



Deep Diamond India Limited

22nd
Annual Report
2015-2016

BOARD OF DIRECTORS

- 1.Mr. Prakash Rikhabchand Solanki -- Chairman, Executive Director and CFO
2. Mr. Dinesh Rikhabchand Solanki -- Managing Director
- 3.Mr. Rajan Deshraj Agarwal -- Independent Director & Non-Executive
- 4.Mrs. Sangeeta Jain -- Independent Director & Non-Executive
- 5.Mr. Mayank Sumatilal Shah -- Independent Director & Non-Executive
(Appointed on 28.03.2016)
- 6.Mr. Manoj Valchand Jain -- Independent Director & Non-Executive
(Resigned on 28/03/2016)
7. Mr. Amit Kumar Dudani --- Company Secretary

AUDITORS

M/s. Ramprasad & Associates
Chartered Accountants

REGISTERED OFFICE

Office No.502, Cosmos Court Premises
Co-Operative Society Ltd, S.V. Road,
Vile Parle (West)
Mumbai -400056, Maharashtra

FACTORY

105, Syndicate Industrial Estate,
Near Golani Naka, Valiv Road,
Vasai -East,

BANKERS

ICICI BANK
RUPEE CO-OP BANK

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 22nd 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 THURSDAY, 29TH SEPTEMBER, 2016 AT 11.00 A.M. TO TRANSACT THE FOLLOWING BUSINESS:

1- ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2016 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Prakash Solanki who retires by rotation but being eligible, offers himself for re-appointment
3. To ratifies the appointment of Auditors and fixes their remuneration and in this regard, to consider and if thought fit, to pass, the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to the provisions of section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the company hereby ratifies the appointment of M/s. Ramprasad Sharma & Associates, Chartered Accountants (Firm Registration No. 112430W), as Auditors of the Company to hold office 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.

SPECIAL BUSINESS

4. **To regularize the appointment of Mr. MAYANK SUMATILAL SHAH (DIN: 07468663) as an Independent Non-Executive Director and to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

"RESOLVED that Mr. MAYANK SUMATILAL SHAH (DIN: 07468663), who was appointed by the Board of Directors as an Additional Director of the Company with effect from March 28, 2016 under Section 161(1) of the Companies Act, 2013("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014, who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act signifying his intention to propose the candidature of Mr. MAYANK SUMATILAL SHAH for the office of Director be and is hereby appointed as a Director of the Company.

"RESOLVED further that pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or reenactment(s) thereof for the time being in force), Mr. MAYANK SUMATILAL SHAH (DIN: 07468663) who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act, and who is eligible for appointment as an Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years up to the fifth consecutive AGM of the Company to be held in the year 2021, not liable to retire by rotation."

By Order of the Board

Place: Mumbai
Date : 13.08.2016

(Prakash R Solanki)
Chairman

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. The relevant explanatory Statements to be annexed to the Notice pursuant to Section 102 of the Companies Act, 2013 (hereinafter called "the Act"), which sets out details relating to the Special Business to be transacted at the meeting is annexed hereto.

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

4. The Register of Members and the Share Transfer Books of the Company will remain closed from **Friday, September 23, 2016 to Thursday, September 29, 2016 (both days inclusive)** for the purpose of the Annual General Meeting of the Company.

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.decpdiamondltd.com to register the email id.

10. Electronic copy of the Annual Report for 2015-16 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 2015-16 is being sent in the permitted mode.



11. Voting through electronic means

Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, the Company is pleased to provide its members the facility of 'remote-voting' (e-voting from a place other than venue of the AGM) to exercise their right to vote at the 22nd Annual General Meeting (AGM). The business may be transacted through e-voting services rendered by Central Depository Services (India) Limited (CDSL). The instructions to members for voting electronically are as under:-

- a) The voting period begins on **Monday, September 26, 2016 at 09.00 a.m. and ends on Wednesday, September 28, 2016 at 5.00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. **September 22, 2016**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5.00 p.m. on September 29, 2016.
- b) Members holding shares in physical or in demat form as on **September 22, 2016** shall only be eligible for e-voting.
- c) The shareholders should log on to the e-voting website www.evotingindia.com
- d) Click on Shareholders.
- e) Now Enter your User ID;
 - i. For CDSL: 16 digits beneficiary ID;
 - ii. For NSDL: 8 Character DP ID followed by 8 Digits Client ID;
 - iii. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- f) Next enter the Image Verification as displayed and Click on Login.
- g) 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.
- h) If you are a first time user follow the steps given below:

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 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN field. In case the sequence 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 sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details or Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- i) After entering these details appropriately ,click on "SUBMIT" tab.
- j) Members holding shares in physical form will then directly reach 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.
- k) 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.
- l) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- m) Click on the EVSN for the relevant<Company name> on which you choose to vote.
- n) 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.
- o) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- p) 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.
- q) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- r) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- s) 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.
- t) Note for Non-Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- u) 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.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

1. General Instructions / information for members for voting on the Resolutions :

- a) Facility of voting through Poll paper shall be made available at the Meeting. Members attending the Meeting, who have not already cast their vote by remote e-voting, shall be able to exercise their right at the Meeting.
- b) Members who have cast their vote by remote e-voting may also attend the Meeting, but shall not be entitled to vote again at the AGM.
- c) The voting rights of shareholders shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the AGM.
- d) Mr. Vijay Kumar Mishra (Membership No.F-5023), Practicing Company Secretary has been appointed by the Board of Directors of the Company as the Scrutinizer to scrutinize the remote e-voting process as well as voting through poll at the Meeting, in a fair and transparent manner.
- e) The results shall be declared not later than forty-eight hours from conclusion of the meeting. The results declared along with the Scrutinizer's Report will be placed on the website of the Company at www.deepdiamondindialimited.com and the website of CDSL immediately after the result is declared by the Chairman and will simultaneously be forwarded to BSE Limited, where Equity Shares of the Company are listed.

Members may also note that the Notice of the Annual General Meeting and the Annual Report for financial year 2015-2016 will also be available on the Company's website www.deepdiamondindialimited.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Mumbai for inspection during normal business hours (10.00 am to 5.00 pm) on all working days up to and including the date of the Annual General Meeting of the Company. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: deepdiamondindialimitd.com.

By Order of the Board

Place: Mumbai
Date : 13.08.2016

(Prakash R Solanki)
Chairman



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

Item No. 4

Mr. MAYANK SUMATILAL SHAH is an Independent Director of the Company pursuant to Clause 49 of the Listing Agreement. He joined the Board of Directors of your Company on 28/03/2016.

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.

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 Mr. MAYANK SUMATILAL SHAH as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. MAYANK SUMATILAL SHAH as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. MAYANK SUMATILAL SHAH being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or 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

By Order of the Board

Place: Mumbai
Date : 13.08.2016

(Prakash R Solanki)
Chairman

DIRECTORS' REPORT

Your Directors present their 22nd Annual Report together with the Audited Statement of Accounts for the year ended 31st March 2016.

FINANCIAL HIGHLIGHTS**(in RS)**

Particulars	Year ended	Year ended
	31.03.2016	31.03.2015
Income for the year	1,36,39,764	3,29,63,302
Profit before Interest, Depreciation and Tax	-3,71,421	25,02,557
Less : Interest	0	0
Profit before Depreciation	-3,71,421	25,02,557
Less : Depreciation	4,53,055	3,23,055
Profit after Depreciation	-8,24,476	21,79,502
Provisions for Taxation/ Deferred Tax	1,04,716	6,97,938
Net Profit After Tax	-7,19,760	14,81,564
Earlier Years Balance Brought forward	4,13,99,083	4,00,63,161
Profit/Loss Carried forward to Balance Sheet	4,06,79,323	4,13,99,083

OPERATIONS

During the year under review, our Company recorded a total income of Rs. 1,36,39,764 as against Rs. 3,29,63,302 in previous year and Net Loss of Rs. 7,19,760/- as against net Profit of Rs. 14,81,564/- 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, 2016 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 are Independent Director.

During the year, Mr. Prakash Solanki who retires by rotation but being eligible, offers himself for re-appointment.

Mr. Mayank Sumatilal Shah has been appointed as Independent director of company w.e.f 28.03.2016 and Mr. Manoj Jain has been resigned from post of directorship w.e.f 28.03.2016.



SHARE CAPITAL

The paid up equity share capital of the Company as on March 31, 2016 was Rs. 3.20 Crores.

BOARD OF DIRECTORS AND ITS MEETINGS

The Company has a professional Board with right mix of knowledge, skills and expertise with an optimum combination of executive and independent Directors including one woman Director. The Board provides strategic guidance and direction to the Company in achieving its business objectives and protecting the interest of the Stakeholders.

One meeting of the Board of Directors is held in each quarter. Additional meetings of the Board/ Committees are convened as may be necessary for proper management of the business operations of the Company.

During the year Eight Board Meetings and four Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and as per Listing agreement.

DECLARATION OF INDEPENDENT DIRECTORS

All independent Directors have declared and affirmed their compliance with the independence criteria as mentioned in Section 149(6) of the Companies Act, 2013 and clause 49 of the listing agreement in respect of their position as an Independent Director of the Company.

DIRECTORS/ KEY MANAGERIAL PERSONNEL (KMPs) APPOINTMENT OR RESIGNATION

During the year under review, no changes occurred in the position of Directors/ KMPs of the Company.

AUDIT COMMITTEE

The Audit Committee is constituted in line with the regulatory requirements mandated by the Companies Act, 2013 and Clause 49 of the Listing Agreement. The details of the Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is constituted in line with the regulatory requirements mandated by the Companies Act, 2013 and Clause 49 of the Listing Agreement. The details of the Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report

DIRECTOR'S RESPONSIBILITY STATEMENT

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 or loss of the Company for the year under review.