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**White Diamond Industries Limited**

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**12TH ANNUAL REPORT 2001-2002**

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**BOARD OF DIRECTORS** : Shri Ramesh P. Kothari – Chairman & Managing Director  
 Shri Jayant B. Mehta - Director  
 Shri Jatin A. Mehta - Director  
 Shri Jaynish R. Kothari - Director

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

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**COMPANY LAW CONSULTANT** : Omprakash Lalpuria & Co.  
 Company Secretary

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

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

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**REGISTERED OFFICE & SHARE DEPARTMENT** : 32, Nanik Niwas, 4th Floor, Dr D. D. Sathé Marg,  
 (Benham Hall Lane), Girgaon, Mumbai 400004

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**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 Twelfth Annual General Meeting of WHITE DIAMOND INDUSTRIES LIMITED will be held as Scheduled below:

**DATE** : 30<sup>TH</sup> SEPTEMBER 2002      **DAY** : MONDAY

**TIME** : 10.00 AM

**PLACE** : 102, Nilanjana, Near Nutan High School,  
Merve Road, Malad (W), Mumbai - 400 064.

To transact the following business:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Accounts for the year ended, 31<sup>st</sup> March, 2002 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, offers himself 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 modification(s), the following Resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT, the Authorised Share Capital of the Company be increased from Rs 70,000,000.00 (Rupees Seven Crores only) to Rs 120,000,000.00 (Rupees Twelve Crores only) by creation of 50,000,000 (Five Crore) Equity Shares of Rs 10/- each."

5. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT Clause V of the Memorandum of Association of the Company be altered by deletion of the existing Clause V and substitution in place thereof the following clause as Clause V:

"The Authorised Capital of the Company shall be Rs 120,000,000 (Rupees Twelve Crores Only) divided into 1,20,00,000 (One Crore Twenty Lakhs Only) Equity Shares of Rs 10/- each."

6. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an SPECIAL RESOLUTION:

"RESOLVED THAT Article 3 of the Articles of Association be altered by deletion of the existing Article 3 and substitute in place thereof the following article as Article 3."

"The Authorised Capital of the Company shall be Rs (Twelve Crores Only) divided into 1,20,00,000 (One Crore Twenty Lakhs Only) Equity Shares of Rs. 10/- each."

7. To consider and, if thought fit, to pass with or without modification(s) the following resolutions as special resolution:

"RESOLVED THAT pursuant to the provisions of Section 81 and other applicable provisions, if any, of the Companies Act, 1956 or any amendment in future thereto or the provisions of any reenactment of the said Act, subject to necessary consents/approvals/vettings/permissions of Securities and Exchange Board of India (SEBI), other relevant/appropriate authority(ies) and subject to such terms and conditions, alterations or modifications as may be required or specified while granting such consents/approvals/vettings/permission which may be agreed to by the Board of Directors, the consent of the company be and is hereby accorded to the Board of Directors of the Company, to offer, issue and allot Equity Shares aggregating to an amount not exceeding Rs.10,00,00,000/- (Rupees Ten Crores Only) (inclusive of such premium, as may be fixed on such Equity Shares), in one or more stages, by way of Rights Offer to the existing shareholders

of the Company and/or special reservation for promoter group and/or Public offer to Indian Public, Non-Resident Indians, Persons of Indian Origin Resident Abroad, Employees (including Indian Working Directors of the Company), Mutual Funds, Investment/Financial Institutions (on competitive basis) and/or on private placement basis to the Financial/Investment Institutions/Merchant Bankers/Companies/Mutual Funds and Banks etc., in such manner and on such terms and conditions as they may in their absolute discretion think fit.

RESOLVED FURTHER THAT unsubscribed portion of Equity Shares, if any, reserved for preferential offer(s) to Non-Resident Indians, Employees of the Company, be allotted to the Mutual Fund(s), Financial/Investment Institutions and/or added back to the Public/Rights Offer to allot the Equity Shares to such applicants who apply for additional Equity Shares.

RESOLVED FURTHER THAT the Board of Directors will have the absolute authority to increase/reduce and recalculate the number of Equity Shares to be issued and the entitlement thereto and the amount of the premium to be charged thereon or to reallocate the number of shares to be issued amongst any of the terms and conditions being modified or varied by the Securities and Exchange Board of India (SEBI), Financial/Investment Institutions and other Authorities etc.

RESOLVED FURTHER THAT the consent of the company be and is hereby accorded under the applicable provisions of the Companies Act, 1956 or any amendment in future thereto or the provisions of any reenactment of the said Act, to the issue and allotment of such number of Equity Shares of Rs. 10/- (Rupees Ten Only) each in the capital of the Company at such time, price or premium and in such manner and in such proportion and on such terms as may be decided by the Board of Directors and to do all acts, deeds and things in connection therewith and incidental thereto.

RESOLVED FURTHER THAT for the purposes of giving effect to any or all of the foregoing Board of Directors or any of the Director(s) be and is/are hereby interalia from time to time authorised to prescribe and finalise the Letter of Offer, Prospectus, Application Forms to determine the amount payable on application(s) and allotment and interalia from time to time, by way of further calls, if any, in respect of shares to appoint Advisors on Consultants, Lead Managers, Registrars, Underwriters/Standby Underwriting and/or Brokers, Bankers, Agent and Trustees and any other as may be agency(ies) lawful, for the purpose of the above said Equity Shares issue and pay, if they think fit, fees, underwriting commission and/or brokerage as may be lawful and reasonable and give such other directions as they may from time to time think fit and proper and to take such decisions, all such acts, deeds, matter or things whatsoever including settlement of any question, doubt or difficulty that may arise with regard to it or the offer, issue or allotment of the Shares that may be required to be allotted as per a foresaid resolution as they in their absolute discretion consider necessary expedient usual or proper in or about the premises and settle and question difficulty that may arise in regard to the issue, allotment and listing of these Equity Shares and allotment and listing of Equity Shares.

For and on behalf of the Board,

**Registered Office:**

32, Nanik Niwas, Dr D.D.Sathe Marg

Benham Hall Lane,

MUMBAI-400 004.

Mumbai: 30<sup>th</sup> August, 2002.

**RAMESH P. KOTHARI**

Chairman & Managing Director

## WHITE DIAMOND INDUSTRIES LIMITED

### NOTES:

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item Number 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 NO LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. 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, Karta of Hindu Undivided Families, Partnership Firms, Societies, Trusts and holders of Power of Attorney. For further details, please contact the Company's Registered Office.
4. Members are requested to:
  - (a) intimate to the Company's Registered Office, change, if any, in their respective addresses 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 Foliros with names in identical orders.
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. The Company has already notified closure of Register of Members and the Transfer Books from 24<sup>th</sup> September, 2002 to 30<sup>th</sup> September, 2002 (both days inclusive).

### EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

#### Item No. 4, 5 & 6:

The present authorised capital of the Company is Rs. 7 crores, it is proposed to increase the Authorised Capital to Rs. 12 crores in the manner as set out in the accompanying notice in accordance with Section 94 of the Companies Act, 1956. The increase in the Authorised Capital to the proposed level of Rs. 12 crores, if adopted by shareholders, would enable the Board of Directors of your Company, at such appropriate time or times as the Board may decide, to issue and allot further shares to augment the financial resources to implement the Company's future programme.

The alteration of the Capital Clause of the Memorandum of Association of the Company is consequential, in accordance with the provisions of Section 16 of the Companies Act, 1956.

Consequent to the proposed increase in the Authorised Capital of the Company, the existing Article 3 of the Articles of Association is also required to be amended as proposed in the accompanying Notice in accordance to the provisions of Section 31 of the Companies Act, 1956.

Your Directors commend adoption of the proposed resolution.

None of the Directors of the Company is concerned or interested in the above resolution.

#### Item No. 7:

In order to expand existing activities of the Company an amount not exceeding Rs.10 crores (Rupees Ten Crores Only) in one or more stages is proposed to be raised by way of equity

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(inclusive of such premium on Equity Shares) by way of Rights Offer/Private Placement on such terms and conditions as may be decided by the Board of Directors. The proposed resolution(s) is/are recommended for your approval.

The Directors may deemed to be interested in this resolution to the extent of their Rights entitlement/ subscription/preferential offer, if any, in the proposed resolution.

**REGISTERED OFFICE :**  
32, Nanik Niwas, 4th Floor,  
Dr. D. D. Sathe Marg, Girgaon,  
Mumbai - 400 004.  
Mumbai, 30th August, 2002

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

**RAMESH P. KOTHARI**  
CHAIRMAN & MANAGING DIRECTOR



**WHITE DIAMOND INDUSTRIES LIMITED****DIRECTORS' REPORT**

Dear Shareholders,

Your directors present here with the 12<sup>th</sup> Annual Report and the Audited Accounts of the Company for the Year ended March 31, 2002.

**FINANCIAL RESULTS**

	(Rs in lacs)	
	<b>CURRENT YEAR ENDED 31-3-2002</b>	<b>PREVIOUS YEAR ENDED 31-3-2001</b>
Total Income	3.02	56.35
Profit / (Loss) before interest & depreciation	(355.92)	(79.80)
Less: Interest	43.39	35.24
Less: Depreciation	8.49	8.48
Profit / (Loss) before tax	(407.80)	(123.52)
Provision for Taxation	—	—
Profit / (Loss) after Tax	(407.80)	(123.52)
Prior Period Adjustment	(0.51)	1.16
Balance brought Forward	(408.31) 353.40	(122.36) 475.76
Balance carried forward	(54.91)	353.40

**DIVIDEND**

In view of the loss, your directors do not recommend any dividend for the year ended 31-03-2002.

**OPERATIONS**

The year under review has been an unsatisfactory year for the Company.

During the year the Company achieved a turnover of Rs. 3.02 lacs (Previous year Rs. 56.35 lacs)

The operations resulted into a loss of Rs. 407.81 lacs (previous year loss Rs. 123.52 lacs) mainly due to payment of interest and huge provision for Bad Debts.

**DIRECTORS**

In accordance with Articles of Association of the Company Shri Jaynish R. Kothari retires by rotation, and being eligible offers himself for re-appointment.

**FIXED DEPOSITS**

The Company has not accepted any deposits during the year under review.

**INFORMATION REGARDING CONSERVATION OF ENERGY**

Information required under Section 217(1)(e) of the Companies Act, 1956, read with Rule (2) of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are as under:

The operations of the Company involve very low energy consumption and energy conservation methods wherever possible are already implemented.

The Company has not carried out any research and development activity during the year under review; hence this information is not given.

**FOREIGN EXCHANGE AND OUTGO**

The Company's main line of business is to do Sawing & Kerfing and Drilling of Diamond on Job work basis and export of Cut & Polished Diamonds.

Total Foreign Exchange used Rs. NIL      Total Foreign Exchange earned      Rs. NIL

**DEMATERIALISATION OF SHARES**

The equity shares of the Company are traded on the Stock Exchanges in demat form as per the SEBI regulations. The Company has entered into agreements with National Securities Depository Limited (NSDL) as well as Central Depository Services Limited (CDSL) for dematerialisation of its shares. This will be helpful for the investors for their dealings in the market.

**DIRECTORS' RESPONSIBILITY STATEMENT**

As required u/s 217A (2AA) the Directors confirm that they have-

- followed in the preparation of annual accounts, the applicable accounting standards and given proper explanation relating to material departures in the respective notes to Accounts.
- selected such accounting policies and applied them consistently and made judgments 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 or loss of the Company for that period.
- taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.
- prepared the annual accounts on a going concern basis.

**AUDIT COMMITTEE**

The Audit Committee consists of Shri Ramesh P. Kothari, Shri Jayant B. Mehta and Shri Jatin A. Mehta. Shri Ramesh P. Kothari is the Chairman of the Committee. The Committee met two times till date and reviewed the annual financial statements for the year ended 31-03-2002 and compliance of internal control systems.

**CORPORATE GOVERNANCE**

This Information is required to be provided from financial year 2002-03. Your Company is in the process of implementation of the required provisions of Corporate Governance and will ensure that all the mandatory provisions are fully complied with well before the last date prescribed by the Stock Exchange.

**PERSONNEL**

Relations between the employees and management continued to remain cordial during the year under review. There is no employee whose information is required to be disclosed under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rule, 1975.

**AUDITORS**

The Company's Auditors M/s. N. K. Jalan & Co., Chartered Accountants, retire at the end of this Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their appointment.

**AUDITORS REPORT**

The observation made by the Auditors of the company in their report read with the Notes on Accounts, are self-explanatory and do not require any further clarifications.

**ACKNOWLEDGEMENT**

Your Directors would like to place on record their gratitude for the continuous support and co-operation received from the Bank of India and the Punjab & Sind Bank, the Central and State Government Departments, Customers and Suppliers. We also convey our heartfelt thanks to the shareholders for their unfailing trust, confidence and encouragement. The Directors place on record their appreciation of the contribution made by the employees and management to the continued satisfactory business performance during the year.

PLACE : MUMBAI.

DATE: 30<sup>th</sup> August, 2002

For and on behalf of the Board

RAMESH P. KOTHARI

CHAIRMAN & MANAGING DIRECTOR