

22nd Annual Report

2011 - 2012

BOARD OF DIRECTORS

Mr. Mahesh M. Rupani – Director (Resigned as Director / Chairman w.e.f : 04.06.2012)

Mr. Prashant M. Rupani – Director (Appointed as Chairman w.e.f : 04.06.2012)

Mr. Darshak M. Rupani – Managing Director

Mr. Jitendra J. Mehta – Director (Appointed as Additional Director w.e.f : 04.06.2012)

Mr. Rameshchandra P. Kothari – Director

Mr. Jaynish R. Kothari - Director

Mr. Nalin A. Shah = Director

AUDITORS

N.K.Jalan & Co. Chartered Accountants

BANKERS

State Bank of Bikaner and Jaipur

Indian Overseas Bank

Bank of India

REGISTERED OFFICE

312A, Kailas Plaza, Vallabh Baug Lane, Ghatkopar East, Mumbai 400077.

STOCK EXCHANGES

Mumbai , Ahemdabad, Delhi and Chennai Stock Exchanges

REGISTRAR AND SHARE TRANSFER AGENTS

Sharex Dynamic (India) Pvt. Ltd.

Unit-1 Luthra Industrial Estate,

Safed Pool,

Andheri (E),

Mumbai – 400 072.

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NOTICE

Notice is hereby given that the 22nd Annual General Meeting of the Members of White Diamond Industries Limited will be held on Monday 24th September, 2012 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 receive, consider and adopt the audited Balance Sheet as on March 31, 2012 and Profit & Loss Account for the year ended on that date and the Reports of Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Darshak M. Rupani, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Mr. Jaynish R. Kothari, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modifications , the following resolution as an Ordinary resolution:

“Resolved that M/s. N.K. Jalan & Co., Chartered Accountants, Mumbai, the retiring Auditors, be and are hereby appointed as 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 on such remuneration and reimbursement of expenses as agreed upon by the Board of Directors and the Auditors in connection with the audit of the accounts of the Company for the year ending on 31.03.2013.”

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. Jitendra J. Mehta, who was appointed as an Additional Director of the Company under section 260 of the Companies Act, 1956, on 4th June, 2012 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. Jitendra J. Mehta, 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."

“ FURTHER 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 remunerate Mr. Jitendra J. Mehta @ Rs 15,000/- per month with effect from 04.06.2012

- 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.
- 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 & 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.
 - iii. Club Fees : Maximum of two clubs. This does not include admission and life membership fee.
 - iv. Personal Accident Insurance :Premium not exceeding Rs.10,000 per month.

Category B

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 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 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 Jitendra J. Mehta, 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 Jitendra J. Mehta."

6. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **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 and superseding any other resolution passes earlier to this effect , approval of the Company be and is hereby accorded to remunerate Mr. Darshak M. Rupani on such terms and conditions and perquisites as given below:

- d) Salary : Rs.30,000/- per month (W.E.F : 01.10.2012 onwards)
- e) Commission @ not exceeding 3% 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.
- f) 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 & 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.
- iii. Leave Travel Allowance : For the Managing Director and his family once in a year incurred in accordance with the rules of the Company.
- iv. Club Fees : Maximum of two clubs. This doesnot include admission and life membership fee.

- v. Personal Accident Insurance : Premium not exceeding Rs.10,000 per month.

Category B

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

Sd/-

Prashantt M. Rupani

Chairman

Date: 30.07.2012

Registered Office:

Office No. 312A,

Kailas Plaza, Vallabh baug lane,

Ghatkopar (East),

Mumbai – 400 077.

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. THE INSTRUMENT APPOINTING PROXY SHOULD BE DULY STAMPED, COMPLETED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF ANNUAL GENERAL MEETING.
2. The Register of Members and the share transfer books of the Company will remain closed from Monday, the 17th September, 2012 to 24th September, 2012(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.
4. 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 which can be downloaded from the website of co. or RTA or will be mailed to them as a part of Go Green Initiative.
5. All queries relating to Share Transfer and allied subjects should be addressed to :

Sharex Dynamic (India) Pvt. Ltd.

(Unit : WDIL)

Unit No. 1, 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.

Mr. Jitendra J. Mehta is appointed as the additional director on the Board of our company and that he has a 30 years of experience in the field of Commerce, Accountancy and the Company would be benefited from his experience and foresight .

Mr. Jitendra J. Mehta , subject to the approval of the shareholders is to be appointed as a Executive Director and is to take care of the working of the Company and is to be remunerated @ Rs 15000. Per month.

MrJitendra J. Menta is interested in the above resolution.

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

ITEM NO.6

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. 6 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. Prashantt M Rupani is also interested or concerned in this Resolution being the relatives of Mr. Darshak M. 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. 6 for approval of the members.

By Order of the Board of Directors

Sd/-
Prashantt M. Rupani
Chairman

Date: 30.07.2012

Registered Office:

Office No. 312A,

Kailas Plaza, Vallabh Baug lane,

Ghatkopar (East),

Mumbai – 400 077.

Details of Directors seeking reappointment in forthcoming Annual General Meeting**(In pursuance of Clause 49 of the Listing Agreement)**

Name of Directors	Brief Resume	Nature of expertise in specific areas	Date of Birth	Date of Appointment
Mr. Darshak M Rupani	He is a post graduate in Information Technology from Clarendon College, Sydney. He has worked in the Diamond industry for 7 years and 14 years of diversified business experience.	Technical	17/12/1980	30/08/2010
Mr. Jaynish R. Kothari	He is an experienced member of the Board who is taking care of various compliances along with Mr. Prashant M. Rupani	Compliance	19/05/1976	16/02/1998

DIRECTOR'S REPORT

**To
The Members**

Your Directors present the Twenty Second Annual Report on the business and operations of the Company, along with the Audited Statement of Accounts for the Financial Year ended 31st March, 2012.

1. FINANCIAL RESULTS

PARTICULARS	CURRENT YEAR 2011-2012 (in Rs.)	PREVIOUS YEAR 2010-2011 (in Rs.)
Sales and Other Income	9,52,19,934	16,07,75,895
Gross Profit before Depreciation and Interest	27,88,592	29,54,009
Less: Finance Costs	Nil	(30,565)
Less: Depreciation	(2,72,860)	(2,33,990)
Net Profit before Tax	25,15,732	26,89,454
Less: Provision for Tax	(8,00,000)	(8,00,000)
Less: Income tax earlier year	(24,982)	NIL
Add: Provision for Deferred Tax	1,07,103	1,05,713
Net Profit After Tax	17,97,853	17,83,741
Balance Brought forward from previous year	3,86,92,113	3,69,08,372
Profit carried to Balance Sheet	44,89,966	3,86,92,113

2. DIVIDEND

Your Board of Directors does not recommend any dividend for the financial year ended 31st March, 2012.

3. OPERATIONS

The year under review has been an average year for the Company. Your Company has achieved a turnover of Rs.952.19 Lacs in comparison to Rs.1607.75 lacs during the previous year.

The Company has not been able to do any export business during 2011-2012. However the Company has done good domestic business of cut and polished diamonds with reputed companies.

However, keeping the further consolidation of financial strength in view, the Board of Directors does not recommend any dividend.

4. CORPORATE GOVERNANCE

Your Company has been very active in introduction and implementation of corporate governance norms. Your Company has taken all the mandatory steps as required in Clause 49 (as amended) of the Listing Agreement. A detailed report on Corporate Governance along with a certificate from the Auditors confirming the compliance is annexed hereto (Annexure) and forms part of the Directors' Report.

5. DIRECTORS

Mr. Darshak M. Rupani ,Wholetime Director , retires by rotation at the ensuing Annual General Meeting and being eligible , offers himself for reappointment. The Board recommends his reappointment.

Mr. Jaynish R. Kothari , Independent Director , retires by rotation at the ensuing Annual General Meeting and being eligible , offers himself for reappointment. The Board recommends his reappointment.

Mr. JitendraJ. Mehta, who was appointed as an Additional Director with effect from 04.06.2012 at the Board Meeting held on 30th July, 2012, is now appointed as an Executive Director on the Board of the Company with the remuneration as decided by the Board subject to the approval of the shareholders.

Shri. Mahesh Mohanlal Rupani, the Chairman of our Company passed away on 4th June, 2012 and hence we accept his resignation with immediate effect. We thank him for his valuable contribution to our Company.

Mr. Prashant M. Rupani is appointed as the Chairman of our Company.

6. DIRECTOR'S RESPONSIBILITY

Pursuant to Section 217(2AA) of the Companies (Amendment) Act, 2000, the Directors confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed;
2. Appropriate Accounting Policies have been selected and applied consistently, and have 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 as at 31st March, 2012 and of the Profit and Loss Account for the financial year 1st April, 2011 to 31st March, 2012.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities;
4. The Annual Accounts have been prepared on a going concern basis.

7. PARTICULARS OF EMPLOYEE U/S 217(2A) OF THE COMPANIES ACT, 1956

Information required for particulars of Employee as required under Section 217 (2A) of the Companies Act, 1956 is not given as none of the Employees draws salary and other perks above the prescribed limit.

8. AUDITOR'S REPORT

Notes to the Accounts as referred in the Auditors Report are self explanatory and therefore, do not call for any further comments or explanations.

9. AUDITOR

M/s. N K Jalan & Co., Chartered Accountant, Statutory Auditor of the Company will retire at the ensuing Annual General Meeting and is eligible for re-appointment. The said Auditors have confirmed that his appointment if made shall be within the limits of Section 224(1B) of the Companies Act, 1956. The Board of Directors recommends appointment of M/s. N K Jalan & Co, Statutory Auditor of the Company and fixes his remuneration.

10. FIXED DEPOSITS

Your Company has not accepted Deposits from Public u/s.58A of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975.

11. INSURANCE:

Your Company could not take adequate insurance cover for all its Assets, which will be done in the next financial year.

12. LISTING OF SECURITIES