

# 18<sup>th</sup> ANNUAL GENERAL MEETING

## ANNUAL REPORT

Venue : SCF 103, Chamber No. - 7,  
First Floor, Phase-XI, Mohali

BOOK POST

Day/Date :  
30th September 2013

Time : 9:30 A.M.



**DEVINE IMPEX LIMITED**

SCF 103, Chamber No.-7, First Floor,  
Phase-XI, (Mohali) Punjab

## **BOARD OF DIRECTORS**

Mr. Parvesh Kumar Oberoi  
Mr. Rohit Jain  
Mr. Sham Sunder Sharma  
Mr. Vinay Kumar Sharma

Managing Director  
Director  
Director  
Director

## **AUDITORS**

Datta Singla & Co.  
Chartered Accountants  
SCO 2935-36, Sector 22-C,  
Chandigarh.

## **BANKERS**

State Bank of Patiala

## **REGD. OFFICE**

SCF 103, Chamber No. 7,  
1<sup>st</sup> Floor, Phase XI,  
SAS Nagar, Mohali Punjab.

## **REGISTRAR AND TRANSFER AGENT**

LinkIntime India Pvt. Ltd,  
44 Community Center, 2nd Floor,  
Naraina Industrial Area, Phase I,  
Near PVR, Naraina,  
New Delhi - 110028

## NOTICE

Notice is hereby given that Eighteen Annual General Meeting of M/S DEVINE IMPEX LIMITED will be held on Monday, 30<sup>th</sup> September, 2013 at 9.30 A.M. at Registered Office SCF-103, Chamber No. 7, 1<sup>st</sup> Floor, Phase XI, SAS Nagar, Mohali, Punjab to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the company as on 31st March 2013 and statement of profit and loss during the year ended on that date along with the report of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sham Sunder Sharma who retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.
3. To appoint the Statutory Auditors of the company and in this regard to pass the following resolution as ordinary resolution:

"Resolved that M/s Datta Singla & Co, Chartered Accountants, the retiring Statutory Auditors of the company, be and are hereby reappointed as Statutory Auditors of the company from the conclusion of this Annual General Meeting until the conclusion of next Annual General meeting at a remuneration to be decided by the Board."

For Board of Directors  
M/S DEVINE IMPEX LTD.

DATE : 31<sup>st</sup> August 2013  
PLACE : Mohali

(Parvesh Kumar Oberoi)  
Managing Director

## **NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote himself and such proxy need not to be the member of the company.
2. Proxies in order to be effective must be received by the company at its Registered Office not less than 48 hours before the meeting.
3. Members are requested to notify any change of address in their registered address.
4. Members are requested to bring the copy of annual report and attendance slip duly filled in the meeting.
5. Register of members and register of transfer will remain closed from 27<sup>th</sup> September 2013 to 30<sup>th</sup> September 2013 both days inclusive.
6. Explanatory statement pursuant to section 173 of the Companies Act, 1956 is attached.

## **IMPORTANT COMMUNICATION TO MEMBERS**

**The Ministry of Corporate Affairs has, pursuant to its Green Initiative in the Corporate Governance, allowed paperless compliances by companies. It has issued circulars allowing the companies to service notice/documents including Annual Report by email to its members. We request the shareholders, who have not registered their email addresses so far, may, as a support to this initiative, register their email addresses, in respect of electronic holdings, with the Depository through their respective Depository Participant. Members who hold shares in physical mode are requested to register their email address with Link Intime India Private Limited, New Delhi, the share transfer agent of the Company.**

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF COMPANIES ACT 1956 LISTING AGREEMENT**

As required under Clause 49 (IV) G of the Listing Agreement, given below are the details of the Directors who retire by rotation and are eligible for re-appointment:

### **ITEM NO. 2**

Name	: Mr. Sham Sunder Sharma
Age	: 66 years
Qualification	: BA, LLB, CAIIB
Expertise	: He is a retired banker. He has a rich experience of more than 35 years to his credit.
Committee membership	: Audit committee, Shareholders Grievances Committee
Shareholding in the co	: NIL

## DIRECTOR'S REPORT

Your Directors are pleased to present their 18<sup>th</sup> Annual Report for the financial year ended on 31st March 2013.

### FINANCIAL RESULTS:

(Amount in Lacs)

PARTICULARS	31 <sup>st</sup> March 2013	31 <sup>st</sup> March 2012
Sales	411.25	284.89
Profit/(loss) before int, dep & tax	58.26	17.35
Interest	.04	0.02
Profit/(loss) before dep & tax	58.22	17.33
Depreciation	.56	0.16
Profit/(loss) before tax	57.66	17.17
Tax	7.51	5.35
Net Profit/(loss) after tax	50.15	11.82

### BUSINESS PERFORMANCE:

During the financial year ending 31<sup>st</sup> March 2013, the net sales and net profit of the company have shown significant improvement as compared to last year's figures. The total sales of the company in the current financial year has risen by 44.35 % as compared to last year's sales and net profit for current year has risen to 50.15 lacs, which is 4.5 times more than previous year's profit.

### DIVIDEND:

Keeping in view the fund requirements for the expansion of business activities, the directors have not recommended any dividends.

### FIXED DEPOSIT

The Company has not accepted any deposit from the public within the meaning of section 58-A of the Companies Act, 1956.

**DIRECTORS:**

Mr. Sham Sunder Sharma, Director of the company who retire at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

**LISTING:**

The company is listed with Bombay Stock Exchange Limited, Ludhiana Stock Exchange and Delhi Stock Exchange. The company is complying with all the requirements of listing agreement. The company is also regular in payment of listing fees.

**PREFERENTIAL ALLOTMENT:**

During the year under review the company has allotted 44,00,000 equity shares of Rs. 10 each at premium of Rs 8.50 per equity share on preferential basis after conversion of equal number of warrants. The application for the listing of the same is filled with Bombay Stock exchange.

**AUDITORS:**

M/s Datta Singla & Co, Chartered Accountants hold office until the conclusion of the ensuing Annual General Meeting and Board recommends for their re-appointment. The company has received a letter from them that their reappointment if made would be within the limits as prescribed in the section 224 (1B).

## **CORPORATE GOVERNANCE REPORT:**

As required under clause 49 of Listing Agreement the Corporate Governance Report along with Auditors certificate regarding compliance of conditions of corporate governance report is enclosed.

## **AUDIT COMMITTEE :**

Pursuant to provisions of section 292A and Listing Agreement the company has constituted the audit committee. Following are the members of Audit committee:

1. Mr. Sham Sunder Sharma
2. Mr. Rohit Jain
3. Mr. Vinay Kumar Sharma

## **AUDITORS REPORT:**

Observations in the Auditor's Report are dealt with in the notes to the Accounts and being self explanatory needs no further explanation.

## **PARTICULARS OF EMPLOYEES**

None of the employees is covered Under Section 217(2A) of the Companies Act ,1956 read with Companies (Particulars of Employees) Rules ,1975 as amended.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The company is engaged in the business of trading. Considering the nature of business the provisions relating to conservation of energy and technology absorption are not applicable to the company. The company has not incurred any expenditure or earned any income in the foreign currency during the financial year.

## **SUBSIDIARY COMPANIES:**

During the financial year ending 31<sup>st</sup> March 2013, Tiara Jewels Private Limited has ceased to be a subsidiary of Devine Impex Limited.

## **DIRECTOR'S RESPONSIBILITY STATEMENT :**

As required u/s 217 ( 2AA) of the companies Act ,1956 the Directors states that :

1. That in the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
2. That Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.
3. That Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. That Directors have prepared the annual accounts on going concern basis.

## **ACKNOWLEDGEMENT**

The Board expresses its deep gratitude and thanks to its clients, bankers, associates and shareholders for their valuable contributions towards growth of the company. Your directors particularly wish to place on record their sincere appreciation for the best efforts put in by the employees towards upliftment of the company.

**For Board of Directors  
M/S DEVINE IMPEX LIMITED**

**DATE : 31<sup>st</sup> August 2013  
PLACE : Mohali**

**Sd/-  
CHAIRMAN**



## CORPORATE GOVERNANCE REPORT :

### 1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE :

Corporate Governance is the combination of voluntary practice and compliance of laws and regulations leading to effective control and management of the affairs of the company. The company believes that good corporate governance contemplates the corporate actions, balance the interest of all stockholders and satisfy the tests of accountability, transparency and fair play. The company gives high priority to core value and ethics and believes that all its operations and actions must be directed towards overall share holder value.

### 2. BOARD OF DIRECTORS :

The constitution of the board of directors of the company is in compliance with clause 49 of the listing agreement. At present the Board of Directors of the company consists of four Directors out of which two are independent directors. Mr. Rohit Jain is the Chairman of the company, who is a non executive Director. During the financial year ending 31<sup>st</sup> March 2013 Mr. Ajay K Arora resigned from the directorship of the company. None of the independent Director has any material pecuniary interest in the company. All the Directors of the company are qualified and possess vast experience in the field of trading, marketing, finance and other related activities. The company has hold six board meetings during the financial year. The gap between any two board meetings was not more than four months. The members of Board have access to all the information of the company. The minutes of meetings of directors are properly recorded and entered in the minutes book within 30 days of end of each meeting.

The details of directors attendance in Board meetings and last annual general meeting along with details of other directorship is given below.

Name of the Director	Category	No. of Board Meetings attended	Attendance at last AGM	No. of other directorships
Mr. Rohit Jain	Promoter Director	6	Yes	3
Mr. Parvesh Kumar Oberoi	Managing Director	6	No	Nil
Mr. Vinay Kumar Sharma	Independent Director	6	No	Nil
Mr. Sham Sunder Sharma	Independent Director	2	No	Nil
Mr. Ajay K Arora (*)	Independent Director	2	Yes	5

(\*) Resigned from directorship of the company w.e.f. 5<sup>th</sup> February 2013

### **3 AUDIT COMMITTEE :**

The Audit committee comprises of three Directors namely Mr. Sham Sunder Sharma, Mr. Rohit Jain and Mr. Vinay Kumar Sharma. Mr. Sham Sunder Sharma is Chairman of the Audit Committee. All members of audit committee are financially literate. Mr. Vinay Kumar Sharma was appointed as member of the audit committee after the resignation of Mr. Ajay K Arora from the directorship of the company. Four audit committee meetings were held in the financial year ending 31<sup>st</sup> March 2013. The gap between two meetings of the audit committee is not more than four months.

The Board has defined the scope of Audit committee to cover the all areas provided in Companies Act, 1956 and Listing Agreement with the Stock Exchange. The terms of reference of the Audit Committee are given below :

- (a) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- (b) Recommend the appointment, reappointment and replacement of auditors.
- (c) Recommending and approval of payments of statutory auditors for various assignments.
- (d) Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
  - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
  - ii. Changes, if any, in accounting policies and practices and reasons for the same
  - iii. Major accounting entries involving estimates based on the exercise of judgment by management
  - iv. Significant adjustments made in the financial statements arising out of audit findings
  - v. Compliance with listing and other legal requirements relating to financial statements
  - vi. Disclosure of any related party transactions
  - vii. Qualifications in the draft audit report.

- (e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval
- (f) Reviewing, with the management, the statement of uses / application of funds raised through public issue, rights issue, preferential issue, etc.
- (g) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- (h) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- (i) Discussion with internal auditors on any significant findings and follow up there on.
- (j) Reviewing the findings of internal investigations by the internal auditors into the requisite matters
- (k) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain area of concern.
- (l) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- (m) Discussion with internal auditors of any significant findings and follows up thereon.

#### **Details of meeting of Audit Committee**

Name of the Members of Audit committee	No. of meetings held	No. of Meetings attended
Mr. Sham Sunder Sharma	4	4
Mr. Rohit Jain	4	4
Mr. Vinay Kumar Sharma	4	Nil
Mr. Ajay K Arora (*)	4	2

(\*) Mr. Ajay K Arora resigned from the directorship of the company w.e.f. 5<sup>th</sup> February 2013.

#### **4. SHAREHOLDERS/INVESTORS GRIEVANCES/ SHARE TRANSFER COMMITTEE:**

The shareholders grievances committee consist of the following members.

Mr. Parvesh Kumar Oberoi  
 Mr. Rohit Jain  
 Mr. Vinay Kumar Sharma

Mr. Parvesh Kumar Oberoi is the Chairman of the committee.

The meetings of the committee were regularly held. The committee met to approve the transfer of shares and to redress the shareholders grievances. The requests for conversion of physical share certificates into demat form were also approved by the committee. There are few shares, which are still being held by the members in demat form. As on 31<sup>st</sup> March 2013 no transfers of shares or request for demat/remat is pending. No complaint/grievance were pending as on 31/03/2013.

## 5. REMUNERATION COMMITTEE

The Company has re-constituted the Remuneration Committee. Now Mr. Rohit Jain, Mr. Sham Sunder Sharma and Mr. Vinay Kumar Sharma are members of the remuneration committee. Mr. Sham Sunder Sharma is the chairman of the committee. One meeting of the remuneration committee was convened during the financial year. The company is not paying any remuneration to any director of the company.

### Brief information on the Directors proposed for reappointment

Mr. Sham Sunder Sharma Director of the company is liable to retire by rotation and being eligible, he has offered himself for reappointment.

Mr. Sham Sunder Sharma is a retired banker. His education qualification is BA, LLB, CAIIB. He has a rich experience of more than three decades in banking and other related matter to his credit.

### Details of Annual/Extra Ordinary General Meeting :

YEAR	DATE OF AGM	TIME	PLACE
2009-2010	30 <sup>th</sup> September 2010	9.15 a.m.	SCF 103, Chamber No 7, 1 <sup>st</sup> Floor, Phase XI, SAS Nagar, Mohali
2010-2011	30 <sup>th</sup> September 2011	9.30 a.m.	SCF 103, Chamber No 7, 1 <sup>st</sup> Floor, Phase XI, SAS Nagar, Mohali
2011-2012	29 <sup>th</sup> September 2012	9.30 a.m.	SCF 103, Chamber No 7, 1 <sup>st</sup> Floor, Phase XI, SAS Nagar, Mohali

The company has convened One extra ordinary general meeting during the year. Four special resolutions, for issue of shares on preferential basis was passed in the extra ordinary general meeting. NO special resolution was passed in the annual general meeting convened in last three financial years. No resolution was passed through postal ballot in the previous financial year.

## **Disclosures**

### **(a) Transactions with related party:**

The company has entered into related party transactions during the period under review & significant disclosure of the same has been made.

### **(b) Accounting treatment**

In preparation of the financial statements the company has followed the accounting standards issued by Institute of Chartered accountants of India and has applied the standard accounting policies.

### **(c) Penalties and Non Compliances**

There have been no instances of any penalties imposed on the company on any matter relating to the capital market. The Board receives a certificate of compliance of the applicable laws from the Managing director in every Board meeting.

Tiara Jewels Private Limited was a subsidiary of the company till 31/12/2012.

## **Means of Communication**

The communication with the shareholders at large is through dispatch of annual reports, publication of quarterly results and press releases in newspaper. The company sends annual reports to all the shareholders. The notices of convening of general meetings are also published in the newspaper. The Board of directors approves the quarterly results within 45 days of end of each quarter except for March 2013 quarter which were approved by the company within 60 days of the close of financial year. The financial results for each quarter are being sent to stock exchange regularly through courier, internet and fax. Unaudited quarterly results are also regularly published in the newspaper papers in accordance with the requirement of the listing agreement.

## **Share holder information :**

- a. Annual General Meeting :  
30<sup>th</sup> September 2013 at 9.30 a.m.  
SCF 103, Chamber No. 7,  
1<sup>st</sup> Floor, Phase XI,  
SAS Nagar, Mohali.
- b. Date of book closure is from 27<sup>th</sup> September 2013 to 30<sup>th</sup> September 2013.
- c. Mumbai Stock Exchange Assn Limited  
Ludhiana Stock Exchange Assn Limited  
Delhi Stock exchange Limited
- d. Stock Exchange Code : 531585
- e. The company is regularly in paying the annual listing fees of all the exchanges.
- f. REGISTRAR AND TRANSFER AGENT  
Link Intime India Private Limited  
44 Community Center, 2nd Floor,  
Naraina Industrial Area, Phase I,  
Near PVR, Naraina, New Delhi-28.

## **CORPORATE GOVERNANCE CERTIFICATE**

### **TO THE MEMBERS OF DEVINE IMPEX LIMITED**

We have examined the compliance of conditions of corporate Governance by DEVINE IMPEX LIMITED for the year ended 31st March 2013 as stipulated in clause 49 of the listing agreement of the said company with the stock exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereto, adopted by the company for ensuring the compliance of conditions of the corporate governance. It is neither an audit nor an expression of opinion on financial statements of the company.

In our opinion and to the best of our information and according to the examinations given to us we certify that the company has complied with the conditions of corporate governance as stipulated in the above mentioned listing except for following.  
Constitution of Board of Directors & committees thereof.

We state that no investor grievance is pending for a period exceeding one month against the company as per the information provided to us.

We further state that such compliance is neither an assurances to future viability of the company not the efficiency or effectiveness with which the management has conducted the affairs of the company

**Date : 31/08/2013**

**Place : Mohali**

**Sd/-**

**Kanwaljit Singh**

**Company Secretary**

## MANAGEMENT DISCUSSION AND ANALYSIS

### I) **INDUSTRY STRUCTURE & DEVELOPMENT:**

The gems and jewelry industry has an important role in the Indian economy. India has the distinction of being one of the first countries to introduce diamonds to the world. India is the largest market for gold jewelry in the world. Gold dominates the Indian jewelry market and formulates almost 80 per cent of the market share, which is followed by fabricated studded jewelry including diamond and gemstones. India has emerged as the largest cutting and polishing industry for diamonds in the world

### (II) **OPPORTUNITIES, THREATS AND RISKS:**

India is one of the largest exporters of gems and jewelry. India is the diamond polishing capital of the world as highly skilled work force is available in India at very low cost. Besides this India is the most technically equipped country for the polishing of the diamond and other precious metals.

But of lately there are few policies which have been introduced by the Govt because of which this sector was felt some unrest. Besides this the rise in inflation has shrunked the purchasing power of the consumer. The political uncertainty has also shown its adverse impact on the industry.

### (III) **OUTLOOK :**

India possesses world's most competitive gems and jewellery market due to its low cost of production and availability of skilled labour. Currently, the industry is growing at a tremendous rate on the back of growing demand and increasing consumer preference. With various government efforts and incentives coupled with private sector initiatives, Indian gems and jewelry sector is expected to grow at a CAGR of around 13% during 2011 - 2013. At present, Indian gems and jewelry market is dominated by the unorganized sector; however, the trend is set to change in near future due to the growing acceptance of branded jewellery market.

### (IV) **INTERNAL CONTROL SYSTEM:**

The company has effective and adequate internal control system. All the assets of the Company are properly safeguarded and used to their optimum capacity. The system is reviewed and updated by the management periodically. The finding and suggestions of internal control are reviewed by the Board of Directors & Audit Committee and they make sure that internal controls are properly complied with.

### (V) **HUMAN RESOURCES AND INDUSTRIAL RELATION:**

The company is maintaining very cordially relations with all concerned people. With the change in management, new faces have been inducted in the company. Recruitments have been done as per the requirement. The relations with banks and other statutory departments are also very cordial.



**DATTA SINGLA & Co.**  
Chartered Accountants

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Chandigarh - 160 022 (INDIA)  
Tele : +91-172-2707065, 5086551 / 52  
Fax : +91-172-5019550

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
**DEVINE IMPEX LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **DEVINE IMPEX LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's 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 Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, 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 the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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



### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the State of Affairs of the Company, as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the Profit of the Company, 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 Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by 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 purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it 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 account.
- (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.
- (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

**FOR DATTA SINGLA & CO.  
CHARTERED ACCOUNTANTS  
FIRM REGN. NO. 006185N**

**Sd/-  
APURV BANSAL  
PARTNER  
M. NO. 523484**

**Place : Chandigarh  
Dated : 30.05.2013**

**ANNEXURE TO INDEPENDENT AUDITOR'S REPORT**

**Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" 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 fixed assets on the basis of available information.
- (b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals during the year under review and no material discrepancies were noticed in the said verification.
- (c) During the year, the Company has not disposed off substantial part of its fixed assets.

**2. In respect of its Inventory:**

- (a) Physical verification of inventory has been conducted by the management during the year and in our opinion, the frequency of verification was reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. As explained to us, the discrepancies noticed on physical verification between the physical stocks and the book records were not material and have been properly dealt with in the books of accounts.

**3.**

- (a) i. The Company had granted unsecured loans to its 100% Subsidiary Company, listed in the register maintained under Section 301 of the Companies Act 1956. The yearend balance of such loan was Rs. Nil (Previous year Rs. 239.05 lacs), maximum amount involved during the year was Rs. 239.05 lacs (Previous year Rs. 241.21 lacs).
- ii. In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of such loan were not prima facie prejudicial to the interests of the Company.

- iii. As per information and explanations given to us, payment of the principal amount and interest were regular as the said loan was repayable on demand alongwith interest due thereon.
- b) In our opinion and according to the information and explanations given to us, the Company has not accepted unsecured loans from parties listed in the register maintained under Section 301 of the Companies Act 1956.
- 4 In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of raw materials and plant & machinery, and also for the sale of goods and services. Further, on the basis of our examination of the books and records of the company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- 5 (a) In our opinion and according to the information and explanation given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts and arrangements referred to in point (a) above and exceeding the value of Rs. 5 lakh with any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time except for the purchases of certain items of inventories which are for Company's specialized requirements and similarly for sale of certain goods for the specialized requirements of the buyers and for which suitable alternative sources are not available to obtain comparable quotations. However, on the basis of information and explanations provided, the same appear reasonable.
6. In our opinion and according to the information and explanations given to us, the Company has not invited any deposits from public attracting the provisions of sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- 7 In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- 8 The Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956.

- 9 (a) The Company has been regular in depositing undisputed statutory dues including provident fund, employees' state wealth tax, customs duty, service tax, excise duty, cess and other material statutory dues as applicable with the appropriate authorities in India and has generally been regular in depositing undisputed statutory dues including tax deducted at source with the appropriate authorities. We are informed that there are no undisputed statutory dues as at the end outstanding for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us and records of the Company examined by us, there are no dues of Income Tax, Service Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty/Cess, which are outstanding as at 31st March, 2013, and have not been deposited on account of any dispute, which are outstanding for a period exceeding six months from the date they became payable.
- 10 The Company does not have accumulated losses as at 31st March 2013 and it has not incurred cash losses during the current financial year or in the immediately preceding financial year.
- 11 According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- 12 The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13 The Company is not a chit fund or a nidhi or a mutual benefit fund/society. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the company.
- 14 The Company is dealing and trading in shares, securities, debentures and other investments and has maintained proper records of sale and purchase of securities, shares, debentures and investment. The investments are held by the company in its own name except to the extent exempted under section 49 of the Act.
- 15 In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- 16 In our opinion and according to the information and explanations given to us, on an overall basis, the company has not availed of any term loan and hence there is no

requirement for compliance of term loans having been applied for the purposes for which they were obtained.

- 17 According to the information and explanation given to us and based on overall examination of the balance sheet and cash flow statement of the Company, we report that no funds raised on short-term basis have been used for long term investment other than temporary deployment pending application.
- 18 The Company has not made any preferential allotment of shares during the year to parties and companies covered in the Register maintained under section 301 of the Act.
- 19 The Company has not issued any debentures during the year and there are no debentures outstanding as at the year end.
- 20 The Company has not raised any money by way of public issue during the year.
- 21 During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the management.

**FOR DATTA SINGLA & CO.  
CHARTERED ACCOUNTANTS  
FIRM REGN. NO. 006185N**

**Sd/-  
APURV BANSAL  
PARTNER  
M. NO. 523484**

**Place : Chandigarh  
Dated : 30.05.2013**

(Amount in Rs.)

PARTICULARS	Note No.	AS AT	AS AT
		31.03.2013	31.03.2012
<b>EQUITY AND LIABILITIES</b>			
<b>ShareHolders' Fund</b>			
Share Capital	2.1	96,172,000	52,172,000
Reserves & Surplus	2.2	38,063,776	(4,316,879)
(A)		134,235,776	47,855,121
<b>Non-Current Liabilities</b>			
Long Term Borrowings		-	-
Deferred Tax liabilities (Net)	2.3	7,200	6,400
(B)		7,200	6,400
<b>Current Liabilities</b>			
Short Term Borrowings		-	-
Trade Payables		-	-
Other Current Liabilities	2.4	123,484	249,931
Short Term Provisions	2.5	904,785	313,317
(C)		1,028,269	563,248
<b>EQUITY AND LIABILITIES (A+B+C)</b>		<b>135,271,245</b>	<b>48,424,769</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets :</b>			
Tangible Assets	2.6	131,748	148,321
Non-Current Investments	2.7	39,167,250	16,900,000
Long Term Loans and Advances	2.8	1,470,935	25,027,589
Other Non Current Assets	2.9	174,700	14,700
(D)		40,944,633	42,090,610
<b>Current Assets</b>			
Inventories	2.10	53,157,319	4,942,210
Trade Receivables	2.11	18,707,002	-
Cash and Cash Equivalents	2.12	22,370,598	987,303
Short Term Loans and Advances	2.13	91,693	30,856
Other Current Assets	2.14	-	373,790
E		94,326,812	6,334,159
<b>ASSETS (D+E)</b>		<b>135,271,245</b>	<b>48,424,769</b>
<b>Significant Accounting Policies</b>		1	
<b>Notes on Financial Statements</b>		2	

For Devine Impex Limited

In terms of our report of even date  
For DATTA SINGLA & CO.  
CHARTERED ACCOUNTANTS  
Firm Regn. No. 006185N

Sd/-  
DirectorSd/-  
DirectorSd/-  
(Apurv Bansal)  
Partner  
M. No. 523484Place : Chandigarh  
Dated : 30.05.2013

(Amount in Rs.)

PARTICULARS	Note No.	YEAR ENDED	YEAR ENDED
		31.03.2013	31.03.2012
<b>Income</b>			
Revenue from Operations	2.15	41,124,888	28,489,016
Other Income	2.16	5,507,055	2,156,820
<b>Total Revenue</b>		<b>46,631,943</b>	<b>30,645,836</b>
<b>Expenses</b>			
Purchases of Stock-in-Trade		87,908,539	21,056,159
Changes in Inventories of Finished Goods	2.17	(48,215,109)	6,286,189
Employee Benefits Expense	2.18	62,400	62,400
Finance Cost	2.19	4,581	1,976
Depreciation and Amortisation Expense	2.6 & 2.9	56,573	16,573
Other Expenses	2.20	1,049,197	1,504,642
<b>Total Expenses</b>		<b>40,866,181</b>	<b>28,927,939</b>
<b>Profit Before Tax</b>		<b>5,765,762</b>	<b>1,717,896</b>
<b>Tax Expense :</b>			
Current Tax		1,098,666	528,999
Deferred Tax		800	6,400
MAT Credit Entitlement		(349,388)	-
<b>Profit After Tax transferred to Reserves &amp; Surplus</b>		<b>5,015,684</b>	<b>1,182,497</b>
<b>Earnings Per Equity Share :</b>			
Basic		0.63	0.23
Diluted		0.63	0.23
<b>Significant Accounting Policies</b>	1		
<b>Notes on Financial Statements</b>	2		

For Devine Impex Limited

In terms of our report of even date  
For DATTA SINGLA & CO.  
**CHARTERED ACCOUNTANTS**  
Firm Regn. No. 006185N

Sd/-  
DirectorSd/-  
DirectorSd/-  
(Apurv Bansal)  
Partner  
M. No. 523484Place : Chandigarh  
Dated : 30.05.2013

(Amount in Rs.)

	YEAR ENDED 31.03.2013	YEAR ENDED 31.03.2012
<b>Cash flow from operating activities:</b>		
<b>A. Profit For The Year Before Tax and Prior Period Items</b>	5,765,762	1,717,895
Adjustments for :		
Depreciation and Amortisation	56,573	16,573
Non Operating Income	(1,938,805)	(2,156,820)
Loss /(Profit) on Sale of Investments	(3,568,250)	740,015
<b>Operating Profit Before Prior Period Items And Working Capital Changes</b>	<b>315,280</b>	<b>317,663</b>
Adjustment For Prior Period Income/(Expense)	(35,029)	-
<b>Operating Profit Before Working Capital Changes</b>	<b>280,251</b>	<b>317,663</b>
Adjustments for:		
(Increase)/Decrease in Current Assets	(66,609,158)	6,414,970
Increase/(Decrease) in Current Liabilities	(126,447)	88,771
<b>Cash Generated From Operations</b>	<b>(66,455,354)</b>	<b>6,821,404</b>
Income Tax Paid	507,198	215,682
<b>Net Cash From Operating Activities</b>	<b>(66,962,552)</b>	<b>6,605,722</b>
<b>B. Cash Flow From Investing Activities:</b>		
Purchase Of Fixed Assets/ Capital Work-In-Progress	-	(150,000)
Purchase of Investments	(40,699,000)	-
Sale of Investments	22,000,000	746,600
Non Operating Income	1,938,805	2,156,820
Long Term Loans and Advances	23,906,042	(8,941,936)
<b>Net Cash (Used)/Generated in Investing Activities</b>	<b>7,145,847</b>	<b>(6,188,516)</b>
<b>C. Cash Flow From Financing Activities:</b>		
Proceeds(repayment) Of Share Capital & Securities premium	81,400,000	-
Preliminary Expenses Incurred	(200,000)	-
<b>Net Cash (Used)/Generated In Financing Activities</b>	<b>81,200,000</b>	<b>-</b>
<b>Net Increase/(Decrease) in Cash And Cash Equivalents (A) + (B) + (C)</b>	<b>21,383,295</b>	<b>417,206</b>
<b>Opening Cash And Cash Equivalents</b>	<b>987,303</b>	<b>570,097</b>
<b>Closing Cash And Cash Equivalents</b>	<b>22,370,598</b>	<b>987,303</b>

For Devine Impex Limited

In terms of our report of even date  
For **DATTA SINGLA & CO.**  
**CHARTERED ACCOUNTANTS**  
Firm Regn. No. 006185N

Sd/-  
Director

Sd/-  
Director

Sd/-  
(Apurv Bansal)  
Partner  
M. No. 523484

Place : Chandigarh  
Dated : 30.05.2013



## **DEVINE IMPEX LIMITED**

### **SIGNIFICANT ACCOUNTING POLICIES**

#### **1.1 BASIS OF PREPARATION OF ACCOUNTS**

- (a) The financial statements have been prepared and presented to comply with the historical cost conventions in accordance with the Indian Generally Accepted Accounting Principles (GAAP), mandatory Accounting Standards referred to in the Companies (Accounting Standards ) Rule, 2006 issued by the Central Government in exercise the power conferred under sub-section (1) (a) of section 642 read with sub section (3C) of section 211 and sub section (1) of section 210A to the extent applicable and the provisions of The Companies Act, 1956 and on the basis of going concern.
- (b) All the incomes & expenditures are recognized on accrual basis.

#### **1.2 USE OF ESTIMATES**

The preparation of financial statements requires estimates and assumptions to be made that affect 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 results and estimates are recognized in the period in which the results are known/ materialized.

#### **1.3 FIXED ASSETS AND DEPRECIATION**

- (a) Fixed Assets have been stated at original cost, inclusive of inward freight, incidental expenses related to acquisition, financing cost till commencement of commercial production and related pre-operative expenses, less depreciation, while arriving at original cost.
- (b) Depreciation on Fixed Assets has been provided on straight line method as per rates prescribed under Schedule XIV to the Companies Act 1956.

## **1.4 IMPAIRMENT OF ASSETS**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

## **1.5 ACCOUNTING FOR GOVERNMENT GRANTS**

Government Grants related to specific fixed assets are accounted for on receipt basis. Grants received are deducted from the gross value of fixed assets concerned in arriving at their book value.

Grants related to specific expense are booked on accrual basis and deducted from the related expense.

## **1.6 BORROWING COSTS**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the statement of Profit and Loss.

## **1.7 FOREIGN CURRENCY TRANSACTIONS**

- (a) Foreign currency transactions are recorded on initial recognition at the rate prevailing on the date of the transaction.
- (b) Foreign currency monetary items are reported using the closing rate. Exchange differences arising on the settlement of monetary items or on reporting the same at the closing rate as at the balance sheet date are recognized as income or expense in the period in which they arise except in the case of liabilities incurred for the purpose of acquiring the fixed assets from outside India in which such exchange differences are adjusted in the carrying amount of fixed assets.
- (c) The premium or discount arising at the inception of forward exchange contracts is amortised as an expense or income over the life of the contract. Exchange difference on such a contract is recognized in the statement of profit and loss in the reporting period in which the exchange rates change. Profit or Loss arising on cancellation or renewal of such contracts is recognized as income or expense in the period in which such profit or loss arises.

## **1.8 INVENTORIES**

Inventories are valued at cost or market value whichever is lower, as certified by the management.

## **1.9 REVENUE RECOGNITION**

Revenue is recognized to the extent that it can be reliably measured and is probable that the economic benefits will flow to the Company.

Dividend income is recognized as and when the right to receive is established.

## **1.10 INVESTMENTS**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other Investments are classified as Long term Investments. Current Investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are stated at cost, diminution in the value of long term investments is provided only when decline is other than temporary, in the opinion of the management.

## **1.11 ACCOUNTING FOR TAXES ON INCOME**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. Deferred tax assets and liabilities are reviewed at each balance sheet date and are restated to reflect the amount that is reasonably certain to be released/ payable.

## **1.12 LEASES**

Leases, where the lessor retains substantially all the risks and benefits of the ownership of the leased item are classified as operating leases. Lease rentals for assets taken on operating lease are charged to the statement of profit and loss in accordance with Accounting Standard 19 on leases.

### **1.13 EMPLOYEE BENEFITS**

Employee benefits payable fully within twelve months of rendering the service are classified as short term employee benefits and are recognized in the period in which the employee renders the related service.

### **1.14 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

### **1.15 EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

### **1.16 MISCELLANEOUS EXPENDITURE**

Preliminary expenses are written off over a period of 5 years.

**DEVINE IMREX LIMITED**

(Amount in Rs.)

Note No.	PARTICULARS	AS AT 31.03.2013	AS AT 31.03.2012
<b>2.1</b>	<b>SHARE CAPITAL</b>		
	Authorised Equity Share Capital 1,00,00,000 (P.Y. 60,00,000) Equity Shares of Rs.10/- each	100,000,000	60,000,000
		100,000,000	60,000,000
	Issued & Subscribed Share Capital 96,51,400 (P.Y. 52,51,400) Equity Shares of Rs.10/-each	96,514,000	52,514,000
		96,514,000	52,514,000
	Paidup Share Capital 95,32,200 (P.Y. 51,32,200) Equity Shares of Rs.10/-each fully paid up	95,322,000	51,322,000
	Add : Amount paid up on 1,19,200 Shares Forfeited	850,000	850,000
		<b>96,172,000</b>	<b>52,172,000</b>
<b>2.2</b>	<b>RESERVES &amp; SURPLUS</b>		
	<b>Securities Premium :</b>		
	Opening Balance	-	-
	Add: Premium on Shares issued during the Year	37,400,000	-
	<b>Closing Balance</b>	37,400,000	-
	<b>Profit &amp; Loss Account :</b>		
	Opening Balance	(4,316,879)	(5,499,377)
	Add: Profit for the Year transferred from statement of Profit & Loss	5,015,684	1,182,497
		698,805	(4,316,879)
	Less: Prior Period Expenses	35,029	-
	<b>Closing Balance</b>	663,776	(4,316,879)
	<b>Total Carried to Balance Sheet</b>	<b>38,063,776</b>	<b>(4,316,879)</b>

## DEVINE MPREX LIMITED

Note No

## SCHEDULE OF TANGIBLE FIXED ASSETS AT AT 31ST MARCH 2013

2.6

(Amount in Rs.)

PARTICULARS	GROSS BLOCK			DEPRECIATION					NET BLOCK	
	AS AT 31.03.2012	ADDITIONS	SALE	AS AT 31.03.2013	UP TO 31.03.2012	FOR THE YEAR	ADJUSTMENT DURING THE YEAR	UP TO 31.03.2013	AS AT 31.03.2013	AS AT 31.03.2012
Car	150,000	-	-	150,000	14,250	14,250		28,500	121,500	135,750
Furniture & Fixture	20,109	-	-	20,109	17,229	1,273	-	18,502	1,607	2,880
Office Equipment	22,100	-	-	22,100	12,409	1,050	-	13,459	8,641	9,691
Total	192,209	-	-	192,209	43,888	16,573	-	60,461	131,748	148,321
Previous Year's	42,209	150,000	-	192,209	27,315	16,573	-	43,888	148,321	14,894

DEVINE IMPEX LIMITED

(Amount in Rs.)

Note No.	PARTICULARS	AS AT 31.03.2013	AS AT 31.03.2012
2.3	<b>Deferred Tax Liabilities</b>		
	Deferred Tax Liabilities arising on account of : Depreciation	23,373	20,821
		23,373	20,821
	(B) Deferred Tax Assets Arising On Account Of : Unabsorbed Depreciation/Business Loss For Tax Purposes	-	-
	TOTAL	-	-
	NET DEFFERED TAX LIABILITY (ASSETS) (B-A)	23,373	20,821
	Tax Impact on Above	7,200	6,400
2.4	<b>Other Current Liabilities</b>		
	Advances From Customers	100,000	100,000
	Other Payables	23,484	149,931
		<b>123,484</b>	<b>249,931</b>
2.5	<b>Short Term Provisions</b>		
	Provision for Income Tax (Net of Advance Tax & TDS)	904,785	313,317
		<b>904,785</b>	<b>313,317</b>

Note No.	PARTICULARS	AS AT 31.03.2013	AS AT 31.03.2012
<b>2.7</b>	<b>Non Current Investments</b>		
	<b>Trade Investment</b>		
	<b>Quoted</b>		
	Presha Metallurgical Limited - 92,750 Equity shares of Rs.10/- Each fully paid up	31,527,250	-
	<b>Unquoted</b>		
	Tiara Jewels Pvt.-Ltd. - 3,82,000 (P.Y. 8,70,000) equity shares of Rs. 10/- each fully paid up	7,640,000	16,900,000
	(Market value of quoted investment as at 31.3.2013 Rs. 77.21 lacs (Previous Year Nil)	<b>39,167,250</b>	<b>16,900,000</b>
<b>2.8</b>	<b>Long Term Loans and Advances</b>		
	<b>Unsecured, considered good</b>		
	Loans to Related Parties (Subsidiary Company)	-	23,905,244
	MAT Credit Entitlement	349,388	-
	Other Loans & Advances	1,121,547	1,122,345
		<b>1,470,935</b>	<b>25,027,589</b>
<b>2.9</b>	<b>Other Non Current Assets</b>		
	Security Deposits	14,700	14,700
	<b>Miscellaneous Expenditure</b>		
	Opening Balance	-	-
	Add: Incurred During the Year	200,000	-
		200,000	-
	Less : Written off During the Year	40,000	-
	Closing Balance	160,000	-
		<b>174,700</b>	<b>14,700</b>



**DEVINE IREX LIMITED**

(Amount in Rs.)

Note No.	PARTICULARS	AS AT 31.03.2013	AS AT 31.03.2012
2.10	<b>Inventories</b>		
	Stock of Bullion Stock of Shares	12,457,319 40,700,000	4,942,210 -
		<b>53,157,319</b>	<b>4,942,210</b>
2.11	<b>Trade Receivables</b>		
	Unsecured, considered Good - Outstanding for a Period exceeding six months from due date of Payment Others	18,707,002	-
		<b>18,707,002</b>	-
2.12	<b>Cash and Cash Equivalents</b>		
	Balances with Banks Cash in hand	21,882,772 487,826	539,881 447,422
		<b>22,370,598</b>	<b>987,303</b>
2.13	<b>Short Term Loans &amp; Advances</b>		
	Balances With Revenue Authorities	91,693	30,856
		<b>91,693</b>	<b>30,856</b>
2.14	<b>Other Current Assets</b>		
	Income Tax Refund Due Other Recoverables	- -	73,790 300,000
		-	<b>373,790</b>

DEVINEIMPLEX LIMITED

(Amount in Rs.)

Note No.	PARTICULARS	YEAR ENDED 31.03.2013	YEAR ENDED 31.03.2012
2.15	Revenue from Operations		
	Sales of Shares, Stocks & Commodities	41,124,888	28,489,016
		<b>41,124,888</b>	<b>28,489,016</b>
2.16	Other Income		
	Interest income	1,938,805	2,156,820
	Profit on Sale of Investment (net)	3,568,250	-
		<b>5,507,055</b>	<b>2,156,820</b>
2.17	Changes in Inventories of Finished Goods		
	Opening Stock- Stock In Trade(A)	4,942,210	11,228,399
	Closing Stock-Stock In Trade (B)	53,157,319	4,942,210
	(Increase)/Decrease in Stock (A-B)	<b>(48,215,109)</b>	<b>6,286,189</b>
2.18	Employee Benefits Expense		
	Salary and Allowances	62,400	62,400
		<b>62,400</b>	<b>62,400</b>
2.19	Finance Cost		
	Other Borrowing Cost	4,581	1,976
		<b>4,581</b>	<b>1,976</b>

## DEVINE IMRE LIMITED

(Amount in Rs.)

Note No.	PARTICULARS	YEAR ENDED 31.03.2013	YEAR ENDED 31.03.2012
2/20	Other Expenses		
	Auditors Remuneration	22,472	33,708
	Printing & Stationary	42,955	12,600
	Electricity Expenses	18,820	860
	Advertisement Expenses	100,756	135,508
	Miscellaneous Expenses	86,520	5,581
	Rent	158,560	149,600
	Professional Charges	177,228	302,683
	Postage & Courier Charges	27,089	11,000
	Telephone Expenses	2,775	2,788
	Fees & Taxes	412,023	110,300
	Loss on Sale of Investments	-	740,015
	<b>TOTAL</b>	<b>1,049,197</b>	<b>1,504,642</b>

## 2.21 List of shareholders holding more than 5% Share Capital of the Company

Name of the Shareholder	2012-13		2011-12	
	No. of shares held	% of Shares held	No. of shares held	% of Shares held
Jawahar Lal Jain (HUF)	4,81,400	5.05%	4,81,400	9.38%
Jawahar Jain	4,96,186	5.21%	4,96,186	9.67%
Manju Jain	12,50,000	13.11%	12,50,000	24.36%
Rohit Jain	3,95,200	4.15%	3,95,200	7.70%
Neeraj Jain	4,85,200	5.09%	4,85,200	9.45%
Sun & Shine Worldwide Ltd.	7,40,000	7.76%	-	-
Sun Techno Overseas Ltd.	7,40,000	7.76%	-	-
Saral Mining Ltd.	7,40,000	7.76%	-	-
Synergy Cosmetic (Exim) Ltd.	7,40,000	7.76%	-	-
Rotam Commercials Ltd.	7,20,000	7.55%	-	-
Simplex Trading & Agencies Ltd.	7,20,000	7.55%	-	-

Reconciliation of no. of shares outstanding is given below:

Particulars	As At 31.03.2013	As At 31.03.2012
Equity shares at the beginning of the year	5,132,200	5,132,200
Add: Issued during the year	4,400,000*	-
Equity shares at the end of the year	9,532,200	5,132,200

\*During the year, the Company allotted 44 lac equity shares of Rs. 10/- each at a premium of Rs. 8.50 each on conversion of convertible warrants on preferential basis, issued during the year.

## 2.22 a) CONTINGENT LIABILITIES:

S.No.	Particulars	31.03.2013	31.03.2012
i)	Claims against the company not acknowledged as debt	Nil	Nil
ii)	Guarantees	Nil	Nil
iii)	Other money for which the company is contingently liable	Nil	Nil

**b) COMMITMENTS:**

<b>S.No.</b>	<b>Particulars</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
i)	Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	Nil
ii)	Uncalled liability on shares and other investment partly paid	Nil	Nil
iii)	Other commitments	Nil	Nil

**2.23** No provision for employee retirement benefits has been made in the accounts as there are no regular employees during the year.

**2.24 SEGMENT REPORTING**

<b>Primary Segments (business segments) :</b>			
<b>Jewellery and Stock Trading</b>			
		<b>Amount (in Rs.)</b>	
	<b>Particulars</b>	<b>Year Ended 31.03.2013</b>	<b>Year Ended 31.03.2012</b>
<b>A</b>	<b>Segment Revenue</b>		
	<b>Particulars</b>		
	<b>Stock Trading</b>	-	4,720,733
	<b>Jewellery</b>	41,124,888	23,768,283
	<b>Total Revenue</b>	41,124,888	28,489,016

B	<b>Segment Result</b>		
	<b>Particulars</b>		
	Stock Trading	-	(246,811)
	Jewellery	1,431,458	1,393,479
	<b>Total</b>	<b>1,431,458</b>	<b>1,146,668</b>
	<b>Less : Unallocated corporate expenses net of unallocated income</b>	<b>(4,334,304)</b>	<b>(571,229)</b>
	<b>Profit (Loss) Before Tax</b>	<b>5,765,762</b>	<b>1,717,896</b>
	<b>Provision For Income Tax</b>	<b>750,078</b>	<b>535,399</b>
	<b>Profit (Loss) After Tax</b>	<b>5,015,684</b>	<b>1,182,497</b>

C	Other Information	As At 31.03.2013		As At 31.03.2012	
		Segment Assets	Segment Liabilities	Segment Assets	Segment Liabilities
	Particulars				
	Stock Trading	40,700,000	-	-	-
	Jewellery	12,457,319	-	4,942,210	-
	<b>Segment Total</b>	<b>53,157,319</b>	<b>-</b>	<b>4,942,210</b>	<b>-</b>
	<b>Unallocated corporate asstes/liabilities</b>	<b>81,953,926</b>	<b>1,035,469</b>	<b>43,482,559</b>	<b>569,648</b>
	<b>Total</b>	<b>135,111,245</b>	<b>1,035,469</b>	<b>48,424,769</b>	<b>569,648</b>

Particulars	Capital Expenditure	Depreciation & Amortisation	Capital Expenditure	Depreciation & Amortisation
Stock Trading	-	-	-	-
Jewellery	-	-	-	-
Unallocated	-	56,573	-	16,573
<b>Total</b>	-	<b>56,573</b>	-	<b>16,573</b>

Note : There is no secondary segment.

## 2.25 CURRENT ASSETS, LOANS & ADVANCES

In the opinion of the management, the current assets, loans and advances are approximately of the value as stated if realised in the ordinary course of business.

## 2.26 PAYMENT TO AUDITORS

	For the year ended 31.03.2013	For the year ended 31.03.2012
Statutory Audit Fees	Rs. 15,000/-	Rs. 20,000/-
Tax Audit Fees	Rs. 5,000/-	Rs. 10,000/-
Service Tax	Rs. 2,472/-	Rs. 3,708/-

## 2.27 CURRENT LIABILITIES

In the opinion of the management of the Company, there are no micro, small and medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2013. The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of the information available with the Company and have been relied upon by the statutory auditors of the Company.

## 2.28 RELATED PARTY DISCLOSURES

### a) Relationship

#### i) Subsidiary Company

Tiara Jewels Private Limited (till 31.12.2012)

#### ii) Joint Venture & Associates \*

Tiara Jewels Private Limited (w.e.f. 01.01.2013)

#### iii) Key Management Personnel

Sh. Jawahar Lal Jain

Sh. Neeraj Jain

Sh. Rohit Jain

Smt. Manju Jain

Sh. Parvesh Kumar Oberoi

Sh. Vinay Kumar Sharma

#### iv) Relatives of Key Management Personnel \*

None

#### v) Entities of Key Management Personnel \*

Jawahar Lal Jain (HUF)

\* With whom the Company had transactions during the year.

### b) Transactions with Related Parties

(Rs. in lacs)

Particulars	Subsidiary Company	Joint Venture & Associates	Key Management Personnel	Relatives of Key Management Personnel	Entities of Key Management Personnel
Loans and Advances received back	239.05	-	-	-	-
Interest Income(Gross)	19.39	-	-	-	-
Rent	-	-	0.53	-	0.07
Sales during the year	160.21	226.86	-	-	-
Sale Proceeds of Investment	-	-	-	-	195.20



## 2.29 EARNINGS PER SHARE

Basic earnings per equity share has been computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the period.

Diluted earnings per equity share have been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

S.No.	Particulars	Unit	Year ended 31.03.2013	Year ended 31.03.2012
a.	Profit after tax (before previous year adjustments)	Rs.	5,015,684	1,182,497
b.	Number of equity shares used in computing basic earnings per share	No.	79,04,803	51,32,200
c.	Basic Earnings per Share (a/b)	Rs.	0.63	0.23
d.	Effect of potential equity shares for preferential allotment	Rs.	Nil	Nil
e.	Weighted average of number of equity shares used in computing diluted earnings per share (b+d)	No.	79,04,803	51,32,200
f.	Diluted Earning per Share (a/e)	Rs.	0.63	0.23
g.	Effect of potential equity shares for preferential allotment (c-f)	Rs.	Nil	Nil

### 2.30 EXPENDITURE IN FOREIGN CURRENCY

	Particulars	2012-2013	2011-2012
(a)	<b>CIF Value of Imports</b>		
1.	Trading Purchase	-	-
2.	Capital Goods and Stores & Spares	-	-
(b)	<b>Expenditure in Foreign Currency - NIL</b>		
(c)	<b>Remittances in Foreign Currency</b>		
1.	Trading Purchase	-	-
2.	Capital Goods	-	-
(d)	<b>Earnings in Foreign Currency- NIL</b>		

### 2.31 INCOME TAX

#### Current Tax

Provision for Income tax has been made as per Income-tax Act, 1961.

#### Deferred Tax

In compliance with Accounting Standard (AS-22) relating to "Accounting for Taxes on Income" issued under Companies (Accounting standards) Rule 2006, as amended upto date , the Company has provided Deferred Tax Liability accruing during the year aggregating to Rs. 800/- (Previous Year Figure Rs 6,400/-) and it has been recognized in the Statement of Profit & Loss. In accordance with clause 29 of Accounting Standard (AS 22) Deferred Tax Assets and Deferred Tax Liabilities have been set off.

### 2.32 LEASES

Operating leases are mainly in the nature of lease of office premises with no restrictions and are renewable/ cancellable at mutual consent. There are no restrictions imposed by lease arrangements. There are no sub leases.

Lease payments recognized in the statement of profit and loss are Rs. 1,58,560/- (Previous Year Figure Rs.1,49,600/-).

2.33 The shareholding of Company in Tiara Jewels Pvt. Ltd. has reduced from 100% to 43.91% and hence Tiara Jewels Pvt. Ltd has ceased to be a Subsidiary of the company and has become an Associate w.e.f. 01.01.2013.

2.34 The Company has re-grouped/reclassified previous year's figures to conform to current year's classification. Paise have been rounded off to nearest rupee.

**FOR DEVINE IMPEX LIMITED**

**As per our report of even date  
FOR DATTA SINGLA & CO.  
CHARTERED ACCOUNTANTS  
FIRM REGN. NO. 006185N**

**Sd/-  
DIRECTOR**

**Sd/-  
DIRECTOR**

**Sd/-  
APURV BANSAL  
PARTNER  
M. NO. 523484**

**PLACE: CHANDIGARH  
DATE: 30.05.2013.**

# DEVINE IMPEX LIMITED

**Registered Office:** SCF 103, Chamber No 7, Level 1, Phase 11, SAS Nagar, Mohali, Pb.

(In case of Member is unable to be present in person at the Meeting this form may be used)

## PROXY FORM

I/We \_\_\_\_\_ of \_\_\_\_\_ being a member/members of Devine Impex Limited hereby appoint Mr./Mrs./Miss \_\_\_\_\_ of \_\_\_\_\_ or failing him/her, Mr./Mrs./Miss \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to attend and to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at registered office on 30.09.2013 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013  
Folio/ Client I.D. No \_\_\_\_\_

Affix Rupee one Revenue Stamp
---

Signature.....

### Notes:

1. The proxy must be deposited at the Regd. Office of the Company at SCF 103, Chamber no 7, Level 1, Phase 11, SAS Nagar, Mohali, Punjab, atleast 48 hours before the time for holding the Meeting.
2. A proxy need not to be a member of the Company.

**DEVINE IMPEX LIMITED**

**Registered Office:** SCF 103, Chamber No 7, Level 1, Phase 11, SAS Nagar, Mohali, Pb.

**ATTENDANCE SLIP**

To be handed over at the entrance of the Meeting Hall

Name of the attending Member  
(IN BLOCK LETTERS)

Folio/Client I.D. No. ....

No. of Shares.....

Name of the Proxy ( IN BLOCK LETTERS)

[To be filled in if the Proxy attends instead of the Member(s)]

I hereby record my presence at the Annual General Meeting at Regd Office at SCF 103, Chamber 7, Level 1, SAS Nagar, Mohali, Punjab.

Member's/ Proxy's Signature  
(to be signed at the time of handling over this slip )

NOTE: The copy of the Annual Report may please be brought to the Meeting Hall.

For Office Use :