

11TH ANNUAL GENERAL MEETING ANNUAL REPORT

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

Date/ Day : Monday
31st July 2006

Time : 11:00 A.M



DEVINE IMPEX LIMITED

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

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

BOARD OF DIRECTORS:

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

BANKERS:

Bank of Baroda
Nego Complex,
Pakhawal Road,
Ludhiana

Punjab National Bank
Bhai Randhir Singh Nagar
Ludhiana

STATUTORY AUDITORS:

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

REGISTRAR & SHARE TRANSFER AGENT:

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

INVESTOR GRIEVANCE:

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

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NOTICE

Notice is hereby given that the ELEVENTH Annual General Meeting of the members of **DEVINE IMPEX LIMITED** will be held on MONDAY 31st Day of July, 2006 at 11.00 a.m. at Hotel Amaltas, G.T Road, Near Jalandhar Bye Pass, and Ludhiana to transact the following business:

ORDINARY BUSINESS:

- 1.) To receive, consider and adopt the Audited Balance Sheet as on March 31, 2006 and Profit & Loss Account for the year ended March 31, 2006 along with the Directors' and Auditors' reports thereon.
- 2.) To appoint auditors of the Company, who retire at the conclusion of this Annual General Meeting, for a further period of one-year i.e. till the conclusion of next Annual General Meeting and fixed their remuneration.
- 3.) To appoint a director in place of Mr. Vijay Kumar Gupta who retire by rotation and eligible for re – appointment.

SPECIAL BUSINESS:

- 4.) To consider and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution:

"RESOLVED THAT Shri. Yashu D Bansal, a Director of who was appointed as Additional Director of the Company pursuant to Section 260 of the Companies Act 1956 with effect from conclusion of Board Meeting held on 15th December 2005 and who vacate his office at the conclusion of this Annual General Meeting be and is hereby appointed as a Director of the Company and liable to retire by rotation."

- 5.) To consider and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution:

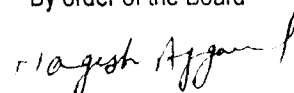
"RESOLVED THAT Shri. Ashwani Gulati, a Director of who was appointed as Additional Director of the Company pursuant to Section 260 of the Companies Act 1956 with effect from conclusion of Board Meeting held on 15th December 2005 and who vacate his office at the conclusion of this Annual General Meeting be and is hereby appointed as a Director of the Company and liable to retire by rotation."

- 6.) To consider and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution

"RESOLVED THAT Shri. Sanjeev Gupta be and is hereby appointed as a Director of the Company and liable to retire by rotation."

Place : Ludhiana
Dated : 2nd June 2006

By order of the Board



(Nagesh Aggarwal)
Chairman

DEVINE IMPEX LTD.
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Pakhawal Road,
Ludhiana.

NOTES

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.

Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

Members are requested to notify immediately any change in their registered address to the Company.

Members are requested to bring their copy of the Annual Report.

Members are requested to bring the attendance slip duly filed in the attending the meeting.

Queries, if any, on annual accounts must reach the registered office of the company at least 7 days before the date of Annual General Meeting.

Members are requested to quote ledger folio numbers in all correspondence with the Company

The Register of Members and Share Transfer Books of Company will remain closed from 25th July 2006 to 31st July 2006 (Both Days Inclusive)

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ANNEXURE TO NOTICE:

EXPLANATORY STATEMENT PURSUANT TO THE PROVISION OF SECTION 173 (2) OF THE COMPANIES ACT 1956

ITEM NO 5

The Board of Directors of the Company appointed Mr. Yashu D Bansal as an additional Director of the Company from 15th December 2005.

The Company has received a notice in writing from a member as required under Section 257 of the Companies Act 1956 signifying intension to propose Mr. Yashu D Bansal as the Director of the Company.

Mr. Yashu D Bansal aged 26 years hold a Bachelors Degree in Commerce, Punjab University, Chandigarh and Chartered Accountant from The Institute of Chartered Accountants of India. Mr. Yashu D Bansal has 4 years experience in company Law Matters, Taxation & Auditing.

Mr. Yashu D Bansal may be deemed to be concerned or interested in the resolution to the extent his appointment as Director.

None of the other Directors of the Company is in any way concerned or interested in this resolution.

ITEM NO 6

The Board of Directors of the Company appointed Mr. Ashwani Gulati as an additional Director of the Company from 15th December 2005.

The Company has received a notice in writing from a member as required under Section 257 of the Companies Act 1956 signifying intension to propose Mr. Ashwani Gulati as the Director of the Company.

Mr. Ashwani Gulati aged 53 years hold a Bachelors Degree in Arts, Punjab University, Chandigarh and Diploma in Business Management from Punjab Univeristy, Chandigarh . Mr. Ashwani Gulati has 25 years of vast experience in woolen products.

Mr. Ashwani Gulati may be deemed to be concerned or interested in the resolution to the extent his appointment as Director.

None of the other Directors of the Company is in any way concerned or interested in this resolution.

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ITEM NO 7

The Company has received a notice in writing from a member as required under Section 257 of the Companies Act 1956 signifying intension to propose Mr. Sanjeev Gupta as the Director of the Company.

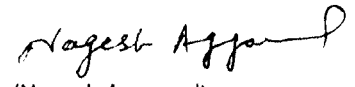
Mr. Sanjeev Gupta aged 47 years hold a Bachelors Degree in Arts, Punjab University, Chandigarh and Bachelors Degree in Law from Punjab Univeristy, Chandigarh . Mr. Sanjeev Gupta has 20 years of vast experience criminal and civil proceeding in Punjab High Court.

Mr. Ashwani Gulati may be deemed to be concerned or interested in the resolution to the extent his appointment as Director.

None of the other Directors of the Company is in any way concerned or interested in this resolution

Place : Ludhiana
Dated : 2nd June 2006

By order of the Board


(Nagesh Aggarwal)
Chairman

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ATTENDANCE SLIP

I hereby record my presence at the ELEVENTH ANNUAL GENERAL MEETING of the Company at Hotel Amaltas, G.T Road, Near Jalandhar Bye Pass, and Ludhiana on MONDAY 31st Day of July, 2006 at 11.00 A.M

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

SIGNATURE OF THE ATTENDING MEMBER/PROXY

NOTES:

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

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PROXY FORM

I/We _____ of _____
in the district of _____ being Member of the above-named Company,
hereby appoint _____ of _____ in the district of _____
or failing him, of _____ in the district of _____
as my/our proxy to attend and vote for me/us on my/our behalf at the
ELEVENTH ANNUAL GENERAL MEETING of the Company at Hotel Amaltas, G.T Road, Near
Jalandhar Bye Pass, Ludhiana on MONDAY 31st Day of July, 2006 at 11.00 A.M and any
adjournment thereof.
Signed this _____ day of _____, 2006

Affix
30 paise
Revenue
Stamp

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

Signature _____

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

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DIRECTOR'S REPORT

The Directors have the pleasure of presenting the Eleventh Annual Report and Audited Accounts of your Company for the year ended 31st March 2006

FINANCIAL PERFORMANCE

In 2005-06 your company has started the new line of business i.e trading of cloth which has given well potential to company. The turnover during the financial year is Rs. 272.85 Lacs. Out of which turnover of Rs.121.700 Lacs relates with cloth division.

Particulars	(Rupees in Million)	
	2005-06	2004-05
Turnover	272.85	21.20
Other Income	4.83	Nil
Total Revenue	277.67	21.20
Cost of Goods Sold	270.30	18.92
Gross Margin	7.37	2.28
Salary & Other Operating Expenses	4.96	4.01
Interest	Nil	Nil
Depreciation W/o	0.04	0.13
Profit before Tax	2.37	(1.86)
Provision for Tax	0.05	Nil
Profit after Tax	2.32	(1.86)
Earning Per Share (Rs./Share)	0.05	(0.003)

LOOKING FORWARD

Your Company is now diversified the segment Of investment to trading in cloth & imported yarn. For this your company has signed some remarkable agreement with renowned companies. Please refer Management Discussion & Analysis Report for detail.

DIVIDEND

Keeping in view the funds requirement for the expansion of the new trading unit of cloth, the Directors do not recommend any dividend for the year ending 31st March 2006

DEPOSITS

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

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HUMAN RELATIONS

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

STATUTORY INFORMATION

A) Conservation of Energy

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

B) Technology Absorption

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

C) Foreign Exchange Earning/ Outgo

Expenditure incurred in foreign Currency during the year Rs. NIL

D) Employee Particulars

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

CORPORATE GOVERNANCE

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

that your Company had selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit or loss account of the Company for that period.

that your Company had taken proper and sufficient care for the maintenance of adequate accounting record, in accordance with the provisions of the Companies Act, for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities; and that the accounts of your Company have been prepared on a going-concern basis.

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AUDITOR'S REPORT

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

DIRECTORATE

In accordance with the provisions of the Companies Act, 1956 and the Article of Association of the Company, Sh. Vijay Kumar Gupta, Director of Company retires by rotation and being eligible, offer themselves for re – appointment.

ACKNOWLEDGEMENT

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

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