

16th ANNUAL GENERAL MEETING

ANNUAL REPORT

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

Day/Date : Friday
30th September 2011

Time : 9:30 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

AUDITORS

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

BANKERS

State Bank of Patiala

REGD. OFFICE

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

REGISTRAR AND TRANSFER AGENT

Link Intime India Private Limited
A-40, 2nd Floor, Naryana Industrial Area,
Phase 2, Near Batra Banquet Hall,
New Delhi- 28

NOTICE

Notice is hereby given that Sixteenth Annual General Meeting of M/S DEVINE IMPEX LIMITED will be held on Friday, 30th September, 2011 at 9.30 A.M. at Regd. office SCF No.103, Chamber No. 7, 1st Floor, Phase XI, SAS Nagar, Mohali Punjab to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the company as on 31st March 2011 and statement of profit and loss during the year ended on that date along with the report of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ajay K Arora 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 Mr. Sham Sunder Sharma who retires by rotation at the ensuing Annual General Meeting and being eligible offers himself 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.”

For Board of Directors
M/S DEVINE IMPEX LTD.

DATE : 03/09/2011
PLACE : Mohali

Sd/-
Director
(Jawahar Lal Jain)

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 2011 to 30th September 2011 both days inclusive.

DIRECTORS REPORT

Your Directors are pleased to present their Sixteenth Annual Report for the financial year ended on 31st March 2011.

FINANCIAL RESULTS:

(Amount in Lacs)

PARTICULARS	31 st March 2011 (Consolidated)	31 st March 2011 (Standalone)	31 st March 2010 (Consolidated)	31 st March 2010 (Standalone)
Sales	1828.08	150.94	914.26	111.17
Cost of goods sold	1441.62	146.84	740.05	108.19
Profit/(loss) before int, dep & tax	238.53	(1.32)	103.67	(3.98)
Interest	114.82	Nil	44.21	Nil
Profit/(loss) before dep & tax	123.71	(1.32)	59.46	(3.96)
Depreciation	11.47	.02	3.20	.02
Profit/(loss) before tax	112.24	(1.34)	56.26	(3.98)
Tax	37.94	.Nil	17.61	Nil
Net Profit/(loss) after tax	74.30	(1.34)	37.49	(3.98)

DIVIDEND:

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

FIXED DEPOSIT

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

DIRECTORS:

Mr. Ajay K Arora and Mr. Sham Sunder Sharma, Directors of the company who retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

LISTING:

The company is listed with Bombay Stock Exchange Limited, Ludhiana Stock Exchange and Delhi Stock Exchange. It is regular in payment of listing fees and complying with other listing requirements.

AUDITORS:

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

CORPORATE GOVERNANCE REPORT:

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

AUDIT COMMITTEE :

Pursuant to provisions of section 292A and Listing Agreement the company has constituted Audit Committee of Directors.

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. 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 : 03/09/2011
PLACE : Mohali**

**Sd/-
CHAIRMAN**

- (g) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- (h) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- (i) Discussion with internal auditors on any significant findings and follow up there on.
- (j) Reviewing the findings of internal investigations by the internal auditors into the requisite matters
- (k) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain area of concern.
- (l) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- (m) Discussion with internal auditors of any significant findings and follows up thereon.

Details of meeting of Audit Committee

Name of the Members of Audit committee	No. of meetings held	No. of Meetings attended
Mr. Ajay K Arora	4	4
Mr. Neeraj Jain	4	4
Mr. Sham Sunder Sharma	4	4

The gap between two meetings of the audit committee is not more than four months.

4. SHAREHOLDERS/INVESTORS GRIEVANCES/ SHARE TRANSFER COMMITTEE:

The followings are the members of the committee.

Mr. Jawahar Lal Jain
 Mr. Neeraj Jain
 Mr. Rohit Jain

Mr. Jawahar Lal Jain is the Chairman of the committee.

Meetings of the 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 were also approved by the committee. Some shares of the company are in physical form. There were no pending transfers and there is no complaint pending as on 31/03/2011.

Brief information on the Directors proposed for reappointment

Mr. Ajay K Arora and Mr. Sham Sunder Sharma, Directors of the company are liable to retire by rotation and being eligible, they have offered themselves for reappointment. Mr Ajay K Arora is a Law Graduate and Fellow Member of Institute of Company Secretaries of India, having more than 20 years of rich experience in Corporate sector. Mr Sham Sunder Sharma a Banker by profession (retd) and has to his credit a very rich experience in Finance and credit.

Details of Annual/Extra Ordinary General Meeting :

YEAR	DATE OF AGM	TIME	PLACE
2007-2008	31 st July 2008	11.00 a.m	Hotel Amaltas, G.T.Road, Near Jalandhar Bye Pass, Ludhiana
2008-2009	31 st August 2009	11.00 a.m	Hotel Amaltas, G.T.Road, Near Jalandhar Bye Pass, Ludhiana
2009-2010	30 th September 2010	9.15 a.m.	SCF 103, Chamber No 7, 1 st Floor, Phase XI, SAS Nagar, Mohali Punjab

The company has not convened any extra ordinary general meeting during the year. No resolution was passed through postal ballot in the previous financial year.

Disclosures

(a) Transactions with related party:

The company has not entered into any materially significant related party transactions during the period under review that may have potential conflict with the interest of the company.

(b) Accounting treatment

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

(c) Penalties and Non Compliances

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

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

Means of Communication

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

Share holder information :

- a. Annual General Meeting : 30th September 2011 at 9.30 a.m.
SCF 103, Chamber No. 7,
1st Floor, Phase XI,
SAS Nagar, Mohali.
- b. Date of book closure is from 28th September 2011 to 30th September 2011.
- c. Bombay Stock Exchange Assn Limited
Ludhiana Stock Exchange Assn Limited
Delhi Stock exchange Limited
- d. Sock Exchange Code : 531585
- e. The company is regularly in paying the annual listing fees of all the exchanges.
- f. REGISTRAR AND TRANSFER AGENT

Link Intime India Private Limited
A-40, 2nd Floor, Naryana Industrial Area,
Phase 2, Near Batra Banquet Hall,
New Delhi- 28

CORPORATE GOVERNANCE CERTIFICATE

TO THE MEMBERS OF DEVINE IMPEX LIMITED

We have examined the compliance of conditions of corporate Governance by DEVINE IMPEX LIMITED for the year ended 31st March, 2011 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 except for appointment of one independent director on the board of subsidiary company (Clause 49 A(III)).

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 assurances to future viability of the company not the efficiency or effectiveness with which the management has conducted the affairs of the company

Date : 03/09/2011

Place : Mohali

**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, 2011 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, 2011 and
 - ii) In the case of the Profit and Loss account, of the Loss of the Company for the year ended on that date.
 - iii) In the 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 : 03.09.2011**

ANNEXURE REFERRED TO IN PARAGRAPH 2 OF OUR REPORT TO THE MEMBERS OF DEVINE IMPEX LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2011.

- 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 book records were not material and have been properly dealt with 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 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 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, 2011, which have not been deposited on account of any dispute.
- 10 The Company has accumulated losses of Rs. 54.99 lacs as at 31st March 2011. The Company has incurred cash losses during the financial year ended 31.03.2011 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 : 03.09.2011**

DEVINE IMPEX LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2011

(Amount in Rs.)

PARTICULARS	SCHEDULE	AS AT 31.03.2011	AS AT 31.03.2010
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SOURCES OF FUNDS :**SHARE HOLDERS' FUND**

Share Capital	I	52,172,000.00	52,172,000.00
Reserves & Surplus		-	-
		52,172,000.00	52,172,000.00

LOAN FUNDS

Secured Loans		-	-
Unsecured Loans		-	-
Deferred Tax Liability		-	-

52,172,000.00**52,172,000.00****APPLICATION OF FUNDS****FIXED ASSETS**

Gross Block	II	42,209.00	42,209.00
Less : Depreciation		27,315.00	24,992.00
Net Block		14,894.00	17,217.00

INVESTMENTS

	III	18,386,615.00	30,825,000.00
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CURRENT ASSETS, LOANS & ADVANCES

Inventories		11,228,398.75	7,998,543.75
Sundry Debtors		-	-
Cash & Bank Balances	IV	570,095.67	5,486,117.02
Other Current Assets	V	88,490.00	14,700.00
Loans & Advances	VI	16,545,290.00	3,268,629.00
		28,432,274.42	16,767,989.77

Less : Current Liabilities & Provisions

Current Liabilities	VII	161,160.00	800,137.75
Provisions		-	-
		161,160.00	800,137.75

Net Current Assets**28,271,114.42****15,967,852.02****Miscellaneous Expenditure**

(to the extent not written off or adjusted)

Profit & Loss Account

5,499,376.58

5,361,930.98

52,172,000.00**52,172,000.00**

SIGNIFICANT ACCOUNTING POLICIES

XIV

NOTES TO THE ACCOUNTS

XV

For Devine Impex Limited

In terms of 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

Dated : 03.09.2011

DEVINE IMPEX LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

PARTICULARS	SCHEDULE	CURRENT YEAR	PREVIOUS YEAR
<u>INCOME</u>			
Sales	VIII	15,094,269.00	11,116,775.00
Other Income	IX	737,896.00	15,496.00
		<u>15,832,165.00</u>	<u>11,132,271.00</u>
<u>EXPENDITURE</u>			
Cost of Goods sold	X	14,684,501.00	10,819,000.00
Administration Expenses	XI	1,183,866.60	639,673.08
Personnel Expenses	XII	62,400.00	36,400.00
Selling & Distribution Expenses	XIII	32,670.00	32,769.00
Depreciation	II	2,323.00	2,323.00
		<u>15,965,760.60</u>	<u>11,530,165.08</u>
Profit (Loss) Before Tax		(133,595.60)	(397,894.08)
Provision For Income Tax			
- Current Tax		-	-
- Deferred Tax		-	-
Profit (Loss) After Tax		(133,595.60)	(397,894.08)
Less : Expenses related to earlier years		3,850.00	33,020.00
Profit (Loss) Available for Appropriation		(137,445.60)	(430,914.08)
Balance Brought Forward		(5,361,930.98)	(4,931,016.90)
Balance Carried To Balance Sheet		(5,499,376.58)	(5,361,930.98)
Earnings Per Share (Face value of Rs. 10/- each):			
Basic		(0.03)	(0.08)
Diluted		(0.03)	(0.08)
SIGNIFICANT ACCOUNTING POLICIES	XIV		
NOTES TO THE ACCOUNTS	XV		

For Devine Impex Limited

In terms of 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

Dated : 03.09.2011

Cash Flow Statement For The Year Ended 31st March 2011

(Amount in Rs.)

Particulars	Year Ended	Year Ended
	31st March 2011	31st March 2010
	Amount	Amount
A. Cash flow from operating activities:		
Profit For The Year Before Tax and Prior Period Items	(133,596)	(397,894)
Adjustments for :		
Depreciation	2,323	2,323
Loss on sale of investment	-	-
Misc. Expenditure W/Off	-	-
Interest Income	-	-
Non Operating Income	(737,896)	(15,496)
Loss on sale of Fixed Assets	-	408,023
Loss on sale of Investments	846,075	-
Operating Profit Before Prior Period Items And Working Capital Changes	(23,094)	(3,044)
Adjustment For Prior Period Income/(Expense)	(3,850)	-
Operating Profit Before Working Capital Changes	(26,944)	(3,044)
Adjustments for:		
Trade And Other Receivables	-	250,104
Inventories	(3,229,855)	10,819,000
Loans and Advances	(13,276,661)	11,251,734
Other Current Assets	(73,790)	(14,700)
Trade and Other Payables	(638,978)	(630,133)
Cash Generated From Operations	(17,246,227)	21,672,961
Income Tax Paid	-	(33,020)
Net Cash From Operating Activities	(17,246,227)	21,639,941
B. Cash Flow From Investing Activities:		
Purchase Of Fixed Assets/ Capital Work-In-Progress	-	-
Sale of Fixed assets	-	1,222,409
Purchase of Investments	-	(16,900,000)
Sale of Investments	11,592,310	-
Interest and Other Financing Income	-	-
Miscellaneous Expenditure Incurred	-	-
Non Operating Income	737,896	15,496
Net Cash (Used)/Generated In Investing Activities	12,330,206	(15,662,095)
C. Cash Flow From Financing Activities:		
Increase/Decrease in Loans & Advances	-	-
Proceeds/(Refund) Of Share Capital/Application & Securities Premium	-	-
Proceeds/(Repayment) Of Long Term Borrowings	-	(739,935)
Calls in arrears received	-	-
Proceeds/(Repayment) Of Short Term Borrowings	-	-
Interest Paid	-	-
Net Cash (Used)/Generated In Financing Activities	-	(739,935)
Net Increase/(Decrease) In Cash And Cash Equivalents (A) + (B) + (C)	(4,916,021)	5,237,911
Opening Cash And Cash Equivalents	5,486,117	248,206
Closing Cash And Cash Equivalents	570,096	5,486,117

For Devine Impex Limited

Director

Director

Place : Chandigarh

Dated : 03.09.2011

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

(YOGESH MONGA)

Partner

M. No. 099813

DEVINE IMPEX LIMITED

PARTICULARS	AMOUNT AS AT 31.03.2011	AMOUNT AS AT 31.03.2010
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SHARE CAPITAL**SCHEDULE - I****Authorised Share Capital**

60,00,000 (60,00,000) Equity Shares of Rs.10/- each 60,000,000.00 60,000,000.00

Issued & Subscribed Capital

52,51,400 (52,51,400) Equity Shares of Rs.10/-each 52,514,000.00 52,514,000.00

Paid up Capital

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

52,172,000.00 52,172,000.00

DEVINE IMPEX LIMITED

SCHEDULE OF FIXED ASSETS AT AT 31ST MARCH 2011

SCHEDULE - II

(Amount in Rs.)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	AS AT 01.04.2010	ADDITIONS	Sale	AS AT 31.03.2011	UPTO 31.03.2010	FOR THE YEAR	ADJUSTMENT DURING THE YEAR	UP TO 31.03.2011	AS AT 31.03.2011	AS AT 31.03.2010
Furniture & Fixture	20,109.00	-	-	20,109.00	14,683.00	1,273.00	-	15,956.00	4,153.00	5,426.00
Office Equipment	22,100.00	-	-	22,100.00	10,309.00	1,050.00	-	11,359.00	10,741.00	11,791.00
Total	42,209.00	-	-	42,209.00	24,992.00	2,323.00	-	27,315.00	14,894.00	17,217.00
Previous Year	2,267,159.00	-	2,224,950.00	42,209.00	617,187.00	2,323.00	594,518.00	24,992.00	17,217.00	1,649,972.00

DEVINE IMPEX LIMITED

PARTICULARS	AMOUNT AS		AMOUNT AS	
	AT 31.03.2011		AT 31.03.2010	
INVESTMENTS				
SCHEDULE - III				
Long Term				
Quoted				
Kinetic Capital Services Limited	-	-	50,900	509,000
Regal Enterprises Limited	-	-	3,500,000	3,500,000
Subh Exim Limited	47,600	1,086,615	445,000	4,450,000
Unquoted				
Bhawani Industries	-	-	10,000	1,002,500
Kwality Pharmaceuticals	-	-	150,000	1,537,500
Ospin Traders Private Limited	-	-	80,000	800,000
Oswal Oil Mills Limited	-	-	50,000	500,000
Kashmir Apparies Private Limited	-	-	100,000	1,000,000
No Exit Clothing Private Limited	-	-	22,600	226,000
Shares in 100% Subsidiary Company				
Tiara Jewels Pvt. Ltd.	8,700,000	16,900,000	8,700,000	16,900,000
Share Application Money				
Prince Fintech (P) Limited	-	400,000	-	400,000
TOTAL		18,386,615		30,825,000

(Market value of quoted shares is not available)

DEVINE IMPEX LIMITED

PARTICULARS	AMOUNT AS AT 31.03.2011	AMOUNT AS AT 31.03.2010
CASH & BANK BALANCES		
		SCHEDULE - IV
Cash In Hand	562,486.57	405,624.57
Balances with Scheduled Banks	7,609.10	5,080,492.45
	570,095.67	5,486,117.02
OTHER CURRENT ASSETS		
		SCHEDULE - V
Security Deposit	14,700.00	14,700.00
Tax Deducted at Source	73,790.00	-
	88,490.00	14,700.00
LOANS & ADVANCES		
		SCHEDULE - VI
Advances recoverable in cash or in kind or for value to be received (includes to subsidiary company Rs. 149.64 lacs, previous year Rs. Nil)	16,545,290.00	3,268,629.00
	16,545,290.00	3,268,629.00
CURRENT LIABILITIES		
		SCHEDULE - VII
Sundry Creditors	-	-
Advances from Customers	100,000.00	756,599.00
Expenses Payable	61,160.00	43,538.75
Total	161,160.00	800,137.75

DEVINE IMPEX LIMITED

PARTICULARS	YEAR ENDED	YEAR ENDED
	31.03.2011	31.03.2010

SALES**SCHEDULE - VIII**

Shares, Stocks & Commodities	15,094,269.00	11,116,775.00
	<u>15,094,269.00</u>	<u>11,116,775.00</u>

OTHER INCOME**SCHEDULE - IX**

Interest Income	737896.00	-
Miscellaneous Income	-	15,496.00
	<u>737,896.00</u>	<u>15,496.00</u>

COST OF GOODS SOLD**SCHEDULE - X**

Opening Stock	7,998,543.75	18,817,543.75
Add : Purchases	17,914,356.00	-
	<u>25,912,899.75</u>	<u>18,817,543.75</u>
Less : Closing Stock	11,228,398.75	7,998,543.75
		-
Cost of Goods Sold	<u>14,684,501.00</u>	<u>10,819,000.00</u>

DEVINE IMPEX LIMITED

PARTICULARS	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
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ADMINISTRATION EXPENSES

SCHEDULE - XI

Audit Fees	33,090.00	22,060.00
Bank Charges	2,183.00	3,298.33
Insurance	-	9,960.00
Printing & Stationary	6,864.00	-
Electricity Expenses	1,550.00	1,200.00
Miscellaneous Expenses	3,000.00	-
Rent	112,340.00	34,300.00
Professional Charges	90,984.60	67,148.75
Postage & Courier Charges	5,500.00	7,200.00
Telephone Expenses	3,960.00	1,938.00
Fees & Taxes	78,320.00	84,545.00
Loss on sale of fixed assets	-	408,023.00
Loss on sale of investments	846,075.00	-
	1,183,866.60	639,673.08

PERSONNEL EXPENSES

SCHEDULE - XII

Salary & Wages	62,400.00	36,400.00
	62,400.00	36,400.00

SELLING & DISTRIBUTION EXPENSES

SCHEDULE - XIII

Advertisement Expenses	32,670.00	32,769.00
	32,670.00	32,769.00

DEVINE IMPEX LIMITED

SCHEDULE XIV

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 XV

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 and other retirement benefits has made in the accounts as there are no employees who have put in qualifying period of service to be eligible for these benefits.

4. SEGEMENTAL REPORTING (as per AS 17)

Primary Segments (business segments) : Jewellery and Stock Trading

		Amount (in Rs.)		
A	Segment Revenue			
	Particulars			
	Stock Trading	2,984,315		
	Jewellery	12,109,954		
	Total Revenue	15,094,269		
B	Segment Result			
	Particulars			
	Stock Trading	(46,685)		
	Jewellery	456,453		
	Total	409,768		
	Less : Unallocated coporate expenses net of unallocated income	543,364		
	Profit (Loss) Before Tax	(133,596)		
	Provision For Income Tax	-		
	Profit (Loss) After Tax	(133,596)		
C	Other Information			
		Segment Assets	Segment Liabilities	
	Particulars			
	Stock Trading	23,354,159	-	
	Jewellery	6,260,855	-	
	Segment Total	29,615,014	-	
	Unallocated corporate asstes/liabilities	17,218,770	161,160	
	Total	46,833,783	161,160	
		Capital Expenditure	Depreciation	Other Non Cash Expenditure
	Particulars			
	Stock Trading	-	-	-
	Jewellery	-	-	-
	Unallocated	-	2,323.00	-
	Total	-	2,323	-

Secondary Segments : There is no secondary segment

5. Estimated amounts of contracts remaining to be executed on capital account and not provided for - Nil
6. In the opinion of the Director of the Company the current assets, loans and advances are approximately of the value as stated if realised in the ordinary course of business.
7. Expenditure incurred on employees getting remuneration not less than Rs. 60,00,000/- p.a. in respect of persons employed throughout the year and/or not less than Rs. 5,00,000/- p.m. in respect of persons employed for part of the years is Nil.
8. Particulars of payments made to auditors :
 - a. Statutory Audit Fees Rs. 20,000.00
 - b. Tax Audit Fees Rs. 10,000.00
 - c. Service Tax Rs. 3,090.00
9. 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, 2011. 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.

10. RELATED PARTY DISCLOUSER (as per AS 18)

- a. List of related parties
 - i. Subsidiary Company
Tiara Jewels Private Limited – 100 % Subsidiary
 - ii. Joint Venture & Associates *
None
 - iii. Key Management Personnel
Sh. Jawahar Lal Jain
Sh. Neeraj Jain
Sh. Rohit Jain
Smt. Manju Jain
 - iv. Relatives of Key Management Personnel *
None

v. Entities of Relatives of Key Management Personnel *
Jawahar Lal Jain (HUF) .

* With whom the Company had transactions during the year.

b. Transactions with Related Parties

(Rs. in lacs)

Particulars	Subsidiary Company	Key Management Personnel	Entities of Relatives KMP	Total
Loans Paid	149.64	-	-	149.64
Interest Income	7.38	-	-	7.38
Rent	-	0.35	0.05,	0.40

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

S. No.	Particulars	Unit	Year ended 31.03.2011	Year ended 31.03.2010
a	Net profit after tax	Rs.	(133,596)	(397,894)
b.	Weighted average number of equity shares used in computing basic earning per share	No.	5,132,200	5,132,200
c.	Basic earning per share (a/b)	Rs.	(0.03)	(0.08)
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	5132200
f.	Diluted earnings per share (a/e)	Rs.	(0.03)	(0.08)
g.	Effect of potential equity shares for preferential allotment (c-f)	Rs.	Nil	Nil

12. Provision Of Income Tax

As per Income Tax Act, the Company has incurred losses during the year, 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.

13. Taxes on Income (AS 22)

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

14. 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	444,175	79.99	-	-	47,600	29.84	396,575	49.68
Gold (in gms.)	-	-	8,745.990	179.14	5,689.370	121.10	3,056.620	62.61

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 XV-A

FOR DEVINE IMPEX LIMITED

DIRECTOR DIRECTOR

**PLACE : CHANDIGARH
DATE : 03.09.2011**

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

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

DEVINE IMPEX LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE **SCHEDULE XV-A**

I	Registration Details	
	Registration No.	: 16-17179
	Balance Sheet Date	: 31.03.2011
	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)
	Total Liabilities	52,333.16
	Total Assets	52,333.16
	Sources of Funds	
	Paid up capital	52,172.00
	Reserves & Surplus	-
	Secured Loan	-
	Unsecured Loan	-
	Deferred Tax Liability	-
	Applications of Funds	
	Net fixed assets	14.89
	Investments	18,386.62
	Net Current Assets	-
	Misc. Expenditure	NIL
	Accumulated losses	-
IV	Performance of Company	(Amount in Rs. Thousand)
	Total Income	15,832.17
	Total Expenditure	15,698.57
	Profit/Loss before Tax	(133.60)
	Profit/Loss after Tax	(133.60)
	Earning per Share in Rs	(0.03)
	Dividend	-
V	Generic names of three Principal Products of the Company	
	Item Code No.	NA
	Product Description	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, 2011 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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, 2011 and
 - ii) In the case of the Profit and Loss account, of the Profit of the Company for the year ended on that date.
 - iii) In the 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. 099813**

**PLACE: CHANDIGARH
DATE: 03.09.2011**

ANNEXURE REFERRED TO IN PARAGRAPH 2 OF OUR REPORT TO THE MEMBERS OF TIARA JEWELS PRIVATE LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2011.

- 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 year, 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 book records were not material and have been properly dealt with 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, 2011, which have not been deposited on account of any dispute.
- 10 The Company does not have accumulated losses as at 31st March 2011. The Company has not incurred cash losses during the financial year ended 31.03.2011 or in the immediately preceding financial year.
- 11 According to the records of the company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- 12 The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13 The Company is not a chit fund or a nidhi or a mutual benefit fund/society. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the company.
- 14 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 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 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 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. 099813**

**PLACE: CHANDIGARH
DATE: 03.09.2011**

M/S. TIARA JEWELS PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH 2011

(Amount in Rs.)

PARTICULARS	SCHEDULE	AS AT 31.03.2011	AS AT 31.03.2010
I SOURCES OF FUNDS :			
1 SHARE HOLDERS' FUND			
Share Capital	I	8,700,000.00	8,700,000.00
Reserves & Surplus	II	19,840,625.46	12,347,226.54
		28,540,625.46	21,047,226.54
2 LOAN FUNDS			
Secured Loans	III	87,948,882.88	99,636,348.87
Unsecured Loans	IV	80,025,491.59	72,105,551.65
		167,974,374.47	171,741,900.52
3 Deferred Tax Liability			
	V	291,600.00	116,300.00
		<u>196,806,599.93</u>	<u>192,905,427.05</u>
II APPLICATION OF FUNDS			
1. FIXED ASSETS			
Gross Block	VI	11,431,296.01	10,063,175.01
Less : Depreciation		1,454,340.25	311,401.80
Net Block		9,976,955.76	9,751,773.20
2 INVESTMENTS			
3 CURRENT ASSETS, LOANS & ADVANCES			
Inventories	VII	212,279,517.17	211,532,127.61
Sundry Debtors	VIII	1,776,547.14	1,384,807.14
Cash & Bank Balances	IX	1,211,743.97	1,200,113.05
Other Current Assets	X	148,798.19	298,707.19
Loans & Advances	XI	3,102,201.92	2,413,174.00
		218,518,808.39	216,828,928.99
Less : CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	XII	30,198,984.24	32,790,035.14
Provisions	XIII	1,619,000.00	1,057,000.00
		31,817,984.24	33,847,035.14
Net Current Assets		186,700,824.17	182,981,893.85
4 MISCELLANEOUS EXPENDITURE			
(To the extent no written off or adjusted)	XIV		
Preliminary Expenses		128,820.00	171,760.00
		<u>196,806,599.93</u>	<u>192,905,427.05</u>
SIGNIFICANT ACCOUNTING POLICIES			
NOTES TO THE ACCOUNTS			
	XXI		
	XXII		

For Tiara Jewels Private Limited

In terms of 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

Dated : 03.09.2011

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

(Amount in Rs.)

PARTICULARS	SCHEDULE	CURRENT YEAR		PREVIOUS PERIOD	
		AMOUNT	AMOUNT	AMOUNT	AMOUNT
INCOME					
Gross Sales	XV		167,713,643.00		80,309,584.00
Profit on Sale of Fixed Assets			388.00		-
			<u>167,714,031.00</u>		<u>80,309,584.00</u>
EXPENDITURE					
Material Consumed	XVI		129,477,657.10		63,186,499.39
Administration Expenses	XVII		5,086,400.83		2,079,176.20
Personnel Expenses	XVIII		3,449,154.00		735,888.00
Selling & Distribution Expenses	XIX		4,977,355.89		3,545,355.74
Financial Expenses	XX		12,220,696.81		4,420,928.13
Depreciation	V		1,144,427.45		317,210.00
			<u>156,355,692.08</u>		<u>74,285,057.46</u>
Profit Before Tax			11,358,338.92		6,024,526.54
Less : Provision for Income Tax					
		- Current Tax	3,619,000.00		1,761,000.00
		- Deferred Tax	<u>175,300.00</u>		<u>116,300.00</u>
			3,794,300.00		1,877,300.00
Profit After Tax			<u>7,564,038.92</u>		<u>4,147,226.54</u>
Less : Income Tax relating to earlier year			70,640.00		-
			<u>7,493,398.92</u>		<u>4,147,226.54</u>
Add : Profit brought forward			4,147,226.54		-
Balance transferred to Reserves & Surplus			<u>11,640,625.46</u>		<u>4,147,226.54</u>
Earnings Per Share (Face value of Rs. 10/- each):					
Basic			8.69		4.77
Diluted			8.69		4.77
SIGNIFICANT ACCOUNTING POLICIES					
NOTES TO THE ACCOUNTS					
For Tiara Jewels Private Limited		In terms of our report of even date for DATTA SINGLA & Co. Chartered Accountants Firm Regn. No. 006185N			
Director	Director	(YOGESH MONGA) Partner M. No. 099813			

Cash Flow Statement For The Year Ended 31st March 2010

(Amount in Rs.)

Particulars	Year Ended	Period Ended
	31st March 2011	31st March 2010
	Amount	Amount
A. Cash flow from operating activities:		
Profit For The Year Before Tax and Prior Period Items	11,358,339	6,024,527
Adjustments for :		
Depreciation	1,144,427	317,210
Misc. Expenditure W/Off	42,940	42,940
Provision for doubtful debts	0	-
Provision for doubtful advances	0	-
Dividend income	0	(0)
Interest Expense	813,196	-
Non Operating Income	0	-
Loss on sale of Fixed Assets	-388	89,089
Operating Profit Before Prior Period Items And Working Capital Changes	13,358,514	6,473,765
Adjustment For Prior Period Income/(Expense)	-	-
Operating Profit Before Working Capital Changes	13,358,514	6,473,765
Adjustments for:		
Trade And Other Receivables	(391,740)	(1,384,807)
Inventories	(747,390)	(211,532,128)
Loans and Advances	(689,028)	(2,413,174)
Other Current Assets	149,909	(298,707)
Trade and Other Payables	(2,591,051)	32,790,035
Cash Generated From Operations	9,089,215	(176,365,015)
Income Tax Paid	(3,127,640)	(704,000)
Net Cash From Operating Activities	5,961,575	(177,069,015)
B. Cash Flow From Investing Activities:		
Purchase Of Fixed Assets/ Capital Work-in-Progress	(1,380,222)	(10,528,072)
Sale of Fixed assets	11,000	370,000
Purchase of Investments	-	-
Sale of Investments	-	-
Profit on Sale of Investments	-	-
Interest and Other Financing Income	-	-
Miscellaneous Expenditure Incurred	-	(214,700)
Non Operating Income	-	-
Net Cash (Used)/Generated In Investing Activities	(1,369,222)	(10,372,772)
C. Cash Flow From Financing Activities:		
Proceeds/(Refund) Of Share Capital/Application & Securities Premium	-	16,900,000
Proceeds/(Repayment) Of Long Term Borrowings	4,852,111	171,741,901
Proceeds/(Repayment) Of Short Term Borrowings	(8,619,637)	-
Interest Paid	(813,196)	-
Net Cash (Used)/Generated In Financing Activities	(4,580,722)	188,641,901
Net Increase/(Decrease) In Cash And Cash Equivalents (A) + (B) + (C)	11,631	1,200,113
Opening Cash And Cash Equivalents	1,200,113	-
Closing Cash And Cash Equivalents	1,211,744	1,200,113
For Tiara Jewels Private Limited	In terms of 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		
Dated : 03.09.2011		

M/S. TIARA JEWELS PRIVATE LIMITED

(Amount in Rs.)

PARTICULARS	AMOUNT AS AT 31.03.2011	AMOUNT AS AT 31.03.2010
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SHARE CAPITAL	SCHEDULE - I	
----------------------	---------------------	--

AUTHORISED SHARE CAPITAL 20,00,000 Equity Shares of Rs. 10/- each	20,000,000.00	20,000,000.00
ISSUED, SUBSCRIBED & PAID UP CAPITAL 8,70,000 Equity Shares of Rs. 10/- each fully paid up	8,700,000.00	8,700,000.00
	8,700,000.00	8,700,000.00

RESERVES AND SURPLUS	SCHEDULE - II	
-----------------------------	----------------------	--

Securities Premium Account	8,200,000.00	8,200,000.00
Amount transferred from Profit & Loss Account	11,640,625.46	4,147,226.54
	19,840,625.46	12,347,226.54

M/S. TIARA JEWELS PRIVATE LIMITED

(Amount in Rs.)

PARTICULARS	AMOUNT AS AT 31-03-2011	AMOUNT AS AT 31-03-2010
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SECURED LOANS	SCHEDULE - III	
----------------------	-----------------------	--

Term Loans		
State Bank of Indore	7,174,253.00	10,242,081.96
Working Capital Limits		
State Bank of Patiala	80,774,629.88	89,394,266.91
	<u>87,948,882.88</u>	<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 all the directors of the Company.

UNSECURED LOANS	SCHEDULE - IV	
------------------------	----------------------	--

Due to Directors, Relatives, Companies and Firms in which Directors are interested	59,587,459.88	64,844,608.54
Inter Corporate Deposits (includes from holding company Rs. 149.64 lacs, previous year Rs. Nil)	20,438,031.71	7,260,943.11
	<u>80,025,491.59</u>	<u>72,105,551.65</u>

DEFERRED TAX LIABILITIES	SCHEDULE - V	
---------------------------------	---------------------	--

(A) Deferred Tax Liabilities Arising On Account Of :		
Depreciation	877,706.76	376,356.41
	<u>877,706.76</u>	<u>376,356.41</u>
(B) Deferred Tax Assets Arising On Account Of :		
Unabsorbed Depreciation/Business Loss	-	-
TOTAL	<u>-</u>	<u>-</u>
NET DEFERRED TAX LIABILITY (ASSETS) (B-A)	877,706.76	376,356.41
TAX IMPACT	291,600.00	116,300.00

M/S. TIARA JEWELS PRIVATE LIMITED

SCHEDULE VI

(Amount in Rs.)

PARTICULARS	Gross Block			Depreciation			NET BLOCK			
	As At 01.04.2010	Additions During The Year	Sales During The Year	As At 31.03.2011	Upto 31.03.2010	For the Year	Sale	Upto 31.03.2011	As At 31.03.2011	As At 31.03.2010
Generator Set	16,185.21	-	-	16,185.21	429.00	1,144.29	-	1,573.29	14,611.91	15,756.21
Air Conditioner	137,458.85	6,100.00	-	143,558.85	3,644.00	10,396.61	-	14,040.61	129,518.24	133,814.85
Furniture & Fixture	233,869.78	-	-	233,869.78	5,551.00	14,803.96	-	20,354.96	213,514.83	228,318.78
Vehicles	8,851,650.25	709,591.00	12,101.00	9,549,140.25	276,589.80	894,700.18	1,489.00	1,169,800.98	8,379,339.27	8,575,060.44
Weighing Machine	24,715.44	-	-	24,715.44	655.00	1,747.38	-	2,402.38	22,313.06	24,060.44
Office Equipments	527,604.53	220,178.00	-	747,782.53	13,716.00	57,944.23	-	71,660.23	676,122.31	513,888.53
Cycles	1,591.11	5,100.00	-	6,691.11	42.00	652.06	-	694.06	5,997.05	1,548.11
Computer	118,429.39	213,053.00	-	331,482.39	7,856.00	62,923.30	-	70,779.30	260,703.10	110,573.39
Electronic Safe	1,675.79	-	-	1,675.79	44.00	118.48	-	162.48	1,513.31	1,631.79
Electrical Appliances	149,994.65	226,200.00	-	376,194.65	2,875.00	99,996.96	-	102,871.96	273,322.69	147,119.65
Total	10,063,175.01	1,380,222.00	12,101.00	11,431,296.01	311,401.80	1,144,427.45	1,489.00	1,454,340.25	9,976,955.76	9,751,773.20
Previous Year	-	10,528,072.06	464,897.06	10,063,175.01	-	317,210.00	5,808.20	311,401.80	9,751,773.20	-

M/S. TIARA JEWELS PRIVATE LIMITED

(Amount in Rs.)

PARTICULARS	AMOUNT AS AT 31.03.2011	AMOUNT AS AT 31.03.2010
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INVENTORIES **SCHEDULE - VII**

Gold	133,570,922.88	127,403,437.00
Bullion	3,565.51	2,373,162.00
Diamond & Other Stones	64,206,138.65	66,561,848.61
Silver	12,690,330.00	12,690,330.00
Platinum	1,808,560.14	2,503,350.00
	<u>212,279,517.17</u>	<u>211,532,127.61</u>

SUNDRY DEBTORS **SCHEDULE - VIII**

Usecured, considered good		
Outstanding for a period exceeding six months	538,657.14	-
Others	1,237,890.00	1,384,807.14
	<u>1,776,547.14</u>	<u>1,384,807.14</u>

M/S. TIARA JEWELS PRIVATE LIMITED

(Amount in Rs.)

PARTICULARS	AMOUNT AS AT 31-03-2011	AMOUNT AS AT 31-03-2010
-------------	----------------------------	----------------------------

CASH & BANK BALANCE **SCHEDULE - IX**

Cash in Hand	921,654.21	820,347.21
Balances with Banks	290,089.76	379,765.84
	1,211,743.97	1,200,113.05

OTHER CURRENT ASSETS **SCHEDULE - X**

Prepaid Expenses	117,994.00	232,862.00
Advance to Employees	-	35,041.00
Security Deposit (Telephone)	30,804.19	30,804.19
	148,798.19	298,707.19

LOANS & ADVANCES **SCHEDULE - XI**

Advances recoverable in cash or kind or for value to be received	3,102,201.92	2,413,174.00
	3,102,201.92	2,413,174.00

M/S. TIARA JEWELS PRIVATE LIMITED

(Amount in Rs.)

PARTICULARS	AMOUNT AS AT 31.03.2011	AMOUNT AS AT 31.03.2010
-------------	----------------------------	----------------------------

CURRENT LIABILITIES **SCHEDULE - XII**

Sundry Creditors	19,365,986.24	16,898,966.08
Other Liabilities	407,762.00	680,533.06
Advances From Customers	10,425,236.00	15,210,536.00
	30,198,984.24	32,790,035.14

PROVISIONS **SCHEDULE - XIII**

Provision for Income Tax (Net of Advance Tax and TDS)	1,619,000.00	1,057,000.00
	1,619,000.00	1,057,000.00

MISCELLANEOUS EXPENDITURE **SCHEDULE - XIV**

Opening Balance	171,760.00	-
Preliminary Expenses incurred during the year	-	214,700.00
Less : Written off during the year	42,940.00	42,940.00
	128,820.00	171,760.00

(Amount in Rs.)

PARTICULARS	YEAR ENDED 31.03.2011	PERIOD ENDED 31.03.2010
-------------	--------------------------	----------------------------

SALES	SCHEDULE - XV	
-------	---------------	--

Gold	111,443,325.00	44,635,614.00
Bullion	16,672,352.00	19,901,474.00
Daimond & Other Stones	38,714,303.00	15,243,882.00
Platinum	883,663.00	528,614.00
	<u>167,713,643.00</u>	<u>80,309,584.00</u>

MATERIAL CONSUMED	SCHEDULE - XVI	
-------------------	----------------	--

Opening Stock	211,532,127.61	197,413,915.00
Add : Purchases	130,225,046.67	77,304,712.00
Less : Closing Stock	212,279,517.17	211,532,127.61
Material Consumed	<u>129,477,657.10</u>	<u>63,186,499.39</u>

ADMINISTRATIVE EXPENSES	SCHEDULE - XVII	
-------------------------	-----------------	--

Audit Fees	33,090.00	11,030.00
Bank Charges	420,111.62	22,613.07
Credit Card Commission	230,300.46	121,856.59
Printing & Stationery Exp	43,159.00	10,508.00
Electricity & Water Exp	489,456.00	294,270.00
Miscellaneous Expenses	105,695.99	13,719.50
Rent, Rates & Taxes	1,631,888.00	607,500.00
Telephone & Internet Exp	408,308.84	174,302.85
Donation & Charity	37,241.00	8,000.00
Motor Repair & Maintenance	773,867.69	180,366.26
Insurance Expenses	355,936.00	125,255.00
Travelling Expenses	353,549.31	278,689.07
Repair & Maintenance	106,920.00	59,170.00
Freight Charges	6,412.00	2,150.00
News Paper & Periodicals	25,374.92	17,717.00
Legal & Professional Charges	22,150.00	20,000.00
Loss on Sale of Fixed Asstes	-	89,088.86
Preliminary Expenses written off	42,940.00	42,940.00
	<u>5,086,400.83</u>	<u>2,079,176.20</u>

M/S. TIARA JEWELS PRIVATE LIMITED

(Amount in Rs.)

PARTICULARS	YEAR ENDED	PERIOD ENDED
	31.03.2011	31.03.2010

PERSONNEL EXPENSES **SCHEDULE - XVIII**

Salary & Wages	3,272,732.00	595,207.00
Staff Welfare	75,238.00	49,575.00
Contribution to Provident & Other Funds	101,184.00	91,106.00
	3,449,154.00	735,888.00

SELLING & DISTRIBUTION EXPENSES **SCHEDULE - XIX**

Advertisement Exp	1,838,272.89	1,010,400.00
Business Promotion	297,637.00	168,205.74
Discount & Rebate	2,830,725.00	2,366,750.00
Bad Debts written off	10,721.00	-
	4,977,355.89	3,545,355.74

FINANCIAL EXPENSES **SCHEDULE - XX**

Bank Interest	11,407,500.81	4,364,453.13
Interest To Others	813,196.00	56,475.00
	12,220,696.81	4,420,928.13

TIARA JEWELS PRIVATE LIMITED

SCHEDULE – XXI

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

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 – XXII

NOTES TO THE ACCOUNTS

1. This was the first full year of operations of the Company as the Company was formed last year, hence previous year figures are not strictly comparable.
2. Contingent Liabilities: Nil (Previous Year : Nil)
3. No provision for gratuity and other retirement benefits has made in the accounts as there are no employees who have put in qualifying period of service to be eligible for these benefits.
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. Estimated amounts of contracts remaining to be executed on capital account and not provided for - Nil
6. In the opinion of the Director of the Company the current assets, loans and advances are approximately of the value as stated if realised in the ordinary course of business.
7. Expenditure incurred on employees getting remuneration not less than Rs. 60,00,000/- p.a. in respect of persons employed throughout the year and/or not less than Rs. 5,00,000/- p.m. in respect of persons employed for part of the years is Nil.
8. Particulars of payments made to auditors :

a. Statutory Audit Fees	Rs. 20,000.00
b. Tax Audit Fees	Rs. 10,000.00
c. Service Tax	Rs. 3,090.00
9. 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, 2011. 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.

10. 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) **Holding Company**
Devine Impex Limited
 - ii) **Joint Ventures and Associates ***
None
 - iii) **Key Management Personnel (Managing Director/Whole-time directors)**
Sh. Jawahar Lal Jain
Sh. Neeraj Jain
Sh. Rohit Jain
 - iv) **Relatives of the Key Management Personnel***
Smt. Manju Jain
Smt. Tina Jain
 - v) **Entities over which key management personnel/their relatives are able to exercise significant influence***
Jawahar Lal 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.**

(Rs. in lacs)

Particulars	Holding Company	Key Management Personnel	Entities of Relatives of Key Management Personnel	Relatives of Key Management Personnel	Total
Loans received	149.64	219.78	-	11.03	380.44
Loan repaid	-	265.67	16.63	1.08	283.37
Remuneration	-	18.00	-	1.44	19.44
Rent (gross)		14.18	2.02		16.20
Interest Paid	7.38	-	-	-	7.38

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

S. No.	Particulars	Unit	Year ended 31.03.2011	Year ended 31.03.2010
a	Net profit after tax	Rs.	7,564,039	4,147,227
b.	Weighted average number of equity shares used in computing basic earning per share	No.	870,000	870,000
c.	Basic earning per share (a/b)	Rs.	8.69	4.77
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+c)	No.	870000	870000
f.	Diluted earnings per share (a/e)	Rs.	8.69	4.77
g.	Effect of potential equity shares for preferential allotment (c-f)	Rs.	Nil	Nil

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 N.A.

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

Items	Opening Stock		Purchases		Sales		Closing Stock	
	Qty.	Rs. In lacs	Qty.	Rs. In lacs	Qty.	Rs. In lacs	Qty.	Rs. In lacs
Gold (in gms.)	101,974.410	1,274.03	45,129.94	868.35	55,389	1,114.43	91,715	1,335.71
Bullion (in gms.)	1,387.54	23.73	7,353.980	138.60	8,739.600	166.72	1.920	0.04
Others		817.56		295.30		395.98		787.05
Total		2,115.32		1,302.25		1,677.14		2,122.80

c) C.I.F. value of Import - Nil

d) Expenditure of Foreign Currency - Nil

e) Earnings of Foreign Currency - Nil

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

14. Balance Sheet abstract and company's general business profile is given in Annexure XXII-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: 03.09.2011

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration No.	:	U36911CH2009PTC31867	
Balance Sheet Date	:	31.03.2011	
State Code	:		53

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		228,624.58
Total Assets		228,624.58
Sources of Funds		
Paid up capital		8,700.00
Reserves & Surplus		19,840.63
Secured Loan		87,948.88
Unsecured Loan		80,025.49
Deferred Tax Liability		291.60
Applications of Funds		
Net fixed assets		9,976.96
Investments		-
Net Current Assets		186,700.82
Misc. Expenditure		128.82
Accumulated losses		-

IV Performance of Company (Amount in Rs. Thousand)

Total Income		167,714.03
Total Expenditure		156,355.69
Profit/Loss before Tax		11,358.34
Profit/Loss after Tax		7,564.04
Earning per Share in Rs		8.69
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

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, 2011 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 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, 2011;

- 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 : 03.09.2011**

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2011

(Amount in Rs.)

PARTICULARS	SCHEDULE	AS AT 31.03.2011	AS AT 31.03.2010
SOURCES OF FUNDS :			
SHARE HOLDERS' FUND			
Share Capital	I	52,172,000.00	52,172,000.00
Reserves & Surplus		6,141,248.88	-
		58,313,248.88	52,172,000.00
LOAN FUNDS			
Secured Loans	II	87,948,882.88	99,636,348.87
Unsecured Loans	III	65,061,385.59	171,741,900.52
Deferred Tax Liability	IV	291,600.00	116,300.00
		211,615,117.35	224,030,200.52
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	V	11,473,505.01	10,105,384.01
Less : Depreciation		1,481,655.25	336,393.80
Net Block		9,991,849.76	9,768,990.20
INVESTMENTS			
	VI	1,486,615.00	13,925,000.00
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	VII	223,507,915.92	219,530,671.36
Sundry Debtors	VIII	1,776,547.14	1,384,807.14
Cash & Bank Balances	IX	1,781,839.64	6,686,230.07
Other Current Assets	X	163,498.19	313,407.19
Loans & Advances	XI	4,683,385.92	5,681,803.00
		231,913,186.81	233,596,918.76
Less : Current Liabilities & Provisions			
Current Liabilities	XII	30,286,354.24	33,590,172.89
Provisions	XIII	1,619,000.00	1,057,000.00
		31,905,354.24	34,647,172.89
Net Current Assets		200,007,832.58	198,949,745.87
Miscellaneous Expenditure			
(to the extent not written off or adjusted)	XIV	128,820.00	171,760.00
Profit & Loss Account			
		-	1,214,704.44
		211,615,117.35	224,030,200.52
SIGNIFICANT ACCOUNTING POLICIES			
NOTES TO THE ACCOUNTS			
For Devine Impex Limited			

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

(YOGESH MONGA)
Partner
M. No. 099813

Director Director

Place : Chandigarh
Dated : 03.09.2011

DEVINE IMPEX LIMITED

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

PARTICULARS	SCHEDULE	CURRENT YEAR	PREVIOUS YEAR
INCOME			
Sales	XV	182,807,912.00	91,426,359.00
Other Income	XVI	388.00	15,496.00
		<u>182,808,300.00</u>	<u>91,441,855.00</u>
EXPENDITURE			
Cost of Goods sold	XVII	144,162,158.10	74,005,499.39
Administration Expenses	XVIII	6,270,267.43	2,718,849.28
Personnel Expenses	XIX	3,511,554.00	772,288.00
Selling & Distribution Expenses	XX	5,010,025.89	3,578,124.74
Financial Expenses	XXI	11,482,800.81	4,420,928.13
Depreciation	V	1,146,750.45	319,533.00
		<u>171,583,556.68</u>	<u>85,815,222.54</u>
Profit Before Tax		11,224,743.32	5,626,632.46
Less : Provision For Income Tax			
- Current Tax		3,619,000.00	1,761,000.00
- Deferred Tax		<u>175,300.00</u>	<u>116,300.00</u>
Profit After Tax		7,430,443.32	3,749,332.46
Less : Expenses related to earlier years		74,490.00	33,020.00
Profit Available for Appropriation		7,355,953.32	3,716,312.46
Balance Brought Forward		(1,214,704.44)	(4,931,016.90)
Balance Carried To Balance Sheet		6,141,248.88	(1,214,704.44)
Earnings Per Share (Face value of Rs. 10/- each):			
Basic		1.45	0.73
Diluted		1.45	0.73
SIGNIFICANT ACCOUNTING POLICIES	XXII		
NOTES TO THE ACCOUNTS	XXIII		

For Devine Impex Limited

In terms of 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
Dated : 03.09.2011

Consolidated Cash Flow Statement For The Year Ended 31st March 2011

(Amount in Rs.)

Particulars	Year Ended	Year Ended
	31st March 2011	31st March 2010
	Amount	Amount
A. Cash flow from operating activities:		
Profit For The Year Before Tax and Prior Period Items	11224743	5,626,632
Adjustments for :		
Depreciation	1146750	319,533
Loss on sale of investment	-	-
Misc. Expenditure W/Off	42940	42,940
Interest Expense	11482801	-
Non Operating Income	(388)	(15,496)
Loss on sale of Fixed Assets	-	497,112
Loss on sale of Investments	846075	-
Operating Profit Before Prior Period Items And Working Capital Changes	24742922	6,470,721
Adjustment For Prior Period Income/(Expense)	74490	-
Operating Profit Before Working Capital Changes	24668432	6,470,721
Adjustments for:		
Trade And Other Receivables	(391740)	(1,134,703)
Inventories	(3977245)	(200,713,128)
Loans and Advances	998417	8,838,560
Other Current Assets	149909	(313,407)
Trade and Other Payables	(3303819)	32,159,902
Cash Generated From Operations	18143954	(154,692,054)
Income Tax Paid	3057000	(737,020)
Net Cash From Operating Activities	15086954	(155,429,074)
B. Cash Flow From Investing Activities:		
Purchase Of Fixed Assets/ Capital Work-In-Progress	(1380222)	(10,528,072)
Sale of Fixed assets	11000	1,592,409
Purchase of Investments	-	-
Sale of Investments	11,592,310	-
Interest and Other Financing Income	-	-
Miscellaneous Expenditure Incurred	-	(214,700)
Non Operating Income	-	15,496
Net Cash (Used)/Generated In Investing Activities	10223088	(9,134,867)
C. Cash Flow From Financing Activities:		
Increase/Decrease in Loans & Advances	-	-
Proceeds/(Refund) Of Share Capital/Application & Securities Premium	-	-
Proceeds/(Repayment) Of Long Term Borrowings	(10111995)	171,001,966
Calls in arrears received	-	-
Proceeds/(Repayment) Of Short Term Borrowings	(8619637)	-
Interest Paid	(11482801)	-
Net Cash (Used)/Generated In Financing Activities	(30214433)	171,001,966
Net Increase/(Decrease) In Cash And Cash Equivalents (A) + (B) + (C)	(4904390)	6438024
Opening Cash And Cash Equivalents	6686230	248,206
Closing Cash And Cash Equivalents	1781840	6,686,230
For Devine Impex Limited	In terms of our report of even date for DATTA SINGLA & Co. Chartered Accountants Firm Regn. No. 006185N	
Director	Director	(YOGESH MONGA) Partner
Place : Chandigarh		M. No. 099813
Dated : 03.09.2011		

DEVINE IMPEX LIMITED

PARTICULARS	AMOUNT AS AT 31.03.2011	AMOUNT AS AT 31.03.2010
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SHARE CAPITAL **SCHEDULE - I**

Authorised Share Capital

60,00,000 Equity Shares of Rs.10/- each.	60,000,000.00*	60,000,000.00
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Issued & Subscribed Capital

52,51,400 (52,51,400) Equity Shares of Rs.10/-each	52,514,000.00	52,514,000.00
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Paid up Capital

51,32,200 (51,32,200) Equity Shares of Rs.10/-each fully paid up	51,322,000.00	51,322,000.00
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Add : Amount paid up on 1,19,200 (1,19,200) Shares Forfeited	850,000.00	850,000.00
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<u>52,172,000.00</u>	<u>52,172,000.00</u>
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SECURED LOANS **SCHEDULE - II**

Term Loans

State Bank of Indore	7,174,253.00	10,242,081.96
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Working Capital Limits

State Bank of Patiala	80,774,629.88	89,394,266.91
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<u>87,948,882.88</u>	<u>99,636,348.87</u>
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UNSECURED LOANS **SCHEDULE - III**

Due to Directors, Relatives, Companies and Firms in which Directors are interested	59,587,459.88	64,844,608.54
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Inter Corporate Deposits	5,473,925.71	7,260,943.11
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<u>65,061,385.59</u>	<u>72,105,551.65</u>
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DEFERRED TAX LIABILITY **SCHEDULE - IV**

Deferred Tax Liability on account of timing difference in block of fixed assets	291,600.00	116,300.00
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Deferred Tax Asset on account of brought forward business losses etc.	-	-
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Net Deferred Tax Liability	<u>291,600.00</u>	<u>116,300.00</u>
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DEVINE IMPEX LIMITED

SCHEDULE OF FIXED ASSETS AT AT 31ST MARCH 2011

SCHEDULE - V

(Amount in Rs.)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	AS AT 01.04.2010	ADDITIONS	SALE	AS AT AT 31.03.2011	UPTO 31.03.2010	FOR THE YEAR	SALE	UP TO AT 31.03.2011	AS AT AT 31.03.2011	AS AT 31.03.2010
Vehicles	8,851,650.25	709,591.00	12,101.00	9,549,140.25	276,589.80	894,700.18	1,489.00	1,169,800.98	8,379,339.27	8,575,060.44
Furniture & Fixture	253,978.78	-	-	253,978.78	20,234.00	16,076.96	-	36,310.96	217,667.83	233,744.78
Office Equipment	549,704.53	220,178.00	-	769,882.53	24,025.00	58,994.23	-	83,019.23	686,863.31	525,679.53
Generator Set	16,185.21	-	-	16,185.21	429.00	1,144.29	-	1,573.29	14,611.91	15,756.21
Air Conditioner	137,458.85	6,100.00	-	143,558.85	3,644.00	10,396.61	-	14,040.61	129,518.24	133,814.85
Weighing Machine	24,715.44	-	-	24,715.44	655.00	1,747.38	-	2,402.38	22,313.06	24,060.44
Cycles	1,591.11	5,100.00	-	6,691.11	42.00	652.06	-	694.06	5,997.05	1,549.11
Computer	118,429.39	213,053.00	-	331,482.39	7,856.00	62,923.30	-	70,779.30	260,703.10	110,573.39
Electronic Safe	1,675.79	-	-	1,675.79	44.00	118.48	-	162.48	1,513.31	1,631.79
Electrical Appliances	149,994.65	226,200.00	-	376,194.65	2,875.00	99,996.96	-	102,871.96	273,322.69	147,119.65
Total	10,105,384.01	1,380,222.00	12,101.00	11,473,505.01	336,393.80	1,146,750.45	1,489.00	1,481,655.25	9,991,849.76	9,768,990.20
Previous Year	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

DEVINE IMPEX LIMITED

PARTICULARS	No. of Shares	AMOUNT AS AT 31.03.2011	No. of Shares	AMOUNT AS AT 31.03.2010
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INVESTMENTS**SCHEDULE - VI****Long Term****Quoted**

Kinetic Capital Services Limited	-	-	50,900	509,000
Regal Enterprises Limited	-	-	3,500,000	3,500,000
Subh Exim Limited	47,600	1,086,615	445,000	4,450,000

Unquoted

Bhawani Industries	-	-	10,000	1,002,500
Kwality Pharmaceuticals	-	-	150,000	1,537,500
Ospin Traders Private Limited	-	-	80,000	800,000
Oswal Oil Mills Limited	-	-	50,000	500,000
Kashmir Apparies Private Limited	-	-	100,000	1,000,000
No Exit Clothing Private Limited	-	-	22,600	226,000

Share Application Money

Prince Fintech (P) Limited		400,000		400,000
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TOTAL**1,486,615****13,925,000**

(Market value of quoted shares is not available)

DEVINE IMPEX LIMITED

PARTICULARS	AMOUNT AS AT 31.03.2011	AMOUNT AS AT 31.03.2010
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INVENTORIES	SCHEDULE - VII	
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Shares	11,228,398.75	7,998,543.75
Gold	133,570,922.88	127,403,437.00
Bullion	3,565.51	2,373,162.00
Daimond & Other Stones	64,206,138.65	66,561,848.61
Silver	12,690,330.00	12,690,330.00
Platinum	1,808,560.14	2,503,350.00
	<u>223,507,915.92</u>	<u>219,530,671.36</u>

SUNDRY DEBTORS	SCHEDULE - VIII	
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UNSECURED BUT CONSIDERED GOOD

Outstanding for a period exceeding six months	538,657.14	-
Others	1,237,890.00	1,384,807.14
	<u>1,776,547.14</u>	<u>1,384,807.14</u>

CASH & BANK BALANCES	SCHEDULE - IX	
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Cash In Hand	1,484,140.78	1,225,971.78
Balances with Scheduled Banks	297,698.86	5,460,258.29
	<u>1,781,839.64</u>	<u>6,686,230.07</u>

DEVINE IMPEX LIMITED

PARTICULARS	AMOUNT AS AT 31.03.2011	AMOUNT AS AT 31.03.2010
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OTHER CURRENT ASSETS**SCHEDULE - X**

Prepaid Expenses	117,994.00	232,862.00
Advance to Employees	-	35,041.00
Security Deposit	45,504.19	45,504.19
	<hr/>	<hr/>
	163,498.19	313,407.19

LOANS & ADVANCES**SCHEDULE - XI**

Advances recoverable in cash or in kind or for value to be received	4,683,385.92	5,681,803.00
	<hr/>	<hr/>
	4,683,385.92	5,681,803.00

DEVINE IMPEX LIMITED

PARTICULARS	AMOUNT AS AT 31.03.2011	AMOUNT AS AT 31.03.2010
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CURRENT LIABILITIES**SCHEDULE - XII**

Sundry Creditors	19,365,986.24	16,898,966.08
Advances From Customers	10,525,236.00	15,967,135.00
Expenses Payable	395,132.00	724,071.81
	<hr/>	<hr/>
	30,286,354.24	33,590,172.89

PROVISIONS**SCHEDULE - XIII**

Provision for Income Tax (Net of Advance Tax and TDS)	1,619,000.00	1,057,000.00
	<hr/>	<hr/>
	1,619,000.00	1,057,000.00

MISCELLANEOUS EXPENDITURE**SCHEDULE - XIV**

Opening Balance	171,760.00	-
Add : Preliminary Expenses incurred during the year	-	214,700.00
Less : Written Off during the year	42,940.00	42,940.00
	<hr/>	<hr/>
	128,820.00	171,760.00

DEVINE IMPEX LIMITED

PARTICULARS	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
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SALES

SCHEDULE - XV

SALES

Shares, Stocks & Commodities	2,984,315.00	11,116,775.00
Gold	123,553,279.00	44,635,614.00
Bullion	16,672,352.00	19,901,474.00
Daimond & Other Stones	38,714,303.00	15,243,882.00
Platinum	883,663.00	528,614.00
	<hr/>	<hr/>
	182,807,912.00	91,426,359.00
	<hr/>	<hr/>

OTHER INCOME

SCHEDULE - XVI

Miscellaneous Income	388.00	15,496.00
	<hr/>	<hr/>
	388.00	15,496.00
	<hr/>	<hr/>

COST OF GOODS SOLD

SCHEDULE - XVII

Opening Stock	219,530,671.36	216,231,458.75
Add : Purchases	148,139,402.67	77,304,712.00
	<hr/>	<hr/>
	367,670,074.03	293,536,170.75
Less : Closing Stock	223,507,915.92	219,530,671.36
	<hr/>	<hr/>
Cost of Goods Sold	144,162,158.10	74,005,499.39
	<hr/>	<hr/>

DEVINE IMPEX LIMITED

PARTICULARS	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
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ADMINISTRATIVE EXPENSES **SCHEDULE - XVIII**

Audit Fee	66,180.00	33,090.00
Bank Charges	422,294.62	25,911.40
Credit Card Commission	230,300.46	121,856.59
Donation & Charity	37,241.00	8,000.00
Insurance	355,936.00	135,215.00
Repair & Maintenance	106,920.00	59,170.00
Electricity Expenses	491,006.00	295,470.00
Printing & Stationary	50,023.00	10,508.00
Rent, Rates & Taxes	1,744,228.00	641,800.00
News Paper & Periodicals	25,374.92	17,717.00
Professional Charges	113,134.60	87,148.75
Postage & Courier Charges	11,912.00	7,200.00
Vehicle Expenses	773,867.69	180,366.26
Telephone Expenses	412,268.84	176,240.85
Travelling Expenses	353,549.31	278,689.07
Misc. Expenses	108,695.99	15,869.50
Fees & Taxes	78,320.00	84,545.00
Loss on sale of fixed assets		497,111.86
Loss on sale of investments	846,075.00	-
Preliminary Expenses written off	42,940.00	42,940.00
	<u>6,270,267.43</u>	<u>2,718,849.28</u>

PERSONNEL EXPENSES **SCHEDULE - XIX**

Salary & Wages	3,335,132.00	631,607.00
Staff Welfare	75,238.00	49,575.00
Contribution to Provident & Other Funds	101,184.00	91,106.00
	<u>3,511,554.00</u>	<u>772,288.00</u>

SELLING & DISTRIBUTION EXPENSES **SCHEDULE - XX**

Advertisement Exp	1,870,942.89	1,043,169.00
Business Promotion	297,637.00	168,205.74
Discount & Rebate	2,830,725.00	2,366,750.00
Bad Debts written off	10,721.00	-
	<u>5,010,025.89</u>	<u>3,578,124.74</u>

FINANCIAL EXPENSES **SCHEDULE - XXI**

Bank Interest	11,407,500.81	4,364,453.13
Interest To Others	75,300.00	56,475.00
	<u>11,482,800.81</u>	<u>4,420,928.13</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. SEGEMENTAL REPORTING (as per AS 17)

Primary Segments (business segments) : Jewellery and Stock Trading

		Amount (in Rs.)		
A	Segment Revenue			
	Particulars			
	Stock Trading	2,984,315		
	Jewellery	179,823,597		
	Total Revenue	182,807,912		
B	Segment Result			
	Particulars			
	Stock Trading	(46,685.00)		
	Jewellery	38,692,438.90		
	Total	38,645,754		
	Less : Unallocated coporate expenses net of unallocated income	27,421,010.58		
	Profit (Loss) Before Tax	11,224,743		
	Provision For Income Tax	3,794,300		
	Profit (Loss) After Tax	7,430,443		
C	Other Information			
		Segment Assets	Segment Liabilities	
	Particulars			
	Stock Trading	12,715,014	-	
	Jewellery	212,279,517	-	
	Segment Total	224,994,531	-	
	Unallocated corporate asstes/liabilities	18,397,121	185,207,223	
	Total	243,391,652	185,207,223	
		Capital Expenditure	Depreciation	Other Non Cash Expenditure
	Particulars			
	Stock Trading	-	-	-
	Jewellery	226,200	99,997	-
	Unallocated	1,154,022	1,044,430	-
	Total	1,380,222	1,144,427	-

Secondary Segments : There is no secondary segment

6. RELATED PARTY DISCLOUSER (as per AS 18)

a. List of related parties

i. Joint Venture / Associate Concerns *

None

ii. Key Management Personnel

Sh. Jawahar Lal Jain

Sh. Neeraj Jain

Sh. Rohit Jain

Smt. Manju Jain

iii. Relatives of Key Management Personnel *

Tina Jain

iv. Entities of Relatives of Key Management Personnel *

Jawahar Lal Jain (HUF)

* With whom the Company had transactions during the year.

b. Transactions with Related Parties

(Rs. in lacs)

Particulars	Key Management Personnel	Entities of Relatives of Key Management Personnel	Relatives of Key Management Personnel	Total
Loans received	219.78	-	11.03	230.80
Loan repaid	265.67	16.63	1.08	283.37
Remuneration	18.00	-	1.44	19.44
Rent (gross)	14.53	2.07	-	16.60

7. 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 31.03.2011	Year ended 31.03.2010
a	Net profit after tax	Rs.	7,441,114	3,749,332
b.	Weighted average number of equity shares used in computing basic earning per share	No.	5,132,200	5,132,200
c.	Basic earning per share (a/b)	Rs.	1.45	0.73
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	5132200
f.	Diluted earnings per share (a/e)	Rs.	1.45	0.73
g.	Effect of potential equity shares for preferential allotment (c-f)	Rs.	Nil	Nil

8. Provision Of Income Tax

As per Income Tax Act, the holding company is has incurred losses during the year, 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. Adequate provision for income tax has been made in the books of subsidiary company.

9. Taxes on Income (AS 22)

In view of huge business 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.

10. 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 (in nos.)	444,175	79.99	-	-	47,600	29.84	396,575	49.68
Gold (in gms.)	101,974.410	1,274.034	53,875.930	1,047.495	61,078.850	1,235.533	94,771.490	1,398.318
Bullion (in gms.)	1,387.540	23.732	7,353.980	138.602	8,739.600	166.724	1.920	0.036
Others	-	817.555	-	295.298	-	395.980	-	787.050
Total	-	2,195.307	-	1,481.394	-	1,828.079	-	2,235.079

- 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:

I Registration Details

Registration No.	:	16-17179
Balance Sheet Date	:	31.03.2011
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		243,520.47
Total Assets		243,520.47
Sources of Funds		
Paid up capital		51,322.00
Reserves & Surplus		6,141.25
Secured Loan		87,948.88
Unsecured Loan		65,061.39
Deferred Tax Liability		291.60
Applications of Funds		
Net fixed assets		9,991.85
Investments		1,486.62
Net Current Assets		200,007.83
Misc. Expenditure		128.82
Accumulated losses		-

IV Performance of Company

(Amount in Rs. Thousand)

Total Income		182,808.30
Total Expenditure		171,583.56
Profit/Loss before Tax		11,224.74
Profit/Loss after Tax		7,430.44
Earning per Share in Rs		1.45
Dividend		-

V Generic names of thre Principal Products of the Company

Item Code No.		NA
Product Description		Shares, Stocks & Commodities

DEVINE IMPEX LIMITED

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

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

PROXY FORM

I/We _____ of _____ being a member/members of Devine Impex Limited hereby appoint Mr./Mrs./Miss _____ of _____ or failing him/her, Mr./Mrs./Miss _____ of _____ as my/our proxy to attend and to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at registered office on 30.09.2011 and at any adjournment thereof.

Signed this _____ day of _____ 2011
Folio/ Client I.D. No _____

Affix
Rupee
one
Revenue
Stamp

Signature.....

Notes:

The proxy must be deposited at the Regd. Office of the Company at SCF 103, Chamber no 7, Level 1, Phase 11, SAS Nagar, Mohali, Punjab, atleast 48 hours before the time for holding the Meeting.

- 2. A proxy need not to be a member of the Company.

DEVINE IMPEX LIMITED

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

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

Name of the attending Member
(IN BLOCK LETTERS)

Folio/Client I.D. No.

No. of Shares.....

Name of the Proxy (IN BLOCK LETTERS)

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

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

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

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

For Office Use :