

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

## ANNUAL REPORT

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

Day/Date : Thursday  
30<sup>th</sup> September 2010

Time : 9:15 A.M.



**DEVINE IMPEX LIMITED**

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

## **BOARD OF DIRECTORS**

Mr. Jawahar Lal Jain	Chairman
Mr. Neeraj Jain	Managing Director
Ms. Manju Jain	Director
Mr. Rohit Jain	Director
Mr. Ajay K Arora	Director
Mr. Sham Sunder Sharma	Director

## **REGD. OFFICE**

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

## **AUDITORS**

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

## **BANKER**

State Bank of Patiala

## **REGISTRAR AND TRANSFER AGENT**

Link Intime India Private Limited  
A-40, 2<sup>nd</sup> Floor, Naryana Industrail Area,  
Phase 2, Near Batra Banquet Hall,  
New Delhi.-28

## NOTICE

Notice is hereby given that Fifteenth Annual General Meeting of M/S DEVINE IMPEX LIMITED will be held on Thursday, 30<sup>th</sup> September, 2010 at 9.15 A.M. at regd. office SCF 103, Chamber No. 7, 1<sup>st</sup> Floor, Phase XI, SAS Nagar, and Mohali to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the company as on 31<sup>st</sup> March 2010 and statement of profit and loss for the period ended on that date along with the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Jawahar Lal Jain who retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment
3. To appoint a Director in place of Mrs. Manju Jain who retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for reappointment.
4. 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 Accountant, 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."

## **SPECIAL BUSINESS:**

5. To consider and if thought fit to pass with or without modification following resolution as Ordinary resolution :

To regularize the appointment of Mr. Rohit Jain as Director liable to retire by rotation :

“RESOLVED THAT in accordance with the provisions of Section 260 of the Companies Act, 1956, Mr. Rohit Jain, who was appointed as an Additional Director of the company , holds office upto the date of ensuing AGM and in respect of whom the company has received a notice in writing in terms of section 257 of the Companies Act , be and is hereby appointed as director of the company , liable to retire by rotation. “

6. To consider and if thought fit to pass with or without modification following resolution as Ordinary resolution :

To regularize the appointment of Mr . Ajay K Arora as Director liable to retire by rotation :

“RESOLVED THAT in accordance with the provisions of Section 260 of the Companies Act, 1956, Mr. Ajay K Arora , who was appointed as an Additional Director of the company holds office upto the date of ensuing AGM and in respect of whom the company has received a notice in writing in terms of section 257 of the Companies Act , be and is hereby appointed as director of the company , liable to retire by rotation. “

7. To consider and if thought fit to pass with or without modification following resolution as Ordinary resolution :

To regularize the appointment of Mr .Sham Sunder Sharma as Director liable to retire by rotation :

“RESOLVED THAT in accordance with the provisions of Section 260 of the Companies Act, 1956, Mr. Sham Sunder Sharma, who was appointed as an Additional Director of the company holds office upto the date of ensuing AGM and in respect of whom the company has received a notice in writing in terms of section 257 of the Companies Act , be and is hereby appointed as director of the company , liable to retire by rotation. “

8. To consider and if thought fit to pass with or without modification following resolution as Ordinary resolution :

To confirm the appoint of Mr. Neeraj Jain as Managing Director of the company:

"RESOLVED THAT pursuant to provisions of section 198, 269,309,.310 , Sch.XIII and other applicable provisions , consent of share holders of the company be and is hereby accorded for confirming the appointment of Mr. Neeraj Jain as Managing Director of the company without any remuneration w.e.f. 4<sup>th</sup> September 2010 for a period of three years."

For Board of Directors  
M/S DEVINE IMPEX LTD.

DATE : 04/09/2010  
PLACE : Mohali

Sd/-  
CHAIRMAN

**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 28th September 2010 to 30th September 2010 both days inclusive.
6. Explanatory Statement pursuant to section 173 of the Companies Act, 1956 is attached.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF COMPANIES ACT 1956**

**ITEM NO 5,**

The company appointed Mr. Rohit Jain as Additional Director of the company . In terms of provisions of section 260 of the Companies he holds office upto the date of AGM. The company has received notice u/s 257 of the Act for his confirmation as Director , liable to retire by rotation.

Mr. Rohit Jain is one of the new promoters of the company , having rich business experience of around ten years in gold jewelry business.

Apart from Mr Rohit Jain himself ,Mr. Jawahar Lal Jain, Mrs. Manju Jain, Mr. Neeraj Jain , being related , are also considered interested in the resolution.

**ITEM NO 6**

The company appointed Mr.Ajay K Arora as Additional Director of the company . In terms of provisions of section 260 of the Companies he holds office upto the date of AGM. The company has received notice u/s 257 of the Act for his confirmation as an independent Director liable to retire by rotation.

Mr.Ajay K Arora , who is LLb , FCS is a corporate consultant with more than 20 years of experience.

Except for Mr Ajay K Arora himself none of the directors is interested in the resolution.

**ITEM NO 7**

The company appointed Mr. Sham sunder Sharma as Additional Director of the company . In terms of provisions of section 260 of the Companies he holds office upto the date of AGM. The company has received notice u/s 257 of the Act for his confirmation as an Independent Director , liable to retire by rotation.

Mr.Shaym Sunder Sharma is a retired banker and co-opted on the Board as an independent director for his rich experience in banking and finance.

Except for Mr Shaym Sunder Sharma , himself , none of the directors is interested in the resolution.

**ITEM NO.8**

In order to conduct the day to day affairs of the company The Board has decided to appoint Mr. Neeraj Jain as Managing Director of the company w.e.f. 4<sup>th</sup> September 2010 for a period of three years without any remuneration.

Apart from Mr Neeraj Jain himself ,Mr. Jawahar Lal Jain, Ms. Manju Jain, Mr.Rohit Jain , being related , are also considered interested in the resolution.



**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 2010 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 agreement.

We State that no investor grievance is pending for a period exceeding one month against the company as per the records maintained by the company.

We further state that such compliance is neither an assurance to future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Sd/-  
KANWALJIT SINGH  
COMPANY SECRETARY



#### **AUDIT COMMITTEE :**

Pursuant to provisions of section 292A of the Companies Act, 1956 and Listing Agreement, the audit committee has been constituted. Following are the members of audit committee.

Mr. Neeraj Jain  
Mr. Ajay K Arora  
Mr. Sham Sunder Sharma

#### **AUDITORS REPORT:**

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

## **DIRECTORS 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 : 04/09/2010  
PLACE : Mohali

Sd/-  
CHAIRMAN

## CORPORATE GOVERNANCE REPORT :

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

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

### 2. BOARD OF DIRECTORS:

The constitution of Board of directors is proper. The Board of the company consists of six Directors. During the financial year ending 31<sup>st</sup> March 2010 there was no executive director in the company. The company has hold ten Board meeting during the financial year.

The members of Board have access to all the information of the company. The minutes of the meetings are being properly recorded. The minutes of the meeting are entered in the minutes book within 30 days of end of each Board meeting.

The composition of Board of Directors and other relevant details are given below :

Name of the Director	Category	No. of Board Meetings attended	Attendance at last AGM	No. of other directorships
Jawahar Lal Jain	Chairman	7	Yes	3
Mr. Neeraj Jain	Managing Director	7	Yes	3
Mr. Rohit Jain	Director	7	Yes	3
Mrs. Manju Jain	Director	7	Yes	Nil
Mr. Ajay k	Director	5	No	4

Arora				
Mr. Sham Sunder Sharma	Director	5	No	Nil
Mr. Nagesh Aggarwal	Director (resigned w.e.f	3	Yes	1
Mr. Yashudeep Bansal	Director	3	Yes	
Mr. Ashwani Gulati	Director	2	No	
Mr. Sanjeev Gupta	Director	2	No	

### **3 AUDIT COMMITTEE :**

The Board has defined the scope of Audit committee to cover the all areas provide in Companies Act, 1956 and Listing Agreement with the Stock Exchange. While discussing this item the Board desired that the Audit Committee should review the accounting policies as also scrutinize the day to day working of the Company.

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) Reviewing with management the annual financial statements before submission to the Board focusing primarily on:
  - \* Any changes in accounting policies and practices
  - \*Major accounting entries based on expertise of judgment by management
  - \*Qualification in draft audit report
  - \*Significant adjustments arising out of audit

\*The going concern assumption

\*Compliance with accounting standards

\*Compliance with stock exchange and legal requirements concerning financial statements.

(c) Reviewing the adequacy of internal control systems.

(d) Reviewing the adequacy of internal audit function including its structure reporting about the systems in vogue, coverage and frequency of internal audit.

(e) Discussion with internal auditors of any significant findings and follows up thereon

While discussing this item the Board desired that the Audit Committee should review the accounting policies and also scrutinize the day to day working of the Company.

#### **Constitution and Composition of Audit Committee:**

The audit committee comprises of three directors namely Neeraj Jain, Mr. Ajay Arora and Mr. Sham Sunder Sharma. Mr. Ajay Arora is Chairman of Audit Committee. All members of audit committee are financially literate.

Name of the Members of Audit committee	No. of meetings held	No. of Meetings attended
Mr. Ajay K Arora	3	3
Mr. Neeraj Jain	3	3
Mr. Sham Sunder Sharma	3	3

#### **4.REMUNERATION COMMITTEE**

The company has constituted a Remuneration Committee. The Members of the remuneration committee are Mr. Jawahar Lal Jain, Mr. Ajay K Arora and Mr. Sham Sunder Sharma. The remuneration committee has been framed to determine the remuneration payable to directors. During the financial year ending 31<sup>st</sup> March 2010 no remuneration was paid to any director.

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

The followings are the members of the committee.

Mr. Jawahar Lal Jain

Mr. Neeraj Jain

Mr. Ajay K Arora

Meeting of the remuneration committee were regularly held during the financial year. The committee met to approve the transfer of shares and to redress the shareholders grievances. The share certificates submitted for dematerialisation are also approved by the committee. Some shares of the company are in physical form. There were no pending transfers during the financial year. There was no complaint pending as on 31/03/2010.

### **Brief information on the Directors proposed for reappointment**

Mr. Jawahar Lal Jain and Mrs. Manju Jain, Directors are liable to retire by rotation and being eligible they have offered themselves for reappointment.

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

The annual general meeting for the financial year ending 31<sup>st</sup> March 2010 was held on 31<sup>st</sup> July 2009 at regd office of the company. One extra ordinary general meeting was held on 4<sup>th</sup> December 2009. The company has also passed a special resolution through postal ballot for shifting of regd office from Ludhiana to SAS Nagar, Mohali within the State of Punjab.

### **Disclosures**

(a) Disclosure on materially significant related party transactions i.e. transaction of the Company of material nature with the promoters, the Directors or the manage their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company:



There are no materially significant related party transactions during the period under review that may have potential conflict with the interest of the company.

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.

The company has one subsidiary i.e. Tiara Jewelers Private Limited.

### **Means of Communication**

The communication with the shareholders at large is through dispatching of annual report, publication of quarterly results and press releases in newspaper. The company send annual reports to all the shareholders in accordance with the provisions of law. The Board of directors approves the quarterly results within 45 days of end of each quarter. The financial results are regularly being sent to stock exchange through courier, internet and fax. Quarterly results are also regularly published in the newspaper papers in accordance with the requirement of the listing agreement.

### **Share holder information :**

Annual General Meeting : 30th September 2010 at 9.15 a.m.  
SCF 103, Chamber No. 7,  
1<sup>st</sup> Floor, Phase XI,  
SAS Nagar, Mohali.

Date of book closure is from 28<sup>th</sup> September 2010 to 30<sup>th</sup> September 2010.

### **DETAILS OF STOCK EXCHANGES WHERE SHARES ARE LISTED**

Mumbai Stock Exchange Assn Limited  
Ludhiana Stock Exchange Assn Limited  
Delhi Stock exchange Limited

The company is regularly in paying the annual listing fees of all the exchanges.

**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 2010 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 agreement.

We State that no investor grievance is pending for a period exceeding one month against the company as per the records maintained by the company.

We further state that such compliance is neither an assurance to future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company

Sd/-  
KANWALJIT SINGH  
COMPANY SECRETARY

**To  
The Members  
Devine Impex Limited**

We have audited the attached Balance sheet of Devine Impex Limited as at 31st March, 2010 and also the Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion
2. As required by the Companies (Auditor's Report) Order, 2003 issued by the Ministry of Corporate Affairs in terms of Section 227 (4A) of the Companies Act, 1956 we enclose in the annexure A statement on the matters specified in paragraph 4 & 5 of said order:
3. Further to our comments in the annexure referred to in paragraph (1) above, we report that: -
  - a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of account as required by Law have been kept by the Company so far as appears from our examination of the books.
  - c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts.

- d) In our opinion, the balance sheet and the profit and loss account comply with the Accounting Standards referred to in sub section (3C) of section 211 of the companies Act, 1956, subject to Notes on Accounts forming part of Balance Sheet.
- e) As per information and explanation given to us, none of the directors of the company is disqualified from being appointed as a Director in terms of clause (g) of subsection (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 give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view.
  - i) In the case of the Balance Sheet of the State of affairs of the company as at 31st March, 2010 and
  - ii) In the case of the Profit and Loss account, of Profit of the company for the year ended on that date.
  - iii) In case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

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

**(YOGESH MONGA)  
PARTNER  
M. NO. 99813**

**PLACE: CHANDIGARH  
DATE: 04.09.2010**

**ANNEXURE A REFERRED TO IN PARAGRAPH 2 OF OUR REPORT OF THE AUDITORS TO THE MEMBERS OF DEVINE IMPEX LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2010.**

- 1 (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) As explained to us, the fixed assets have been physically verified by the management at the 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 the productive fixed assets.
- 2(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 books/records were not material and have been properly dealt in the books of accounts.
- 3.(a) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, Firms and other Parties Listed in the register maintained under Section 301 of the Companies Act 1956.
  - (b) In our opinion and according to the information and explanations given to us, the Company has not taken any loans, secured or unsecured from Companies, Firms and other 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 with regard to the purchase of stores, raw materials including

the plant & machinery, vehicles, equipment and other assets and 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 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 explanations given to us, the Company is generally regular in depositing the income tax and no other duty is applicable on the Company like provident fund, investor education and protection fund, employees state insurance, sales-tax, wealth tax, customs duty, service tax, excise duty, cess etc.

- (b) We have been informed that there are no undisputed statutory dues as at 31st March, 2010, outstanding for a period of more than six months from the date they became payable.
- 10 The company has accumulated losses of Rs. 53.62 lacs as at 31st March 2010. The Company has incurred cash losses during the financial year ended 31.03.2010 as well as 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.
- 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 term loans have 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 During the year the company has not made any preferential allotment of shares to parties, firms and companies covered in the register maintained under section 301 of the Companies Act, 1956.

- 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 such case by the management.

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

**(YOGESH MONGA)  
PARTNER  
M. NO. 99813**

**PLACE : CHANDIGARH  
DATE : 04.09.2010**



**DEVINE IMPEX LIMITED**

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010**

(Amount in Rs.)

<b>PARTICULARS</b>	<b>SCHEDULE</b>	<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>
<b><u>INCOME</u></b>			
Sales	XI	11,116,775.00	52,246,120.00
Other Income	XII	15,496.00	719,946.00
		<u>11,132,271.00</u>	<u>52,966,066.00</u>
<b><u>EXPENDITURE</u></b>			
Cost of Goods sold	XIII	10,819,000.00	52,559,670.00
Administration Expenses	XIV	639,673.08	2,620,246.85
Personnel Expenses	XV	36,400.00	192,000.00
Selling & Distribution Expenses	XVI	32,769.00	20,462.00
Financial Expenses	XVII	-	85,836.00
Depreciation	III	2,323.00	210,445.00
		<u>11,530,165.08</u>	<u>55,688,659.85</u>
<b>Profit Before Tax</b>		<b>(397,894.08)</b>	<b>(2,722,593.85)</b>
Provision For Tax			
- Fringe Benefit Tax		-	25,057.00
- Income Tax		-	-
<b>Profit After Tax</b>		<b>(397,894.08)</b>	<b>(2,747,650.85)</b>
Less : Expenses related to earlier years		33,020.00	18,335.00
<b>Profit Available for Appropriation</b>		<b>(430,914.08)</b>	<b>(2,765,985.85)</b>
Balance Brought Forward		(4,931,016.90)	(2,165,031.05)
<b>Balance Carried To Balance Sheet</b>		<b>(5,361,930.98)</b>	<b>(4,931,016.90)</b>
<b>Earnings Per Share (Face value of Rs. 10/- each):</b>			
Basic		(0.08)	(0.53)
Diluted		(0.08)	(0.53)

SIGNIFICANT ACCOUNTING POLICIES XVIII  
NOTES TO THE ACCOUNTS XIX

For Devine Impex Limited

In terms of our report of even date attached  
For DATTA SINGLA & Co.  
Chartered Accountants  
Firm Regn. No. 006185

Director

Director

(YOGESH MONGA)

Partner

M. No. 099813

Place : Chandigarh

Dated : 04.09.2010

DEVINE IMPEX LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2010

(Amount in Rs.)

PARTICULARS	SCHEDULE	AS AT 31.03.2010	AS AT 31.03.2009
<b>SOURCES OF FUNDS :</b>			
<b>SHARE HOLDERS' FUNDS</b>			
Share Capital	I	52,172,000.00	52,172,000.00
Reserves & Surplus		-	-
		<u>52,172,000.00</u>	<u>52,172,000.00</u>
Secured Loans	II	-	739,935.00
Unsecured Loans		-	-
Deferred Tax Liability		-	-
		<u>52,172,000.00</u>	<u>52,911,935.00</u>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	III	42,209.00	2,267,159.00
Less : Depreciation		24,992.00	617,187.00
Net Block		<u>17,217.00</u>	<u>1,649,972.00</u>
INVESTMENTS	IV	30,825,000.00	13,925,000.00
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Inventories		7,998,543.75	18,817,543.75
Sundry Debtors	V	-	250,104.45
Cash & Bank Balances	VI	5,486,117.02	248,205.90
Other Current Assets	VII	14,700.00	-
Loans & Advances	VIII	3,268,629.00	14,520,363.00
		<u>16,767,989.77</u>	<u>33,836,217.10</u>
<b>Less : Current Liabilities &amp; Provisions</b>			
Current Liabilities	IX	800,137.75	1,405,214.00
Provisions	X	-	25,057.00
		<u>800,137.75</u>	<u>1,430,271.00</u>
Net Current Assets		<u>15,967,852.02</u>	<u>32,405,946.10</u>
Miscellaneous Expenditure (to the extent not written off or adjusted)			
Profit & Loss Account		5,361,930.98	4,931,016.90
		<u>52,172,000.00</u>	<u>52,911,935.00</u>
SIGNIFICANT ACCOUNTING POLICIES	XVIII		
NOTES TO THE ACCOUNTS	XIX		

For Devine Impex Limited

In terms of our report of even date attached  
For DATTA SINGLA & Co.  
Chartered Accountants  
Firm Regn. No. 006185

Director

Director

(YOGESH MONGA)

Partner

M. No. 099813

Place : Chandigarh

Dated : 04.09.2010

(Amount in Rs. '000)

Particulars	Year Ended	Year Ended
	31st March 2010	31st March 2009
	Amount	Amount
<b>A. Cash flow from operating activities:</b>		
Profit For The Year Before Tax and Prior Period Items	(307.89)	(2,722.59)
Adjustments for:		
Depreciation	2.32	210.45
Loss on sale of investment	-	(1,515.99)
Misc. Expenditure W/Off	-	-
Interest Income	-	(719.95)
Non Operating Income	(15.50)	23.33
Loss on sale of Fixed Assets	408.02	-
Operating Profit Before Prior Period Items And Working Capital Changes	(3.04)	(4,724.75)
Adjustment For Prior Period Income/(Expense)	-	-
Operating Profit Before Working Capital Changes	(3.04)	(4,724.75)
Adjustments for:		
Trade And Other Receivables	250.10	(7,708.32)
Inventories	10,819.00	-
Loans and Advances	11,251.73	-
Other Current Assets	(14.70)	-
Trade and Other Payables	(630.13)	(74.49)
Cash Generated From Operations	21,672.96	(12,507.56)
Income Tax Paid	(33.02)	(48.33)
Net Cash From Operating Activities	21,639.94	(12,555.89)
<b>B. Cash Flow From Investing Activities:</b>		
Purchase Of Fixed Assets/ Capital Work-in-Progress	-	-
Sale of Fixed assets	1,222.41	-
Purchase of Investments	(16,900.00)	-
Sale of Investments	-	8,048.31
Interest and Other Financing Income	-	719.95
Miscellaneous Expenditure Incurred	-	-
Non Operating Income	15.50	-
Net Cash (Used)/Generated In Investing Activities	(15,662.10)	8,766.25
<b>C. Cash Flow From Financing Activities:</b>		
Increase/Decrease In Loans & Advances	-	1,323.00
Proceeds/(Refund) Of Share Capital/Application & Securities Premium	-	-
Proceeds/(Repayment) Of Long Term Borrowings	(739.94)	(238.74)
Calls in arrears received	-	1,562.02
Proceeds/(Repayment) Of Short Term Borrowings	-	-
Interest Paid	-	-
Net Cash (Used)/Generated In Financing Activities	(739.94)	2,646.29
Net Increase/(Decrease) In Cash And Cash Equivalents (A) + (B) + (C)	5,237.91	(1,141.35)
Opening Cash And Cash Equivalents	248.21	1,389.55
Closing Cash And Cash Equivalents	5,486.12	248.21
For Devine Impex Limited		
Director	Director	
Place : Chandigarh		
Dated : 04.09.2010		
		In terms of our report of even date attached For DATTa SINGLA & Co. Chartered Accountants Firm Regn. No. 006185
		(YOGESH MONGA) Partner M. No. 099813

**DEVINE IMPEX LIMITED**

PARTICULARS	AMOUNT AS AT 31.03.2010	AMOUNT AS AT 31.03.2009
		(Amount in Rs.) SCHEDULE - I
<b>SHARE CAPITAL</b>		
<b>Authorised Share Capital</b>		
60,00,000 (60,00,000) Equity Shares of Rs.10/- each	60,000,000.00	60,000,000.00
<b>Issued &amp; Subscribed Capital</b>		
52,51,400 (52,51,400) Equity Shares of Rs.10/-each	52,514,000.00	52,514,000.00
<b>Paid up Capital</b>		
51,32,200 (51,32,200) Equity Shares of Rs.10/-each fully paid up	51,322,000.00	51,322,000.00
Add : Amount paid up on 1,19,200 (1,19,200) Shares Forfeited	850,000.00	850,000.00
	<b>52,172,000.00</b>	<b>52,172,000.00</b>
		SCHEDULE - II
ICICI Bank Limited	-	739,935.00
	-	<b>739,935.00</b>

**DEVINE IMPEX LIMITED**

<b>PARTICULARS</b>	<b>AMOUNT AS AT 31.03.2010</b>		<b>AMOUNT AS AT 31.03.2009</b>	
<b>INVESTMENTS</b>				(Amount in Rs.)
<b>Long Term</b>				<b>SCHEDULE - IV</b>
<b>Quoted</b>				
Fully paid up equity shares of Rs. 10/- each	3,995,900	8,459,000	3,995,900	8,459,000
<b>Unquoted</b>				
Fully paid up equity shares of Rs. 10/- each	412,600	5,066,000	412,600	5,066,000
<b>Shares in 100% Subsidiary Company</b>				
Tiara Jewels Pvt. Ltd.	8,700,000	16,900,000.00	-	-
<b>Share Application Money</b>				
Prince fintec (P) Limited	-	400,000.00	-	400,000.00
<b>TOTAL</b>		<b>30,825,000.00</b>		<b>13,925,000.00</b>
(Market value of quoted shares is not available)				

DEVINE IMPEX LIMITED

SCHEDULE OF FIXED ASSETS AS AT 31 MARCH

SCHEDULE - III

(Amount in Rs.)

PARTICULARS	RATE	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AS AT 01.04.2009	ADDITIONS/ SALES	By Sale	AS AT 31.03.2010	UP TO 31.03.2009	FOR THE YEAR	ADJUSTMENT DURING THE YEAR	UP TO 31.03.2010	AS AT 31.03.2010	AS AT 31.03.2009
Car	9.50%	2,202,450.00	-	2,202,450.00	-	573,239.00	-	573,239.00	-	-	1,629,211.00
Furniture & Fixture	6.33%	20,109.00	-	-	20,109.00	13,410.00	1,273.00	-	14,683.00	5,426.00	6,699.00
Office Equipment	4.75%	22,100.00	-	-	22,100.00	9,259.00	1,050.00	-	10,309.00	11,791.00	12,841.00
Scooter	9.50%	22,500.00	-	22,500.00	-	21,279.00	-	21,279.00	-	-	1,221.00
<b>Total</b>		<b>2,267,159.00</b>	<b>-</b>	<b>2,224,950.00</b>	<b>42,209.00</b>	<b>617,187.00</b>	<b>2,323.00</b>	<b>594,518.00</b>	<b>24,992.00</b>	<b>17,217.00</b>	<b>1,649,972.00</b>
Previous Year		2,267,159.00	-	-	2,267,159.00	388,407.00	228,780.00	-	617,187.00	1,649,972.00	1,878,752.00

**DEVINE IMPEX LIMITED**

<b>PARTICULARS</b>	<b>AMOUNT AS AT 31.03.2010</b>	<b>AMOUNT AS AT 31.03.2009</b>
		<b>(Amount in Rs.) SCHEDULE - V</b>
<b>SUNDRY DEBTORS</b>		
UNSECURED, CONSIDERED GOOD		
Outstanding for a period exceeding six months	-	-
Others	-	250,104.45
	<u>-</u>	<u>250,104.45</u>
<b>CASH &amp; BANK BALANCES</b>		<b>SCHEDULE - VI</b>
Cash In Hand	405,624.57	227,955.57
Balances with Scheduled Banks	5,080,492.45	20,250.33
	<u>5,486,117.02</u>	<u>248,205.90</u>

**DEVINE IMPEX LIMITED**

<b>PARTICULARS</b>	<b>AMOUNT AS AT 31.03.2010</b>	<b>AMOUNT AS AT 31.03.2009</b>
		<b>(Amount in Rs.) SCHEDULE - VII.</b>
<b>OTHER CURRENT ASSETS</b>		
Security Deposit	14,700.00	-
	<b>14,700.00</b>	<b>-</b>
<b>LOANS &amp; ADVANCES</b>		<b>SCHEDULE - VIII</b>
Loans	3,268,629.00	14,458,355.00
Advances recoverable in cash or in kind or for value to be received	-	62,008.00
	<b>3,268,629.00</b>	<b>14,520,363.00</b>



**DEVINE IMPEX LIMITED**

<b>PARTICULARS</b>	<b>YEAR ENDED 31.03.2010</b>	<b>YEAR ENDED 31.03.2009</b>
		<b>(Amount in Rs.)</b>
<b>SALES</b>		<b>SCHEDULE - XI</b>
Shares, Stocks & Commodities	11,116,775.00	52,246,120.00
	<u>11,116,775.00</u>	<u>52,246,120.00</u>
<b>OTHER INCOME</b>		<b>SCHEDULE - XII</b>
Interest Income	-	719,946.00
Miscellaneous Income	15,496.00	-
	<u>15,496.00</u>	<u>719,946.00</u>
<b>COST OF GOODS SOLD</b>		<b>SCHEDULE - XIII</b>
Opening Stock	18,817,543.75	18,817,543.75
Add : Purchases	-	52,559,670.00
	<u>18,817,543.75</u>	<u>71,377,213.75</u>
Less : Closing Stock	7,998,543.75	18,817,543.75
Cost of Goods Sold	<u>10,819,000.00</u>	<u>52,559,670.00</u>

**DEVINE IMPEX LIMITED**

<b>PARTICULARS</b>	<b>AMOUNT AS AT 31.03.2010</b>	<b>AMOUNT AS AT 31.03.2009</b>
		<b>(Amount in Rs.) SCHEDULE - IX</b>
<b>CURRENT LIABILITIES</b>		
Advances from Customers	756,599.00	1,321,188.00
Expenses Payable	43,538.75	84,026.00
Total	800,137.75	1,405,214.00
<b>PROVISIONS</b>		<b>SCHEDULE - X</b>
Provision for Income Tax (Net of Advance Tax and TDS)	-	25,057.00
	-	25,057.00

**DEVINE IMPEX LIMITED**

<b>PARTICULARS</b>	<b>YEAR ENDED 31.03.2010</b>	<b>YEAR ENDED 31.03.2009</b>
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<b>ADMINISTRATION EXPENSES</b>	<b>(Amount in Rs.) SCHEDULE - XIV</b>	
Audit Fees	22,060.00	11,000.00
Bank Charges	3,298.33	16,006.00
Insurance	9,960.00	37,303.00
Repair & Maintenance	-	2,000.00
Electricity Expenses	1,200.00	24,000.00
Miscellaneous Expenses	-	30,333.00
Rent	34,300.00	30,000.00
Professional Charges	67,148.75	3,000.00
Postage & Courier Charges	7,200.00	47,680.00
Vehicle Expenses	-	51,680.00
Telephone Expenses	1,938.00	7,160.00
Fees & Taxes	84,545.00	844,094.00
Loss on sale of fixed assets	408,023.00	-
Loss on sale of investments	-	1,515,990.85
	<b>639,673.08</b>	<b>2,620,246.85</b>

<b>PERSONNEL EXPENSES</b>	<b>SCHEDULE - XV</b>	
Salary & Wages	36,400.00	192,000.00
	<b>36,400.00</b>	<b>192,000.00</b>

<b>SELLING &amp; DISTRIBUTION EXPENSES</b>	<b>SCHEDULE - XVI</b>	
Advertisement Expenses	32,769.00	20,462.00
	<b>32,769.00</b>	<b>20,462.00</b>

<b>FINANCIAL EXPENSES</b>	<b>SCHEDULE - XVII</b>	
Interest To Others	-	85,836.00
	-	<b>85,836.00</b>

# **DEVINE IMPEX LIMITED**

## **SCHEDULE XVIII**

### **SIGNIFICANT ACCOUNTING POLICIES**

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

The Financial Statements 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 & 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 rates prescribed under Schedule XIV to the Companies Act 1956.

#### **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.

#### **INVENTORIES**

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

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.

## **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 accounts.

## **PROVISIONS AND CONTINGENT LIABILITIES**

- (i) Provisions are recognized 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 past event.
  - (b) a probable outflow of resources embodying economic benefits is expected to settle the obligation; and
  - (c) the amount of 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

## **FOREIGN CURRENCY TRANSACTIONS**

1. Foreign currency transactions are recorded on initial recognition at the rate prevailing on the date of the transaction.
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 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.
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 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.

## **BORROWING COSTS :**

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

## **SCHEDULE XIX**

### **NOTES TO THE 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 Gratuity has made in the accounts as no employee has put in qualifying period of service to be eligible for gratuity.
4. **SEGEMENTAL REPORTING (as per AS 17)**  
The Company operates in single business segment, So there is no segmental reporting as required under AS 17 issued by The Institute of Chartered Accountants of India.

## 5. RELATED PARTY DISCLOUSER (as per AS 18)

### a. List of related parties

- i. Joint Venture / Associate Concerns / Subsidiary Company \*  
Tiara Jewels Private Limited – 100 % Subsidiary
- ii. Key Management Personnel  
Sh. Nagesh Aggarwal #  
Sh. Jawahar Lal Jain ^  
Sh. Neeraj Jain ^  
Sh. Rohit Jain ^  
Smt. Manju Jain ^
- iii. Relatives of Key Management Personnel \*  
Sh. Neeraj Aggarwal #
- iv. Entities of Relatives of KMP \*  
Aniket N Aggarwal & Co. #

# Upto 23<sup>rd</sup> Sept. 2009

^ w.e.f. 23<sup>rd</sup> Sept. 2009

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

### b. Transactions with Related Parties

(Rs. in lacs)

Particulars	Joint Venture/ Associates/ Subsidiary	Key Management Personnel	Entities of Relatives KMP	Relatives of Key Management Personnel	Total
Equity Shares Subscription	169.00	-	-	-	169.00
Advances	-	6.57	-	-	6.57
Sales	-	-	53.05	-	53.05

## 6. EARNINGS 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:

Sr. No.	Particulars	Unit	Year ended 31.03.2010	Year ended 31.03.2009
a.	Net profit after tax	Rs.	(397,894)	(2,747,651)
b.	Weighted average number of equity shares used in computing basic earning per share	No.	5,132,200	5,221,600
c.	Basic earning per share (a/b)	Rs.	(0.08)	(0.53)
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.	5132200	5221600
f.	Diluted earnings per share (a/e)	Rs.	(0.08)	(0.53)
g.	Effect of potential equity shares for preferential allotment (c-f)	Rs.	Nil	Nil

## 7. Provision Of Income Tax

As per Income Tax Act, the company is carrying forward business losses and unabsorbed depreciation. Consequently, in the opinion of the management, there will be no income tax liability for the current year. Provision for Minimum Alteration Tax (MAT) has not been made in view of book loss.



**8. Taxes on Income (AS 22)**

In view of huge brought forward losses, the Company has not provided for Deferred Tax Assets, adhering to concept of conservatism.

**9. Additional Information Pursuant to Paragraphs 3 & 4 Part II of Schedule VI of the Companies Act, 1956 (as certified by the management and relied upon by the Auditors)**

- a) Particulars of Installed Capacities and Actual Production – Not Applicable  
b) Quantitative information about Opening Stock, Purchases, Sales and Closing Stock of goods traded :

Items	Opening Stock		Purchases		Sales		Closing Stock	
	Qty.	Rs. In lacs	Qty.	Rs. In lacs	Qty.	Rs. In lacs	Qty.	Rs. In lacs
Shares	1,317,575	188.18	-	-	873,400	111.17	444,175	79.99

c) Consumption of Raw Materials - Not Applicable

d) Imports on CIF Basis - Nil

e) Expenditure in Foreign Currency – Nil

f) Dividend to Non-Resident Shareholders – Nil

g) Earnings in Foreign Exchange – Nil

10. Previous year figures have been re-grouped and re-arranged wherever considered necessary

11. Balance Sheet abstract and company's general business profile is given in Annexure XIX-A

**FOR DEVINE IMPEX LIMITED**

**DIRECTOR      DIRECTOR**

**PLACE: CHANDIGARH**

**DATE: 04.09.2010**

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

**YOGESH MONGA**  
**PARTNER**  
**M. NO. 099813**

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AND FINANCIAL STATEMENTS SCHEDULE VIII**

Registration Details

Registration No. : 16-17179  
 Balance Sheet Date : 31.03.2010  
 State Code : 13

Capital Raised during the Year

(Amount in Rs. Thousand)

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

Position of Mobilisation and Deployment of Funds

(Amount in Rs. Thousand)

**CURRENT YEAR**

Total Liabilities	52,972.14
Total Assets	52,972.14
<b>Sources of Funds</b>	
Paid up capital	52,172.00
Reserves & Surplus	-
Secured Loan	-
Unsecured Loan	-
<b>Applications of Funds</b>	
Net fixed assets	17.22
Investments	30,825.00
Net Current Assets	15,967.85
Misc. Expenditure	NIL
Accumulated losses	5,361.93

Performance of Company

(Amount in Rs. Thousand)

Total Income	11,132.27
Total Expenditure	11,530.17
Profit/Loss before Tax	(397.89)
Profit/Loss after Tax	(397.89)
Earning per Share in Rs	(0.08)
Dividend	-

Generic names of three Principal Products of the Company

Item Code No.  
 Product Description

NA  
 Shares, Stocks and Commodities

To

**The Members  
TIARA JEWELS PRIVATE LIMITED**

We have audited the attached Balance sheet of **TIARA JEWELS PRIVATE LIMITED** as at 31st March, 2010 and also the Profit and Loss Account for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion
2. As required by the Companies (Auditor's Report) Order, 2003 issued by the Ministry of Corporate Affairs in terms of Section 227 (4A) of the Companies Act, 1956 we enclose in the annexure A statement on the matters specified in paragraph 4 & 5 of said order:
3. Further to our comments in the annexure referred to in paragraph (1) above, we report that: -
  - a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of account as required by Law have been kept by the Company so far as appears from our examination of the books.
  - c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts.

- d) In our opinion, the balance sheet and the profit and loss account comply with the Accounting Standards referred to in sub section (3C) of section 211 of the companies Act, 1956, subject to Notes on Accounts forming part of Balance Sheet.
- e) As per information and explanation given to us, none of the directors of the company is disqualified from being appointed as a Director in terms of clause (g) of subsection (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 give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view.
- i) In the case of the Balance Sheet of the State of affairs of the Company as at 31st March, 2010 and
  - ii) In the case of the Profit and Loss account, of Profit of the Company for the period ended on that date.

**FOR DATTA SINGLA & CO.  
CHARTERED ACCOUNTANTS  
FIRM REGN. NO. 096185N**

**YOGESH MONGA  
PARTNER  
M. NO. 099813**

**PLACE: CHANDIGARH  
DATE: 04.09.2010**

**ANNEXURE A REFERRED TO IN PARAGRAPH 2 OF OUR REPORT OF THE AUDITORS TO THE MEMBERS OF TIARA JEWELS PRIVATE LIMITED ON THE ACCOUNTS FOR THE PERIOD ENDED 31st MARCH 2010.**

- 1 (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) As explained to us, the fixed assets have been physically verified by the management at the reasonable intervals during the period under review and no material discrepancies were noticed in the said verification.
  - (c) During the period, the company has not disposed off substantial part of the fixed assets.
- 2(a) Physical verification of inventory has been conducted by the management during the period 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 books/records were not material and have been properly dealt in the books of accounts.
- 3.(a) The company has granted and taken loans, secured or unsecured from Companies, Firms and other Parties Listed in the register maintained under Section 301 of the Companies Act 1956.
  - b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interests of the Company.
  - c) As there is no stipulation regarding repayment of loans and advances, we are unable to comment whether payment of the principal amount and interest are regular or not.

- 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 with regard to the purchase of stores, raw materials including the plant & machinery, vehicles, equipment and other assets and 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 As informed by the management, this clause is not applicable to the Company.

- 9(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income-tax, sales-tax, wealth tax, customs duty, service tax, excise duty, cess and other material statutory dues as applicable with the appropriate authorities in India.
- (b) According to the information and explanation given to us and records of the company examined by us, there are no dues of Service Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty, which are outstanding as at 31st March, 2010, which have not been deposited on account of any dispute.
- 10 This being the first year of formation of the Company, this clause is not applicable to the Company.
- 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 In our opinion and according to the information and explanations given to us the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order 2003 are not applicable to the company.
- 15 In our opinion and according to the information and explanations given to us, the company has not given any 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 term loans have 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, we report that no funds raised on short-term basis have been used for long term investment.
- 18 During the period the company has made preferential allotment of shares to parties, firms and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- 19 The company has not issued any debentures during the period 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 period.
- 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 such case by the management.

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

**YOGESH MONGA  
PARTNER  
M. NO. 099813**

**PLACE: CHANDIGARH  
DATE: 04.09.2010**



**M/S. TIARA JEWELS PRIVATE LIMITED**

**BALANCE SHEET AS AT 31ST MARCH 2010**

(Amount in Rs.)

PARTICULARS	SCHEDULE	CURRENT YEAR	
		AMOUNT	AMOUNT
<b>I SOURCES OF FUNDS :</b>			
<b>1 SHARE HOLDER'S FUNDS</b>			
Share Capital	I	8,700,000.00	
Reserve & Surplus	II	12,347,226.54	
			21,047,226.54
<b>2 LOAN FUNDS</b>			
Secured Loans	III	99,636,348.87	
Unsecured Loans	IV	72,105,551.65	
			171,741,900.52
<b>3 Deferred Tax.Liability</b>			
			116,300.00
			<u>192,905,427.05</u>
<b>II APPLICATION OF FUNDS</b>			
<b>1. FIXED ASSETS</b>			
Gross Block	V	10,063,175.01	
Less : Depreciation		311,401.80	
Net Block			9,751,773.20
<b>2 INVESTMENTS</b>			
<b>3 CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Inventories	VI	211,532,127.61	
Sundry Debtors	VII	1,384,807.14	
Cash & Bank Balances	VIII	1,200,113.05	
Other Current Assets	IX	298,707.19	
Loans & Advances	X	2,413,174.00	
			216,828,928.99
<b>Less : CURRENT LIABILITIES &amp; PROVISIONS</b>			
Current Liabilities	XI	32,790,035.14	
Provisions	XII	1,057,000.00	
			33,847,035.14
Net Current Assets			182,981,893.85
<b>4 MISCELLANEOUS EXPENDITURE</b>			
(To the extent no written off or adjusted)	XIII		
Preliminary Expenses			171,760.00
			<u>192,905,427.05</u>

Significant Accounting Policies & Notes To The Accounts

XX

For Tiara Jewels Private Limited

As per our report of even date  
For Datta Single & Co.  
Chartered Accountants  
Firm regn. No. 006185N

Director

Director

(Yogesh Monga)  
Partner

M. No 099813

Place : Chandigarh  
Dated : 04.09.2010

**M/S. TIARA JEWELS PRIVATE LIMITED**

(Amount in Rs.)

<b>PARTICULARS</b>	<b>AMOUNT AS AT 31.03.2010</b>
--------------------	------------------------------------

<b>SECURED LOANS</b>	<b>SCHEDULE - III</b>
----------------------	-----------------------

<b>Term Loans</b>	
State Bank of Indore	10,242,081.96
<b>Working Capital Limits</b>	
State Bank of Patiala	89,394,266.91
	<u>99,636,348.87</u>

Note ; The above loans are secured by charge against all the fixed assets and current assets, a few personal assets & personal guarantees of directors of the Company.

<b>UNSECURED LOANS</b>	<b>SCHEDULE - IV</b>
------------------------	----------------------

Due to Directors, Relatives, Companies and Firms in which Directors are interested	64,844,608.54
Inter Corporate Deposits	7,260,943.11
	<u>72,105,551.65</u>

## M/S. TIARA JEWELS PRIVATE LIMITED

## SCHEDULE

(Amount in R

PARTICULARS	Gross Block			Depreciation			NET BLOCK
	Additions During The Period	Sales During The Period	As At 31.03.2010	For the Period	Sale	Upto 31.03.2010	As At 31.03.2010
Generator Set	16,185.21	-	16,185.21	429.00	-	429.00	15,756
Air Conditioner	137,458.85	-	137,458.85	3,644.00	-	3,644.00	133,814
Furniture & Fixture	233,869.78	-	233,869.78	5,551.00	-	5,551.00	228,318
Vehicles	9,316,547.30	464,897.06	8,851,650.25	282,398.00	5,808.20	276,589.80	8,575,060
Weighing Machine	24,715.44	-	24,715.44	655.00	-	655.00	24,060
Office Equipments	527,604.53	-	527,604.53	13,716.00	-	13,716.00	513,888
Cycles	1,591.11	-	1,591.11	42.00	-	42.00	1,549
Computer	118,429.39	-	118,429.39	7,856.00	-	7,856.00	110,573
Electronic Safe	1,675.79	-	1,675.79	44.00	-	44.00	1,631
Electrical Appliances	149,994.65	-	149,994.65	2,875.00	-	2,875.00	147,119
<b>Total</b>	<b>10,528,072.06</b>	<b>464,897.06</b>	<b>10,063,175.01</b>	<b>317,210.00</b>	<b>5,808.20</b>	<b>311,401.80</b>	<b>9,751,773</b>

**M/S. TIARA JEWELS PRIVATE LIMITED**

(Amount in Rs.)

<b>PARTICULARS</b>	<b>AMOUNT AS AT 31.03.2010</b>
--------------------	------------------------------------

<b>SECURED LOANS</b>	<b>SCHEDULE - III</b>
----------------------	-----------------------

**Term Loans**

State Bank of Indore	10,242,081.96
----------------------	---------------

**Working Capital Limits**

State Bank of Patiala	89,394,266.91
-----------------------	---------------

**99,636,348.87**

Note : The above loans are secured by charge against all the fixed assets and current assets, a few personal assets & personal guarantees of directors of the Company.

<b>UNSECURED LOANS</b>	<b>SCHEDULE - IV</b>
------------------------	----------------------

Due to Directors, Relatives, Companies and Firms in which Directors are interested	64,844,608.54
---	---------------

Inter Corporate Deposits	7,260,943.11
--------------------------	--------------

**72,105,551.65**

## M/S. TIARA JEWELS PRIVATE LIMITED

## SCHEDULE

(Amount in Rupees)

PARTICULARS	Gross Block			Depreciation			NET BLOCK
	Additions During The Period	Sales During The Period	As At 31.03.2010	For the Period	Sale	Upto 31.03.2010	As At 31.03.2010
Generator Set	16,185.21	-	16,185.21	429.00	-	429.00	15,756
Air Conditioner	137,458.85	-	137,458.85	3,644.00	-	3,644.00	133,814
Furniture & Fixture	233,869.78	-	233,869.78	5,551.00	-	5,551.00	228,318
Vehicles	9,316,547.30	464,897.06	8,851,650.25	282,398.00	5,808.20	276,589.80	8,575,060
Weighing Machine	24,715.44	-	24,715.44	655.00	-	655.00	24,060
Office Equipments	527,604.53	-	527,604.53	13,716.00	-	13,716.00	513,888
Cycles	1,591.11	-	1,591.11	42.00	-	42.00	1,549
Computer	118,429.39	-	118,429.39	7,856.00	-	7,856.00	110,573
Electronic Safe	1,675.79	-	1,675.79	44.00	-	44.00	1,631
Electrical Appliances	149,994.65	-	149,994.65	2,875.00	-	2,875.00	147,119
<b>Total</b>	<b>10,528,072.06</b>	<b>464,897.06</b>	<b>10,063,175.01</b>	<b>317,210.00</b>	<b>5,808.20</b>	<b>311,401.80</b>	<b>9,751,773</b>

**M/S. TIARA JEWELS PRIVATE LIMITED**

(Amount in Rs.)

**PARTICULARS**

**AMOUNT AS  
AT 31.03.2010**

**CURRENT LIABILITIES**

**SCHEDULE - XI**

Sundry Creditors	16,898,966.08
Other Liabilities	680,533.06
Advances From Customers	15,210,536.00
	<u>32,790,035.14</u>

**PROVISIONS**

**SCHEDULE - XII**

Provision for Income Tax (Net of Advance Tax and TDS)	1,057,000.00
	<u>1,057,000.00</u>

**MISCELLANEOUS EXPENDITURE**

**SCHEDULE - XIII**

Preliminary Expenses incurred during the year	214,700.00
Less : Written off during the year	42,940.00
	<u>171,760.00</u>

**M/S. TIARA JEWELS PRIVATE LIMITED**

(Amount in Rs.)

<b>PARTICULARS</b>	<b>AMOUNT AS AT 31.03.2010</b>
--------------------	------------------------------------

<b>CURRENT LIABILITIES</b>	<b>SCHEDULE - XI</b>
----------------------------	----------------------

Sundry Creditors	16,898,966.08
Other Liabilities	680,533.06
Advances From Customers	15,210,536.00
	<u>32,790,035.14</u>

<b>PROVISIONS</b>	<b>SCHEDULE - XII</b>
-------------------	-----------------------

Provision for Income Tax (Net of Advance Tax and TDS)	1,057,000.00
	<u>1,057,000.00</u>

<b>MISCELLANEOUS EXPENDITURE</b>	<b>SCHEDULE - XIII</b>
----------------------------------	------------------------

Preliminary Expenses incurred during the year	214,700.00
Less : Written off during the year	42,940.00
	<u>171,760.00</u>

7. Expenditure incurred on employees getting remuneration not less than Rs. 24,00,000/- p.a. in respect of persons employed throughout the year and/or not less than Rs. 2,00,000/- p.m. in respect of persons employed for part of the years is Nil.

8. 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.

9. Particulars of payments made to auditors :

i. Statutory Audit Fees	Rs. 10,000.00
ii Service Tax	Rs. 1,030.00

10. Fixed assets possessed by the company are treated as corporate assets and are not Cash Generating Unit as per Accounting Standard 28 issued by the Institute of Chartered Accountants of India. In the opinion of management, there is no impairment of the fixed assets of the company.

11. 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, 2010. 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.

12. Additional information pursuant to the provisions of paragraph 3,4 C & 4 D of part II of Schedule VI of the companies Act, 1956 are as under :

a) Licensed and Installed Capacity

i. Licensed Capacity	N.A.
ii. Installed Capacity	Nil

b) Particulars in respect of Opening Stock, Production, Sales & Closing Stock :

	Gold (qty. in grams)	Bullion (qty. in grams)
Opening Stock	102679.128	-
Purchases	23585.980	12997.64
Sales	24290.700	11610.10
Closing Stock	101974.408	1387.54



- c) C.I.F. value of Import - Nil
- d) Expenditure of Foreign Currency - Nil
- e) Earnings of Foreign Currency - Nil

**13. RELATED PARTY DISCLOSURES**

Related party disclosures as required under Accounting Standard (AS-18) on "Related Party Disclosures" issued under the Companies ( Accounting Standard) Rule 2006, as amended up to date, are given below: -

**a) Relationship**

**i) Joint Ventures and Associates \***  
None

**ii) Key Management Personnel (Managing Director/Whole-time directors)**  
Sh. Jawahar Lal Jain  
Sh. Neeraj Jain  
Sh. Rohit Jain

**iii) Relatives of the Key Management Personnel\***  
Smt. Manju Jain  
Smt. Tina Jain

**Entities over which key management personnel/their relatives are able to exercise significant influence\*.**

J. J. Infrastructures Ltd.  
Neeraj Jain & Tina Jain  
Babu ram & Sons (HUF)  
Jawahar Lal Jain (HUF)  
Rohit Jain (HUF)

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

**b) The following transactions were carried out with related parties in the ordinary course of business.**

**i) Entities over which key management personnel/their relatives are able to exercise significant influence**  
Nil.

ii) **Key Management Personnel and their relatives**

<b>Sr. No.</b>	<b>PARTICULARS</b>	<b>(Rs. In lacs)</b>
i.	Remuneration	1.62
ii.	Rent (Gross)	6.08
iii	Loans received	880.71
iv	Loans repaid	241.24

14. Balance Sheet abstract and company's general business profile is given in Annexure XX-A

**FOR TIARA JEWELS PRIVATE LIMITED**

**DIRECTOR      DIRECTOR**

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

**YOGESH MONGA**  
**PARTNER**  
**M. NO. 099813**

**PLACE: CHANDIGARH**  
**DATE: 04.09.2010**

**M/S. TIARA JEWELS PRIVATE LIMITED**

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**I Registration Details**

Registration No.	: U36911CH2009PTC31867	
Balance Sheet Date	: 31.03.2010	
State Code	:	53

**II Capital Raised during the Year (Amount in Rs. Thousand)**

Public Issue	: Nil	
Rights Issue	: Nil	
Bonus Shares	: Nil	
Private Placement	:	8,700.00

**III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)**

**CURRENT YEAR**

Total Liabilities	192,905.43
Total Assets	192,905.43
<b>Sources of Funds</b>	
Paid up capital	8,700.00
Reserves & Surplus	12,347.23
Secured Loan	99,636.35
Unsecured Loan	72,105.55
<b>Applications of Funds</b>	
Net fixed assets	9,751.77
Investments	-
Net Current Assets	182,981.89
Misc. Expenditure	171.76
Accumulated losses	-

**IV Performance of Company (Amount in Rs. Thousand)**

Total Income	80,309.58
Total Expenditure	74,285.06
Profit/Loss before Tax	6,024.53
Profit/Loss after Tax	4,147.23
Earning per Share in Rs	4.77
Dividend	-

**V Generic names of three Principal Products of the Company**

Item Code No.	NA
Product Description	Gold & Silver Items
Item Code No.	NA
Product Description	Diamond
Item Code No.	NA
Product Description	Platinum

## **CERTIFICATE**

**To  
The Members  
Devine Impex Limited**

**We have examined the compliance of conditions of Corporate Governance by Devine Impex Limited for the year ended on 31<sup>st</sup> March 2010, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges in India.**

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

**We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.**

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

**(YOGESH MONGA)  
PARTNER  
M. NO. 99813**

**PLACE : CHANDIGARH  
DATE : 04.09.2010**

To

**The Members  
Devine Impex Limited**

We have audited the attached consolidated Balance sheet of Devine Impex Limited and its subsidiary company Tiara Jewels Private Limited as at 31st March, 2010 and also the consolidated Profit and Loss Account and Consolidated Cash Flow statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. We report that the consolidated financial statements have been prepared by Devine Impex Limited's management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.
3. Based on our audit and on consideration of report of other auditor on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India;
  - a) In the case of the consolidated Balance Sheet, of the consolidated State of Affairs of Devine Impex Limited and its subsidiary as at March 31, 2010;

- b) In the case of Consolidated Profit and Loss Account, of the consolidated results of operations of Devine Impex Limited and its subsidiary for the year ended on that date; and
- c) In the case of the Consolidated Cash Flow Statement, of the Consolidated Cash Flows of Devine Impex Limited and its subsidiary for the year ended on that date.

**FOR DATTA SINGLA & CO.  
CHARTERED ACCOUNTANTS  
Firm Regn. No. 006185N**

**(YOGESH MONGA)  
PARTNER  
M. NO. 99813**

**PLACE : CHANDIGARH  
DATE : 04.09.2010**

DEVINE IMPEX LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

(Amount in Rs.)

PARTICULARS	SCHEDULE	AS AT 31.03.2010	AS AT 31.03.2009
<b>SOURCES OF FUNDS :</b>			
<b>SHARE HOLDERS' FUNDS</b>			
Share Capital	I	52,172,000.00	52,172,000.00
Reserves & Surplus		-	-
		<u>52,172,000.00</u>	<u>52,172,000.00</u>
Secured Loans	II	99,636,348.87	739,935.00
Unsecured Loans	III	72,105,551.65	-
Deferred Tax Liability	IV	116,300.00	-
		<u>224,030,200.52</u>	<u>52,911,935.00</u>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	V	10,105,384.01	2,267,159.00
Less : Depreciation		336,393.80	617,187.00
Net Block		<u>9,768,990.20</u>	<u>1,649,972.00</u>
<b>INVESTMENTS</b>	VI	13,925,000.00	13,925,000.00
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Inventories	VII	219,530,871.36	18,817,543.75
Sundry Debtors	VIII	1,384,807.14	250,104.45
Cash & Bank Balances	IX	6,686,230.07	248,205.90
Other Current Assets	X	313,407.19	-
Loans & Advances	XI	5,681,803.00	14,520,363.00
		<u>233,596,918.76</u>	<u>33,836,217.10</u>
<b>Less : Current Liabilities &amp; Provisions</b>			
Current Liabilities	XII	33,590,172.89	1,405,214.00
Provisions	XIII	1,057,000.00	25,057.00
		<u>34,647,172.89</u>	<u>1,430,271.00</u>
<b>Net Current Assets</b>		<u>198,949,745.87</u>	<u>32,405,946.10</u>
Miscellaneous Expenditure (to the extent not written off or adjusted)	XIV	171,760.00	-
Profit & Loss Account		1,214,704.44	4,931,016.90
		<u>224,030,200.52</u>	<u>52,911,935.00</u>

SIGNIFICANT ACCOUNTING POLICIES  
NOTES TO THE ACCOUNTS

For Devine Impex Limited

Director

Director

Place : Chandigarh  
Dated : 04.09.2010

In terms of our report of even date attached  
For DATTA SINGLA & Co.  
Chartered Accountants  
Firm Regn. No. 006185

(YOGESH MONGA)  
Partner  
M. No. 099813

**DEVINE IMPEX LIMITED**

**CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010**

(Amount in Rs.)

<b>PARTICULARS</b>	<b>SCHEDULE</b>	<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>
<b><u>INCOME</u></b>			
Sales	XV	91,426,359.00	52,246,120.00
Other Income	XVI	15,496.00	719,946.00
		<u>91,441,855.00</u>	<u>52,966,066.00</u>
<b><u>EXPENDITURE</u></b>			
Cost of Goods sold	XVII	74,005,499.39	52,559,670.00
Administration Expenses	XVIII	2,718,849.28	2,620,246.85
Personnel Expenses	XIX	772,288.00	192,000.00
Selling & Distribution Expenses	XX	3,578,124.74	20,462.00
Financial Expenses	XXI	4,420,928.13	85,836.00
Depreciation	V	319,533.00	210,445.00
		<u>85,815,222.54</u>	<u>55,688,659.85</u>
<b>Profit Before Tax</b>		<b>5,626,632.46</b>	<b>(2,722,593.85)</b>
Less : Provision For Tax			
- Fringe Benefit Tax			25,057.00
- Income Tax		1,761,000.00	-
- Deferred Tax	IV	116,300.00	-
<b>Profit After Tax</b>		<b>3,749,332.46</b>	<b>(2,747,650.85)</b>
Less : Expenses related to earlier years		33,020.00	18,335.00
<b>Profit Available for Appropriation</b>		<b>3,716,312.46</b>	<b>(2,765,985.85)</b>
<b>Balance Brought Forward</b>		<b>(4,931,016.90)</b>	<b>(2,165,031.05)</b>
<b>Balance Carried To Balance Sheet</b>		<b>(1,214,704.44)</b>	<b>(4,931,016.90)</b>
<b>Earnings Per Share (Face value of Rs. 10/- each):</b>			
Basic		0.73	(0.53)
Diluted		0.73	(0.53)

SIGNIFICANT ACCOUNTING POLICIES  
NOTES TO THE ACCOUNTS

XXII  
XXIII

For Devine Impex Limited

In terms of our report of even date attached  
For **DATTA SINGLA & Co.**  
Chartered Accountants  
Firm Regn. No. 006185

Director

Director

(**YOGESH MONGA**)  
Partner  
M. No. 099813

Place : Chandigarh  
Dated : 04.09.2010



**DEVINE IMPEX LIMITED**

PARTICULARS	AMOUNT AS AT 31.03.2010	AMOUNT AS AT 31.03.2009
<b>(Amount in Rs.)</b>		
<b>SCHEDULE - I</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised Share Capital</b>		
60,00,000 Equity Shares of Rs.10/- each.	60,000,000.00	60,000,000.00
<b>Issued &amp; Subscribed Capital</b>		
52,51,400 (52,51,400) Equity Shares of Rs.10/-each	52,514,000.00	52,514,000.00
<b>Paid up Capital</b>		
51,32,200 (51,32,200) Equity Shares of Rs.10/-each fully paid up	51,322,000.00	51,322,000.00
Add : Amount paid up on 1,19,200 (1,19,200) Shares Forfeited	850,000.00	850,000.00
	<u>52,172,000.00</u>	<u>52,172,000.00</u>
<b>SECURED LOANS</b>		
<b>SCHEDULE - II</b>		
<b>Term Loans</b>		
State Bank of Indore	10,242,081.96	-
<b>Working Capital Limits</b>	89,394,266.91	-
State Bank of Patiala		
ICICI Bank Limited	-	739,935.00
	<u>99,636,348.87</u>	<u>739,935.00</u>
<b>UNSECURED LOANS</b>		
<b>SCHEDULE - III</b>		
Due to Directors, Relatives, Companies and Firms in which Directors are interested	64,844,608.54	-
Inter Corporate Deposits	7,260,943.11	-
	<u>72,105,551.65</u>	<u>-</u>
<b>DEFERRED TAX LIABILITY</b>		
<b>SCHEDULE - IV</b>		
Deferred Tax Liability on account of timing difference in block of fixed assets	116,300.00	-
Deferred Tax Asset on account of brought forward business losses etc.	-	-
Net Deferred Tax Liability	<u>116,300.00</u>	<u>-</u>

## Consolidated Cash Flow Statement For The Year Ended 31st March 2010

(Amount in Rs. '000)

Particulars	Year Ended	Year Ended
	31st March 2010	31st March 2009
	Amount	Amount
<b>A. Cash flow from operating activities:</b>		
Profit For The Year Before Tax and Prior Period Items	5,626.63	(2,722.59)
Adjustments for:		
Depreciation	319.53	210.45
Loss on sale of investment	-	(1,515.99)
Misc. Expenditure W/Off	42.94	-
Interest Expense	-	(719.95)
Non Operating Income	(15.50)	23.33
Loss on sale of Fixed Assets	497.11	-
<b>Operating Profit Before Prior Period Items And Working Capital Changes</b>	<b>6,470.72</b>	<b>(4,724.75)</b>
Adjustment For Prior Period Income/(Expense)	-	-
<b>Operating Profit Before Working Capital Changes</b>	<b>6,470.72</b>	<b>(4,724.75)</b>
Adjustments for:		
Trade And Other Receivables	(1,134.70)	(7,708.32)
Inventories	(200,713.13)	-
Loans and Advances	8,838.56	-
Other Current Assets	(313.41)	-
Trade and Other Payables	32,159.90	(74.49)
<b>Cash Generated From Operations</b>	<b>(154,692.05)</b>	<b>(12,507.56)</b>
Income Tax Paid	(737.02)	(48.33)
<b>Net Cash From Operating Activities</b>	<b>(155,429.07)</b>	<b>(12,555.89)</b>
<b>B. Cash Flow From Investing Activities:</b>		
Purchase Of Fixed Assets/ Capital Work-in-Progress	(10,528.07)	-
Sale of Fixed assets	1,592.41	-
Purchase of Investments	-	-
Sale of Investments	-	8,048.31
Interest and Other Financing Income	-	719.95
Miscellaneous Expenditure Incurred	(214.70)	-
Non Operating Income	15.50	-
<b>Net Cash (Used)/Generated in Investing Activities</b>	<b>(9,134.87)</b>	<b>8,768.25</b>
<b>C. Cash Flow From Financing Activities:</b>		
Increase/Decrease in Loans & Advances	-	1,323.00
Proceeds/(Refund) Of Share Capital/Application & Securities Premium	-	-
Proceeds/(Repayment) Of Long Term Borrowings	171,001.97	(238.74)
Calls in arrears received	-	1,562.02
Proceeds/(Repayment) Of Short Term Borrowings	-	-
Interest Paid	-	-
<b>Net Cash (Used)/Generated in Financing Activities</b>	<b>171,001.97</b>	<b>2,646.29</b>
<b>Net Increase/(Decrease) in Cash And Cash Equivalents (A) + (B) + (C)</b>	<b>6,438.02</b>	<b>(1,141.35)</b>
Opening Cash And Cash Equivalents	248.21	1,389.55
Closing Cash And Cash Equivalents	6,686.23	248.21
For Devine Impex Limited		In terms of our report of even date attached For DATTA SINGLA & Co. Chartered Accountants Firm Regn. No. 006185
Director	Director	(YOGESH MONGA) Partner M. No. 099813
Place : Chandigarh		
Dated : 04.09.2010		

**DEVINE IMPEX LIMITED**

<b>PARTICULARS</b>	<b>AMOUNT AS</b>		<b>AMOUNT AS</b>	
	<b>AT 31.03.2010</b>		<b>AT 31.03.2009</b>	
<b>INVESTMENTS</b>				(Amount in Rs.)
<b>Long Term</b>				<b>SCHEDULE - VI</b>
<b>Quoted</b>				
Fully paid up equity shares of Rs. 10/- each	3,995,900	8,459,000	3,995,900	8,459,000
<b>Unquoted</b>				
Fully paid up equity shares of Rs. 10/- each	412,600	5,066,000	412,600	5,066,000
<b>Share Application Money</b>				
Prince fintec (P) Limited		400,000.00		400,000.00
<b>TOTAL</b>		<b>13,925,000.00</b>		<b>13,925,000.00</b>
(Market value of quoted shares is not available)				

DEVINE IMPEX LIMITED

SCHEDULE OF FIXED ASSETS AT AT 31st MARCH 2010

SCHEDULE - V

(Amount in Rs.)

PARTICULARS	RATE Devine	RATE Tiara	GROSS BLOCK				DEPRECIATION				NET BLOCK	
			AS AT 01.04.2009	ADDITIONS	Sale	AS AT 31.03.2010	UPTO 31.03.2009	FOR THE YEAR	ADJUSTMENT DURING THE YEAR	UP TO 31.03.2010	AS AT 31.03.2010	AS AT 31.03.2009
Car	9.50%	9.50%	2,202,450.00	9,316,547.30	2,667,347.06	8,851,650.25	573,239.00	282,398.00	579,047.20	276,589.80	8,575,060.44	1,629,211.00
Furniture & Fixture	6.33%	6.33%	20,109.00	233,869.78	-	253,978.78	13,410.00	6,824.00	-	20,234.00	233,744.78	6,699.00
Office Equipment	4.75%	7.07%	22,100.00	527,604.53	-	549,704.53	9,259.00	14,766.00	-	24,025.00	525,679.53	12,841.00
Scooter	9.50%	-	22,500.00	-	22,500.00	-	21,279.00	-	21,279.00	-	-	1,221.00
Generator Set	-	7.07%	-	16,185.21	-	16,185.21	-	429.00	-	429.00	15,756.21	-
Air-Conditioner	-	7.07%	-	137,458.85	-	137,458.85	-	3,644.00	-	3,644.00	133,814.85	-
Weighing Machine	-	7.07%	-	24,715.44	-	24,715.44	-	655.00	-	655.00	24,060.44	-
Cycles	-	7.07%	-	1,591.11	-	1,591.11	-	42.00	-	42.00	1,549.11	-
Computer	-	16.21%	-	118,429.39	-	118,429.39	-	7,856.00	-	7,856.00	110,573.39	-
Electronic Safe	-	7.07%	-	1,675.79	-	1,675.79	-	44.00	-	44.00	1,631.79	-
Electrical Appliances	-	7.07%	-	149,994.65	-	149,994.65	-	2,875.00	-	2,875.00	147,119.65	-
			2,267,159.00	10,528,072.06	2,689,847.06	10,105,384.01	617,187.00	319,533.00	600,326.20	336,393.80	9,768,990.20	1,649,972.00
Previous Year			2,267,159.00	-	-	2,267,159.00	388,407.00	228,780.00	-	617,187.00	1,649,972.00	1,878,752.00

**DEVINE IMPEX LIMITED**

<b>PARTICULARS</b>	<b>AMOUNT AS AT 31.03.2010</b>	<b>AMOUNT AS AT 31.03.2009</b>
		<b>(Amount in Rs.)</b>
<b>INVENTORIES</b>		<b>SCHEDULE - VII</b>
Shares	7,998,543.75	18,817,543.75
Gold	127,403,437.00	-
Bullion	2,373,162.00	-
Daimond & Other Stones	66,551,848.61	-
Siver	12,690,330.00	-
Platinum	2,503,350.00	-
	<u>219,530,671.36</u>	<u>18,817,543.75</u>
 <b>SUNDRY DEBTORS</b>		<b>SCHEDULE - VIII</b>
<b>UNSECURED BUT CONSIDERED GOOD</b>		
Outstanding for a period exceeding six months	-	-
Others	1,384,807.14	250,104.45
	<u>1,384,807.14</u>	<u>250,104.45</u>
 <b>CASH &amp; BANK BALANCES</b>		<b>SCHEDULE - IX</b>
Cash In Hand	1,225,971.78	227,955.57
Balances with Scheduled Banks	5,460,258.29	20,250.33
	<u>6,686,230.07</u>	<u>248,205.90</u>

**DEVINE IMPEX LIMITED**

<b>PARTICULARS</b>	<b>AMOUNT AS AT 31.03.2010</b>	<b>AMOUNT AS AT 31.03.2009</b>
<b>OTHER CURRENT ASSETS</b>		(Amount in Rs SCHEDULE - 2)
Prepaid Expenses	232,862.00	
Advance to Employees	35,041.00	
Security Deposit	45,504.19	
	<b>313,407.19</b>	
<b>LOANS &amp; ADVANCES</b>		SCHEDULE - 2
Loans	3,268,629.00	14,458,355
Advances recoverable in cash or in kind or for value to be received	2,413,174.00	62,008
	<b>5,681,803.00</b>	<b>14,520,363</b>

**DEVINE IMPEX LIMITED**

<b>PARTICULARS</b>	<b>AMOUNT AS AT 31.03.2010</b>	<b>AMOUNT AS AT 31.03.2009</b>
		(Amount in Rs.)
<b>CURRENT LIABILITIES</b>		<b>SCHEDULE XII</b>
Sundry Creditors	16,898,966.08	-
Advances From Customers	15,967,135.00	1,321,188.00
Expenses Payable	724,071.81	84,026.00
Total	<u>33,590,172.89</u>	<u>1,405,214.00</u>
		<b>SCHEDULE XIII</b>
<b>PROVISIONS</b>		
Provision for Income Tax (Net of Advance Tax and TDS)	1,057,000.00	25,057.00
	<u>1,057,000.00</u>	<u>25,057.00</u>
		<b>SCHEDULE XIV</b>
<b>MISCELLANEOUS EXPENDITURE</b>		
Preliminary Expenses incurred during the year	214,700.00	-
Less : Written Off during the year	42,940.00	-
	<u>171,760.00</u>	<u>-</u>

**DEVINE IMPEX LIMITED**

<b>PARTICULARS</b>	<b>YEAR ENDED 31.03.2010</b>	<b>YEAR ENDED 31.03.2009</b>
		<b>(Amount in Rs.)</b>
<b>SALES</b>		<b>SCHEDULE - XV</b>
<b>SALES</b>		
Shares, Stocks & Commodities	11,116,775.00	52,246,120.00
Gold	44,635,614.00	-
Bullion	19,901,474.00	-
Daimond & Other Stones	15,243,882.00	-
Platinum	528,614.00	-
<b>SUB TOTAL</b>	<b>91,426,359.00</b>	<b>52,246,120.00</b>
<b>OTHER INCOME</b>		<b>SCHEDULE - XVI</b>
Profit On Sale Of Investment	-	-
Interest Income	-	719,946.00
Miscellaneous Income	15,496.00	-
<b>SUB TOTAL</b>	<b>15,496.00</b>	<b>719,946.00</b>
<b>COST OF GOODS SOLD</b>		<b>SCHEDULE - XVII</b>
Opening Stock	216,231,458.75	18,817,543.75
Add : Purchases	77,304,712.00	52,559,670.00
	293,536,170.75	71,377,213.75
Less : Closing Stock	219,530,671.36	18,817,543.75
<b>Cost of Goods Sold</b>	<b>74,005,499.39</b>	<b>52,559,670.00</b>



**DEVINE IMPEX LIMITED**

PARTICULARS	YEAR ENDED 31.03.2010	YEAR ENDED 31.03.2009
-------------	--------------------------	--------------------------

ADMINISTRATIVE EXPENSES	(Amount in Rs.) SCHEDULE - XVIII	
Audit Fee	33,090.00	11,000.00
Bank Charges	25,911.40	16,006.00
Credit Card Commission	121,856.59	
Donation & Charity	8,000.00	
Insurance	135,215.00	37,303.00
Repair & Maintenance	59,170.00	2,000.00
Electricity Expenses	295,470.00	24,000.00
Miscellaneous Expenses		30,333.00
Printing & Stationary	10,508.00	
Rent	641,800.00	30,000.00
News Paper & Periodicals	17,717.00	
Professional Charges	87,148.75	3,000.00
Postage & Courier Charges	7,200.00	47,680.00
Vehicle Expenses	180,366.26	51,680.00
Telephone Expenses	176,240.85	7,160.00
Travelling Expenses	278,689.07	-
Misc. Expenses	15,869.50	-
Fees & Taxes	84,545.00	844,094.00
Loss on sale of fixed assets	497,111.86	-
Loss on sale of investments		1,515,990.85
Preliminary Expenses written off	42,940.00	-
	<u>2,718,849.28</u>	<u>2,620,246.85</u>

PERSONNEL EXPENSES	SCHEDULE - XIX	
To Salary & Wages	631,607.00	192,000.00
To Staff Welfare	49,575.00	-
To Contribution Provident & Funds	91,106.00	-
	<u>772,288.00</u>	<u>192,000.00</u>

SELLING & DISTRIBUTIN EXPENSES	SCHEDULE - XX	
To Advertisement Exp	1,043,169.00	20,462.00
To Business Promotion	168,205.74	
To Discount & Rebate	2,366,750.00	
	<u>3,578,124.74</u>	<u>20,462.00</u>

FINANCIAL EXPENSES	SCHEDULE - XXI	
To Bank Interest	4,364,453.13	
To Interest To Others	50,475.00	85,833.00
	<u>4,420,928.13</u>	<u>85,833.00</u>

**M/S. TIARA JEWELS PRIVATE LIMITED**

(Amount in Rs.)

PARTICULARS	PERIOD ENDED 31.03.2010
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SALES	SCHEDULE - XIV
-------	----------------

Gold	44,635,614.00
Bullion	19,901,474.00
Diamond & Other Stones	15,243,882.00
Platinum	528,614.00
	<u>80,309,584.00</u>

MATERIAL CONSUMED	SCHEDULE - XV
-------------------	---------------

<b>OPENING STOCK :</b>	
Gold	118,974,008.00
Bullion	-
Diamond & Other Stones	64,767,580.00
Silver	12,690,330.00
Platinum	981,997.00
	<u>197,413,916.00</u>
<b>Add : Purchases</b>	
Gold	38,777,423.00
Bullion	22,230,350.00
Diamond & Other Stones	14,326,264.00
Silver	-
Platinum	1,970,675.00
	<u>77,304,712.00</u>
<b>Less : Closing Stock</b>	
Gold	127,403,437.00
Bullion	2,373,162.00
Diamond & Other Stones	66,561,848.61
Silver	12,690,330.00
Platinum	2,603,350.00
	<u>211,632,127.61</u>
<b>Material Consumed</b>	<u>63,166,499.39</u>

ADMINISTRATIVE EXPENSES	SCHEDULE - XVI
-------------------------	----------------

Audit Fees	11,030.00
Bank Charges	22,613.07
Credit Card Commission	121,856.59
Printing & Stationery Exp	10,508.00
Electricity & Water Exp	294,270.00
Misc Exp	13,719.50
Rent Paid	607,500.00
Telephone & Internet Exp	174,302.85
Donation & Charity	8,000.00
Motor Repair & Maintenance	180,366.26
Insurance Expenses	125,255.00
Travelling Expenses	278,689.07
Repair & Maintenance	59,170.00
Freight Charges	2,150.00
News Paper & Periodicals	17,717.00
Legal & Professional Charges	20,000.00
Loss on Sale of Fixed Assets	89,788.86
Preliminary Expenses written off during the year	42,910.00
	<u>2,079,176.20</u>

## **DEVINE IMPEX LIMITED**

### **SCHEDULE XXII**

#### **SIGNIFICANT ACCOUNTING POLICIES**

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

The Financial Statements 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 & 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 rates prescribed under Schedule XIV to the Companies Act 1956.

##### **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.

##### **INVENTORIES**

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

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.

## **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 accounts.

## **PROVISIONS AND CONTINGENT LIABILITIES**

- (i) Provisions are recognized 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 past event.
  - (b) a probable outflow of resources embodying economic benefits is expected to settle the obligation; and
  - (c) the amount of 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

## **FOREIGN CURRENCY TRANSACTIONS**

1. Foreign currency transactions are recorded on initial recognition at the rate prevailing on the date of the transaction.

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 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.
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 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.

#### **BORROWING COSTS :**

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

#### **SCHEDULE XXIII**

#### **NOTES TO THE 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 Gratuity has made in the accounts as no employee has put in qualifying period of service to be eligible for gratuity.
4. Principles of consolidation :

The consolidated financial statements include the financial statements of Devine Impex Limited, the parent company, and its subsidiary company Tiara Jewels Private Limited.

The consolidated financial statements have been combined on a line-by-line basis by adding the book values of the items of assets, liabilities, income and expenses after eliminating intra-group balances/transactions and resulting unrealized profit in full.

The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the parent company for its separate financial statements.

The consolidated financial statements have been prepared in accordance with Accounting Standard (AS-21) - "Consolidated Financial Statements" issued by The Institute of Chartered Accountants of India.

## 5. RELATED PARTY DISCLOSURE (as per AS 18)

### a. List of related parties

i. Joint Venture / Associate Concerns \*  
None

ii. Key Management Personnel  
Sh. Nagesh Aggarwal #  
Sh. Jawahar Lal Jain ^  
Sh. Neeraj Jain ^  
Sh. Rohit Jain ^  
Smt. Manju Jain ^

iii. Relatives of Key Management Personnel \*  
Sh. Neeraj Aggarwal #  
J. J. Infrastructures Ltd. ^  
Neeraj Jain & Tina Jain ^  
Babu ram & Sons (HUF) ^  
Jawahar Lal Jain (HUF) ^  
Rohit Jain (HUF) ^

iv. Entities of Relatives of Key Management Personnel \*  
Aniket N Aggarwal & Co. #

# Upto 23<sup>rd</sup> Sept. 2009

^ w.e.f. 23<sup>rd</sup> Sept. 2009

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

b. Transactions with Related Parties

(Rs. in lacs)

Particulars	Joint Venture/ Associates	Key Management Personnel	Entitles of Relatives of Key Management Personnel	Relatives of Key Management Personnel	Total
Loans received	-	275.22	590.67	14.82	880.71
Loan repaid	-	78.74	162.00	0.50	241.24
Advances	-	6.57	-	-	6.57
Sales	-	-	53.05	-	53.05
Remuneration	-	1.62	-	-	1.62
Rent (gross)	-	6.08	-	-	6.08

6. EARNINGS 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 year. 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. The reconciliation between basic and diluted earnings per equity share is as follows:

S. No.	Particulars	Unit	Year ended 31.03.2010
a	Net profit after tax	Rs.	3,749,332
b.	Weighted average number of equity shares used in computing basic earning per share	No.	5,132,200
c.	Basic earning per share (a/b)	Rs.	0.73
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.	5132200
f.	Diluted earnings per share (a/e)	Rs.	0.73
g.	Effect of potential equity shares for preferential allotment (c-f)	Rs.	Nil

**7. Provision Of Income Tax**

As per Income Tax Act, the holding company is carrying forward business losses and unabsorbed depreciation, Consequently, in the opinion of the management, there will be no income tax liability for the current year. Provision for Minimum Alteration Tax (MAT) has not been made in view of book loss.

**8. Taxes on Income (AS 22)**

In view of huge brought forward losses, the holding company has not provided for Deferred Tax Assets, adhering to concept of conservatism. Deferred Tax Liability has been duly provided in the books of subsidiary company.

**9. Additional Information Pursuant to Paragraphs 3 & 4 Part II of Schedule VI of the Companies Act, 1956 (as certified by the management and relied upon by the Auditors)**

a) Particulars of Installed Capacities and Actual Production – Not Applicable

b) Quantitative information about Opening Stock, Purchases, Sales and Closing Stock of goods traded :

Items	Opening Stock		Purchases		Sales		Closing Stock	
	Qty.	Rs. In lacs	Qty.	Ps. In lacs	Qty.	Rs. In lacs	Qty.	Rs. In lacs
Shares (in nos.)	1,317,575	188.18	-	-	873,400	111.17	444,175	7
Gold (in gms.)	102,679.128	1,189.74	23,585.980	387.77	24,290.700	446.36	101,974.408	1,27
Bullion (in gms.)	12,997.640	222.30	-	-	11,610.100	199.01	1,387.540	2

c) Consumption of Raw Materials - Not Applicable

d) Imports on CIF Basis - Nil

e) Expenditure in Foreign Currency – Nil

f) Dividend to Non-Resident Shareholders – Nil

g) Earnings in Foreign Exchange – Nil



10. Balance Sheet abstract and company's general business profile is given in Annexure XXIII-A

**FOR DEVINE IMPEX LIMITED**

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

**DIRECTOR     DIRECTOR**

**YOGESH MONGA**  
**PARTNER**  
**M. NO. 099813**

**PLACE: CHANDIGARH**  
**DATE: 04.09.2010**

**DEVINE IMPEX LIMITED****BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****SCHEDULE****I Registration Details**

Registration No.	:	16-17179
Balance Sheet Date	:	31.03.2010
State Code	:	16

**II Capital Raised during the Year**

(Amount in Rs. Thousand)

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

**III Position of Mobilisation and Deployment of Funds**

(Amount in Rs. Thousand)

**CURRENT YEAR**

Total Liabilities	258,677.37
Total Assets	258,677.37
<b>Sources of Funds</b>	
Paid up capital	52,172.00
Reserves & Surplus	
Secured Loan	99,636.35
Unsecured Loan	72,105.55
<b>Applications of Funds</b>	
Net fixed assets	9,768.99
Investments	13,925.00
Net Current Assets	198,249.75
Misc. Expenditure	NIL
Accumulated losses	12,14.70

**IV Performance of Company**

(Amount in Rs. Thousand)

Total Income	91,441.86
Total Expenditure	85,815.22
Profit/Loss before Tax	5,626.63
Profit/Loss after Tax	3,749.33
Earning per Share in Rs	0.73
Dividend	

**V Generic names of three Principal Products of the Company**

Item Code No.

NA

Product Description

Shares, Stocks and Commodities

**DEVINE IMPEX LIMITED**

**Registered Office:** SCF 103, Chamber No. 7, 1<sup>st</sup> Floor, Phase XI, SAS Nagar, Mohali

(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 30.09.2009 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2010.  
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, 1<sup>st</sup> Floor, Phase XI, SAS Nagar, Mohali 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, 1<sup>st</sup> Floor, Phase XI, SAS Nagar, Mohali

**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)]

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I hereby record my presence at the Annual General Meeting at Regd Office at SCF 103, Chamber No. 7, 1<sup>st</sup> Floor, Phase XI, SAS Nagar, Mohali, Punjab

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

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

**For Office Use:**