

White Diamond Industries Limited
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24th Annual Report
White Diamond Industries Limited
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2013 - 2014

BOARD OF DIRECTORS

Mr. Prashant M. Rupani – Chairman and Executive Director (Appointed as Chief Financial officer w.e.f : 20.08.2014)

Mr. Darshak M. Rupani – Managing Director

Mr. Rameshchandra P. Kothari – Director

Mr. Jitendra J. Mehta – Director (Appointed as Compliance Officer w.e.f : 20.08.2014)

Mr. Chandresh R. Jain – Director (Appointed as Additional Director w.e.f : 20.08.2014)

Mr. Jaynish R. Kothari – Director (Resigned as Director w.e.f : 20.08.2014)

Mr. Nalin A. Shah - Director (Resigned as Director w.e.f : 20.08.2014)

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

Bombay Stock Exchange

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 24th Annual General Meeting of the Members of White Diamond Industries Limited will be held on Monday 29th September, 2014 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 Statement of Profit & Loss for the year ended 31st March 2014 and the Balance Sheet as at that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. DARSHAK MAHESH RUPANI, who retires by rotation and being eligible offers himself for re-appointment.
3. Appointment of Auditors

To consider and, if thought fit, to pass with or without modification(s), if any, the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, M/s. N.K. Jalan & Co., Chartered Accountants, be and is hereby re-appointed as Statutory Auditor of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 29th AGM of the Company to be held in the year 2019 (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out of pocket expenses, etc., as may be mutually agreed between the Audit Committee/Board of Directors of the Company and the Auditors.”

Special Business

4. Appointment of Mr. Chandresh R Jain as a Director of the Company

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

“RESOLVED THAT Mr. **Chandresh R Jain** (DIN 02565522), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 20th August, 2014 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 (“Act”) but who is eligible for appointment as Director and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of a Director of the Company, be and is hereby appointed a Director of the Company.”

5. Appointment of Mr. Rameshchandra Popatlal Kothari as an Independent Director

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed thereunder read with Schedule IV to the Act, as amended from time to time, Mr. **Rameshchandra Papatlal Kothari** (DIN 00281215), a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from 29th September, 2014 up to 28th September, 2019.”

6. Appointment of Mr. Chandresh R Jain as an Independent Director

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed thereunder read with Schedule IV to the Act, as amended from time to time, Mr. **Chandresh R Jain** (DIN 02565522), a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from 29th September, 2014 up to 28th September, 2019.”

NOTES:

[a] The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”), in respect of the business under Item No. 4 to 6 set out above and details under Clause 49 of the Listing Agreement entered into with the Stock Exchanges, in respect of Directors seeking appointment/re-appointment at the Annual General Meeting are annexed hereto.

[b] A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. Proxies, in order to be effective, must be received at the Company’s Registered Office not less than 48 hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

[c] The Register of Members and Share Transfer Books of the Company will be closed from Monday, 22nd September, 2014 to Wednesday, 24th September, 2014 both days inclusive.

[d] Members holding shares in dematerialized form are requested to intimate all changes pertaining to their mandates, nominations, power of attorney, change of address, change of name and email address, etc., to their Depository Participant only and not to the Company's Registrars and Transfer Agents, The Sharex Dynamic (India)Limited ("RTA") . Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and Link Intime to provide efficient and better Services. Members holding shares in physical form are requested to intimate such changes to RTA.

[e] Benefits of Dematerialization:

Shares held in dematerialized form have several advantages like immediate transfer of shares, faster settlement cycle, faster disbursement of non-cash corporate benefits like rights, etc., lower brokerage, ease in portfolio monitoring, etc. Besides, risks associated with physical certificates such as forged transfer, fake certificates, bad deliveries, loss of certificates in transit, get eliminated.

Since there are several benefits arising from dematerialization, we sincerely urge you to dematerialize your shares at the earliest, if you are still holding the shares in physical form.

[f] Members desiring any information as regards the Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the meeting. As a cost control measure, copies of the Annual Report will not be distributed at the Annual General Meeting.

[g] The Notice of the AGM along with the Annual Report 2013-14 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Depositories for communication purposes. For other Members, physical copies are being sent. Members holding shares in physical form and who have not registered their email IDs are requested to register their email IDs with RTA.

h] In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all resolutions set forth in this Notice.

The instructions for e-voting are as under:

A. In case of members receiving e-mail from CDSL:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID

- a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
 - (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option

YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

B. In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on Monday, 22nd September, 2014 (9.00 a.m. IST) and ends on Wednesday, 24th September 2014 (6.00 p.m. IST). During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 29th August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

C. Other Instructions:

i. The e-voting period commences on Monday, 22nd September, 2014 (9.00 a.m. IST) and ends on Wednesday, 24th September 2014 (6.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 29th August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.

ii. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 29th August, 2014.

iii. Ms. Trushna Jhaveri, Practicing Company Secretary, have been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form in case poll is demanded by the members at the meeting) in a fair and transparent manner.

iv. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and physical Ballot shall be treated as invalid.

v. The results declared along with the Scrutinizer's Report shall be placed/ communicated to BSE Limited on 02nd October, 2014 where the shares of the Company are listed and the stakeholders can view the same.

**For and on behalf of the Board of Directors
WHITE DIAMOND INDUSTRIES LIMITED**

**DARSHAK RUPANI
03121939
(Managing Director)**

Mumbai, 20TH August, 2014

Registered Office:
312A, Kailas Plaza, Vallabh Baug Lane,
Ghatkopar (East), Mumbai - 400 077
CIN: L36912MH1990PLC055860

ANNEXURE TO THE NOTICE:

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013 (“ACT”)

The following Explanatory Statement sets out all material facts relating to the business mentioned under Item No. 4 to 7 in the accompanying Notice dated 20th August, 2014.

Item No. 4

Mr. Chandresh R Jain was appointed as an Additional Director of the Company pursuant to Section 161(1) of the Act, from effect from 11th August, 2014.

He holds office as Director upto the date of the forthcoming Annual General Meeting of the Company. A notice has been received from a Member pursuant to Section 160 of the Act, as required, signifying his intention to propose Mr. Chandresh R Jain for appointment as a Director of the Company.

Mr. Chandresh R Jain being a young professional and considering his past experience in various fields is expected to contribute his knowledge for the betterment of the Company and by remaining independent, is expected to look into the compliance aspects of the Company and thereby taking care of investor grievances.

Mr. Chandresh R Jain is deemed to be interested in Resolution at Item No. 4. Other than Mr. Chandresh R Jain, none of the other Directors, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 4 of the Notice.

The details of Mr. Chandresh R Jain along with his brief resume are given in the Annexure to the Notice.

Item No 5 & 6

Mr. Chandresh R Jain and Mr. Rameshchandra Popatlal Kothari were appointed as Non-Executive Directors of the Company and were considered as Independent Directors pursuant to Clause 49 of the Listing Agreement.

As per the provisions of Section 149 of the Act which has come into force with effect from 1st April, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation.

Mr. Rameshchandra Popatlal Kothari and Mr. Chandresh R Jain have given a declaration to the Board that they meet the criteria of independence as provided under Section 149 (6) of the Act.

The matter regarding appointment of Mr. Chandresh R Jain and Mr. Rameshchandra Popatlal Kothari as Independent Directors were placed before the Nomination & Remuneration Committee of the Company (“the Committee”). The Committee commends the appointment of these directors as Independent Directors from 29th September 2014 upto 28th September 2019.

In the opinion of the Board, these directors fulfill the conditions specified in the Act and the Rules made thereunder for appointment as Independent Director and they are independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Director is now being placed before the Members in the general meeting for their approval.

The terms and conditions of appointment of Independent Directors shall be open for inspection by the members at the Registered Office during normal business hours on any working day of the Company.

A brief profile of the Independent Directors are given in the Annexure to the Notice.

Mr. Rameshchandra Popatlal Kothari and Mr. Chandresh R Jain , respectively, are concerned or interested in the Resolutions mentioned at Item No. 5 & 6 of the Notice relating to their own appointment. Other than these Directors, none of the other Directors, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolutions mentioned at Item No. 5 & 6 of the Notice.

Details of Directors seeking appointment / re-appointment at the Annual General Meeting

Particulars	Mr. Darshak Rupani	Mr. Chandresh R Jain	Mr. Rameshchandra Popatlal Kothari
Date of Birth	17/12/1980	12/10/1981	17/02/1943
Date of Appointment	30/08/2010	20/08/2014	06/09/1990
Qualifications	Post Graduate		Graduate
Expertise in specific functional area			
Directorships held in other companies (excluding foreign companies)	1.SAPNA INFRATECH PRIVATE LIMITED 2.SAPNA INFRAVENTURE PRIVATE LIMITED 3.SCHOOLNET ONLINE (INDIA) PRIVATE LIMITED	TRENDSET DYECHEM PRIVATE LIMITED	1.GOPAL ANIMATOR PRIVATE LIMITED 2.KELVINTON PROPERTIES (INDIA) PRIVATE LIMITED

Membership / Chairmanships of committees of other companies (includes only Audit Committee and Shareholders / Investors Grievance Committee)	NIL	NIL	NIL

**For and on behalf of the Board of Directors
WHITE DIAMOND INDUSTRIES LIMITED**

**DARSHAK RUPANI
03121939
(Managing Director)**

Mumbai, 20TH August, 2014

Registered Office:
312A, Kailas Plaza, Vallabh Baug Lane,
Ghatkopar (East), Mumbai - 400 077
CIN: L36912MH1990PLC055860

DIRECTORS' REPORT

To
The Members,
WHITE DIAMOND INDUSTRIES LIMITED

The Directors have pleasure in presenting the 24th Annual Report on the business and operations of your Company and the Audited Financial Statements for the year ended 31st March, 2014.

1. FINANCIAL RESULTS:

The highlights of the Financial Results are:

PARTICULARS	CURRENT YEAR 2013-2014 (in Rs.)	PREVIOUS YEAR 2012-2013 (inRs.)
Sales and Other Income	66,582,229	7,13,01,899
Net Profit before Depreciation and Interest	12,65,647	22,59,475
Less: Finance Costs	NIL	NIL
Less: Depreciation	(3,20,239)	(3,17,333)
Net Profit before Tax	9,45,408	19,42,142
Less: Provision for Tax	(5,54,280)	(6,50,000)
Less: Tax adjustment related to prior years	45,774	NIL
Add: Provision for Deferred Tax	2,92,176	47,113
Net Profit After Tax	53,178	13,39,255
Balance Brought Forward from Previous Year	4,18,29,221	4,04,89,966
Balance carried forward to Balance Sheet	4,18,82,399	4,18,29,221

2. DIVIDEND:

Your Board of Directors does not recommend any dividend for the financial year ended 31st March, 2014.

3. FIXED DEPOSITS:

The Company has not accepted any fixed deposits during the year under review.

4. DEPOSITORY SYSTEM

The Company has entered into an agreement with National Securities Depository Limited (NSDL) as well as Central Depository Services (India) Limited (CDSL) to enable shareholders to hold the shares in dematerialized form. The Company also offers simultaneous Dematerialization of physical shares lodged for transfer.

5. DISCLOSURE UNDER SECTION 274(1) (g)

None of the Director of the Company have been disqualified under section 274(1)(g) of the Companies Act,1956.

6. DIRECTORS

The Board on 20th August, 2014, has appointed Mr. **Chandresh R Jain** , as an Independent and Non Executive Additional Director as per the provisions of Companies Act, 2013 upto the forthcoming Annual General Meeting and the Company has received a notice from a member intending to propose the candidature of Mr. Chandresh R Jain as the Director of the Company. Mr. Chandresh R Jain has submitted his declaration under Section 149(6) to be appointed as the Independent Director of the Company and that he shall not be liable to retire by rotation.

Mr. **Jaynish Kothari and Mr. Nalin Shah**, resigned from the Company with effect from 20th day of August, 2014 and the Company thanks them for their valuable contribution.

Mr. Darshak Rupani, Executive Director retires by rotation at the ensuing Annual General Meeting & being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

Mr. Chandresh R Jain and Mr. Rameshchandra Kothari are independent directors of the Company. Pursuant to Section 149 of the Companies Act,2013, it is proposed to appoint these Directors to hold office as per their tenure of appointment mentioned in the notice of the forthcoming Annual General Meeting of the Company. The independent Directors are not liable to retire by rotation.

Mr. Prashant Rupani, Executive Director of the Company has been appointed as the CFO of the Company with effect from 20th day of August, 2014.

7. DIRECTORS' RESPONSIBILITY STATEMENT

As required under the provisions of Section 217 (2AA) of the Companies Act, 1956, the Directors hereby confirm:

- i. that in preparation of the Annual Accounts for the year ended 31st March, 2014, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- ii. that the Directors had selected such accounting policies and applied consistently and made judgments and estimates that were reasonable and prudent so as to give true

and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2014 and the profit of the Company for the year under review;

- iii. that 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 for preventing and detecting fraud and other irregularities;
- iv. that the annual accounts for the year ended 31st March, 2014 have been prepared on a 'going concern basis'

8. SUBSIDIARY:

Your Company has a Subsidiary named Sapna Infracore Private Limited since December, 2011.

9. PARTICULARS OF EMPLOYEES

The information required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, is not given as there are no employees during the year or part thereof as required under Section 217 (2A).

10. CONSERVATION OF ENERGY TECHNOLOGY ABSORPTIONS AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information in accordance with the provisions of Section 217 (1) (e) of the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 is given in the Annexure and forms part of this report.

11. CORPORATE GOVERNANCE

Your Company has taken adequate steps to ensure compliance of requirements of Corporate Governance as per Listing Agreement with Stock Exchange. A separate report on Corporate Governance is given in Annexure "A"

12. AUDITORS

M/S N. K. Jalan & Co, Chartered Accountant, the Auditor of the Company hold their office until the conclusion of the 24th Annual General Meeting of the Company and your Directors recommended their re-appointment, if made, would be within the limits prescribed under Section 139 of the Companies Act, 2013. The appointment is subject to ratification at every Annual General Meeting of the Company.

13. ACKNOWLEDGEMENT

The Directors sincerely appreciate the enthusiasm and hard work displayed by all employees during the year. Your Directors also acknowledge their appreciation of the continued assistance and support given by the esteemed customers, suppliers, bankers and various departments of Central and State Governments.

**For and on behalf of the Board of Directors
WHITE DIAMOND INDUSTRIES LIMITED**

**DARSHAK RUPANI
03121939
(Managing Director)**

**Mumbai, 20TH August, 2014
Registered Office:
312A, Kailas Plaza, Vallabh Baug Lane,
Ghatkopar (East), Mumbai - 400 077
CIN: L36912MH1990PLC055860**

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 of Directors
WHITE DIAMOND INDUSTRIES LIMITED**

**DARSHAK RUPANI - 03121939
(Managing Director)**

**Mumbai, 20TH August, 2014
Registered Office:
312A, Kailas Plaza, Vallabh Baug Lane,
Ghatkopar (East), Mumbai - 400 077
CIN: L36912MH1990PLC055860**

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2013-2014**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. Prashant Rupani	Executive and Chairman	-	-	-	-
2.	Mr. Darshak M Rupani	Managing Director	-	-	-	-
3.	Mr. Jitendra Mehta	Executive Director	-	-	-	-
4.	Mr. Jaynish Kothari	Independent	-	-	-	-
5.	Mr. Rameshchandra Kothari	Independent	-	-	-	-
6.	Mr. Nalinkumar Shah	Independent	-	-	-	-

ii. Attendance of each Director at the Board Meeting during the Financial Year 2013- 2014 and the last Annual General Meeting (AGM):

Sr No	Names of Directors	No of Board Meeting	Attendance at the Board meeting
1.	Mr. Darshak M Rupani	4	Yes

2.	Mr. Prashant M. Rupani	4	Yes
3.	Mr. Rameshchandra Kothari	4	Yes
4.	Mr. Jaynish R Kothari	4	Yes
5.	Mr. Nalinkumar A Shah	4	Yes
6.	Mr. Jitendra Mehta	4	Yes

All the Directors of the Company were present at the 23rd Annual General Meeting held on 23rd September, 2013.

iii. The Board of Directors during the Financial Year 2013- 2014 had Four Meetings which are as follows:

1. 27.05.2013
2. 29.07.2013
3. 14.11.2013
- 4.. 27.01.2014

Disclosure regarding Appointment and Reappointment of Directors.

a. Retirement by Rotation:

Mr. Darshak Rupani is the retiring Director and have expressed his willingness to be reappointed as Director of the Company.

b. Appointment and Resignation of Directors

There is no appointment or resignation of Directors during the current year ended 31st March, 2014.

3. AUDIT COMMITTEE

a) 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.

b) Composition, Name of Members & Chairperson:-

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

All the Members of the Audit Committee are Non-Executive Independent Directors. Shri Nalinkumar A Shah is the chairman of the Audit committee.. They 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.

c) Meetings and attendance during the year

The Audit Committee during the Financial Year ended on 31st March, 2014 had the following meetings:-

1. 27.05.2013
2. 29.07.2013
3. 14.11.2013
- 4.. 27.01.2014

d) During the period 01.04.2013-31.03.2014, 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 named Sapna Infraventure Private Limited since December, 2011.

5. REMUNERATION COMMITTEE

a) 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 remuneration packages to Executive Directors.

b) 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 of the Committee.

c) Attendance during the Year

During the period 01.04.2013 to 31.03.2014, the Remuneration Committee met once on 27th January, 2014 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

d) 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.

e) Remuneration of Directors:

Name of Directors	Salary (Note No.1) Rs.	Sitting Fees Rs.	Comm ission Rs.	Stock Option (Note No.2)	Service Contract	Notice Period
Mr. Rameshchandra P Kothari	48000	-	-	-	5 Years	NIL
Mr. Jaynish R Kothari	-	-	-	-	N.A.	N.A.
Mr. Nalin A Shah	-	-	-	-	N.A.	N.A.
Mr. Darshak M Rupani	180000	-	-	-	N.A.	N.A.
Mr. Prashant M Rupani	-	-	-	-	N.A.	N.A.
Mr. Jitendra J Mehta	180000	-	-	-	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 2013-2014, this committee had 4 meetings on

1. 27.05.2013

2. 29.07.2013

3. 14.11.2013

4.. 27.01.2014

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 2014 there were No 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.

II. Name and Designation of Compliance Officer and Chief Financial Officer:

Mr. Jaynish Kothari – Non Executive Director (resigned as a Compliance Officer on 20.08.2014 and Mr. Jitendra Mehta is appointed as a Compliance officer with effect from 20.08.2014.

Mr. Prashant M Rupani is appointed as the Chief Financial Officer with effect from 20.08.2014.

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

During the Financial Year 2013 -14 The Company have received NIL Complaints.

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

NIL.

V. Number of Pending Complaints:

NIL.

7. GENERAL BODY MEETINGS:

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

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

Year	Date and Time	Venue
2010- 2011	26 th September 2011, 10.00 am	312A, Kailas Plaza, VallabBaug Lane, Ghatkopar East, Mumbai 400077
2011-2012	24 th September 2012, 10.00 am	312A, Kailas Plaza, VallabBaug Lane, Ghatkopar East, Mumbai 400077

2012-2013	23 rd September, 2013 10.00 am	312A, Kailas Plaza, VallabBaug Lane, Ghatkopar East, Mumbai 400077
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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) SEBI had imposed penalty under Section 15I and Section 15J of Securities Exchange Board of India Act 1992 of Rs 2,25,000/- on the Company for non disclosure of promoters acquisition under Regulation 8(3) of SAST Regulations. Accordingly, the Company has made the required disclosures to Bombay Stock Exchange where the shares of the Company are listed as well as paid the penalty imposed.

(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.

v. Email id : **info@wdil.in**

10. GENERAL SHAREHOLDERS' INFORMATION

i. Annual General Meeting: Date, Time and Venue

29th September, 2014
10.00 a.m.
Office No.312A, Kailas Plaza,
Vallabhbaug Lane
Ghatkopar (East)
Mumbai 400 077.

ii.**Financial Year** : 2013-2014

iii.**Date of Book Closure**: 22.09.2014 to 24.09.2014

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

v.Listing on Stock Exchange:

The Company has paid listing fees for the financial year 2014-15 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 2013	20.9	17.1	19622.68	18144.22
May 2013	19.95	17.15	20443.62	19451.26
June 2013	19.3	15.55	19860.19	18467.16
July 2013	17.2	15.05	20351.06	19126.82
August 2013	17.2	13.65	19569.2	17448.71
September 2013	17.9	15.4	20739.69	18166.17

October 2013	14.75	14.65	21205.44	19264.72
November 2013	14.02	9.63	21321.53	20137.67
December 2013	10.1	7.08	21483.74	20568.7
January 2014	10.1	7.35	21409.66	20343.78
February 2014	8.96	7.71	21140.51	19963.12
March 2014	8.4	6.17	22467.21	20920.98

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:

-DISTRIBUTION SCHEDULE ON SCRIP VALUE -As On :31-Mar-2014

SHARE (OR DEBENTURE) OF NOMINAL VALUE			-NUM OF HOLDERS	(%) OF HOLDERS	T O T A L A M O U N T	% OF AMT
UPTO	TO	5000	10163	92.67	12326170.00	9.86
5001	TO	10000	480	4.38	4313870.00	3.45
10001	TO	20000	170	1.55	2706260.00	2.17
20001	TO	30000	40	.36	1080990.00	.86
30001	TO	40000	20	.18	722470.00	.58
40001	TO	50000	28	.26	1352790.00	1.08
50001	TO	100000	29	.26	2138650.00	1.71
100001	TO	ABOVE	37	.34	100358800.00	80.29
* * T O T A L * *			10967	100.00	125000000.00	100.00

-DISTRIBUTION SCHEDULE ON NUMBER OF SHARES/DEBS -As On :31-Mar-2014

SHARE (OR DEBENTURE)			-NUM OF HOLDERS	(%) OF HOLDERS	T O T A L S H A R E S (O R D E B S)	% OF S H / D B
UPTO	TO	100	9060	82.61	894845	7.16
101	TO	200	514	4.69	101500	.81
201	TO	500	589	5.37	236272	1.89
501	TO	1000	480	4.38	431387	3.45
1001	TO	5000	258	2.35	586251	4.69
5001	TO	10000	29	.26	213865	1.71
10001	TO	100000	23	.21	808102	6.46
100001	TO	ABOVE	14	.13	9227778	73.82
* * T O T A L * *			10967	100.00	12500000	100.00

xii. Dematerialization of Shares:

Nearly 86.5 % of total Equity Shares have been dematerialized with NSDL /CDSL upto 31.03.2014.

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.

xvii. 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
WHITE DIAMOND INDUSTRIES LIMITED**

DARSHAK RUPANI
03121939
(Managing Director)

Mumbai, 20TH August, 2014
Registered Office:
312A, Kailas Plaza, Vallabh Baug Lane,
Ghatkopar (East), Mumbai - 400 077
CIN: L36912MH1990PLC055860

DECLARATION BY THE CEO / CFO UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT

In accordance with Clause 49, sub clause 1(D), of the Listing Agreement with the Stock Exchanges, I hereby confirm that all the directors and the senior management personnel of the company have affirmed compliance to their respective codes of conduct, as applicable to them for the financial year ended 31st March, 2014.

For WHITE DIAMOND INDUSTRIES LIMITED

PRASHANT RUPANI
Chief Financial Officer.

Mumbai, 20th August, 2014.

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, 2014 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, 2014, 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: 20.08.2014

Annual Audit Report**Form A**

(As per Clause 31(a) of the Listing Agreement)

Sr No	Particulars	Remarks
1.	Name of the Company	White Diamond Industries Limited
2.	Annual financial statements for the year ended	31 st March, 2014
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	Not Applicable

Place : Mumbai**For WHITE DIAMOND INDUSTRIES LIMITED****Date: 20.08.2014****Darshak Rupani****Managing Director****N K Jalan****Statutory Auditors**



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 : 26210904/26210900.
Mob. 9324114104
Email id:nkjalan@vsnl.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WHITE DIAMOND INDUSTRIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of WHITE DIAMOND INDUSTRIES LIMITED (the "Company"), which comprise the Balance sheet as at 31st March, 2014, the statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 of India ("the Act") and in accordance with the accounting principles generally accepted in India. These responsibilities includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedure selected depends on the auditors' judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors' internal control relevant to the company's preparation and fair representation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimate made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that, audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give 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, 2014;
- (b) In the case of the statement of Profit and Loss, of the Profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on other Legal and Regulatory Requirement

1. As required by 'the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amended) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 (hereinafter referred as to the "order"), and on the basis of such checks of the books and record of the Company as we considered appropriate and according to the information and explanation given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the order.
2. As required by the Section 227 (3) of the Act, we report that:
 - (a) 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;
 - (b) 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;
 - (c) The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the Books of Accounts;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act;
 - (e) On the basis of written representations received from the directors, as on 31st March, 2014 and taken on record by the Board of Directors, we report that none of the director is disqualified as on 31st March 2014, from being appointed as a director in terms of clause (g) of Sub-section (1) of section 274 of the Act;

FOR N.K. JALAN & CO.
CHARTERED ACCOUNTANTS
FIRM NO. 104019W

PLACE: MUMBAI
DATED:30.05.2014

(N.K. JALAN) PROPRIETOR
Membership No:011878

Annexure to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. In respect of its fixed assets:
 - (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of the fixed assets. However no separate fixed asset register is maintained.
 - (b) The fixed assets are physically verified by the management according to a phased program designed to cover all the items over a period, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the program, a portion of the fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such physical verification. However no written report is available.
 - (c) The Company has not disposed off any fixed asset during the year.
2. In respect of its inventories:
 - (a) The inventory has been physical verified by management during the year. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion, 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) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. In respect of the loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
 - (a) The company has granted loan to one party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding at any time during the year was ` 123,454,850/- and the year-end balance of loan given to such party was ` 114,664,850/-.
 - (b) The loan is granted to wholly owned subsidiary and is interest free. In our opinion, the terms and conditions on which loans have been granted are prima facie, not prejudicial to the interest of the Company.
 - (c) There were receipts and payments transactions observed in the loan account. However there is no repayment schedule decided for the loan and hence provision of sub clause (d) of Clause (iii) of paragraph 4 of the Order is not applicable to the Company.
 - (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 ` 370,000/- and the year-end balance of loan taken from such party was ` 370,000/-.
 - (f) In our opinion, the rate of interest and other terms and conditions of loans taken by the company are prima facie, not prejudicial to the interest of the company.
 - (g) In our opinion, the company is regular in payment of principal amount. The loan taken is interest free.

4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. In our opinion and according to the information and explanations given to us, no transactions have been made in pursuance to contracts or arrangements to which Section 297 or Section 299 of the Companies Act, 1956 applies. Therefore, provisions of sub clause (a) & (b) of Clause (v) of paragraph 4 of the Order are not applicable to the Company.
6. The company has not accepted any deposits from the public of the nature which attracts the provisions of sections 58A and 58AA of the Companies Act, 1956 and the rules made there under. Therefore, the provisions of clause (vi) of paragraph 4 of the Order are not applicable to the Company.
7. There is no internal audit done by external auditor. However the company is maintaining internal control system commensurate with its size & nature of its business.
8. As per the information and explanations given to us, in respect of the class of industry in which the Company falls, the maintenance of cost records has not been prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956. Therefore, the provisions of clause (viii) of paragraph 4 of the Order are not applicable to the Company.
9. In respect of statutory dues:
 - (a) The company is regular in depositing with appropriate authority undisputed statutory dues including income tax, sales tax, service tax, and other statutory dues applicable to it except i) in certain cases where there were minor delays in payment of TDS. Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, service tax were in arrears as at 31st March 2014, for a period of more than six months from the date they became payable.
 - (c) According to the information and explanations given to us, there are no dues of sales tax, custom duty, income tax, wealth tax, excise duty or cess, which have not been deposited on account of any dispute
10. The company is registered for a period of more than 5 years and there are no accumulated losses at the end of the financial year. The company has not incurred cash losses during the financial year under review and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to bank / financial institutions.
12. 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. Therefore, the provisions of clause (xii) of paragraph 4 of the Order are not applicable to the Company.
13. The Company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, provisions of sub clause (a), (b), (c) and (d) of clause (xiii) of paragraph 4 of the order are not applicable to the Company.

14. According to the information and explanations given to us, the company has not done dealing in shares, securities and other investments during the year under review. Therefore provisions of clause (xiv) of paragraph 4 of the order are not applicable to the company.
15. In our opinion and according to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions. Therefore, the provisions of clause (xv) paragraph 4 of the Order are not applicable to the Company.
16. The company has not availed any term loan during the year. Therefore, the provisions of clause (xvi) of paragraph 4 of the order are not applicable to the Company.
17. 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.
18. The company has not made preferential allotment of shares to parties and companies covered in the registered maintained under section 301 of the companies Act, 1956. Therefore, the provisions of clause (xviii) of paragraph 4 of the order are not applicable to Company.
19. The company has not issued any debentures during the year. Therefore, the provisions of clause (xix) of paragraph 4 of the order are not applicable to the Company
20. The company has not raised any money through a public issue during the year. Therefore, the provisions of clause (xx) of paragraph 4 of the order are not applicable to the company.
21. To the best of our knowledge and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

FOR N.K. JALAN & CO.
CHARTERED ACCOUNTANTS
FIRM NO. 104019W

PLACE: MUMBAI
DATED: 30.05.2014

(N.K. JALAN) PROPRIETOR
Membership No. 011878

WHITE DIAMOND INDUSTRIES LTD			
Balance Sheet as at 31st March, 2014			
Particulars	Note No.	As at 31st March, 2014	As at 31st March, 2013
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	125,000,000	125,000,000
(b) Reserves and surplus	3	117,882,399	117,829,221
2 Non-current liabilities			
(a) Deferred Tax Liabilities (Net)		-	-
3 Current liabilities			
(a) Short term borrowings	4	370,000	86,000
(b) Trade payables	5	12,735,508	27,480
(c) Other current liabilities	6	754,473	4,841,115
(d) Short-term provisions	7	1,206,696	652,416
TOTAL		257,949,076	248,436,232
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	8	2,162,905	2,483,144
(iii) Capital work-in-progress		-	-
(b) Non-current investments	9	10,000,000	17,000,000
(c) Deferred Tax Assets	10	23,673	315,849
(d) Other Non Current assets	11	-	156,700
(e) Long Term Loans & advances	12	114,664,850	88,172,350
2 Current assets			
Inventories	13	-	746,464
(a) Trade receivables	14	41,939,832	28,804,002
(c) Cash and cash equivalents	15	2,105,311	7,962,479
(d) Short-term loans and advances	16	87,052,505	102,695,604
(e) Other Current Assets	17	-	99,640
Notes To Balance Sheet and Statement Of Profit and Loss	1 to 29		
TOTAL		257,949,076	248,436,232
As per our report Of Even Date			
For N. K. JALAN & CO.		For White Diamond Industries Limited	
Firm Reg No : 104019 W			
Chartered Accountants			
CA N K JALAN	DARSHAK RUPANI	PRASHANTT RUPANI	RAMESH KOTHARI
PROPRIETOR	MANAGING DIRECTOR	WHOLE TIME DIRECTOR	ADDITIONAL DIRECTOR
Mem. No. 011878			
Place : Mumbai			
Date : 30.05.2014			

Statement of Profit and Loss for the year ended 31st March, 2014				
Particulars		Note No.	For the year ended 31st March, 2014	For the year ended 31st March, 2013
A	CONTINUING OPERATIONS			
1	Revenue from operations (gross)	18	61,117,367	64,725,956
	Less: Excise duty		-	-
	Revenue from operations (net)		61,117,367	64,725,956
2	Other income	19	5,464,862	6,575,943
3	Total revenue (1+2)		66,582,229	71,301,899
4	Expenses			
	(a) Purchases of stock-in-trade	20	57,468,783	62,839,793
	(b) Changes in inventories of finished goods, work in progress and stock in trade	21	746,464	-746,464
	(c) Employee benefits expense	22	2,085,270	2,517,204
	(d) Depreciation and amortisation expense	8	320,239	317,333
	(e) Other expenses	23	5,016,065	4,431,891
	Total expenses		65,636,821	69,359,757
5	Profit / (Loss) Before Exceptional and Extraordinary Items and Tax Add/(Less) : Exceptional/Extraordinary Items		945,408	1,942,142
			-	-
6	Profit / (Loss) After Exceptional and Extraordinary Items but before Tax		945,408	1,942,142
7	Tax expense:			
	(a) Current tax		554,280	650,000
	(b) Tax Adjustment relating to prior years		45,774	-
	(c) Deferred tax liability/(asset)		292,176	(47,113)
8	Profit / (Loss) from continuing operations		53,178	1,339,255
9	Profit / (Loss) from discontinuing operations		-	-
10	Profit / (Loss) for the year		53,178	1,339,255
	Notes To Balance Sheet and Statement Of Profit and Loss	1 to 29		
Particulars		Note No.	For the year ended 31st March, 2014	For the year ended 31st March, 2013
11	Earnings per share (of ` 10/- each):	25		
	(a) Basic			
	(i) Continuing operations		0.004	0.107
	(ii) Total operations		0.004	0.107
	(b) Diluted			
	(i) Continuing operations		0.004	0.107
	(ii) Total operations		0.004	0.107

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. 011878

Place : Mumbai

Date : 30.05.2014

DARSHAK RUPANI

MANAGING

DIRECTOR

PRASHANTT RUPANI

WHOLE TIME

DIRECTOR

RAMESH
KOTHARI

ADDITIONAL

DIRECTOR

WHITE DIAMOND INDUSTRIES LTD		
Cash Flow Statement for the year ended 31st March, 2014		
Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	945,408	1,942,142
Adjustments to reconcile profit before tax to cash provided by operating activities		
Depreciation expense	320,239	317,333
Interest income	(5,464,862)	(6,575,943)
Preliminary Expenses written off	256,340	99,640
Profit on sale of Investment	-	-
Operating profit before Working Capital Changes	(3,942,875)	(4,216,828)
Changes in assets and liabilities		
(Increase) / Decrease in Inventory	746,464	(746,464)
(Increase) / Decrease in TradeReceivables	(13,135,830)	(21,991,320)
(Increase) / Decrease in Short Term Loan & Advances	23,374,579	(4,669,237)
Increase / (Decrease) in Trade Payables	12,708,028	(686,935)
Increase / (Decrease) in Other Current Liabilities	(4,086,642)	3,203,346
Cash Generated From Operations	15,663,724	(29,107,438)
Income taxes paid	546,487	867,940
NET CASH GENERATED BY OPERATING ACTIVITIES	15,117,237	(29,975,378)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment towards capital expenditure	-	-
Purchase of other investement	-	(11,900,000)
Loans given (Others)	(7,230,767)	-
Loan given to subsidiary	(26,492,500)	(12,948,347)
Disposal of other investments	7,000,000	-
Receipts against loans given	-	51,875,850
Interest received	5,464,862	6,575,943
NET CASH FLOW FROM /(USED IN) INVESTING ACTIVITIES	(21,258,405)	33,603,446
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital on exercise of stock options	-	-
Increase / (Decrease) in borrowings	284,000	86,000
Dividends paid including residual dividend	-	-
Dividend tax paid	-	-

NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES	284,000	86,000
Effect of exchange differences on translation of foreign currency cash and cash equivalents	-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(5,857,168)	3,714,068
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	7,962,479	4,248,411
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	2,105,311	7,962,479

<p>As per our report Of Even Date For N. K. JALAN & CO. Firm Reg No : 104019 W Chartered Accountants</p> <p>CA N K JALAN PROPRIETOR Mem. No. 011878</p> <p>Place : Mumbai Date : 30.05.2014</p>	<p>For WHITE DIAMOND INDUSTRIES LTD</p> <table border="0"> <tr> <td>DARSHAK RUPANI</td> <td>PRASHANTT RUPANI</td> <td>RAMESH KOTHARI</td> </tr> <tr> <td>MANAGING</td> <td>WHOLE TIME</td> <td>ADDITIONAL</td> </tr> <tr> <td>DIRECTOR</td> <td>DIRECTOR</td> <td>DIRECTOR</td> </tr> </table>	DARSHAK RUPANI	PRASHANTT RUPANI	RAMESH KOTHARI	MANAGING	WHOLE TIME	ADDITIONAL	DIRECTOR	DIRECTOR	DIRECTOR
DARSHAK RUPANI	PRASHANTT RUPANI	RAMESH KOTHARI								
MANAGING	WHOLE TIME	ADDITIONAL								
DIRECTOR	DIRECTOR	DIRECTOR								

WHITE DIAMOND INDUSTRIES LIMITED**Accompanying notes to the financial statements for the year ended 31st March, 2014****Company Overview :**

White Diamond Industries Limited is a company engaged in business of trading in cut and polished diamonds.

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

The 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 of mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(ii) Use Of Estimates:-

The presentation of financial statements in conformity with the generally accepted accounting principal requires estimates and assumptions to be made. That affects the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known/materialized.

(iii) Revenue Recognition:-

Sales are recognized, net of returns and trade discounts, on dispatch of goods to Customers. Interest income is recognized on time proportion basis.

(iv) Fixed Assets:-

Fixed Assets are stated at cost less accumulated depreciation. Cost is inclusive of freight, duties (net of tax credits as applicable) levies and any directly attributable cost of bringing the assets to their working condition for their Intended use.

(v) Depreciation & Amortisation:-

Depreciation is provided as per the straight line method at the rate prescribed by Companies Act, 1956.

(vi) Investments:-

Long term investments are stated at cost. Provision for diminution in value of Long term investment is made only if such decline is other than temporary in the opinion of management. Investments other than long term investments being current investments are valued at cost or fair value whichever is lower.

(vii) Inventories:-

Stocks of Finished goods are valued at lesser of Cost and Net Realisable Value.

(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.
- (c) 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:-**

Provision for taxation has been made in accordance with the rates of Income Tax Act, 1961 prevailing for the relevant assessment year.

(x) **Deferred Taxation:-**

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantially enacted at the balance sheet date. Deferred tax Assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future. Deferred Tax Assets are reviewed as at each Balance Sheet date.

(xi) **Provision:-**

A provision is recognized when an enterprise has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provision are determined based on management estimate require to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

(xii) **Treatment Of Contingent Liabilities:-**

Contingent liabilities are disclosed by way of notes. Provision is made in the accounts for those liabilities which are likely to materialize after the year end till the finalization of accounts and having effect on the position stated in the balance sheet as at the year end.

2. Share capital

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Number of shares		Number of shares	
(a) Authorised Equity shares of ` 10 each	12,500,000	125,000,000	12,500,000	125,000,000
(b) Issued Equity shares of ` 10 each	12,500,000	125,000,000	12,500,000	125,000,000
(c) Subscribed and fully paid up Equity shares of ` 10 each	12,500,000	125,000,000	12,500,000	125,000,000
Total	12,500,000	125,000,000	12,500,000	125,000,000

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

Class of shares / Name of shareholder	As at 31st March, 2014		As at 31st March, 2013	
	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	1,738,450	13.91
SHANTILAL MANGALJI MEHTA	1,465,000	11.72	1,465,000	11.72
NAVINCHANDRA DALPATLAL MEHTA	1,265,000	10.12	1,265,000	10.12
DILIP DALPATLAL MEHTA	1,318,460	10.55	1,120,000	8.96
DARSHAK M RUPANI	871,668	6.97	871,668	6.97
MAHESH MOHANLAL RUPANI	695,000	5.56	695,000	5.56
Total	7,353,578	58.83	7,155,118	57.24

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

3. Reserves and surplus

Particulars	As at 31st March, 2014	As at 31st March, 2013
(a) Securities Premium account		
Opening Balance	76,000,000	76,000,000
Add:		
Closing Balance	76,000,000	76,000,000
(a) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	41,829,221	40,489,966
Add: Profit / (Loss) for the year	53,178	1,339,255
Closing balance	41,882,399	41,829,221
Total	117,882,399	117,829,221

4. Short Term Borrowing

Particulars	As at 31st March, 2014	As at 31st March, 2013
		-
Unsecured loan from director	370,000	86,000
Total	370,000	86,000

5. Trade payables

Particulars	As at 31st March, 2014	As at 31st March, 2013
		-
Creditors for Goods	12,735,508	27,480
Total	12,735,508	27,480

6. Other current liabilities

Particulars	As at 31st March, 2014	As at 31st March, 2013
		-
Unpaid Dividends	45,669	45,669
Advance from customers	-	4,353,606
Creditors for expenses	559,893	363,652
Professional tax payable	-	19,974
Vat Payable	129,375	18,453
TDS Payable	19,536	39,761
Total	754,473	4,841,115

7. Short-term provisions

Particulars	As at 31st March, 2014	As at 31st March, 2013
		-
(a) Provision - Others:		
(i) Provision for tax	1,204,280	650,000
(ii) Provision for FBT	2,416	2,416
(ii) Provision - others (give details)	-	-
Total	1,206,696	652,416

Note: Provision For Tax

Particulars	As at 31st March, 2014	As at 31st March, 2013
(a) Provisions For Tax (A.Y. 2013-14)	650,000	650,000
(b) Provision For Tax (A.Y. 2014-15)	554,280	-
Total	1,204,280	650,000

9. Non-current investments

Particulars	As at 31st March, 2014			As at 31st March, 2013		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Investment in equity instruments (give details separately for fully / partly paid up instruments)						
(i) of subsidiaries	-	100,000	100,000.00	-	100,000	100,000
(ii) of associates	-	-	-	-	-	-
(iii) of joint venture companies	-	-	-	-	-	-
(iv) of controlled special purpose entities	-	-	-	-	-	-
(v) of other entities						
Sunrise Hygiene Flours Pvt Ltd	-	9,900,000	9,900,000	-	9,900,000	9,900,000
Ramkrupa Ginning & Pressing Pvt Ltd	-	-	-	-	7,000,000	7,000,000
						-
Total	-	10,000,000	10,000,000	-	17,000,000	17,000,000

10. Deferred Tax (Liabilities) / 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, 2014	As at 31 March, 2013
	-	-
Deferred Tax (Liability) / Assets	23,673	315,849
Depreciation	23,673	315,849
Net Deferred Tax (Liability) / Assets	23,673	315,849
Recognized in Balance Sheet	23,673	315,849

11. Other Non Current Assets

Particulars	As at 31 March, 2014	As at 31 March, 2013
	-	-
Share Issue Expenses	-	156,700
Total	-	156,700

12. Long Term Loans and Advances

Particulars	As at 31 March, 2014	As at 31 March, 2013
	-	-
Loan to Subsidiary	114,664,850	88,172,350
Total	114,664,850	88,172,350

13. Inventories

(At lower of cost and net realisable value)

Particulars	As at 31 March, 2014	As at 31 March, 2013
	-	-
(d) Stock-in-trade (acquired for trading) Goods-in-transit	-	746,464
Total	-	746,464

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

14. Trade receivables

Particulars	As at 31st March, 2014	As at 31st March, 2013
	-	-
Other Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	41,939,832	28,804,002
Doubtful	-	-
Less: Provision for doubtful trade receivables	-	-
Total	41,939,832	28,804,002

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

15. Cash and cash equivalents

Particulars	As at 31st March, 2014	As at 31st March, 2013
	-	-
(a) Cash on hand	964,703	2,140,240
(b) Cheques, drafts on hand	532,000	-
(c) Balances with banks On Current Accounts	608,608	5,822,239
Total	2,105,311	7,962,479

16. Short-term loans and advances

Particulars	As at 31st March, 2014	As at 31st March, 2013
	-	-
(A) Advance recoverable in cash or in kind or for value to be received	3,729,405	27,103,984
(B) Payment of Taxes	1,244,172	743,459
(C) Other Loan and Advances	82,078,928	74,848,161
Less: Provision for other doubtful loans and advances	-	-
Total	87,052,505	102,695,604

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

Note: Payment of Taxes

Particulars	As at 31st March, 2014	As at 31st March, 2013
	-	-
(a) Vat (F.Y. 2008-09)	43,188	43,188
(b) Vat (F.Y. 2009-10)	24,716	24,716
(c) TDS (A.Y. 2013-14)	629,781	629,781
(d) TDS (A.Y. 2014-15)	546,487	-
(e) S.A. Tax (A.Y. 2012-13)	-	45,774
Total	1,244,172	743,459

17. Other Current Assets

Particulars	As at 31st March, 2014	As at 31st March, 2013
	-	-
Miscellaneous Expenditure	-	99,640
Total	-	99,640

18. Revenue from operations

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
		-
Sale of products (Refer Note (i) below)	61,117,367	64,725,956
Total	61,117,367	64,725,956

Note (i)

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
		-
<u>Traded goods</u> Cut & Polished Diamonds	61,117,367	64,725,956
Total	61,117,367	64,725,956

19. Other income

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
		-
Interest on Loans	5,464,862	6,575,943
Total	5,464,862	6,575,943

20. Purchase of Stock in Trade

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
		-
Cut Polished Diamonds(CP)	57,468,783	62,839,793
Total	57,468,783	62,839,793

21. Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
		-
<u>Inventories at the end of the year:</u>		

Stock-in-trade	-	746,464
	-	746,464
<u>Inventories at the beginning of the year:</u>		
Stock-in-trade	746,464	-
Net (increase) / decrease	746,464	(746,464)

22. Employee benefits expense

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	-	-
Salaries and wages	1,110,000	1,225,500
Director's Remuneration	720,000	480,000
Staff Welfare Expenses	112,210	362,265
Assorting Charges	-	97,000
Insurance expenses	130,560	132,464
Employees PT	12,500	19,975
Directors House rent	-	200,000
Total	2,085,270	2,517,204

23. Other expenses

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	-	-
Rent (Office Rent)	-	108,750
Website Designing Charges	7,264	6,770
Travelling and conveyance	106,711	399,502
Printing and stationery	115,530	102,088
Advertising Expenses	64,814	491,296
Brokerage & commission	2,400,272	1,995,998
Donations and contributions	525,000	264,820
Legal and professional fees	80,000	5,000
Payments to auditors (Refer Note (i) below)	101,124	101,124
Bank Charges	2,475	5,093
Demat Charges	674	674
Electricity Expenses	32,840	34,330
Sundry Expenses	5,000	55,999
Pest Control Charges	3,146	3,135
Interest on Professional Tax	1,164	-
Interest on TDS	2,620	-
Interest on Vat	456	-

Late fees on PT Return	1,000	-
SEBI Penalty	225,000	-
Listing Fees	112,360	125,844
Repairs & Maintenance	14,427	11,752
Share Capital Issue Expenses W/Off	256,340	99,640
Vehicle Running & Maintenance Expenses	207,053	217,400
Telephone & Mobile Expenses	61,910	74,593
Share Transfer Charges	90,039	109,736
Exhibition Expenses	519,476	149,575
Society Maintenance Charges	79,370	68,772
Total	5,016,065	4,431,891
Notes: (i)		
Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	101,124	101,124
For taxation matters	-	-
Others - Filling Fees	-	-
	101,124	101,124

24 Related Party Transactions

a) List of Related Parties:

Key Management Personnel (KMP)

Mr. Darshak Rupani	Managing Director
Mr. Prashantt Rupani	Whole Time Director
Mr. Ramesh P Kothari	Additional Director
Mr. Jaynish R. Kothari	Director
Mr. Jitendra Mehta	Director

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

Suraj Enterprises (Proprietorship firm)
Sapna Infraventure Pvt Ltd (Wholly owned subsidiary)
Jaynish & Co. (Proprietorship firm)

Related Party Transactions

Nature of Transactions	Relationship	Name Of Related Party	Amount (`)
Director Remuneration	KMP	Mr Ramesh P Kothari	180,000 (P.Y. NIL)
Director Remuneration	KMP	Mr Darshak M Rupani	360,000 (P.Y. 300,000)
Director Remuneration	KMP	Mr Jitendra Mehta	180,000 (P.Y. 150,000)
Director Remuneration	KMP	Mr Mahesh Rupani	NIL (P.Y. 30,000)
Loan taken	KMP	Mr Jaynish R Kothari	512,000 (P.Y. 838,000)
Repayment of loan taken	KMP	Mr Jaynish R Kothari	130,000 (P.Y. 850,000)
Loan given	Other Related Party	Sapna Infraventura Pvt Ltd	36,026,500 (P.Y. 13,907,000)
Repayment against loan given	Other Related Party	Sapna Infraventure Pvt Ltd	9,534,000 (P.Y. 634,650)

25 Earning Per share :

Particulars	Amount in `	
	2013-14	2012-13
Profit / (Loss) available after tax and adjustments	53,178	1,339,255
No. of equity shares	12,500,000	12,500,000
Earning Per share	0.004	0.107

26 Expenses in foreign currency : NIL (P.Y. NIL)
Earnings in foreign currency : NIL (P.Y. NIL)

27 The company has no outstanding dues to small scale industrial undertakings as on 31st March, 2014.

28 During the year, the company has not carried on more than one activity. Therefore Segment Reporting as per AS 17 is not applicable to the company.

29 Previous year's figures have been regrouped / rearranged wherever necessary, so as to make them comparable with those of the current year.

As per our report Of Even Date

For N. K. JALAN & CO.

Firm Reg No : 104019 W

Chartered Accountants

For White Diamond Industries Limited

CA N K JALAN

PROPRIETOR

Mem. No. 011878

Darshak Rupani

Managing

Director

Prashantt Rupani

Whole Time Director

Place : Mumbai

Date : 30.05.2014

Ramesh P Kothari

Additional Director



N. K. JALAN & CO.
Chartered Accountants

2-A, Mayur Apartments,
Dadabhai Cross Road No.3,
Vile Parle (West),
MUMBAI-400 056.
Off : 26210904/26210900.
Mob. 9324114104
Email id:nkjalan@vsnl.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SAPNA INFRAVENTURE PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of SAPNA INFRAVENTURE PRIVATE LIMITED (the "Company"), which comprise the Balance sheet as at 31st March, 2014, the statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 of India ("the Act") and in accordance with the accounting principles generally accepted in India. These responsibilities includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedure selected depends on the auditors' judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors' internal control relevant to the company's preparation and fair representation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimate made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that, audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give 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, 2014;
- (b) In the case of the statement of Profit and Loss, of the Profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on other Legal and Regulatory Requirement

1. As required by 'the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amended) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 (hereinafter referred as to the "order"), and on the basis of such checks of the books and record of the Company as we considered appropriate and according to the information and explanation given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the order.
2. As required by the Section 227 (3) of the Act, we report that:
 - (a) 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;
 - (b) 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;
 - (c) The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the Books of Accounts;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act;
 - (e) On the basis of written representations received from the directors, as on 31st March, 2014 and taken on record by the Board of Directors, we report that none of the director is disqualified as on 31st March 2014, from being appointed as a director in terms of clause (g) of Sub-section (1) of section 274 of the Act;

FOR N.K. JALAN & CO.
CHARTERED ACCOUNTANTS
FIRM NO. 104019W

PLACE: MUMBAI
DATED: 30.05.2014

(N.K. JALAN) PROPRIETOR
Membership No: 011878

Annexure to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. In respect of its fixed assets:

- (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of the fixed assets. However no separate fixed asset register is maintained.
- (b) The fixed assets are physically verified by the management according to a phased program designed to cover all the items over a period, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the program, a portion of the fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such physical verification. However no written report is available.
- (c) The Company has not disposed off any fixed asset during the year.

2. In respect of its inventories:

The company is not engaged into any trading or manufacturing activity. Therefore provisions of sub clause (a), (b) & (c) of Clause (ii) of paragraph 4 of the Order are not applicable to the Company.

3. In respect of the loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:

- (a) The company has not granted loan to any party covered in the register maintained under section 301 of the Companies Act, 1956. Therefore provisions of sub clause (a), (b), (c) & (d) of Clause (iii) of paragraph 4 of the Order are not applicable to the Company.
- (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 outstanding at any time during the year was ` 12,34,54,850/- and the year-end balance of loan taken from such party was ` 11,46,64,850/-.
- (f) In our opinion, the rate of interest and other terms and conditions of loans taken by the company are prima facie, not prejudicial to the interest of the company.
- (g) In our opinion, the company is regular in payment of principal amount. The loan taken is interest free.

4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.

5. In our opinion and according to the information and explanations given to us, no transactions have been made in pursuance to contracts or arrangements to which Section 297 or Section 299 of the Companies Act, 1956 applies. Therefore, provisions of sub clause (a) & (b) of Clause (v) of paragraph 4 of the Order are not applicable to the Company.

6. The company has not accepted any deposits from the public of the nature which attracts the provisions of sections 58A and 58AA of the Companies Act, 1956 and the rules made there under. Therefore, the provisions of clause (vi) of paragraph 4 of the Order are not applicable to the Company.

7. There is no internal audit done by external auditor. However the company is maintaining internal control system commensurate with its size & nature of its business.

8. As per the information and explanations given to us, in respect of the class of industry in which the Company falls, the maintenance of cost records has not been prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956. Therefore, the provisions of clause (viii) of paragraph 4 of the Order are not applicable to the Company.
9. In respect of statutory dues:
 - (a) The company is regular in depositing with appropriate authority undisputed statutory dues including income tax, sales tax, service tax, and other statutory dues applicable to it except i) in certain cases where there were minor delays in payment of TDS. Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, service tax were in arrears as at 31st March 2014, for a period of more than six months from the date they became payable.
 - (c) According to the information and explanations given to us, there are no dues of sales tax, custom duty, income tax, wealth tax, excise duty or cess, which have not been deposited on account of any dispute
10. The company is registered for a period of more than 5 years and there are no accumulated losses at the end of the financial year. The company has not incurred cash losses during the financial year under review and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to bank / financial institutions.
12. 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. Therefore, the provisions of clause (xii) of paragraph 4 of the Order are not applicable to the Company.
13. The Company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, provisions of sub clause (a), (b), (c) and (d) of clause (xiii) of paragraph 4 of the order are not applicable to the Company.
14. According to the information and explanations given to us, the company has not done dealing in shares, securities and other investments during the year under review. Therefore provisions of clause (xiv) of paragraph 4 of the order are not applicable to the company.
15. In our opinion and according to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions. Therefore, the provisions of clause (xv) paragraph 4 of the Order are not applicable to the Company.
16. The company has not availed any term loan during the year. Therefore, the provisions of clause (xvi) of paragraph 4 of the order are not applicable to the Company.
17. 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.
18. The company has not made preferential allotment of shares to parties and companies covered in the registered maintained under section 301 of the companies Act, 1956. Therefore, the provisions of clause (xviii) of paragraph 4 of the order are not applicable to Company.

19. The company has not issued any debentures during the year. Therefore, the provisions of clause (xix) of paragraph 4 of the order are not applicable to the Company
20. The company has not raised any money through a public issue during the year. Therefore, the provisions of clause (xx) of paragraph 4 of the order are not applicable to the company.
21. To the best of our knowledge and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

FOR N.K. JALAN & CO.
CHARTERED ACCOUNTANTS
FIRM NO. 104019W

PLACE: MUMBAI
DATED: 30.05.2014

(N.K. JALAN) PROPRIETOR
Membership No. 011878

SAPNA INFRAVENTURE PVT. LTD.
Balance Sheet as at 31st March, 2014

Particulars		Note No.	As at 31st March, 2014	As at 31st March, 2013
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	2	100,000	100,000
	(b) Reserves and surplus	3	4,221,433	2,271,290
2	Non-current liabilities			
	(a) Long term borrowings	4	114,664,850	88,172,350
	(b) Deferred Tax Liabilities	5	88,620	-
3	Current liabilities			
	(a) Trade payables	6	-	-
	(b) Other current liabilities	7	186,000	-
	(c) Short-term provisions	8	1,709,146	700,000
	TOTAL		120,970,049	91,243,640
B	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	9	343,199	424,834
	(iii) Capital work-in-progress		-	-
	(b) Long-term loans and advances	10	118,000,000	83,500,000
	(c) Deferred Tax Assets	5	-	-
2	Current assets			
	(a) Trade receivables	11	-	-
	(b) Cash and cash equivalents	12	119,108	7,004
	(c) Short-term loans and advances	13	2,507,742	7,311,802
	Notes To Balance Sheet and Statement Of Profit and Loss	1 to 25		
	TOTAL		120,970,049	91,243,640

As per our report Of Even Date

For N. K. JALAN & CO.

Firm Reg No : 104019 W

Chartered Accountants

For SAPNA INFRAVENTURE PVT. LTD.**CA N K JALAN**

PROPRIETOR

Mem. No. 011878

Place : Mumbai

Date : 30.05.2014

DARSHAK M. RUPANI

DIRECTOR

PRASHANT RUPANI

DIRECTOR

SAPNA INFRAVENTURE PVT. LTD.				
Statement of Profit and Loss for the year ended 31st March, 2014				
Particulars		Note No.	For the year ended 31st March, 2014	For the year ended 31st March, 2013
A	CONTINUING OPERATIONS			
1	Revenue from operations (gross)	14	9,999,124	7,105,807
	Less: Excise duty		-	-
	Revenue from operations (net)		9,999,124	7,105,807
2	Other income	15	-	-
3	Total revenue (1+2)		9,999,124	7,105,807
4	Expenses			
	(a) Purchases of stock-in-trade	16	-	-
	(b) Cost of Materials Consumed	17	-	-
	(c) Employee benefits expense	18	1,691,550	1,321,875
	(d) Depreciation and amortisation expense	9	81,635	74,972
	(e) Other expenses	19	5,030,399	3,358,755
	Total expenses		6,803,584	4,755,602
5	Profit / (Loss) Before Exceptional and Extraordinary Items and Tax		3,195,540	2,350,205
	Add/(Less) : Exceptional/Extraordinary Items		-	-
6	Profit before tax		3,195,540	2,350,205
7	Tax expense:			
	(a) Current tax		1,009,146	700,000
	(b) Tax Adjustment relating to prior years		147,631	-
	(c) Deferred tax liability/(asset)		88,620	-
8	Profit / (Loss) from continuing operations		1,950,143	1,650,205
10	Profit / (Loss) for the year		1,950,143	1,650,205
	Notes To Balance Sheet and Statement Of Profit and Loss	1 to 25		
Particulars		Note No.	For the year ended 31st March, 2014	For the year ended 31st March, 2013
11.i	Earnings per share (of ` 10/- each):	20		
	(a) Basic			
	(i) Continuing operations		195.01	165.02
	(ii) Total operations		195.01	165.02
	(b) Diluted			
	(i) Continuing operations		195.01	165.02
	(ii) Total operations		195.01	165.02

As per our report Of Even Date

For N. K. JALAN & CO.

Firm Reg No : 104019 W

Chartered Accountants

CA N K JALAN
 PROPRIETOR
 Mem. No. 011878

Place : Mumbai

Date : 30.05.2014

For SAPNA INFRAVENTURE PVT. LTD.

DARSHAK M. RUPANI
 DIRECTOR

PRASHANT RUPANI
 DIRECTOR

SAPNA INFRAVENTURE PVT. LTD.		
Cash Flow Statement for the year ended 31st March, 2014		
Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	3,195,540	2,350,205
Adjustments to reconcile profit before tax to cash provided by operating activities		
Depreciation expense	81,635	74,972
Interest income	-	-
Profit on sale of Investment	-	-
Operating profit before Working Capital Changes	3,277,175	2,425,177
Changes in assets and liabilities		
(Increase) / Decrease in Loans & Advances	(28,843,659)	(13,749,214)
Increase / (Decrease) in Trade payable	-	(796,450)
Increase / (Decrease) in Other Current Liabilities	186,000	(120,000)
Cash Generated From Operations	(25,380,484)	(12,240,487)
Income taxes paid	999,912	710,217
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	(26,380,396)	(12,950,704)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment towards capital expenditure	-	-
Purchase of other investement	-	-
Disposal of other investement	-	-
NET CASH FLOW FROM /(USED IN) INVESTING ACTIVITIES	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase / (Decrease) in borrowings	26,492,500	12,948,347
Dividends paid including residual dividend	-	-
Dividend tax paid	-	-
NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES	26,492,500	12,948,347
Effect of exchange differences on translation of foreign currency cash and cash Equivalents	-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	112,104	(2,357)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	7,004	9,361
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	119,108	7,004
<p>As per our report Of Even Date For N. K. JALAN & CO. Firm Reg No : 104019 W Chartered Accountants</p> <p style="text-align: right;">For SAPNA INFRAVENTURE PVT. LTD.</p>		
CA N K JALAN PROPRIETOR Mem. No. 011878	DARSHAK M. RUPANI DIRECTOR	PRASHANT RUPANI DIRECTOR
Place : Mumbai Date : 30.05.2014		

SAPNA INFRAVENTURE PRIVATE LIMITED

Accompanying notes to the financial statements for the year ended 31st March, 2014

Company Overview:

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

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

The 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 of mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(ii) Use Of Estimates:-

The presentation of financial statements in conformity with the generally accepted accounting principal requires estimates and assumptions to be made. That affects the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known/materialized.

(iii) Revenue Recognition:-

Sales are recognized, net of returns and trade discounts, on dispatch of goods to Customers. Interest income is recognized on time proportion basis.

(iv) Fixed Assets:-

Fixed Assets are stated at cost less accumulated depreciation. Cost is inclusive of freight, duties (net of tax credits as applicable) levies and any directly attributable cost of bringing the assets to their working condition for their Intended use.

(v) Depreciation & Amortisation:-

Depreciation is provided as per the straight line method at the rate prescribed by Companies Act, 1956.

(vi) Investments:-

Long term investments are stated at cost. Provision for diminution in value of Long term investment is made only if such decline is other than temporary in the opinion of management. Investments other than long term investments being current investments are valued at cost or fair 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.
- (c) 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:-**

Provision for taxation has been made in accordance with the rates of Income Tax Act, 1961 prevailing for the relevant assessment year.

(ix) **Deferred Taxation:-**

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantially enacted at the balance sheet date. Deferred tax Assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future. Deferred Tax Assets are reviewed as at each Balance Sheet date.

(x) **Provision:-**

A provision is recognized when an enterprise has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provision are determined based on management estimate require to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

(xi) **Treatment Of Contingent Liabilities:-**

Contingent liabilities are disclosed by way of notes. Provision is made in the accounts for those liabilities which are likely to materialize after the year end till the finalization of accounts and having effect on the position stated in the balance sheet as at the year end.

2. Share capital

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Number of shares		Number of shares	
(a) Authorised Equity shares of ` 10 each	10,000	100,000	10,000	100,000
(b) Issued Equity shares of ` 10 each	10,000	100,000	10,000	100,000
(c) Subscribed and fully paid up Equity shares of ` 10 each	10,000	100,000	10,000	100,000
Total	10,000	100,000	10,000	100,000

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

Class of shares / Name of shareholder	As at 31st March, 2014		As at 31st March, 2013	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares Holding				
WHITE DIAMOND INDUSTRIES LIMITED	10,000	100.00	10,000	100.00
Total	10,000	100.00	10,000	100.00

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

3. Reserves and surplus

Particulars	As at 31st March, 2014		As at 31st March, 2013	
(a) Surplus / (Deficit) in Statement of Profit and Loss				
Opening balance		2,271,290		621,085
Add: Profit / (Loss) for the year		1,950,143		1,650,205
Closing balance		4,221,433		2,271,290
Total		4,221,433		2,271,290

4. Long term Borrowings

Particulars	As at 31st March, 2014		As at 31st March, 2013	
Loan from Holding Co.		114,664,850		88,172,350
		114,664,850		88,172,350

5. Deferred Tax Liabilities / 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 tax assets and liabilities should be recognized for all timing differences in Accordance with the said standard.

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

	As at 31st March, 2014	As at 31st March, 2013
(A)		
(a) WDV As Per Companies Act	343,199	-
(b) WDV As Per Income Tax Act	56,404	-
Difference	286,795	-
Deferred Tax Liability @ 30.9%	88,620	-
Net Deferred Tax Liability	88,620	-
Recognized in P & L	88,620	-

6. Trade payables

Particulars	As at 31st March, 2014	As at 31st March, 2013
Trade payable	-	-
Total	-	-

7. Other current liabilities

Particulars	As at 31st March, 2014	As at 31st March, 2013
Other payable	186,000	-
Total	186,000	-

8. Short-term provisions

Particulars	As at 31st March, 2014	As at 31st March, 2013
(a) Provision - Others:		
(i) Provision for tax (AY 13-14)	700,000	700,000
(ii) Provision for tax (AY 14-15)	1,009,146	-
Total	1,709,146	700,000

9. Fixed assets

LIMITED

Tangible assets	Gross block				Accumulated depreciation and impairment				Net block		
	Balance as at 1st April, 2013	Additions	Disposals	Other adjustments	Balance as at 31st March, 2014	Balance as at 1st April, 2013	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31st March, 2014	Balance as at 31st March, 2014	Balance as at 31st March, 2013
(c) Computers Owned	503,608	-	-	-	503,608	78,774	81,635	-	160,409	343,199	424,834
Total	503,608	-	-	-	503,608	78,774	81,635	-	160,409	343,199	424,834
Previous year	503,608	-	-	-	503,608	3,802	74,972	-	78,774	424,834	499,806

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

10. Long term Loans & Advances

Particulars	As at 31st March, 2014	As at 31st March, 2013
	-	-
Others loans & advances	118,000,000	83,500,000
Total	118,000,000	83,500,000

11. Trade receivables

Particulars	As at 31st March, 2014	As at 31st March, 2013
	-	-
Other Trade receivables		
Less: Provision for doubtful trade receivables	-	-
Total	-	-

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

12. Cash and cash equivalents

Particulars	As at 31st March, 2014	As at 31st March, 2013
	-	-
(a) Cash on hand	46,647	3,536
(b) Cheques, drafts on hand	-	-
(c) Balances with banks		
(i) In current accounts	72,461	3,468
Total	119,108	7,004

13. Short-term loans and advances

Particulars	As at 31st March, 2014	As at 31st March, 2013
	-	-
(A) Advance recoverable in cash or in kind or for value to be received	62,000	62,000
(B) Other Loan and Advances	735,613	6,391,954
(C) Payment of Taxes	1,710,129	857,848
Less: Provision for other doubtful loans and advances	-	-
Total	2,507,742	7,311,802

14. Revenue from operations

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Interest income (TDS 9,99,913/-, P.Y. 7,10,217/-)	9,999,124	7,105,807
Total	9,999,124	7,105,807

15. Other income

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013

16. Purchase of Stock in Trade

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Purchases	-	-
Total	-	-

17. Cost Of Materials Consumed

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Consumption of materials	-	-
Total	-	-

18. Employee benefits expense

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Salaries and wages	1,273,000	979,500
Director's Remuneration	350,000	280,000
Staff Welfare	68,550	62,375
Total	1,691,550	1,321,875

19. Other expenses

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Printing and stationery	62,800	60,500
Legal and Professional fees	250,000	413,780
Payments to auditors	30,000	-
Bank Charges	1,829	1,201
Commission & Brokerage	1,835,000	1,834,000
Consultancy Charges	83,500	150,000
Conveyance Expenses	125,800	106,032
Donation	111,111	100,000
Electricity Expenses	91,620	85,880
Fund Deployment Charges	2,110,000	500,000
ROC Filling	2,600	24,350
Sundry Expenses	55,240	52,330
Telephone Expenses	25,891	22,478
Advertising Expenses	132,898	-
Interest On TDS	3,402	-
Membership Fees	33,708	-
Rent Charges	75,000	-
Vehicle Running Expenses	-	8,204
Total	5,030,399	3,358,755
Notes: (i)		
Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	30,000	-
For taxation matters	-	-
Others - Filling Fees	-	-
	30,000	-

20 Related Party Transactions

a) List of Related Parties

Key Management Personnel

Mr. Darshak M Rupani	Director
Mr. Prashant Rupani	Director

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

White Diamond Industries Ltd (Holding Co.)

Nature Of Transaction	Relationship	Name of Related Party	Amount (`)
Director Remuneration	Key Management Personnel	Mr. Darshak M Rupani	350,000 (PY 280,000)
Loan taken	Other Related Party	White Diamond Industries Ltd.	36,026,500 (PY13,907,000)
Repayment of loan taken	Other Related Party	White Diamond Industries Ltd.	9,534,000 (PY 6,34,650)

21 Earning Per share :

Particulars	Amount in `	
	2013-14	2012-13
Profit / (Loss) available after tax and adjustments	1,950,143	1,650,205
No. of equity shares	10,000	10,000
Earning Per share	195.01	165.02

22 Expenses in foreign currency : NIL (P.Y. NIL), Earnings in foreign currency: NIL (P.Y. NIL)**23** During the year, the company has not carried on more than one activity. Therefore Segment Reporting as per AS 17 is not applicable to the company.**24** The company has no outstanding dues to small scale industrial undertakings as on 31st March, 2014.**25** Previous year's figures have been regrouped / rearranged wherever necessary, so as to make them comparable with those of the current year.

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

CA N K JALAN
PROPRIETOR
Mem. No. 011878

For SAPNA INFRAVENTURE PVT. LTD.

DARSHAK M. RUPANI
DIRECTOR

PRASHANT
RUPANI
DIRECTOR

Place : Mumbai
Date: 30.05.2014



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

2-A, Mayur Apartments,
Dadabhai Cross Road No.3,
Vile Parle (West),
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AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF WHITE DIAMOND INDUSTRIES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of WHITE DIAMOND INDUSTRIES LIMITED (the "Company") and its subsidiary SAPNA INFRAVENTURE PVT LTD, together referred to as "The Group", which comprise the Consolidated Balance sheet as at 31st March, 2014, Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 of India ("the Act") and in accordance with the accounting principles generally accepted in India. These responsibilities includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the consolidated financial statements. The procedure selected depends on the auditors' judgment, including the assessment of the risk of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors' internal control relevant to the company's preparation and fair representation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimate made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that, audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give 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 Group as at 31st March, 2014;
- (b) In the case of the Consolidated Statement of Profit and Loss, of the Profit of the Group for the year ended on that date; and
- (c) In the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

FOR N.K. JALAN & CO.
CHARTERED ACCOUNTANTS
FIRM NO. 104019W

PLACE: MUMBAI
DATED: 30.05.2014

(N.K. JALAN) PROPRIETOR
Membership No: 011878

WHITE DIAMOND INDUSTRIES LTD			
Consolidated Balance Sheet as at 31 March, 2014			
Particulars	Note No.	As at 31 March, 2014	As at 31 March, 2013
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	125,000,000	125,000,000
(b) Reserves and surplus	3	122,103,832	120,100,511
2 Non-current liabilities			
(a) Deferred tax Laibilities (net)	10	64,947	-
3 Current liabilities			
(a) Short Term Borrowings	4	370,000	86,000
(b) Trade payables	5	12,735,508	27,480
(c) Other current liabilities	6	940,474	4,841,115
(d) Short-term provisions	7	2,915,842	1,352,416
TOTAL		264,130,603	251,407,522
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	8	2,506,104	2,907,978
(b) Non-current investments	9	9,900,000	16,900,000
(c) Deferred tax assets (net)	10		315,849
(d) Long term loans & advances	11	118,000,000	70,805,500
(e) Other Non Current Asset	12	-	156,700
2 Current assets			
(a) Inventories	13	-	746,464
(b) Trade receivables	14	41,939,832	28,804,002
(c) Cash and cash equivalents	15	2,224,419	7,969,484
(d) Short-term loans and advances	16	89,560,246	122,701,906
(e) Other current assets	17	-	99,640
Notes to Balance Sheet and Statement of Profit and Loss	1 to 28		
TOTAL		264,130,603	251,407,522
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 RUPANI	
PROPRIETOR		MANAGING	
Mem. No. 011878		DIRECTOR	
		PRASHANTT RUPANI	
		WHOLE TIME	
		DIRECTOR	
		RAMESH P KOTHARI	
		ADDITIONAL	
		DIRECTOR	
Place : Mumbai			

Date : 30/05/2014

WHITE DIAMOND INDUSTRIES LTD				
Consolidated Statement of Profit and Loss for the year ended 31 March, 2014				
Particulars		Note No.	For the year ended 31 March, 2014	For the year ended 31 March, 2013
A CONTINUING OPERATIONS				
1	Revenue from operations (gross) Less: Excise duty Revenue from operations (net)	18	71,116,491	71,831,763
2	Other income	19	5,464,862	6,575,943
3	Total revenue (1+2)		76,581,353	78,407,706
4	Expenses			
	(a) Purchases of stock-in-trade	20	57,468,783	62,839,793
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	746,464	-746,464
	(c) Employee benefits expense	22	3,776,820	3,839,079
	(d) Depreciation and amortisation expense	8	401,874	392,305
	(e) Other expenses	23	10,046,464	7,790,646
	Total expenses		72,440,405	74,115,359
5	Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4) Less : Exceptional and extraordinary items		4,140,948	4,292,347
	Profit before Tax		4,140,948	4,292,347
6	Tax expense:			
	(a) Current tax expense for current year		1,563,426	1,350,000
	(b) Tax Adjustment relating to prior years		193,405	-
	(d) Deferred tax		380,796	-47,113
7	Profit / (Loss) from continuing operations		2,003,321	2,989,460
8	Profit / (Loss) for the year		2,003,321	2,989,460
	Notes to Balance Sheet and Statement of Profit and Loss	1 to 28		
Particulars		Note No.	For the year ended 31 March, 2014	For the year ended 31 March, 2013
9.i	Earnings per share (of ` 10/- each):	25		
	(a) Basic			
	(i) Continuing operations		0.16	0.24
	(ii) Total operations		0.16	0.24
	(b) Diluted			
	(i) Continuing operations		0.16	0.24
	(ii) Total operations		0.16	0.24

As per our report Of Even Date

For N. K. JALAN & CO.

Firm Reg No : 104019 W

Chartered Accountants

CA N K JALAN

PROPRIETOR

Mem. No. 011878

Place : Mumbai

Date : 30/05/2014

For WHITE DIAMOND INDUSTRIES LTD

DARSHAK RUPANI

MANAGING

DIRECTOR

PRASHANTT RUPANI

WHOLE TIME

DIRECTOR

RAMESH KOTHARI

ADDITIONAL

DIRECTOR

WHITE DIAMOND INDUSTRIES LTD		
Consolidated Cash Flow Statement for the year ended 31st March, 2014		
Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	4,140,948	4,292,347
Adjustments to reconcile profit before tax to cash provided by operating activities		
Depreciation expense	401,874	392,305
Interest income	(5,464,862)	(6,575,943)
Preliminary Expenses written off	256,340	99,640
Profit on sale of Investment	-	-
Operating profit before Working Capital Changes	(665,700)	(1,791,651)
Changes in assets and liabilities		
(Increase) / Decrease in Inventory	746,464	(746,464)
(Increase) / Decrease in Trade Receivables	(13,135,830)	(21,991,320)
(Increase) / Decrease in Short Term Loans & Advances	(5,469,080)	(18,418,451)
Increase / (Decrease) in Trade Payables	12,708,027	(1,483,385)
Increase / (Decrease) in Other Current Liabilities	(3,900,642)	3,083,346
Cash Generated From Operations	(9,716,761)	(41,347,925)
Income taxes paid	1,546,399	1,578,157
NET CASH GENERATED BY OPERATING ACTIVITIES	(11,263,160)	(42,926,082)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment towards capital expenditure	-	-
Purchase of other investement	-	(11,900,000)
Loans given (Others)	(7,230,767)	-
Disposal of other investments	7,000,000	-
Receipts against loans given	-	51,875,850
Interest received	5,464,862	6,575,943
NET CASH FLOW FROM /(USED IN) INVESTING ACTIVITIES	5,234,095	46,551,793
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital on exercise of stock options	-	-
Increase / (Decrease) in borrowings	284,000	86,000
Dividends paid including residual dividend	-	-
Dividend tax paid	-	-
NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES	284,000	86,000
Effect of exchange differences on translation of foreign currency	-	-

cash and cash equivalents			
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(5,745,065)	3,711,711
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		7,969,484	4,257,773
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		2,224,419	7,969,484

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. 011878

DARSHAK RUPANI

MANAGING

DIRECTOR

PRASHANTT RUPANI

WHOLE TIME

DIRECTOR

RAMESH P KOTHARI

ADDITIONAL

DIRECTOR

Place : Mumbai

Date : 30.05.2014

WHITE DIAMOND INDUSTRIES LIMITED**Company Overview:**

White Diamond Industries Limited along with wholly owned subsidiary Sapna Infracventure 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") and its subsidiary M/s. Sapna Infracventure 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 Infracventure 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 Infracventure Pvt. Ltd.	India	19/11/2011	Private Limited Company	100%

Other Significant Accounting Policies(i) **Revenue Recognition:-**

Sales are recognized, net of returns and trade discounts, on dispatch of goods to Customers. Interest income is recognized on time proportion basis.

(ii) **Fixed Assets:-**

Fixed Assets are stated at cost less accumulated depreciation. Cost is inclusive of freight, duties (net of tax credits as applicable) levies and any directly attributable cost of bringing the assets to their working condition for their Intended use.

(iii) **Depreciation:-**

Depreciation is provided as per the straight line method at the rate prescribed by Companies Act, 1956.

(iv) Investments:-

Long term investments are stated at cost. Provision for diminution in value of Long term investment is made only if such decline is other than temporary in the opinion of management. Investments other than long term investments being current investments are valued at cost or fair value whichever is lower.

(v) Inventories:-

Stocks of Finished goods are valued at lesser of Cost and Net Realisable Value.

(vi) 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.
- (c) 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.

(vii) Taxation:-

Provision for taxation has been made in accordance with the rates of Income Tax Act, 1961 prevailing for the relevant assessment year.

(viii) Deferred Taxation:-

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantially enacted at the balance sheet date. Deferred tax Assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future. Deferred Tax Assets are reviewed as at each Balance Sheet date.

(ix) Provision:-

A provision is recognized when an enterprise has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provision are determined based on management estimate require to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

(x) Treatment Of Contingent Liabilities:-

Contingent liabilities are disclosed by way of notes. Provision is made in the accounts for those liabilities which are likely to materialize after the year end till the

finalization of accounts and having effect on the position stated in the balance sheet as at the year end.

2. Share capital				
Particulars	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares		Number of shares	
(a) Authorised Equity shares of ` 10 each	12,500,000	125,000,000	12,500,000	125,000,000
(b) Issued Equity shares of ` 10 each	12,500,000	125,000,000	12,500,000	125,000,000
(c) Subscribed and fully paid up Equity shares of ` 10 each	12,500,000	125,000,000	12,500,000	125,000,000
Total	12,500,000	125,000,000	12,500,000	125,000,000

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

Class of shares / Name of shareholder	As at 31 March, 2014		As at 31 March, 2013	
	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	1,738,450	13.91
SHANTILAL MANGALJI MEHTA	1,465,000	11.72	1,465,000	11.72
NAVINCHANDRA DALPATLAL MEHTA	1,265,000	10.12	1,265,000	10.12
DILIP DALPATLAL MEHTA	1,318,460	10.55	1,120,000	8.96
DARSHAK M RUPANI	871,668	6.97	871,668	6.97
MAHESH MOHANLAL RUPANI	695,000	5.56	695,000	5.56

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

3. Reserves and surplus

Particulars	As at 31 March, 2014	As at 31 March, 2013
(a) Securities premium account		
Opening balance	76,000,000	76,000,000
Add : Premium on shares issued during the year	-	
Closing balance	76,000,000	76,000,000

(b) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	44,100,511	41,111,051
Add: Profit / (Loss) for the year	2,003,321	2,989,460
Closing balance	46,103,832	44,100,511
Total	122,103,832	120,100,511

4. Short Term Borrowing

Particulars	As at 31st March, 2014	As at 31 March, 2013
	-	-
Unsecured loan from director	370,000	86,000
Total	370,000	86,000

5. Trade payables

Particulars	As at 31 March, 2014	As at 31 March, 2013
	-	-
Creditors for Goods	12,735,508	27,480
Total	12,735,508	27,480

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

6. Other current liabilities

Particulars	As at 31 March, 2014	As at 31 March, 2013
	-	-
Unpaid Dividends	45,669	45,669
Advance from customers	-	4,353,606
Creditors for expenses	559,894	363,652
Professional tax payable	-	19,974
Vat Payable	129,375	18,453
Other payable	186,000	-
TDS Payable	19,536	39,761
Total	940,474	4,841,115

There is no contingent liability outstanding as on 31st march 2014.

7. Short-term provisions

Particulars	As at 31 March, 2014	As at 31 March, 2013
-------------	----------------------	----------------------

(b) Provision - Others:		
(i) Provision for tax	2,913,426	1,350,000
(ii) Provision for FBT	2,416	2,416
Total	2,915,842	1,352,416

Note: Provision For Tax

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	Quoted	Unquoted	Quoted	Unquoted
(a) Tax Provisions	-	-	-	-
(b) Provisions For Tax (A.Y. 2013-14)	1,350,000	-	1,350,000	-
(c) Provision For Tax (A.Y. 2014-15)	1,563,426	-	-	-
Total	2,913,426	-	1,350,000	-

9. Non-current investments

Particulars	As at 31 March, 2014			As at 31 March, 2013		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Investment in equity instruments (give details separately for fully / partly paid up instruments)						
(i) of subsidiaries	-	-	-	-	-	-
(ii) of associates	-	-	-	-	-	-
(iii) of joint venture companies	-	-	-	-	-	-
(iv) of controlled special purpose entities	-	-	-	-	-	-
(v) of other entities (give details)						
Sunrise Hygiene Flours Pvt Ltd	-	9,900,000	9,900,000	-	9,900,000	9,900,000
Ramkrupa Ginning & Pressing Pvt Ltd	-	-	-	-	7,000,000	7,000,000
Total	-	9,900,000	9,900,000	-	16,900,000	16,900,000

10 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, 2014	As at 31 March, 2013
Deferred Tax (Liability) / Assets Depreciation	(64,947)	315,849
Net Deferred Tax (Liability) / Assets	(64,947)	315,849
Recognized in Balance Sheet	(64,947)	315,849

11. Long term Loans & Advances

Particulars	As at 31st March, 2014	As at 31st March, 2013
Others loans & advances	118,000,000	70,805,500
Total	118,000,000	70,805,500

12. Other Non Current Assets

(At lower of cost and net realisable value)

Particulars	As at 31 March, 2014	As at 31 March, 2013
Share Issue Expenses	-	156,700
Total	-	156,700

13. Inventories

(At lower of cost and net realisable value)

Particulars	As at 31 March, 2014	As at 31 March, 2013
(d) Stock-in-trade (acquired for trading) Goods-in-transit	-	746,464
Total	-	746,464

14. Trade receivables

Particulars	As at 31 March, 2014	As at 31 March, 2013
Other Trade receivables Secured, considered good Unsecured, considered good Doubtful	41,939,832 - -	28,804,002 - -

Less: Provision for doubtful trade receivables	-	-
Total	41,939,832	28,804,002

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

15. Cash and cash equivalents

Particulars	As at 31 March, 2014	As at 31 March, 2013
(a) Cash on hand	1,011,350	2,143,777
(b) Cheques, drafts on hand	532,000	
(c) Balances with banks		
(i) In current accounts	681,069	5,825,707
Total	2,224,419	7,969,484

16. Short-term loans and advances

Particulars	As at 31 March, 2014	As at 31 March, 2013
(A) Advance recoverable in cash or in kind or for value to be received	3,791,405	27,165,984
(B) Rent Deposit		-
(C) Payment of Taxes	2,954,300	1,601,307
(D) Other Loan and Advances	82,814,541	93,934,615
Less: Provision for other doubtful loans and advances	-	-
Total	89,560,246	122,701,906

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

17. Other current assets

Particulars	As at 31 March, 2014	As at 31 March, 2013
Miscellaneous expenditure	-	99,640
Total	-	99,640

18. Revenue from operations

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
Sale of products (Refer Note (i) below)	61,117,367	64,725,956
Other operating income	9,999,124	7,105,807
<u>Less:</u>		

Excise duty	-	-
Total	71,116,491	71,831,763

Note (i)

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
<u>Traded goods</u>		
Cut Polished Diamond	61,117,367	64,725,956
Total - Sale of Traded Goods	61,117,367	64,725,956

19. Other income

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
Interest income (Refer Note (i) below)	5,464,862	6,575,943
Total	5,464,862	6,575,943

20. Purchase of traded goods

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
Cut Polished Diamond (CP)	57,468,783	62,839,793
Total	57,468,783	62,839,793

21. Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
<u>Inventories at the end of the year:</u>		
Stock-in-trade	-	746,464
	-	746,464
<u>Inventories at the beginning of the year:</u>		
Stock-in-trade	746,464	-
Net (increase) / decrease	746,464	(746,464)

22. Employee benefits expense

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013

Salaries and wages	2,383,000	2,205,000
Director's Remuneration	1,070,000	480,000
Staff Welfare Expenses	112,210	362,265
Assorting Charges	-	97,000
Profession Tax	12,500	19,975
Inurance Expenses	130,560	132,464
Staff Welfare Expenses	68,550	62,375
Director House Rent	-	480,000
Total	3,776,820	3,839,079

23. Other expenses

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
Accounting Charges		
Advertising	204,976	498,066
Air Conditioning Maintenance Charges		
Bank Charges	4,304	6,294
Brokerage & commission	4,235,272	3,829,998
Consultancy Charges	83,500	150,000
Conveyance Expenses		
Demat Charges	674	674
Donations and contributions	636,111	364,820
Electricity Expenses	124,460	120,210
Fund Deployment Charges	2,110,000	500,000
Exhibition Expenses	519,476	149,577
General Expenses	63,386	111,464
Legal and professional	330,000	418,780
Listing Fees	112,360	125,844
Repair & Maintainence	14,427	11,750
Payments to auditors (Refer Note (i) below)	131,125	101,124
Printing and stationery	179,330	162,588
Rent (Office Rent)		108,750
ROC Filing Fees	2,600	24,350
Preliminary Expenses W/Off	256,340	99,640
Society Maintenance	79,370	68,772
Share Transfer Charges	90,039	109,736
Telephone Expenses	87,801	97,071
Travelling and conveyance	232,511	505,534
Motor car Expenses	282,053	225,604
Vat Paid	-	
Interest on late payment of other taxes	7,641	-
SEBI Penalty	225,000	-
Membership Fees	33,708	-
Total	10,046,464	7,790,646
Notes: (i)	For the year ended 31 March, 2014	For the year ended 31 March, 2013
Particulars		
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	131,125	101,124

For taxation matters		
	Total	-
		131,125
		101,124

24 Related Party Transactions

a) List of Related Parties:

Key Management Personnel (KMP)

Mr. Ramesh P. Kothari	Managing Director
Mr. Darshak Rupani	Whole Time Director
Mr. Prashant Rupani	Additional Director
Mr. Jaynish R. Kothari	Director
Mr. Jitendra Mehta	Director

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

Suraj Enterprises (Proprietorship firm)

Jaynish & Co. (Proprietorship firm)

b) Related Party Transactions

Nature of Transactions	Relationship	Name of Related Party	Amount(')
Director Remuneration	KMP	Mr. Ramesh P Kothari	180,000 (P.Y. NIL)
Director Remuneration	KMP	Mr.Darshak M Rupani	710,000 (P.Y. 580,000)
Director Remuneration	KMP	Mr.Jitendra Mehta	180,000 (P.Y. 150,000)
Director Remuneration	KMP	Mr. Mahesh Rupani	NIL (P.Y. 30,000)
Loan taken	KMP	Mr. Jaynish R. Kothari	512,000 (P.Y. 838,000)
Repayment of loan taken	KMP	Mr. Jaynish R. Kothari	130,000 (P.Y. 850,000)

25 Earning Per share :

Particulars	2013-14	2012-13
Profit / (Loss) available after tax and adjustments	2,003,321	2,989,460
No. of equity shares	12,500,000	12,500,000
Earning Per share	0.16	0.24

26 Expenses in foreign currency : NIL (P.Y. NIL)

Earnings in foreign currency : NIL (P.Y. NIL)

27 The company has no outstanding dues to small scale industrial undertakings as on 31st March, 2014.

28 Previous year's figures have been regrouped / rearranged wherever necessary, so as to make them comparable with those of the current year.

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. 011878

DARSHAK RUPANI	PRASHANTT RUPANI
MANAGING	WHOLE TIME
DIRECTOR	DIRECTOR

Place : Mumbai
Date : 30/05/2014

RAMESH P. KOTHARI
ADDITIONAL
DIRECTOR

WHITE DIAMOND INDUSTRIES LIMITED

Registered Office: Office No. 312A, Kailas Plaza, Vallabhbauglane, 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, 29th September, 2014 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 Annual Report along with the Attendance Slip.

WHITE DIAMOND INDUSTRIES LIMITED

Registered Office: Office No. 312A, Kailas Plaza, Vallabhbauglane, 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 Monday, 29th September, 2014 at 10.00 A.M. and at any adjournment thereof.

Signed this _____ day of _____, 2014

Affix Re. 1/-
Revenue Stamp

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.