

13TH ANNUAL GENERAL MEETING

ANNUAL REPORT

Venue : Hotel Amaltas
G T Road
Near Jalandhar Bye Pass
Ludhiana

Date/ Day : Thursday
31st July 2008

Time : 11: 00 A.M



DEVINE IMPEX LIMITED

Regd. Office : 2nd Floor, Nego Complex
Pakhawal Road, Ludhiana



DEVINE IMPEX LTD.
Regd. Office :2nd Floor,
Nego Complex,
Pakhawal Road,
Ludhiana.

BOARD OF DIRECTORS:

Shri Nagesh Chander Aggarwal	Director
Shri Sanjeev Gupta	Director
Shri Mohit Goyal	Director
Shri Yashu D Bansal	Director
Shri Ashwani Gulati	Director

BANKERS:

Bank of Baroda
Nego Complex,
Pakhawal Road,
Ludhiana

Punjab National Bank
Bhai Randhir Singh Nagar
Ludhiana

STATUTORY AUDITORS:

M/s A K Bhandari & Co.
Chartered Accountants
Gill Road, Ludhiana

REGISTRAR & SHARE TRANSFER AGENT:

Intimate Spectrum Registry
A 31, 3rd Floor, Nariana
Industrial Area, Phase I
Near P V R, Nariana
New Delhi

INVESTOR GRIEVANCE:

Shri Nagesh Aggarwal
Compliance Officer,
Nego Complex,
Pakhawal Road,
Ludhiana.



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Ludhiana.

NOTICE

Notice is hereby given that the THIRTEENTH Annual General Meeting of the members of **DEVINE IMPEX LIMITED** will be held on THURSDAY 31st Day of July, 2008 at 11.00 a.m. at Hotel Amaltas, G.T Road, Near Jalandhar Bye Pass, Ludhiana to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on March 31, 2008 and Profit & Loss Account for the year ended March 31, 2008 along with the Directors' and Auditors' reports thereon.
2. To appoint auditors of the Company, who retire at the conclusion of this Annual General Meeting, for a further period of one-year i.e. till the conclusion of next Annual General Meeting and fixed their remuneration.
3. To appoint a director in place of Mr. Nagesh Aggarwal who retire by rotation and eligible for re – appointment.
4. To appoint a director in place of Mr. Mohit Goyal who retire by rotation and eligible for re – appointment.

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
2. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. Members are requested to notify immediately any change in their registered address to the Company.
4. Members are requested to bring their copy of the Annual Report.
5. Members are requested to bring the attendance slip duly filed in the attending the meeting.
6. Queries, if any, on annual accounts must reach the registered office of the company at least 7 days before the date of Annual General Meeting.
7. Members are requested to quote ledger folio numbers in all correspondence with the Company
8. The Register of Members and Share Transfer Books of Company will remain closed from 25th July 2008 to 31st July 2008 (Both Days inclusive)

Place : Ludhiana
Dated : 28th June 2008

By order of the Board

--Sd/--
(Nagesh Aggarwal)
Chairman



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DIRFECTOR'S REPORT

The Directors have the pleasure of presenting the Thirteenth Annual Report and Audited Accounts of your Company for the year ended 31st March 2008

FINANCIAL PERFORMANCE

In 2007-08 your company has achieved turnover i.e 662.45 Lac which is lower from last year. During the year your company has not transacted imported raw wool which affected the turnover of the company.

Particulars	(Rupees in Lac)	
	2007-08	2006-07
Turnover	662.45	686.10
Other Income	5.36	4.40
Total Revenue	667.81	690.50
Cost of Goods Sold	656.60	668.40
Gross Margin	11.21	22.10
Salary & Other Operating Expenses	7.35	17.72
Interest	1.30	0.97
Depreciation W/o	1.96	1.52
Profit before Tax	0.60	1.89
Provision for Tax	0.48	0.53
Profit after Tax	0.12	1.36
Earning Per Share (Rs./Share)	0.002	0.03

LOOKING FORWARD

Your director feels pleasure to announce that Company's shares being traded on BSE floor in from the last year. As being diversified in the segment of import of yarn has not given expected profit, so the management has not transacted in yarn during last year. Please refer Management Discussion & Analysis Report for detail.

DIVIDEND

Keeping in view the funds requirement for the expansion of the new trading unit of cloth, the Directors do not recommend any dividend for the year ending 31st March 2008

DEPOSITS

During the year, your company did not accept any deposits from the public under Section 58A of the Companies Act, 1956.

MANAGEMENT DISCUSSION AND ANALYSIS

The Annual Report also contains a separate section on the Management Discussion and Analysis, which is a part of the Director's Report.



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HUMAN RELATIONS

In the year under review, your Company continued to enjoy cordial relations among all its employees. In an effort to form its own world class Management cadre, the Company recruited executives at various levels, including various senior management positions, during the year.

STATUTORY INFORMATION

A) Conservation of Energy

Your company not being a manufacturing company, the provision relating to measurers for conservation of energy and reduction of energy consumption are not applicable.

B) Technology Absorption

No comment is being made on technology absorption considering the nature of activities undertaken by your company during the period under review.

C) Foreign Exchange Earning/ Outgo

(In Rs.)

	2007 - 08	2006 - 07
Earning (FOB Value of Exports, commission earned)	NIL	NIL
Outgo Go (CIF value of imports and expenditure in foreign currency)	NIL	28, 28,763

D) Employee Particulars

During the year, No employee drawn remuneration exceeding the limit laid down under the provision of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975.

CORPORATE GOVERNANCE

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, the Report on Corporate Governance, together with Auditor's Certificate regarding Compliance of the SEBI Code of Corporate Governance, is annexed herewith

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Companies Act 1956, the Directors hereby confirm:-

That your Company had followed the applicable accounting standards along with proper explanations relating to material departures in the preparation of annual accounts.

that your Company had selected such accounting policies and applied them consistency and made judgment 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 financial year and of the profit or loss account of the Company for that period.

that your Company had taken proper and sufficient care for the maintains of adequate accounting record, in accordance with the provisions of the Companies Act, for safeguarding the assets of your



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Company and for preventing and detecting fraud and other irregularities; and that the accounts of your Company have been prepared on a going-concern basis.

AUDITOR'S REPORT

The entire items on which the Auditors have commented on their report are self explanatory.

DIRECTORATE

In accordance with the provisions of the Companies Act, 1956 and the Article of Association of the Company, Sh. Nagesh Aggarwal & Sh. Mohit Goyal, Directors of Company retires by rotation and being eligible, offer themselves for re – appointment.

ACKNOWLEDGEMENT

The Board expresses its deep gratitude and thanks to the clients, bankers, associates and shareholders for their valuable contribution toward the progress of the company. Your Directors particularly wish to place on record their sincere appreciation of the best efforts put in by the employees at all levels, but for which, the company could not have achieved what have achieved what it did during the year under review.

Place: Ludhiana
Dated: 28th June 2008

For and on the behalf of the Board

–Sd/--
(Nagesh Aggarwal)
Chairman



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MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Developments:

During the year recession and inflation affected the import and export market, which could not perform well. But the global textile industry is undergoing growth, restructuring and relocation in the wake of dismantling of restrictions on the movement of textile products across the world. The industry is growing at a rapid pace in countries like China, India, Pakistan, Bangladesh, Sri Lanka and East European countries. On the other segment Stock Market can offer higher returns than any other class of investment but the risk is very high as there is no guarantee of returns. During the year stock market under review has gone through up's and down but remain bullish mode.

Future Outlook

The fundamental growth drivers remain strong. There would be growing opportunities in the international market and domestic market. Besides the growth opportunities in the world market consequent to opening of the world trade in 2005, there exists immense opportunities due to increased consumption that is expected to take place due to growing income. So consumption of fine raw wool will be increased in India. We try to make more negotiation with other companies in Australia and in European countries for procurement of yarn and other side looking prospective manufacture in India.

It has been our continuous endeavor that we diversify the products so that the company can offer to the buyer more and more value added products.

Business review Segment Performance

As you know now your Company was operated two segments i.e Stock & Shares & Textile. But due to inflation and international recession the company could not transact in imported raw wool. The Performance of different segment as follow:

Division	Turnover (In Lacs)	Percentage
Textile	Nil	Nil
Stock & Shares	662.45	100
Total	662.45	100

So there is no separate report on Segment attached.

Management of Risk

With respect to export business you are aware that the Government has not continued any provisions for tax free status for export profits under Income Tax.

The year was not financially good as the Government could not control the inflation which affects the business of the company. Further the deduction of export profits available U/s 80HHC of the Income Tax Act has passed into history from A.Y. 2005-06 on account of non pronouncement of extension of dates in the Finance Bill passed by the Parliament. Consequently the company will not be benefited and their entire profits will now be subject to tax.



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The Management Discussions and Analysis explaining the objectives of the Company, the opportunities and concern, the outlook for the future, the risks and concerns have to be read with the meaning of relevant applicable laws and regulations. The actual physical performance may differ materially from those explained hereinabove.

Internal Control and their Adequacy

The Company has a proper and adequate internal control system commensurate with its size and operations to ensure that all its assets are safeguarded and protected against losses.

The internal control system and its adequacy thereof is constantly reviewed by the Audit Committee

Financial Operational Performance

Please refer Director Report for Financial Performance.

Material Development in Human Resources / Industrial Relations

The Company believes that people are the key ingredient to the success of an organization. Looking after people makes food business sense because, if people are motivated, service excellence will follow. The Company recognizes the importance and contribution of its Human resources for its growth and development and is committed to the development of its people.

Cautionary Statement

Statement in the management's Discussion and Analysis describing the Company's projections, estimates, expectation or predictions may be forward looking predication with in the meaning of applicable securities laws and regulations. These forward looking statements are based on certain assumption and expectations are accurate or will be realized. Actual results may differ materially from such estimated, projections, etc. whether expressed or implied.



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CORPORATE GOVERNANCE'S REPORT

This Report on Corporate Governance forms part of the Annual Report. Corporate Governance refers to a combination of laws, regulations, procedures, implicit rules and good corporate practices which ensure that a Company meets its obligations to optimize shareholders' value and fulfill its responsibilities to the community, customers, employees, Government and other segments of society. Your Company is committed on adopting the best practices of Corporate Governance as manifested in the Company's functioning to achieve the business excellence by enhancing long-term shareholders' value. Efficient conduct of the business of the Company through commitment to transparency and business ethics in discharging its corporate responsibilities are hall marks of the best practices followed by the Company. This report on Corporate Governance, besides being in compliance of the mandatory Listing Agreement, gives an insight into the functioning of the Company.

A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy on Corporate Governance envisages attainment of the highest levels of transparency, accountability and equity in all facets of its operations and in all its interactions with its stakeholders including shareholders, employees, lenders and the Government. The Company is committed to achieve and maintain the highest standards of Corporate Governance. The Company believes that all its actions must serve the underlying goal of enhancing overall shareholder value over a sustained period of time.

BOARD OF DIRECTORS

The Board of Director optimal combination of Executive, Non Executive and Independent Directors The Board of Directors comprises of five directors, One Promoter Director and other four are non executive independent Directors. The composition and category of Directors is as per the table given below

The Company holds minimum of four Board Meetings in each years, which are pre scheduled after the end of each financial quarter. Additional Board Meeting is convened by giving appropriate notice at any time to address the specific need of company. The meetings are usually held at the Company's registered Office in Ludhiana. The agenda papers are finalized by the chairman of Board. These are then circulated to the Directors in advance.

The Members of the Board have access to all the information relating to the Company and are free to suggest/ recommend any matter for the efficient governance of Company.

The person in charge records the minutes of the proceeding of each Board and Committee Meetings; Draft minutes are circulated to all the members of the board for their comments. The minutes of proceedings of a meeting are entered in the Minutes Book within 30 days from the conclusion of the meeting.

During the Financial year 2007-08, 5 meetings of Board were held. The Composition of the Board of Directors, their attendance at the Board Meeting held during the year and also the number of other directorships held by them given below:



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Name	Designation	Category	Directorship in other Public Company	Committee Membership in other Public Company	No. of Board Meetings		Whether attended last AGM
					Held	Attended	
Nagesh Aggarwal	Director	Executive	1	No	5	5	Yes
Vijay K Gupta	Director	Independent & Non Executive	Nil	No	5	4	Yes
Mohit Goyal	Director	Independent & Non Executive	Nil	No	5	5	Yes
Yashu D Bansal	Director	Independent & Non Executive	Nil	No	5	5	Yes
Ashawani Gulati	Director	Independent & Non Executive	Nil	No	5	5	Yes

Some of the items discussed at the Board meetings are listed below:

- Annual Business Plan.
- Investments.
- Review of operations of Company.
- Status of independence of directors.
- Delisting of the equity shares of the Company from The Delhi Stock Exchange Association Ltd and The Ludhiana Stock Exchange Association Ltd.
- Revocation of Suspension of Share from The Bombay Stock Exchange Limited.
- Quarterly/ half yearly / annual financial results and dividend.

Notes:

- During the year under review there was no transaction of the Company with any of the Non Executive Directors.
- None of Director of your Company is a member of more than 10 committees or is the Chairman of more than five Committees across all the Public Companies in which they are Directors.
- None of Directors has any Business relationship with the Company.

AUDIT COMMITTEE

Term of Reference

The role, term of reference and the authority and power of the Committee are in the conformity with the requirement of the Companies Act, 1956 and the Listing Agreement. The essential function of the Audit Committee includes review of the systems and procedures, overseeing the functioning of internal audit, the effectiveness of controls and regulatory compliance. It also review Company's financial reporting process, disclosure of financial information, and observation of auditors and recommends the appointment of



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statutory auditors, their fees and reviews with management annual financial statement before submission to the Board. The audit committee focused its attention on topics, such as:

- Review of annual revenue and capital budgets
- Annual internal audit plan
- Cost audit
- Legal compliance reporting system
- Related party transactions of a material nature
- Investment and provisioning guidelines
- Presentation of consolidated financial
- Statement and segment-wise reporting
- Review of internal control systems
- Audit methodology and process
- Major accounting policies and practices
- Compliance with accounting standards, and
- Risk management.

Constitution and composition

The Audit Committee comprises of two independent Non Executive Directors and One Executive Director. The company has been reviewing and making appropriate changes in the composition and working of the committee from time to time to bring about greater effectiveness and to comply with various requirements under the Companies Act, 1956 as well as Clause 49 of the listing agreement.

The current audit committee consists of the following directors:

1. Yashu D Bansal, Chairman
2. Nagesh Aggarwal, Member
3. Ashwani Gulati, Member

All members of the audit committee "financially literate". Yashu D Bansal has a strong financial and accounting background and can be considered as having accounting or related financial management expertise.

Meetings and Attendance during the Year

Director	No of Audit Committee's Meeting		
	Held	Attended	Percontange
Nagesh Aggarwal	4	3	75
Yashu D Bansal	4	4	100
Ashwani Gulati	4	4	100

REMUNERATION COMMITTEE

The Board of Directors of the Company has constituted a Remuneration Committee, comprising of Three members consist of Shri. Nagesh Aggarwal, Shri Mohit Goyal & Shri Sanjeev Gupta

The Remuneration Committee has been formed to determine and approve the remuneration payable to directors.



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The Company does not pay any remuneration / sitting fees in cash or in kind to any of its executive and non executive directors as the respective directors have waived their sitting fee.

SHAREHOLDERS/ INVESTOR GRIEVENCE COMMITTEE

Term of Reference

The Company has a Share Transfer/ Investor Grievance Committee consisting of three members Shri. Sanjeev Gupta is the Chairman of Committee.

This Committee meets to approve transfer of shares. The Share certificate submitted for dematerialization is also approved by the Committee. The Committee looks into redressing of shareholders complaints with respect to all matters connected with the Securities, transfers, issue of certificates after split/consolidation/ renewal as also request for transmission of Shares, The non receipt of Balance Sheet. The company in conformity with the requirement of SEBI Circular No. D & CC/ FITTC/ CIR – 15/2002 Dated 27.12.2002 regarding appointment of common agency for share registry work.

Composition

The Board has constituted a shareholder/ investor Grievance Committee, comprising of two independent non executive directors and one promoter director. The Chairman of the Committee is Mr. Sanjeev Gupta and its other members are Mr. Mohit Goyal & Mr. Nagesh Aggarwal.

The Nagesh Aggarwal is the Compliance Officer.

SHAREHOLDER'S MEETING

Year	Date	Venue	Time
2004 – 05	30.09.2005	Hotel Amaltas, G. T Road, Near Jalandhar Bye – Pass, Ludhiana	09.30.A.M
2005 – 06	31.07.2006	Hotel Amaltas, G. T Road, Near Jalandhar Bye – Pass, Ludhiana	11.00.A.M
2006 – 07	31.08.2007	Hotel Amaltas, G. T Road, Near Jalandhar Bye – Pass, Ludhiana	11.00.A.M

There is no special resolution were put through postal ballot last year, details of voting pattern, person who conducted the postal ballot exercise proposed to be conducted through postal ballot and procedures for postal ballot.

DISCLOSURES

Disclosure on materially significant related party transaction i.e transaction of the Company of material nature, with its founders, the Directors or the management, their relative etc. that may have potential conflict with the interests of Company at large.



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The Company has related party transactions that may have not have any potential conflict with the interest of the Company at large. Details are provided in note 8 under Schedule to the Notes of forming part of the Accounts.

No penalty have been imposed on the company by Stock Exchange, SEBI or by any other statutory authority on any matter related of the Compliance of Capital Market Regulations during the period under review

MEANS OF COMMUNICATION

The Company Communication with the shareholder at large through its annual report, publication of financial results and press releases in leading vernacular language newspapers.

The Board of Directors of the Company approves and takes on record the quarterly unaudited financial results in the Performa prescribed by the Stock Exchanges with in the one month of the close of the quarter.

Quarterly results are taken on record by the Board of Directors and submitted to the Stock Exchanges in terms of requirement of Clause 41 of the Listing Agreement.

Quarterly results are normally published in local newspaper.

Half yearly results are not sent to each household of shareholders.

Separate Report is attached for Management Discussion and Analysis Report.

GENERAL SHAREHOLDERS INFORMATION

Date, Time and Venue of The Annual General Meeting:

31st July 2008 at 11:00 A.M
Hotel Amaltas, G T Road,
Jalandhar Bye Pass, Ludhiana

Financial Calendar (Tentative Calendar for the financial year 2006 – 07)

Adoption of Results for the quarter ending 30 th June 2007	: July 2006
Adoption of Results for the quarter ending 30 th September 2007	: Oct. 2006
Adoption of Results for the quarter ending 31 st December 2007	: Jan. 2007
Adoption of Results for the quarter ending 31 st March 2008	: April 2007

Exchange Listed at:

The Company's Shares are listed on following Stock Exchanges:

The Mumbai Stock Exchange Association Limited.
The Delhi Stock Exchange Association Limited.
The Ludhiana Stock Exchange Association Limited.

The Company has started the process of delisting from The Delhi Stock Exchange Association Limited & The Ludhiana Stock Exchange Association Limited.



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Stock Code:

The Bombay Stock Exchange : 531595
DMAT ISIN No. In NSDL INE455C01014

Date of Book Closure:

From Friday 25th July 2008 to Thursday 31st July 2008 (Both days Inclusive)

Market Price Data:

Month	Open Price	High Price	Low Price	Close Price
April 2007	1.05	1.05	1.05	1.05
May 2007	1.10	2.62	1.10	2.62
June 2007	2.75	3.48	2.75	3.48
July 2007	3.65	5.37	3.65	5.37
August 2007	5.63	11.61	5.63	11.61
September 2007	12.19	14.60	9.40	9.40
October 2007	9.20	13.95	8.32	12.90
November 2007	13.25	13.75	11.30	13.12
December 2007	12.90	15.65	10.35	15.65
January 2008	16.40	21.00	16.20	16.90
February 2008	16.10	17.55	12.40	13.00
March 2008	13.00	13.60	11.85	13.55

Distribution of Shareholding as at March 31st, 2008

Category	No. Of Shares	% holding
A. Promoters' holding		
1. Promoters		
- Indian Promoters	27,23,300	51.86
- Foreign Promoters	2,900	0.06
2. Person acting in concert	Nil	Nil
Sub Total	27,26,200	51.91
B. Non – Promoters' holding		
3. Institutional Investor		
a. Mutual Fund and UTI	62,200	1.18
b. Banks, Financial Institutions, Insurance Companies (Central/State Government Institutions / Non Government Institutions)	Nil	Nil
c. FIIs	Nil	Nil
Sub Total	62,200	1.18
4. Others		
a. Private Corporate Bodies	50,216	0.96
b. Indian Public	24,11,984	45.94
c. NRI / OCBs	800	0.01
d. Any Other	Nil	Nil
Sub Total	24,63,000	46.91
Grand Total	52,51,400	100.00



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Dematerialisation of Shares:

The shares of Company are compulsorily traded in dematerialised form by all categories of investor's w.e.f 26th February 2001. About 349600 shares (6.65%) of the Company have been dematerialized as on March 31st 2008.

Share Transfer System

The Company's shares are traded in the Stock Exchanges in compulsory *demat mode* w.e.f 26th February 2001. Shares in physical mode are lodged for transferred at Registrar & Share Transfer Agent of the Company (as address given below) are processed and subject to exercise of option under compulsory transfer cum demat procedures. Shares certificate are either dematted or returned within the time prescribed by the authorities.

Registrar & Shares Transfer Agent of the Company:

Intimate Spectrum Registry
A 31, 3rd Floor, Nariana
Industrial Area, Phase I
Near P V R, Nariana
New Delhi

Address for Correspondence

The Shareholders may address their communication / suggestion / grievance / queries to the Registrar and Share Transfer Agent of the Company at their address mentioned below:

The Compliance Officer,
DEVINE IMPEX LIMITED,
"Tarana"
B XIX 171/1
Major Gurdial Singh Road
The Mall
Ludhiana

Registered Office:

DEVINE IMPEX LIMITED,
2nd Floor, Nego Complex,
Pakhawal Road,
Ludhiana – 141001
Tel No. 0161-3012687



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AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To
The Shareholder
Devine Impex Limited

I have examined the compliance of conditions of Corporate Governance by Devine Impex Limited (the Company) for the period ended on March 31, 2008 as stipulated in clause 49 of the Listing Agreement of the Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company, for ensuring the compliance of 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, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

I state that no investor grievance is pending for a period of exceeding one month against the company as per the records maintained by the Shareholders'/Investors' Grievance Committee.

I 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.

Place: Ludhiana
Dated: June 28, 2008

For A K Bhandari & Co.
Chartered Accountants

--Sd/--
A K Bhandari
Prop.



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AUDITORS' REPORT

The Members,
DEVINE IMPEX LIMITED

We have audited the attached Balance Sheet DEVINE IMPEX LIMITED, as at 31st March, 2008 and also the Profit & Loss account for the year ended on that date annexed thereto. These financial statements are the responsibility of Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on test basis, evidence supporting the amount and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditors' Report) Order, 2003 (CARO) issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the annexure referred to above, 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 and Profit & Loss Account referred to in this report are in agreement with the books of account;
- d) in our opinion, the Balance Sheet and Profit & Loss account referred to in this report comply with accounting standards as referred to in section 211(3C) of the Companies Act, 1956;
- e) on the basis of the written representations received from the directors, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes on accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008;
 - ii) in the case of Profit & Loss Account, of the profit for the year ended on that date: and
 - iii) in the case of cash flow statement, of the cash flows for the year ended on that date.

For A K Bhandari & Co.
Chartered Accountants

--Sd/--

A K Bhandari
Prop.

Place: Ludhiana

Dated: June 28, 2008



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**ANNEXURE REFERRED TO IN
PARAGRAPH 3 OF OUR REPORT
OF EVEN DATE TO THE MEMBERS
OF DEVINE IMPEX LIMITED ON THE
ACCOUNTS FOR THE YEAR ENDED
31ST MARCH 2008.**

The Annexure referred to in paragraph 3 of the auditors' report to the members of **DEVINE IMPEX LIMITED** for the year ended 31st March 2008. We report that:

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) As explain to us, the company has a system of physically verification of all the fixed assets every year and, in accordance therewith, the fixed assets have been physically verified during the year. No material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its fixed assets.
 - c) The company has not disposed off any substantial part of its fixed assets, which has any effect on its going concern during the year.
 2. a) As per the information given to us, items of inventory have been physically verified by the management at reasonable intervals.
 - b) According to the information and explanations given to us and in our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) As per our examination, the company is maintaining proper records of inventory and the discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of accounts.
 3. According to the information and explanations given to us, during the year, the Company has not taken or granted any loans, secured or unsecured, from / to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraphs 4 (iii)(b), (c), and (d) of the Companies (Auditor's Report) Order, 2003 (herein after referred to as the Order) are not applicable.
 4. According to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets, and for the sale of goods. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have been informed of any instances of major weaknesses in the aforesaid internal control procedures.
 5. (a) According to the information and explanation given to us, we are of the opinion that during the year the transactions that need to be entered in to register maintained under section 301 of the Companies Act, 1956, have been so entered.



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- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public in contravention of the directives issued by the Reserve Bank of India or the provisions of section 58A and 58AA of the Companies Act, 1956, and the rules framed there under.
7. As explained to us, the Company has an internal audit system commensurate with its size and nature of its business.
8. No cost records have been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956.
9. (a) According to the information and explanation given to us, the company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income tax, Sales-tax, Wealth tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.
- (b) We are informed that there are no undisputed statutory dues as at the year end outstanding for a period of more than six months from the date they become payable.
- (c) According to the information and explanation given to us, there are no dues of sale tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
10. The company does have accumulated losses at the end of the financial year. Further, the Company has not incurred any cash losses during the financial year ended as on 31st March 2008 and in the preceding financial year ended 31st March 2007.
11. In our opinion and according to the information and explanations given to us, the company has not committed any default in repayment of dues to a financial institution, or bank or debenture holder.
12. In our opinion and according to the explanation given to us, the Company has not granted loans and advances during the year on the basis of security by way of pledge of shares, debentures and other securities.
13. Since the Company is not a Chit Fund or Nidhi / Mutual benefit fund/society, paragraph 4(xiii) of the Order is not applicable to the company.
14. In our opinion and according to the explanation given to us, the Company has maintained the proper records of sale & purchase of securities, shares, debenture & investment etc. and all securities are in the name of company itself.
15. According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. The Company has availed term loan facility.



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17. In our opinion and according to the information and explanation given to us, and on an overall examination of the balance sheet of the company, we report that during the year short term funds have not been used to finance long term investments and vice versa.
18. No preferential allotment of shares has been made by the company to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
19. The company has not issued any debentures during the year.
20. The company has not raised money by way of public issue during the year.
21. According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year ended 31st March 2008.

For A K Bhandari & Co.
Chartered Accountants

--Sd/--
A K Bhandari
Prop.
Place: Ludhiana
Dated: June 28, 2008



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 Ludhiana.

BALANCE SHEET AS AT 31ST MARCH 2008

Particulars	Schedule	As at	As at
		31.03.2008	31.03.2007
SOURCE OF FUNDS			
Shareholders' Fund			
Share Capital	1	5,06,10,014.00	4,94,21,474.00
Reserve & Surplus		Nil	Nil
Secured Loan	2	9,78,670.00	12,02,189.00
		<u>5,15,88,684.00</u>	<u>5,06,23,663.00</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	3	22,67,159.00	22,67,159.00
Less : Depreciation		<u>3,88,407.00</u>	<u>1,92,207.00</u>
Net Block		18,78,752.00	20,74,952.00
Investments	4	2,04,57,315.85	1,89,61,815.85
Current Assets, Loan & Advances			
a) Current Assets			
- Inventories		1,88,17,543.75	1,97,52,598.90
- Sundry Debtors	5	12,74,264.45	30,94,744.95
- Cash & Bank Balance	6	13,89,554.90	5,37,393.90
b) Loan & Advances	7	71,34,258.00	78,81,901.00
Less : Current Liabilities & Provisions	8	<u>15,28,036.00</u>	<u>38,56,925.00</u>
Net Current Assets		<u>2,70,87,585.10</u>	<u>2,74,09,713.75</u>
Profit & Loss Account		21,65,031.05	21,77,181.40
		<u>5,15,88,684.00</u>	<u>5,06,23,663.00</u>
Significant Accounting Policies	12		
Notes on Account	13		

(Schedules 1 to 13 annexed here to forming part of the Accounts)

In term of our attached Report of even date
 For A K Bhandari & Co.
 Chartered Accountants

-Sd/-
 A K Bhandari
 Prop.
 Place : Ludhiana
 Date : 28th June 2008

For Devine Impex Limited
 -Sd/-
 Nagesh Aggarwal
 Director
 -Sd/-
 Mohit Goyal
 Director



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PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008

Particulars	Schedule	As at 31.03.2008	As at 31.03.2007
<u>INCOME</u>			
Sales & Other Income	9	6,67,81,744.50	6,90,50,282.00
<u>EXPENDITURE</u>			
Cost of Goods Sold	10	6,56,59,890.15	6,68,40,437.00
Expenses	11	7,34,861.00	17,72,207.20
PBIDT		3,86,993.35	4,37,637.80
Depreciation		1,96,200.00	1,51,907.00
Interest		1,30,313.00	97,049.00
PBT		60,480.35	1,88,681.80
Provision for Taxation		48,330.00	52,821.00
PAT		12,150.35	1,35,860.80
Balance Brought Forward		(21,77,181.40)	(23,13,042.20)
Balance Carried to Balance Sheet		(21,65,031.05)	(21,77,181.40)

(Schedules 1 to 13 annexed here to forming part of the Accounts)

In term of our attached Report of even date
For A K Bhandari & Co.
Chartered Accountants

--Sd/--
A K Bhandari
Prop.

Place: Ludhiana
Date : 28th June 2008

For Devine Impex Limited
--Sd/--
Nagesh Aggarwal
Director
--Sd/--
Mohit Goyal
Director



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SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2008

SCHEDULE '1'

SHARE CAPITAL

Particulars	As at 31.03.2008	As at 31.03.2007
AUTHORISED CAPITAL 60,00,000 Equity Shares of Rs. 10/- each	6,00,00,000.00	6,00,00,000.00
ISSUED, SUBSCRIBED & PAID UP 52,51,400 Equity Shares of Rs. 10/- each Less: Call in Arrears	5,25,14,000.00 19,03,986.00	5,25,14,000.00 30,92,526.00
	<u>5,06,10,014.00</u>	<u>4,94,21,474.00</u>

SCHEDULE '2'

SECURED LOAN

Particulars	As at 31.03.2008	As at 31.03.2007
ICICI Bank Limited	9,78,670.00	12,02,189.00
	<u>9,78,670.00</u>	<u>12,02,189.00</u>

SCHEDULE '3'

FIXED ASSETS

FIXED ASSETS	GROSS BLOCK			DEPRECIATION				DEP. RATE	NET BLOCK	
	As on 01.04.2007	Addn./ Sales	As on 31.03.2008	As on 01.04.2007	For the year	Adjustme nt during the year	Up to 31.03.2008	%	As on 31.03.2008	As on 31.03.2007
Car	22,02,450	Nil	22,02,450	150762	1,94,910	Nil	3,45,672	9.50	18,56,778	2051688
Furniture & Fixture	20,109	Nil	20,109	12,489	476	Nil	12,965	6.23	7,144	7,620
Office Equipment	22,100	Nil	22,100	7,947	672	Nil	8,619	4.75	13,481	14,153
Scooter	22,500	Nil	22,500	21,009	142	Nil	21,151	9.50	1,349	1,491
TOTAL	22,67,159	Nil	22,67,159	1,92,207	1,96,200	Nil	3,88,407		18,78,752	20,74,952
Prev. Year	58,609	22,08,550	22,67,159	40,300	1,51,907	Nil	1,92,207		20,74,952	18,309



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SCHEDULE '4'

INVESTMENTS

Particulars	Quantity	As at	Quantity	As at
		31.03.2008		31.03.2007
Quoted (Valued at Cost)				
Jiwan Flora Limited	2300	32349.85	2300	32349.85
Kaprinas Pharmacutial & Chem Ltd.	1900	61750.00	1900	61750.00
Laxmi Overseas Limited	2900	145000.00	2900	145000.00
Texport Textile Limited	4100	48216.00	4100	48216.00
Kinetic Capital Services Limited	190500	19,05,000.00	190500	19,05,000.00
Regal Enterprises Limited	3500000	3500000.00	3500000	3500000.00
Subh Exim Limited	445000	4450000.00	445000	4450000.00
Unquoted (Valued at Cost)				
Classic International Limited	120000	1200000.00	120000	1200000.00
Wiztex Industries Limited	5000	5,00,000.00	5000	5,00,000.00
Punjab Coal Enterprises Limited	1000	1,00,000.00	1000	1,00,000.00
Amar Deep Motors Limited	Nil	Nil	101000	10,10,000.00
Bhawani Industries	10000	10,02,500.00	10000	10,02,500.00
Kwality Pharmaceuticals	150000	15,37,500.00	150000	15,37,500.00
Amarsons Yarns (P) Limited	Nil	Nil	50000	7,94,500.00
Diamond Disc Private Limited	100000	10,00,000.00	Nil	Nil
Ospin Traders Private Limited	80000	8,00,000.00	Nil	Nil
Oswal Oil Mills Limited	50000	5,00,000.00	Nil	Nil
Kashmir Apparies Private Limited	100000	10,00,000.00	Nil	Nil
Share Application Money				
Devi Power (P) Ltd.		2,75,000.00		2,75,000.00
Prince Fintech (P) Ltd.		4,00,000.00		4,00,000.00
No Exit Clothing (P) Ltd.		20,00,000.00		20,00,000.00
TOTAL		2,04,57,315.85		1,89,61,815.85



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SCHEDULE '5'

SUNDRY DEBTORS

Particulars	As at 31.03.2008	As at 31.03.2007
(UNSECURED BUT CONSIDERED GOOD)		
Debts outstanding over Six months		
Vishal Textile	Nil	24,09,668.00
Other Debts		
Aniket N Aggarwal	12,74,264.45	6,85,076.95
	<u>12,74,264.45</u>	<u>30,94,744.95</u>

SCHEDULE '6'

CASH & BANK BALANCE

Particulars	As at 31.03.2008	As at 31.03.2007
Cash in Hand	12,67,552.57	5,30,092.57
With Scheduled Bank in Current Account		
-Bank of Baroda	22,451.33	4,165.33
-Punjab National Bank	99,551.00	3,136.00
	<u>13,89,554.90</u>	<u>5,37,393.90</u>



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SCHEDULE '7'

LOAN & ADVANCES

Particulars	As at 31.03.2008	As at 31.03.2007
Gaurav Arora	3,23,960.00	3,05,620.00
Om Parkash	1,44,652.00	1,36,464.00
Virender K & Sons (HUF)	42,188.00	39,800.00
Narinder Kumar Tangri	1,19,102.00	1,12,360.00
Sushma Rani	3,57,305.00	3,37,080.00
R Goyal	Nil	2,17,300.00
Punjab Wool Comber	4,48,726.00	13,73,726.00
Gomti Beverages India	9,30,321.00	8,61,408.00
Gomti Paper Conveter	22,04,000.00	20,40,740.00
Hitech Print Lam India	22,81,435.00	21,12,440.00
Sanjiv Khurana	1,27,613.00	1,57,890.00
Vinod Khanna	27,000.00	Nil
SUB TOTAL (A)	70,06,302.00	76,94,828.00
ADVANCES		
Neeraj Aggarwal	51,648.00	Nil
Tax Deducted at Source	23,333.00	23,333.00
Majestic Fincap P Limited	41,000.00	41,000.00
Prepaid Insurance	11,975.00	22,740.00
Cheque in Hand	Nil	1,00,000.00
SUB TOTAL (B)	1,27,956.00	1,87,073.00
GRAND TOTAL (A+B)	71,34,258.00	78,81,901.00



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SCHEDULE '8'

CURRENT LIABILITIES, PAYABLES & PROVISIONS

Particulars	As at 31.03.2008	As at 31.03.2007
CREDITORS		
Puran Chand Prem Chand	Nil	23,42,332.00
SUB TOTAL (A)	Nil	23,42,332.00
PAYABLES		
A k Bhandari & Co.	84,026.00	67,172.00
SPA Merchant Banker	Nil	90,500.00
Advance Against Car	12,21,188.00	10,00,000.00
Nagesh Aggarwal	58,492.00	25,100.00
Dharam Pal	10,000.00	Nil
SUB TOTAL (B)	13,73,706.00	11,82,772.00
PROVISIONS		
DSE Expenses Payable	50,000.00	50,000.00
LSE Expenses Payable	56,000.00	56,000.00
Provision for Taxation	48,330.00	52,821.00
Cheque Issued But Presented	Nil	1,73,000.00
SUB TOTAL (C)	1,54,330.00	3,31,821.00
GRAND TOTAL (A+B+C)	15,28,036.00	38,56,925.00



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SCHEDULE '9'

SALES & OTHER INCOME

Particulars	As at 31.03.2008	As at 31.03.2007
SALES		
Cloth	Nil	68,06,374.00
Shares & Stocks	6,62,45,212.50	6,18,03,650.00
SUB TOTAL	6,62,45,212.50	6,86,10,024.00
OTHER INCOME		
Profit on Sale of Investment	(4,390.00)	11,620.00
Interest Income	5,40,922.00	4,13,624.00
Exchange Gain	Nil	15,014.00
SUB TOTAL	5,36,532.00	4,40,258.00
GRAND TOTAL	6,67,81,744.50	6,90,50,282.00

SCHEDULE '10'

COST OF GOODS SOLD

Particulars	As at 31.03.2008	As at 31.03.2007
OPENING INVENTORIES		
Stock & Shares	1,97,52,598.90	2,02,56,805.15
Add: PURCHASES		
Cloth	Nil	60,82,637.00
Stock & Shares	6,47,24,835.00	6,02,53,593.75
	8,44,77,433.90	8,65,93,035.90
Less : CLOSING INVENTORIES		
Stock & Shares	1,88,17,543.75	1,97,52,598.90
COST OF GOODS SOLD	6,56,59,890.15	6,68,40,437.00



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SCHEDULE '11'

EXPENSES

Particulars	As at 31.03.2008	As at 31.03.2007
Custom Duty	Nil	1,45,812.00
Import Charges	Nil	2,46,521.00
Advertisement Expenses	20,279.00	15,575.00
AGM Expenses	6,550.00	6,200.00
Audit Fee	16,854.00	15,000.00
Bank Charges	4,804.00	38,875.00
Public Issue Expenses w/off	Nil	2,07,228.00
Insurance	55,037.00	54,838.00
Certification Fee	15,000.00	12,000.00
Repair & Maintenance	4,400.00	600.00
Electricity Expenses	24,000.00	14,326.00
Listing Expenses	15,200.00	15,790.00
Printing & Stationary	2,655.00	14,176.00
Rent	30,000.00	20,000.00
Salaries	3,36,000.00	3,00,000.00
Professional Charges	36,000.00	30,000.00
ROC Fee	2,000.00	1,500.00
Demat Expenses	11,300.00	63,400.00
Postage & Courier Charges	1,195.00	4500.00
Vehicle Expenses	34,400.00	38,600.00
Telephone Expenses	5,558.00	4470.20
Data Entry Charges	3,600.00	10,000.00
BSE Reinstatement Fee	Nil	3,60,400.00
Merchant Banker's fee	Nil	1,40,500.00
Finance Charges	Nil	6,850.00
Rebate & Discount	Nil	5046.00
Books & Periodicals	1,235.00	Nil
Income Tax	41,285.00	Nil
Registrar & Transfer Fee	47,500.00	Nil
Software Charges	2,000.00	Nil
Stamp Duty	10,000.00	Nil
Tour & Travel Expenses	8,009.00	Nil
	<hr/>	<hr/>
	7,34,861.00	17,72,207.20



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SCHEDULE '12'

SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION OF ACCOUNTS

The Financial have been prepared on the basis of going concern under the historical cost convention and accrual basis, to comply in all material aspect with the applicable accounting principle in India, the Accounting Standard issued by the Institute of Chartered Accountants of India and the relevant provision of Companies Act, 1956.

INCOME & EXPENDITURE ACCOUNT

All Income and Expenses have been accounted for on accrual basis as informed by the management.

FIXED ASSETS

All Fixed Assets are stated at cost inclusive of legal and / or installation and/ or incidental expenses less depreciation.

Depreciation on Fixed Assets has been provided on straight line method as per rate prescribed under schedule XIV to the Companies Act, 1956 (as amended).

Depreciation is provided on pro-rata basis from the day on which the assets have been put to use.

INVESTMENTS

investment that are readily realizable and intended to be held for not more than a year are classified as current investment. 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.

Profit/Loss on sale of investments is computed with reference to average cost.

INVENTORIES

Inventories are valued at cost or market value whichever is lower (As certified by management).

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.

ACCOUNTING FOR TAXES ON INCOME AND FRINGE BENEFIT TAX

1. The accounting treatment followed for taxes on income is to provide for Current Tax and Deferred Tax. Current Tax is the aggregate amount of income-tax determined to be payable in respect of taxable income for a period. Deferred tax is the tax effect of timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
2. Fringe Benefit Tax is provided on the aggregate amount of fringe benefits determined in accordance with the provisions of the relevant enactment at the specified rate of tax.



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IMPAIRMENT OF ASSETS:

At each balance sheet date an assessment is made whether any indication exists that an asset has been impaired. If any such indication exists, an impairment loss i.e. the amount by which the carrying amount of an asset exceeds its recoverable amount is provided in the books of account.

PROVISION AND CONTINGENT LIABILITIES

- (i) Provisions are recognised for liabilities that can be measured by using a substantial degree of estimation, if:
 - (a) the company has a present obligation as a result of a past event.
 - (b) a probable outflow of resources embodying economic benefits is expected to settle the obligation; and
 - (c) the amount of the obligation can be reliably estimated
- (ii) Contingent liability is disclosed in the case of :
 - (a) a present obligation arising from a past event when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or
 - (b) a possible obligation, unless the probability of outflow in settlement is remote
- (iii) Re-imburement expected in respect of expenditure~ required to settle a provision is recognised only when it is virtually certain that the re-imburement will be received.

FOREIGN CURRENCY CONVERSION:

1. Foreign currency transactions are recorded on initial recognition at the rate prevailing on the date of the transaction. Where export bills are negotiated with the bank, the export sales are recorded at the rate on the date of negotiation as the said rate approximates the actual rate at the date of the transaction. In the case of import the value recorded at the rate on the date of bill of entry as an amount of purchase.
2. 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 recognised as income or expense in the period in which they arise except in case of liabilities incurred for the purpose of acquiring the fixed assets from outside India in which case such exchange differences are adjusted in the carrying amount of fixed assets.
3. 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 recognised 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 recognised as income or expense in the period in which such profit or loss arises.

BORROWING COSTS:

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.



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SCHEDULE '13'

NOTES ON ACCOUNTS

1. Contingent Liabilities: Nil (Previous Year: Nil)
2. The Company had no manufacturing activities during the year (Previous Year: Nil)
3. No Provision for the Gratuity has made in the accounts.
4. The provision for Listing Fee of LSE and DSE has not been provided. As management has been started the process of delisting of scripts from above mentioned exchanges. No provision has been provided in books of account regarding expenses on delisting. Further the old fee of both exchange (i.e The LSE & DSE) still stand payable as on 31 March 2008
5. An agreement of sale of car with Punjab Wool Comber Limited has been entered. But till the agreement is not executed by Punjab Wool Comber. An amount of Rupees 12, 21,188/= has been received against sale of car as interest free advance.
6. The Provision of Income tax has been created of Rupees 10,482/= due to MAT (Minimum Alternate Tax) applicable to Company and Rupees 37,848/= for FBT (Fringe Benefit Tax)
7. **SEGMENTAL REPORTING (AS PER AS 17)**
The Company operates in single business segment, So there is no segmental reporting as required under account standard 17 issued by The Institute of Chartered Accountants of India.
8. **RELATED PARTY DISCLOUSER (AS PER AS 18)**
 - a. List of related parties
 - i. Associates Concern
Classic International Limited
 - ii. Key Management Personnel
Nagesh Aggarwal
 - iii. Relatives of Key Management Personnel
Neeraj Aggarwal
Megha Aggarwal
 - iv. Entities of Relatives of KMP
Aniket N Aggarwal & Co.
Nagesh Aggarwal & Sons (HUF)

- b. Transactions /balances outstanding with Related Parties.

Particulars	Associates	Key	Entities of	Relatives of	Total
	Concern	Management	Relatives of	Key	
	Rs.	Rs.	KMP	Management	
				Personnel	
	Rs.	Rs.		Personnel	Rs.
Reimbursement of expenses					
- Rent	-	-	-	30,000.00	30,000.00
- Electricity	-	-	-	24,000.00	24,000.00
Purchases	-	-	6,47,24,835.00	-	6,47,24,835.00
Sale	-	-	6,62,45,212.50	-	6,62,45,212.50



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Sale of Investment	-	-	18,01,190.00	-	18,01,190.00
Payable at the end of year	-	58,492.00	-	-	58,492.00

9. EARNING PER SHARE (AS PER AS 20)

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 period. The reconciliation between basic and diluted earnings per equity share is as follows:

Particulars	Units	Year ended 31.03.2008
a. Net profit after tax	Rs.	12,150.35
b. Weighted average of number of equity shares used in computing basic earnings per share	No. of shares	51,08,514
c. Basic earnings per share (a/b)	Rs.	0.002
d. Effect of potential equity shares for preferential allotment	Rs.	Nil
e. Weighted average of number of equity shares used in computing diluted earnings per share (b+d)	No. of shares	51,08,514
f. Diluted earnings per share (a/e)	Rs.	0.002
g. Effect of potential equity shares for preferential allotment (c-f)	Rs.	Nil

**10. DISCLOSURES OF LOANS & ADVANCES AS PER CLAUSE 32 OF LISTING AGREEMENT
LOANS & ADVANCE TO ASSOCIATES
NIL**

**LOAN & ADVANCES TO FIRM/ COMPANIES IN WHICH DIRECTORS ARE INTERESTED
NIL**

**ADVANCES TO DIRECTORS
NIL**

11. Provision of Income Tax

As per Income Tax Act the company is carrying the losses & Unabsorbed Depreciation, So tax on profit of current year will not attract any tax liability. But provision of tax is provided on the basis of Minimum Alteration Tax (MAT) & Fringe Benefit Tax (FBT) applicable to company.



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12. Taxes on Income (AS 22)

The deferred tax assets has not been recognized on unabsorbed depreciation and carry forward of losses.

13. Call in Arrears

The company has received Rs.11, 88,540 as call in arrears without charging any interest.

For A K Bhandari & Co.
Chartered Accountants

--Sd/--
A K Bhandari
Prop.
Place : Ludhiana
Date : 28th June 2008

For Devine Impex Limited

--Sd/--
Nagesh Aggarwal
Director
--Sd/--
Mohit Goyal
Director



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**ADDITIONAL INFORMATION PURSUANT TO PARAGRAPHS 3& 4 PART II OF
SCHEDULE VI OF THE COMPANIES ACT, 1956**

(As Certified by Management and Accepted by Auditors)

a) PARTICULARS OF INSTALLED CAPACITIES AND ACTUAL PRODUCTION

NOT APPLICABLE

b) STOCKS AND SALES OF FINISHED GOODS

Items	Unit of Measure	Sales		Opening Stock		Closing Stock	
		Qty.	Rs. (,000)	Qty.	Rs. (,000)	Qty.	Rs. (,000)
Shares	Nos.	111640	66245	1313975	19752	1317575	18817

c) PURCHASES OF FINISHED GOODS FOR RESALE

Items	Unit of Measure	2008		2007	
		Qty.	Rs. (,000)	Qty.	Rs. (,000)
Shares	Nos.	115240	64724	81900	60253

d) CONSUMPTION OF RAW MATERIALS

NOT APPLICABLE

e) IMPORTS ON C. I. F BASIS (In Rs. ,000)

Raw Materials	:	Nil
Components & Spares	:	Nil
Capital Goods	:	Nil

f) EXPENDITURE IN FOREIGN CURRENCIES

NIL

g) DIVIDEND TO NON RESIDENT SHAREHOLDERS

(in foreign currency)

NIL

h) EARNINGS IN FOREIGN EXCHANGE

F.O.B value of Exports	:	Nil
Others	:	Nil



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BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL PROFILE

REGISTRATION DETAILS

Registration Number : 16-17179
Balance Sheet Date : 31.03.2008
State Code : 16

CAPITAL RAISED DURING THE YEAR

Public Issue : Nil
Right Issue : Nil
Bonus Shares : Nil
Private Placement : Nil

POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. '000)

Total Liabilities : 51588
Total Assets : 51588
Paid Up Capital : 50610
Reserve & Surplus : Nil
Secured Loan : 978
Unsecured Loan : Nil
Net Fixed Assets : 1878
Investments : 20457
Net Current Assets : 27087
Misc. Expenditure : Nil
Accumulated Losses : 2165

PERFORMANCE OF THE COMPANY (AMOUNT IN RS. '000)

Total Income : 66781
Total Expenditure : 66721
Profit before Tax : 40
Profit after Tax : 12
Earning Per Shares (Rs.): 0.002

GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY (AS PER MONETARY ITEM)

Item Code No. : 60.02
(ITC Code)
Product Description : Shares & Knitted Cloth



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CASH FLOW STATEMENT PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT

Description	As at 31.03.2008	As at 31.03.2007
<u>A. CASH FLOW FROM OPERATING ACTIVITIES:</u>		
Net Profit before tax and extraordinary items	60	189
Adjustment for : Depreciation	196	152
: Preliminary Expenses W/off	0	207
: Profit on sale of Investment	4	-12
: Interest Income	-541	-414
<u>CHANGES IN WORKING CAPITAL</u>		
Trade & Other Receivable	1820	6978
Inventories	935	504
Trade Payable	-2325	-5942
Tax Paid	-53	-5
Cash From Operating Activities (1)	96	1657
<u>B. CASH FLOW FROM INVESTING ACTIVITIES:</u>		
Purchase of Fixed Assets	0	-2209
Sale of Investment	1805	1315
Purchase of Investments	-3300	-2675
Profit on sale of Investment	-4	12
Interest & Other Financing Income	541	414
Call in Arrears Received	1189	96
Net Cash used in Investing Activities(2)	231	-3047
<u>C. CASH FLOW FROM FINANCING ACTIVITIES:</u>		
Increase / Decrease in Loans & Advances	748	-484
Increase/ Decrease in Secured Loan	-223	1202
Net Cash used in Financing Activities (3)	525	718
Net increase in cash & cash equivalents	852	-672
Cash & Cash equivalents as at 1 st April (Opening Balances)	537	1209
Cash & Cash equivalents as at 31 st March (Closing Balances)	1389	537

For Devine Impex Limited

Nagesh Aggarwal
Director
Place: Ludhiana
Date: 28th June 2008

Mohit Goyal
Director



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AUDITORS' CERTIFICATE

To
The Board of Securities
Devine Impex Limited
Ludhiana

We have examined the attached Cash Flow Statement of **Devine Impex Limited** for the year ended 31st March, 2008. The statement has been prepared by the Company in accordance with requirement of Listing Agreement Clause 32 with Bombay Stock Exchange and is based on and in agreement with the correspondence Profit & Loss Account and Balance Sheet of the Company covered by our report of even date to the members of the Company

Place: Ludhiana
Dated: 28th June, 2008

for **A K Bhandari & Co.**
Chartered Accountants

--Sd/--
A K Bhandari
Prop.



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ATTENDANCE SLIP

I hereby record my presence at the THIRTEENTH ANNUAL GENERAL MEETING of the Company at Hotel Amaltas, G.T Road, Near Jalandhar Bye Pass, Ludhiana on THURSDAY 31st Day of July, 2008 at 11.00 A.M

Name: _____
 Ref. Folio/D.P & Client I.D. No. _____
 No. of Shares held _____

SIGNATURE OF THE ATTENDING MEMBER/PROXY

NOTES:

- (1) Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand over at the entrance duly signed.
- (2) Shareholder/Proxy holder desiring to attend the meeting should bring his/her copy of the Annual Notice for reference at the meeting.

.....Cut here.....



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PROXY FORM

I/We _____ of _____ in the district of _____ being Member of the above-named Company, hereby appoint _____ of _____ in the district of _____ or failing him, of _____ in the district of _____ as my/our proxy to attend and vote for me/us on my/our behalf at the THIRTEENTH ANNUAL GENERAL MEETING of the Company at Hotel Amaltas, G.T Road, Near Jalandhar Bye Pass, Ludhiana on THURSDAY 31st Day of July, 2008 at 11.00 A.M and any adjournment thereof.
 Signed this _____ day of _____, 2008

Affix
30 paise
Revenue
Stamp

Reference Folio / D.P & Client I.D.No. _____
 No. of Equity shares held _____

Signature _____

Note: The Proxy form must be returned so as to reach the Registered Office of the Company at Devine Impex Limited, 2nd Floor, Nego Complex, Pakhowal Road, Ludhiana before the time for holding the aforesaid meeting.