

9th

ANNUAL REPORT

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2003-2004

DEVINE IMPEX LTD.

A K BHANDARI & CO.
CHARTERED ACCOUNTANTS

GILL ROAD,
LUDHIANA.
Ph.: 0161-2533982

AUDITOR'S REPORT

The Members,
DEVINE IMPEX LIMITED
LUDHIANA.

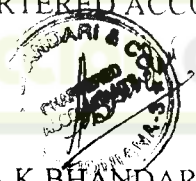
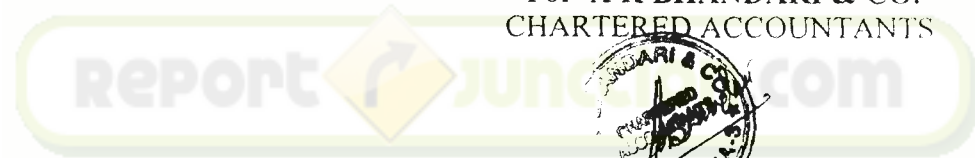
1. We have audited the attached Balance Sheet of **Devine Impex Limited** as at 31st March, 2004 and Profit and Loss Account of the company for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement(s). An audit include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Statement on Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.
 - (a) In terms of information and explanation given to us and as it appears from our examination of books of accounts produced before us, the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts have generally been followed by the company.
4. Further to our comments in the annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;
 - (iii) the Balance Sheet and the Profit and Loss Account dealt with by this Report are in agreement with the books of account;
 - (iv) In our opinion, balance sheet and profit & loss account dealt with by this report comply with the Accounting Standards referred to in and sub-section (3C) of section (211) of the Companies Act, 1956;

- (v) On the basis of our review of the confirmations received from the companies in which the directors of the company are directors and the information and explanations given to us, none of the directors of the company are prima facie, as at 31st March, 2004 disqualified from being appointed as directors of the company under clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the 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, 2004;
 - (b) In the case of the Profit and Loss Account, of the Loss of the company for the year ended on that date.

AUDITOR'S REPORT

As per our separate report of even date attached

For A K BHANDARI & CO.
CHARTERED ACCOUNTANTS



Place : Ludhiana
Dated : 30.06.2004

(A K BHANDARI)
PROP

A K BHANDARI & CO.
CHARTERED ACCOUNTANTS

GILL ROAD,
LUDHIANA.
Ph.: 0161-2533982

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN
DATE TO THE MEMBERS OF DEVINE IMPEX LTD. ON THE ACCOUNTS
FOR THE YEAR ENDED 31st MARCH 2004.**

- (i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets of the company have been physically verified by the management at intervals, which in our opinion are reasonable. According to the information and explanations given to us no material discrepancies were noticed on such verification.

(c) The company has not disposed off substantial part of its fixed assets during the year.
- (ii) (a) As per information and explanations given to us and on the basis of examination of records, we are of the opinion that physical verification of inventory has been conducted by the management at reasonable intervals during the year.

(b) In our opinion, the procedures of verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) the company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification of stock.
- (iii) In our opinion and according to the information and explanations given to us, the company has taken advances from one director and one other party covered under section 301 of the Act. The maximum amount involved during the year is Rs. 0.34 lacs. Further the company has granted loan and advance to one company covered under section 301 of the act. The amount involved during the year is Rs. 2.96 lacs.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to purchase of inventory, fixed assets and for sale of goods. During the course of our audit we have not observed any major weakness in internal controls.
- (v) (a) As per information and explanation given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

(b) In our opinion and according to the information and explanations given to us, where each of such transactions is in excess of Rs. 5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us the company has not accepted any deposits within the meaning Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under.

- (vii) In our opinion and on the basis of examination of records, the company has an internal audit system commensurate with its size and nature of its business.
- (viii) Clause (viii) of the paragraph 4 of the Companies (Auditor's Report) Order, 2003 relating to maintenance of cost records is not applicable to the company.
- (ix) (a) The Company has been regular in depositing with the appropriate authorities any undisputed statutory dues during the year as applicable to it.

(b) According to the information and explanations given to us, there are no dues of Sales tax, income tax, custom duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
- (x) In our opinion and according to the information and explanations provided to us, the accumulated losses of the company are less than fifty percent of its net worth. The company has not incurred any cash losses in the current year and during the immediately financial year.
- (xi) In our opinion and according to the information and explanations provided to us, the company has not defaulted in payment of dues to a financial institution, bank, or debenture holders.
- (xii) Based on our examination, we are of the opinion that the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. So the requirement of documents and records in regard to loans and advances is not applicable to the company.
- (xiii) In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore the provisions of clause (xiii) of para 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion and on the basis of examination of records, the company has maintained proper records of the transactions and contracts in respect of shares, securities, debentures & other investments and timely entries have been made therein. Further all shares, securities, debentures and other investments have been held by the company in its own name.
- (xv) According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) According to the information and explanations given to us, the company has not obtained any term loans during the year covered by our audit.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that funds raised on short term basis have not been used for long term investment and vice versa.
- (xviii) According to the information and explanations given to us, the company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Act.

- (xix) According to the information and explanation given to us, the company has not issued any debentures. Therefore, clause (xix) of paragraph 4 of Companies (Auditor's Report) Order, 2003 is not applicable to the company
- (xx) The company has not raised money by way of public issues during the period covered by our audit. Therefore, clause (xx) of paragraph 4 of Companies (Auditor's Report) Order, 2003 is not applicable to the company
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year covered by our audit.

AUDITOR'S REPORT

As per our separate report of even date attached

For A K BHANDARI & CO.
CHARTERED ACCOUNTANTS



(A K BHANDARI)
PROP

Place : Ludhiana
Dated : 30.06.2004

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DEVINE IMPEX LIMITED
(Formerly Classic Global Impex Ltd.)

BALANCE SHEET AS ON 31ST MARCH, 2004

PARTICULARS	ANNEX.	AS ON 31.03.2K4 (Rs.)	AS ON 31.03.2K3 (Rs.)
1. SOURCE OF FUNDS			
I) share holders funds			
a) Share Capital	'A'	45990874.00	45990874.00
b) Reserve & Surplus		NIL	NIL
II) Loan Funds			
a) Secured Loans	'B'	NIL	58709.93
		45990874.00	46049583.93
2. APPLICATION OF FUNDS			
I) Fixed Assets			
- Gross Block	'C'	605773.00	605773.00
- Less : Depreciation		219956.99	167032.66
Net Block		385816.01	438740.34
II. Investments at cost	'D'	18287315.85	18587315.85
III. Current Assets, Loans & Adv.			
a) Current Assets	'E'	22104848.95	22855054.95
b) Loans & Advances	'F'	3172648.00	2628397.00
		25277496.95	25483451.95
IV. Current Liabilities & Provisions			
a) Current Liabilities & Prov.	'G'	980822.00	1481425.00
Net Current Assets		24296674.95	24002026.75
Miscellaneous Expenditure (To the Extent not w/off or Adjusted)			
- Preliminary Exp.		40000.00	60000.00
- Capital issue Exp.		621228.00	621228.00
V) Profit & Loss A/c (Dr.Balance)	'H'	2359839.19	2340272.79
		45990874.00	46049583.93
NOTES ON ACCOUNTS	'I'		

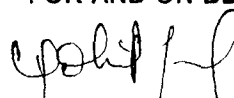
This is the Balance Sheet referred to in our report of even date.

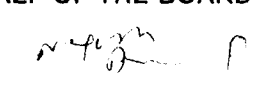
FOR A.K.BHANDARI & CO.,
CHARTERED ACCOUNTANTS.



PLACE : LUDHIANA.
DATED : 30.06.2004

FOR AND ON BEHALF OF THE BOARD


(Mohit Goyal)
Director


(Nagesh Aggarwal)
Director

DEVINE IMPEX LIMITED
(Formerly Classic Global Impex Ltd.)

TRADING AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2004

Particulars	Yr.ended on 31.3.04 (Rs.)	Yr.ended on 31.3.03 (Rs.)	Particulars	Yr.ended on 31.3.04 (Rs.)	Yr.ended on 31.3.03 (Rs.)
Opening Stock	22171000.00	11497000.00	Sale of Shares	10602720.00	41976080.00
Purchase of Shares	9301455.00	52248335.00	Interest	NIL	1380.00
Hire Purchase Chrg.	5790.07	18312.33	Closing Stock	21244000.00	22171000.00
Advertisement & Publicity	-	1000.00	Profit on sale of		
AGM Expenses	500.00	2300.00	Investment	30000.00	-
Audit fees	5400.00	5250.00	Balance written back	4690.00	-
Bank Charges	3616.00	1430.00	Net Loss	19566.40	151351.41
Interest	246.00	135.00			
Public Issue Exp.W/off	-	207000.00			
Balance W/off.	238380.00	130619.00			
Insurance	659.00	625.00			
Staff Welfare	-	2056.00			
Depreciation	52924.33	57720.33			
Directors Remun.	-	NIL			
Directors Travelling	-	NIL			
Electricity Expenses	2400.00	2400.00			
Telephone Expenses	-	26.00			
Listing Expenses	22500.00	17750.00			
Preliminary Exp.W/off	20000.00	20000.00			
Printing & Stationery	2200.00	3295.00			
Rent	6000.00	6000.00			
Salaries	39000.00	52500.00			
Professional charges	6500.00	6000.00			
ROC Fees	2000.00	1500.00			
Demat Expenses	13000.00	6000.00			
Postage & Courier charges	956.00	2532.75			
Vehicle Expenses/Travelling	6450.00	10025.00			
Total :	31900976.40	64299811.41	Total :	31900976.40	64299811.41

PROFIT & LOSS APPROPRIATION A/C

Particulars	As on 31.3.2K4	As on 31.3.2K3	Particulars	As on 31.3.2K4	As on 31.3.2K3
To Net Loss B/F	19566.40	151351.41	By Loss Tfs. to B/S	19566.40	151351.41
Total :	19566.40	151351.41	Total :	19566.40	151351.41

This is the Profit & Loss Account referred to in our report of even date attached.

FOR A.K.BHANDARI & CO.,
CHARTERED ACCOUNTANTS.

(A.K.Bhandari)

PLACE : LUDHIANA.

DATED : 30.06.2004

FOR AND ON BEHALF OF THE BOARD

(Mohit Goyal)
Director

(Nagesh Aggarwal)
Director

DEVINE IMPEX LIMITED**ANNEXURE-'A' : SCHEDULE OF SHARE CAPITAL ANNEXURE TO AND
FORMING PART OF THE BALANCE SHEET AS ON 31.03.2004**

PARTICULARS	AS ON 31.03.2K4 (Rs.)	AS ON 31.03.2K3 (Rs.)
SHARE CAPITAL :		
Authorised Capital 60,00,000 Equity Shares of Rs. 10/- each.	60000000.00	60000000.00
	<u>60000000.00</u>	<u>60000000.00</u>
ISSUED, SUBSCRIBED & PAID UP :		
52,51,400 Equity Shares of Rs.10/- each fully paid. (P.Y. 52,51,400)	52514000.00	52514000.00
Less: Calls in arrears	6523126.00	6523126.00
	<u>45990874.00</u>	<u>45990874.00</u>

ANNEXURE-'B' : SCHEDULE OF SECURED LOANS :

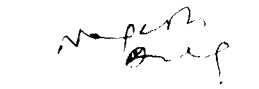
PARTICULARS	AS ON 31.03.2K4	AS ON 31.03.2K3
1) Associated India Financial Serv.Ltd.	NIL	58709.93
	<u>NIL</u>	<u>58709.93</u>

Note :

- 1) Secured against Car.

For and on behalf of board


(Mohit Goyal)
Director


(Nagesh Aggarwal)
Director

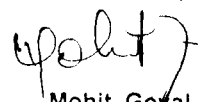
DEVINE IMPEX LIMITED**ANNEXURE (C) SCHEDULE OF FIXED ASSETS ANNEXURE TO AND FORMING PART OF
THE BALANCE SHEET AS ON 31.03.2004**

Particulars	<u>GROSS - BLOCK</u>			<u>DEPRECIATION</u>			<u>DEP. RATE</u>	<u>NET - BLOCK</u>	
	As on 1.4.2K3	Addn.	As on 31.3.2k4	As on 01.04.2003	For the Year	Upto 31.3.2k4	%	As on 31.3.2k4	As on 31.3.2k3
Computer	33750.00	NIL	33750.00	33750.00	NIL	33750.00	NIL	NIL	NIL
Furniture & Fixture	20109.00	NIL	20109.00	8226.00	1252.00	9478.00	6.23	10631.00	11883.00
Office Equipment	16000.00	NIL	16000.00	5186.00	760.00	5946.00	4.75	10054.00	10814.00
Scooter	22500.00	NIL	22500.00	14438.00	2138.00	16576.00	9.50	5924.00	8062.00
Car	513414.00	NIL	513414.00	105432.66	48774.33	154206.99	9.50	359207.01	407981.34
Total :	605773.00	NIL	605773.00	167032.66	52924.33	219956.99		385816.01	438740.34

Previous Year 605773.00 NIL 605773.00 109312.33 57720.33 167032.66 438740.34 496460.67

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For & on behalf of Board


 Mohit Goyal
 (Director)


 Nagesh Aggarwal
 (Director)