

White Diamond Industries Limited
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22nd Annual Report
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2011 - 2012

BOARD OF DIRECTORS

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

Mr. Prashantt 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. Prashant 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/-
Prashant 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 30thJuly, 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

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 2012-13 to BSE.

13. SUBSIDIARY COMPANY

The Company has “ Sapna Infraventure Private Limited “ as its Wholly Owned Subsidiary formed on 19th December, 2011.

14. 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

15. 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,

Sd/-

Prashant M. Rupani

Chairman

Place : Mumbai

Date :30th July, 2012.

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 ongoing.
- 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.

For and on behalf of the Board,

Sd/-

Prashantt M. Rupani

Chairman

Place : Mumbai

Date : 30th July, 2012.

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2011-2012**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, Category and details of Directorship(s) in other Companies:**

The Company is fully compliant with Corporate Governance Norms as prescribed by SEBI. The Company's philosophy is based on preserving core values and business ethics through proper Composition of Board.

Your Company's Board comprises of 6 Directors with considerable experience in their respective fields during the year under review. 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 Mohanlal Rupani (resigned w.e.f 04.06.2012)	Executive Chairman	-	-	-	-
2.	Mr. Darshak M Rupani	Managing Director	-	-	-	-
3.	Mr. Prashant M. Rupani (Chairman w.e.f 30.07.2012)	Non Executive	-	-	-	-
4.	Mr. Jaynish R. Kothari	Independent	-	-	-	-
5.	Mr. Rameshchandra P. Kothari	Independent	-	-	-	-
6.	Mr. Nalinkumar Shah	Independent	-	-	-	-

Mr. Jitendra J. Mehta is appointed as an Additional Director w.e.f. 04.06.2012.

ii. Attendance of each Director at the Board Meeting during the Financial Year 2011- 2012 and the last Annual General Meeting (AGM):

1.	Mr. Mahesh M. Rupani (resigned w.e.f 04.06.2012)	4	Yes
2.	Mr. Darshak M Rupani	5	Yes
3.	Mr. Prashant M. Rupani	4	

4.	Mr. RameshchandraKothari	5	Yes
5.	Mr. Jaynish R Kothari	5	Yes
6.	Mr. Nalinkumar A Shah	5	Yes
7	Mr. Ushakant C. Shah (Resigned w.e.f 23/08/2011)	2	No
8	Mr. Niup P. Kothari (Resigned w.e.f 23/08/2011)	2	No

iii. The Board of Directors during the Financial Year 2011-2012 had Four Meetings which are as follows:

1. 30th July, 2011
2. 23rd August, 2011
3. 16th November, 2011
4. 18th January , 2012
5. 05th March, 2012

Disclosure regarding Appointment and Reappointment of Directors.

a. Retirement by Rotation:

Mr. Jaynish R. Kothari and Mr. Darshak M. Rupani are the retiring Directors and have expressed their willingness to be reappointed as Directors

b. Appointment and Resignation of Directors

Mr. Mahesh Mohanlal Rupani have resigned with effect from 04.06.2012 due to demise and Mr. Jitendra Mehta was appointed as an Additional Director w.e.f 04.06.2012.

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. ShriNalinkumar A Shah is the chairman of the Audit committee.. They posses sound knowledge of accounts, audit, finance etc.

The Statutory Auditor is the permanent invitees 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 includes 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 comes up during discussions.

iii. Meetings and attendance during the year

The Audit Committee during the Financial Year ended on 31st March, 2012 had the following meetings:-

1. 30th July, 2011
2. 23rd August, 2011
3. 16th November, 2011
4. 18th January , 2012

iv. **During the period 01.04.2011 to 31.03.2012, 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. Nalinkumar A. Shah	4
2.	Mr. Rameshchandra P Kothari	4
3.	Mr. Jaynish R Kothari	4

4. SUBSIDIARY COMPANIES:

Your Company has a Subsidiary names Sapna Infraventure Private Limited from December, 2011.

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 01.04.2011 to 31.03.2012, the Remuneration Committee met once on 18th January, 2012 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.	Commission Rs.	Stock Option (Note No.2)	Service Contract	Notice Period
Mr. Rameshchandra P Kothari	48000	-	-	-	5 Years	NIL
Mr. Jaynish R Kothari	-	-	-	-	N.A.	N.A.
Mr. Nalin A Shah	-	-	-	-	N.A.	N.A.
Mr. Darshak M Rupani	18000 0	-	-	-	N.A.	N.A.
Mr. Mahesh M. Rupani (ceased wef 04.06.2012)	10500 0	-	-	-	N.A.	N.A.
Mr. Prashant M Rupani	-	-	-	-	N.A.	N.A.

Note 1: Salary includes Basic Salary, Allowances, Contribution to Provident and Superannuation Funds and Perquisites (including monetary value of taxable perquisites), etc.

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

During the Financial Year 2011-2012, this committee had 4 meetings on

1. 30th July, 2011
2. 23rd August, 2011
3. 16th November, 2011
4. 18th January, 2012

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 2012 there were 3 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.

Mr. Prashant Mahesh Rupani has been appointed as the compliance officer W.E.F :- 23.08.2011.

II. Name and Designation of Compliance Officer:

Mr. Prashantt M. Rupani – Non Executive Director

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

During the Financial Year 2011 -12 The Company have received 23 Complaints.

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

Complaints solved were to the satisfaction of customers

V. Number of Pending Complaints:

There were 3 pending complaints which were existing at the end of the year as those complaints were received in the last week.

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
2008-2009	30 th September 2009,10.00 am	Kothari Bldg. No. 2, 2 nd Floor, S V Road, Opp. Axis Bank, Malad (W), Mumbai 400 064
2009-2010	27 th September 2010,10.00 am	Office No.5, Dharamveer Shopping Centre, Ashok Chakravarti Road, Opp. Damodar Hall, Kandivli (E), Mumbai 400 101
2010- 2011	26 th September 2011, 10.00 am	312A, Kailas Plaza, VallabBaug Lane, Ghatkopar East, Mumbai 400077

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

We have passed a special resolution through postal ballot for issue 4000000 convertible warrants into equity shares in 2011, and subsequently converted into fully paid up equity shares.

iii) No Extra Ordinary General Meeting was held during the year

iv) Postal Ballot was conducted during the year 2011-2012 for issue of convertible warrants.

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.

(iv) Company now has a subsidiary, Sapna Infraventure Private Limited w.e.f. Dec 2011.

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.

iv. Email id : info@wdil.in

10. GENERAL SHAREHOLDERS' INFORMATION

i. Annual General Meeting: Date, Time and Venue

24th September, 2012
10.00 a.m.
Office No.312A, Kailas Plaza,
Vallabhbaug Lane
Ghatkopar (East)
Mumbai 400 077.

ii. Financial Year : 2011-2012

iii. Date of Book Closure: 17.09.2012 to 24.09.2012

iv. Dividend Payment Date: Not applicable

v. Listing on Stock Exchange:

The Company has paid listing fees for the financial year 2012-13 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	Stock Code
Mumbai Stock Exchange	513713

viii. Performance in comparison to BSE Sensex:

Month	White Diamond Industries limited		Sensex	
	HIGH	LOW	HIGH	LOW
April 2011	12.12	17.50	19811.14	18976.19
May 2011	16.90	16.90	19253.87	17786.13
June 2011	15.75	25.40	18873.39	17314.38
July 2011	23.10	42.40	19131.7	18131.86
August 2011	38.95	42.00	18440.07	15765.53
September 2011	37.00	38.20	17211.8	15801.01
October 2011	24.35	32.75	17908.13	15745.43
November 2011	29.00	29.75	17702.26	15478.69
December 2011	25.10	27.90	17003.71	15135.86
January 2012	23.40	33.50	17258.97	15358.02
February 2012	31.60	47.00	18523.78	17061.55
March 2012	46.10	51.90	18040.69	16920.61

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:

DISTRIBUTION SCHEDULE ON NUMBER OF SHARES/DEBS -As On :31-Mar-2012

RANGE OF SHARES	NUM OF HOLDERS	(%) OF HOLDERS	TOTAL SHARES	% OF HOLDERS
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UPTO TO 100	9267	82.26	915699	7.33
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101 TO 200	528	4.69	104674	0.84
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201 TO 500	610	5.42	244698	1.96
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501 TO 1000	509	4.52	459279	3.67
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1001 TO 5000	279	2.48	632286	5.06
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5001 TO 10000	32	.28	237658	1.90
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10001 TO 100000	22	.20	676388	5.41
100001 TO ABOVE	18	.16	9229318	73.83
** TOTAL **	11265	100.00	12500000	100.00

xii. Dematerialization of Shares:

Nearly 85 % of total Equity Shares have been dematerialized with NSDL /CDSL upto 31.03.2012.

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

Registered Office:
312A, Kailas Plaza
VallabhBaug Lane
Ghatkopar (East)
Mumbai 400 077.

Email :info@wdil.in

Website :<http://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.

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, 2012 is given here below:

	Category	No. of Shares Held	% of holding
A.	Promoter's Holding		
1.	Promoters		
	- Indian Promoters	1706668	13.653
	- Foreign Promoters		
2.	Persons acting in concert	-	-
3.	Body Corporates	1738450	13.908
	Sub-Total (A)	3445118	27.561
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.	FIIIs	-	-
	Sub-Total (B) (1)	-	-
2.	Others	-	-
a.	Private Corporate Bodies	284255	2.274
b.	Indian Public	8302099	66.417
c.	NRIIs	431500	3.452
d.	Any other – Clearing Member	9128	0.73
e.	OCB	27900	0.223
	Sub-Total (B) (2)	-	-
	GRAND TOTAL	12500000	100

ix Green Initiative

The Ministry of Corporate Affairs has taken initiative “Green Initiative in Corporate Governance” by allowing paperless compliances. The Company has planned to utilize this scheme for better and efficient compliance and procedure.

For and on behalf of the Board of Directors

Sd/-

Prashantt M. Rupani

Chairman

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 312A, Kailas Plaza, VallabhBaug Lane, Ghatkopar (East), Mumbai 400 077, 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
:30.07.2012

For White Diamond Industries Limited Date

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, 2012 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, 2009, 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: 30.07.2012

N. K. J A L A N & CO.
Chartered Accountants.

2-A, Mayur Apartments,
Dadabhai Cross Road No.3,
Vile Parle (West),
MUMBAI-400056.
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, 2012 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, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2012, 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....

: 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, 2012 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.
Firm: No. 104019W

PLACE: MUMBAI.
DATED: 30.07.2012

(N. K. JALAN) PROPRIETOR
Mem. No 11878.

M/SWHITEDIAMONDINDUSTRIESLTD.ANNEXURETOAUDITORS'REPORTREFERREDTOINPARAGRAPH-3FOURREPORTOFEVENDATE

- (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 granted a loan of Rs. 7,40,00,000 to Sapna Infracventure Pvt. Ltd. the party 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) 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.
- (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, 2012 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,2012 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 7,00,000 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.
- (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.
Firm No.104019W

PLACE : MUMBAI.
DATED: 30.07.2012

(N.K. JALAN) PROPRIETOR
Mem No. 11878.

WHITE DIAMOND INDUSTRIES LTD
Balance Sheet as at 31 March, 2012

Particulars		Note No.	As at 31 March, 2012	As at 31 March, 2011
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	2.1	125,000,000	85,000,000
	(b) Reserves and surplus	2.2	116,489,966	38,692,113
3	Non-current liabilities			
4	Current liabilities			
	(a) Trade payables	2.3		
	(b) Other current liabilities	2.4	714,415	1,619,283
	(c) Short-term provisions	2.5	1,249,366	45,669
			1,190,819	1,053,742
	TOTAL ASSETS			
B	Non-current assets		244,644,566	126,410,807
	(a) Fixed assets			
1	(i) Tangible assets			
	(iii) Capital work-in-progress	2.6		
	(b) Non-current investments		2,800,477	2,235,737
	(c) Deferred tax assets (net)	2.7	-	-
	Current assets	2.8		
	(a) Inventories		100,000	-
	(b) Trade receivables		268,736	161,633
2	(c) Cash and cash equivalents	2.9		
	(d) Short-term loans and advances	2.10		
	(e) Other current assets	2.11		
		2.12		705,128
	Notes To Accounts	2.13	-	6,356,161
	TOTAL	1 & 2	6,812,682	6,356,161
			4,248,411	7,647,816
			230,058,280	109,134,012
			355,980	170,320
			244,644,566	126,410,807

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

DARSHAK M. RUPANI
Managing Director

PRASHANT M. RUPANI RAMESHCHANDRA P. KOTHARI
Chairman Director

Place : Mumbai
Date : 30.07.2012

WHITE DIAMOND INDUSTRIES LTD Statement of Profit and Loss as at 31 March, 2012			
Particulars	Note No.	For the year ended 31 March, 2012	For the year ended 31 March, 2011
A CONTINUING OPERATIONS			
1 Revenue from operations (gross) Less: Excise duty Revenue from operations (net)	2.14	89,101,476	158,609,749
2 Other income	2.15	6,118,458	2,166,146
3 Total revenue (1+2)		95,219,934	160,775,895
4 Expenses			
(a) Purchases of stock-in-trade	2.16	86,646,158	153,343,093
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	2.16	705,128	1,823,367
(c) Employee benefits expense	2.16	1,413,000	437,000
(d) Finance costs	2.16	-	30,565
(e) Depreciation and amortisation expense	2.16	272,860	233,990
(f) Other expenses	2.16	3,667,056	2,218,426
Total expenses		92,704,202	158,086,441
5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		2,515,732	2,689,454
6 4) Tax expense:			
(a) Current tax expense for current year		800,000	800,000
(b) Tax Adjustment relating to prior years		24,982	-
(c) Net current tax expense		-	-
(d) Deferred tax		-107,103	105,713
7 Profit / (Loss) from continuing operations		1,797,853	1,783,741
8 Profit / (Loss) for the year		1,797,853	1,783,741
Particulars	Note No.	For the year ended 31 March, 2012	For the year ended 31 March, 2011
9.i Earnings per share (of ₹ 10/- each):			
(a) Basic			
(i) Continuing operations		0.17	0.31
(ii) Total operations		0.17	0.31
(b) Diluted			
(i) Continuing operations		0.17	0.31
(ii) Total operations		0.17	0.31
9.ii Earnings per share (excluding extraordinary items) (of ₹ 10/- each):			
(a) Basic			
(i) Continuing operations		0.17	0.31
(ii) Total operations		0.17	0.31
(b) Diluted			
(i) Continuing operations		0.17	0.31
(ii) Total operations		0.17	0.31

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

DARSHAK M. RUPANI
Managing Director

PRASHANT M. RUPANI RAMESH P. KOTHARI
Chairman Director

Place : Mumbai
Date : 30.07.2012

WHITE DIAMOND INDUSTRIES LTD Cash Flow		
Statement as at 31 March, 2012		
Particulars	As at 31 March, 2012	As at 31 March, 2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	2,515,732	2,689,454
Adjustments to reconcile profit before tax to cash provided by operating activities		
Depreciation and amortisation expense	272,860	233,990
Interest and dividend income	-6,118,458	-2,166,146
Share Capital Written Off	99,640	
Provisions	-	42,580
Effect of exchange differences on translation of assets and liabilities	-	
Effect of exchange differences on translation of foreign currency cash and ca equivalents	-	
Changes in assets and liabilities		
Inventory	705,128	1,823,367
Trade receivables	-456,521	24,605,137
Loans and advances and other assets	-120,924,268	-42,883,126
Liabilities	298,829	-2,045,625
Other Provisions	137,087	
Income taxes paid	824,992	868,056
NET CASH GENERATED BY OPERATING ACTIVITIES	-124,294,963	-18,568,425
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment towards capital expenditure	-837,600	-25,001
Investments in subsidiaries	-100,000	
Disposal of other investments	-	
Interest and dividend received	6,118,458	2,166,146
CASH FLOWS FROM INVESTING ACTIVITIES BEFORE EXCEPTIONAL ITEM	5,180,858	2,141,145
Dividend income, net of taxes		
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES	5,180,858	2,141,145
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital on exercise of stock options	116,000,000	19,674,000
Share Issue Expenses	-285,300	-212,900
Repayment of loan given to subsidiary		
Dividends paid including residual dividend		
Dividend tax paid		
NET CASH USED IN FINANCING ACTIVITIES	115,714,700	19,461,100
Effect of exchange differences on translation of foreign currency cash and cash equivalents		
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	-3,399,405	3,033,820
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	7,647,816	4,613,996
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4,248,411	7,647,816
As per our report Of Even Date		
For N. K. JALAN & CO.		For WHITE DIAMOND INDUSTRIES LTD
Firm Reg No : 104019 W Chartered Accountants		
CA N K JALAN PROPRIETOR Mem. No. 11878	DARSHAK M. RUPANI Managing Director	PRASHANT M. RUPANI RAMESH P. KOTHARI Chairman Director
Place : Mumbai		
Date : 30.07.2012		

WHITEDIAMONDINDUSTRIESLIMITED.ACCOUNTING POLICIES AND NOTES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2012 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012.**Company Overview :**

White Diamond Industries Limited along with its 100% owned and controlled subsidiary Sapna Infraventure Pvt. Ltd. is a company engaged in business of trading in cut and polished diamonds.

1. SIGNIFICANT ACCOUNTING POLICIES

- (i) Basis of Preparation of financial statements:
These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956 and guide lines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or are vision to an existing accounting standard requires a change in the accounting policy hitherto in use.
- (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 are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available.

(ix) ContingentLiability:

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

AS PER OUR REPORT OF EVEN DATE

FOR N. K. JALAN & CO.
CHARTERED ACCOUNTANTS

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

Dated: 30.07.2012

FOR AND ON BEHALF OF THE
BOARD

(Darshak M. Rupani)
Managing Director

(Prashant M. Rupani)
Chairman

(Ramesh Kothari)
Director

WHITE DIAMOND INDUSTRIES LTD				
Balance Sheet as at 31 March, 2012				
Note 2.1 Share capital				
Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares	~	Number of shares	~
(a) Authorised Equity shares of ₹ 10 each	12,500,000	125,000,000	8,500,000	85,000,000
(b) Issued # Equity shares of ₹ 10 each	12,500,000	125,000,000	8,500,000	85,000,000
(c) Subscribed and fully paid up Equity shares of ₹ 10 each	12,500,000	125,000,000	8,500,000	85,000,000
Total	12,500,000	125,000,000	8,500,000	85,000,000

Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares Holding				
SAPNA INFRATECH PRIVATE LIMITED	1,738,450	13.91	1,064,100	12.52
SHANTILAL MANGALJI MEHTA	1,465,000	11.72		
NAVINCHANDRA DALPATLAL MEHTA	1,265,000	10.12		
DILIP DALPATLAL MEHTA	1,120,000	8.96		
DARSHAK M RUPANI	871,668	6.97	646,668	7.61
MAHESH MOHANLAL RUPANI	695,000	5.56	470,000	5.53
RESHMA SUNAY KOTHARI			579,334	6.82

The company has only one class of shares referred to as equity shares having a par value of Rs. 10/- each holder of equity shares is entitled to one vote per share.

During the year company increased its Authorised capital by Rs. 40000000 and issue shares of Rs. 10/- each same amount.

Note 2.2 Reserves and surplus

Particulars	As at 31 March, 2012	As at 31 March, 2011
	~	~
(a) Securities premium account		
Opening balance	-	-
Add : Premium on shares issued during the year	76,000,000	-
Less : Utilised during the year for:	-	-
Closing balance	76,000,000	-
(b) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	38,692,113	36,908,372
Add: Profit / (Loss) for the year	1,797,853	1,783,741
Closing balance	40,489,966	38,692,113
Total	116,489,966	38,692,113

Note 2.3 Trade payables

Particulars	As at 31 March, 2012	As at 31 March, 2011
	~	~
Trade payables:		
Acceptances	714,415	1,619,283
Other than Acceptances		-
Total	714,415	1,619,283

Balance of Creditors are subject to confirmation and/or Reconciliation/consequential adjustments if any.

Note 2.4 Other current liabilities

Particulars	As at 31 March, 2012	As at 31 March, 2011
(f) Unpaid dividends	45,669	45,669
(vii) Advances from customers	1,203,697	
Total	1,249,366	45,669

There is no contingent liability outstanding as on the the year ended 31st march 2012.

Note 2.5 Short-term provisions

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Provision for employee benefits: @		
(vi) Provision for other employee benefits (give details)	12,100	-
(b) Provision - Others:		
(i) Provision for tax	800,000	800,010
(ii) Provision for salary	360,000	-
(ii) Provision - others	18,719	253,732
Total	1,190,819	1,053,742

Note 2.6 Fixed assets

A.	Tangible assets	Gross block				Accumulated depreciation and impairment				Net block		
		Balance as at 1 April, 2011	Additions	Disposals	Other adjustments	Balance as at 31 March, 2012	Balance as at 1 April, 2011	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31 March, 2012	Balance as at 31 March, 2012	Balance as at 31 March, 2011
	(a) Plant and Equipment Owned	13,314,314				13,314,314	13,314,314	-	-	13,314,314	-	-
	(b) Vehicles Owned	2,428,136	815,000			3,243,136	245,272	264,352		509,624	2,733,512	2,182,864
	(c) Office equipment Owned	93,190				93,190	62,022	1,554		63,576	29,614	31,168
	(d) Leasehold improvements Owned											
	(h) Computers Owned	25,001	22,600			47,601	3,296	6,954		10,250	37,351	21,705
	Total	15,860,641	837,600	-	-	16,698,241	13,624,904	272,860	-	13,897,764	2,800,477	2,235,737
	Previous year	15,835,640	25,001			15,860,641	13,390,914	233,990		13,624,904	2,235,737	2,444,726

Note : The Valuation of Fixed Assets has been taken, valued and certified by the managing director of the company

Note 2.7 Non-current investments

Particulars	As at 31 March, 2012			As at 31 March, 2011		
	Quoted #	Unquoted #	Total	Quoted	Unquoted	Total
Investment in equity instruments (give details separately for fully / partly paid up instruments)						
(i) of subsidiaries	-	100,000	100,000	-	-	-
(ii) of associates						
(iii) of joint venture companies						
(iv) of controlled special purpose entities						
(v) of other entities (give details)						
Total	-	100,000	100,000			

Note 2.8 Deferred Tax Assets (net)

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.

Particulars	As at 31 March, 2012	As at 31 March, 2011
Deferred Tax (Liability) / Assets		
Depreciation	268,736	161,633
Net Deferred Tax (Liability) / Assets	268,736	161,633
Recognized in Balance Sheet	268,736	161,633

Note 2.9 Inventories

(At lower of cost and net realisable value)

Particulars	As at 31 March, 2012	As at 31 March, 2011
(d) Stock-in-trade (acquired for trading)	0	705,128
Goods-in-transit		
Total	-	705,128

The closing stock has been taken and certified by the the managing director of the company.

Note 2.10 Trade receivables

Particulars	As at 31 March, 2012	As at 31 March, 2011
Other Trade receivables		
Secured, considered good		
Unsecured, considered good	6,812,682	6,356,161
Doubtful		
Less: Provision for doubtful trade receivables	0	0
Total	6,812,682	6,356,161

Balance of Debtors are subject to confirmation and/or Reconciliation/consequential adjustments if any.

Note 2.11 Cash and cash equivalents

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Cash on hand	56,303	64,009
(b) Cheques, drafts on hand		
(c) Balances with banks		
(i) In current accounts	4,192,108	7,583,807
Total	4,248,411	7,647,816

Note 2.12 Short-term loans and advances

Particulars	As at 31 March, 2012	As at 31 March, 2011
(A) Advance recoverable in cash or in kind or for value to be received	97,550,000	27,870,000
(B) Rent Deposit	108,750	508,750
(C) Payment of Taxes	675,519	188,234
(D) Other Loan and Advances	131,724,011	80,567,028
Less: Provision for other doubtful loans and advances	-	-
Total	230,058,280	109,134,012

Balance of Loans and Advances are subject to confirmation and/or Reconciliation/consequential adjustments if any.

Note 2.13 Other current assets

Particulars	As at 31 March, 2012	As at 31 March, 2011
(iv) Others (Miscellaneous Expenditure)	355,980	170,320
Total	355,980	170,320

Note 2.14 Revenue from operations

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Sale of products @ (Refer Note (i) below)	89,101,476	158,609,749
Less:		
Excise duty		
Total	89,101,476	158,609,749

Note (i)

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Traded goods		
Cut Polished Diamond	89,101,476	158,609,749
Total - Sale of Traded Goods	89,101,476	158,609,749

Disclosure of Segment Reporting under Accounting Standard:

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

Note 2.15 Other income

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	-	-
Interest income (Refer Note (i) below)	6,118,458	2,166,146

Note (i)

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	-	-
Interest income comprises:		
Interest on loans and advances	6,118,458	2,166,146
Other interest	-	-
Total - Interest income	6,118,458	2,166,146

Note 2.16 Purchase of traded goods

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	-	-
Cut Polished Diamond (CP)	86,646,158	153,343,093
Total	86,646,158	153,343,093

Note 2.16 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	-	-
<u>Inventories at the end of the year:</u>		
Stock-in-trade	-	705,128
	-	705,128
<u>Inventories at the beginning of the year:</u>		
Stock-in-trade	705,128	2,528,495
	705,128	2,528,495
Net (increase) / decrease	705,128	1,823,367

Information required in terms of part IV of schedules VI of companies Act, 1956 Attached.

Quantity information of trading of Diamond.

	Qty. Carat	Value Rs.
Opening Stock	134	705,128
Purchases	4,543	86,646,158.00
Sales	4,687	89,101,476
Closing Stock	Nil	Nil

Note 2.16 Employee benefits expense

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	-	-
Salaries and wages	780,000	96,000
Director's Remuneration	333,000	186,000
Profession Tax	0	5,000
Director's House Rent	300,000	150,000
Total	1,413,000	437,000

Note 2.16 Finance costs

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	-	-
(a) Interest expense on:		
- Interest on delayed / deferred payment of income tax	0	30,565
Total	-	30,565

Note 2.16 Other expenses		
Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Rent (Office Rent)	262,634	325,000
Repairs and maintenance Moter Car	183,600	41,510
Website Designing Charges	6,000	4,820
Travelling and conveyance	172,876	127,930
Printing and stationery	115,559	4,000
Advertising	176,030	42,187
Brokerage & commission	515,135	787,203
Donations and contributions	500,000	-
Legal and professional	262,000	196,500
Payments to auditors (Refer Note (i) below)	99,270	90,000
Accounting Charges	-	97,000
Bank Charges	3,428	4,745
Demat Charges	-	1,214
Electricity Expenses	64,220	-
Employees Profession Tax	12,100	2,500
General Expenses	10,490	5,080
Interest on TDS	804	-
Listing Fees	91,549	121,330
Machine Service Charges	662	-
Mobile Expenses	32,015	8,796
Moter Car Expenses	13,410	-
Office Renovating Expenses	700,828	-
Postege & Telegram	156,070	62,500
Share Capital Issue Expenses W/Off	99,640	-
Share Transfer Charges	102,518	125,026
Stamp Duty	1,300	-
TDS Paid of Earlier Years	2,891	-
Telephone Expenses	41,431	4,989
Vat Paid	7,796	162,096
ROC Filing Fees	32,800	4,000
Total	3,667,056	2,218,426
Notes: (i)	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Particulars		
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit		
For taxation matters	50,000	50,000
Service Tax	40,000	40,000
Total	9,270	90,000
	99,270	90,000

Note : Related party Disclosure

A) List of related party

Key Management Personnel

Mr. Darshak M. Rupani	Managing Director
Mr. Prashant Rupani	Chairman
Mr. Ramesh P. Kothari	Director Mr.
Jaynish R. Kothari	Director Mr.
Mahesh M. Rupani	Director

Other Related Party (Enterprise Owend or significantly influenced by Key Management Personnel)

Suraj Enterprises
Sapna Infraculture Pvt Ltd
Jaynish & Co.

Nature Of Transaction	Relationship	Name of Related Party	Value
Salary	Key Management Personnel	Mr. Ramesh P. Kothari	48,000
Salary	Key Management Personnel	Mr. Darshak M. Rupani	180,000
Salary	Key Management Personnel	Mr. Mahesh M. Rupani	105,000
Loan and Advance	Other Related Party	Sapna Infraculture Pvt Ltd	74,900,000

N. K. J A L A N & CO.
Chartered Accountants.

2-A, Mayur Apartments,
Dadabhai Cross Road No.3,
Vile Parle (West),
MUMBAI-400056.
Off : 26714104/26234104.
Mob. 9324114104

AUDITOR'SREPORT

TOTHEMEMBERSOFM/S.SAPNAINFRAVENTUREPVT.LTD.

We have audited the attached Balance Sheet of M/S. SAPNA INFRAVENTURE PVT. LTD. for the year ended 31st March, 2012 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, 2012 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....

: 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, 2012 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.
Firm: No. 104019W

PLACE: MUMBAI.
DATED: 30.07.2012

(N. K. JALAN) PROPRIETOR
Mem. No 11878.

M/S.SAPNAINFRAVENTUREPVT.LTD.ANNEXURETOAUDITORS'REPORTREFERREDTOINPARAGRAPH-3FOURREPORTOFEVENDATE

- (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 any loan to the party covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) During the year the Company has taken loan from two parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year is Rs. 7,53,24,001 and the year end balance is Rs. 7,53,24,001.
- (c) In our opinion, the terms and conditions of loans taken by the company are prima facie, not prejudicial to the interest of the company.
- (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

...4...

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, 2012 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 is in its first year of operation and has not incurred any cash losses in the current financial year ending 31st March, 2012.
- (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 is a fully owned subsidiary of M/s. White Diamond Industries Ltd. and has made preferential allotment of 10,000 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.
- (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.
Firm No.104019W

PLACE : MUMBAI.
DATED: 30.07.2012

(N.K. JALAN) PROPRIETOR
Mem No. 11878.

SAPNA INFRAVENTURE PVT. LTD.
Balance Sheet as at 31 March, 2012

Particulars		Note No.	As at 31 March, 2012	As at 31 March, 2011
			Rs	Rs
A EQUITY AND LIABILITIES				
1 Shareholders' funds				
	(a) Share capital	2.1	100,000	0.00
	(b) Reserves and surplus	2.2	621,085	0.00
2 Non-current liabilities				
3 Current liabilities				
	(a) Trade payables	2.3	796,450	0.00
	(b) Other Current Liabilities	2.4	75,224,002	0.00
	(c) Short-term provisions	2.5	120,000	
	TOTAL		76,861,537	0.00
B ASSETS				
1 Non-current assets				
	(a) Fixed assets			
	(i) Tangible assets	2.6	499,806	0.00
2 Current assets				
	(c) Cash and cash equivalents	2.7	9,361	0.00
	(d) Short-term loans and advances	2.8	76,352,371	0.00
	Significant Accounting Policies and Notes To Accounts	1 & 2		
	TOTAL		76,861,537	0.00

As per our report Of Even Date
For N. K. JALAN & CO.
Chartered Accountants
Firm Reg No : 104019 W

For SAPNA INFRAVENTURE PVT. LTD.

CA N K JALAN
PROPRIETOR
Mem. No. 11878

DARSHAK M. RUPANI
Director

PRASHANT M. RUPANI
Director

Place : Mumbai
Date : 30.07.2012

SAPNA INFRAVENTURE PVT. LTD.
Profit & Loss as at 31 March, 2012

Particulars		Note No.	For the year ended	For the year ended
			31 March, 2012	31 March, 2011
			Rs	Rs
A	CONTINUING OPERATIONS			
1	Revenue from operations (gross) Less: Excise duty Revenue from operations (net)	2.9	1,352,369	
2	Other income		NIL	
3	Total revenue (1+2)		1,352,369	0.00
4	Expenses			
	(a) Employee benefits expense	2.10	120,000	
	(b) Depreciation and amortisation expense	2.6	3,802	
	(c) Other expenses	2.10	607,482	
5	Total expenses		731,284	0.00
6	Profit / (Loss) before exceptional and extraordinary items and tax (3 -		621,085	0.00
7	5) Tax expense:			
	(a) Current tax expense for current year		-	-
	(b) Tax Adjustment relating to prior years		-	-
	(c) Net current tax expense		-	-
	(d) Deferred tax		-	-
8	Profit / (Loss) from continuing operations (6-7)		621,085	0.00
9	Profit / (Loss) for the year		621,085	0.00
Particulars		Note No.	For the year ended	For the year ended
			31 March, 2012	31 March, 2011
			Rs	Rs
10.i	Earnings per share (of Rs 10/- each):			
	(a) Basic			
	(i) Continuing operations		62.11	0.00
	(ii) Total operations		62.11	0.00
	(b) Diluted			
	(i) Continuing operations		62.11	0.00
	(ii) Total operations		62.11	0.00
10.ii	Earnings per share (excluding extraordinary items) (of Rs 10/- each):			
	(a) Basic			
	(i) Continuing operations		62.11	0.00
	(ii) Total operations		62.11	0.00
	(b) Diluted			
	(i) Continuing operations		62.11	0.00
	(ii) Total operations		62.11	0.00

As per our report Of Even Date

For N. K. JALAN & CO.

Chartered Accountants

Firm Reg No : 104019 W

For SAPNA INFRAVENTURE PVT. LTD.**PROPRIETOR**

Mem. No. 11878

Place : Mumbai

Date : 30.07.2012

DARSHAK M. RUPANI

Director

PRASHANT RUPANI

Director

SAPNA INFRAVENTURE PVT. LTD.ACCOUNTING POLICIES AND NOTES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2012 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012.**Company Overview :**

Sapna Infraventure Pvt. Ltd. is a fully owned subsidiary of White Diamond Industries Ltd. is a company engaged in business of Real Estate and Infrastructure.

1. SIGNIFICANT ACCOUNTING POLICIES(i) Basis of Preparation of financial statements:

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956 and guide lines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or are vision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(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.

AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

FOR N. K. JALAN & CO.
CHARTERED ACCOUNTANTS

(N. K. JALAN) PROPRIETOR
Place: Mumbai

Dated: 30.07.2012

(Darshak M. Rupani)
Director

(Prashant Rupani)
Director

SAPNA INFRAVENTURE PVT. LTD.

NOTES OF ACCOUNTS FOR THE YEAR ENDING 31ST MARCH, 2012

Note 2.1 Share capital				
Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares	Rs	Number of shares	Rs
(a) Authorised Equity shares of Rs. 10/- each with voting rights	10,000	100,000	0	0
(b) Issued Equity shares of Rs. 10/- each with voting rights	10,000	100,000	0	0
(c) Subscribed and fully paid up Equity shares of Rs. 10/- each with voting rights	10,000	100,000	0	0
Total	10,000	100,000	-	-

Note 2.2 Reserves and surplus

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rs	Rs
(k) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	-	-
Add: Profit / (Loss) for the year	621,085	-
Closing balance	621,085	-
Total	621,085	-

Note 2.3 Trade payables

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rs	Rs
Trade payables:		
Acceptances	796,450	-
Other than Acceptances	-	-
Total	796,450	-

Note 2.4 Other current liabilities

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rs	Rs
(a) Other loans and advances		
Secured	-	-
Unsecured	75,224,002	-
Total	75,224,002	-

Note 2.5 Short-term Provisions

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rs	Rs
(a) Other Provisions		
Director's remuneration payable	120,000	-
Total	120,000	-

Note 2.7 Cash and cash equivalents

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rs	Rs
(a) Cash on hand	5,000	-
(b) Cheques, drafts on hand		
(c) Balances with banks		
(i) In current accounts	4,361	-
(d) Others (specify nature)		
Total	9,361	-

Note 2.8 Short-term loans and advances

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rs	Rs
(A) Advance recoverable in cash or in kind or for value to be received	76,217,133	-
(B) Other Loan and Advances	135,237	-
Less: Provision for other doubtful loans and advances	-	-
Total	76,352,370	-

Note 2.9 Revenue from operations

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	Rs	Rs
Interest Received on loans Given	1,352,369	-
Total	1,352,369	-

Note 2.10 Employee benefits expense

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	Rs	Rs
Director's remuneration	120,000	-
Total	120,000	-

Note 2.10 Other expenses

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	Rs	Rs
Printing and stationery	250,782	-
Legal and professional	5,000	-
Payments to auditors	22,060	-
Accounting Charges	15,000	-
Bank Charges	640	-
Office Renovating Expenses	314,000	-
	607,482	-
Notes: (i)	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Particulars		
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	20,000	-
Service Tax	2,060	-
Total	22,060	-

Note : Related party Disclosure

A) List of related party

Key Management Personnel

Mr. Darshak M. Rupani

M. Rupani

Rupani

Director Mr. Mahesh

Director Mr. Prashant

Director

Other Related Party (Enterprise Owend or significantly influenced by Key Management Personnel)

White Diamond Industries Ltd.

Nature Of Transaction	Relationship	Name of Related Party	Value
Salary	Key Management Personnel	Mr. Darshak M. Rupani	60,000
Salary	Key Management Personnel	Mr. Mahesh M. Rupani	60,000
Loan and Advance	Other Related Party	White Diamond Industries Ltd.	74,900,000

N. K. J A L A N & CO.
Chartered Accountants.

2-A, Mayur Apartments,
Dadabhai Cross Road No.3,
Vile Parle (West),
MUMBAI-400056.
Off : 26714104/26234104.
Mob. 9324114104

AUDITOR'SREPORT

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

We have audited the attached Consolidated Balance Sheet of M/S. WHITE DIAMOND INDUSTRIES LTD. and its subsidiary M/S. SAPNA INFRAVENTURE PVT. LTD. (together the group) for the year ended 31st March, 2012 and also the Consolidated Profit and Loss Account and Consolidated Cash Flow Statements for the year ended on that date annexed thereto. These consolidated 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.

We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21 – “ Consolidated Financial Statements”, as notified under the Companies (Accounting Standards) Rules, 2006.

Based on our Audit and on consideration of the separate audit reports on the individual financial statements of the Company, and the aforesaid subsidiary and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of Consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2012 and
- (a) In the case of the Consolidated Profit & Loss Account of the Profit for the year ended on that date.
- (c) In the case of the Consolidated Cash Flow Statement, of the cash flow of the company for the year ended on that date.

FOR N. K. JALAN & CO.,
CHARTERED ACCOUNTANTS.
Firm: No. 104019W

PLACE: MUMBAI.
DATED: 30.07.2012

(N. K. JALAN) PROPRIETOR
Mem. No 11878

WHITE DIAMOND INDUSTRIES LTD
Consolidated Balance Sheet as at 31 March, 2012

Particulars		Note No.	As at 31 March, 2012	As at 31 March, 2011
			Rs.	Rs.
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	2.1	125,000,000	85,000,000
	(b) Reserves and surplus	2.2	117,111,051	38,692,113
3	Non-current liabilities			
4	Current liabilities			
	(a) Trade payables	2.3	1,510,865	1,619,283
	(b) Other current liabilities	2.4	1,573,368	45,669
	(c) Short-term provisions	2.5	1,310,819	1,053,742
	TOTAL		246,506,103	126,410,807
B	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	2.6	3,300,283	2,235,737
	(iii) Capital work-in-progress		-	-
	(b) Non-current investments	2.7	-	-
	(c) Deferred tax assets (net)	2.8	268,736	161,633
	Current assets			
2	(a) Inventories	2.9	-	705,128
	(b) Trade receivables	2.10	6,812,682	6,356,161
	(c) Cash and cash equivalents	2.11	4,257,772	7,647,816
	(d) Short-term loans and advances	2.12	231,510,650	109,134,012
	(e) Other current assets	2.13	355,980	170,320
	Significant Accounting Policies and Notes To Accounts	1 & 2		
	TOTAL		246,506,103	126,410,807

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

DARSHAK M. RUPANI PRASHANT RUPANI
Managing Director Chariman

RAMESH KOTHARI
Director

Place : Mumbai
Date : 30.07.2012

WHITE DIAMOND INDUSTRIES LTD				
Consolidated Statement of Profit and Loss as at 31 March, 2012				
Particulars		Note No.	For the year ended	For the year ended
			31 March, 2012	31 March, 2011
			Rs.	Rs.
A	CONTINUING OPERATIONS			
1	Revenue from operations (gross) Less: Excise duty Revenue from operations (net)	2.14	90,453,845	158,609,749
2	Other income	2.15	6,118,458	2,166,146
3	Total revenue (1+2)		96,572,303	160,775,895
4	Expenses			
	(a) Purchases of stock-in-trade	2.16	86,646,158	153,343,093
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	2.16	705,128	1,823,367
	(c) Employee benefits expense	2.16	1,533,000	437,000
	(d) Finance costs	2.16	-	30,565
	(e) Depreciation and amortisation expense	2.16	276,662	233,990
	(f) Other expenses	2.16	4,274,538	2,258,426
	Total expenses		93,435,486	158,126,441
5	Profit / (Loss) before exceptional and extraordinary items and tax (3 -		3,136,817	2,649,454
6	4) Tax expense:			
	(a) Current tax expense for current year		800,000	800,000
	(b) Tax Adjustment relating to prior years		24,982	-
	(c) Net current tax expense		-	-
	(d) Deferred tax		-107,103	105,713
			2,418,938	1,743,741
7	Profit / (Loss) from continuing operations		-	-
8	Profit / (Loss) for the year		2,418,938	1,743,741
Particulars		Note No.	For the year ended	For the year ended
			31 March, 2012	31 March, 2011
			Rs.	Rs.
9.i	Earnings per share (of Rs. 10/- each):			
	(a) Basic			
	(i) Continuing operations		0.23	0.31
	(ii) Total operations		0.23	0.31
	(b) Diluted			
	(i) Continuing operations		0.23	0.31
	(ii) Total operations		0.23	0.31
9.ii	Earnings per share (excluding extraordinary items) (of Rs. 10/- each):			
	(a) Basic			
	(i) Continuing operations		0.23	0.31
	(ii) Total operations		0.23	0.31
	(b) Diluted			
	(i) Continuing operations		0.23	0.31
	(ii) Total operations		0.23	0.31
See accompanying notes forming part of the financial statements				
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		DARSHAK M. RUPANI PRASHANT RUPANI RAMESH KOTHARI Managing Director Chairman Director		
Place : Mumbai Date : 30.07.2012				

WHITE DIAMOND INDUSTRIES LTD		
Consolidated Cash Flow Statement as at 31 March, 2012		
Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rs.	Rs.
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	3,136,817	2,689,454
Adjustments to reconcile profit before tax to cash provided by operating activities		
Depreciation and amortisation expense	276,662	233,990
Interest and dividend income	-6,118,458	-2,166,146
Share Capital Written Off	99,640	
Provisions	-	42,580
Effect of exchange differences on translation of assets and liabilities	-	
Effect of exchange differences on translation of foreign currency cash and ca equivalents	-	
Changes in assets and liabilities		
Inventory	705,128	1,823,367
Trade receivables	-456,521	24,605,137
Loans and advances and other assets	-122,376,638	-42,883,126
Liabilities	1,419,281	-2,045,625
Other Provisions	257,087	
Income taxes paid	824,992	868,056
NET CASH GENERATED BY OPERATING ACTIVITIES	-123,881,994	-18,568,425
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment towards capital expenditure	-1,341,208	-25,001
Investments in subsidiaries	-	-
Disposal of other investments	-	-
Interest and dividend received	6,118,458	2,166,146
CASH FLOWS FROM INVESTING ACTIVITIES BEFORE EXCEPTIONAL ITEM	4,777,250	2,141,145
Dividend income, net of taxes		
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES	4,777,250	2,141,145
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital on exercise of stock options	116,000,000	19,674,000
Share Issue Expenses	-285,300	-212,900
Repayment of loan given to subsidiary		
Dividends paid including residual dividend		
Dividend tax paid		
NET CASH USED IN FINANCING ACTIVITIES	115,714,700	19,461,100
Effect of exchange differences on translation of foreign currency cash and cash equivalents		
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	-3,390,044	3,033,820
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	7,647,816	4,613,996
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4,257,772	7,647,816
As per our report Of Even Date		
For N. K. JALAN & CO.	FOR WHITE DIAMOND INDUSTRIES LTD.	
Firm Reg No : 104019 W		
Chartered Accountants		
CA N K JALAN	DARSHAK M. RUPANI	PRASHANTT RUPANI
PROPRIETOR	Managing Director	Chairman
Mem. No. 11878		RAMESH KOTHARI
		Director
Place : Mumbai		
Date :30.07.2012		

WHITEDIAMONDINDUSTRIESLIMITED.**Company Overview :**

White Diamond Industries Limited along with its 100% owned and controlled subsidiary Sapna Infraventure Pvt. Ltd. is a company engaged in business of trading in cut and polished diamonds.

1. SIGNIFICANT ACCOUNTING POLICIES**1. Basis of Consolidation**

The consolidated financial statements of M/s. White Diamond Industries Ltd. ("The Company"), its subsidiary M/s. Sapna Infraventure Pvt. Ltd. together referred to as "The Group" have been prepared on the following basis:

- (i) The consolidated financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956 and guide lines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or are vision to an existing accounting standard requires a change in the accounting policy hitherto in use.
- (ii) In accordance with Accounting Standard (AS) 21 ' Consolidated Financial Statements', the statements of White Diamond Industries Ltd. and Sapna Infraventure Pvt. Ltd. have been combined line by line by adding items of Balance Sheet and Profit & Loss Account. The effect of Intra Group Transactions, balances and unrealized profits have been eliminated.

(iii) Details of the Subsidiary

Name of the Subsidiary	Country of Incorporation	Date since Subsidiary	Type of Entity	Percentage of Ownership Interest
Sapna Infraventure Pvt. Ltd.	India	19/11/2011	Private Limited Company	100%

2. Other Significant Accounting Policies**(i) 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.

(ii) Fixed Assets:

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

(iii) Depreciation:

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

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

AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD FOR N.

K. JALAN & CO.
CHARTERED ACCOUNTANTS FRIM
NO. 104019W

(Darshak M. Rupani)
Managing Director

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

Dated:30.07.2012

(Prashantt M. Rupani)
Chairman

(Ramesh Kothari)
Director

WHITE DIAMOND INDUSTRIES LTD NOTES OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012				
Note 2.1 Share capital				
Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares	Rs.	Number of shares	Rs.
(a) Authorised Equity shares of ₹ 10 each	12,500,000	125,000,000	8,500,000	85,000,000
(b) Issued # Equity shares of ₹ 10 each	12,500,000	125,000,000	8,500,000	85,000,000
(c) Subscribed and fully paid up Equity shares of ₹ 10 each	12,500,000	125,000,000	8,500,000	85,000,000
Total	12,500,000	125,000,000	8,500,000	85,000,000

Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares Holding				
SAPNA INFRA TECH PRIVATE LIMITED	1,738,450	13.91	1,064,100	12.52
SHANTILAL MANGALJI MEHTA	1,465,000	11.72		
NAVINCHANDRA DALPATLAL MEHTA	1,265,000	10.12		
DILIP DALPATLAL MEHTA	1,120,000	8.96		
DARSHAK M RUPANI	871,668	6.97	646,668	7.61
MAHESH MOHANLAL RUPANI	695,000	5.56	470,000	5.53
RESHMA SUNAY KOTHARI			579,334	6.82

The company has only one class of shares referred to as equity shares having a par value of Rs. 10/- each holder of equity shares is entitled to one vote per share.

During the year company increased its Authorised capital by Rs. 40000000 and issue shares of Rs. 10/- each same amount.

Note 2.2 Reserves and surplus

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rs.	Rs.
(a) Securities premium account		
Opening balance	-	-
Add: Premium on shares issued during the year	76,000,000	-
Closing balance	76,000,000	-
(b) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	38,692,113	36,908,372
Add: Profit / (Loss) for the year	2,418,938	1,783,741
Closing balance	41,111,051	38,692,113
Total	117,111,051	38,692,113

Note 2.3 Trade payables

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rs.	Rs.
Trade payables:		
Acceptances	1,510,865	1,619,283
Other than Acceptances		-
Total	1,510,865	1,619,283

Balance of Creditors are subject to confirmation and/or Reconciliation/consequential adjustments if any.

Note 2.4 Other current liabilities

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rs.	Rs.
Unpaid dividends	45,669	45,669
Advances from customers	1,203,697	
Unsecured Loans	324,002	
Total	1,573,368	45,669

There is no contingent liability outstanding as on the the year ended 31st march 2012.

Note 2.5 Short-term provisions

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rs.	Rs.
(vi) Provision for other employee benefits (give details)	12,100	-
(b) Provision - Others:		
(i) Provision for tax	800,000	800,010
(ii) Provision for Salary	360,000	
(iii) Provision for Director's remuneration	120,000	
(iv) Provision - others	18,719	253,732
Total	1,310,819	1,053,742

WHITE DIAMOND INDUSTRIES LTD Consolidated
Balance Sheet as at 31 March, 2012

Note 2.6 Fixed assets

A.	Tangible assets	Gross block				Accumulated depreciation and impairment				Net block		
		Balance as at 1 April, 2011	Additions	Disposals	Other adjustments	Balance as at 31 March, 2012	Balance as at 1 April, 2011	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31 March, 2012	Balance as at 31 March, 2012	Balance as at 31 March, 2011
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	(a) Plant and Equipment Owned	13,314,314				13,314,314	13,314,314	-	-	13,314,314	-	-
	(b) Vehicles Owned	2,428,136	815,000			3,243,136	245,272	264,352		509,624	2,733,512	2,182,864
	(c) Office equipment Owned	93,190				93,190	62,022	1,554		63,576	29,614	31,168
	(d) Leasehold improvements Owned											
	(h) Computers Owned	25,001	526,208			551,209	3,296	10,756		14,052	537,157	21,705
	Total	15,860,641	1,341,208	-	-	17,201,849	13,624,904	276,662	-	13,901,566	3,300,283	2,235,737
	Previous year	15,835,640	25,001			15,860,641	13,390,914	233,990		13,624,904	2,235,737	2,444,726

Note : The Valuation of Fixed Assets has been taken, valued and certified by the managing director of the company

Note 2.8 Deferred Tax Assets (net)

In accordance with the Accounting Standard 22 on " Accounting for Taxes on Income " 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.

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rs.	Rs.
Deferred Tax (Liability) / Assets Depreciation	268,736	161,633
Net Deferred Tax (Liability) / Assets	268,736	161,633
Recognized in Balance Sheet	268,736	161,633

Note 2.9 Inventories

(At lower of cost and net realisable value)

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rs.	Rs.
(d) Stock-in-trade (acquired for trading) Goods-in-transit	0	705,128
Total	-	705,128

The closing stock has been taken and certified by the the managing director of the company.

Note 2.10 Trade receivables

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rs.	Rs.
Other Trade receivables Secured, considered good Unsecured, considered good Doubtful	6,812,682	6,356,161
Less: Provision for doubtful trade receivables	0	0
Total	6,812,682	6,356,161

Balance of Debtors are subject to confirmation and/or Reconciliation/consequential adjustments if any.

Note 2.11 Cash and cash equivalents

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rs.	Rs.
(a) Cash on hand	61,303	64,009
(b) Cheques, drafts on hand		
(c) Balances with banks (i) In current accounts	4,196,469	7,583,807
Total	4,257,772	7,647,816

Note 2.12 Short-term loans and advances

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rs.	Rs.
(A) Advance recoverable in cash or in kind or for value to be received	173,767,133	27,870,000
(B) Rent Deposit	108,750	508,750
(C) Payment of Taxes	675,519	188,234
(D) Other Loan and Advances	56,959,248	80,567,028
Less: Provision for other doubtful loans and advances	-	-
Total	231,510,650	109,134,012

Balance of Loans and Advances are subject to confirmation and/or Reconciliation/consequential adjustments if any.

Note 2.13 Other current assets

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rs.	Rs.
(a) Others		
(iv) Others (Miscellaneous Expenditure)	355,980	170,320
Total	355,980	170,320

Note 2.14 Revenue from operations

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	Rs.	Rs.
Sale of products @ (Refer Note (i) below)	89,101,476	158,609,749
Interest Received on Loans Given	1,352,369	
Less:		
Excise duty		
Total	90,453,845	158,609,749

Note (i)

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	Rs.	Rs.
Traded goods		
Cut Polished Diamond	89,101,476	158,609,749
Total - Sale of Traded Goods	89,101,476	158,609,749

Note 2.15 Other income

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	Rs.	Rs.
Interest income (Refer Note (i) below)	6,118,458	2,166,146

Note (i)

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	Rs.	Rs.
Interest income comprises:		
Interest on loans and advances	6,118,458	2,166,146
Other interest		
Total - Interest income	6,118,458	2,166,146

Note 2.16 Purchase of traded goods

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	Rs.	Rs.
Cut Polished Diamond (CP)	86,646,158	153,343,093
Total	86,646,158	153,343,093

Note 2.16 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	Rs.	Rs.
<u>Inventories at the end of the year:</u>		
Stock-in-trade	-	705,128
	-	705,128
<u>Inventories at the beginning of the year:</u>		
Stock-in-trade	705,128	2,528,495
	705,128	2,528,495
Net (increase) / decrease	705,128	1,823,367

Information required in terms of part IV of schedules VI of companies Act. 1956 Attached.

Quantity information of trading of Diamond.

	Qty. Carat	Value Rs.
Opening Stock	134	705,128
Purchases	4,543	86,646,158.00
Sales	4,687	89,101,476
Closing Stock	Nil	Nil

Note 2.16 Employee benefits expense

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	Rs.	Rs.
Salaries and wages	780,000	96,000
Director's Remuneration	453,000	186,000
Profession Tax	0	5,000
Director's House Rent	300,000	150,000
Total	1,533,000	437,000

Note 2.16 Finance costs

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	Rs.	Rs.
(a) Interest expense on:		
- Interest on delayed / deferred payment of income tax	0	30,565
Total	-	30,565

Note 2.16 Other expenses		
Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	Rs.	Rs.
Rent (Office Rent)	262,634	325,000
Repairs and maintenance Moter Car	183,600	41,510
Website Designing Charges	6,000	4,820
Travelling and conveyance	172,876	127,930
Printing and stationery	366,341	4,000
Advertising	176,030	42,187
Brokerage & commission	515,135	787,203
Donations and contributions	500,000	-
Legal and professional	267,000	196,500
Payments to auditors (Refer Note (i) below)	121,330	130,000
Accounting Charges	15,000	97,000
Bank Charges	4,068	4,745
Demat Charges	-	1,214
Electricity Expenses	64,220	-
Employees Profession Tax	12,100	2,500
General Expenses	10,490	5,080
Interest on TDS	804	-
Listing Fees	91,549	121,330
Machine Service Charges	662	-
Mobile Expenses	32,015	8,796
Moter Car Expenses	13,410	-
Office Renovating Expenses	1,014,828	-
Postage & Telegram	156,070	62,500
Share Capital Issue Expenses W/Off	99,640	-
Share Transfer Charges	102,518	125,026
Stamp Duty	1,300	-
TDS Paid of Earlier Years	2,891	-
Telephone Expenses	41,431	4,989
Vat Paid	7,796	162,096
ROC Filing Fees	32,800	4,000
Total	4,274,538	2,258,426
Notes: (i)	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Particulars		
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	70,000	50,000
For taxation matters	40,000	40,000
Service Tax	11,330	40,000
Total	121,330	130,000

WHITE DIAMOND INDUSTRIES LIMITED

Registered Office: Office No. 312A, Kailas Plaza, Vallabh Baug lane, Ghatkopar (East), Mumbai – 400 077

ATTENDANCE SLIP

(Shareholders attending the Meeting in person or by proxy are requested to complete the Attendance Slip and Hand over at the entrance of the Meeting Hall)

Annual General Meeting

Reg.Folio NO. _____

No. of shares held _____

Name of the Attending Member _____

D.P.I.D* _____

Client I.D.* _____

I/We hereby record my/our presence at the Annual General Meeting of the company being held on **Monday, 24th September, 2012** at **Office No.312A, Kailas Plaza, VallabhBaug Lane, Ghatkopar (East), Mumbai – 400 077.**at 10.00 A.M

Signature of the Shareholder(s) / Proxy / Representative

Note:Kindly get the Printed Attendance Slip.

WHITE DIAMOND INDUSTRIES LIMITED

Registered Office: Office No. 312A, Kailas Plaza, Vallabh Baug lane, Ghatkopar (East), Mumbai – 400 077

PROXY FORM

Reg. Folio NO _____

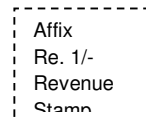
No. of Shares: _____

D.P.I.D* _____

Client ID* _____

I/we _____ of _____ being a share holder / shareholders of White Diamond Industries Ltd. hereby appoint _____ or failing him/her _____ as my/ our proxy to attend and vote for me / us and on my/ our behalf at the Annual General meeting of the Company to be held on 24th September, 2012 at 10.00 A.M. and at any adjournment thereof.

Signed this _____ day of _____, 2012



Signature of the shareholder _____ [Signature of Proxy]

Note: The Proxy form duly completed and signed must be deposited at the Registered office of the company not less than 48 hours before the time for holding the Meeting. A proxy need not be a member.