



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.

CONTENTS	PAGE NO.
Notice	3
Director's Report	4-9
Auditor's Report	19-23
Balance Sheet	24
Profit & Loss Account	25
Scheduled A To M	26-31

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 Prashantt 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. Prashantt 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. Prashantt 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

WHITE DIAMOND INDUSTRIES LIMITED

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. 8 for approval of the the members.

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: 23 August, 2011.

DIRECTOR'S REPORT

To,
The Members,

Your Directors present the Twenty First Annual Report on the business and operations of the Company, along with the Audited Statement of Accounts for the Financial Year ended 31st March, 2011.

1. FINANCIAL RESULTS:

PARTICULARS	CURRENT YEAR 2010-2011 (Rs. in Lacs)	PREVIOUS YEAR 2009-2010 (Rs. in Lacs)
Sales & Other Income	1607.76	758.35
Gross Profit before Depreciation and Interest	29.53	(30.58)
Less : Interest & Financial Charges	(0.30)	Nil
Depreciation	(2.34)	(7.82)
Profit / (Loss) before Tax	26.89	(38.40)
Less : Provision for Tax	(8.00)	(2.98)
Profit/(Loss) after Tax	18.89	(41.38)
Prior Period Adjustment	nil	nil
Provision for Deferred tax	(1.05)	15.99
Add : Balance Carried from earlier year	369.08	394.47
Balance Carried to Balance Sheet	386.92	369.08

Note: The figures of the previous year have been re-grouped to bring these in line with this year's figures, wherever required.

2. OPERATIONS:

The year under review has been an average year for the Company. Your Company has achieved a turnover of Rs. 1607.76 lacs in comparison to Rs.758.35 lacs during the previous year.

The Company has not been able to do any export business during 2010-2011. 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.

3. MANAGEMENT DISCUSSION AND ANALYSIS:

Pursuant to Clause 49 (IV) (B) & (F) of the Listing Agreement your Directors wish to report as follows:

a. Industry Structure and Development:

In view of the demand for cut and polished diamonds, there is good demand in diamond business in the Domestic as well as International Market. The Companies which will manage to maintain high standards of quality will see potential in the Indian / Overseas market in diamond trade and export.

b. Opportunities and Threats:

Opportunities are there for Companies who maintain their standards of quality but the market conditions in the Domestic and International market pose some threat to the industry. Hence, in view of the prevailing and future scenario in the Domestic and International Market, each Company in the Industry has to be very judicious in its business decisions.

c. Segment-wise or Product-wise Performance:

Segment wise or product wise analysis or performance is not applicable to your Company under Accounting Standard 17.

d. Outlook:

The outlook for the Industry and consequently for your company during the current financial year is reasonable, subject however, to the demands in the different parts of the world. Your Company is putting a lot of efforts to maintain high standards of quality and strengthen its financial position and is attempting to tie up with various Banks-National & Multinational for working capital so as to expand its operations and export business.

e. Risks and Concerns:

Domestic and International market conditions could be the only risk which may be faced by the Diamond Industry. Other risks or concerns related to finance, production, stocks, insurance, etc. are being managed adequately and efficiently by your Company.

f. Internal Control Systems and their adequacy:

Your Company has put effective internal control systems into operation and is having regular internal audit mechanism to monitor and review the same under the overall control and supervision of the statutory Auditor and the Audit Committee of Directors. These systems have improved substantially and resulted into better management and effective controls. Continuous improvement in this regard is on going.

g. Discussion on Financial Performance with respect to Operational Performance:

The Financial performance with respect to the operational performance during the year under review was satisfactory.

h. Material Development in Human Resources / Industrial Relations Front, including Number of People Employed:

Your Company is constantly endeavoring to introduce Human Resources Development activities for overall improvement of its team. Your Company has cordial and healthy industrial relations at all levels.

i. Material Financial and Commercial Transactions:

There are no material significant financial and commercial transactions with the related parties viz. Promoters, Directors or the Management, their Companies / firms or relatives conflicting with the interest of the Company. The Promoters and the Directors are not dealing in the Shares of the Company.

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:

1. In accordance with the provisions Section 255 & 256 of the Companies Act, 1956, Shri Rameshchandra P Kothari and

Shri Nalin A Shah retires by rotation and being eligible, offer themselves for re-appointment. The Board of Directors recommends their re-appointment.

Shri Darshak M Rupani, was appointed as Additional Director on the Board on 30th August, 2010, now appointed as Director on the Board of the Company. Shri Mahesh Mohanlal Rupani & Mr. Prashant Mahesh Rupani, were appointed as Additional Director on the Board on 23rd August, 2011, and holds office upto the ensuing Annual General Meeting, in accordance with provisions of Section 257 of the Companies Act, 1956, the Company has received notice from a member proposing Shri Mahesh Mohanlal Rupani & Shri Prashant Mahesh Rupani, to be appointed as a Directors at the ensuing Annual General Meeting. They were also appointed by the Board on 23rd August, 2011 as an Additional Director subject however, to the approval of the members at the ensuing Annual General Meeting.

During the year under review Shri Nirup P. Kothari & Mr. Ushakant C. Shah, Director ceased to be a director on the Board w.e.f. 23rd August, 2011 pursuant to their resignation, expressing their inability to continue to act as Director due to his pre-occupation. Shri Rameshchandra P Kothari ceased to Chairman & Managing Director of the Company w.e.f. 23rd August, 2011.

Your Directors wish to take this opportunity to place on record their sincere appreciation and thanks to Shri Nirup P Kothari and Shri Ushakant C Shah for their invaluable contribution made to the Company during their tenure as Directors.

6. CHANGE IN THE MANAGEMENT CONTROL OF THE COMPANY

Mr. Mahesh M. Rupani, Mr. Prashant M. Rupani & Mr. Darshak M. Rupani together with M/s. Sapna Infratech Private Limited. had purchased via secondary market from the existing promoters of the Company namely Mr. Rameshchandra P. Kothari & Family on 25.08.2010, 15 % Shares of the company, for the intent to take over the control of the Company, Accordingly Rupani & Family made an open offer to the shareholders of the Company which was partly subscribed, The open Offer ended on 17th January, 2011. Hence, Shri Mahesh Mohanlal Rupani, Shri Darshak M Rupani and Shri Prashant M Rupani alongwith M/s. Sapna Infratech Private Limited are now new promoters of the Company as that expression is defined in the Monopolies and Restrictive Trade Practices Act, 1969 being in the control of the Company.

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. 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, 2011 and of the Profit and Loss Account for the financial year 1st April, 2010 to 31st March, 2011.
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.

9. 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.

10. 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.

11. 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.

12. INSURANCE:

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

13. LISTING OF SECURITIES:

Listing of Securities: All the Equity Shares issued and allotted by the Company so far have been duly listed with the Bombay Stock Exchange Limited (BSE) at Mumbai and de-listing applications are in the process for getting the shares delisted from Madras, Delhi and Ahmedabad Stock Exchanges.

The Company has paid the listing fees for the financial year 2011-12 to BSE.

14. DEMAT OF SECURITIES:

Nearly 69.33% of total Equity Share Capital is held in dematerialized form with NSDL / CDSL.

15. SUBSIDIARY COMPANY:

The Company does not have any Wholly Owned Subsidiary Company.

16. DISCLOSURES:

Information of conservation of energy, technology absorption, foreign exchange earnings and outgo required to be given pursuant section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given here below :

The Company's main line of business is Trading, Manufacturing, Import and Export of Rough and Cut & Polished Diamonds.

Total Foreign Exchange used Rs. Nil.
Total Foreign Exchange Earned: Rs. Nil

17. ACKNOWLEDGEMENT:

Your Directors take this opportunity to express their deep sense of gratitude to the Central, State Governments and Local Governments, Financial Institutions and Banks for their continued support, co-operation and guidance.

At this point your Directors like to place on record their sincere appreciation for the total commitment, dedication and hard work put in by every Employee of the Company.

And to you our Shareholders, we are deeply grateful for the confidence and faith that you have always placed in us.

Your Directors express their deepest gratitude to the esteemed customers of the Company for their continuous confidence and faith, which they have in the products and services of your Company.

For and on behalf of the Board,

Mahesh Mohanlal Rupani

Chairman

Place : Mumbai

Date : 23rd August, 2011.

ANNEXURE – III**REPORT ON CORPORATE GOVERNANCE****1. INTRODUCTION****The Company's Philosophy on Corporate Governance**

The Company has incorporated sound Corporate Governance practices since long. The Company has all along believed in and practiced fair business and corporate practices with all its stakeholders and associates. The Board of Directors has always had adequate competent independent Directors. For effective discharge of its functions and proper deliberations, Board has constituted various committees.

Given below is the report of Directors on the practices prevalent on Corporate Governance in the Company.

2. BOARD OF DIRECTORS**I. Composition of the Board and details of Directorship(s) in other Companies:**

Your Company's Board comprises of 6 Directors with considerable experience in their respective fields. Of these 3 are Independent Directors. The details of the Directors with regard to their other directorship (excluding Private Limited Companies and Section 25 Companies) and Committee Positions are as follows:

Sr. No.	Name of Directors	Executive/ Non-Executive/ Independent	No. of Other Directorship	Chairman of the Board	Board Committee of which he is a Member	Chairman of the Committee
1.	Mr. Mahesh M. Rupani (Appointed on 23-08-2011)	Executive Chairman	-	-	-	-
2.	Mr. Darshak M Rupani	Managing Director	-	-	-	-
3.	Mr. Prashant M Rupani (Appointed on 23-08-2011)	Non-Executive	-	-	-	-
4.	Mr. Rameshchandra P. Kothari (Ceased to be CMD wef 23.08.2011)	Independent	-	-	-	-
5.	Mr. Jaynish R Kothari	Independent	-	-	-	-
6.	Mr. Nalinkumar A Shah	Independent	-	-	-	-

WHITE DIAMOND INDUSTRIES LIMITED

Sr. No.	Name of Directors	Executive/ Non-Executive/ Independent	No. of Other Directorship	Chairman of the Board	Board Committee of which he is a Member	Chairman of the Committee
1.	Mr. Mahesh M. Rupani (Appointed on 23-08-2011)	Executive Chairman				
2.	Mr. Darshak M Rupani	Managing Director				

ii. Attendance of each Director at the Board Meeting during the Financial Year 2010-2011 and the last Annual General Meeting (AGM):

1.	Mr. Mahesh M. Rupani	-	No
2.	Mr. Darshak M Rupani	6	Yes
3.	Mr. Prashant M Rupani	-	No
4.	Mr. Rameshchandra P. Kothari	6	Yes
5.	Mr. Jaynish R Kothari	6	Yes
6.	Mr. Nalinkumar A Shah	6	Yes
7.	Mr. Ushakant C. Shah (Resigned wef 23/08/2011)	6	Yes
8.	Mr. Niup P. Kothari (Resigned wef 23/08/2011)	6	Yes

iii. The Board of Directors during the Financial Year 2010-2011 had Four Meetings which are as follows:

1. 29th April, 2010
2. 31st July, 2010
3. 5th August, 2010
4. 30th October, 2010
5. 18th November, 2010
6. 31st January, 2011

3. AUDIT COMMITTEE

i. Brief Description of Terms of Reference:

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges read with Section 292A of the Companies Act, 1956.

The terms of reference and powers of the Audit Committee are as mentioned in Clause 49 II (A) to (E) of the Listing Agreement entered into with the Stock Exchanges and include overseeing the Company's financial reporting process, reviewing with the management the financial statements and the adequacy of the internal audit function and to discuss significant internal audit findings, statutory compliance and issues related to risk management and compliances.

ii. **Composition, Name of Members & Chairperson:-**

1. Mr. Nalinkumar A. Shah
2. Mr. Rameshchandra P Kothari
3. Mr. Jaynish R Kothari

All the Members of the Audit Committee are Non-Executive Independent Directors. Shri Nalinkumar A Shah is the chairman of the Audit committee.. They possess sound knowledge of accounts, audit, finance etc.

The Statutory Auditor is the permanent invitee of the Committee. The terms of reference of the Audit Committee are as per the guidelines set out in Clause 49 of the Listing Agreement with the Stock Exchanges read with Section 292A of the Companies Act, 1956. These broadly include approval of Annual Internal Audit Plan, review of financial reporting systems, internal control systems, ensuring compliance with regulatory guidelines, discussions on quarterly / annual financial results, interaction with statutory and internal auditors, appointment and removal of statutory auditors. The Audit Committee reviews the reports submitted by the Internal Auditor of the Company.

Head of Finance & Accounts department attends all the Committee Meetings and briefs the Committee on all the points covered in the Report as well as the other issues which come up during discussions.

iii. **Meetings and attendance during the year**

The Audit Committee during the Financial Year ended on 31st March, 2011

had the following meetings:-

i) 29th April, 2010. ii) 31st July, 2010. iii) 30th October, 2010. iv) 31st January, 2011.

iv. **During the period 01.04.2010 to 31.03.2011, the Audit Committee met four times and the attendance of the Audit Committee members at the said meetings are detailed below:**

Sr. No.	Name of Directors	No. of Meetings attended
1.	Mr. Ushakant C Shah (resigned wef 23.08.2011)	4
2.	Mr. Nirup P. Kothari (resigned wef 23.08.2011)	4
3.	Mr. Nalinkumar A. Shah	4
4.	Mr. Rameshchandra P Kothari	Nil
5.	Mr. Jaynish R Kothari	Nil.

4. SUBSIDIARY COMPANIES:

Your Company does not have any Indian Subsidiary Company.

5. REMUNERATION COMMITTEE

i. Brief Description of Terms of Reference:-Pursuant to the Clause 49 of the Listing Agreement and Schedule XIII to the Companies Act, 1956, the terms of reference of the Remuneration Committee is to determine Company's policy on specific remuneration packages to Executive Directors including pension rights and any compensation payments and also to approve payment of remuneration to Managing or Whole-Time Directors.

ii. **Composition, Name of Members & Chairperson:-**

1. Mr. Nalinkumar A Shah
- 2.. Mr. Rameshchandra P Kothari
3. Mr. Jaynish R Kothari

All the members of the Remuneration Committee are Non-Executive Independent Directors and Mr. Nalinkumar A Shah is the Chairman.

iii. **Attendance during the Year**

During the period 01.04.2010 to 31.03.2011, the Remuneration

WHITE DIAMOND INDUSTRIES LIMITED

Committee met once on 31st January, 2011 and the attendance of the members at the said meeting are detailed below:

Sr.No.	Name of Directors	No. of Meetings attended
1.	Mr. Nalinkumar A Shah -Chairman	1
2.	Mr. Rameshchandra P Kothari	1
3.	Mr. Jaynish R Kothari	1

iv. Remuneration Policy :

The remuneration to the executive and non-executive directors of the company is approved by the remuneration committee as per the Remuneration Policy of the Company.

v Remuneration of Directors:

Name of Directors	Salary (Note No.1) Rs.	Sitting Fees Rs.	Comm-ission Rs.	Stock Option (Note No.2)	Service Contract	Notice Period
Mr. Rameshchandra P. Kothari – CMD (ceased to be CMD wef 23.08.2011)	96000/				5 Years	NIL
Mr. Jaynish R Kothari					N.A.	N.A.
Mr. Nalin A Shah					N.A.	N.A.
Mr. Ushakant C. Shah (resigned wef 23.08.2011)					N.A.	N.A.
Mr. Nirup P Kothari (resigned wef 23.08.2011)					N.A.	N.A.
Mr. Darshak M Rupani					N.A.	N.A.
Mr. Mahesh M. Rupani (appointed wef 23.08.2011)					N.A.	N.A.
Mr. Prashant M Rupani (appointed wef 23.08.2011)					N.A.	N.A.

Note: Salary includes Basic Salary, Allowances, Contribution to Provident and Superannuation Funds and Perquisites (including monetary value of taxable perquisites), etc.

VI. Disclosure Regarding Directors appointment & Re-appointments:

A. Appointment and Resignation of Directors:

During the year Mr . Mahesh M Rupani and Mr. Prashant M Rupani were appointed as a Additional Director on the Board on 23rd August, 2011 and holds office upto the ensuing Annual General Meeting in accordance with provisions of Section 257 of the Companies Act, 1956, the Company has received notice from a member proposing Mr. Mahesh M Rupani and Mr. Prashant M Rupani, to be appointed as a Directors at the ensuing Annual General Meeting. They were also appointed by the Board on 23rd August, 2011 as an Additional Director subject however, to the approval of the members at the ensuing Annual General Meeting.

During the year under review Shri Ushakant C Shah and Shri Nirup P Kothari , Directors ceased to be a director on the Board wef 23rd August, 2011 pursuant to his resignation, expressing his inability to continue to act as Director due to his pre-occupation.

B. Re-appointment of Directors:

In accordance with the provisions Section 255 & 256 of the Companies Act, 1956, Shri Rameshchandra P Kothari and Shri Nalin A Shah retire by rotation and being eligible, offer themselves for re-appointment. The Board of Directors recommends their re-appointment.

The details of other directorships of these Directors are as under:-

Name of Directors	Brief Resume	Nature of expertise in specific areas	The details of the Directorships / Committee Memberships in other Companies (excluding Private Companies and Section 25 Companies)	Equity Shares held in the Company	
Mr. Mahesh M. Rupani (Appointed on 23-08-2011)	He is an industrialist working in the various fields, specializing in Finance Industry. He has been into financing activities in the Diamond industry for about 5 years	Finance	NIL	NIL	
			Name of the Company		Committee / Positions
			NIL		NIL
Mr. Darshak M Rupani	He is a post graduate in Information Technology from Clarendon College, Sydney. He has worked in the Diamond industry for about 5 years to understand the business.	Technical	NIL	NIL	

WHITE DIAMOND INDUSTRIES LIMITED

Name of Directors	Brief Resume	Nature of expertise in specific areas	The details of the Directorships / Committee Memberships in other Companies (excluding Private Companies and Section 25 Companies)	Equity Shares held in the Company
Mr. Prashant M Rupani (Appointed on 23-08-2011)	Holding a Bachelor's Degree in Commerce, he is a consummate executive and entrepreneur. he has been into BPO industry since 12 years where, he successfully manages institutional growth through perceptive analysis of market trends, and organizational capability and capacity	Industrialist	NIL	NIL
Mr Rameshchandra P. Kothari	He is an Industrialist and joined the Board as the Promoter Director since incorporation of the Company in the Year of 1990. He is SSC and having more than 46 years experience in the Diamond Industries.	Industrialist	NIL	NIL
Mr. Nalinkumar A Shah	He is having a experience of more than 32 years in engineering field i.e. manufacturing of auto mobile parts he also having more 7 years experience in Diamond Trading activity. He has passed inter college. He joined the Board on 23rd March 2007.	Technical	NIL	NIL

6. SHAREHOLDERS COMMITTEE

I. Name of Non-executive Director Heading the Committee:

The Committee is looking after the Shareholder's / Investor's Grievance and redresses of investor's / shareholder's complaints related to transfer of shares, non-receipt of balance sheets, non-receipt declared dividends etc. This committee consists of the following Non-Executive Directors as its members: -

1. Mr. Nalinkumar A Shah
2. Mr. Jaynish R Kothari

WHITE DIAMOND INDUSTRIES LIMITED

During the Financial Year 2010-2011, this committee had 4 meetings on 29th April 2010, 31st July 2010, 5th August 2010, 30th October 2010, 18th November 2010 & 31st January 2011.,. Mr. Jaynish R. Kothari, Non – Executive Director who was designated as a Compliance Officer who was overseeing the Investor’s Grievances as of 31st March 2011 there were 2 complaints pending for reply. There were no requests for Transfer of Shares, Issue of Duplicate Shares and Transmission of Shares etc. pending as on the said date. None of the complaints are pending for a period exceeding 15 days except the above 2 complaints.

Mr. Prashant Mahesh Rupani has been appointed as the compliance officer.

II. Name and Designation of Compliance Officer:

Mr. Prashant M Rupani – Non Executive Director

III. Number of Shareholders Complaints received during the Financial Year:

During the Financial Year 2010-11 The Company have received 5 Complaints.

IV. Number of Complaints not solved to the satisfaction of Shareholders:

NIL.

V. Number of Pending Complaints:

NIL.

7. GENERAL BODY MEETINGS:

i) Location and time when last three Annual General Meeting held:

The details of the Annual General Meeting held in last three years are as under:

Year	Date and Time	Venue
2007-2008	30th September 2008, 10.00 am	Kothari Bldg. No. 2, 2nd Floor, S V Road, Opp. Axis Bank, Malad (W), Mumbai 64
2008-2009	30th September 2009, 10.00 am	Kothari Bldg. No. 2, 2nd Floor, S V Road, Opp. Axis Bank, Malad (W), Mumbai 64
2009-2010	27th September 2010, 10.00 am	Office No.5, Dharamveer Shopping Centre, Ashok Chakravarti Road, Opp. Damodar Hall, Kandivli (E), Mumbai 400 101

ii) **Special Resolution passed in previous three Annual General Meeting:** Nil

iii) **Special Resolution passed last year through postal ballot:**
NIL

iv) **Procedure for the postal ballot:** None.

v. **Special Resolution proposed to be conducted through Postal Ballot: -**

None

vi. **Procedure for Postal Ballot: -**

N.A.

8. DISCLOSURES

(i) There are no materially significant transactions with the related parties' viz. Promoters, Directors or the Management, their Subsidiaries or relatives conflicting with the Company's interest.

(ii) There is no pecuniary relationship or transactions of non-executive director's vis-à-vis the Company.

(iii) No penalties or strictures have been imposed on the Company by Stock Exchange Or SEBI or any statutory authority on any matter related to capital markets.

9. MEANS OF COMMUNICATION

i. Quarterly Results: -

i. The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board.

ii. Newspapers wherein results normally published: -

Un-audited and Audited Financial Results are published in Free Press Journal (English) having all India coverage and Navshakti (Marathi) local newspaper.

iii. Website:

Name of Company's Website where the results are displayed:
www.wdil.in

iv. Official News Releases

The Company displays official no's released as and when the situation arises.

- a. **Presentations** :The Company makes presentation to institutional investors the analysts when found appropriate.

v. Email id : info@wdil.in

10. GENERAL SHAREHOLDERS' INFORMATION

i. Annual General Meeting: Date, Time and Venue

26th September, 2011
10.00 a.m.
Office No.312A, Kailas Plaza,
Vallabh baug Lane
Ghatkopar (East)
Mumbai 400 077.

ii. **Financial Year** : 2010-2011

iii. **Date of Book Closure**: 19.09.2011 to 26.09.2011

iv. **Dividend Payment Date**: Not applicable

v. Listing on Stock Exchange:

The Company has paid listing fees for the financial year 2011-12 to BSE. The other Stock Exchanges as mentioned above the Company is seeking for De-listing, hence no listing fees are paid to them.

vi. Name of Stock Exchange and Stock Code:

Name of the Stock Exchange Equity Shares	Stock Code
Mumbai Stock Exchange Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.	513713

vii. Market price Data:

Month	Quotation at Mumbai Stock Exchange		Quotation at National Stock Exchange	
	HIGH	LOW	HIGH	LOW
April 2010	4.36	3.20	-	-
May 2010	6.44	4.12	-	-
June 2010	4.89	3.16	-	-
July 2010	9.28	3.41	-	-
August 2010	12.41	7.15	-	-
September 2010	19.90	10.73	-	-
October 2010	19.95	15.00	-	-
November 2010	22.10	13.15	-	-
December 2010	15.85	11.00	-	-
January 2011	17.65	13.65	-	-
February 2011	14.10	10.27	-	-
March 2011	15.20	11.10	-	-

viii. Performance in comparison to BSE Sensex: None

ix. Share Transfer Agents:

Sharex Dynamic (India) Pvt. Ltd.
Unit No. 1, Luthra Industrial Premises
Safed Pool, Andheri – Kurla Road
Mumbai – 400 072.

x. Share Transfer System:

Shares sent for transfer in physical form are registered and returned by our Registrar and Share Transfer Agent in approximately 20-25 days of receipt of the documents. Provided documents received are in order.

Shares under objections are returned within 15-20 days. The Share Transfer Committee meets generally on monthly basis.

xi. Distribution of Shareholding:

The Shareholding distribution of equity shares as on 31st March, 2011 is given here below:

Sr. No.	Nominal Value of Shares (Rupees)	No. of Shareholders	No. of Shares	Percentage of Shareholding
1	UPTO - 5,000	12084	2866054	33.71 %
2	5,000 – 10,000	42	313225	3.68 %
3	10,001 – 20,000	15	222137	2.61 %
4	20,001 – 30,000	10	268300	3.15 %
5	30,001 – 40,000	3	101237	1.19 %
6	40,001 – 50,000	1	43000	0.50 %
7	50,001 – 1,00,000	4	262005	3.08 %
8	1,00,001 ABOVE	15	4424042	52.04 %
	TOTAL	12174	8500000	100.00

xii. Dematerialization of Shares:

Nearly 69.33% of total Equity Share Capital is held in dematerialized form with NSDL/CDSL.

xiii. Outstanding ADR/GDR : Nil**xiv. Address for the Correspondence:**

Registered Office:
524, Sandhurst Building,
S.V.P. Road,
Opera House,
Mumbai 400 004.

Email : info@wdil.in

Website : www.wdil.in

xv. Code of Conduct:

The Board has laid down a Code of Conduct for all Board Members and Sr. Management of the Company which is posted on the Website of the Company.

WHITE DIAMOND INDUSTRIES LIMITED

All the Board Members and Senior Management persons have affirmed compliances with the Code on annual basis. A Declaration to this effect signed by the Managing Director forms part of this Report.

xvi. Auditor's Certificate on Corporate Governance:

The Auditors Certificate on Compliance of Clause 49 of the Listing Agreement relating to Corporate Governance is published as an Annexure to this Report.

xviii. Shareholding Pattern:

Pattern of equity shares as on 31st March, 2011 is given here below:

	Category	No. of Shares Held	% of holding
A.	Promoter's Holding		
1.	Promoters		
	- Indian Promoters	2499550	29.39
	- Foreign Promoters	-	-
2.	Persons acting in concert	-	-
	Sub-Total (A)	2499550	29.39
B.	Non-Promoters Holding		
1.	Institutional Investors	-	-
a.	Mutual Funds and UTI	-	-
b.	Banks, Financial institutions, Insurance Companies (Central/State Govt. Institutions/Non Govt. Inst.)	-	-
c.	FIs	-	-
	Sub-Total (B) (1)	-	-
2.	Others		
a.	Private Corporate Bodies	308157	3.62
b.	Indian Public	5201994	61.19
c.	NRIs/OCBs	490299	5.76
d.	Any other (please specify)	-	-
	Sub-Total (B) (2)	-	-
	GRAND TOTAL.....	8500000	100.00

To,
The Members of
White Diamond Industries Limited
Mumbai.

Declaration

I, Darshak M Rupani, Managing Director of White Diamond Industries Limited having its registered office at 524, Sandhurst Building, S.V.P. Road, Opera House, Mumbai 400 004, do hereby declare that the code of conduct for the Directors and Senior Management have been prepared in terms of Clause 49 of the Listing Agreement (as amended) and the same have been affirmed by the Board Members and senior management of the Company.

I further declare that the said Code of Conduct have been posted on the website of the Company in accordance with the Clause 49 of the Listing Agreement.

Place : Mumbai
Date 23-08-2011

For White Diamond Industries Limited,

Darshak M Rupani
Managing Director

CERTIFICATE

To,
The Members of
White Diamond Industries Limited
Mumbai.

We have examined the compliance of the conditions of Corporate Governance by White Diamond Industries Limited for the financial year ended 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company, with the Stock Exchanges.

The Compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that the Registrars and Share Transfer Agents of the Company have maintained records to show the Investors' Grievances against the Company and have certified that as on March 31st, 2011, there were no investor grievances remaining unattended / pending for more than 30 days.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For N. K. Jalan & Co.
Chartered Accountant

N K Jalan
Proprietor
Mumbai
Dated: 23-08-201

WHITE DIAMOND INDUSTRIES LIMITED

N. K. JALAN & CO.
Chartered Accountants.

2-A, Mayur Apartments,
Dadabhai Cross Road No.3,
Vile Parle (West),
MUMBAI-400 056.
Off : 26714104/26234104.
Mob. 9324114104

AUDITOR'S REPORT

TO THE MEMBERS OF M/S. WHITE DIAMOND INDUSTRIES LTD.

We have audited the attached Balance Sheet of M/S. WHITE DIAMOND INDUSTRIES LTD. for the year ended 31st March, 2011 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors Report) order, 2003 issued by the Central Government Of in terms of Sub Section (4A) of Section 227 of the Companies Act, 1956. We enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.

We report that: -

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) In our opinion, proper Books of Accounts as required by the law have been kept by the Company so far as appears from our examination of those books.
- (iii) The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the Books of Accounts;
- (iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 220 of the Companies Act, 1956; and actuarial valuation of defined contribution plan in respect of gratuity as per AS – 15 (Revised) is done on cash basis.
- (v) On the basis of written representations received from the directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2011, from being appointed as a director in terms of clause (g) of Sub-section (1) of section 274 of the Companies Act, 1956;

Contd. ... 2...

WHITE DIAMOND INDUSTRIES LIMITED

: 2 :

- (vi) Subject to the above, In our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
- (a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2011 and
 - (a) In the case of the Profit & Loss Account of the Profit for the year ended on that date.
 - (c) In the case of the cash flow statement, of the cash flow of the company for the year ended on that date.

FOR N. K. JALAN & CO.,
CHARTERED ACCOUNTANTS.

PLACE: MUMBAI.
DATED: 23/08/2011

(N. K. JALAN) PROPRIETOR
Mem. No 11878.
Firm: No. 104019W

M/S WHITE DIAMOND INDUSTRIES LTD.

ANNEXURE TO AUDITORS' REPORT

REFERRED TO IN PARAGRAPH-3 OF OUR REPORT OF EVEN DATE

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have been physically verified by the management during the year, and as informed by management there is a regular program of verification. In our opinion the procedure followed for physical verification are adequate in relation to size of company and nature of its business. No material discrepancies were noticed during the year.
- (c) During the year, the company has not disposed off any fixed assets.
- (ii) (a) The physical verification of inventory has been conducted at reasonable intervals by the management.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to size of company and nature of business.
- (c) The company is maintaining proper records of inventory and as per information and explanations given no material discrepancies were noticed during physical verification done by management. We have not conducted any physical verification during the year.
- (iii) (a) During the year Company has not granted a loan any of the parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) In our opinion, the terms and conditions of loans given by the company are prima facie, not prejudicial to the interest of the company.
- (c) In our opinion, the company is regular in receipt of principal amount and no interest has been collected thereon.
- (d) In our opinion, reasonable steps have been taken by the company for recovery of principal amount but not for the interest.
- (e) During the year the Company has not taken any loan from party covered in the register maintained under section 301 of the Companies Act, 1956.
- (f) In our opinion, the rate of interest and other terms and conditions of loans taken by the company are not, prima facie, prejudicial to the interest of the company.
- (g) In our opinion, company is regular in payment of principal amount and interest thereon.
- (iv) According to the information and explanation given to us, there is adequate internal control procedure commensurate with the size of Company and nature of business, for the purchase of inventory and fixed assets and for sale of goods and services.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in

respect of any party during the year are reasonable having regards to the prevailing market prices at the relevant time.

- (vi) The Company has not accepted any public deposits. Hence Provision of this clause is not applicable.
- (vii) There is no internal audit done by external auditor. However the company is maintaining internal control commensurate with its size & nature of its business.
- (viii) The Company is not required to maintain cost records u/s. 209(1) (d) of the Companies Act, 1956. Hence Provisions of this clause is not applicable.
- (ix) (a) The company is regular in depositing with appropriate authority undisputed statutory dues including provident fund, employees' state insurance, sales tax, wealth tax, custom duty, excise duty and other statutory as applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of, wealth tax, sales tax, customs duty, excise duty were in arrears as at 31st March, 2011 for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us, there are no dues of sales tax, custom duty, income tax, wealth tax, excise duty and cess, which have not been deposited on account of any dispute.
- (x) The company has not accumulated losses as at 31st March, 2011 and has not incurred any cash losses in the current and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to bank.
- (xii) The company has not granted any advances in the nature of loans on the basis of security by way of pledge of shares or other securities. Hence Provisions of this clause is not applicable.
- (xiii) In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Hence provisions of this clause is not applicable.
- (xiv) The company is not dealing in shares or any other securities. Hence provisions of this clause are not applicable.
- (xv) The company has not given any guarantees for loans taken by others from banks or financial institutions. Hence, provisions of this clause are not applicable.
- (xvi) The Company has not raised any term loan and hence provision of this clause is not applicable
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has made preferential allotment of 19,67,400 equity shares of Rs.10 each during the year to parties covered in the register maintained under section 301 of the act. The price at which these shares have been issued is prima facie not prejudicial to the interests of the company.
- (xix) During the period covered by our audit, the company has not issued any debentures. Hence, provisions of this clause are not applicable.

WHITE DIAMOND INDUSTRIES LIMITED

- (xx) The Company has not raised any money by public issue during the period covered by our audit. Hence provisions of this clause are not applicable.
- (xxi) Accordingly to the information and explanations given to us, no fraud on or by the company has been noticed during the course of our audit.

FOR N. K. JALAN & CO.,
CHARTERED ACCOUNTANTS.

PLACE : MUMBAI.
DATED: 23/08/2011

(N.K. JALAN) PROPRIETOR
Mem No. 11878.
Firm No.104019W

WHITE DIAMOND INDUSTRIES LIMITED

WHITE DIAMOND INDUSTRIES LTD Balance Sheet As on 31st March, 2011

Particulars	Sch.	As on 31/03/2011		As on 31/03/2010	
		Rs.	Rs.	Rs.	Rs.
Sources of Funds					
Capital	1		85,000,000		65,326,000
Reserve & Surplus	2		38,692,113		36,908,372
Total			123,692,113		102,234,372
Application of Funds					
Fixed Assets	3				
a. Gross Block		15,860,641		15,835,640	
b. Less: Depreciation		13,624,904		13,390,914	
c. Net Block		2,235,737		2,444,726	
d. Capital Work-In-Progress		0	2,235,737	0	2,444,726
Net Deferred Tax Assets			161,633		267,346
<u>Current Assets , Loans & Advances</u>	1				
Inventories		705,128		2,528,495	
Sundry Debtors		6,356,161		30,961,298	
Cash & Bank Balances		7,647,816		4,613,996	
Loans & Advances		109,134,012		66,250,886	
		123,843,117		104,354,675	
<u>Less : Current Liabilities & Provisions</u>	5				
Current Liabilities		1,664,952		3,930,449	
Provisions		1,053,742		901,926	
		2,718,694	121,124,423	4,832,375	99,522,300
Miscellaneous Expenditure	6		170,320		0
Notes To Accounts	13				
Total			123,692,113		102,234,372

As per our Report of Even Date

For N. K. JALAN & CO.
Firm Reg No : 104019 W
CHARTERED ACCOUNTANTS

For WHITE DIAMOND INDUSTRIES LTD

CA N K JALAN
PROPRIETOR
Mem. No. 11878

RAMESH P. KOTHARI JAYNISH R. KOTHARI DARSHAK M. RUPANI
MANAGING DIRECTOR DIRECTOR DIRECTOR

Place : MUMBAI
Date : 23/08/2011

Place : MUMBAI
Date : 23/08/2011

WHITE DIAMOND INDUSTRIES LIMITED

WHITE DIAMOND INDUSTRIES LTD

Trading, Profit & Loss Account for the year ended 31st March, 2011

Particulars	Sch.	For the year ended 31/03/2011		For the year ended 31/03/2010	
		Rs.	Rs.	Rs.	Rs.
Income					
Sales	7	158,609,749		74,132,514	
Other Income	8	2,166,146	160,775,895	1,702,294	75,834,808
Expenditure					
Cost of Materials	9	155,166,460		71,772,294	
Administrative & Other Expenses	10	2,655,426		2,934,042	
Financial Expenses	11	30,565		0	
Loss on Sale of Assets	12	0		4,187,167	
Depreciation		233,990	158,086,441	781,731	79,675,234
Net Profit Before Tax			2,689,454		-3,840,426
Less : Provision for Tax			-800,000		-298,225
			1,889,454		-4,138,651
Add/Less : Provision for Deferred Tax			-105,713		1,599,419
			1,783,741		-2,539,232
Add/Less : Profit / Loss of Previous Year			36,908,372		39,447,604
			38,692,113		36,908,372
Net Profit after tax transferred to Balance Sheet			38,692,113		36,908,372
Earnings Per Share - Basic			0.31		0
- Diluted			0.31		0
- Basic / Diluted			1		0

As per our Report of Even Date

For N. K. JALAN & CO.
Firm Reg No : 104019 W
CHARTERED ACCOUNTANTS

For WHITE DIAMOND INDUSTRIES LTD

CA N K JALAN
PROPRIETOR
Mem. No. 11878

RAMESH P. KOTHARI JAYNISH R. KOTHARI DARSHAK M. RUPANI
MANAGING DIRECTOR DIRECTOR DIRECTOR

Place : MUMBAI
Date : 23/08/2011

Place : MUMBAI
Date : 23/08/2011

WHITE DIAMOND INDUSTRIES LIMITED

WHITE DIAMOND INDUSTRIES LTD

Schedules Annexed to and forming part of Balance Sheet as on 31/03/2011

Schedule 1 : Share Capital

Particulars	Rs.	
	31/03/2011	31/03/2010
Authorised Share Capital		
8500000 Equity Share(Previous Year : 70,00,000) of Rs.10/-each	85,000,000	70,000,000
	85,000,000	70,000,000
Issued Subscribed and paid up Capital		
85,00,000 Equity Share(previous year : 65,32,600) of Rs 10/- each fully paid-up	85,000,000	65,326,000
	85,000,000	65,326,000
Total Share Capital	85,000,000	65,326,000

Note :

Of the fully paid up share 237500 share are allotted as fully paid bonus share by capitalisation of General Reserve and Profit & Loss Appropriation A/c

Schedule 2 : Reserves & Surplus

Particulars	Rs.	
	31/03/2011	31/03/2010
Profit & Loss A/c	38,692,113	36,908,372
	38,692,113	36,908,372

Schedule 3 : Fixed Assets

Particulars	Rate of Depn.	GROSS BLOCK				DEPRECIATION			NET BLOCK		
		Op. as on 01/04/2010	Additions	Deduction	Cost as on 31/03/2011	Op. as on 01/04/2010	for the year	Deductions	Cl. as on 31/03/2011	As on 31/03/2011	As on 31/03/2010
		PLANT & MACHINERY	4.75	13106241	0	0	13106241	13106241	0	0	13106241
ELECTRIC INSTALLATION	4.75	208073	0	0	208073	208073	0	0	208073	0	0
OFFICE EQUIPMENT	4.75	79200	0	0	79200	59166	951	0	60117	19083	20034
AIR CONDITIONER	4.75	13990	0	0	13990	1302	603	0	1905	12085	12688
CAR (BMW- 7539)	9.50	2428136	0	0	2428136	16132	229140	0	245272	2182864	2412004
COMPUTER	16.21	0	25001	0	25001	0	3296	0	3296	21705	0
Total		15835640	25001	0	15860641	13390914	233990	0	13624904	2235737	2444726
Previous year Total		16997527	4435836	5597723	15835640	12609183	781731	0	13390914	2444726	4388344

WHITE DIAMOND INDUSTRIES LIMITED

WHITE DIAMOND INDUSTRIES LTD

Schedules Annexed to and forming part of Balance Sheet as on 31/03/2011

Schedule 4 : Current Assets, Loans & Advances

Rs.

<u>Particulars</u>	<u>31/03/2011</u>	<u>31/03/2010</u>
Current Assets		
Inventories		
Cut & Polished Diamonds	705,128	2,528,495
	<u>705,128</u>	<u>2,528,495</u>
Cash & Bank Balances		
Cash balance on hand	64,009	25,303
	64,009	25,303
<u>Bank Balance with Scheduled Banks</u>		
- On Current Accounts	7,583,807	4,588,693
	<u>7,583,807</u>	<u>4,588,693</u>
	<u>7,647,816</u>	<u>4,613,996</u>
Sundry Debtors		
Unsecured considered good	6,356,161	30,961,298
	<u>6,356,161</u>	<u>30,961,298</u>
Total Current Assets	<u>14,709,105</u>	<u>38,103,789</u>
Loans & Advances		
<u>Unsecured Considered Good</u>		
Advance recoverable in cash or in kind or for value to be received	27,870,000	65,976,000
Deposits	508,750	8,750
Other Loans and Advances	80,567,028	200,000
Payments of Taxes	<u>188,234</u>	<u>66,136</u>
	<u>109,134,012</u>	<u>66,250,886</u>

WHITE DIAMOND INDUSTRIES LIMITED

WHITE DIAMOND INDUSTRIES LTD

Schedules Annexed to and forming part of Balance Sheet as on 31/03/2011

Schedule 6 : Miscellaneous Expenditure

Particulars	Rs.	
	31/03/2011	31/03/2010
Expenses on Underwriting or Subscription of Shares / Debentures		
Share Capital Issue Expenses	170,320	0
	<u>170,320</u>	<u>0</u>

Schedule 7 : Sales

Particulars	Rs.	
	31/03/2011	31/03/2010
Cut and Polished Diamond	158,609,749	74,132,514
	<u>158,609,749</u>	<u>74,132,514</u>

Schedule 8 : Other Income

Particulars	Rs.	
	31/03/2011	31/03/2010
Interest Received	2,166,146	1,702,294
	<u>2,166,146</u>	<u>1,702,294</u>

Schedule 9 : Cost of Materials

Particulars	Rs.	
	31/03/2011	31/03/2010
Cost of Goods Sold		
Cut & Polished Diamond(CP)		
Opening Stock - lying with us	2,528,495	3,754,335
Purchases	153,343,093	70,546,454
Closing Stock - lying with us	<u>705,128</u>	<u>2,528,495</u>
	155,166,460	71,772,294

WHITE DIAMOND INDUSTRIES LIMITED

WHITE DIAMOND INDUSTRIES LTD

Schedules Annexed to and forming part of Balance Sheet as on 31/03/2011

Schedule 10 : Administrative & Other Expenditure

Particulars	Rs.	
	31/03/2011	31/03/2010
Payments to Employees Salary, Bonus, Wages etc.	96,000	96,000
	<hr/> 96,000	<hr/> 96,000
Payments to Directors Directors Remuneration Profession Tax	186,000 5,000	96,000 0
	<hr/> 191,000	<hr/> 96,000
Administrative Expenses Accommodation Expenses Accounting Charges Assortments Charges Auditors Remuneration Bank Charges Demat Charges Donation Employees profession tax Filling Fees Foreign Travelling Expenses General Expenses Legal & Professional Fees Listing Fees Local Travelling Expenses Mobile Expenses Office Rent Postage & Telegram Printing & Stationery Profession Tax Repairs & Maintenance Repairs to Motor Car Share Transfer Charges Telephone & mobile Expenses Vat Paid Website Designing Charges	150,000 97,000 0 90,000 4,745 1,214 0 0 4,000 0 5,080 196,500 121,330 127,930 8,796 325,000 62,500 4,000 2,500 1,950 39,560 125,026 4,989 162,096 4,820	480,000 0 751,200 60,000 3,706 0 100,000 2,100 13,000 440,000 16,866 62,000 50,780 169,037 0 105,250 68,435 3,500 2,500 0 0 61,646 17,246 0 10,820
	<hr/> 1,539,036	<hr/> 2,418,086
Selling and Distribution Expenses Advertising Brokerage paid	42,187 787,203	31,911 292,045
	<hr/> 829,390	<hr/> 323,956
	<hr/> 2,655,426	<hr/> 2,934,042

Schedule 11 : Interest

Particulars	Rs.	
	31/03/2011	31/03/2010
<u>Other Interest</u> Interest to Income Tax	30,565	0
	<hr/> 30,565	<hr/> 0

WHITE DIAMOND INDUSTRIES LIMITED

WHITE DIAMOND INDUSTRIES LTD

Schedules Annexed to and forming part of Balance Sheet as on 31/03/2011

Schedule 12 : Loss on Sale of Assets

Particulars	Rs.	
	31/03/2011	31/03/2010
Loss on Sale of Plant & Machinery	0	3,402,167
Loss on Sale of CAR	0	785,000
	<u>0</u>	<u>4,187,167</u>

WHITE DIAMOND INDUSTRIES LIMITED

WHITE DIAMOND INDUSTRIES LTD

Groupings to Schedules Annexed to Balance Sheet as on 31/03/2011

	Rs.
Sundry Creditors - Others	
D. Navinchandra Gems Pvt. Ltd.	712,179
Mahendra G. Mehta	101,354
Megenta IVV Pvt. Ltd.	4,785
Mehta Gem Tools Pvt. Ltd.	566
N.K.Jalan	302,450
Pink Diamond Exports Pvt. Ltd.	217,445
Ratnam Gems Impex Ltd.	34,333
Sharex Dynamic (India) Pvt Ltd	123,171
The Delhi Stock Exchange Association Ltd	73,000
The Stock Exchange-Ahmedabad	50,000
	<hr/> 1,619,283 <hr/>
Unclaimed Dividends	
Unclaimed Dividend	45,669
	<hr/> 45,669 <hr/>
Provision for Taxation	
Prov. For Income Tax (A.Y. 2010-11)	10
Prov. For Income Tax (A.Y. 2011-12)	800,000
	<hr/> 800,010 <hr/>
Other Provisions	
Fringe Benefit Tax	2,416
Salary Payable	90,000
TDS Payable	124,720
VAT Payable	36,596
	<hr/> 253,732 <hr/>
Inventories	
Cut & Polished Diamonds	705,128
	<hr/> 705,128 <hr/>
Cash balance on hand	
Cash on hand	64,009
	<hr/> 64,009 <hr/>
On Current Accounts	
Bank of India (M)	1,519,650
Cheques on hand	5,235,544
Dena Bank - Dividend Account	45,715
Indian Overseas Bank	701,812
Punjab & Sind Bank	35,000
Raigadaist Central Co-op Bank Ltd	30,000
State Bank of Bikaner & jaipur	16,086
	<hr/> 7,583,807 <hr/>

WHITE DIAMOND INDUSTRIES LIMITED

WHITE DIAMOND INDUSTRIES LTD

Groupings to Schedules Annexed to Balance Sheet as on 31/03/2011

	Rs.
Sundry Creditors - Others	
D. Navinchandra Gems Pvt. Ltd.	712,179
Mahendra G. Mehta	101,354
Megenta IVV Pvt. Ltd.	4,785
Mehta Gem Tools Pvt. Ltd.	566
N.K.Jalan	302,450
Pink Diamond Exports Pvt. Ltd.	217,445
Ratnam Gems Impex Ltd.	34,333
Sharex Dynamic (India) Pvt Ltd	123,171
The Delhi Stock Exchange Association Ltd	73,000
The Stock Exchange-Ahmedabad	50,000
	<hr/> 1,619,283 <hr/>
Unclaimed Dividends	
Unclaimed Dividend	45,669
	<hr/> 45,669 <hr/>
Provision for Taxation	
Prov. For Income Tax (A.Y. 2010-11)	10
Prov. For Income Tax (A.Y. 2011-12)	800,000
	<hr/> 800,010 <hr/>
Other Provisions	
Fringe Benefit Tax	2,416
Salary Payable	90,000
TDS Payable	124,720
VAT Payable	36,596
	<hr/> 253,732 <hr/>
Inventories	
Cut & Polished Diamonds	705,128
	<hr/> 705,128 <hr/>
Cash balance on hand	
Cash on hand	64,009
	<hr/> 64,009 <hr/>
On Current Accounts	
Bank of India (M)	1,519,650
Cheques on hand	5,235,544
Dena Bank - Dividend Account	45,715
Indian Overseas Bank	701,812
Punjab & Sind Bank	35,000
Raigadaist Central Co-op Bank Ltd	30,000
State Bank of Bikaner & jaipur	16,086
	<hr/> 7,583,807 <hr/>

WHITE DIAMOND INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011.

A. CASH FLOW FROM OPERATING ACTIVITIES :

NET PROFIT/(LOSS) BEFORE TAX & EXTRAORDINARY ITEMS		2,669,454
<u>Adjustment for :</u>		
Depreciation	233990	
Interest Received	(2166146)	
Provis ions	42580	
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		<u>-1,889,576</u>
		799,878
<u>Adjustment for :</u>		
Trade and other receivables	24605137	
Inventories	1823367	
Loans & Advances	(42883176)	
Trade Payables & Other Liabilities	2045625	
		<u>18,500,247</u>
<u>CASH GENERATED FROM OPERATIONS</u>		-17,700,369
Direct Taxes Paid		732,056
Gratuity Paid		76,000
<u>NET CASH FROM OPERATING ACTIVITIES (A)</u>		<u>-18,566,425</u>

B. CASH FLOW FROM INVESTING ACTIVITIES :

Purchase of Fixed Asset	(25001)	
<u>NET CASH USED IN INVESTING ACTIVITIES (B)</u>		-25,001

C. CASH FLOW FROM FINANCING ACTIVITIES :

Issue of share capital	19,674,000	
Share Issue Expenses	-212,900	
Interest	2,166,146	
<u>NET CASH FROM FINANCING ACTIVITIES (C)</u>		<u>21,627,246</u>
<u>NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A) + (B) + (C)</u>		3,033,820
<u>CASH AND CASH EQUIVALENTS AS AT 01.04.2010 (Opening Balance)</u>		4,613,966
<u>CASH AND CASH EQUIVALENTS AS AT 31.03.2011 (Closing Balance)</u>		<u>7,647,816</u>

Notes : 1) Figures in brackets represent outflows

2) Cash and Cash Equivalent comprises of Cash-in-Hand and balance with bank in different accounts.

AS PER OUR REPORT OF EVEN DATE ATTACHED
For N. K. Jalan & Co.
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD

—
(Ramesh P. Kothari)
Chairman & Managing Director

(N.K.Jalan) Proprietor.

—
(Jaynish P. Kothari)
Director

Place : MUMBAI
Dated : 23.08.2011

—
(Da'shak M. Rupani)
Director

SCHEDULE '13'

ACCOUNTING POLICIES AND NOTES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011.

I. SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of Accounting:

The Accounts are prepared under historical cost convention on accrual basis.

(ii) Revenue Recognition:

Expenses and Income considered payable and receivable respectively are accounted for on accrual basis except when no significant uncertainty as to determination or realization exists.

(iii) Fixed Assets:

Fixed Assets are stated at cost including all expenses upto commissioning/putting the Assets into use.

(iv) Depreciation:

Depreciation on Fixed Assets has been provided for in accordance with Schedule XIV to the Companies Act, 1956 on Straight line Method.

(v) Investments:

Investments are stated at cost.

(vi) Valuation of Inventories:

Raw Material & Finished Goods are valued 'at cost' or 'Market value' whichever is lower.

(vii) Retirement and other Employee Benefit:

(a) There is no defined contribution scheme prevailing in the company except Gratuity.

(b) Provision in respect of leave encashment is recognized as an expense in Profit & Loss Account for the period in which the employee has rendered services.

(b) Expenses in respect of other short term benefit are recognized on the basis of the amount paid or payable for the year for which the services are rendered by the employee.

(viii) Taxation:

Income Tax expenses is accrued in accordance with AS22 'Accounting for Taxes on income' which includes current taxes and deferred taxes. Deferred income taxes reflects the impact of current year timing difference between taxable income and accounting income for the year. Deferred tax assets

WHITE DIAMOND INDUSTRIES LIMITED

are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available.

(ix) Contingent Liability:

Contingent Liabilities are not provided for and are disclosed separately by way of notes.

II. NOTES TO ACCOUNTS:

- There is no contingent liability outstanding as on the year ended 31st March, 2011.
- Impairment loss is not provided as the same is not material during the current financial year. The company will review the same in future.

3. <u>Managing Director's Remuneration</u>	<u>2010-2011</u>	<u>2009-2010</u>
Salaries	186,000	96,000
	-----	-----
	186,000	96,000
	=====	=====

4. <u>Auditors Remuneration</u>	<u>2010-2011</u>	<u>2009-2010</u>
(a) Audit Fees	50,000	40,000
(b) Tax Audit Fees	15,000	10,000
(c) Vat Audit Fees	20,000	10,000
(d) Certification Fees	5,000	-
	-----	-----
	90,000	60,000
	=====	=====

- The account pertaining to unclaimed dividend is under reconciliation and/or subject to adjustment, if any.

6. Disclosure of Segment Reporting under Accounting Standard:

Notes:

During the year the company has only one trading activity and hence segment wise report of activities is not given.

- In accordance with the Accounting Standard 22 on "Accounting for Taxes on Income", (AS 22) issued by The Institute of Chartered Accountants of India, Deferred assets and liabilities should be recognized for all timing differences in accordance with the said standard.

The tax effect of significant timing differences during the year that have resulted in deferred assets and liabilities are given below.

	Rs.	Rs.
	<u>2010-2011</u>	<u>2009-2010</u>
a) Deferred Tax (Liability) / Assets		
Depreciation	1,61,633	2,67,346
	-----	-----
	1,61,633	2,67,346
	=====	=====
Net deferred tax Assets/(Liability)	1,61,633	2,67,346
Recognized in Balance Sheet	1,61,633	2,67,346

WHITE DIAMOND INDUSTRIES LIMITED

8. Related party disclosure.

A) List of related party

Key Management Personnel

Mr. Ramesh P. Kothari Managing Director

Mr. Darshak M. Rupani Director

Mr. Jaynish R. Kothari Director

Other Related Party (Enterprise owned or significantly influenced by key management personnel)

Suraj Enterprises

Jaynish & Co.

Nature of transaction	Relationship	Name of Related party	Value
Salary	Key Management	Ramesh P. Kothari	96,000
Salary	Key Management	Darshak M. Rupani	90,000

9. Additional information pursuant to the provisions of Paragraph 4(C) & 4(d) of Part-II of Schedule-VI of the Companies Act, 1956 (As Certified by a Director) to the extent applicable.

A) The quantitative information regard to class of goods manufactured by the Company.

- a) Licensed Capacity : Not Applicable
- b) Installed Capacity : Not Applicable
- c) Actual Production : Cut & Polished Diamonds Cts. NIL

B) Information required in terms of part IV of schedules VI of companies Act 1956 attached.

Quantity information of trading of Diamond.

	Cut and polished Diamond	
	Qty. Carat	Value Rs.
Opening stock	188	25,28,495
Purchases	17,953	15,33,43,093
Sales	18,007	15,86,09,749
Closing stock	134	7,05,128

10. The Valuation of Fixed Assets has been taken, valued and certified by the Managing director of the Company.

11. The closing stock has been taken, valued and certified by the Managing director of the company and the company accepted the same on the basis of valuation certificate by valuer appointed by the company being a technical matter.

WHITE DIAMOND INDUSTRIES LIMITED

12. In the opinion of the Board, Stock in Hand, Current Assets, Loans and Advances have a value on realization in the ordinary course of business, at least equal to the amount at which they are stated.
13. Balance of Debtors, Creditors, Loan & Advances are subject to confirmation and/or reconciliation/consequential adjustments, if any.
14. Information required in terms of Part IV of Schedule VI of the Companies Act, 1956 is attached.
15. Previous Years figures have been rearranged/regrouped wherever were necessary.
16. Figures in Brackets pertain to previous year.

AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE
BOARD

FOR N. K. JALAN & CO.
CHARTERED ACCOUNTANTS

(Ramesh P.Kothari)
Chairman & Managing Director

(N. K. JALAN) PROPRIETOR
Place: Mumbai.

Dated:23.08.2011

(Jaynish R. Kothari)
Director

(Darshak M. Rupani)
Director

WHITE DIAMOND INDUSTRIES LIMITED

WHITE DIAMOND INDUSTRIES LIMITED

524, Sandhurst Bldg., S. V. P. Road, Opera House, Mumbai - 400 004.

ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the entrance of the hall.

I hereby record my presence at the 21st Annual General Meeting of White Diamond Industries Limited to be held on 26th September, 2011 at 10.00 A.M at the Office No. 312A, Kailas Plaza, Vallabh baug lane, Ghatkopar (East), Mumbai - 400 077.

I certify that I am a share holder / proxy for the registered share holder of the company.

(Proxy's Name, If applicable)

Member's Proxy Signature

WHITE DIAMOND INDUSTRIES LIMITED

524, Sandhurst Bldg., S. V. P. Road, Opera House, Mumbai - 400 004.

PROXY

Reg Folio No.

I/We

of _____ being Member/Members of WHITE DIAMOND INDUSTRIES

LIMITED hereby appoint _____ of _____ or
failing

_____ of _____ or failing him

of

or failing him _____ of _____

as per our proxy to attend and vote for me/us on my/our behalf at the 18th Annual General Meeting of the Company to be held on Monday 26th September 2011, or at any adjournment thereof.

Signed this _____ day of _____ 20

Revenue Stamp Rs. 1/-

Note : The Proxy duly completed, stamped & signed must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding meeting.

BOOK - POST

If undelivered please send to :
WHITE DIAMOND INDS. LTD.
524, Sandhurst Building,
S. V. P. Road, Opera House,
Mumbai - 400 004.
