IEC No. : 3095006675
CIN : L51110PB1995PLC017179

(M) 98760-27770
(O) 0172-5099522

# Devine Impex Limited

(FORMLY CLASSIC GLOBAL IMPEX LIMITED)

S.C.F. 103, CABIN NO. 7, FIRST FLOOR, PHASE - XI, MOHALI, PUNJAB

Dated: 16.10.2017

General Manager,
Deptt of Corporate Services,
Bombay Stock Exchange Ltd.
PJ Tower, 25th Floor,
Dalal Street
Mumbai-400001

**Sub:** **Submission of Annual Report for the year 2016-17**

Dear Sir,

Pursuant to clause 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report of the company for the Financial Year 2016-17.

This is for your information and records please.

Yours truly
For **Devine Impex Ltd.**,

(PARVESH KUMAR OBEROI)
MANAGING DIRECTOR
DIN-05245546

# 22nd ANNUAL GENERAL MEETING

## ANNUAL REPORT

| | | |
|---|---|---|
| Venue | : | SCF 103, Chamber No. - 7,<br>First Floor, Phase-XI, Mohali |
| Day/Date | : | Saturday<br>30th September 2017 |
| Time | : | 9:30 A.M. |

Devine

# DEVINE IMPEX LIMITED

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

**DEVINE IMPEX LIMITED**
**ANNUAL REPORT**
**22ND ANNUAL GENERAL MEETING FOR THE YEAR ENDED 31/03/2017**

**BOARD OF DIRECTORS**

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

**REGISTERED OFFICE**

S C F 103, Chamber No 7, 1st Floor, Phase XI, SAS Nagar, Punjab-160062
Tel.: 0172-5099522

**CIN:** L51110PB1995PLC017179

**AUDITORS**

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

**PRINCIPAL BANKERS**

State Bank of Patiala

**REGISTRAR & TRANSFER AGENT**

Link Intime India Private Limited
44, Community Centre, Phase-I, Near PVR, Naraina Ind. Area, New Delhi, New Delhi -28

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## NOTICE

NOTICE is hereby given that 22nd Annual General Meeting of the shareholders of M/s Devine Impex Limited will be held on Saturday, the 30th day of September, 2017 at 9.30 A.M. at S C F 103, Chamber No 7, 1st Floor, Phase XI, SAS Nagar, Mohali, Punjab-160062, to transact the following business:

**ORDINARY BUSINESS**:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2017 and the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditor's thereon.

2. To appoint a Director in place of Sh. Parvesh Kumar Oberoi (DIN 05245546) who retires by rotation and being eligible, offers himself for reappointment.

3. To appoint Auditors and to fix their remuneration and for this purpose to consider and, if thought fit, to pass the following resolution with or without modification(s) as an ordinary resolution:

   **"RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit & Auditors) Rules, 2014, the retiring auditors Datta Singla & Co, Chartered Accountants, SCO 2935-36, Sector 22-C, Chandigarh (Firm Regn. No. 006185) be and are hereby reappointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting of the Company at a remuneration to be decided by the Board of Directors of the Company."

Place: Chandigarh

Date: August 29, 2017

By order of the Board of Directors

for **DEVINE IMPEX LIMITED**

**PARVESH KUMAR OBEROI**
**(MANAGING DIRECTOR)**
**DIN-05245546**

**NOTES:**

(1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ATTACHED HEREWITH AND, IF INTENDED TO BE USED, IT SHOULD BE RETURNED DULY COMPLETED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE COMMENCEMENT OF ANNUAL GENERAL MEETING.

**(2)** A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY IN NUMBER AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. HOWEVER, A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

(3) Every member entitled to vote at the meeting, or on any resolution to be moved there at, shall be entitled during the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the company, provided not less than three days notice in writing of the intention so to inspect is given to the company.

(4) Location map of the Venue of the Annual General Meeting is attached to this Annual Report.

(5)

A. Members holding shares in physical form are requested to notify/send the following to the Registrar & Transfer Agent (RTA) of the Company M/s Link Intime India Pvt. Ltd. , 44, Community Centre, Phase-I, Near PVR, Naraina Ind. Area, New Delhi

a. their bank account details in order to receive payment of dividend, whenever declared, through electronic mode
b. their **email id**, in case the same have not been sent earlier, for the purpose of receiving the communication electronically
c. any change in their address/e-mail id/ECS mandate/ bank details
d. share certificate(s), held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholding into one account.

B. Members holding shares in dematerialized form are requested to notify to their Depository Participant :-

a. their email id.
b. all changes with respect to their address, email id, ECS mandate and bank details.

(6) The Securities and Exchange Board of India has notified that the shareholders/ transferee of shares (including joint holders) holding shares in physical form are required to furnish a certified copy of their Income Tax Permanent Account Number (PAN) card to the Company / RTA while transacting in the securities market including transfer, transmission or any other corporate action. Accordingly, all the shareholders/ transferees of shares (including joint holders) in physical form are requested to furnish a certified copy of their PAN Card to the Company/ RTA while transacting in the securities market including transfer, transmission or any other corporate action.

(7) The shares of the Company are under compulsory Demat trading. Members holding shares in physical form are requested to convert their shares into dematerialized form in their own interest and convenience purpose.

(8) In accordance with Section 20 of the Companies Act, 2013 service of documents on members by a company is allowed through electronic mode. Accordingly, as a part of Green Initiative, soft copy of the Annual Report 2016-17 is being sent to all the members whose email address (es) are registered with the Company/Depository Participant(s) unless any member has requested for a hard copy of the same. Further, in accordance with Listing Regulations and Section 136 of the Companies Act, 2013 including Rule 10 of the Company (Accounts) Rules, 2014 the hard copies of Annual Report 2016-17 is being sent to all other members who have not registered their email address(es).

(9) The Shareholders/Proxies are requested to produce at the Registration Counter(s) the attendance slip sent along with this Report, duly completed and signed, for admission to the meeting hall.

(10) In case any Member has any query relating to the Annual Accounts he/she is requested to send the same to the Company at the Registered Office of the Company at least 7 days before the date of AGM so as to enable the management to keep the information ready for replying at the meeting.

(11) As a measure of economy, copies of Annual Report will not be distributed at the venue of the AGM. Members are, therefore, requested to bring their own copies of the Annual Report to the meeting.

(12) Details under Regulation 27 of the Listing Regulations in respect of the Directors seeking appointment/re-appointment at the AGM, is separately annexed hereto. The Directors seeking appointment/reappointment have furnished the declaration under Rule 14 of the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Section 164(2) of the Companies Act, 2013 and other requisite declarations for their appointment / re-appointment.

(13) All the documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days between 11.00 am to 1.00 pm up to the date of AGM. The Register of Directors and Key Managerial Personnel & their Shareholding and the Register of Contracts & Arrangements in which Directors are interested shall be open for inspection at the meeting to any person having right to attend the meeting.

(14) Members holding shares in physical form and desirous of making a nomination or cancellation/ variation in nomination already made in respect of their shareholding in the Company, as

permitted under Section 72 of the Companies Act, 2013, are requested to submit to the RTA of the Company M/s Link Intime India Pvt. Ltd. the prescribed Form SH 13 for nomination and Form SH 14 for cancellation/ variation as the case may be.

(15) Pursuant to the provisions of Section 91 of the Companies Act, 2013 and Regulation 42 of SEBI (LODR) Regulations, the Register of Members and Share Transfer Books of the Company will remain closed from 27-09-2017 to 30-09-2017 (both days inclusive) for the purpose of AGM.

(16) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

(17) Members are advised to refer to the Shareholders General Information as provided in the Annual Report.

(18) Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.

(19) In terms of the provisions of Section 107 and 108 of the Companies Act, 2013, since the resolutions as set out in this Notice are being conducted through e-voting, the said resolutions will not be decided on a show of hands at the Meeting.

(20) **E-VOTING:**

In terms of provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules , 2014, the items of Business given in the Notice of Annual General Meeting may be transacted through electronic voting system and the Company is providing e-voting facility to the members who are members as on 23-09-2017 (End of Day) being the “Record/cut off Date” fixed for the purpose of exercising their right to vote at the Annual General Meeting by electronic means through the e-voting platform provided by Central Depository Services Limited (CDSL).

Remote e-voting period starts from, September 27, 2017 at 9:00 A.M. and ends on, September 29, 2017 at 5:00 P.M. The e-voting module will be disabled after 5:00 P.M. on September 29, 2017 for voting by shareholders.

Mr. Kanwaljit Singh, Membership number F 5901, a Practicing Company Secretary has been appointed as the Scrutinizer for conducting the e-voting process and voting at Annual General Meeting in a fair and transparent manner.

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

**THE INSTRUCTIONS FOR MEMBERS FOR VOTING ELECTRONICALLY ARE AS UNDER:-**

**IN CASE OF MEMBERS RECEIVING AN E-MAIL:**

(i) Log on to the e-voting website www.evotingindia.com

(ii) Click on "Shareholders" tab.

(iii) Now select the "Devine Impex Limited" from the drop down menu and click on "SUBMIT".

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID.

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification Code as displayed and Click on Login.

(vi) If You are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing passwords is to be used.

(vii) If you are a first time user follow the steps given below.

Now, fill up the following details in the appropriate boxes:

| | **For Members holding shares in Demat Form and Physical Form** |
|---|---|
| PAN* | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) |
| DOB* | Enter the Date of Birth as recorded in your demat account or in the Company Records for the said demat account or folio in dd/mm/yyyy format. |
| Dividend Bank Details* | Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. *Please enter the DOB or Dividend Bank Details in order to login. Incase both the details are not recorded with the depository and Company please enter the member id/folio number in the Dividend Bank Details field. |

*Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the sequence number in the PAN field. Incase the sequence number is less than 8 digits enter the applicable numbers of 0's before the number after the first two characters of the name. **Sequence number has been provided as Serial number in the address Label.** Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA000000001 in the PAN filed.

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat from will now reach 'Password Creation'

menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password can also be used for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Clock on the Electronic Voting Sequence Number (EVSN) for the relevant "Devine Impex Limited" on which you choose to vote.

(xii) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the resolution and NO implies that you dissent to the Resolution.

(xiii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forget Password & enter the details as prompted by the system.

(xviii) Institutional Shareholders

Institutional shareholders "(i.e., other than Individuals, UF, NRI, etc.) are required to log on to https://www.evotingindia.co.in and register themselves as Corporates.

- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

(A) Please follow all steps from Sr. No. (i) to Sr. No. (xviii) above to cast vote.

(B) The remote e voting period begins on September 27, 2017 at 9:00 A.M. and ends on September 29, 2017 at 5:00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 23-09-2017 may cast their vote electronically.

The e-voting module shall be disabled by CDSL for voting thereafter.

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

Place: Chandigarh
Date: August 29, 2017

By order of the Board of Directors
for **DEVINE IMPEX LIMITED**

**PARVESH KUMAR OBROI**
**(MANAGING DIRECTOR)**
**DIN-05245546**

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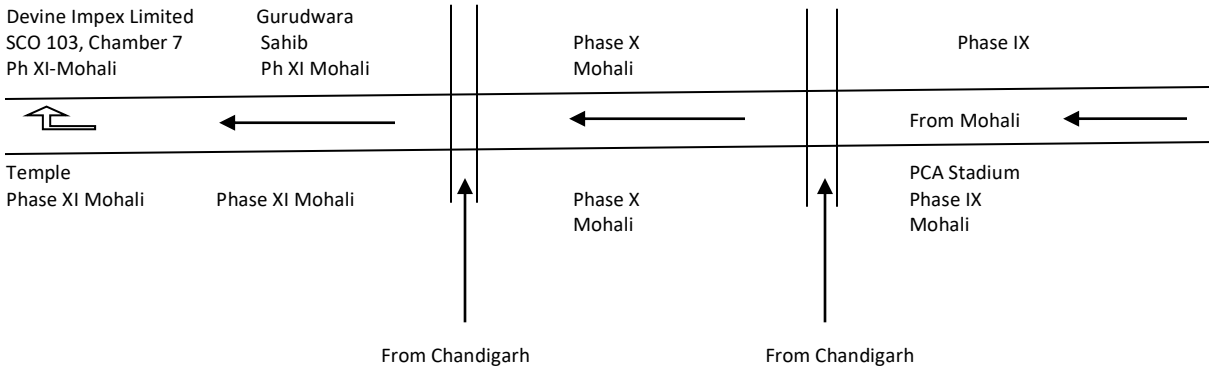
LOCATION MAP
M/S DEVINE IMPEX LIMITED
Regd. office SCF 103, Chamber No. 7, 1st Floor, Phase XI, SAS Nagar, Mohali
TELEPHONE-0172-5099522,9876027770,
EMAIL-devineimpex.limited@yahoo.com
CIN : L51110PB1995PLC017179



**INFORMATION REGARDING DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT IN ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36 OF THE SEBI (LODR) REGULATIONS, FORMING PART OF THE CORPORATE GOVERNANCE REPORT**

| | |
|---|---|
| **Name of Director** | Mr. Parvesh Kumar Oberoi |
| **Date of Original Appointment:** | 02.03.2012 |
| **Date of Birth:** | 12.09.1969 |
| **Designation:** | Managing Director |

Mr. Parvesh Kumar Oberoi is a graduate. He has experience of more than 22 years in business.

| | |
|---|---|
| **Qualification:** | Graduate |
| **List of other Directorships:** | Nil |
| **Member of the Committee of the Directors of Devine Impex Limited:** | 1 |
| **Chairman/Member of the Committee of the other Companies:** | NIL |
| **Shareholding in the Company as on the date of this report:** | 816 Equity Shares |

Relationship:- Mr. Parvesh Kumar Oberoi not related to any other Director of the Company.

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting before you their 22nd Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2017.

**FINANCIAL RESULTS:-**

The financial results of the Company for the year under review are summarized for your consideration:

| **Particulars** | **2016-17 (Amount in Rs.)** | **2015-16 (Amount in Rs.)** |
|---|---|---|
| Gross Income | 3,54,88,948 | 2,56,50,790 |
| Profit Before Interest and Depreciation | 3,14,016 | 1,47,141 |
| Finance Cost/Interest | 2,035 | 1,515 |
| Depreciation | 59,950 | 59,950 |
| Net Profit Before Tax | 2,52,031 | 85,676 |
| Provision for Tax | 77,853 | 26,459 |
| Net Profit After Tax | 1,74,178 | 59,217 |

**STATE OF COMPANY'S AFFAIRS/ BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR/HIGHLIGHTS/OPERATIONS**

During the year the total sales of the company was 354.89 lacs. There has been increase of 38.35% in sales as compare to last year. The net profit of company during the year has increased by 194.13 % to Rs. 1.74 lacs. The management is quite optimistic about the further growth of the company.

**DIVIDEND :-**

The company has earned very meager profit during the financial year, hence directors have decided not to recommend any Dividend for the year under review.

**RESERVES:-**

Entire amount of Net Profit has been transferred to Profit and Loss Surplus account, which appears under the head "Reserves and Surplus." No amount has been transferred to any reserves.

**DIRECTORS:-**

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Parvesh Kumar Oberoi (05245546), Director of the Company retire by rotation in the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

**KEY MANAGERIAL PERSONNEL**

Pursuant to provisions of section 203 of Companies act 2013, the company has appointed Mr. Parvesh Kumar Oberoi as Managing Director.

## STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS

All Independent Directors of the Company have given declarations that they meet the criteria of Independence as laid down under Section 149 (6) of the Companies Act, 2013 read over with Regulation 25 of SEBI (LODR) Regulations.

## DECLARATIONS BY DIRECTORS AND THE SENIOR MANAGEMENT PERSONNEL

The Annual Report of the Company contains a certificate by the Managing Director in terms of Para D of Schedule V to the SEBI (LODR) Regulations on the declarations received from the Directors and the Senior Management personnel affirming compliance with the Code applicable to them during the year ended March 31, 2017

## SHARE CAPITAL

### a. ISSUE OF SHARES WITH DIFFERENTIAL RIGHTS

The Company has not issued any shares with Differential Rights during the year under review.

### b. ISSUE OF SWEAT EQUITY SHARE

The Company has not issued any Sweat Equity shares Employee Stock Options during the year under review.

## OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy. During the year Company has not received any complaint of harassment.

## MATERIAL CHANGES AND COMMITMENTS/EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

There are no material changes or commitments, effecting the Financial position of the Company happening between the end of the Financial Year of the Company and date of this Report.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

The requisite information has been given by way of an Annexure D-1 to this Report.

## EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

There are no events to be reported under this head.

## CHANGES HAPPENING DURING THE FINANCIAL YEAR

Your Directors wish to inform that there have not been any changes during the Financial Year under review:

a. In the nature of Company's business

b. Generally in the class of business in which the Company has an interest

Further, the Company has no Subsidiary and therefore information regarding any change in subsidiaries or in the nature of business carried on by them is not applicable to the Company.

**CORPORATE GOVERNANCE :-**

Your Company is committed to maintain the highest standards of Corporate Governance and is in compliance with the corporate governance guidelines as laid out in the listing Regulations. Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. As required under Regulation 34 (3) read with Part C of Schedule V to the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Report on Corporate Governance is attached as Annexure D-10 herewith and forms a part of this Annual Report.

**BUSINESS RESPONSIBILITY REPORT**

Regulation 34 (2) (f) the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to the Company.

**POLICY ON DIRECTORS APPOINTMENT AND POLICY ON REMUNERATION**

Pursuant to the requirement under Section 134(3)(e) and Section 178(3) of the Companies Act, 2013, the policy on appointment of Board members including criteria for determining qualifications, positive attributes, independence of a Director and the policy on remuneration of Directors, KMP and other employees is attached as Annexure D-2, which forms part of this report.

**MANAGEMENT DISCUSSION & ANALYSIS REPORT:**

Management Discussion & Analysis Report for the year under review, as stipulated under Part B of Schedule V to the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section as Annexure D-3 forming part of this Annual Report.

**PARTICULARS OF REMUNERATION OF DIRECTORS/ KMP/EMPLOYEES:-**In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the information relating to the concerned employees falling in the bracket as defined in Rule 5 (2), is disclosed as Annexure D-4 forming part of this Annual Report.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is also attached as Annexure D-4 which forms part of this report.

**NUMBER OF MEETINGS OF BOARD**

During the year 2016-17, 4 (Four) Board Meetings were held on 30.05.2016, 13.08.2016, 12.11.2016 and 13.02.2017. During the year under review one meeting of independent directors was also held on 13.02.2017.

**PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS**

Pursuant to applicable provisions of the Companies Act, 2013 and the Listing Regulations, the Board, in consultation with its Nomination & Remuneration Committee, has formulated a framework containingthe criteria for performance evaluation of the entire Board of the Company, its Committees and Individual Directors, including Independent Directors. Accordingly, following is the criteria for evaluation:-

a. Criteria for evaluation of the Board of Directors as a whole:
    i. The Frequency of Meetings
    ii. Quantum of Agenda
    iii. Administration of Meetings
    iv. Flow and quantity of Information from the Management to the Board

v. Number of Committees and their role.
vi. Overall performance of the Company

b. Criteria for evaluation of the Individual Directors including Independent Directors;
i. Experience and ability to contribute to the decision making process
ii. Problem solving approach and guidance to the Management
iii. Attendance and Participation in the Meetings
iv. Personal competencies and contribution to strategy formulation
v. Contribution towards statutory compliances, monitoring of controls and Corporate Governance

The Independent Directors had met separately on 13.02.2017 without the presence of Non-Independent Directors and the members of management and discussed, inter-alia, the performance of non-Independent Directors and Board as a whole and the performance of the Chairman of the Company after taking into consideration the views of executive and Non-Executive Directors. The Nomination and Remuneration Committee has also carried out evaluation of every Director`s performance. The Directors express their satisfaction with the evaluation process.

**STATUTORY AUDITORS & AUDITORS REPORT:-**

M/s Datta Singla & Co., Chartered Accountants, Chandigarh, were appointed as Statutory Auditors of the Company in the last Annual General Meeting. As their term expires at the ensuring Annual General Meeting, they have offered themselves for re- appointment. They are proposed to be re-appointed from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting of the Company.

The Company has obtained a Certificate from the Auditors under Rule 4 (1) of The Companies (Audit and Auditors) Rules, 2014**.** They have also issued a Certificate to the effect that they satisfy the criteria provided in Section 141 of the Companies Act, 2013.

The Auditors' Report being self-explanatory requires no comments from the Directors. Further, there are no reservations, qualifications or adverse remarks in the Audit Report given by them in respect of the Financial Year 2016-17.

**SECRETARIAL AUDITORS AND THEIR REPORT**

Mr. Kanwaljit Singh (FCS 5901), a Company Secretary in practice having CP no. 5870, was appointed as Secretarial Auditor of the Company for the financial year 2016-17 pursuant to Section 204 of the Companies Act, 2013. The Secretarial Audit Report submitted by him in the prescribed form MR- 3 is attached as Annexure D-5 and forms part of this report. The reply to qualifications/observation/remarks by the Secretarial Auditors are as follow:

The company is in the process of appointing KMPs and Internal Auditor. The requisite forms and returns will be filed shortly. The official website of the company will also be made soon.

**FRAUDS REPORTED BY AUDITORS**

There are no frauds reported by auditors under sub-section (12) of section 143 including those which are reportable to the Central Government.

**COST AUDIT**

Cost Audit is not applicable to the Company.

**CONSOLIDATED FINANCIAL STATEMENTS**

The company does not have any subsidiary. The company has one associate Tiara Jewels Private Limited. Statement containing salient features is attached as Annexure D-9.
Your Directors have pleasure in attaching the Consolidated Financial Statements pursuant to Section 129(3) of the Companies Act, 2013 (Act) and SEBI Listing Regulations and prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India, in this regard.

**INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY**
The Company has laid down adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no material weakness in their operating effectiveness was observed.

**DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT**
Pursuant to the requirement of Listing Regulations, the Company is having Risk Management framework covering identification, evaluation and control measures to mitigate the identified business risks.

**DEPOSITS**
The Company has neither accepted nor renewed any deposits during the Financial Year 2016-17 in terms of Chapter V of the Companies Act, 2013. Information in this regard, therefore, is nil. There was no non compliance of requirement of Chapter V of Companies Act, 2013.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERNS STATUS AND COMPANY`S OPERATIONS IN FUTURE**

The Company has not received any significant or material orders passed by any Regulatory Authority, Court or Tribunal which shall impact the going concern status and Company`s operations in future.

**AUDIT COMMITTEE**
Your Directors wish to inform that in Compliance with Section 177 of the Companies Act, 2013 and Regulation 18 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, an Audit Committee is duly constituted. The Audit Committee as on March 31, 2017 comprises of the following Directors:

| | |
|---|---|
| Mr. Vinay Kumar Sharma | Independent Director |
| Ms. Nisha Sharma | Independent Director |
| Mr. Rohit Jain | Non Executive Non Independent Director |

Details of the Audit Committee have been separately given in the corporate governance report. Further, all recommendations of Audit Committee were accepted by the Board of Directors.

**NOMINATION & REMUNERATION COMMITTEE**

In terms of Regulation 19 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the provisions of section 178 of the Companies Act, 2013, Nomination & Remuneration Committee as on March 31, 2017 comprises of the following Directors

| | |
|---|---|
| Mr. Vinay Kumar Sharma | Independent Director |
| Ms. Nisha Sharma | Independent Director |
| Mr. Rohit Jain | Non Executive Non Independent Director |

The details of Remuneration Policy and the Committee are furnished in the Report on Corporate Governance, which is annexed herewith.

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

In terms of Regulation 20 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Stakeholders Relationship Committee is duly constituted with following composition as on March 31, 2017:-

| | |
|---|---|
| Mr. Vinay Kumar Sharma | Independent Director |
| Mr. Parvesh Kumar Oberoi | Managing Director |
| Mr. Rohit Jain | Non Executive Non Independent Director |

**EXTRACT OF ANNUAL RETURN**

The extract of Annual Return as on March 31, 2017 in the prescribed Form No. MGT-9, pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014 is attached herewith as Annexure D-6 and forms part of this Report.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

Pursuant to Section 134(3)(g) of the Companies Act, 2013 particulars of loans, guarantees or investments under Section 186 of the Act as at end of the Financial Year 2014-15 are attached as Annexure D-7 which forms part of this report.

**CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188(1) OF THE COMPANIES ACT, 2013**

The detail of related party transactions is attached as Annexure D-8.

**VIGIL MECHANISM**

The Company has established a Vigil Mechanism cum Whistle Blower Policy in terms of Section 177 (10) of the Companies Act, 2013 and also in terms of and also in terms of Regulation 4 (2) (d) and Regulation 22 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**DIRECTORS' RESPONSIBILITY STATEMENT**:-

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
(b) the 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 and loss of the company for that period;
(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
(d) the directors had prepared the annual accounts on a going concern basis;
(e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**INDUSTRIAL RELATIONSHIPS**:-

Relations between the Management and the employees at all levels have been cordial and the Directors wish to express their appreciation for the cooperation and dedication of the employees of the Company.

**COMPLIANCE**

The company has devised proper systems to ensure compliance of all laws applicable to the company and the compliance reports issued by the Departmental Heads are placed before the Board every Quarter confirming compliance by the Company with all applicable Laws.

**LISTING AND LISTING REGULATIONS** :-

The equity shares of the company are listed on the Bombay Stock Exchange (BSE). During the year, Company executed Uniform Listing Regulations in accordance with the requirements of SEBI circular DCS/ COMP/12/2015-16 dated October 13, 2015, with BSE Limited.

The Company has also formulated the new Policies as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 :

The company is regular in paying the listing fee.

**INSIDER TRADING:**

The Board of Directors has adopted The Code of Conduct for Prevention of Insider Trading in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Insider trading policy of the company lays down guidelines and procedures to be followed and disclosures to be made while dealing with shares of the Company, as well as the consequences of violation.

**CEO/CFO CERTIFICATION**

In accordance with Regulation 17 (8) read with Part B of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to corporate governance norms the Managing Director has submitted necessary certificate to the Board of Directors stating the particulars specified under the said Clause. The certificate has been reviewed by the Audit Committee and taken on record by the Board of Directors.

**TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

**ACKNOWLEDGEMENT**:-

Your Directors wish to express their sincere appreciation to valued Clients, Bankers, Statutory Authorities and Employees of the company for their continued support & co-operation.

**For & On Behalf of the Board**

PLACE: CHANDIGARH

Date: August 29, 2017

**ROHIT JAIN**

**CHAIRMAN**

**ANNEXURE D-1: TO THE DIRECTORS' REPORT:-**

A. **Conservation of Energy** :

Though energy does not form a significant portion of the cost for the Company yet wherever possible and feasible, continuous efforts are being put for conservation of energy and minimize power cost. The Energy conservation measures include replacement of incandescent lights with low power consuming LED lights and compact Fluorescent Lights, replacement of old electrical units with new energy efficient units. Staff of the Company is regularly sensitized about conservation of power.

B. **Technology Absorption :**

The Company continues to absorb and upgrade modern technologies in its operations and back end support functions like Accounts, Human Resource Management, Operations and Compliance functions.

C. **Foreign exchange earnings and outgo:**

NIL

**ANNEXURE D- 2 TO THE DIRECTORS' REPORT**

## NOMINATION AND REMUNERATION POLICY

### Purpose

This Policy sets out the approach to Compensation of Directors, Key Managerial Personnel and other employees in Devine Impex Limited.

### Policy Statement

We have a well-defined Compensation policy for Directors, Key Managerial Personnel and all employees, including the Chairman, Presidents and other Members of the Executive Board who are employees of the Company.

The overall compensation philosophy which guides us is that in order to achieve global leadership and dominance in domestic markets, we need to attract and retain high performers by compensating them at levels that are broadly comparable with the median of the comparator basket while differentiating people on the basis of performance, potential and criticality for achieving competitive advantage in the business.

In order to effectively implement this, we have built our Compensation structure by a regular annual benchmarking over the years with relevant players across the industry we operate in.

### NON-EXECUTIVE INCLUDING INDEPENDENT DIRECTORS:

The Nomination and Remuneration Committee(NRC) shall decide the basis for determining the compensation, both Fixed and variable, to the Non-Executive Directors, including Independent Directors, whether as commission or otherwise. The NRC shall take into consideration various factors such as director's participation in Board and Committee meetings during the year, other responsibilities undertaken, such as membership or Chairmanship of committees, time spent in carrying out their duties, role and functions as envisaged in Schedule IV of the Companies Act, 2013 and Regulation 27 of SEBI (LODR) Regulations, 2015 and such other factors as the NRC may consider deem fit for determining the compensation. The Board shall determine the compensation to Non-Executive Directors within the overall limits specified in the Shareholders resolutions passed from time to time.

### Executive Directors:

The remuneration to Chairman & Managing Director and Executive Director(s) shall be recommended by NRC to the Board. The remuneration consists of both fixed compensation and variable compensation and shall be paid as salary, commission, performance bonus, stock options (where applicable), perquisites and fringe benefits as approved by the Board and within the overall limits specified in the Shareholders resolution. While the fixed compensation is determined at the time of their appointment, the variable compensation will be determined annually by the NRC based on their performance.

### Key Managerial Personnel (KMPs)

The terms of remuneration of Chief Financial Officer (CFO)shall be determined by the Audit Committee from time to time.

The terms of remuneration of the Company Secretary shall be finalised/revised either by any Director or such other person as may be authorised by the Board from time to time.

The remuneration shall be consistent with the competitive position of the salary for similar positions in the industry and their Qualifications, Experience, Roles and Responsibilities.

Pursuant to the provisions of section 203 of the Companies Act, 2013 the Board shall approve the remuneration at the time of their appointment. The remuneration to directors, KMPs and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

**Employees**

We follow a differential approach in choosing the comparator basket for benchmarking, depending upon the level in the organization:

a. For all employees from Operational to Executive and, we benchmark with a set of comparators from the same industry.

b. For Strategic band and above, we have a position-based approach and the comparator basket includes benchmarks from across relevant industries.

We have a CTC (Cost to Company) concept which includes a fixed component (Guaranteed Pay) and a variable component(Performance pay). The percentage of the variable component increases with increasing hierarchy levels, as we believe employees at higher positions have a far greater impact and influence on the overall business result. The CTC is reviewed once every year and the compensation strategy for positioning of individuals takes into consideration the following elements:

- Performance
- Potential
- Criticality
- Longevity of grade

Remuneration for the new employees other than KMPs and Senior Management Personnel will be decided by the HR, in consultation with the concerned business unit head at the time of hiring, depending upon the relevant job experience, last compensation and the skill-set of the selected candidate.

The Company may also grant Stock Options to the Employees and Directors (other than Independent Directors and Promoter)in accordance with the ESOP Scheme of the Company and subject to the compliance of the applicable statutes and regulations.

**ANNEXURE D-3 TO THE DIRECTORS' REPORT**

**MANAGEMENT DISCUSSION AND ANALYSIS**

**I) INDUSTRY STRUCTURE & DEVELOPMENT:**

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

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

India is one of the largest exporters of gems and jewelry. India is the diamond polishing capital of the world as highly skilled work force is available in India at very low cost. Besides this India is the most technically equipped country for the polishing of the diamond and other precious metals.
But of lately there are few policies which have been introduced by the Govt because of which this sector was felt some unrest. Besides this the rise in inflation has shrinked the purchasing power of the consumer. The political uncertainty has also shown its adverse impact on the industry.

**III) OUTLOOK :**

India possesses world's most competitive gems and jewellery market due to its low cost of production and availability of skilled labour. Currently, the industry is growing at a tremendous rate on the back of growing demand and increasing consumer preference. With various government efforts and incentives coupled with private sector initiatives, Indian gems and jewelry sector is expected to grow at a CAGR of around 13% during 2011 - 2014. At present, Indian gems and jewelry market is dominated by the unorganized sector; however, the trend is set to change in near future due to the growing acceptance of branded jewellery market.

**(V) INTERNAL CONTROL SYSTEM:**

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

**(VI) HUMAN RESOURCES AND INDUSTRIAL RELATION:**

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

**ANNEXURE D-4 TO THE DIRECTORS' REPORT**

**DETAILS UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:**

| Rule | Particulars | | |
|---|---|---|---|
| (i) | The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year. | NA | |
| | | | |
| | | | |
| | | | |
| (ii) | The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year. | NA | |
| | | | |
| | | | |
| | | | |
| (iii) | The percentage increase in the median remuneration of employees in the financial year. | NA | |
| (iv) | The number of permanent employees on the rolls of the company. | 2 | |
| (v) | The explanation on the relationship between average increase in remuneration and company performance | **NA** | |
| (vi) | Comparison of the remuneration of the Key Managerial Personnel against the performance of the company. | NA | |
| | | | |
| | | | |
| (vii) | Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer. | NA | | | |
| | | | | | |
| (viii) | Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration | NA | | | |
| (ix) | Comparison of the each remuneration of the KMP against performance of the company. | NA | | | |
| (x) | the key parameters for any variable component of remuneration availed by the directors | NA | | | |
| (xi) | the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year | NA | | | |

It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

**ANNEXURE D-5**

## Form No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,
The Members,
Devine Impex Limited
S C F 103, Chamber No. 7
1st Floor, Phase XI
S A S Nagar, Mohali
Punjab- 160062

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by DEVINE IMPEXLIMITED (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the DEVINE IMPEXLIMITED'S books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by DEVINE IMPEX LIMITED ("the Company") for the financial year ended on March 31, 2017accordingto the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2013.
b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and the amendments thereof: Not Applicable as the securities of the company were not delisted from any stock exchange during the financial year.
d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009- Not applicable as the company has not issued any securities during the financial year under review.
e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014- Not Applicable as the company has not provided any share based benefits to the employees during the year.
f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008and Chapter V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015- Not applicable as the company has not issued any debt securities during the financial year under review.
g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- Not applicable as the company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review.
h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- Not applicable as the company has not bought back any of its securities during the financial year under review.

I have also examined compliance with the applicable clauses of the following:

a) Secretarial Standards issued by The Institute of Company Secretaries of India as notified by Government of India.
b) The SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 being listed on the BSE Limited.

During the period under review the Company has complied with the provisions of the act, rules, regulations, guidelines, standards, etc. mentioned above.

Based on our examination and the information received and records maintained, I further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board during the year.

2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

3. All decisions are carried out through majority, while the dissenting members' views, if any, are captured and recorded as part of the minutes.

4. The company has proper board processes.

Based on the compliance mechanism established by the company, I am of an opinion that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that:

1. ***The company has not appointed Key Managerial Personnel as per the requirements of Section 203 of the Companies Act, 2013.***
2. ***The company has not appointed an Internal Auditor as per Section 138 of the Companies Act, 2013.***
3. ***The company has no official website as per the requirements of the Listing Regulations.***

I further report that during the audit period, there were no instances of:

(i) Public / Rights / Preferential issue of shares / debentures / sweat equity.
(ii) Redemption / buy-back of securities.
(iii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
(iv) Merger / amalgamation / reconstruction etc.
(v) Foreign technical collaborations.

Place: Chandigarh
Date :29.05.2017

ANIL NEGI
M. No. 46547
C.P. NO. 17213

This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

"Annexure-A"

To,

The Members,
Devine Impex Limited
S C F 103, Chamber No. 7
1st Floor, Phase XI
S A S Nagar, Mohali
Punjab- 160062

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records, based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.

4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the extent of verification of procedures on test basis.

6. The secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Chandigarh
Date :29.05.2017

ANIL NEGI
M. No. 46547
C.P. NO. 17213

**ANNEXURE D-6**

**FORM NO. MGT 9**
**EXTRACT OF ANNUAL RETURN**

**As on financial year ended on 31.03.2017**

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.**

I. REGISTRATION & OTHER DETAILS:

| | | |
|---|---|---|
| 1. | CIN | L51110PB1995PLC017179 |
| 2. | Registration Date | 18.10.1995 |
| 3. | Name of the Company | DEVINE IMPEX LIMITED |
| 4. | Category/Sub-category of t Company | LIMITED BY SHARES |
| 5. | Address of the Registered office contact details | S C F 103, CHAMBER NO 7, 1st FLOOR, PHASE- XI, SAS NAGAR PUNJAB |
| 6. | Whether listed company | YES |
| 7. | Name, Address & contact details of the Registrar & Transfer Agent, if any. | Link Intime India Private Limited<br>44, Community Centre, Phase-I, Near PVR, Naraina Ind. Area, New Delhi,<br>New Delhi -28<br>011-41410592 |
| 8. | Email Id of the Company | devineimpex.limited@yahoo.com |

II. **PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (**All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

| S. No. | Name and Description of main products / services | NIC Code of t Product/service | % to total turnover of the company |
|---|---|---|---|
| 1 | Trading of bullion, jewellery and ornaments | 99611541 | 100% |

III. **PARTUCULARS OF HOLDING, SUBSIDIARY AND ASSOCIATES COMPANIES**

| Name & Address of the company | CIN | Holding/subsidiary<br><br>Associates | % of shares | Applicable<br><br>section |
|---|---|---|---|---|
| Tiara Jewels Pvt Ltd | U36911CH2009PTC031867 | Associates | 43.91 | 2(6) |

IV. **SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

Category-wise Share Holding

| Category Shareholders | No. of Shares held at the beginning of t year[As on 31-March-2016] | | | | No. of Shares held at the end of the year[ on 31-March-2017 | | | | % Chang during the yea |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of To Shares | Demat | Physical | Total | % of To Shares | |
| **A. Promoter s** | | | | | | | | | |
| (1) **Indian** | | | | | | | | | |
| a) Individual/ HUF | 3106466 | - | 3106466 | 32.59% | 3106466 | - | 3106466 | 32.59% | - |
| b) Central Govt | - | - | - | - | - | - | - | - | - |
| c) State Govt(s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp. | 186100- | - | 186100 | 1.95% | 186100 | - | 186100 | 1.95% | - |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| f) Any other | - | - | - | - | - | - | - | - | - |
| **Total shareholding Promoter (A)** | 3292566 | - | 3292566 | 34.54% | 3292566 | - | 3292566 | 34.54% | - |
| | | | | | | | | | |
| **B. Public Shareholdin** | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | --- | 2200 | 2200 | 0.02 | -- | 2200 | 2200 | 0.02 | - |
| b) Banks / FI | | | | | | | | | |
| c) Central Govt | | | | | | | | | |
| d) State Govt(s) | | | | | | | | | |
| e) Venture Capital Fun | | | | | | | | | |
| f) Insurance Companie | | | | | | | | | |
| g) FIIs | | | | | | | | | |
| h) Foreign Ventu Capital Funds | | | | | | | | | |
| i) Others (specify) | | | | | | | | | |
| **Sub-total (B)(1):-** | | | | | | | | | |
| **2. Non-Institutions** | | | | | | | | | |
| a) Bodies Corp. | 121733 | 4401500 | 4523233 | 47.45% | 101331 | 4401500 | 4502831 | 47.24% | -0.21% |
| i) Indian | | | | | | | | | |
| ii) Overseas | | | | | | | | | |
| b) Individuals | | | | | | | | | |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| i) Individual shareholde holding nominal sha capital upto Rs. 2 lakh | 781547 | 83700 | 865247 | 9.08% | 996371 | 102200 | 1098571 | 11.52 | 2.44% |
| ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh | 539032 | 223800 | 762832 | 8.00 | 332837 | 206000 | 538837 | 5.65 | -2.35% |
| c) Others (specify) | | | | | | | | | |
| Non Resident Indians | 1150 | 0 | 1150 | 0.01% | 580 | 0 | 580 | 0.01% | |
| Overseas Corporate Bodies | | | | | | | | | |
| Foreign Nationals | | | | | | | | | |
| Clearing Members | 55534 | 0 | 55534 | 0.58% | 66177 | 0 | 66177 | 0.69% | 0.11% |
| Trusts | | | | | | | | | |
| Others (HUF) | 29438 | 0 | 29438 | 0.31% | 30438 | 0 | 30438 | 0.32% | 0.01% |
| **Sub-total (B)(2):-** | 1528434 | 4711200 | 6239634 | 65.46% | 1527734 | 4711900 | 6239634 | 65.46% | |
| Total Pub Shareholding (B)=(B)(1 (B)(2) | | | | | | | | | |
| **C. Shares held Custodian for GDRs ADRs** | | | | | | | | | |
| **Grand Total (A+B+C)** | 4821000 | 4711200 | 9532200 | 100% | 4820300 | 4711900 | 9532200 | 100% | |

B) Shareholding of Promoter-

| SN | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | %change shareholding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares the company | %of Shares Pledged encumbered total shares | No. Shares | % of total Shar of the company | %of Shares Pledged encumbered to total shares | |
| 1 | JAWAHAR LAL JAIN | 481400 | 5.05% | - | 481400 | 5.05% | - | - |
| 2 | JAWHAR JAIN | 496186 | 5.21% | - | 496186 | 5.21% | - | - |
| 3 | NEERAJ JAIN | 5200 | 0.05% | - | 5200 | 0.05% | - | - |
| 4 | MANJU JAIN | 1250000 | 13.11% | - | 1250000 | 13.11% | - | - |
| 5 | NEERAJ JAIN | 480000 | 5.04% | - | 480000 | 5.04% | - | - |
| 6 | ROHIT JAIN | 393680 | 4.13% | - | 393680 | 4.13% | - | - |
| 7 | JJ INFRASTRUCTURES LIMITED | 186100 | 1.95% | - | 186100 | 1.95% | - | - |

C) **Change in Promoters' Shareholding (please specify, if there is no change) NIL**

| SN | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholdi during the year | |
|---|---|---|---|---|---|
| | | No. shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | 3292566 | 34.54 | 3292566 | 34.54 |
| | Date wise Increase / Decrease in Promote Shareholding during the year specifying t reasons for increase / decrease (e allotment /transfer / bonus/ sweat equity etc | - | - | - | - |
| | At the end of the year | 3292566 | 34.54 | 3292566 | 34.54 |

**D) Shareholding Pattern of top ten Shareholders:**
**(Other than Directors, Promoters and Holders of GDRs and ADRs):**

| **SN** | **Name of t Shareholders** | **For Each of the Top 10 Shareholders** | Shareholding at t beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|
| | | | No. shares | % of total shares of th company | No. shares | % of total shares of th company |
| **1.** | **SUN AND SHINE WORLDWIDE LTD** | At the beginning of the year | 740000 | 7.76% | 740000 | 7.76% |
| | | Date wise Increase / Decrea in Promoters Shareholdi during the year specifying t reasons for increase /decrea (e.g. allotment / transfer bonus/ sweat equity etc): | - | - | - | - |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | At the end of the year | 740000 | 7.76% | 740000 | 7.76% |
| **2.** | **SUN TECHNO OVERSEAS LTD** | At the beginning of the year | 740000 | 7.76% | 740000 | 7.76% |
| | | Date wise Increase / Decrea in Promoters Shareholdi during the year specifying t reasons for increase /decrea (e.g. allotment / transfer bonus/ sweat equity etc): | - | - | - | - |
| | | At the end of the year | 740000 | 7.76% | 740000 | 7.76% |
| **3** | **SARAL MINING LIMITED** | At the beginning of the year | 740000 | 7.76% | 740000 | 7.76% |
| | | Date wise Increase / Decrea in Promoters Shareholdi during the year specifying t reasons for increase /decrea (e.g. allotment / transfer bonus/ sweat equity etc): | - | - | - | - |
| | | At the end of the year | 740000 | 7.76% | 740000 | 7.76% |
| **4** | **SYNERGY COSMETICS (EXI LTD** | At the beginning of the year | 740000 | 7.76% | 740000 | 7.76% |
| | | Date wise Increase / Decrea in Promoters Shareholdi during the year specifying t reasons for increase /decrea (e.g. allotment / transfer bonus/ sweat equity etc): | - | - | - | - |
| | | At the end of the year | 740000 | 7.76% | 740000 | 7.76% |
| **5.** | **ROTAM COMMERCIAL LTD** | At the beginning of the year | 720000 | 7.55% | 720000 | 7.55% |
| | | Date wise Increase / Decrea in Promoters Shareholdi during the year specifying t reasons for increase /decrea (e.g. allotment / transfer bonus/ sweat equity etc): | - | - | - | - |
| | | At the end of the year | 720000 | 7.55% | 720000 | 7.55% |
| **6.** | **SIMPLEX TRADING AND AGENCIES LTD** | At the beginning of the year | 720000 | 7.55% | 720000 | 7.55% |
| | | Date wise Increase / Decrea in Promoters Shareholdi during the year specifying t reasons for increase /decrea (e.g. allotment / transfer bonus/ sweat equity etc): | - | - | - | - |
| | | At the end of the year | 720000 | 7.55% | 720000 | 7.55% |
| **7.** | **R SWARNA LATHA** | At the beginning of the year | 65610 | 0.68% | 65610 | 0.68% |
| | | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase | - | - | - | - |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | /decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | | | | |
| | | At the end of the year | 65610 | 0.68% | 65610 | 0.68% |
| **8.** | **PARAG DATTATRAY MAHAJAN** | At the beginning of the year | 60182 | 0.63% | 60182 | 0.63% |
| | | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | - | - | - | - |
| | | At the end of the year | 60182 | 0.63% | 60182 | 0.63% |
| **9.** | **ANKIT JAIN** | At the beginning of the year | 35400 | 0.37% | 35400 | 0.37% |
| | | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 5123 | 0.05% | 40523 | 0.42% |
| | | At the end of the year | 40523 | 0.42% | 40523 | 0.42% |
| **10.** | **GLOBE CAPITAL MARKET LTD.** | At the beginning of the year | 39956 | 0.42% | 29834 | 0.31% |
| | | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | (10122) | (0.11) | 29834 | 0.31% |
| | | At the end of the year | 29834 | 0.31% | 29834 | 0.31% |
| | | | | | | |

E) **Shareholding of Directors and Key Managerial Personnel:**

| **SN** | **Name of the Director** | **Shareholding of ea Directors and each K Managerial Personnel** | Shareholding at t beginning of the year | | Cumulative Shareholding duri the year | |
|---|---|---|---|---|---|---|
| | | | No. of shares | % of tota shares the compan | No. shares | % of total shares of th company |

| | | | | | | |
|---|---|---|---|---|---|---|
| **1.** | **ROHIT JAIN** | At the beginning of the year | 393680 | 4.13% | 393680 | 4.13% |
| | | Date wise Increase / Decrea in Promoters Shareholdi during the year specifying t reasons for increase /decrea (e.g. allotment / transfer bonus/ sweat equity etc.): | - | - | - | - |
| | | **At the end of the year** | **393680** | **4.13%** | **393680** | **4.13%** |
| **2.** | **PARVESH KUMAR** | At the beginning of the year | **816** | **0.01** | **816** | **0.01** |
| | | Date wise Increase / Decrea in Promoters Shareholdi during the year specifying t reasons for increase /decrea (e.g. allotment / transfer bonus/ sweat equity etc.): | **-** | **-** | **-** | **-** |
| | | **At the end of the year** | **816** | **0.01** | **816** | **0.01** |
| **3.** | **VINAY KUMAR** | At the beginning of the year | **2484** | **0.03** | **2484** | **0.03** |
| | | Date wise Increase / Decrea in Promoters Shareholdi during the year specifying t reasons for increase /decrea (e.g. allotment / transfer bonus/ sweat equity etc.): | - | - | - | - |
| | | **At the end of the year** | **2484** | **0.03** | **2484** | **0.03** |

V) **INDEBTEDNESS -**Indebtedness of the Company including interest outstanding/accrued but not due for payment.

| | Secured Loa excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness at the beginning of the financial year** | | | | |
| i) Principal Amount | 0 | 0 | 0 | 0 |
| ii) Interest due but not paid | 0 | 0 | 0 | 0 |
| iii) Interest accrued but not due | 0 | 0 | 0 | 0 |
| **Total (i+ii+iii)** | | | | |
| **Change in Indebtedness during the financial year** | | | | |
| * Addition | 0 | 0 | 0 | 0 |
| * Reduction | 0 | 0 | 0 | 0 |
| **Net Change** | 0 | 0 | 0 | 0 |
| **Indebtedness at the end of the financial year** | | | | |
| i) Principal Amount | 0 | 0 | 0 | 0 |
| ii) Interest due but not paid | 0 | 0 | 0 | 0 |
| iii) Interest accrued but not due | 0 | 0 | 0 | 0 |
| **Total (i+ii+iii)** | | | | |

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL- NIL**

**A.** Remuneration to Managing Director, Whole-time Directors and/or Manager:

| SN. | Particulars of Remuneration | Name of MD/WTD/ Manager | | | | Total Amount |
|---|---|---|---|---|---|---|
| | | ----- | ---- | ---- | --- | |
| 1 | Gross salary | | | | | - |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | - | - | - | - | - |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | - | - | - | - | - |
| 2 | Stock Option | - | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - | - |
| 4 | Commission<br>- as % of profit<br>- others, specify… | - | - | - | - | - |
| 5 | Others, please specify | - | - | - | - | - |
| | Total (A) | - | - | - | - | - |
| | Ceiling as per the Act | - | - | - | - | - |

B. Remuneration to other directors:- NIL

| SN. | Particulars of Remuneration | Name of Directors | | | | Total Amount |
|---|---|---|---|---|---|---|
| | | ----- | ---- | ---- | --- | - |
| 1 | Independent Directors | - | - | - | - | - |
| | Fee for attending board committ meetings | - | - | - | - | - |
| | Commission | - | - | - | - | |
| | Others, please specify | - | - | - | - | -- |
| | Total (1) | - | - | - | - | - |
| 2 | Other Non-Executive Directors | - | - | - | - | - |
| | Fee for attending board committ meetings | - | - | - | - | - |
| | Commission | - | - | - | - | - |
| | Others, please specify | - | - | - | - | - |
| | Total (2) | - | - | - | - | - |
| | Total (B)=(1+2) | - | - | - | - | |
| | Total Manager Remuneration | - | - | - | - | |
| | Overall Ceiling as per the Act | - | - | - | - | |

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:- NIL

| SN | Particulars of Remuneration | Key Managerial Personnel | | | |
|---|---|---|---|---|---|
| | | CEO | CS | CFO | Total |
| 1 | Gross salary | | | | |
| | (a) Salary as per provisions contained in secti 17(1) of the Income-tax Act, 1961 | - | - | - | - |
| | (b) Value of perquisites u/s 17(2) Income-tax A 1961 | - | - | - | - |
| | (c) Profits in lieu of salary under section 17( Income-tax Act, 1961 | - | - | - | - |
| 2 | Stock Option | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - |
| 4 | Commission | - | - | - | - |
| | - as % of profit | - | - | - | - |
| | others, specify… | - | - | - | - |
| 5 | Others, please specify | - | - | - | - |
| | Total | - | - | - | - |

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

| Type | Section of t Companies Act | Brief Description | Details of Penalty Punishment/ Compounding fe imposed | Authority [RD / NCL COURT] | Appeal mad if any (give Details |
|---|---|---|---|---|---|
| **A. COMPANY** | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |
| **B. DIRECTORS** | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |
| **C. OTHER OFFICERS IN DEFAULT** | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |

**ANNEXURE D-7 TO THE DIRECTORS' REPORT**

| **Details of Loans: Nil** | | | |
|---|---|---|---|
| Sr. No. | Name of Entity/Person | Amount (in Rs.) | Purpose |
| 1 | | | |
| 2 | | | |
| | | | |
| **Note:** The above loans had been given at a rate of interest more than prevailing yield of Government Securities. | | | |
| **Details of Guarantees: Not applicable** | | | |
| Sr. No. | Name of Entity/Person | Amount | Purpose |
| 1 | No Guarantees have been given during the Financial year 2016-17 | | |
| | | | |

| **Details of Investments:** The company has not made any investment during the financial year. The detail of investment as on 31st March 2017 are as follow: | | | |
|---|---|---|---|
| Sr. No. | Name of Entity/Person | Amount | Purpose |
| 1 | Presha Metallurgical Limited | 3,15,27,250 | Business purpose |
| 2 | Tiara Jewels Private Limited | 76,40,000 | Business purpose |

**ANNEXURE D-8 TO THE DIRECTORS' REPORT**

**FORM NO. AOC -2:**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis. : Nil
2. Detail of related party transcations at Arm's length:

| SL. No. | Particulars | Details | |
|---|---|---|---|
| | Name (s) of the related party & nature of relationship | Tiara Jewels Private Limited | Rohit Jain |
| | Nature of contracts/arrangements/transaction | Sales of jewellery | Rent agreement |
| | Duration of the contracts/arrangements/transaction | 2 years | 2 Years |
| | Salient terms of the contracts or arrangements or transaction including the value, if any | Transactions with associates at market value 206.93 lacs | Transactions with promoter at market value 0.22 lacs |
| | Justification for entering into such contracts or arrangements or transactions' | Reasonable rate | Reasonable Transaction |
| | Date of approval by the Board | 13.02.2016 | 13.02.2016 |
| | Amount paid as advances, if any | Nil | Nil |
| | Date on which the special resolution was passed in General meeting as required under first proviso to section 188 | NA | NA |

| SL. No. | Particulars | Details | | |
|---|---|---|---|---|
| | Name (s) of the related party & nature of relationship | Neeraj Jain | Manju Jain | Manju Jain & Jawahar Lal Jain (HUF) |
| | Nature of contracts/arrangements/transaction | Rent agreement | Rent agreement | Rent agreement |
| | Duration of the contracts/arrangements/transaction | 2 Years | 2 Years | 2 Years |
| | Salient terms of the contracts or arrangements or transaction including the value, if any | Transactions with promoter at market value 0.22 lacs | Transactions with promoter at market value 0.08 lacs | Transactions with promoter at market value 0.08 lacs |
| | Justification for entering into such contracts or arrangements or transactions' | Reasonable Transaction | Reasonable Transaction | Reasonable Transaction |
| | Date of approval by the Board | 13.02.2016 | 13.02.2016 | 13.02.2016 |
| | Amount paid as advances, if any | Nil | Nil | Nil |
| | Date on which the special resolution was passed in General meeting as required under first proviso to section 188 | NA | NA | NA |

**ANNEXURE D-9 TO THE DIRECTORS' REPORT**

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

**Part "A": Subsidiaries: NIL**

**Part "B": Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

| | |
|---|---|
| Name of associates/ | Tiara Jewels Private Limited |
| Latest audited Balance Sheet Date | 31st March 2017 |
| Shares of Associate/Joint Ventures held by the company on the year end | 31st March 2017 |
| No. | 3,82,000 |
| Amount of Investment in Associates/Joint Venture | 76,40,000 |
| Extend of Holding% | 43.91 |
| Description of how there is significant influence | 43.91% of holding in the company |
| Reason why the associate/joint venture is not consolidated | Not required for current financial year as per MCA notification |
| Net worth attributable to shareholding as per latest audited Balance Sheet | 20169042 |
| Profit/Loss for the year | 605043 |
| Considered in Consolidation | NA |
| Not Considered in Consolidation | NA |

**ANNEXURE D-10 CORPORATE GOVERNANCE REPORT:**

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

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

**2. BOARD OF DIRECTORS :**

The constitution of the board of directors of the company is in compliance with Listing Regulations. At present the Board of Directors of the company consists of four directors out of which two are independent directors. Mr. Rohit Jain is the Chairman of the company, who is a non executive director. None of the independent director has any material pecuniary interest in the company. All the directors of the company are qualified and possess vast experience in the field of trading, marketing, finance and other related activities. The company has hold six board meetings during the financial year. The gap between any two board meetings was not more than 120 days. The members of Board have access to all the information of the company. The minutes of meetings of directors are properly recorded and entered in the minutes book within time.

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

| **Name of the Director** | **Category** | **No. of Board Meetings attended** | **Attendance at last AGM** | **No. of other directorships** |
|---|---|---|---|---|
| Mr. Rohit Jain | Promoter Director | 4 | Yes | 3 |
| Mr. Parvesh Kumar | Managing Director | 4 | Yes | Nil |
| Mr. Vinay Kumar | Independent Director | 4 | Yes | Nil |
| Ms. Nisha Sharma | Independent Director | Nil | No | Nil |

**3 AUDIT COMMITTEE:**

The audit committee comprises of three directors namely Mr. Rohit Jain, Ms. Nisha Sharma and Mr. Vinay Kumar. Mr. Vinay Sharma is Chairman of the Audit Committee. All members of audit committee are financially literate. Four audit committee meetings were held in the financial year ending 31$^{st}$ March 2017. The gap between two meetings of the audit committee is not more than one hundred & twenty days.

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

(a) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

(b) Recommend the appointment, reappointment and replacement of auditors.

© Recommending and approval of payments of statutory auditors for various assignments.

(d) Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:

i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956

ii. Changes, if any, in accounting policies and practices and reasons for the same

iii. Major accounting entries involving estimates based on the exercise of judgment by management

iv. Significant adjustments made in the financial statements arising out of audit findings

v. Compliance with listing and other legal requirements relating to financial statements

vi. Disclosure of any related party transactions

vii. Qualifications in the draft audit report.

(e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval

(f) Reviewing, with the management, the statement of uses / application of funds raised through public issue, rights issue, preferential issue, etc.

(g) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.

(h) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

(i) Discussion with internal auditors on any significant findings and follow up there on.

(j) Reviewing the findings of internal investigations by the internal auditors into the requisite matters

(k) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain area of concern.

(l) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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

**Details of meeting of Audit Committee**

| Name of the Members of Audit committee | No. of meetings held | No. of Meetings attended |
|---|---|---|
| Mr. Rohit Jain | 4 | 4 |
| Mr. Vinay Kumar Sharma | 4 | 4 |
| Ms. Nisha Sharma | 4 | 2 |

**4. STAKEHOLDERS RELATIONSHIP**

The shareholders grievances committee consist of the following members.

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

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

The meetings of the committee were regularly held. The committee met to approve the transfer of shares and to redress the shareholders grievances. The requests for conversion of physical share certificates into demat form and vice versa were also approved by the committee. No complaint/grievance is were pending as on 31st March 2017.

**5. NOMINATION/REMUNERATION COMMITTEE**

The Company has re-constituted the Remuneration Committee. Now Mr. Rohit Jain, Ms. Nisha Sharma and Mr. Vinay Kumar Sharma are members of the remuneration committee. Mr. Vinay Kumar is the chairman of the committee. The company is not paying any remuneration to any director of the company.

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

Mr. Rohit Jain is a graduate. He has rich experience of more than 20 years in the field of jewelry.

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

| YEAR | DATE OF AGM | TIME | PLACE |
|---|---|---|---|
| 2013-2014 | 29th September 2014 | 9.30 a.m. | SCF 103, Chamber No 7, 1st Floor, Phase XI, SAS Nagar, Mohali |
| 2014-2015 | 29th September 2015 | 9.30 a.m. | SCF 103, Chamber No 7, 1st Floor, Phase XI, SAS Nagar, Mohali |
| 2015-16 | 29th September 2016 | 9.30 a.m. | SCF 103, Chamber No 7, 1st Floor, Phase XI, SAS Nagar, Mohali |

**Disclosures**

(a) Transactions with related party:

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

(b) Accounting treatment

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

(c) Penalties and Non Compliances

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

**Means of Communication**

The communication with the shareholders at large is through dispatch of annual reports, publication of quarterly results and press releases in newspaper. The company sends annual reports to all the shareholders. The notices of convening of general meetings are also published in the newspapers. The Board of directors approves the quarterly results within 45 days of end of each quarter except for March 2017 quarter which were approved by the company within 60 days of the close of financial year. The financial results for each quarter are being sent to stock exchange regularly through courier and internet. Unaudited quarterly results are also regularly published in the newspaper papers in accordance with the requirement of the listing Regulations.

**Share holder information :**

a. Annual General Meeting : 30th September 2017 at 9.30 a.m.
SCF 103, Chamber No. 7,
1st Floor, Phase XI,
SAS Nagar,Mohali.

b. Date of book closure is from 27th September 2017 to 30th September 2017.

c. BSE Limited

d. Stock Exchange Code : 531585

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

f. REGISTRAR AND TRANSFER AGENT

Link Intime India Private Limited
44, Community Centre, Phase-I,
Near PVR, Naraina Ind. Area, New Delhi,
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 2017 as stipulated in Regulation 27 of the Listing Regulations.

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 .

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

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

Sd/-

Date : 29/08/2017
Place : Chandigarh

Kanwaljit Singh

Company Secretary

DATTA SINGLA & CO.
Chartered Accountants

SCO 2935-36, Level 1, Sector 22-C,
Chandigarh - 160 022 (INDIA)
Tele : +91-172-2707065, 5086551 / 52
Fax : +91-172-5019550

# INDEPENDENT AUDITORS' REPORT

To the Members of
**DEVINE IMPEX LIMITED**

## 1. Report on the Standalone Financial Statements

We have audited the accompanying financial statements of **DEVINE IMPEX LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## 2. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act")with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## 3. Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## 4. Opinion

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

(a) In the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2017;
(b) In the case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on that date, and
(c) In the case of the Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

## 5. Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143 (3) of the Act, we report that:

(a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit,

(b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books,

(c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account

(d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014,

(e) on the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act,

(f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

(g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 2.21 to the financial statements ;

ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts ;

iii) No amount was required to be transferred to the Investor Education and Protection Fund by the Company.

iv) The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. (Refer Note 2.32 to the Financial Statements)

**For DATTA SINGLA& CO.**
**Chartered Accountants**
**Firm Regn. No. 006185N**

**(MOHIT CHAWLA)**
**Partner**
**M. No. 504889**

**Place : Chandigarh**
**Dated : 29.05.2017**

## ANNEXURE "A" TO THE AUDITORS' REPORT

## REFERRED TO IN PARAGRAPH 5 OF OUR REPORT TO THE MEMBERS OF DEVINE IMPEX LIMITED ON THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017;

1. In respect of its fixed assets:

   (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.

   (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of major portion of fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

   (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, as there is no immovable property held in the name of the Company, hence this clause is not applicable to the Company.

2. In respect of its inventory:

   (a) According to the information and explanations given to us, the Company has conducted physical verification of inventory at year ended as at 31st March 2017.

   (b) As explained to us, the discrepancies noticed between the physical stocks and the books records were not material and have been properly dealt with in the books of accounts.

3. The Company has not granted any loan, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, provisions of clause 3 (iii) of the Companies (Auditor Reports) Order 2016 are not applicable to the Company.

4 In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made.

5. In our opinion and according to the information and explanations given to us, the Company has not invited any deposits attracting the provisions of sections 73 to 76, or any other relevant provisions of the Companies Act, 2013.

6. According to the information and explanations given to us by the Management, the Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013.

7 (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employee's state insurance, income tax, sales tax, customs duty, service tax, excise duty, cess, value added tax and other material statutory dues as applicable with the appropriate authorities in India. We are informed that there are no undisputed statutory dues as at the end of the year, which are outstanding for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us and as per records of the Company examined by us, there are no dues of Income Tax, Wealth Tax, Sales Tax, service tax, excise duty, Value Added Tax, Cess and Custom Duty, which are outstanding as at 31st March, 2017 and which have not been deposited on account of any dispute.

8. 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.

9. In our opinion and according to the information and explanations given to us, on an overall basis the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) & the term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.

10. According to the information and explanation given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of audit.

11. According to the information and explanations give to us and based on our examination of the records of the Company, as the Company has not paid/provided for managerial remuneration, hence this clause is not applicable to the Company.

12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards. We have been informed by the management of the Company that the transactions with related parties have been made in the ordinary course of its business and on an arm's length basis, auditors have relied on the same.

14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

16. According to information and explanations given to us, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

For DATTA SINGLA& CO.
Chartered Accountants
Firm Regn. No. 006185N

(MOHIT CHAWLA)
Partner
M. No. 504889

Place : Chandigarh
Dated : 29.05.2017

## Annexure "B" to the Auditors' Report

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **DEVINE IMPEX LIMITED** ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for

external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of the Management and directors of the Company; and
(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets, that could have a material effect on the financial statements.

**Inherent Limitations Of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become in adequate because of change in conditions, or that the degree of compliance with the policies or procedure may deteriorate

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For DATTA SINGLA& CO.**
**Chartered Accountants**
**Firm Regn. No. 006185N**

**(MOHIT CHAWLA)**
**Partner**
**M. No. 504889**

**Place : Chandigarh**
**Dated : 29.05.2017**

## DEVINE IMPEX LIMITED

(Amount in Rs.)

### BALANCE SHEET AS AT 31ST MARCH 2017

| PARTICULARS | Note No. | AS AT 31.03.2017 | AS AT 31.03.2016 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **ShareHolders' Fund** | | | |
| Share Capital | 2.1 | 96,172,000 | 96,172,000 |
| Reserves & Surplus | 2.2 | 38,459,225 | 38,294,272 |
| (A) | | 134,631,225 | 134,466,272 |
| **Non-Current Liabilities** | | | |
| Long Term Borrowings | | - | - |
| Deferred Tax liabilities (Net) | 2.3 | - | 250 |
| (B) | | - | 250 |
| **Current Liabilities** | | | |
| Short Term Borrowings | | - | - |
| Trade Payables | 2.4 | 6,690 | 1,967,616 |
| Other Current Liabilities | 2.5 | 193,418 | 193,395 |
| Short Term Provisions | 2.6 | 48,000 | 16,326 |
| (C) | | 248,108 | 2,177,337 |
| **EQUITY AND LIABILITIES (A+B+C)** | | 134,879,334 | 136,643,859 |
| **ASSETS** | | | |
| **Non-Current Assets** | | | |
| Fixed Assets : | | | |
| Tangible Assets | 2.7 | 47,400 | 67,350 |
| Deferred Tax Assets (Net) | 2.3 | 2,830 | - |
| Non-Current Investments | 2.8 | 39,167,250 | 39,167,250 |
| Long Term Loans and Advances | 2.9 | 1,398,218 | 1,431,151 |
| Other Non Current Assets | 2.10 | 14,700 | 54,700 |
| (D) | | 40,630,398 | 40,720,451 |
| **Current Assets** | | | |
| Inventories | 2.11 | 60,261,568 | 52,246,763 |
| Trade Receivables | 2.12 | 31,496,827 | 43,104,689 |
| Cash and Cash Equivalents | 2.13 | 2,469,890 | 564,918 |
| Short Term Loans and Advances | 2.14 | 20,650 | 7,038 |
| Other Current Assets | | - | - |
| (E) | | 94,248,935 | 95,923,408 |
| **ASSETS (D+E)** | | 134,879,334 | 136,643,859 |
| **Significant Accounting Policies** | 1 | | |
| **Notes on Financial Statements** | 2 | | |

**For Devine Impex Limited**
**(CIN: L51110PB1995PLC017179)**

**(Pravesh Kumar)**
**M.D. & C.E.O.**
**(DIN: 05245546)**

**(Vinay Kumar Sharma)**
**Director**
**(DIN 05245550)**

**Place : Chandigarh**
**Dated : 29.05.2017**

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

**(Mohit Chawla)**
**Partner**
**(M. No. 504889)**

## DEVINE IMPEX LIMITED

(Amount in Rs.)

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

| PARTICULARS | Note No. | YEAR ENDED 31.03.2017 | YEAR ENDED 31.03.2016 |
|---|---|---|---|
| **Income** | | | |
| Revenue from Operations | 2.15 | 35,488,948 | 25,650,790 |
| Other Income | | - | - |
| **Total Revenue** | | **35,488,948** | **25,650,790** |
| **Expenses** | | | |
| Purchases of Stock-in-Trade | | 42,191,041 | 13,567,007 |
| Changes in Inventories of Finished Goods | 2.16 | (8,014,805) | 11,070,331 |
| Employee Benefits Expense | 2.17 | 62,400 | 62,400 |
| Finance Cost | 2.18 | 2,035 | 1,515 |
| Depreciation and Amortisation Expense | 2.7&2.10 | 59,950 | 59,950 |
| Other Expenses | 2.19 | 936,297 | 803,911 |
| **Total Expenses** | | **35,236,917** | **25,565,114** |
| **Profit Before Tax** | | **252,031** | **85,676** |
| **Tax Expense :** | | | |
| Current Tax | | 48,000 | 16,326 |
| Deferred Tax | | (3,080) | (2,550) |
| MAT Credit Used (Entitlement) | | 32,933 | 12,684 |
| **Profit After Tax transferred to Reserves & Surplus** | | **174,178** | **59,217** |
| **Earnings Per Equity Share :** | | | |
| Basic | | 0.02 | 0.01 |
| Diluted | | 0.02 | 0.01 |
| **Significant Accounting Policies** | 1 | | |
| **Notes on Financial Statements** | 2 | | |

**For Devine Impex Limited**
**(CIN: L51110PB1995PLC017179)**

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

| | | |
|---|---|---|
| **(Pravesh Kumar)** | **(Vinay Kumar Sharma)** | **(Mohit Chawla)** |
| **M.D. & C.E.O.** | **Director** | **Partner** |
| **(DIN: 05245546)** | **(DIN 05245550)** | **(M. No. 504889)** |

**Place : Chandigarh**
**Dated : 29.05.2017**

## DEVINE IMPEX LIMITED

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

(Amount in Rs. )

| Particulars | Year Ended 31st March 2017 | Year Ended 31st March 2016 |
|---|---|---|
| **Cash flow from operating activities:** | | |
| **A. Profit For The Year Before Tax and Prior Period Items** | 252,031 | 85,676 |
| Adjustments for : | | |
| Depreciation and Amortisation | 59,950 | 59,950 |
| Loss on Sale/Discardment of Fixed Assets | - | - |
| **Operating Profit Before Prior Period Items And Working Capital Changes** | **311,981** | **145,626** |
| Adjustment For Prior Period Income/(Expense) | (9,224) | (8,033) |
| **Operating Profit Before Working Capital Changes** | **302,756** | **137,593** |
| Adjustments for: | | |
| (Increase)/Decrease in Current Assets | 3,579,445 | (6,998,310) |
| Increase/(Decrease) in Current Liabilities | (1,960,903) | 2,012,262 |
| **Cash Generated From Operations** | **1,921,298** | **(4,848,455)** |
| Income Tax Paid | 16,326 | 55,887 |
| **Net Cash From Operating Activities** | **1,904,973** | **(4,904,342)** |
| **B. Cash Flow From Investing Activities:** | - | - |
| | - | |
| **Net Cash (Used)/Generated In Investing Activities** | - | - |
| **C. Cash Flow From Financing Activities:** | - | - |
| **Net Cash (Used)/Generated In Financing Activities** | - | - |
| **Net Increase/(Decrease) In Cash And Cash Equivalents (A) + (B) + (C)** | 1,904,973 | (4,904,342) |
| **Opening Cash And Cash Equivalents** | 564,918 | 5,469,260 |
| **Closing Cash And Cash Equivalents** | **2,469,891** | **564,918** |

**For Devine Impex Limited**
**(CIN: L51110PB1995PLC017179)**

(Pravesh Kumar)
**M.D. & C.E.O.**
(DIN: 05245546)

(Vinay Kumar Sharma)
**Director**
(DIN 05245550)

**Place : Chandigarh**
**Dated : 29.05.2017**

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

(Mohit Chawla)
**Partner**
(M. No. 504889)

DEVINE IMPEX LIMITED

SIGNIFICANT ACCOUNTING POLICIES

## 1.1 BASIS OF PREPARATION OF ACCOUNTS

These financial statements are prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP) under the historical cost conventions on the accrual basis. GAAP comprises mandatory Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act ( to the extent notified) and the guidelines issued by the Securities and Exchange Board of India. Accounting policies have been consistently applied except where a newly accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

## 1.2 USE OF ESTIMATES

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

## 1.3 FIXED ASSETS AND DEPRECIATION

(a) Fixed Assets have been stated at original cost, inclusive of inward freight, incidental expenses related to acquisition, financing cost till commencement of commercial production and related pre-operative expenses, less depreciation, while arriving at original cost.

(b) Depreciation is provided on straight line method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

## 1.4 IMPAIRMENT OF ASSETS

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

## 1.5 ACCOUNTING FOR GOVERNMENT GRANTS

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

## 1.6 BORROWING COSTS

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

## 1.7 FOREIGN CURRENCY TRANSACTIONS

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

(b) Foreign currency monetary items are reported using the closing rate. Exchange differences arising on the settlement of monetary items or on reporting the same at the closing rate as at the balance sheet date are recognized as income or expense in the period in which they arise except in the case of liabilities incurred for the purpose of acquiring the fixed assets from outside India in which such exchange differences are adjusted in the carrying amount of fixed assets.

(c) The premium or discount arising at the inception of forward exchange contracts is amortised as an expense or income over the life of the contract. Exchange difference on such a contract is recognized in the statement of profit and loss in the reporting period in which the exchange rates change. Profit or Loss arising on cancellation or renewal of such contracts is recognized as income or expense in the period in which such profit or loss arises.

## 1.8 INVENTORIES

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

## 1.9 REVENUE RECOGNITION

Revenue is recognized to the extent that it can be reliably measured and is probable that the economic benefits will flow to the Company.
Dividend income is recognized as and when the right to receive is established.

## 1.10 INVESTMENTS

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

## 1.11 ACCOUNTING FOR TAXES ON INCOME

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Minimum alternate tax (MAT) paid in accordance with the tax laws, which give rises to future economic benefits in the form of tax credit against future income tax liability, is recognized as an asset in the Balance Sheet.

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. Deferred tax assets and liabilities are reviewed at each balance sheet date and are restated to reflect the amount that is reasonably certain to be released/ payable. Deferred tax assets and deferred tax liabilities have been set off wherever the company has a legally enforceable right to set off and the deferred tax assets and deferred tax liabilities levied by same taxation authority.

## 1.12 LEASES

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

## 1.13 EMPLOYEE BENEFITS

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

## 1.14 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

## 1.15 EARNINGS PER SHARE

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

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

## 1.16 MISCELLANEOUS EXPENDITURE

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

**DEVINE IMPEX LIMITED**

(Amount in Rs.)

| Note No. | PARTICULARS | AS AT 31.03.2017 | AS AT 31.03.2016 |
|---|---|---|---|
| 2.1 | **SHARE CAPITAL** | | |
| | Authorised Equity Share Capital<br>1,00,00,000 Equity Shares of Rs.10/- each | 100,000,000 | 100,000,000 |
| | | 100,000,000 | 100,000,000 |
| | Issued & Subscribed Share Capital<br>96,51,400 Equity Shares of Rs.10/-each | 96,514,000 | 96,514,000 |
| | | 96,514,000 | 96,514,000 |
| | Paid up Share Capital<br>95,32,200 Equity Shares of Rs.10/-each fully paid up | 95,322,000 | 95,322,000 |
| | Add : Amount paid up on 1,19,200 Shares Forfeited | 850,000 | 850,000 |
| | **(Refer Note No. 2.20)** | **96,172,000** | **96,172,000** |
| 2.2 | **RESERVES & SURPLUS** | | |
| | **Securities Premium (a)** | 37,400,000 | 37,400,000 |
| | **Surplus in Statement of Profit & Loss :** | | |
| | Opening Balance | 894,272 | 843,088 |
| | Add: Profit for the Year transferred from the Statement of Profit & Loss | 174,178 | 59,217 |
| | | 1,068,449 | 902,305 |
| | Less: Prior Period Expenses | 9,224 | 8,033 |
| | **Closing Balance (b)** | 1,059,225 | 894,272 |
| | **Total Carried to Balance Sheet (a+b)** | **38,459,225** | **38,294,272** |

| DEVINE IMPEX LIMITED | | | |
|---|---|---|---|
| | | | (Amount in Rs.) |
| Note No. | PARTICULARS | AS AT 31.03.2017 | AS AT 31.03.2016 |
| 2.3 | **Deferred Tax Assets\(Liabilities)** | | |
| | (A) Deferred Tax Liabilities arising on account of :<br>- Depreciation | - | 794 |
| | | - | 794 |
| | (B) Deferred Tax Assets arising on account of :<br>- Depreciation | -<br>9,173 | -<br>- |
| | TOTAL | 9,173 | - |
| | NET DEFFERED TAX ASSETS\( LIABILITY) (B-A) | 9,173 | (794) |
| | Tax Impact of above | 2,830 | (250) |
| 2.4 | **Trade Payables** | | |
| | For Purchase of Stock In Trade | 6,690 | 1,967,616 |
| | | **6,690** | **1,967,616** |
| 2.5 | **Other Current Liabilities** | | |
| | Advances From Customers<br>Other Payables | 100,000<br>93,418 | 100,000<br>93,395 |
| | | **193,418** | **193,395** |
| 2.6 | **Short Term Provisions** | | |
| | Provision for Income Tax | 48,000 | 16,326 |
| | | **48,000** | **16,326** |

## DEVINE IMPEX LIMITED

Note No. 2.7 — SCHEDULE OF TANGIBLE FIXED ASSETS AS AT 31ST MARCH 2017

(Amount in Rs.)

| PARTICULARS | GROSS BLOCK | | | | DEPRECIATION | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|
| | AS AT 01.04.2016 | ADDITIONS | SALE/ ADJUSTMENT | AS AT 31.03.2017 | UPTO 31.03.2016 | FOR THE YEAR | UP TO 31.03.2017 | AS AT 31.03.2017 | AS AT 31.03.2016 |
| Car | 150,000 | - | - | 150,000 | 82,650 | 19,950 | 102,600 | 47,400 | 67,350 |
| Total | 150,000 | - | - | 150,000 | 82,650 | 19,950 | 102,600 | 47,400 | 67,350 |
| Previous Year's | 150,000 | - | - | 150,000 | 62,700 | 19,950 | 82,650 | 67,350 | 87,300 |

| DEVINE IMPEX LIMITED | | | |
|---|---|---|---|
| | | | (Amount in Rs.) |
| Note No. | PARTICULARS | AS AT 31.03.2017 | AS AT 31.03.2016 |
| 2.8 | **Non Current Investments** | | |
| | **Trade Investment** | | |
| | **Quoted** | | |
| | Presha Metallurgical Limited - 92,750 Equity shares of Rs.10/- each fully paid up | 31,527,250 | 31,527,250 |
| | (Market value of quoted investment as at 31.03.2017 Rs. 36.13 lacs, based on last available quotation of 16.03.2016 (As at 31.03.2016; Rs. 36.13 lacs) | | |
| | **Unquoted** | | |
| | Tiara Jewels Pvt. Ltd. - 3,82,000 equity shares of Rs. 10/- each fully paid up | 7,640,000 | 7,640,000 |
| | | **39,167,250** | **39,167,250** |
| 2.9 | **Long Term Loans and Advances** | | |
| | **Unsecured, considered good** | | |
| | MAT Credit Entitlement | 276,671 | 309,604 |
| | Other Loans & Advances | 1,121,547 | 1,121,547 |
| | | **1,398,218** | **1,431,151** |
| 2.10 | **Other Non-Current Assets** | | |
| | Security Deposits | 14,700 | 14,700 |
| | **Miscellaneous Expenditure** | | |
| | Opening Balance | 40,000 | 80,000 |
| | Less : Written off During the Year | 40,000 | 40,000 |
| | Closing Balance | - | 40,000 |
| | | **14,700** | **54,700** |

| DEVINE IMPEX LIMITED | | | |
|---|---|---|---|
| | | | (Amount in Rs.) |
| Note No. | PARTICULARS | AS AT 31.03.2017 | AS AT 31.03.2016 |
| 2.11 | **Inventories** | | |
| | Stock of Bullion & Jewellery | 19,561,568 | 11,546,763 |
| | Stock of Shares | 40,700,000 | 40,700,000 |
| | | **60,261,568** | **52,246,763** |
| 2.12 | **Trade Receivables** | | |
| | Unsecured , considerd good : | | |
| | - Outstanding for a Period exceeding six months from due date of payment | 6,182,114 | 25,375,741 |
| | - Others | 25,314,713 | 17,728,948 |
| | | **31,496,827** | **43,104,689** |
| 2.13 | **Cash and Cash Equivalents** | | |
| | Balances with Banks | 2,184,263 | 17,510 |
| | Cash in hand | 285,628 | 547,408 |
| | | **2,469,890** | **564,918** |
| 2.14 | **Short Term Loans & Advances** | | |
| | Balances With Revenue Authorities | 20,650 | 7,038 |
| | | **20,650** | **7,038** |

| DEVINE IMPEX LIMITED | | | |
|---|---|---|---|
| | | | (Amount in Rs.) |
| Note No. | PARTICULARS | YEAR ENDED 31.03.2017 | YEAR ENDED 31.03.2016 |
| 2.15 | **Revenue from Operations** | | |
| | Sales of Bullion & Jewellery | 35,488,948 | 25,650,790 |
| | | **35,488,948** | **25,650,790** |
| 2.16 | **Changes in Inventories of Finished Goods** | | |
| | Opening Stock- Stock In Trade(A) | 52,246,763 | 63,317,094 |
| | Closing Stock-Stock In Trade (B) | 60,261,568 | 52,246,763 |
| | (Increase)/Decrease in Stock (A-B) | **(8,014,805)** | **11,070,331** |
| 2.17 | **Employee Benefits Expense** | | |
| | Salary and Allowances | 62,400 | 62,400 |
| | | **62,400** | **62,400** |
| 2.18 | **Finance Cost** | | |
| | Other Borrowing Cost | 2,035 | 1,515 |
| | | **2,035** | **1,515** |

| DEVINE IMPEX LIMITED | | | |
|---|---|---|---|
| | | | (Amount in Rs.) |
| Note No. | PARTICULARS | YEAR ENDED 31.03.2017 | YEAR ENDED 31.03.2016 |
| 2.19 | Other Expenses | | |
| | Auditors Remuneration | 23,000 | 22,900 |
| | Printing & Stationery | 12,513 | 9,100 |
| | Advertisement Expenses | 101,371 | 136,606 |
| | Travelling & Conveyance Expenses | 90,200 | 18,100 |
| | Rent | 182,988 | 182,988 |
| | Professional Charges | 208,336 | 135,148 |
| | Postage & Courier Charges | 11,142 | 13,971 |
| | Telephone Expenses | 3,296 | 3,152 |
| | Fees & Taxes | 303,451 | 281,946 |
| | **TOTAL** | **936,297** | **803,911** |

2.20 **List of shareholders holding more than 5% Share Capital of the Company**

| Name of the Shareholder | 2016-17 | | 2015-16 | |
|---|---|---|---|---|
| | No. of shares held | % of Shares held | No. of shares held | % of Shares held |
| Jawahar Lal Jain (HUF) | 4,81,400 | 5.05% | 4,81,400 | 5.05% |
| Jawahar Jain | 4,96,186 | 5.21% | 4,96,186 | 5.21% |
| Manju Jain | 12,50,000 | 13.11% | 12,50,000 | 13.11% |
| Neeraj Jain | 4,85,200 | 5.09% | 4,85,200 | 5.09% |
| Sun & Shine Worldwide Ltd. | 7,40,000 | 7.76% | 7,40,000 | 7.76% |
| Sun Techno Overseas Ltd. | 7,40,000 | 7.76% | 7,40,000 | 7.76% |
| Saral Mining Ltd. | 7,40,000 | 7.76% | 7,40,000 | 7.76% |
| Synergy Cosmetic (Exim) Ltd. | 7,40,000 | 7.76% | 7,40,000 | 7.76% |
| Rotam Commercials Ltd. | 7,20,000 | 7.55% | 7,20,000 | 7.55% |
| Simplex Trading & Agencies Ltd. | 7,20,000 | 7.55% | 7,20,000 | 7.55% |

**Reconciliation of no. of shares outstanding is given below:**

| Particulars | As At 31.03.2017 | As At 31.03.2016 |
|---|---|---|
| Equity shares at the beginning of the year | 9,532,200 | 9,532,200 |
| Add: Issued during the year | - | - |
| Equity shares at the end of the year | 9,532,200 | 9,532,200 |

2.21 **a) CONTINGENT LIABILITIES :**

| S.No. | Particulars | 31.03.2017 | 31.03.2016 |
|---|---|---|---|
| i) | Claims against the company not acknowledged as debt | Nil | Nil |
| ii) | Guarantees | Nil | Nil |
| iii) | Other money for which the company is contingently liable | Nil | Nil |

b) COMMITMENTS :

| S.No. | Particulars | 31.03.2017 | 31.03.2016 |
|---|---|---|---|
| i) | Estimated amount of contracts remaining to be executed on capital account and not provided for | Nil | Nil |
| ii) | Uncalled liability on shares and other investment partly paid | Nil | Nil |
| iii) | Other commitments | Nil | Nil |

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

2.23 SEGMENT REPORTING

The Company operated only in one segment during the year.

2.24 CURRENT ASSETS, LOANS & ADVANCES

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

2.25 PAYMENT TO AUDITORS

| Particulars | For the year ended 31.03.2017 | For the year ended 31.03.2016 |
|---|---|---|
| Statutory Audit Fees | Rs. 15,000/- | Rs. 15,000/- |
| Tax Audit Fees | Rs. 5,000/- | Rs. 5,000/- |
| Service Tax | Rs. 3,000/- | Rs. 2,900/- |

2.26 CURRENT LIABILITIES

In the opinion of the management of the Company, there are no micro, small and medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2017. The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of the information available with the Company and have been relied upon by the statutory auditors of the Company.

## 2.27 RELATED PARTY DISCLOSURES

### a) Relationship

**i) Joint Venture & Associates ***
Tiara Jewels Private Limited

**ii) Key Management Personnel**
Sh. Rohit Jain
Sh. Parvesh Kumar Oberoi
Sh. Vinay Kumar Sharma

**iii) Relatives of Key Management Personnel ***
Sh. Jawahar Lal Jain
Sh. Neeraj Jain
Smt. Manju Jain

**iv) Entities of Key Management Personnel ***
Jawahar Lal Jain (HUF)

* With whom the Company had transactions during the year.

### b) Transactions with Related Parties

(Rs. in lacs)

| Sr. No. | Nature Of Transaction | Subsidiary Company | Joint Venture & Associates | Key Management Personnel | Relatives of Key Management Personnel | Entities of Key Management Personnel | Total |
|---|---|---|---|---|---|---|---|
| 1. | Sales during the year (net of VAT) | -<br>- | **296.86**<br>*206.93* | -<br>- | -<br>- | -<br>- | **296.86**<br>*206.93* |
| 2. | Rent | -<br>- | -<br>- | **0.22**<br>*0.22* | **0.30**<br>*0.30* | **0.08**<br>*0.08* | **0.60**<br>*0.60* |
| 3. | Year-end balance of Trade Receivables | -<br>- | **294.97**<br>*383.15* | -<br>- | -<br>- | -<br>- | **294.97**<br>*383.15* |

**Note:** Figures in italics represent previous year figures

## 2.28 EARNINGS PER SHARE

Basic earnings per equity share has been computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the period.
Diluted earnings per equity share have been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

| S.No. | Particulars | Unit | Year ended 31.03.2017 | Year ended 31.03.2016 |
|---|---|---|---|---|
| a | Profit after tax (before previous year adjustments) | Rs. | 1,74,178 | 59,217 |
| b. | Number of equity shares used in computing basic earnings per share | No. | 95,32,200 | 95,32,200 |
| c. | Basic Earnings per Share (a/b) | Rs. | 0.02 | 0.01 |
| 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. | 95,32,200 | 95,32,200 |
| f. | Diluted Earning per Share (a/e) | Rs. | 0.02 | 0.01 |
| g. | Effect of potential equity shares for preferential allotment (c-f) | Rs. | Nil | Nil |

## 2.29 EXPENDITURE IN FOREIGN CURRENCY

| | Particulars | 2016-17 | 2015-16 |
|---|---|---|---|
| (a) | **CIF Value of Imports** | | |
| 1. | Trading Purchase | - | - |
| 2. | Capital Goods and Stores & Spares | - | - |
| (b) | **Expenditure in Foreign Currency – NIL** | | |
| (c) | **Remittances in Foreign Currency** | | |
| 1. | Trading Purchase | - | - |
| 2. | Capital Goods | - | - |

| (d) | Earnings in Foreign Currency- NIL |
|---|---|

## 2.30 INCOME TAX

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

Deferred Tax
In compliance with Accounting Standard (AS-22) relating to "Accounting for Taxes on Income" issued under Companies (Accounting Standards) Rule 2014, as amended upto date, the Company has provided Deferred Tax Asset accruing during the year aggregating to Rs. 3,080/- (Previous Year Deferred Tax Asset Rs. 2,550/-) and it has been recognized in the Statement of Profit & Loss. In accordance with clause 29 of Accounting Standard (AS 22) Deferred Tax Assets and Deferred Tax Liabilities have been set off.

## 2.31 LEASES

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

Lease payments recognized in the statement of profit and loss are Rs. 1,82,988/- (Previous Year Rs. 1,82,988/-).

## 2.32 Disclosures on Specified Bank Notes (SBNs)

During the year, the company had Specified Bank Notes or other denomination notes as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

| Particulars | SBNs | Other denomination notes | Total |
|---|---|---|---|
| Closing Cash in hand as on November 8, 2016 | 34,00,000 | 86,368 | 34,86,368 |
| (+)Permitted Receipts | - | - | - |
| (-)Permitted Payments | - | 5,200 | 5,200 |

| | | | |
|---|---|---|---|
| (-)Amount deposited in Banks | 34,00,000 | - | 34,00,000 |
| Closing Cash in Hand as on December 30, 2016 | - | 81,168 | 81,168 |

** For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.*

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

As per our report of even date

**FOR DEVINE IMPEX LIMITED**
**(CIN: L51110PB1995PLC017179)**

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

**(Pravesh Kumar)**
**M.D. & C.E.O.**
**(DIN: 05245546)**

**(Vinay Kumar Sharma)**
**Director**
**(DIN 05245550)**

**(MOHIT CHAWLA)**
**PARTNER**
**(M. NO. 504889)**

**PLACE: CHANDIGARH**
**DATE: 29.05.2017**

DATTA SINGLA & CO.
Chartered Accountants

SCO 2935-36, Level 1, Sector 22-C,
Chandigarh - 160 022 (INDIA)
Tele : +91-172-2707065, 5086551 / 52
Fax : +91-172-5019550

# INDEPENDENT AUDITORS' REPORT

To the Members of
**DEVINE IMPEX LIMITED**

## 1. Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **DEVINE IMPEX LIMITED** ("the Holding Company"), and its associate company (Tiara Jewels Private Limited) (collectively referred to as "the Group") comprising the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein referred to as 'the consolidated financial statements').

## 2. Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in the requirement of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Company responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities, the selection and application of the appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of consolidated financial statements by the Directors of the Holding Company, as aforesaid.

## 3. Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements.

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## 4. Opinion

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

(a) in the case of the Consolidated Balance Sheet, of the State of Affairs of the Group as at 31st March, 2017,
(b) in the case of the Consolidated Statement of Profit and Loss, of the Profit of the Group for the year ended on that date, and
(c) In the case of the Consolidated Cash Flow Statement, of the Cash Flows of the Group for the year ended on that date.

## 5. Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statement.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statement have been kept by the Group so far as it appears from our examination of those books.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the books of account maintained for the purpose of preparation of consolidated financial statement.

(d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2017 taken on record by the Board of Directors of the Holding Company and the declaration of the management in the case of Associate Company, none of the directors of the Group is disqualified as on 31st March, 2017 from being appointed as a Director of that Company in terms of Section 164 (2) of the Act.

(f) with respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i) The Group has disclosed the impact of pending litigations on the consolidated financial position in its financial statements as referred to in Note 2.21 to the financial statements.

ii) The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts.

iii) No amount was required to be transferred to the Investor Education and Protection Fund by the Holding Company and associate company incorporated in India.

iv) The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. (Refer Note 2.32 to the Financial Statements)

**For DATTA SINGLA& CO.**
**Chartered Accountants**
**Firm Regn. No. 006185N**

**(MOHIT CHAWLA)**
**Partner**
**M. No. 504889**

**Place : Chandigarh**
**Dated : 29.05.2017**

## Annexure "A" to the Auditors' Report

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended as of 31 March 2017, we have audited the internal financial controls over financial reporting of **DEVINE IMPEX LIMITED** ("the Holding Company") and its associate company which is companies incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

The Respective Board of Directors of the Holding Company and its associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company and its associate company, which are companies incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of the Management and directors of the Company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets, that could have a material effect on the financial statements.

**Inherent Limitations Of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become in adequate because of change in conditions, or that the degree of compliance with the policies or procedure may deteriorate

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company and its associate company, which are companies incorporated in India, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company and its subsidiary companies, which are companies incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For DATTA SINGLA& CO.**
**Chartered Accountants**
**Firm Regn. No. 006185N**

**(MOHIT CHAWLA)**
**Partner**
**M. No. 504889**

**Place : Chandigarh**
**Dated : 29.05.2017**

## DEVINE IMPEX LIMITED

(Amount in Rs.)

### CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2017

| PARTICULARS | Note No. | AS AT 31.03.2017 | AS AT 31.03.2016 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **ShareHolders' Fund** | | | |
| Share Capital | 2.1 | 96,172,000 | 96,172,000 |
| Reserves & Surplus | 2.2 | 54,995,623 | 51,042,524 |
| (A) | | 151,167,623 | 147,214,524 |
| **Non-Current Liabilities** | | | |
| Long Term Borrowings | | - | - |
| Deferred Tax liabilities (Net) | 2.3 | - | 250 |
| (B) | | - | 250 |
| **Current Liabilities** | | | |
| Short Term Borrowings | | - | - |
| Trade Payables | 2.4 | 6,690 | 1,967,616 |
| Other Current Liabilities | 2.5 | 193,418 | 193,395 |
| Short Term Provisions | 2.6 | 48,000 | 16,326 |
| (C) | | 248,108 | 2,177,337 |
| **EQUITY AND LIABILITIES (A+B+C)** | | **151,415,731** | **149,392,111** |
| **ASSETS** | | | |
| **Non-Current Assets** | | | |
| Fixed Assets : | | | |
| Tangible Assets | 2.7 | 47,400 | 67,350 |
| Deferred Tax Assets (Net) | 2.3 | 2,830 | - |
| Non-Current Investments | 2.8 | 55,703,648 | 51,915,502 |
| Long Term Loans and Advances | 2.9 | 1,398,218 | 1,431,151 |
| Other Non Current Assets | 2.10 | 14,700 | 54,700 |
| (D) | | 57,166,796 | 53,468,704 |
| **Current Assets** | | | |
| Inventories | 2.11 | 60,261,568 | 52,246,763 |
| Trade Receivables | 2.12 | 31,496,827 | 43,104,689 |
| Cash and Cash Equivalents | 2.13 | 2,469,890 | 564,918 |
| Short Term Loans and Advances | 2.14 | 20,650 | 7,038 |
| Other Current Assets | | - | - |
| (E) | | 94,248,935 | 95,923,408 |
| **ASSETS (D+E)** | | **151,415,731** | **149,392,111** |
| **Significant Accounting Policies** | 1 | | |
| **Notes on Financial Statements** | 2 | | |

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

**For Devine Impex Limited**
**(CIN: L51110PB1995PLC017179)**

**(Pravesh Kumar)**
**M.D. & C.E.O.**
**(DIN: 05245546)**

**(Vinay Kumar Sharma)**
**Director**
**(DIN 05245550)**

**(Mohit Chawla)**
**Partner**
**(M. No. 504889)**

**Place : Chandigarh**
**Dated : 29.05.2017**

## DEVINE IMPEX LIMITED

(Amount in Rs.)

### CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

| PARTICULARS | Note No. | YEAR ENDED 31.03.2017 | YEAR ENDED 31.03.2016 |
|---|---|---|---|
| **Income** | | | |
| Revenue from Operations | 2.15 | 35,488,948 | 25,650,790 |
| Other Income | | - | - |
| **Total Revenue** | | **35,488,948** | **25,650,790** |
| **Expenses** | | | |
| Purchases of Stock-in-Trade | | 42,191,041 | 13,567,007 |
| Changes in Inventories of Finished Goods | 2.16 | (8,014,805) | 11,070,331 |
| Employee Benefits Expense | 2.17 | 62,400 | 62,400 |
| Finance Cost | 2.18 | 2,035 | 1,515 |
| Depreciation and Amortisation Expense | 2.7&2.10 | 59,950 | 59,950 |
| Other Expenses | 2.19 | 936,297 | 803,911 |
| **Total Expenses** | | **35,236,917** | **25,565,114** |
| **Profit Before Tax** | | **252,031** | **85,676** |
| **Tax Expense :** | | | |
| Current Tax | | 48,000 | 16,326 |
| Deferred Tax | | (3,080) | (2,550) |
| MAT Credit Used (Entitlement) | | 32,933 | 12,684 |
| **Profit After Tax before Share in Net Profit/ (Loss) in Associate** | | **174,178** | **59,217** |
| Share in Net Profit/ (Loss) in Associate | | 535,062 | 565,761 |
| **Profit for the Year** | | **709,240** | **624,978** |
| **Earnings Per Equity Share :** | | | |
| Basic | | 0.07 | 0.07 |
| Diluted | | 0.07 | 0.07 |
| **Significant Accounting Policies** | 1 | | |
| **Notes on Financial Statements** | 2 | | |

**For Devine Impex Limited**
**(CIN: L51110PB1995PLC017179)**

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

**(Pravesh Kumar)**
**M.D. & C.E.O.**
**(DIN: 05245546)**

**(Vinay Kumar Sharma)**
**Director**
**(DIN 05245550)**

**(Mohit Chawla)**
**Partner**
**(M. No. 504889)**

**Place : Chandigarh**
**Dated : 29.05.2017**

## DEVINE IMPEX LIMITED

### CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

(Amount in Rs. )

| Particulars | Year Ended 31st March 2017 | Year Ended 31st March 2016 |
|---|---|---|
| **Cash flow from operating activities:** | | |
| **A. Profit For The Year Before Tax and after Share in Associate's Profit** | 787,093 | 651,437 |
| Adjustments for : | | |
| Depreciation and Amortisation | 59,950 | 59,950 |
| Loss on Sale/Discardment of Fixed Assets | - | - |
| Share of (Profit)/Loss in Associates | (535,062) | (565,761) |
| **Operating Profit Before Prior Period Items And Working Capital Changes** | **311,981** | **145,626** |
| Adjustment For Prior Period Income/(Expense) | (9,224) | (8,033) |
| **Operating Profit Before Working Capital Changes** | **302,757** | **137,593** |
| Adjustments for: | | |
| (Increase)/Decrease in Current Assets | 3,579,445 | (6,998,310) |
| Increase/(Decrease) in Current Liabilities | (1,960,903) | 2,012,262 |
| **Cash Generated From Operations** | **1,921,299** | **(4,848,455)** |
| Income Tax Paid | 16,326 | 55,887 |
| **Net Cash From Operating Activities** | **1,904,973** | **(4,904,342)** |
| **B. Cash Flow From Investing Activities:** | - | - |
| **Net Cash (Used)/Generated In Investing Activities** | - | - |
| **C. Cash Flow From Financing Activities:** | - | - |
| **Net Cash (Used)/Generated In Financing Activities** | - | - |
| **Net Increase/(Decrease) In Cash And Cash Equivalents (A) + (B) + (C)** | 1,904,973 | (4,904,342) |
| **Opening Cash And Cash Equivalents** | 564,918 | 5,469,260 |
| **Closing Cash And Cash Equivalents** | **2,469,891** | **564,918** |

**For Devine Impex Limited**

(Pravesh Kumar)
**M.D. & C.E.O.**
(DIN: 05245546)

(Vinay Kumar Sharma)
**Director**
(DIN 05245550)

**Place : Chandigarh**
**Dated : 29.05.2017**

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

(Mohit Chawla)
**Partner**
M. No. 504889

**DEVINE IMPEX LIMITED**

## SIGNIFICANT ACCOUNTING POLICIES

### 1.1 BASIS OF PREPARATION OF ACCOUNTS

These financial statements are prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP) under the historical cost conventions on the accrual basis. GAAP comprises mandatory Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act ( to the extent notified) and the guidelines issued by the Securities and Exchange Board of India. Accounting policies have been consistently applied except where a newly accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Associates are entities over which the group has significant influence but not control. Investments in associates are accounted for using equity method of accounting as laid down under Accounting Standard (AS) 23, 'Accounting for Investment in Associates in Consolidated Financial Statements'. The investments are initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of profit or loss of the investee after acquisition date. The Group's investment in associate includes goodwill identified on acquisition.

### 1.2 USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP requires the Management to make estimates and assumptions that effect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of financial statements and reported amounts of income and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which the changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

### 1.3 FIXED ASSETS AND DEPRECIATION

(a) Fixed Assets have been stated at original cost, inclusive of inward freight, incidental expenses related to acquisition, financing cost till commencement of commercial production and related pre-operative expenses, less accumulated depreciation and impairment,if any.

(b) Depreciation is provided on straight line method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation for assets purchased/sold during the period is proportionately charged.

## 1.4 IMPAIRMENT OF ASSETS

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

## 1.5 ACCOUNTING FOR GOVERNMENT GRANTS

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

## 1.6 BORROWING COSTS

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

## 1.7 FOREIGN CURRENCY TRANSACTIONS

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

(b) Foreign currency monetary items are reported using the closing rate. Exchange differences arising on the settlement of monetary items or on reporting the same at the closing rate as at the balance sheet date are recognized as income or expense in the period in which they arise except in the case of liabilities incurred for the purpose of acquiring the fixed assets from outside India in which such exchange differences are adjusted in the carrying amount of fixed assets.

(c) The premium or discount arising at the inception of forward exchange contracts is amortised as an expense or income over the life of the contract. Exchange difference on such a contract is recognized in the statement of profit and loss in the reporting period

in which the exchange rates change. Profit or Loss arising on cancellation or renewal of such contracts is recognized as income or expense in the period in which such profit or loss arises.

## 1.8 INVENTORIES

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

## 1.9 REVENUE RECOGNITION

Revenue is recognized to the extent that it can be reliably measured and is probable that the economic benefits will flow to the Company. When there is uncertainty about measurement or collectability, revenue recognition is postponed until such uncertainty is resolved.
Dividend income is recognized when the Group's right to receive dividend is established.

## 1.10 INVESTMENTS

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

## 1.11 ACCOUNTING FOR TAXES ON INCOME

Provision for current tax is made, based on the tax liability computed, after considering tax allowances and exemptions under the provisions of the Income Tax Act, 1961. Minimum alternate tax (MAT) paid in accordance with the tax laws, which give rises to future economic benefits in the form of tax credit against future income tax liability, is recognized as an asset in the Consolidated Balance Sheet.

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. Deferred tax assets and liabilities are reviewed at each balance sheet date and are restated to reflect the amount that is reasonably certain to be released/ payable. Deferred tax assets and deferred tax liabilities have been set off wherever the Group has a legally enforceable right to set off and the deferred tax assets and deferred tax liabilities levied by same taxation authority.

## 1.12 LEASES

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

## 1.13 EMPLOYEE BENEFITS

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

## 1.14 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

## 1.15 EARNINGS PER SHARE

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

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

## 1.16 MISCELLANEOUS EXPENDITURE

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

## DEVINE IMPEX LIMITED

(Amount in Rs.)

| Note No. | PARTICULARS | AS AT 31.03.2017 | AS AT 31.03.2016 |
|---|---|---|---|
| 2.1 | **SHARE CAPITAL** | | |
| | Authorised Equity Share Capital<br>1,00,00,000 Equity Shares of Rs.10/- each | 100,000,000 | 100,000,000 |
| | | 100,000,000 | 100,000,000 |
| | Issued & Subscribed Share Capital<br>96,51,400 Equity Shares of Rs.10/-each | 96,514,000 | 96,514,000 |
| | | 96,514,000 | 96,514,000 |
| | Paid up Share Capital<br>95,32,200 Equity Shares of Rs.10/-each fully paid up | 95,322,000 | 95,322,000 |
| | Add : Amount paid up on 1,19,200 Shares Forfeited | 850,000 | 850,000 |
| | **(Refer Note No. 2.20)** | **96,172,000** | **96,172,000** |
| 2.2 | **RESERVES & SURPLUS** | | |
| | **Securities Premium (a)** | 37,400,000 | 37,400,000 |
| | **Surplus in Statement of Profit & Loss :** | | |
| | Opening Balance | 13,642,524 | 13,025,580 |
| | Add: Profit for the Year transferred from the Statement of Profit & Loss | 709,240 | 624,978 |
| | | 14,351,764 | 13,650,557 |
| | Less: Prior Period Expenses | 9,224 | 8,033 |
| | Add: Share in prior period income in Associate | 3,253,083 | - |
| | **Closing Balance (b)** | 17,595,623 | 13,642,524 |
| | **Total Carried to Balance Sheet (a+b)** | **54,995,623** | **51,042,524** |

**DEVINE IMPEX LIMITED**

(Amount in Rs.)

| Note No. | PARTICULARS | AS AT 31.03.2017 | AS AT 31.03.2016 |
|---|---|---|---|
| 2.3 | **Deferred Tax Assets\(Liabilities)** | | |
| | (A) Deferred Tax Liabilities arising on account of :<br>- Depreciation | - | 794 |
| | | - | 794 |
| | (B) Deferred Tax Assets arising on account of :<br>- Depreciation | 9,173 | - |
| | TOTAL | 9,173 | - |
| | NET DEFFERED TAX ASSETS\( LIABILITY) (B-A) | 9,173 | (794) |
| | Tax Impact of above | 2,830 | (250) |
| 2.4 | **Trade Payables** | | |
| | For Purchase of Stock In Trade | 6,690 | 1,967,616 |
| | | **6,690** | **1,967,616** |
| 2.5 | **Other Current Liabilities** | | |
| | Advances From Customers | 100,000 | 100,000 |
| | Other Payables | 93,418 | 93,395 |
| | | **193,418** | **193,395** |
| 2.6 | **Short Term Provisions** | | |
| | Provision for Income Tax | 48,000 | 16,326 |
| | | **48,000** | **16,326** |

## DEVINE IMPEX LIMITED

Note No. 2.7 — SCHEDULE OF TANGIBLE FIXED ASSETS AS AT 31ST MARCH 2017

(Amount in Rs.)

| PARTICULARS | GROSS BLOCK | | | | DEPRECIATION | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|
| | AS AT 01.04.2016 | ADDITIONS | SALE/ ADJUSTMENT | AS AT 31.03.2017 | UPTO 31.03.2016 | FOR THE YEAR | UP TO 31.03.2017 | AS AT 31.03.2017 | AS AT 31.03.2016 |
| Car | 150,000 | - | - | 150,000 | 82,650 | 19,950 | 102,600 | 47,400 | 67,350 |
| Total | 150,000 | - | - | 150,000 | 82,650 | 19,950 | 102,600 | 47,400 | 67,350 |
| Previous Year's | 150,000 | - | - | 150,000 | 62,700 | 19,950 | 82,650 | 67,350 | 87,300 |

## DEVINE IMPEX LIMITED

(Amount in Rs.)

| Note No. | PARTICULARS | AS AT 31.03.2017 | AS AT 31.03.2016 |
|---|---|---|---|
| 2.8 | **Non Current Investments** | | |
| | **Trade Investment** | | |
| | **Quoted** | | |
| | Presha Metallurgical Limited - 92,750 Equity shares of Rs.10/- each fully paid up | 31,527,250 | 31,527,250 |
| | (Market value of quoted investment as at 31.03.2017 Rs. 36.13 lacs, based on last available quotation of 16.03.2016 (As at 31.03.2016; Rs. 36.13 lacs) | | |
| | **Unquoted** | | |
| | Tiara Jewels Pvt. Ltd. - 3,82,000 equity shares of Rs. 10/- each fully paid up | 24,176,398 | 20,388,252 |
| | | **55,703,648** | **51,915,502** |
| 2.9 | **Long Term Loans and Advances** | | |
| | **Unsecured, considered good** | | |
| | MAT Credit Entitlement | 276,671 | 309,604 |
| | Other Loans & Advances | 1,121,547 | 1,121,547 |
| | | **1,398,218** | **1,431,151** |
| 2.10 | **Other Non-Current Assets** | | |
| | Security Deposits | 14,700 | 14,700 |
| | **Miscellaneous Expenditure** | | |
| | Opening Balance | 40,000 | 80,000 |
| | Less : Written off During the Year | 40,000 | 40,000 |
| | Closing Balance | - | 40,000 |
| | | **14,700** | **54,700** |

| DEVINE IMPEX LIMITED | | | |
|---|---|---|---|
| | | | (Amount in Rs.) |
| Note No. | PARTICULARS | AS AT 31.03.2017 | AS AT 31.03.2016 |
| 2.11 | **Inventories** | | |
| | Stock of Bullion & Jewellery | 19,561,568 | 11,546,763 |
| | Stock of Shares | 40,700,000 | 40,700,000 |
| | | **60,261,568** | **52,246,763** |
| 2.12 | **Trade Receivables** | | |
| | Unsecured , considerd good - | | |
| | Outstanding for a Period exceeding six months from due date of payment | 6,182,114 | 25,375,741 |
| | Others | 25,314,713 | 17,728,948 |
| | | **31,496,827** | **43,104,689** |
| 2.13 | **Cash and Cash Equivalents** | | |
| | Balances with Banks | 2,184,263 | 17,510 |
| | Cash in hand | 285,628 | 547,408 |
| | | **2,469,890** | **564,918** |
| 2.14 | **Short Term Loans & Advances** | | |
| | Balances With Revenue Authorities | 20,650 | 7,038 |
| | | **20,650** | **7,038** |

| DEVINE IMPEX LIMITED | | | |
|---|---|---|---|
| | | | (Amount in Rs.) |
| Note No. | PARTICULARS | YEAR ENDED 31.03.2017 | YEAR ENDED 31.03.2016 |
| 2.15 | **Revenue from Operations** | | |
| | Sales of Bullion & Jewellery | 35,488,948 | 25,650,790 |
| | | **35,488,948** | **25,650,790** |
| 2.16 | **Changes in Inventories of Finished Goods** | | |
| | Opening Stock- Stock In Trade(A) | 52,246,763 | 63,317,094 |
| | Closing Stock-Stock In Trade (B) | 60,261,568 | 52,246,763 |
| | (Increase)/Decrease in Stock (A-B) | **(8,014,805)** | **11,070,331** |
| 2.17 | **Employee Benefits Expense** | | |
| | Salary and Allowances | 62,400 | 62,400 |
| | | **62,400** | **62,400** |
| 2.18 | **Finance Cost** | | |
| | Other Borrowing Cost | 2,035 | 1,515 |
| | | **2,035** | **1,515** |

| DEVINE IMPEX LIMITED | | | |
|---|---|---|---|
| | | | (Amount in Rs.) |
| Note No. | PARTICULARS | YEAR ENDED 31.03.2017 | YEAR ENDED 31.03.2016 |
| 2.19 | **Other Expenses** | | |
| | Auditors Remuneration | 23,000 | 22,900 |
| | Printing & Stationery | 12,513 | 9,100 |
| | Advertisement Expenses | 101,371 | 136,606 |
| | Travelling & Conveyance Expenses | 90,200 | 18,100 |
| | Rent | 182,988 | 182,988 |
| | Professional Charges | 208,336 | 135,148 |
| | Postage & Courier Charges | 11,142 | 13,971 |
| | Telephone Expenses | 3,296 | 3,152 |
| | Fees & Taxes | 303,451 | 281,946 |
| | **TOTAL** | **936,297** | **803,911** |

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

| Name of the Shareholder | 2016-17 | | 2015-16 | |
|---|---|---|---|---|
| | No. of shares held | % of Shares held | No. of shares held | % of Shares held |
| Jawahar Lal Jain (HUF) | 4,81,400 | 5.05% | 4,81,400 | 5.05% |
| Jawahar Jain | 4,96,186 | 5.21% | 4,96,186 | 5.21% |
| Manju Jain | 12,50,000 | 13.11% | 12,50,000 | 13.11% |
| Neeraj Jain | 4,85,200 | 5.09% | 4,85,200 | 5.09% |
| Sun & Shine Worldwide Ltd. | 7,40,000 | 7.76% | 7,40,000 | 7.76% |
| Sun Techno Overseas Ltd. | 7,40,000 | 7.76% | 7,40,000 | 7.76% |
| Saral Mining Ltd. | 7,40,000 | 7.76% | 7,40,000 | 7.76% |
| Synergy Cosmetic (Exim) Ltd. | 7,40,000 | 7.76% | 7,40,000 | 7.76% |
| Rotam Commercials Ltd. | 7,20,000 | 7.55% | 7,20,000 | 7.55% |
| Simplex Trading & Agencies Ltd. | 7,20,000 | 7.55% | 7,20,000 | 7.55% |

**Reconciliation of no. of shares outstanding is given below:**

| Particulars | As At 31.03.2017 | As At 31.03.2016 |
|---|---|---|
| Equity shares at the beginning of the year | 9,532,200 | 9,532,200 |
| Add: Issued during the year | - | - |
| Equity shares at the end of the year | 9,532,200 | 9,532,200 |

## 2.21 a) CONTINGENT LIABILITIES:

| S.No. | Particulars | 31.03.2017 | 31.03.2016 |
|---|---|---|---|
| i) | Claims against the company not acknowledged as debt | Nil | Nil |
| ii) | Guarantees | Nil | Nil |
| iii) | Other money for which the company is contingently liable | Nil | Nil |

b) COMMITMENTS:

| S.No. | Particulars | 31.03.2017 | 31.03.2016 |
|---|---|---|---|
| i) | Estimated amount of contracts remaining to be executed on capital account and not provided for | Nil | Nil |
| ii) | Uncalled liability on shares and other investment partly paid | Nil | Nil |
| iii) | Other commitments | Nil | Nil |

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

## 2.23 SEGMENT REPORTING

The Company operated only in one segment during the year.

## 2.24 CURRENT ASSETS, LOANS & ADVANCES

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

## 2.25 PAYMENT TO AUDITORS

| Particulars | For the year ended 31.03.2017 | For the year ended 31.03.2016 |
|---|---|---|
| Statutory Audit Fees | Rs. 15,000/- | Rs. 15,000/- |
| Tax Audit Fees | Rs. 5,000/- | Rs. 5,000/- |
| Service Tax | Rs. 3,000/- | Rs. 2,900/- |

## 2.26 CURRENT LIABILITIES

In the opinion of the management of the Company, there are no micro, small and medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2017. The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of the

information available with the Company and have been relied upon by the statutory auditors of the Company.

## 2.27 RELATED PARTY DISCLOSURES

**a) Relationship**

**i) Joint Venture & Associates ***

Tiara Jewels Private Limited
(Ownership Interest - 43.91% (As at 31 March, 2016: 43.91%)

**ii) Key Management Personnel**

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

**iii) Relatives of Key Management Personnel ***

Sh. Jawahar Lal Jain
Sh. Neeraj Jain
Smt. Manju Jain

**iv) Entities of Key Management Personnel ***

Jawahar Lal Jain (HUF)

* With whom the Company had transactions during the year.

**b) Transactions with Related Parties**

(Rs. in lacs)

| Sr. No. | Nature Of Transaction | Subsidiary Company | Joint Venture & Associates | Key Management Personnel | Relatives of Key Management Personnel | Entities of Key Management Personnel | Total |
|---|---|---|---|---|---|---|---|
| 1. | Sales during the year (net of VAT) | -<br>- | **296.86**<br>*206.93* | -<br>- | -<br>- | -<br>- | **296.86**<br>*206.93* |
| 2. | Rent | -<br>- | -<br>- | **0.22**<br>*0.22* | **0.30**<br>*0.30* | **0.08**<br>*0.08* | **0.60**<br>*0.60* |
| 3. | Year-end balance of Trade Receivables | -<br>- | **294.97**<br>*383.15* | -<br>- | -<br>- | -<br>- | **294.97**<br>*383.15* |

**Note:** Figures in italics represent previous year figures

## 2.28 EARNINGS PER SHARE

Basic earnings per equity share has been computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the period.
Diluted earnings per equity share have been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

| S.No. | Particulars | Unit | Year ended 31.03.2017 | Year ended 31.03.2016 |
|---|---|---|---|---|
| a | Profit after tax (before previous year adjustments) | Rs. | 7,09,240 | 6,24,978 |
| b. | Number of equity shares used in computing basic earnings per share | No. | 95,32,200 | 95,32,200 |
| c. | Basic Earnings per Share (a/b) | Rs. | 0.07 | 0.07 |
| 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. | 95,32,200 | 95,32,200 |
| f. | Diluted Earning per Share (a/e) | Rs. | 0.07 | 0.07 |
| g. | Effect of potential equity shares for preferential allotment (c-f) | Rs. | Nil | Nil |

## 2.29 EXPENDITURE IN FOREIGN CURRENCY

| | Particulars | 2016-17 | 2015-16 |
|---|---|---|---|
| (a) | **CIF Value of Imports** | | |
| 1. | Trading Purchase | - | - |
| 2. | Capital Goods and Stores & Spares | - | - |
| (b) | **Expenditure in Foreign Currency – NIL** | | |
| (c) | **Remittances in Foreign Currency** | | |
| 1. | Trading Purchase | - | - |
| 2. | Capital Goods | - | - |
| (d) | **Earnings in Foreign Currency- NIL** | | |

## 2.30 INCOME TAX

Current Tax

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

Deferred Tax

In compliance with Accounting Standard (AS-22) relating to "Accounting for Taxes on Income" issued under Companies (Accounting Standards) Rule 2014, as amended upto date, the Company has provided Deferred Tax Asset accruing during the year aggregating to Rs. 3,080/- (Previous Year Deferred Tax Asset Rs. 2,550/-) and it has been recognized in the Statement of Profit & Loss. In accordance with clause 29 of Accounting Standard (AS 22) Deferred Tax Assets and Deferred Tax Liabilities have been set off.

## 2.31 LEASES

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

Lease payments recognized in the statement of profit and loss are Rs. 1,82,988/- (Previous Year Rs. 1,82,988/-).

## 2.32 Disclosures on Specified Bank Notes (SBNs)

During the year, the company had Specified Bank Notes or other denomination notes as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of

Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

| Particulars | SBNs | Other denomination notes | Total |
|---|---|---|---|
| Closing Cash in hand as on November 8, 2016 | 34,00,000 | 86,368 | 34,86,368 |
| (+)Permitted Receipts | - | - | - |
| (-)Permitted Payments | - | 5,200 | 5,200 |
| (-)Amount deposited in Banks | 34,00,000 | - | 34,00,000 |
| Closing Cash in Hand as on December 30, 2016 | - | 81,168 | 81,168 |

** For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.*

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

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

**FOR DEVINE IMPEX LIMITED**
**(CIN: L51110PB1995PLC017179)**

**(Pravesh Kumar)**
**M.D. & C.E.O.**
**(DIN: 05245546)**

**(Vinay Kumar Sharma)**
**Director**
**(DIN 05245550)**

**(MOHIT CHAWLA)**
**PARTNER**
**(M. NO. 504889)**

**PLACE: CHANDIGARH**
**DATE: 29.05.2017**

# DEVINE IMPEX LIMITED

Registered Office: SCF 103, Chamber 7, Level 1, Phase XI, SAS Nagar, Mohali-Punjab
(In case of Member is unable to be present in person at the Meeting this form may be used)

**Form No. MGT-11**

## PROXY FORM

*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the* Companies (Management and Administration) Rules, 2014*]*

1.CIN: *L51110PB1995PLC017179*
2. Name of the company: DEVINE IMPEX LIMITED
3. Registered office: SCF 103, Chamber 7, Level 1, Phase XI, SAS Nagar, Mohali-Punjab Name of the member (s):

Registered address:
E-mail Id:
Folio No/ Client Id:
DP ID:

I/We, being the member (s) of ……. shares of the above named company, hereby appoint

1. Name: ……
Address:
E-mail Id:
Signature:……., or failing him

2. Name: ……
Address:
E-mail Id:
Signature:……,

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual general meeting of the company, to be held on the 30thday of September, 2017 At 9.30 A.M. at Registered Office at SCF 103, Chamber 7, Level 1, Phase XI, SAS Nagar, Mohali-Punjab and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.
1……
2……
3……..
4…….
5……..

Signed this…… day of……. 2017

Affix Revenue Stamp

Signature of shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48hours before the commencement of the Meeting.