



DEEP DIAMOND INDIA LIMITED



**6th ANNUAL REPORT
1999-2000**

BOARD OF DIRECTORS

Prakash R. Solanki
Chairman

Dinesh R. Solanki
Managing Director

Lalit R. Solanki
Jitesh R. Solanki
Directors

AUDITORS

M/s. Ramprasad Sharma & Associates
Chartered Accountants

BANKERS

Rupee Co-op. Bank Ltd.

REGISTERED OFFICE

25, Avon Arcade,
D. J. Road,
Vile Parle (West),
Mumbai – 400 056.

FACTORY :

Deep House, Jagruti Shopping Centre,
Opp. Somnath Bus Stop,
Vapi Daman Road,
Dabhel, Daman (U.T.) 396 210.

REGISTRARS & SHARE TRANSFER AGENT

MONDKAR COMPUTERS PVT. LTD.

21, Shakil Niwas,
Mahakali Caves Road,
Andheri (East), Mumbai – 400 093.

DEEP DIAMOND INDIA LIMITED

NOTICE

NOTICE is hereby given that the Sixth Annual General Meeting of DEEP DIAMOND INDIA LIMITED will be held on Friday, 29th September, 2000 at 10:00 a.m. at The Silk Merchants' Association, Dahanukar Building, 1st Floor, 480, Kalbadevi Road, Mumbai – 400 002, to transact the following business :

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2000, the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Lalit R. Solanki, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.
4. **Special Business :**
To consider and if thought fit, to pass, with or without modification, the following resolutions as an Ordinary Resolution. “RESOLVED that in accordance with the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the re-appointment of Mr. Prakash R. Solanki as Chairman of the Company for a period of 5 years with effect from 01.05.2000 and payment of remuneration and perquisites to him on such terms and conditions as set out in the Explanatory Statement.”

For and on behalf of the Board

Prakash R. Solanki
Chairman

Registered Office :

25, Avon Arcade, D. J. Road,
Vile Parle (West), Mumbai – 400 056.

Dated : 30th June, 2000

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. The instrument appointing a proxy must be deposited with the Company at its Registered Office not less than 48 hours before the time for holding the meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, September 22, 2000 to Friday, September 29, 2000 (both days inclusive).
4. Members are requested to bring their copy of the Annual Report to the Meeting.
5. Shareholders seeking any information with regard to Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
6. Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 is annexed under hereto.

ANNEXURE TO NOTICE

Explanatory Statement as required under Section 173(2) of the Companies Act, 1956.

Item No. 4 : Mr. Prakash R. Solanki was appointed as Chairman of the Company with effect from 01.05.95 for a period of 5 years. In view of Mr. Prakash Solanki's contribution to the progress of the Company since its inception, the Board at its meeting held on 30th June, 2000 reappointed him as Chairman for a further period of 5 years with effect from 01.05.2000 on remuneration and other terms as set out below subject to approval of the members in the ensuing Annual General Meeting.

1. Salary Rs. 30,000/- per month.
 - a. Medical Reimbursement:
Expenses incurred by Mr. Prakash Solanki and his family including premium for medical insurance subject to a ceiling of one month's salary in a year.
 - b. Leave Travel Concession:
Leave Travel Concession for the Chairman and his family once in a year incurred in accordance with the rules of the Company.
 - c. Personal Accident Insurance:
Personal accident insurance for a amount, the annual premium of which does not exceed Rs. 30,000/- Contribution to Provident fund, Superannuation fund will not be included in the computation of the ceiling or perquisites to the extent these either singly or put together are not taxable under the Income-Tax Act. Gratuity payable will not exceed the limits specified in the Payment of Gratuities Act.
 - d. Club Fees:
Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
 - e. Encashment of Leave:
Encashment of leave at the end of the tenure will not be included in the computation of ceiling or perquisites.
 - f. Provision of car for use on Company's business and telephone at the residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purposes shall be billed by the company to the Chairman.
 - g. Reimbursement of Expenses:
The Chairman shall be entitled to reimbursement of all actual expenses including on entertainment and travelling incurred by him in the course of the company's business.
2. Sitting Fees:
The Chairman shall not be entitled to sitting fees for attending the meeting of the Board or any Committee thereof.
3. He shall not be liable to retire by rotation during the tenure of his appointment.

This explanation together with the accompanying notice may be regarded as an abstract of the terms of appointment under section 302 of the Companies Act, 1956.

Mr. Prakash R. Solanki and Mr. Dinesh R. Solanki are deemed to be interested in the above Resolution.

DEEP DIAMOND INDIA LIMITED**DIRECTORS' REPORT**

Your Directors have pleasure in presenting their Sixth Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2000.

FINANCIAL RESULTS :

	<u>1999-2000 (Rs.)</u>	<u>1998-99 (Rs.)</u>
Turnover	56960503	45565863
Other Income	8955	8955
Profit before Interest and Depreciation	8342574	6811343
Interest	809851	854099
Profit before Depreciation	7532723	5957244
Depreciation	284947	272644
Profit before Taxation	7247776	5684600
Provision for Taxation	—	—
Profit after Tax	7247776	5684600
Add: Provision for Taxation Written back	90000	—
Balance brought forward from Previous Year	6708931	1024331
Profit carried to Balance Sheet	14046707	6708931

DIVIDEND :

In order to finance the enhance working capital requirements of the company and as there is a need to conserve/ retain funds for meeting the on going long term fund requirements of the company your Directors do not recommend any dividend for the year under review.

OPERATIONS :

Your Company was able to improve during the year under review. The Turnover for the under review increased by 25.01% from 45565863 to 56960583. The net profit increased from 6708931/- to 7247776/-.

PROSPECTS :

Your Directors are happy to inform you that the products of your Company enjoy a good reputation and acceptance in the domestic market. The Company's programme for achieving better results is an continuous exercise. Your Company has a committed customer base. Enhanced Marketing efforts. Expansion of distribution network will improve the market reach of the Company. In order to exploit the growing demand for the company products & expanding the product range your company has started putting Unit - II at Daman, which is expected to start production shortly. Total Capital Expenditure incurred on Unit - II up to 31st March, 2000 was Rs. 2067504/- & Total Pre-operative Expenses incurred during the year ended 31st March, 2000 was Rs. 50349/-.

DIRECTORS :

Shri Lalit R. Solanki retires by rotation and being eligible, offers himself for reappointment. The term of Office of Shri Prakash Solanki, Chairman is due for expiry on 28.04.2000. Your Company has achieved significant growth under the Stewardship of Shri Prakash Solanki. The Board has reappointed Shri Prakash Solanki as Chairman for a further period of 5 years w.e.f. 01.05.2000 and recommend passing the resolution set out in Item No. 4 of the Notice.

YEAR 2000 (Y2K) COMPLIANCE :

The Company has obtained Y2K compliance and the application have been completely tested and has been successful without any hindrances.

FIXED DEPOSITS :

The Company has not accepted any deposits during the year, within the meaning of Section 58-A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.

6th Annual Report 1999-2000**PARTICULARS OF EMPLOYEES :**

As required by the provisions of Section 217(2A) of the Company Act, 1956, read with Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particular of employees are set out in the Annexure to the Directors' Reports. However, as per the provision of Section 219(1) (b) (iv) of the Companies Act, 1956, the Report and the Accounts is being sent to all shareholders of the Company excluding the aforesaid information. Any shareholder interested in obtaining such particulars may write to the Secretary at the Registered Office of the Company.

AUDITORS :

M/s. Ramprasad Sharma & Associates, Chartered Accountants, Auditors of the Company, retire at the ensuing Annual General Meeting and are eligible for reappointment. Members are requested to appoint Auditors and fix their remuneration for the financial year 2000-2001.

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

Information regarding conservation of energy, technology absorption and Foreign Exchange earnings and outgo as required by the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 are given in the Annexure forming part of this report.

ACKNOWLEDGEMENT :

Your Directors would like to express their grateful appreciation to the Bankers, Central Government and State Governments for their continued co-operation and assistance. Our whole-hearted thanks to our shareholders, customers and suppliers who have extended their valuable support.

For and on behalf of the Board

Prakash R. Solanki
Chairman

Mumbai : 30th June, 2000

ANNEXURE TO THE DIRECTORS' REPORT :

Additional information as required under Section 217 (1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in Report of Directors) Rules, 1988.

A) CONSERVATION OF ENERGY :

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

B) TECHNOLOGY ABSORPTION :**Research and Development (R & D) :**

- | | |
|--|--|
| 1) Specific Areas in which R & D is carried out by the Company – | None |
| 2) Benefits derived as a result of the above R & D | – N.A. |
| 3) Future Plan of action | – Implementation of R & D for quality improvement, development of new designs and cost reduction |
| 4) Expenditure on R & D | – Nil |

Technology Absorption, Adaptation and Innovation :

- 1) Efforts in brief made towards technology absorption, adaptation and innovations : The Board of Directors are taking appropriate steps towards necessary technology absorption, adaptation and innovation taking place in the field of diamond and jewellery manufacturing.
- 2) Benefits derived as a result of the above efforts : The benefits will be reflected in the areas of product improvement and cost reduction.
- 3) Information regarding imported technology :
Technology Imported : Nil Year of Import : N.A. Status of absorption : N.A.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO :

Foreign Exchange Earned Nil
Foreign Exchange Utilised Nil

For and on behalf of the Board

Prakash R. Solanki
Chairman

Mumbai : 30th June, 2000