



White Diamond Industries Limited

10TH ANNUAL REPORT 1999-2000

WHITE DIAMOND INDUSTRIES LIMITED

BOARD OF DIRECTORS
(AS ON 14-8-2000) : Shri Ramesh P. Kothari - Chairman & Managing Director
Shri Bharat C. Raghani
Shri Jayant B. Mehta
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 Mil 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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NOTICE

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

DATE : 30TH SEPTEMBER 2000 **DAY** : SATURDAY
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, 2000 and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Jatin A. Mehta, who retires by rotation and being eligible, offers 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 resolution as a Special Resolution.

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered by inserting a new Article 4A after Article 4 as follows :

DEMATERIALIZATION OF SECURITIES**Definitions 4A**

- (1) For the purpose of this Article :-

"Beneficial Owner" means a person whose name is recorded as such with a Depository, "SEBI" means the Securities and Exchange Board of India Act, 1992.

"Depository" means a Company formed and registered under the Companies Act, 1956 and which has been granted a Certificate of Registration under sub-section (1A) of the Section 12 of the Securities and Exchange Board of India Act, 1992.

"Security" means such security as may be specified by SEBI.

Dematerialisation of Securities

- (2) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.

Options for Investors

- (3) Every person subscribing to the securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by law, in respect of any Securities in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates of Securities.

If a person opts to hold his securities with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

Securities in depositories to be in fungible form

- (4) All securities held by a Depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

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Rights of depositories and beneficial owners

- (5) (a) Notwithstanding anything to the contrary contained in the Act of these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.
- (b) Save as otherwise provided in (a) above, the depository and the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

Service of Documents

- (6) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

Transfer of Securities

- (7) Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

Allotment of Securities dealt with in a depository.

- (8) Notwithstanding anything in the Act or these Articles, where securities are dealt with in a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities

Distinctive numbers of securities held in a depository

- (9) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities held with a Depository.

Register and Index of beneficial owner

- (10) The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996, Shall be deemed to be the Registrar and Index of Members and Security holders for the purposes of these Articles.

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

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) there to or any re-enactment(s) thereof for the time being in force), the Articles of Association of the Company be and are hereby altered in the following manner:

The following new Articles 44A, 44B and 44C be inserted after the present Article 44.

44A. NOMINATION OF SHARES AND/OR DEBENTURES

- (1) Every holder of shares in, or debentures of the Company may at any time nominate, in the manner prescribed under the Act, a person to whom his shares in, or debentures of the Company shall vest in the event of his death.
- (2) Where the shares in, or debentures of the Company are held by more than one person(s) jointly, the joint holders may together nominate, in the manner prescribed under the Act, a person to whom all the rights in the shares or debentures of the Company shall vest in the event of death of

all the joint holders.

- (3) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the shares or debentures where a nomination made in the manner prescribed under the Act, purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall on the death of the shareholder or the debenture holder concerned, or on the death of the joint holders become entitled to all the rights in relation to such shares or debentures to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner prescribed under the Act.
- (4) Where the nominee is a minor, the holder of the shares or debentures concerned, can make the nomination to appoint in the manner prescribed under the Act, any person to become entitled to the shares or debentures concerned in the event of his death during the minority.

44B. TRANSMISSION IN CASE OF NOMINATION

- (1) Any person who becomes a nominee by virtue of the provisions of Section 109A, upon the production of such evidence as may be required by the Board and subject as hereinafter provided elect either -
 - (a) to register himself as the holder of the share(s) or debenture(s) as the case may be; or
 - (b) to make such transfer of share(s) or debenture(s) as the case may be, as the deceased shareholder or debenture holder as the case may be, could have made.
- (2) If the person being a nominee, so entitled, elects to be registered as holder of the share(s) or debenture(s) himself as the case may be, he shall deliver or send to the Company a notice in writing duly signed by him stating that the nominee concerned so elects and such notice shall be accompanied with death certificate of the deceased shareholder/debenture holder as the case may be.
- (3) All the limitations, restrictions and provisions of the Act relating to the right to transfer and the registration of transfer of shares and debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer were signed by that shareholder or debenture holder, as the case may be.
- (4) A person being a nominee, becoming entitled to a share or debenture by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share or debentures except that he shall not, before being registered as a member in respect of his share(s) or debenture(s), be entitled in respect of it to exercise any right(s) conferred by membership in relation to meetings of the Company.

Provided that the Board may, at any time give notice requiring any such person to elect either to register himself or to transfer the share(s) or debenture(s), and if the notice is not complied with within ninety days, the Board may thereafter withhold payments of all dividends, bonuses or other moneys payable in respect of the share(s) or debenture(s) until the requirements of the notice have been complied with.

44C. NOMINATION FOR FIXED DEPOSITS

A depositor may, at any time, make a nomination and the provisions of Sections 109A and 109B shall, as far as may be, apply to the nominations made pursuant to the provisions of Section 58A(11) of the Act."

6. To consider and it thought fit to pass with or without modification, following resolution as a special resolution.
 "RESOLVED that as per provisions of section 17 and all other applicable provisions if any, of the companies Act 1956, the Memorandum of Association of the Company be altered by adding sub clause 49 and 50 after sub clause 43 in clause III (C) thereof as under :
 49. To carry on in India or elsewhere the business of share and stock broking, sub-broking, financial operations of all kinds and to obtain Memberships of stock exchanges including National Stock Exchange, Membership and Dealership of Over The Counter Exchange of India and any other
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similar authority, body or institution as may be established from time to time by public government, financial institutions or any other person or group of persons and to do all incidental acts and things necessary for the attainment of the foregoing objects.

50. To carry on India or elsewhere the business to manufacture, develop, import, export, buy, sell, distribute, transfer, lease, hire, license, use, dispose-off, operate, fabricate, construct, assemble, record, maintain, repair, recondition, work, alter, convert, improve, procure, install, modify, and to act as consultant, agent, broker, franchiser, job worker, representative, advisor or otherwise to deal in all kinds of computers, calculators, micro processors, electronic and electrical apparatuses, softwares, equipments, gadgets, peripherals, modulators, auxiliary instruments, tools, plants, machines, works, systems, conveniences, spare parts, accessories, devices, components, fixtures etc. of different capacities, sizes, specifications, applications, descriptions and models used or may be used in the field of space aviations, surface water and air transports, railways, defence medical, engineering, industries, construction, minings, powers, traffics, offices, police, communications, trade, commers, weather satellite, research, hospitals, hotels, advertisings, education, decoration, automobiles, geographical, recreational, domestic and other allied purposes such as computers, mini computers, super computers, pocket computers, personal computers, micro computers, engineering computers, general purpose and process control computers, informations and word processing equipments, copying machines, electronic telephone exchange, typewriters, video games, signals or other similar items present or future and to do all incidental acts and things necessary for the attainment of foregoing objects.
- To develop website, portal to acquire rights to use website, portal for selling, dealing in various kinds of goods and services, to undertake, desing & development, research of software systems, products and solutions in all areas of application including those in emerging niche segments like internet, websites, applications solution software, enterprise resource planning, e-commerce, value added products and other business applications either for its own use or for sale in India or for export outside India and to design, develop such systems and application software for or on behalf of manufacturers, owners and users of computer systems, telecom, digital electronic equipment in India or else where in world. To set up and run software/hardware training centres, software consultancy, system studies, management consultancy, techno-economic feasibility studies of projects, design and development of management information systems in India and outside India and to focus on indentification, selection, training of software manpower for onsite placement in India and outside India for its own use and/or client's use and recruitment and job placement services in India or outside India. To research, design, develop, process, set up, fabricate, manufacture, assemble, purchase, take on hire, import or otherwise acquire stock, erect, construct, maintain manage alter, repair, renovate, fit, improve, recondition, sell, hire, lend, export or otherwise dispose off and deal in electronic, electrical, telecommunication and software products, To invest in manage/assist overseas software companies for the fulfillment of above objectives.
7. To consider and if though fit, to pass with or without modification, the following resolution as a **Special Resolution** :
"RESOLVED THAT pursuant to Section 149 (2-A) and all other applicable provisions, if any, of the Companies Act, 1956, approval of the Company be and is hereby accorded for commencing and undertaking all or any of the business as specified in Sub-Clause 44 to 50 of Clause III-C the Memorandum of Association of the Company as the when the Board of Directors deems fit."

REGISTERED OFFICE :
 17, Evergreen Indl, Estate,
 Shakti Mill Lane, Mahalaxmi,
 Mumbai - 400 011.
 Mumbai, 5th September, 2000

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

RAMESH P. KOTHARI
 CHAIRMAN & MANAGING DIRECTOR

NOTES :

- (1) The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of Item Numbers 4 to 7 is annexed and forms part of the Notice.
- (2) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE VALID AND EFFECTIVE, MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
Members/Proxies should bring the enclosed Attendance Slip duly filled in, for attending the meeting.
- (3) All documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days upto the date of the meeting.
- (4) Individual Shareholders can now avail of the facility of nomination. The nominee shall be the person in whom all rights of transfer and/or amount payable in respect of the shares shall vest in the event of the death of the shareholder(s). A minor can be a nominee provided the name of the guardian is given in the Nomination Form. The facility of nomination is not available to non-individual shareholders such as Bodies Corporate, Kartas of Hindu Undivided Families, Partnership Firms, Societies, Trusts and holders of Power of Attorney. For further details, please contact the Company's Registered Office. Proforma of Nomination Form is enclosed.
- (5) Members are requested to :
 - (a) intimate to the Company's Registered Office, change, if any, in their respective addressed along with Pin Code Number at an early date ;
 - (b) Quote Folio Numbers in all their correspondence ;
 - (c) Consolidate holdings into one folio in case of multiplicity of Folios with names in indential orders.
- (6) 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.
- (7) The Company has already notified closure of Register of Members and the Transfer Books from 19th September, 2000 to 27th September, 2000 (both days inclusive)

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956 :
Items No. 4

Consequent to the passing of the Depositories Act, 1996, a facility has been provided to the investors/ shareholders of the Company for holding securities by way of electronic entries instead of paper scrips. The National Securities Depository Limited (NSDL) as well as the Central Depository Services (India) Limited (CDSL) have accordingly set up depositories under the said Act and the Company will sign agreements with both NSDL and CDSL for joining the depositories.

The introduction of this new mode of holding and trading in securities in the electronic media along with the existing mode of holdings securities in paper scrips has necessitated certain alterations in the Articles of Association of the Company, especially in matters such as Register of Members to cover the Beneficial Owners as per the records of the Depositories, fungibility of the shares held in Depositories, transfer of shares held in Depositories etc. Accordingly it is proposed to alter the Articles of Association of the Company by including a new Article 4A as set out in the Resolution at item No. 4.

A copy of the Memorandum of Association and Articles of Association is available for inspection of the Members at the Registered Office of the Company on any working day prior to the date of the Annual General Meeting.

The Board recommends the resolution for approval of the Members.

None of the Directors of the Company are in any way concerned or interested in the resolution set out in Item No. 4

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Item No. 5

The Companies Act, 1956 has been amended by introduction of Section 109A and 109B and amendment of Section 58A whereby, every holder of shares in, or holder of debentures or deposits of, the Company, may at any time nominate in the prescribed manner, a person to whom his shares in, or debentures or deposits of, the Company, shall vest in the event of his death. Accordingly it is proposed to alter the Articles of Association of the Company by including a new Article 44A, 44B, 44C as set out in the Resolution in item No. 5

A copy of the Memorandum of Association and Articles of Association of the Company is available for inspection of the Members at the Registered Office of the Company on any working day prior to the date of the Annual General Meetings.

The Board recommends the resolution for approval of the Members.

None of the Directors of the Company are in any way concerned or interested in the resolution set out in Item No. 5

Item No. 6

The Company is evaluating options to enter the area of stock broking business. With a view to enable the company to undertake this business it is proposed to add sub clause No. 49 in Memorandum of Association.

The Company proposes to enter software, E-commerce and other activities. It is necessary to add sub clause 50 in Clause III (C) of the Memorandum of Association to include such activities under Other Objects.

Your Directors, therefore, Recommended the above Resolution for approval.

None of the Directors of the Company is concerned or interested in the Resolution.

Item No. 7

As per the provisions of Section 149(2-A) of the Companies Act, 1956, approval of the Members is required for commencement of any business as set in Other Objects under Clause III (C) of the Memorandum of Association of the Company.

As a matter of expediency, approval of the Member is sought to enable the Board of Directors at such time or times as they consider appropriate and in the interest of the Company, to commence and undertake all or any the business as specified in subclauses No. 44 to 50 Clause III (C) of the Memorandum of Association of the Company.

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.

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

Mumbai, 5th September, 2000

RAMESH P. KOTHARI
CHAIRMAN & MANAGING DIRECTOR