



DEEP DIAMOND INDIA LIMITED



**14th ANNUAL REPORT
2007-2008**

BOARD OF DIRECTORS

Mr. Prakash R. Solanki
Chairman

Mr. Dinesh R. Solanki
Managing Director

Mr. Manoj V. Jain
Director

Mr. Ramesh V. Patel
Director

Mrs. Sangeeta R. Jain
Director

STATUTORY AUDITORS

M/s. RAMPRASAD SHARMA & ASSOCIATES
Chartered Accountants
325, Madhu Mansion, 4th Floor,
Kalbadevi Road, Mumbai – 400 002

BANKERS

Rupee Co. Op. Bank Limited
Bank of Baroda

REGISTERED OFFICE

Office No. 202, Cosmos Court Premises
Co-operative Society Ltd., S. V. Road,
Vile Parle (W), Mumbai – 400 056

FACTORY :

Unit No. 6-B, Planet Ind. Estate,
Subhash Road, Vile Parle (East),
Mumbai – 400 057. MAHARASHTRA.

REGISTRARS & SHARE TRANSFER AGENT
MONDKAR COMPUTERS PRIVATE LIMITED
21, Shakil Niwas, Mahakali Caves Road,
Opp. Sai Baba Temple, Andheri (East),
Mumbai – 400 093

Sr. No.	Contents	Page No.
1.	Notice	2
2.	Directors' Report	4
3.	Report on Corporate Governance	7
4.	Management Discussion & Analysis	13
5.	Auditors' Certificate on Corporate Governance	15
6.	Auditors' Report	16
7.	Balance Sheet	20
8.	Profit & Loss Account	21
9.	Schedules forming part of Balance Sheet	22
10.	Schedules forming part of Profit & Loss Account	24
11.	Significant Accounting Policies & Notes on Accounts	25
12.	Balance Sheet Abstract	29
13.	Cash Flow Statement	30

**DEEP DIAMOND INDIA LIMITED****NOTICE**

NOTICE is hereby given that the Fourteenth Annual General Meeting of the members of **DEEP DIAMOND INDIA LIMITED** will be held on Tuesday, September 30, 2008 at 11.00 a.m. at The Silk Merchants' Association, Dahanukar Building, 1st Floor, 480, Kalbadevi Road, Mumbai – 400 002, to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2008 and the Profit and Loss Account for the year ended on that date and the Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Shri Prakash Solanki, who retires by rotation and is eligible for re-appointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

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

"RESOLVED that pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the concerned authorities, if required, the consent of the Company be and is hereby accorded to Ms. Jayashree Solanki, relative of director of the company holding an office or place of profit in the Company for a period from October 01, 2007 upto 31.03.2008 at the remuneration of Rs. 60,000/- for the said period.

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. THE EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956 IN RESPECT OF THE BUSINESS ITEM NO. 4 IS ANNEXED HERETO.
3. THE INSTRUMENT APPOINTING A PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
4. THE REGISTER OF MEMBERS AND SHARE TRANSFER BOOKS OF THE COMPANY WILL REMAIN CLOSED FROM TUESDAY, SEPTEMBER 23, 2008 TO TUESDAY, SEPTEMBER 30, 2008 (BOTH DAYS INCLUSIVE).
5. MEMBERS ARE REQUESTED TO BRING THEIR COPIES OF THE ANNUAL REPORT AT THE TIME OF ATTENDING THE ANNUAL GENERAL MEETING.

14th Annual Report 2007-2008

6. Members are requested to notify promptly any change in their addresses to the Company's Registrar and Share Transfer Agents, Mondkar Computers Private Limited, 21, Shakil Niwas, Mahakali Caves Road, Opp. Sai Baba Temple, Andheri (East), Mumbai – 400 093.
7. Shareholders desiring information as regards the Accounts are requested to write to the Company at least 10 days before the Annual General Meeting to enable the Management to keep the information ready.

Registered Office:
Office No. 202, Cosmos Court Premises
Co-operative Society Ltd., S.V. Road,
Vile Parle (W),
Mumbai – 400 056.
MUMBAI: 29th August, 2008

By Order of the Board,
for DEEP DIAMOND INDIA LIMITED

PRAKASH R. SOLANKI
Chairman

ANNEXURE TO NOTICE

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

Ms. Jayashree Solanki has been looking after the various activities of the Company and she has been paid a remuneration of Rs. 60,000/- for a period from October 01, 2007 upto 31.03.2008.

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

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

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

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

Registered Office:
Office No. 202, Cosmos Court Premises
Co-operative Society Ltd., S.V. Road,
Vile Parle (W),
Mumbai – 400 056.
MUMBAI: 29th August, 2008

By Order of the Board,
for DEEP DIAMOND INDIA LIMITED

PRAKASH R. SOLANKI
Chairman

**DEEP DIAMOND INDIA LIMITED****DIRECTORS' REPORT**

To,
The Members

The Directors have pleasure in presenting the Fourteenth Annual Report together with the Statement of Accounts for the year ended March 31, 2008.

FINANCIAL RESULTS :**2007 - 2008****2006 - 2007**

Sales & Other Income	29529119	36088137
Profit before Interest and Depreciation	1852158	2709070
Less : Interest	1032579	633420
Profit before Depreciation	819579	2075650
Less : Depreciation	440034	353477
Profit before Taxation	379545	1722173
Less : Loss on Sale of Fixed Assets	68569	325502
Less : Provision for Taxation : Current	89000	649000
Deferred	44195	(27085)
Profit after Tax	177781	774756
Add: Balance Profit brought forward from previous year	25773235	24998479
Profit / (Loss) carried to Balance sheet	25951016	25773235

OPERATIONS :

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

DIVIDEND :

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

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

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

(B) TECHNOLOGY ABSORPTION :

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

(C)

Foreign Exchanged Earned : Rs. Nil
Foreign Exchange Utilised : Rs. Nil

FIXED DEPOSITS :

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

LISTING :

The Equity Shares of the Company are listed at the Pune, Ahmedabad, Delhi, Calcutta and Bangalore Stock Exchanges. The company has paid the Annual Listing Fees to the Stock Exchanges for the year 2008-2009.

DIRECTORS :

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

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

DIRECTORS' RESPONSIBILITY STATEMENT :

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

- (i) that in the preparation of the Annual Accounts, the applicable Accounting Standards had been followed alongwith proper explanation relating to material departures;
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE :

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

PARTICULARS OF EMPLOYEES :

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



DEEP DIAMOND INDIA LIMITED

AUDITORS :

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

ACKNOWLEDGEMENT :

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

For and on behalf of the Board of Directors

Place: Mumbai
Dated: 30th June, 2008

PRAKASH R. SOLANKI
Chairman

Report  Junction.com

REPORT ON CORPORATE GOVERNANCE
(Pursuant to clause 49 of the Listing Agreement)

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :

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

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

2. BOARD OF DIRECTORS :

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

Composition and category of Directors is as follows :

Name of Director	Category *	No. of Board Meetings attended	Attendance at the last AGM	Directorship in other Companies including private companies in India	No. of Committees in which Chairman/ Member (other than Deep Diamond India Limited)	
					Member	Chairman
Shri Prakash R. Solanki	Executive Chairman	6	Yes	NIL	NIL	NIL
Shri Dinesh R. Solanki	Managing Director	6	Yes	NIL	NIL	NIL
Shri Manoj V. Jain	I & N. E. D.	6	Yes	NIL	NIL	NIL
Shri Ramesh V. Patel	I & N. E. D.	6	Yes	NIL	NIL	NIL
Smt. Sangeeta R. Jain	I. & N. E. D.	6	Yes	NIL	NIL	NIL

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

* N.E.D. – Non-Executive Director

A. Non-Executive Directors' compensation and disclosures :

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

B. Independent Directors :

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

C. BOARD MEETINGS :

Six Board Meetings were held during the year 2007-2008. The dates on which the said meetings were held are as follows :

30-04-2007, 10-06-2007, 30-06-2007, 31-07-2007, 31-10-2007 and 30-01-2008.



DEEP DIAMOND INDIA LIMITED

The Company has a process to provide the information to the Board as required under Annexure - 1 to clause 49 which was followed.

All directors have made necessary disclosures about the committee positions they occupy in other companies.

Details of Directors to be appointed :

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

Name of Director	:	Shri Prakash Solanki
Age	:	46
Qualifications	:	FCA
Nature of Expertise	:	25 years experience in the field of Finance & Administration
Name of other Companies in which holds Directorship	:	NIL
Name of other Companies in which holds Membership of committees of the Board	:	N.A.

D. Code of Conduct :

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

3. AUDIT COMMITTEE :

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

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

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

Five meetings of the Committee were held during the year 2007-2008. The dates on which the meetings were held are as follows :

14th Annual Report 2007-2008

30-04-2007, 30-06-2007, 31-07-2007, 31-10-2007 and 30-01-2008.

Composition and category of Members is as follows :

Name of Director	Category	No. of Meetings Attended
Shri Manoj V. Jain	Chairman	5
Shri Ramesh V. Patel	Member	5
Smt. Sangeeta R. Jain	Member	5

4. WHISTLE BLOWER POLICY :

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

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

5. SUBSIDIARY COMPANY :

The company has no subsidiary company.

6. REMUNERATION COMMITTEE :

The Remuneration Committee comprising of Shri Manoj V. Jain, Shri Ramesh V. Patel and Smt. Sangeeta R. Jain was constituted to determine / review the remuneration of the management personnel.

Details of remuneration paid to the Directors of the Company during the year ended March 31, 2008 are given below :

Name of Director	Salary	Perquisites	Commission	Others	Sitting Fees	Total
Shri Prakash R. Solanki	3,60,000	Nil	Nil	Nil	Nil	3,60,000
Shri Dinesh R. Solanki	3,60,000	Nil	Nil	Nil	Nil	3,60,000
Shri Manoj V. Jain	Nil	Nil	Nil	Nil	Nil	Nil
Shri Ramesh V. Patel	Nil	Nil	Nil	Nil	Nil	Nil
Smt. Sangeeta Jain	Nil	Nil	Nil	Nil	Nil	Nil

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

7. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE :

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