



For WHITE DIAMOND INDUSTRIES LTD:

R. P. Rother

Director

WHITE DIAMOND INDUSTRIES LIMITED

19th ANNUAL REPORT 2008-2009

WHITE DIAMOND INDUSTRIES LIMITED

BOARD OF DIRECTORS : Shri. Rameshchandra P. Kothari -
Chairman & Managing Director
Shri. Jaynish R. Kothari - Director
Shri. Nalinkumar A. Shah - Director
Shri. Nirup P. Kothari - Director
Shri. Ushakant C. Shah - Director

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

LEGAL ADVISER : Smt. Anjana Gupta
Advocate, Esplanade Court

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

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

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

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WHITE DIAMOND INDUSTRIES LIMITED

NOTICE

NOTICE is hereby given that the 19th ANNUAL GENERAL MEETING of the Members of the Company will be held at 10.00 a.m. on Tuesday, the 30th September, 2009 at Kothariwadi, Bld. No. 2, 2nd Floor, S V Road, Opp. Axis Bank, Malad (W), Mumbai - 400 064.

ORDINARY BUSINESS :

1. To adopt the Profit & Loss Account for the Financial Year ended 31st March, 2009 and the Balance Sheet as at that date and Reports of the Board of Directors and the Auditor thereon.
2. To appoint a Director in place of Shri Ushakant C Shah, who retires by rotation and being eligible, offers him for re-appointment.
3. To appoint a Director in place of Shri Nirup P Kothari, who retires by rotation and being eligible, offers him for re-appointment.
4. To re-appoint Statutory Auditor for the Financial Year 2009-2010, to hold office from the conclusion of this Annual General Meeting till the conclusion of the 20th Annual General Meeting and to authorise the Board of Directors to decide his remuneration.

By Order of the Board of Directors

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

Mumbai - 400 004.
Date: 11th August, 2009.

Rameshchandra P. Kothari
Chairman & Managing Director.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ALSO ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. Register of Members and Share Transfer Books of the Company shall remain closed from 24.09.2009 to 30.09.2009 (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.
5. The Company's Shares are listed on Stock Exchanges at Mumbai, Madras, Delhi and Ahmedabad.
6. All queries relating to Share Transfer and allied subjects should be addressed to :
Sharex Dynamic (India) Pvt. Ltd. (Unit : WDIL)
17-B, Dena Bank Bldg.,
2nd Floor, Horniman Circle, Fort,
Mumbai - 400 001.

WHITE DIAMOND INDUSTRIES LIMITED

DIRECTOR'S REPORT

To,
The Members,

Your Directors present the Nineteenth Annual Report on the business and operations of the Company, along with the Audited Statement of Accounts for the Financial Year ended 31st March, 2009

1. FINANCIAL RESULTS:

PARTICULARS	CURRENT YEAR 2008-2009 (Rs. in Lacs)	PREVIOUS YEAR 2007-2008 (Rs. in Lacs)
Sales & Other Income	1183.35	528.78
Gross Profit before		
Depreciation and Interest	20.82	(05.24)
Less : Interest &		
Financial Charges	Nil	Nil
Depreciation	(8.19)	(8.45)
Profit / (Loss) before Tax	12.63	(13.69)
Less : Provision for Tax	(4.96)	(1.58)
Profit/(Loss) after Tax	7.67	(15.27)
Prior Period Adjustment	376.74	21.83
Add : Balance Carried		
from earlier year	10.06	3.50
Balance Carried to		
Balance Sheet	394.47	10.06

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

2. OPERATIONS:

The year under review has been very satisfactory year for the Company. Your Company has achieved a turnover of Rs.1183.38 lacs in comparison to Rs.528.78 lacs during the previous year.

The Company has not been able to do any export business during 2008-2009. However the Company has done very good domestic business of cut and polished diamonds with a reputed sight holder Company.

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

WHITE DIAMOND INDUSTRIES LIMITED

3. MANAGEMENT DISCUSSION AND ANALYSIS:

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

a. Industry Structure and Development:

In view of the demand for cut and polished diamonds, there is reduced demand in diamond business owing to global economic slowdown. These are unpredictable times but 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 global slowdown poses some threat to the industry. Hence, in view of the prevailing and future scenario in the 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 effects of prevailing global slowdown 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.

WHITE DIAMOND INDUSTRIES LIMITED

f. Internal Control Systems and their adequacy:

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

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

The Financial performance with respect to the operational performance during the year under review was very satisfactory during the year under review an increase of two and quarter times in turnover was made by the Company.

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

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

i. Material Financial and Commercial Transactions:

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

4. CORPORATE GOVERNANCE:

Your Company has been very active in introduction and implementation of corporate governance norms. Your Company has taken all the mandatory steps as required in Clause 49 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.

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5. AUDIT COMMITTEE:

The Meeting of the Audit Committee of Directors as required under Section 292A of the Companies Act, 1956 read with Clause 49 of the Listing Agreement which consists of three Non-Executive Independent Directors took place on 14th April, 2008, 27th July, 2008, 12th October, 2008 and 19th January, 2009 respectively. The said Committee is discharging its due obligations and responsibilities as required.

6. DIRECTORS:

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

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

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

8. DIRECTOR'S RESPONSIBILITY:

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

1. In the preparation of the annual accounts, the applicable accounting standards have been followed;
2. Appropriate Accounting Policies have been selected and applied consistently, and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2009 and of the Profit and Loss Account for the financial year 1st April, 2008 to 31st March, 2009.
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;

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4. The Annual Accounts have been prepared on a going concern basis.

9. AUDITORS:

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

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 Exchanges Limited (BSE) at Mumbai and de-listing application are in the process for getting the shares delisted from Madras, Delhi and Ahmedabad Stock Exchanges.

13. DEMAT OF SECURITIES:

Nearly 29.95% of total Equity Share Capital is held in dematerialized form with NSDL / CDSL.

WHITE DIAMOND INDUSTRIES LIMITED

14. SUBSIDIARY COMPANY:

The Company does not have any Wholly Owned Subsidiary Company.

15. 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

16. 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,

**Rameshchandra P. Kothari.
Chairman & Managing Director.**

Place : Mumbai

Date : 11th August, 2009.

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ANNEXURE – III

REPORT ON CORPORATE GOVERNANCE

1. INTRODUCTION

The Company's Philosophy on Corporate Governance

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

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

2. BOARD OF DIRECTORS

2.1 Composition:

The Board of Directors comprises of Five Directors. The composition is as under:-

Name of the Director	Brief Particulars	Category
Mr Rameshchandra P. Kothari	He is an Industrialist and joined the Board as the Promoter Director since incorporation of the Company in the Year of 1990. He is SSC and having more than 45 years experience in the Diamond Industries.	Chairman & Managing Director.
Mr. Jaynish R. Kothari	He is an Industrialist and joined the Board in the year of 1998. He is a commerce graduate and having a vast experience in the Diamond Industries.	Non – Executive Director
Mr. Nalinkumar A. Shah	He is having a experience of more than 31 years in engineering field i.e. manufacturing of auto mobile parts he also having more 7 years experience in Diamond Trading activity. He has passed inter college. He joined the Board on 23 rd March 2007.	Non – Executive Independent Director
Mr. Ushakant C. Shah	He is a B.E Civil Engineer. He is in the diamond trade since last 30 specializes in trading of cut and polished diamonds. He joined the board on 12 th July 07.	Non – Executive Independent Director

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Mr. Nirup P. Kothari	He is in the diamond trade since last 30 years and specializes in trading of cut and polished diamonds. He joined the board on 12 th July 07.	Non – Executive Independent Director
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2.2 Meetings and attendance record of each Director:

- (i) During the Financial Year ended 31st March, 2009 the Board of Directors had 5 Meetings.

These were held on:

1. 14th April, 2008
2. 22nd July, 2008
3. 12th August, 2008
4. 25th October, 2008
5. 19th January, 2009

- (ii) The attendance record of the Directors at the Board Meetings during the Financial Year ended 31st March 2009

Name of the Director	Attendance at Board Meetings	Attendance at last AGM
Mr. Rameshchandra P. Kothari – CMD	5	Yes
Mr. Jaynish R. Kothari	5	Yes
Mr. Nalinkumar A. Shah	5	Yes
Mr. Ushakant C. Shah	5	Yes
Mr. Niup P. Kothari	5	Yes

2.3 Other Directorships etc.:

The details of the Directorships in other Companies (excluding Private Limited Companies and Section 25 of the Companies) Chairmanships and the Committee Memberships held by the Directors are given below: -

Name of Directors	No. of other Directorships	Chairman of the Board	Board Committees of which he is a member	Chairman of the Committee
Mr. Rameshchandra P Kothari –CMD	-	-	-	-
Mr. Jaynish R Kothari	-	-	-	-
Mr. Nalinkumar A Shah	-	-	-	-
Mr. Ushakant C. Shah	-	-	-	-
Mr. Niup P Kothari	-	-	-	-

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2.4 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 –CMD	96000/-	-	-	-	5 Years	NIL
Mr. Jaynish R Kothari	-	-	-	-	N.A.	N.A.
Mr. Nalin A Shah	-	-	-	-	N.A.	N.A.
Mr. Ushakant C. Shah	-	-	-	-	N.A.	N.A.
Mr. Nirup P Kothari	-	-	-	-	N.A.	N.A.

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

2.5 Re-appointment of Directors:

The Directors Shri Ushakant C Shah and Shri Nirup P Kothari shall retire by rotation at ensuing Annual General Meeting and being eligible have offered themselves for re-appointment.

The Board of Directors recommended their appointment. The details of other directorships of these Directors are as under:-

Name of the Director	Details of other directorships (other than Private Limited and Section 25 Companies)
1. Shri Ushakant C. Shah	Nil
2. Shri Nirup P. Kothari	Nil

Other relevant information on these Directors in terms of Clause 49 of the Listing Agreement is appropriately given in this report.

3. AUDIT COMMITTEE

(1) The Audit Committee comprises the following members :-

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

All the Members of the Audit Committee are Non-Executive Independent Directors. Except Shri Jaynish R. Kothari who is non-executive Director. They possess sound knowledge of accounts, audit, finance etc. Shri Nalinkumar A. Shah is the Chairman of the Audit Committee.

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

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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.

The Audit Committee during the Financial Year ended on 31st March, 2008 had the following meetings:-

- 1) 14th April, 2008. ii) 22nd July, 2008. iii) 12th August, 2008. iv) 19th January, 2009.

4. 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. The Committee comprises of following Members:-

1. Mr. Nalinkumar A Shah
2. Mr. Nirup P Kothari
3. Mr. Ushakant C Shah

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

iii. During the period 01.04.2008 to 31.03.2009, the Remuneration Committee met once on 19th January, 2009 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. Nirup P Kothari	1
3.	Mr. Ushakant C Shah	1

5. SHAREHOLDERS 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

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

During the Financial Year 2008-2009, this committee had 4 meetings on 30th June, 2008, 22nd July, 2008, 15th October, 2008 and 19th January 2009. Mr. Jaynish R Kothari, Non – Executive Director is designated as a compliance officer who at present is overseeing the Investor's Grievances as of 31st March 2009 there were 2 complaints pending for reply. There were no requests for Transfer of Shares, Issue of Duplicate Shares and Transmission of Shares etc. pending as on the said date. None of the complaints are pending for a period exceeding 15 days except the above 2 complaints.

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II. Name and Designation of Compliance Officer:

Mr. Jaynish Kothari – Director

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

During the Financial Year 2008-09 The Company have received 2 Complaints.

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

NIL.

V. Number of Pending Complaints:

NIL.

6. GENERAL BODY MEETINGS:

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

The Company convenes Annual General Meetings generally within 6 months of close of the Financial Year. The details of the Annual General Meeting held in last three years are as -

Year	Date and Time	Venue
2005-2006	29 th September, 2006, 11.00 am	23, Nirmala Mahal, 3 rd Floor, Bomanji Petit Road, Mumbai 400 026
2006-2007	12 th July, 2007, 11.00 am	23, Nirmala Mahal, 3 rd Floor, Bomanji Petit Road, Mumbai 400 026
2007-2008	30 th September, 2008, 10.00 am	Kothari Bldg. No. 2, 2 nd Floor, S V Road, Opp. Axis Bank, Malad (W), Mumbai 400 064

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

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

iv) Procedure for the postal ballot: None.

7. 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.

WHITE DIAMOND INDUSTRIES LIMITED

8. MEANS OF COMMUNICATION

- 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 and these are published in newspapers having all India coverage as required in the Listing Agreement.
- ii. Name of Company's Website where the results are displayed : www.wdil.in
- iii. The Company displays official no's released as and when the situation arises.
- iv. The Company makes presentation to institutional investors the analysts when found appropriate.
- v. Email id : info@wdil.in

9. GENERAL SHAREHOLDERS' INFORMATION

i. Annual General Meeting: Date, Time and Venue

30th September, 2009

10.00 a.m.

Kothariwadi, Bld. No. 2,
2nd Floor, S V Road,
Opp. Axis Bank,
Malad (W)
Mumbai 400 064.

ii. Financial Year : 2008-2009

iii. Date of Book Closure: 24.09.2009 to 30.09.2009

iv. Dividend Payment Date: not applicable

v. Listing on Stock Exchange:

The Company has paid listing fees for the financial year 2009-10 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
Equity Shares	
Mumbai Stock Exchange Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.	513713
Madras Stock Exchange Chennai.	
Delhi Stock Exchange Association Ltd., DSE House, 3/1 Asaf Ali Road, New Delhi 110002	
Ahemdabad Stock Exchange Ahmedabad, Gujarat.	67353

WHITE DIAMOND INDUSTRIES LIMITED

vii. Market price Data:

Month	Quotation at Mumbai Stock Exchange		Quotation at National Stock Exchange	
	HIGH	LOW	HIGH	LOW
April 2008	-	-	-	-
May 2008	-	-	-	-
June 2008	10.5	3.71	-	-
July 2008	3.75	3.25	-	-
August 2008	4.09	3.16	-	-
September 2008	3.47	2.74	-	-
October 2008	3.00	2.53	-	-
November 2008	2.29	2.11	-	-
December 2008	2.10	1.82	-	-
January 2009	1.82	1.82	-	-
February 2009	2.00	1.91	-	-
March 2009	1.90	1.67	-	-

viii. Performance in comparison to BSE Sensex: None

ix. Share Transfer Agents:

Sharex Dynamic (India) Pvt. Ltd.
17-B, Dena Bank Bldg.,
2nd Floor, Horniman Circle,
Fort, Mumbai – 400 001.

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, 2009 is given here below:

Sr. No.	Nominal Value of Shares (Rupees)	No. of Shareholders	No. of Shares	Percentage of Shareholding
1	UPTO - 5,000	11716	1467933	22.47
2	5,000 – 10,000	691	624160	9.55
3	10,001 – 20,000	258	404854	6.20
4	20,001 – 30,000	61	162700	2.49
5	30,001 – 40,000	22	78100	1.20
6	40,001 – 50,000	36	174100	2.67
7	50,001 – 1,00,000	35	252348	3.86
8	1,00,001 ABOVE	20	3368355	51.56
	TOTAL	12845	6532600	100.00

WHITE DIAMOND INDUSTRIES LIMITED

xii. Dematerialization of Shares:

Nearly 29.95% of total Equity Share Capital is held in dematerialized form with NSDL/CDSL.

xiii. Outstanding ADR/GDR : Nil

xiv. Address for the Correspondence:

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

Email : info@wdil.in

Website : www.wdil.in

xv. Code of Conduct:

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

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, 2009 is given here below:

	Category	No. of Shares Held	% of holding
A.	Promoter's Holding		
1.	Promoters		
	- Indian Promoters	3018400	46.20
	- Foreign Promoters	-	-
2.	Persons acting in concert	-	-
	Sub-Total (A)	3018400	46.20
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.	FII's	-	-
	Sub-Total (B) (1)	-	-
2.	Others		
a.	Private Corporate Bodies	263300	4.03
b.	Indian Public	2627800	40.23
c.	NRIs/OCBs	623000	9.54
d.	Any other (please specify)	100	-
	Sub-Total (B) (2)	3514200	53.80
	GRAND TOTAL.....	6532600	100.00

WHITE DIAMOND INDUSTRIES LIMITED

To,
The Members of
White Diamond Industries Limited
Mumbai.

Declaration

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

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

Place : Mumbai
Date 12-08-2008

For White Diamond Industries Limited,

Rameshchandra P Kothari
Chairman & 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, 2009 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: 11.08.2009

WHITE DIAMOND INDUSTRIES LIMITED

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

2-A, Mayur Apartments,
Dadabhai Cross Road No.3,
Vile Parle (West),
MUMBAI-400 056.
Off : 26714104/26234104.
Res : 26711209.

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, 2009 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 211 of the Cmpanies Act, 1956; except with respect to overdue foreign currency debors details of which are given in note No'7 and

WHITE DIAMOND INDUSTRIES LIMITED

actuarial valuation of defined contribution plan in respect of gratuity & reorganization of profit & loss as per AS – 15 (Revised).

- (v) On the basis of written representations received from the directors, as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2009, from being appointed as a director in terms of clause (g) of Sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) We have relied on valuation certificate given by Mr. Kiran k. Gandhi (Approved valuer by Government of India), appointed by the company for valuation of closing stock of diamonds.
- (vii) 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, 2009 and
 - (a) In the case of the Profit & Loss Account of the Profit for the year ended on that date.
 - (c) In the case of the cash flow statement, of the cash flow of the company for the year ended on that date.

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

PLACE: MUMBAI.
DATED: 11.08.2009

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

WHITE DIAMOND INDUSTRIES LIMITED

M/S WHITE DIAMOND INDUSTRIES LTD.

ANNEXURE TO AUDITORS' REPORT

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

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have been physically verified by the management during the year, and as informed by management there is a regular program of verification. In our opinion the procedure followed for physical verification is adequate in relation to size of company and nature of its business. No material discrepancies were noticed during the year. A valuation report is obtained from Haresh K. Shah (Regd. Valuer) for ascertaining any major diminution in Valuation of Plant & Machinery.
- (c) During the year, the company has not disposed off the plant and machinery.
- (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. The stock being of specialized industry we have relied on valuation & quantification given by Mr. Kiran K. Gandhi. (Registered Govt. approved valuer) as an expert opinion.
- (iii) (a) The Company has granted loan to four parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs 92,33,820 and the yearend balance of loan given to such parties was Rs.53,820.
- (b) In our opinion, the terms and conditions of loans given by the company are, prima facie, prejudicial to the interest of the company since it is not recovering any interest on the same.
- (c) In our opinion, the company is not regular in receipt of principal amount and interest thereon.
- (d) In our opinion, reasonable steps have been taken by the company for recovery of principal amount but not for the interest.

WHITE DIAMOND INDUSTRIES LIMITED

- (e) The Company has taken loan from one party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.20,55,505 and the year end balance of loan taken from such party was NIL.
- (f) In our opinion, the rate of interest and other terms and conditions of loans taken by the company are not, prima facie, prejudicial to the interest of the company.
- (g) **In our opinion, company is regular in payment of principal amount and interest thereon.**
- (iv) According to the information and explanation given to us, there is adequate internal control procedure commensurate with the size of Company and nature of business, for the purchase of inventory and fixed assets and for sale of goods and services.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

(b) In our opinion and according to the information and explanations given to us, transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year are reasonable having regards to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any public deposits. Hence Provision of this clause is not applicable.
- (vii) *In our opinion, the company has as internal audit system commensurate with the size and 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, income tax, sales tax, wealth tax, custom duty, excise duty and other statutory dues as applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty were in arrears, as at 31st March, 2009 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.

WHITE DIAMOND INDUSTRIES LIMITED

- (x) The company has not accumulated losses as at 31st March,2009 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 are 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 not made any preferential allotment of shares during the year. Hence provisions of this clause are not applicable.
- (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.

PLACE: MUMBAI.
DATED: 11.08.2009.

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

WHITE DIAMOND INDUSTRIES LIMITED

WHITE DIAMOND INDUSTRIES LTD

Balance Sheet As on 31st March, 2009

Particulars	Sch.	As on 31/03/2009		As on 31/03/2008	
		Rs.	Rs.	Rs.	Rs.
Sources of Funds					
Capital	A		65,326,000		65,326,000
Reserve & Surplus	B		39,447,604		1,006,412
Unsecured Loans	C	0	0	1,590,000	1,590,000
Net Deferred Tax Liability			1,332,073		1,606,824
Total			106,105,677		69,529,236
Application of Funds					
Fixed Assets	D				
a. Gross Block			16,997,527	17,856,839	
b. Less: Depreciation			12,609,183	12,448,514	
c. Net Block			4,388,344	5,408,325	
d. Capital Work-In-Progress		0	4,388,344	0	5,408,325
<u>Current Assets, Loans & Advances</u>	E				
Inventories			3,754,335	30,501,125	
Sundry Debtors			45,510,638	37,530,742	
Cash & Bank Balances			2,432,840	4,659,304	
Loans & Advances			52,287,008	31,004,768	
			103,984,821	103,695,939	
<u>Less : Current Liabilities & Provisions</u>	F				
Current Liabilities			1,669,817	982,155	
Provisions			597,671	38,592,873	
			2,267,488	39,575,028	64,120,911
Notes To Accounts	N				
Total			106,105,677		69,529,236

As per our Report of Even Date

For N. K. JALAN & CO.

CHARTERED ACCOUNTANTS

For WHITE DIAMOND INDUSTRIES LTD

CA N K JALAN
PROPRIETOR
Mem. No. 11878

RAMESHCHANDRA P. KOTHARI
CHAIRMAN & MANAGING DIRECTOR

JAYNISH R. KOTHARI
DIRECTOR

NIRUP P. KOTHARI
DIRECTOR

Place : MUMBAI

Date : 11/08/2009

WHITE DIAMOND INDUSTRIES LIMITED

WHITE DIAMOND INDUSTRIES LTD

Trading, Profit & Loss Account for the year ended 31st March, 2009

Particulars	Sch.	For the year ended 31/03/2009		For the year ended 31/03/2008	
		Rs.	Rs.	Rs.	Rs.
Income					
Sales	G	118,011,248		52,758,511	
Other Income	H	88,866		120,000	
Profit on Sale of Assets	I	235,234	118,335,348	0	52,878,511
Expenditure					
Cost of Materials	J	114,203,185		50,353,227	
Administrative & Other Expenses	K	2,049,601		2,771,916	
Financial Expenses	L	93		248,777	
Loss on Sale of Assets	M	0		28,628	
Depreciation		819,205	117,072,084	845,421	54,247,969
Net Profit Before Tax			1,263,264		-1,369,458
Less : Provision for Tax			-493,841		-154,741
			769,423		-1,524,199
Less : Provision for Fringe Benefit Tax			-2,416		-3,534
			767,007		-1,527,733
Add/Less : Provision for Deferred Tax			274,751		300,020
			1,041,758		-1,227,713
Add/Less : Profit / Loss of Previous Year			1,006,412		350,558
			2,048,170		-877,155
Provision made on debtors w/back			37,530,742		1,883,567
Fringe Benefit Tax			80		0
Short Prov. of IT for A.Y. 2007-08			-135,883		0
Excess Prov. of IT for A.Y. 2008-09			4,495		0
Net Profit after tax transferred to Balance Sheet			39,447,604		1,006,412
Earnings Per Share - Basic			0.16		-0.19
- Diluted			0.16		-0.19
- Basic / Diluted			1		1

As per our Report of Even Date

For N. K. JALAN & CO.

CHARTERED ACCOUNTANTS

For WHITE DIAMOND INDUSTRIES LTD

CA N K JALAN
PROPRIETOR
Mem. No. 11878

RAMESHCHANDRA P. KOTHARI
CHAIRMAN & MANAGING DIRECTOR

JAYNISH R. KOTHARI
DIRECTOR

NIRUP P. KOTHARI
DIRECTOR

Place : MUMBAI
Date : 11/08/2009

Place : MUMBAI
Date : 11/08/2009

WHITE DIAMOND INDUSTRIES LIMITED

WHITE DIAMOND INDUSTRIES LTD

Schedules Annexed to and forming part of Balance Sheet as on 31/03/2009

Schedule A : Share Capital		Rs.	
Particulars	31/03/2009	31/03/2008	
<u>Authorised Share Capital</u>			
70,00,000 Equity Share(Previous Year : 70,00,000) of Rs.10/-each	70,000,000	70,000,000	
	70,000,000	70,000,000	
<u>Issued Subscribed and paid up Capital</u>			
65,32,600 Equity Share(previous year : 65,32,600) of Rs 10/- each fully paid-up	65,326,000	65,326,000	
	65,326,000	65,326,000	
Total Share Capital	65,326,000	65,326,000	

Note :

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

Schedule B : Reserves & Surplus		Rs.	
Particulars	31/03/2009	31/03/2008	
Profit & Loss A/c	39,447,604	1,006,412	
	39,447,604	1,006,412	

Schedule C : Unsecured Loans		Rs.	
Particulars	31/03/2009	31/03/2008	
Unsecured Loans - From Others	0	1,590,000	
	0	1,590,000	

Schedule D : Fixed Assets

Rs.

Particulars	Rate of Deprn.	GROSS BLOCK			DEPRECIATION				NET BLOCK		
		Op. as on 01/04/2008	Additions	Deduction	Cost as on 31/03/2009	Op. as on 01/04/2008	for the year	Deductions	Cl. as on 31/03/2009	As on 31/03/2009	As on 31/03/2008
FACTORY BUILDING	3.34	546443	0	546443	0	319826	11851	331677	0	0	226617
PLANT & MACHINERY	4.75	16643445	0	0	16643445	11566268	790563	0	12356831	4286614	5077177
ELECTRIC INSTALLATION	4.75	268592	0	0	268592	183221	12758	0	195979	72613	85371
OFFICE EQUIPMENT	4.75	71500	0	0	71500	52340	3396	0	55736	15764	19160
AIR CONDITIONER	4.75	0	13990	0	13990	0	637	0	637	13353	0
Total		17529980	13990	546443	16997527	12121655	819205	331677	12609183	4388344	5408325
Previous year Total		17924687	0	67848	17856839	11603093	845421	0	12448514	5408325	6321594

WHITE DIAMOND INDUSTRIES LIMITED

Schedule E : Current Assets, Loans & Advances	Rs.	
Particulars	31/03/2009	31/03/2008
Current Assets		
Inventories		
Finished Goods	3,754,335	30,501,125
	3,754,335	30,501,125
Cash & Bank Balances		
Cash balance on hand	1,256,276	2,017,312
	1,256,276	2,017,312
Bank Balance with Scheduled Banks		
- On Current Accounts	1,176,564	2,641,992
	1,176,564	2,641,992
	2,432,840	4,659,304
Sundry Debtors		
<u>Unsecured considered doubtful</u>		
O/S for more than six months	2,300,000	37,530,742
Other Debtors	43,210,638	0
	45,510,638	37,530,742
Total Current Assets	51,697,813	72,691,171
Loans & Advances		
<u>Unsecured Considered Good</u>		
Advance recoverable in cash or in kind or for value to be received	51,934,820	30,050,000
Deposits	9,000	0
Other Loans and Advances	300,000	0
Payments of Taxes	43,188	954,768
	52,287,008	31,004,768

Note :

As Valued and certified by Management. Valuation report of Govt. Approved valuer obtained

WHITE DIAMOND INDUSTRIES LIMITED

Schedule F : Current Liabilities & Provisions

Rs.

Particulars	31/03/2009	31/03/2008
<u>Current Liabilities</u>		
Sundry Creditors - Others	1,347,398	936,486
Unclaimed Dividends	45,669	45,669
Other Liabilities	276,750	0
	<u>1,669,817</u>	<u>982,155</u>
<u>Provisions</u>		
Provision for Taxation	493,841	934,741
For Insurance, pension and similar staff benefit schemes	76,000	72,000
Other Provisions	27,830	37,586,132
	<u>597,671</u>	<u>38,592,873</u>
	<u>2,267,488</u>	<u>39,575,028</u>

Schedule G : Sales

Rs.

Particulars	31/03/2009	31/03/2008
Cut and Polished Diamond	108,552,812	52,758,511
Rough Diamond	4,160,475	0
Exchange Rate Difference	5,297,961	0
	<u>118,011,248</u>	<u>52,758,511</u>

Schedule H : Other Income

Rs.

Particulars	31/03/2009	31/03/2008
Interest Received	88,866	120,000
	<u>88,866</u>	<u>120,000</u>

Schedule I : Profit on Sale of Assets

Rs.

Particulars	31/03/2009	31/03/2008
Profit on sale of Factory Building	235,234	0
	<u>235,234</u>	<u>0</u>

WHITE DIAMOND INDUSTRIES LIMITED

Schedule J : Cost of Materials

Rs.

Particulars	31/03/2009	31/03/2008
Cost of Goods Sold		
Rough Diamond		
Opening Stock - lying with us	0	14,974,977
Purchases	21,405,722	9,105,678
	21,405,722	24,080,655
Cut & Polished Diamond (P)		
Opening Stock - lying with us	17,001,125	12,543,879
Purchases	61,291,482	8,435,564
Closing Stock - lying with us	0	17,001,125
	78,292,607	3,978,318
Cut & Polished Diamond(CP)		
Opening Stock - lying with us	13,500,000	0
Purchases	3,174,035	30,501,125
Closing Stock - lying with us	3,754,335	13,500,000
	12,919,700	17,001,125
Total Cost of Goods Sold	112,618,029	45,060,098
<u>Manufacturing Expenses</u>		
Labour Charges	1,585,156	5,293,129
	1,585,156	5,293,129
Total Cost of Materials	114,203,185	50,353,227

Schedule M : Loss on Sale of Assets.

Rs.

Particulars	31/03/2009	31/03/2008
LOSS ON SALES OF POLISHING MACHINE	0	28,628
	0	28,628

WHITE DIAMOND INDUSTRIES LIMITED

Schedule K : Administrative & Other Expenditure

Rs.

Particulars	31/03/2009	31/03/2008
<u>Payments to Employees</u>		
Employees Provident Fund	168	0
Provison for gratuity	4,000	4,000
Salary, Bonus, Wages etc.	96,000	96,000
	100,168	100,000
<u>Payments to Directors</u>		
Directors Remuneration	96,000	96,000
	96,000	96,000
<u>Administrative Expenses</u>		
Accomodation Expenses	160,000	0
Accounting Charges	11,000	11,000
Audit Fees	40,000	40,000
Bank Charges	66,087	73,731
BSE Reinstatement Fees	420,000	0
Electricity exp	350	3,822
Employees profession tax	0	2,100
Export rate difference	0	646,630
Filling Fees	0	7,900
General Expenses	2,671	1,219
Legaf & Professional Fees	262,500	171,050
Listing Fees	38,561	37,688
Local Travelling Expenses	33,601	110,848
Membership Fees	4,550	4,550
Municipal tax	0	3,384
Office Rent	99,000	0
Postage & Telegram	48,750	0
Printing & Stationery	5,160	0
Share Transfer Charges	60,564	56,380
Subscription fees	0	1,100,000
Tax audit fees	15,000	15,000
Telephone Expenses	23,727	19,322
Vat audit fees	7,500	7,500
Website Designing Charges	24,635	0
	1,323,656	2,312,124
<u>Selling and Distribution Expenses</u>		
Advertising	19,577	0
Brokerage paid	510,200	263,792
	529,777	263,792
	2,049,601	2,771,916

Schedule L : Interest

Rs.

Particulars	31/03/2009	31/03/2008
<u>Other Interest</u>		
Interest	0	247,804
Interest on TDS	93	0
Interest on Vat	0	973
	93	248,777

WHITE DIAMOND INDUSTRIES LIMITED

C CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009.

	2008-09	2007-08
	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES:		
NET PROFIT/(LOSS) BEFORE TAX & EXTRAORDINARY ITEMS	1,263,264	(1,369,458)
<u>Adjustment for:</u>		
Depreciation	819,205	845,421
Interest	(88,866)	120,000
Provision for Gratuity	4,000	4,000
Loss / (Profit) on sale of Machinery	(235,234)	28,628
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	1,762,369	(371,409)
<u>Adjustment for:</u>		
Trade and other receivables	(7,979,896)	14,586,883
Inventories	26,746,790	(2,966,586)
Loans & Advances	(22,237,008)	(7,550,000)
Trade Payables & Other Liabilities	661,304	699,869
	687,662	4,770,166
CASH GENERATED FROM OPERATIONS	(1,045,441)	4,398,757
Direct Taxes Paid	111,361	915,883
Fringe benefit tax Paid	3,538	3,658
Gratuity Paid	0	48,500
	0	24,720
NET CASH FROM OPERATING ACTIVITIES (A)	(1,161,340)	3,502,996
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Sale of Fixed Asset	450,000	39,220
Purchase of Fixed Asset	(13,990)	0
Sale of Investments	0	2,500,000
NET CASH USED IN INVESTING ACTIVITIES (B)	436,010	2,539,220
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Secured Loan	0	(7,000,000)
Unsecured Loan	(1,590,000)	(410,000)
Interest	88,866	120,000
NET CASH FROM FINANCING ACTIVITIES (C)	(1,501,134)	(7,290,000)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A) + (B) + (C)	(2,226,464)	(1,247,784)
CASH AND CASH EQUIVALENTS AS AT 01.04.2008 (Opening Balance)	4,659,304	5,907,088
CASH AND CASH EQUIVALENTS AS AT 31.03.2009 (Closing Balance)	2,432,840	4,659,304

Notes: 1) Figures in brackets represent outflows

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

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

FOR AND ON BEHALF OF THE BOARD

(N.K.Jalan) Proprietor.

Place : MUMBAI

Dated : 11.08.2009

(Rameshchandra P. Kothari)	(Jaynish R. Kothari)	(Nirup P. Kothari)
Chairman & Managing Director	Director	Director

WHITE DIAMOND INDUSTRIES LIMITED

WHITE DIAMOND INDUSTRIES LIMITED.

SCHEDULE 'N'

ACCOUNTING POLICIES AND NOTES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009.

I. SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of Accounting:

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

(ii) Revenue Recognition:

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

(iii) Fixed Assets:

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

(iv) Depreciation:

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

(v) Impairment of Assets:

Impairment loss, if any is provided to the extent the carrying amount of assets exceeds the valuation, if material. Valuation certificate is obtained for the purpose from government authorized valuer.

(vi) Investments:

Investments are stated at cost.

(vi) Valuation of Inventories:

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

WHITE DIAMOND INDUSTRIES LIMITED

(vii) Foreign Exchange Transactions :

- (a) Transactions in foreign currency are recorded at the exchange rate prevailing at the time of transactions.
- (b) Foreign Currency Debtors and Creditors due at year end converted at exchange rate prevailing at year end except in case of foreign Currency Debtors where reasonable uncertainty exist as to the Final Collection.

(viii) 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.

(ix) 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.

(x) Contingent Liability:

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

II. NOTES TO ACCOUNTS:

- 1. There is no contingent liability outstanding as on the year ended 31st March, 2009.

WHITE DIAMOND INDUSTRIES LIMITED

2. The company has given advance against export order of US \$ 10 million from Romidiam B.V.B.A. Antwerp, Belgium to the various parties amounting to Rs. 5,09,65,000.

3. Impairment loss is not provided as the same is not material during the current financial year. The company will review the same in future.

<u>Managing Director's Remuneration</u>	2008-2009	2007-2008
Salaries	96,000	96,000
	-----	-----
	96,000	96,000
	=====	=====

5. Provision for gratuity amounting to Rs. 76,000 have not been invested in any fund by the Company,

<u>Auditors Remuneration</u>	2008-2009	2007-2008
(a) Audit Fees	40,000	40,000
(b) Tax Audit Fees	15,000	15,000
(c) Vat Audit Fees	7,500	7,500
	-----	-----
	62,500	62,500
	=====	=====

7. During the year Company has recovered Rs. 3,75,30,742 from overdue foreign currency debtors hence the same is written back as prior period adjustment.

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

9. Disclosure of Segment Reporting under Accounting Standard:

Notes:

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

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

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

WHITE DIAMOND INDUSTRIES LIMITED

	Rs. <u>2008-2009</u>	Rs. <u>2007-2008</u>	
a) Deferred Tax Liability			
Depreciation	13,32,073	16,06,824	
	13,32,073	16,06,824	
	(13,32,073)	(16,06,824)	
Net deferred tax Assets/(Liability)	(13,32,073)	(16,06,824)	
Recognized in Balance Sheet	(13,32,073)	(16,06,824)	
11. Related party disclosure.			
A) List of related party			
Key Management Personnel			
Mr. Rameshchandra P. Kothari	Chairman & Managing Director		
Mr. Jaynish R. Kothari	Director		
Other Related Party (Enterprise owned or significantly influenced by key management personnel)			
Suraj Enterprise			
Jaynish & Co.			
Nature of transaction	Relationship	Name of Related party	Value
Salary	Key Management	Rameshchandra P. Kothari	96,000
Mobile Bill	Key Management	Rameshchandra P. Kothari	17,411
12. <u>Foreign Currency Expenses:</u>			
Foreign Traveling Expenses	NIL	NIL	
13. Additional information pursuant to the provisions of Paragraph 4(C) & 4(d) of Part-II of Schedule-VI of the Companies Act, 1956 (As Certified by a Director) to the extent applicable.			
A) The quantitative information regard to class of goods manufactured by the Company.			
a) Licensed Capacity	: Not Applicable		
b) Installed Capacity	: Not Applicable		
c) Actual Production	: Cut & Polished Diamonds Cts. NIL		

WHITE DIAMOND INDUSTRIES LIMITED

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

Quantity information of trading of Diamond.

Cut and polished Diamond

	Qty. Carat	Value Rs.
Opening stock	2,559	30,501,125
Purchases	5,515	64,465,517
Production	1,532	17,340,505
Sales	9,169	108,552,812
Closing stock	437	3,754,335

Quantity information of Manufactured of Diamond

	Rough Diamonds Carat
Opening stock	-
Purchases	5,899
Production	5,899
Sales	-
Closing stock	-

14. The Valuation of Fixed Assets has been taken, valued and certified by the Managing director of the Company.
15. The closing stock has been taken, valued and certified by the Managing director of the company and the company accepted the same on the basis of valuation certificate by valuer appointed by the company being a technical matter.
16. In the opinion of the Board, Stock in Hand, Current Assets, Loans and Advances have a value on realization in the ordinary course of business, at least equal to the amount at which they are stated.

WHITE DIAMOND INDUSTRIES LIMITED

17. Balance of Debtors, Creditors, Loan & Advances are subject to confirmation and/or reconciliation/consequential adjustments, if any.
18. Information required in terms of Part IV of Schedule VI of the Companies Act, 1956 is attached.
19. Previous Years figures have been rearranged/regrouped wherever were necessary.
20. Figures in Brackets pertain to previous year.

AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE
BOARD

FOR N. K. JALAN & CO.
CHARTERED ACCOUNTANTS

(Rameshchandra P. Kothari)
Chairman & Managing Director

(N. K. JALAN) PROPRIETOR

Place: Mumbai.
Dated: 11.08.2009

(Jaynish R. Kothari)
Director

(Nirup P. Kothari)
Director

WHITE DIAMOND INDUSTRIES LIMITED

WHITE DIAMOND INDUSTRIES LIMITED

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

ATTENDANCE SLIP

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

I hereby record my presence at the 19th annual General Meeting of WHITE DIAMOND INDUSTRIES Limited to be held on 30th September 2009, at 10.00 am at Kothariwadi, Bldg. No. 2, 2nd Floor, S.V. Road, Opp. Axis Bank, Malad (W), Mumbai - 400 064.

I certify that I am a Shareholder/Proxy for the registered shareholder of the Company.

(Proxy's Name, If applicable)

Member's Proxy Signature

WHITE DIAMOND INDUSTRIES LIMITED

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

PROXY

Reg Folio No.

I/We

of _____ being Member/Members of WHITE DIAMOND INDUSTRIES

LIMITED hereby appoint _____ of _____ or
failing

_____ of _____ or failing him

_____ of _____

or failing him _____ of _____
as per our proxy to attend and vote for me/us on my/our behalf at the 18th Annual General Meeting of the Company to be held on Tuesday 30th September 2008, or at any adjournment thereof.

Signed this _____ day of _____ 200

Revenue
Stamp
Rs. 1/-

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

BOOK - POST

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