

# *11<sup>th</sup> Annual Report*

2002 - 2003



**devki**

**Devki leasing and Finance Limited**

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DEVKI LEASING AND FINANCE LTD

**BOARD OF DIRECTORS**

MR. BARMANAND BINDAL  
CHAIRMAN

MR. SUDHIR KUMAR BINDAL  
MANAGING DIRECTOR

MR. BHARAT BINDAL  
DIRECTOR

MR. ASHOK MEHTA  
DIRECTOR

MR. SUNIL KUMAR JAIN  
DIRECTOR

**AUDITORS**

M/s. KHANDELWAL & JHAVER  
7/1, USHAGUNJ, INDORE

**CONSULTING COMPANY SECRETARY**

A. MEHTA & CO.  
KIBE COMPOUND, INDORE

**PRINCIPAL BANKERS**

DENA BANK  
SIYAGANJ BRANCH  
INDORE

**SOLICITORS AND ADVOCATE**

SHRI PANKAJ BAGADIA

**REGISTERED OFFICE :**

106, Tagore Centre, REAR BLOCK "B"  
13-14, RNT Marg, Indore (M.P.) 452 001

**DEVKI LEASING AND FINANCE LTD****NOTICE**

NOTICE is hereby given that the Eleventh Annual General Meeting of the members of DEVKI LEASING AND FINANCE LTD will be held on Tuesday, 30th September, 2003 at 4.00 p.m. at the registered office of the company to transact the following business :-

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2003 and Profit & Loss Accounts for the year ended on that day together with the reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Shri Bharat Bindal who retires by rotation and being eligible offers himself for reappointment.
3. To appoint the auditors in place of the retiring Auditors who have shown their unwillingness to continue as the Auditors of the Company. By considering the following and passing as an ordinary resolution, if thought fit, with or without modifications:-

**RESOLVED THAT M/s O.T. GANDHI & CO.**

Chartered Accountants be and are hereby appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the subsequent Annual General Meeting in place of the retiring Auditors M/s Khandelwal & Jhaver who have expressed their unwillingness to continue our Auditors for the coming year, at a remuneration (exclusive of the out of pocket expenses) to be fixed by the Board under mutual consent with the incoming Auditors of the Company.

**SPECIAL BUSINESS**

- 4 To Consider and if thought fit, to pass, with or without modifications, the following as special Resolution: Delisting of Equity shares from Ahmedabad and Madhya Pradesh Stock Exchanges.

**RESOLVED THAT** in consonance with the provisions of SEBI Delisting Guidelines dated 17th February, 2003 and subject further to the confirmation by the Stock Exchanges of Ahmedabad and Indore, the consent of the members be and is hereby accorded to the Board of Directors of the Company (Hereinafter referred to as "The Board" which shall mean and include any committee thereof and any delegated authority to the Managing Director for the purpose) to get the delisting of the Equity Shares in the Company from the Stock Exchanges of Ahmedabad and Indore with effect from such date as may be fixed by the Board as aforesaid or such extended date as may be advised by the aforesaid Stock Exchanges, SEBI for the Lead Manager, as the case may be and as may be applicable under extant rules and regulations in force from time to time with a view to make available the prescribed exit route for a reasonable duration to the shareholders.

**RESOLVED FURTHER THAT** the Board or any delegated authority thereof be and is hereby also authorised to do all the needful Acts, Deeds, Matters & Things as may be necessitated by and prescribed by the appropriate authorities from time to time.

5. To consider and if thought fit to pass with or without modification the following as "Special Resolution"

**RESOLVED THAT** pursuant to the provisions of Sec. 269, 309, 310 and Schedule XIII of the Companies Act, 1956, as amended upto date and other applicable provisions, if any, consent of the company be and is hereby accorded to appoint Shri Bharat Bindal as the whole time Director of the company for a period of 3 years commencing from 1st September, 2003 on the following terms and conditions:-

1. Salary @ Rs. 18,000/- Per Month with an annual increment of Rs. 3,000/-.
2. Perquisites will be in addition to the above and the Shri Bharat Bindal shall be entitled to the following perquisites which will be restricted to an amount equal to his annual salary.

**a) Housing:**

i) The expenditure incurred by the Company on hiring furnished accommodation for Shri Bharat Bindal will be subject to the ceiling of 50% of the salary, over and above ten percent payable by him. In case the accommodation provided to Shri Bharat Bindal is owned by the Company, 10% of the salary of Shri Bharat Bindal shall be deducted by the Company. In case the Company does not provide accommodation to Shri Bharat Bindal, he shall be entitled to House Rent Allowance at 50% of the Salary.

**DEVKI LEASING AND FINANCE LTD**

- ii) Actual expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per Income-Tax Rules, 1962. This shall, however, be subject to a ceiling of 10% of the salary.
- b) Medical Reimbursement : Expenses incurred for self and family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
- c) Leave Travel Concession: For self and family once in a year in accordance with Rules of the Company.
- d) Club Fees: Fees of one club. This will not include admission and life membership fee.
- e) Personal Accident Insurance: Premium not to exceed Rs. 1,000/- Per Annum.

**EXPLANATION:**

For the purpose of (b) and (c) above 'family' means the spouse, dependent children and dependent parents of Shri. Bharat Bindal.

**CATEGORY B**

- a) Company's contribution towards Provident Funds, Superannuation Fund or annuity fund. The expenditure on these will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- b) Gratuity payable in accordance with the Gratuity Scheme of the Company provided that this will not exceed one-half months salary for each completed year of his service with the Company subject to a ceiling of Rs. 1,00,000/-.

**CATEGORY C**

- i) Free use of Company's car with driver for the business of the Company. Use of car for private purpose shall be billed by the Company.
- ii) Free telephone facility at residence. All personal long distance calls shall be billed by the Company.

**4. Earned / Privilege Leave**

Leave on full pay and allowances as per rules of the Company but not exceeding one month's leave for every eleven month's service. Provided always that encashment of unavailed leave at the end of his tenure will not be considered for the purpose of ceiling on perquisites". "FURTHER RESOLVED THAT in the event of loss or inadequacy of net profits in any financial year there will not be any cut in the salary of the wholetime Director".

By Order of the Board of  
DEVKI LEASING AND FINANCE LTD  
sd/-  
(BARMANAND BINDAL)  
Chairman

PLACE : INDORE

DATE : 30.07.2003

NOTES : 1. 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 EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.

2. Pursuant to Section 154 of the Companies Act, 1956, the Register of the Members and Share Transfer Book will remain closed from Sunday, 28 September, 2003 to 30th September, 2003 (both days inclusive).

3. The members are requested to :

- (a) intimate changes, if any, in their registered addresses immediately.
- (b) quote their ledger folio numbers in all their correspondence.
- (c) bring their copies of Annual Report and Attendance Slips with them at the Annual General Meeting.
- (d) hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signatures registered with the company, for admission to the meeting hall.

4. Members seeking any information are requested to write to the company at least 10 days before the date of the AGM to enable the management to reply appropriately at the AGM.

5. The explanatory statement setting out the material facts concerning the special business of the notice, as per the requirements of Section 173 of the Companies Acts in Annexed herewith.

6. The report on the Corporate Governance is also annexed to the report of the Directors.

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DEVKI LEASING AND FINANCE LTD**EXPLANATORY STATEMENT IN TERMS OF SECTION 173  
OF THE COMPANIES ACT, 1956.****For Item No. 4**

It is a fact that during almost entire period of enlistment of the equity shares of your company at the stock exchanges of Ahmedabad and Indore, there has either been no trading or trading of absolute insignificance. The whole purpose of enlistment is to keep the exit route alive for the primary and secondary market investors. In other words, the investors have hardly opted these two stock exchanges for the sale or purchase of equity shares in the Company. So, reviewing the state of affairs at the aforesaid stock exchanges of the equity scrip of your company, your directors are of the view that in the absence of any interest amongst the shareholders about the continuing enlistment of equity shares of your company at the aforesaid stock exchanges, it is nothing but justified that the company adopts the process of delisting of the company's scrip from these stock exchanges. The statistics depicts so and therefore, they feel that it would be in consonance with the wishes of the members of the company at large to get the shares delisted from the stock exchanges of Ahmedabad and Indore.

The revised guidelines of SEBI permits such voluntary delisting provided the same is approved by the members of the company in the general meeting and the company adopts the procedure prescribed in the recently announced SEBI (Delisting of Securities) Guidelines, 2003 as aforesaid. Therefore, your directors recommend this resolution for your approval. However, none of the directors may be deemed as concerned or interested in the resolution.

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By Order of the Board of  
DEVKI LEASING AND FINANCE LTD

sd/-

(BARMANAND BINDAL)

Chairman

PLACE : INDORE

DATE : 30.07.2003

**DEVKI LEASING AND FINANCE LTD****DIRECTORS REPORT**

To,  
The Members of  
DEVKI LEASING FINANCE LTD,  
INDORE.

Your Directors have pleasure in presenting the Seventeenth Annual Report of your company along with the Audited Accounts of the company for the year ended 31st March, 2003.

**1. STATE OF COMPANY'S AFFAIRS**

(Rs. in LAKHS)

**a. FINANCIAL RESULTS**

Particulars	As on 31.03.03	As on 31.03.02
Income from Operations	84.33	93.41
Profit Before Tax	3.05	2.79
Provision for Tax	2.82	1.19
Profit after tax	0.23	1.60
Balance brought forward	17.90	16.30
Carried to Balance Sheet	18.13	17.90

**b. DIVIDEND**

With a view to conserve the resources for strengthening the working capital base of the Company no dividend is recommended by the Board of Directors for the year.

**c. OPERATIONS AND FUTURE OUTLOOK**

The performance of your Company during the year under review has been more or less same as the previous year. Considering the continuing depressed financial environment for non-banking finance company like yours, the performance of your company could be termed as more than satisfactory. In view of the emerging trends in the money and finance market, your directors are hopeful for a better performance of your company in the coming years.

**2. DIRECTORS**

Shri Bharat Bindal, the Director of the company, retire by rotation and being eligible offers himself for re-appointment. He is also proposed to be appointed as a whole time director. There is no other change in the Board of Directors.

**3. DIRECTORS RESPONSIBILITY STATEMENT :**

Pursuant to the requirement under Section 217(2AA) of the Companies Act 1956, we hereby confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed.
2. the directors had selected such accounting policies and applied them consistently and made judgments, and estimates that have been 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 of the company for the year under review.
3. 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 frauds and other irregularities;
4. the directors had prepared the annual accounts for the financial year ended 31st March 2003 on a "going concern" basis and

**4. CORPORATE GOVERNANCE**

Clause 49 of the list Agreement also require a report on corporate governance and a certificate from auditors regarding compliance of the applicable provisions in this area and the same is annexed herewith forming part of this report and marked as Annexure-1.

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**DEVKI LEASING AND FINANCE LTD****5. SUBSIDIARY COMPANY**

Pursuant to the provisions of Sec. 212 of the Act, the annual accounts alongwith the report of Auditors and Directors thereon of Devki Cyber Securities Private Limited, Indore and annexed herewith.

**6. AUDITORS**

M/s. Khandelwal & Jhaver, chartered Accountants, Auditors of the company retiring at the conclusion of the ensuing Annual General Meeting have submitted their unwillingness to the Company for continuing as the auditors and hence the Directors proposed the appointment of M/s O.T. Gandhi & Co. as the new auditors of the Company subject to the approval of the members in the ensuing annual general meeting. The report of the Auditor read with notes on accounts is self explanatory and needs no further clarification.

**7. PUBLIC DEPOSITS**

Your company has not accepted any public deposits during the period under review.

**8. PARTICULARS OF EMPLOYEES**

Your company did not have any employee who, if employed throughout the financial year or part thereof, was in receipt of remuneration, particular of which are required to be included in this report as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particular of Employees) Rules, 1975.

**9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND R & D EFFORTS**

Your company being a Non-Banking Finance Company, the information pursuant to Sec. 217 (1) (e) of the Companies Act, 1956 are not applicable to the company.

**10. SAFETY AND INSURANCE**

All the properties and insurable interests of the Company have been adequately insured. 11.

**11. ACKNOWLEDGEMENTS**

Your Directors place on record their sincere appreciation for the assistance and co-operation received from the authorities, banks and other stakeholders. The Board also appreciates dedicated performance of the employees at all levels.

For and on behalf of the Board of  
DEVKI LEASING AND FINANCE LTD

sd/-

(BARMANAND BINDAL)

Chairman

PLACE : INDORE

DATE : 30.07.2003



**DEVKI LEASING AND FINANCE LTD****CORPORATE GOVERNANCE REPORT**

(forming part of the Directors Report of Devki leasing and Finance Ltd) The Importance of Corporate Governance lies in the contribution it makes to the overall growth and direction of the business, management accountability, transparency and equity with stakeholders. The provisions of clause 49 of listing agreement have become applicable on the company from this year and accordingly, the following report is submitted to cover the aforesaid.

**1. Company's Philosophy on code**

As the code has become applicable on your company for the first time this year, the company has outlined the procedures and practices as per the requirements of the corporate governance and certain steps have been taken to ensure transparency and accountability. Your company shall continue to follow the same with a desire for further development on continuous basis.

**2. Board of Directors**

The Board of Directors of the Company consists of eminent persons with considerable professional expertise and experience of trade, commerce, profession and industry. The present composition is three promoter directors and one independent professional director. The particulars of the Board with their interest in other concern is presented before you in the following table:

Name of Director	Interested in	Nature of Interest
1. Shri. Barmanand Bindal	Nil	Nil
2. Shri. Sudhir Bindal	1. Brahma Interactive Ltd.	Director
	2. Brahma Builders Ltd	Director
3. Shri. Bharat Bindal	1. Brahma Interactive Ltd	Director
	2. Brahma Builders Ltd	Director
4. Shri. Ashok Mehta	1. A. Mehta & Co	Proprietor
	2. Sarthak Industries Ltd.	Director
	3. Hod Laboratories Ltd.	Director
	4. Devki Cyber Securities Pvt. Ltd.	Director
	5. Kardage & Solelsys P. Ltd.	Director
	6. D & H Secheron Electrods Pvt. Ltd.	Director

**3. Board Procedure**

The Board does meet as frequently as is the need but at least once in calendar quarter to review the overall business which are related to formulation and execution of policies relating to finance, marketing, personnel and general administration. Notice and agenda papers are sent to the directors in advance.

**4. Directors Attendance**

Name of Directors	Attendance of Board Meeting	Attendance of of AGM/EGM
1. Shri Barmanand Bindal	6	1
2. Shri. Sudhir Bindal	6	1
3. Shri. Bharat Bindal	6	1
4. Shri. Ashok Mehta	4	1

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**DEVKI LEASING AND FINANCE LTD****5. BOARD COMMITTEES****1. Share Transfer Committee:**

Comprising of the following

- |                          |            |
|--------------------------|------------|
| 1. Sudhir Bindal         | - Director |
| 2. G.Muralidharan Pillai | - Member   |
| 3. Smt.Thankamma Manoj   | - Member   |

Date of Meetings which took place during the period:

31.05.2002, 29.06.2002, 31.08.2002, 17.09.2002, 30.09.2002  
 30.11.2002, 31.12.2002, 31.01.2003, 30.06.2003, 31.07.2003

**2. Audit Committee:**

Comprising of the following Directors:

- |                  |            |
|------------------|------------|
| Ashok Mehta      | - Chairman |
| B.N. Bindal      | - Member   |
| Sunil Kumar Jain | - Member   |

Date of meetings which took place during the period:

30.06.2003 &amp; 30.07.2003

**6. Compliance Officer:**

Shri G.Muralidharan Pillai is the general compliance officer of the company except specifically provided otherwise for specific purposes.

**7. Shareholder's Grievances:**

The company has not received any shareholder grievance during the year under review.

**8. General Meeting:**

The company had the 10th Annual General Meeting of the members on 21st September 2002 at 4.00 P.M. at the registered office of the company which considered three ordinary business for which the company has completely complied with the requirements of sections 171, 173 and other applicable provisions of the Companies Act, 1956.

**9. Other Disclosures:**

Your company does not have any pending litigation with SEBI, Stock Exchange, Shareholders, ROC etc. and also does not have any other material pending litigation to be reported.

**10. Related Party Disclosures:**

There company has not involved into such transactions which are governed by these provisions.

**11. Shareholder information:****a) Registered Office:**

Tagore Centre, 1st Floor,  
 Behind Dawa Bazar, 13-14, R.N.T. Marg,  
 INDORE 452 001 (M.P.)

**b) AGM**

At the aforesaid registered office on Tuesday 30th September 2003 at 4 P.M.

c) Book Closure 28th September 2003 to 30th September 2003 (Both days inclusive)

d) Dividend Not declared for the financial year.

e) Listing The equity shares of the company are listed at Mumbai, Calcutta and Madhya Pradesh Stock Exchanges.