
	RUPEES	RUPEES
(a) Salaries and incentives	1542400	997000
(b) Staff welfare expenses	96931	73636
Total	1639331	1070636

Note 19

Finance Cost	For the year ended 31 March 2014	For the year ended 31 March 2013
	RUPEES	RUPEES
Interest Paid on Cash Credit Loan	34257	423337
Total	34257	423337



Deep Diamond India Limited

Deep Diamond India Limited

Note 20

OTHER EXPENSES	For the year ended 31 March 2014	For the year ended 31 March 2013
	RUPEES	RUPEES
Manufacturing Expenses		
Factory Rent	360000	420000
Labour Charges	1460394	1638544
Electricity Expenses	152264	182718
Fuel and Gas	10242	7739
Repairs & Maintenance	105088	62970
Stores and Spares (Indigenous)	24064	67272
	2112052	2379243
Establishment, Selling & Distribution Expenses		
Assaying and Hallmarking Charges	88901	110846
Auditor's Remuneration	22472	22472
Donation	0	100000
Electricity Expenses	59265	45500
Insurance Charges	191267	199948
Labour Charges (Office)	501516	604324
Listing Charges	73478	48460
Office Maintenance	45271	119519
Packing Material	0	39638
Professional Fees	185860	114500
Rate & Taxes	12335	31105
Rent for Office	770000	0
Repairs & Maintenance (Office)	28920	211408
Telephone & Telex Charges	78442	88771
Travelling Expenses	18143	103338
General expenses	266149	390158
	2342019	2229987
Total	4454071	4609230

Note 20.1

Payments to the auditor as	For the year ended 31 March 2014	For the year ended 31 March 2013
	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:

Other Related Parties:

Jayshree Solanki - Daughter of director
Upasana Solanki - Daughter of director

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:

Remuneration to Director	Amount in Rs.	Previous Year (Rs.)
Dinesh Solanki	360000	360000
Prakash Solanki	600000	360000
		Previous Year (Rs.)
Salary to Relative of director	Amount in Rs.	Year (Rs.)
Jayshree Solanki	245000	120000
Upasana Solanki	200000	0

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Note 20.4

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

	2013-14		2012-13	
	Rs.	%	Rs.	%
(i) Raw Materials				
Imported	NIL	NIL	NIL	NIL
Indigenous	17237809	100	11427152	100
(ii) Stores and Spares				
Imported	NIL	NIL	NIL	NIL
Indigenous	24064	100	67272	100

Note 20.5 CIF Value of Imports :

	3/31/2014	3/31/2013
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 2014	For the year ended 31 March 2013
	RUPEES	RUPEES
Net Profit after Tax as per Statement of Profit and Loss	3466488	2022735
Weighted Average number of Equity Shares used as denominator for calculating EPS	2786400	2786400
Basic and Diluted Earning per share	1.24	0.73
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 : 29th May, 2014

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. 18143 /-(Previous Year Rs.103388/-)

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, 2014, the Company has no outstanding dues to micro enterprises and small enterprises / small-scale industrial undertaking.

As at March 31, 2013, 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.192272/- for the current year and Rs.24050/- for the previous year.

As per our Report of even date attached

For **RAMPRASAD SHARMA & ASSOCIATES**
Chartered Accountants

PRAKASH SOLANKI
Chairman

DHANANJAY SHARMA
Partner

DINESH SOLANKI
Managing Director

SANGEETA JAIN
Director

Firm No.: 112430W

Membership No.: 039832

Mumbai : 29th May, 2014



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.: 82609 State Code: 11
Balance Sheet Date : 31.03.2014

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.)

Total Liabilities 76211979 **Total Assets** 76211979

Sources of Funds

Paid-up Capital 29932000 Reserves & Surplus 40063161

Secured Loans 0 Unsecured Loans

Application of Funds

Net Fixed Assets 4462658 Investments 356250

Net Current Assets 65176252 Miscellaneous Exp. 0

Accumulated Losses Nil

IV. Performance of Company (Amount in Rs.)

Turnover 25546478 Total Expenditure 21089402

Profit before Tax 4457076 Profit after Tax 3466488

Earning per Share in Rs. 1.24 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 : 29th May, 2014

DINESH SOLANKI
Managing Director

SANGEETA JAIN
Director

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CASH FLOW STATEMENT FOR THE PERIOD APRIL 2013 TO MARCH 2014				
	Rs.	2013-2014		2012-13
		Rs.	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax		4457076		2960166
Adjustments for				
Depreciation	326387		507220	
Interest Expenses	34257		423337	
Profit on sale of fixed assets	-2854915		0	
Interest/Dividend Income	-470411	-2964682	-6000	924557
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		1492394		3884723
Adjustments for				
Trade and Other Receivables	-2959251		114994	
Inventories	9488414		-361673	
Loans and Advances	-10751291		-991831	
Other Current Liabilities	77905		-5498	
Trade Payables	0	-4144223	-1333011	-2577019
Cash Generated from Operations		-2651829		1307704
Interest Expenses		-34257		-423337
Income Tax / Refund (Net)		0		0
NET CASH FROM OPERATIONS		-2686086		884367
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchases & Sale of Fixed Assets	4710527		-76188	
Purchase of Investments	0		0	
Interest / Dividend Income	470411		6000	
NET CASH USED IN INVESTING ACTIVITIES		5180938		-70188
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Term Loan	0		0	
Proceeds from Short Term Borrowings	-2286452		-746033	
NET CASH FROM FINANCING ACTIVITY		-2286452		-746033
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)		208400		68146
CASH AND CASH EQUIVALENTS OPENING BALANCE		657626		589480
CASH AND CASH EQUIVALENTS CLOSING BALANCE		866026		657626

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 : 29th May, 2014

DINESH SOLANKI
Managing Director

SANGEETA JAIN
Director



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, 2014. 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 29th May, 2014 to the Members of the Company.

For **RAMPRASAD SHARMA & ASSOCIATES**
Chartered Accountants

DHANANJAY SHARMA
Partner

Firm No.: 112430W
Membership No.: 039832
Mumbai : 29th May, 2014

DEEP DIAMOND INDIA LIMITED
CIN No. L51343MH1994PLC082609

OFFICE NO 202, COSMOS COURT PREMISES CO-OPERATIVE, SOCIETY LTD.
S. V. ROAD, VILE PARLE (W), MUMBAI- 400056

ATTENDANCE SLIP

ANNUAL GENERAL MEETING

Regd. Folio No. No. of Shares held

* Demat A/c. No. DPID NO.

I CERTIFY THAT I AM A Member/ Proxy of the Company.

I/We hereby record my/our presence at the **ANNUAL GENERAL MEETING** of the Company at **THE SILK MERCHANTS ASSOCIATION, DAHANUKAR BUILDING, 1ST FLOOR, 480, KALBADEVI ROAD, MUMBAI- 400002** on Tuesday, the 30th September, 2014 at 12.30 p.m.

.....
Member/ Proxy's Name
(In Block Letters)

.....
(Signature of the Member/ Proxy)

Note: Please complete the Attendance Slip and hand it over at the entrance of the Meeting Place

* Those who hold shares in Demat form must quote their Demat A/c No. and Depository Participant (DP) No.

DEEP DIAMOND INDIA LIMITED
CIN No. L51343MH1994PLC082609

52/52-A, Nanubhai Desai Road, 9, Mulji Thakarsi Bldg., Sindhi Lane,
,Mumbai, Maharashtra 400004

PROXY FORM

I/We. _____ of _____ in the district of _____
being a member(s) of DEEP DIAMOND INDIA LIMITED,
hereby appoint _____ of _____ in the district _____ of _____
failing _____ him/her _____ of _____
in the district of _____ as my/ our
proxy to attend and vote for me/ us and on my behalf at the Annual General Meeting of the Company
to be held on Tuesday, 30th September, 2014 at 12.30 p.m. and at any adjournment thereof.

Regd. Folio No/DPID NO.

Number of Shares :

Signed this _____ Day of _____, 2014

Signature: _____

BOOK-POST
Printed Matter
U.P.C.

To,

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 - 400 056.