



WHITE DIAMOND INDUSTRIES LIMITED

21st ANNUAL REPORT 2010-2011

WHITE DIAMOND INDUSTRIES LIMITED

BOARD OF DIRECTORS: Shri. Mahesh M. Rupani - Appointed on 23.08.2011
-Chairman
Shri. Darshak M. Rupani
-Managing Director
Shri. Prashant M. Rupani - Appointed on 23.08.2011
-Director
Shri. Rameshchandra P. Kothari
Shri. Jaynish R. Kothari
Shri Nalin P. Shah
Shri. Nirup P. Kothari - Resigned on 23.08.2011
Shri. Ushakant C. Shah - Resigned on 23.08.2011

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

LEGAL ADVISER : Smt. Anjana Gupta
Advocate, Esplanade Court

BANKERS : Punjab & Sind Bank
Indian Overseas Bank
Bank of India
State Bank of Bikaner & Jaipur

REGISTERED OFFICE & SHARE DEPARTMENT : 524, Sandhurst Building, S. V. P. Road,
Opera House, Mumbai - 400 004.

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

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NOTICE

Notice is hereby given that the 21st Annual General Meeting of the Members of White Diamond Industries Limited will be held on Monday 26th September, 2011 at 10.00 A.M at the Office No. 312A, Kailas Plaza, Vallabh baug lane, Ghatkopar (East), Mumbai – 400 077 to transact the following business.

ORDINARY BUSINESS

1. To adopt the Profit & Loss Account for the Financial Year ended 31st March, 2011 and the Balance Sheet as at that date and Reports of the Board of Directors and the Auditor thereon.
2. To appoint a director in place of Mr. Rameshchandra P Kothari, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Mr. Nalinkumar A Shah, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint M/s. N.K. Jalan & Co., Chartered Accountants, as the statutory auditors of the company, to hold office from conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the company and to authorize the directors to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT Mr. Mahesh Mohanlal Rupani, who was appointed as an Additional Director of the Company under section 260 of the Companies Act, 1956, on 23rd August, 2011 and who holds office up to the date of this Annual General Meeting, in respect of whom notice under section 257 of the Companies Act, 1956 has been received from the member signifying his intention to propose Mr. Mahesh Mohanlal Rupani, as a candidate for the office of Director of the Company be and is hereby appointed as the Director of the Company liable to retire by rotation."

6. To consider and, if thought fit, to pass, with or without modification, the

following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT Mr. Prashant Mahesh Rupani, who was appointed as an Additional Director of the Company under section 260 of the Companies Act, 1956, on 23rd August, 2011 and who holds office up to the date of this Annual General Meeting, in respect of whom notice under section 257 of the Companies Act, 1956 has been received from the member signifying his intention to propose Mr. Prashant Mahesh Rupani, as a candidate for the office of Director of the Company be and is hereby appointed as the Director of the Company liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269 & 309 read with Schedule XIII or any amendment thereto from time to time or other applicable provisions of the Companies Act, 1956, (including statutory modifications of re-enactments thereof, for the time being in force) and the relevant provisions of Articles of Association of the Company, approval of the Company be and is hereby accorded to the appointment of Shri Mahesh Mohanlal Rupani as Executive Chairman of the Company for a period of 3 years with effect from 23rd August, 2011, on remuneration and perquisites set out here below :

- a) Salary : Rs.15,000/- per month
- b) Commission @ 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.1,80,000/- per annum whichever is lesser.
- c) Perquisites : in accordance with the provisions of Schedule XIII of the Companies Act, 1956.

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 the salary shall be deducted by the Company thereof, Gas, Electricity, water and the monetary value of which evaluated as per the Income Tax Rules, 1962 shall be subject to a ceiling of 10% of the Salary.

(ii) Medical Reimbursement : expenses incurred for the Chairman and his family subject to a ceiling of one month's salary in a year or three

- months salary over a period of three years.
- (iii) Leave Travel Allowance : For the Chairman and his family once in a year incurred in accordance with the rules of the Company.
 - (iv) Club Fees : Maximum of two clubs. This does not include admission and life membership fee.
 - (v) Personal Accident Insurance : Premium not exceeding Rs.10,000 per month.

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 salary for each completed year of service.
2. Encashment 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 Chairman.

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 Chairman as per Schedule XIII of the Companies Act, 1956 or any amendment thereto.

RESOLVED FURTHER THAT the approval of the members of the Company be and is hereby accorded to the Board of Directors to alter and vary the terms and conditions of appointment of Shri Mahesh Mohanlal Rupani, including remuneration payable to him in accordance with the provisions of Schedule XIII of the Companies Act, 1956 as the Board of Directors may deem fit and as may be agreed to by Shri Mahesh Mohanlal Rupani.”

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

“**RESOLVED THAT** pursuant to the provisions of Section 198,269 & 309 read with Schedule XIII or any amendment thereto from time to time or other applicable provisions of the Companies Act, 1956, (including

statutory modifications of re-enactments thereof, for the time being in force) and the relevant provisions of Articles of Association of the Company, approval of the Company be and is hereby accorded to the appointment of Shri Darshak M Rupani as Managing Director of the Company for a period of 3 years with effect from 23rd August, 2011, on remuneration and perquisites set out here below :

- d) Salary : Rs.15,000/- per month
- e) Commission @ 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.1,80,000/- per annum whichever is lesser.
- f) Perquisites : in accordance with the provisions of Schedule XIII of the Companies Act, 1956.

Category A

- (vi) 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 the salary shall be deducted by the Company thereof, Gas, Electricity, water and the monetary value of which evaluated as per the Income Tax Rules, 1962 shall be subject to a ceiling of 10% of the Salary.
- (vii) Medical Reimbursement : expenses incurred for the & Managing Director and his family subject to a ceiling of one month's salary in a year or three months salary over a period of three years.
- (viii) Leave Travel Allowance : For the Managing Director and his family once in a year incurred in accordance with the rules of the Company.
- (ix) Club Fees : Maximum of two clubs. This doesnot include admission and life membership fee.
- (x) Personal Accident Insurance : Premium not exceeding Rs.10,000 per month.

Category B

- 3. 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 salary for each completed year of service.

4. Encashment 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.

RESOLVED FURTHER THAT the approval of the members of the Company be and is hereby accorded to the Board of Directors to alter and vary the terms and conditions of appointment of Shri Darshak M Rupani, including remuneration payable to him in accordance with the provisions of Schedule XIII of the Companies Act, 1956 as the Board of Directors may deem fit and as may be agreed to by Shri Darshak M Rupani."

By Order of the Board of Directors

Mahesh Mohanlal Rupani
Chairman

Registered Office:
524, Sandhurst Building,
S. V. P. Road, Opera House,
Mumbai - 400 004.
Date: 23rd August, 2011.

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ALSO ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Members and the share transfer books of the Company will remain closed from Monday, the 19th September, 2011 to 26th September, 2011 (both days inclusive).
3. Members desirous of obtaining any information concerning the Accounts and Operations of the Company are requested to address their queries to the Company Secretary, so as to reach him at least seven days before the date of Meeting.
14. Members/Proxies attending the Meeting are requested to bring their Attendance Slip, sent herewith, duly filled in and also their copies of the Annual Report.
5. All queries relating to Share Transfer and allied subjects should be addressed to :

Sharex Dynamic (India) Pvt. Ltd.
(Unit : WDIL)
Luthra Industrial Premises
Safed Pool
Andheri – Kurla Road,
Mumbai – 400 072.

ANNEXURE TO THE NOTICE:

Explanatory Statement as required by Sections 173(2) of the Companies Act, 1956.

ITEM NO.5 & 7

Mr Mahesh Mohanlal Rupani aged 60 years is a Graduate from Mumbai University. He has worked in the Finance industry for more than 35 years, Also has worked more than 5 years in Diamond industry.

Mr. Mahesh Mohanlal Rupani, who was appointed as an Additional Director of the Company under section 260 of the Companies Act, 1956, on 23rd August, 2011 and who holds office up to the date of this Annual General Meeting, in respect of whom notice under section 257 of the Companies Act, 1956 has been received from the member signifying his intention to propose Mr. Mahesh Mohanlal Rupani, as a candidate for the office of Director of the Company

In view of his vast experience in Finance and Industry, his appointment as Chairman of the Company is proposed on the terms and conditions as set out in the Ordinary Resolution in item no. 7 should also be treated as abstract of the terms and conditions of the appointment under section 302 of the Companies Act, 1956.

Shri Mahesh Mohanlal Rupani is interested or concerned in this Resolution, Shri Darshak M Rupani and Shri Prashant M Rupani are also interested or concerned in this Resolution being the relatives of Shri Mahesh Mohanlal Rupani. None of the other Directors are in any way concerned or interested in this Resolution.

The Board accordingly recommends the resolution set out in the item no. 5 & 7 for approval of the the members.

ITEM NO.6

Mr. Prashant Mahesh Rupani, a young man of about 34 years son Mr. Mahesh Mohanlal Rupani – Chairman and is brother of Mr. Darshak M Rupani – Managing Director, is a Graduate from Mumbai University. He has worked in the Business Process Outsourcing Industry for more than 16 years.

Mr. Prashant Mahesh Rupani was appointed as an additional director of the Company w.e.f. 23rd August, 2011 and holds the office upto the date of Annual General Meeting. Pursuant to section 260 of the Companies Act,

1956 and Articles of Association of the Company, Notice u/s.257 of the said Act has been received from a member along with the deposit of Rs. 500/- signifying his intention to propose the name of Mr. Prashant Mahesh Rupani, for appointment as a director of the Company.

In view of the above Mr. Prashant Mahesh Rupani having vast work experience in the filed of Process Industry, his appointment as a Non – Executive Director is proposed on the terms and conditions as set out in the Ordinary Resolution at Item No. 6.

Shri Prashant M Rupani is interested or concerned in this Resolution, Shri Darshak M Rupani and Shri Mahesh M Rupani are also interested or concerned in this Resolution being the relatives of Shri Prashant M Rupani . None of the other Directors are in any way concerned or interested in this Resolution.

The Board accordinly recommends the resolution set out in the item no. 6 for approval of the the members.

Item No. 8

Mr Darshak M Rupani is a young man of about 30 years, son of Mr. Mahesh Mohanlal Rupani- Chairman, and brother of Mr. Prashant M Rupani, Non Executive Director is a post graduate in Information Technology from Clarendon College, Sydney. He has worked in the Diamond industry for about 5 years.

Mr. Darshak Mahesh Rupani was appointed as an additional director of the Company w.e.f. 30th August, 2010 and holds the office upto the date of Annual General Meeting. Pursuant to section 260 of the Companies Act, 1956 and Articles of Association of the Company, Notice u/s.257 of the said Act has been received from a member along with the deposit of Rs. 500/- signifying his intention to propose the name of Mr. Darshak Mahesh Rupani, for appointment as a director of the Company.

In view of Mr. Darshak M Rupani having trained himself well in the aforesaid areas and his ability to perform as a Managing Director, his appointment as Managing Director of the Company is proposed on the terms and conditions as set out in the Ordinary Resolution in item no. 8 should also be treated as abstract of the terms and conditions of the appointment under section 302 of the Companies Act, 1956.

Mr. Darshak M Rupani is interested or concerned in this Resolution, Mr. Mahesh M Rupani and Mr. Prashant M Rupani are also interested or