



White Diamond Industries Limited

9TH ANNUAL REPORT 1998-99



BOARD OF DIRECTORS : Shri Ramesh P. Kothari - Chairam & Managing Director
 Shri Bharat C. Raghani
 Shri Jatin A. Mehta
 Shri Jaynish R. Kothari

AUDITORS : M/s. N. K. Jalan & Co.
 Chartered Accountants; Mumbai.

COMPANY LAW CONSULTANT : Omprakash Lalpuria & Co.
 Company Secretary

LEGAL ADVISER : Shri M. C. Shah
 Advocate, High Court

BANKERS : Punjab & Sind Bank
 Indian Overseas Bank
 Bank of India
 Union Bank of India

**REGISTERED OFFICE,
 FACTORY &
 SHARE DEPARTMENT** : 17, Evergreen Industrial Estate,
 Shakti Mill Lane, Mahalaxmi,
 Mumbai - 400 011.

FACTORY : 545/8 Kangawad,
 Tarota Bazar,
 NAVSARI

SHARES LISTED AT : Mumbai, Ahmedabad, Delhi and
 Madras Stock Exchanges

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WHITE DIAMOND INDUSTRIES LIMITED

NOTICE

NOTICE is hereby given that the Ninth Annual General Meeting of **WHITE DIAMOND INDUSTRIES LIMITED** will be held as Scheduled below:

DATE : 30TH NOVEMBER 1999

DAY : TUESDAY

TIME : 10.00 AM

PLACE: 17, Evergreen Industrial Estate, Shakti Mill Lane, Mahalaxmi, MUMBAI - 400 011.

To transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Accounts for the year ended, 31st March, 1999 and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Jaynish R. Kothari, who retires by rotation and being eligible, others himself for reappointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT subjects to the provisions of the companies Act, 1956 (including any statutory modification(s) or re-enactment's thereof for the time being in force and as may be enacted hereinafter). Securities contracts (Regulation) Act. 1956 and the Rules framed thereunder, Listing Agreements. And all other applicable laws, rules, regulations and the guidelines and subject to such approvals, permission and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions, which the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by the Resolution), be and is hereby authorised to agree to if acceptable to the Board. the consent of the Company be and is hereby accorded to the Board to delist the equity shares of the Company from the Stock Exchange at Ahmedabad, Delhi and Madras Stock Exchanges.

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

" RESOLVED THAT in accordance with the provisions of section 198.269 & 309 read with schedule XIII or any amendment thereto from time to time and subject to approval of Shareholders in General Meeting and other applicable provisions of the companies act 1956 and subject to such other approvals if any the Board hereby approves the re-appointment of Shri R. P. Kothari as Managing Director of the company for a further period of 5 years with effect from 1st August 1999 on remuneration and perquisites set out in explanatory Statement and on terms and conditions as details in agreement entered between Company and Shri R. P. Kothari.

RESOLVED FURTHER THAT wherein any financial year on or after 1st April 1999 the company has no profits or its profits are inadequate the company may pay Shri R. P. Kothari a minimum Remuneration not exceeding ceiling limit as specified under section II of part II of Schedule XIII to the companies act 1956

REGISTERED OFFICE :

17, Evergreen Indl. Estate,
Shakti Mill Lane,
Mahalaxmi, Mumbai - 400 011.

BY ORDER OF THE BOARD OF DIRECTORS
For WHITE DIAMOND INDUSTRIES LTD.

Mumbai,
4th November, 1999

RAMESH P. KOTHARI
CHAIRMAN & MANAGING DIRECTOR

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, VOTE INSTEAD OF HIM/HER A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

2. The Register of Members and Share Transfer Books of the Company will remain closed from 7th September 1999 to 15th September 1999 (both days inclusive)

3. Members desirous of getting any information about the accounts and operations of the Company are requested to address their queries to the Company at least seven days in advance of the meeting.

4. An Explanatory Statement pursuant to Section 173 at the Companies Act 1956, relating to Special Business to be transacted at this Annual General Meeting is attached.

Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956.

ITEM-4 Presently the Company's Equity Shares are listed on the following Four Stock Exchanges in India.

1. The Stock Exchange, Mumbai. (The Regional Stock Exchange)
2. The Stock Exchange, Ahmedabad.
3. Delhi Stock Exchange
4. Madras Stock Exchange

With the extensive networking of the Stock Exchange, Mumbai (BSE) and the extension of the BSE terminals to other cities as well, investors have access to online dealings in the Company's Equity Shares across the country. The bulk of trading in the Company's equity shares in any case takes place on the BSE, and the depth and liquidity of trading in Company's equity shares on the Ahmedabad, Delhi & Madras Stock Exchange are lower.

It is observed that the listing fee paid to the Ahmedabad, Delhi & Madras Stock Exchanges is disproportionately higher, and as stated herein, the trading volumes and liquidity are low compared to the BSE.

As a part of its cost reduction measures, the Company has proposed this resolution, which will enable it to delist its equity shares from the Stock Exchange, Ahmedabad Delhi & Chennai at an appropriate time in the future. The actual timing of such a move will depend upon future developments regarding integration of Stock Exchanges across the country, the growth in volume of trading on different exchanges etc.

In line with the SEBI regulations, members' approval is being sought by a Special Resolution for enabling voluntary delisting of its equity shares from the said Stock Exchange.

The Company is also separately giving Special Notice of the proposed enabling resolution for the said delisting in one National News paper and one circulating in the region of the Stock Exchange, Ahmedabad, Delhi & Madras. The proposed delisting from these stock exchanges. As and when the same takes place, will not adversely affect the investors. The Company's securities will continue to be listed in the Mumbai Stock Exchange that is the Regional Stock Exchange. The Delisting will take effect after all approvals, permissions and sanctions are received. The exact date on which delisting will take effect will be suitably notified at that time.

Your Directors recommend the Special Resolution for approval of the members. None of the Directors of the company is in any way, concerned or interested in the resolution.

ITEM-5 In the interest of the company the Board of Directors in its meeting held on 30th July 1999, considered desirable to re-appoint Shri R. P. Kothari as Managing Director of the Company not liable to retire by rotation for a further period of 5 years with effect from 1st August 1999 which is in accordance with the provisions of schedule XIII of the Companies Act 1956 the abstract of the terms and conditions as to the remuneration etc as contained in the agreement are as under:-

1. **Remuneration:**

- (a) Salary – RS. 15000/- per month.
- (b) Commission – At a rate not exceeding 1% of the Company's net profits computed in the manner laid down in Section 309(5) of the Act, as the Board may in its sole and absolute discretion determine from time to time, provided that such commission shall not exceed 50% of his annual salary or RS. 90,000 per annum whichever is less.
- (c) Perquisites- as prescribed in schedule XIII- currently as detailed in part A, B, C restricted to an amount equal to the annual salary or Rs. 4,50,000/- whichever is less.

WHITE DIAMOND INDUSTRIES LIMITED**CATEGORY A**

- (i) **HOUSING:** Free unfurnished residential accommodation in Mumbai in a house or flat owned or leased by the Company upon the condition that 10 percent of his salary shall be deducted by the Company thereof, Gas, electricity, water and furnishings, the monetary value of which evaluated as per the Income-tax Rules, 1962 shall be subjected to a ceiling of 10% of the salary.
- (ii) **Medical reimbursement:** Expenses incurred for the Managing Director and the family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
- (iii) **Leave Travel concession:** For the Managing Director and his family, once in a year incurred in accordance with the rules specified by the Company.
- (iv) **Club fees:** Fees of Clubs to a maximum of two clubs. This does not include admission and life membership fee.
- (v) **Personal Accident Insurance:** Premium not exceeding RS. 4000.00 per annum.

CATEGORY B

- 1. Contribution to the Provident Fund, Superannuation fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income-tax Act. Gratuity shall not exceed half a month's salary for each completed year of service.
- 2. Encasement of leave at the end of the tenure will not be included in the computation of the ceiling of perquisites.

CATEGORY C:

Provision of car for the use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Managing Director.

The terms and conditions of the said appointment and/or agreement may be varied/enhanced from time to time by the Board of Directors of the Company as it may in its discretion deem fit within the maximum amount payable to Managing Director as per Schedule XIII of the Companies Act, 1956 or any amendment thereto.

The above may be regarded as an abstract of the terms and memorandum of interest under Section 302(7) of the Companies Act 1956 with respect to the Re-appointment of Shri R. P. Kothari as Managing Director of the Company.

Your Director's recommend the resolution for your approval.

A copy of the Agreement setting out the terms of re-appointments of Shri R. P. Kothari, as Managing Director of the Company may be inspected by any member of the Company at the Registered office between 11 a.m. and 1 p.m. on any working day excluding Sundays & Holidays till the date of Meeting. Except Shri R. P. Kothari and Shri Jaynish R. Kothari, none of the Directors of the company is concerned or interested in the Resolution.

REGISTERED OFFICE :

17, Evergreen Indl. Estate,
Shakti Mill Lane,
Mahalaxmi, Mumbai - 400 011.
Mumbai,
4th November, 1999

BY ORDER OF THE BOARD OF DIRECTORS
For WHITE DIAMOND INDUSTRIES LTD.

RAMESH P. KOTHARI
CHAIRMAN & MANAGING DIRECTOR

DIRECTORS' REPORT

Dear Shareholders,

Your directors have pleasure in submitting the 9th Annual Report and the Audited Accounts of the Company for the Year ended March 31, 1999.

FINANCIAL RESULTS

(Rs in lacs)

	CURRENT YEAR ENDED 31-3-99	PREVIOUS YEAR ENDED 31-3-98
Total Income	658.08	525.88
Profit before interest & depreciation	89.70	
Less: Interest	78.90	70.79
Less: Depreciation	9.14	9.47
Profit before tax	1.66	45.43
Provision for Taxation	0.17	0.88
	1.49	44.55
Add: Balance brought forward	479.84	440.29
Profit available for appropriation	481.33	484.84
APPROPRIATIONS		
Prior period Adjustment	1.99	---
General Reserve	---	5.00
Balance carried to Balance Sheet	479.34	479.84

481.33**484.84****DIVIDEND**

Due to inadequate profit your Directors do not recommend any dividend for the year ended 31st March 1999.

OPERATIONS

During the year under review, the total income has gone up from Rs. 525.88 lacs to Rs. 658.08 Lacs. At the same time Profit before tax has come down from Rs. 45.43 lacs in last year to Rs. 1.66 lacs this year. This is mainly due to unfavorable market condition prevailing in export market, increase in interest cost and other overheads and lower profit margins.