

17th Annual Report

2008- 2009

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devki

Devki Leasing and Finance Ltd.

Devki Leasing And Finance Limited

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BOARD OF DIRECTORS

BARMANAND BINDAL

NON EXECUTIVE CHAIRMAN

SUDHIR KUMAR BINDAL

MANAGING DIRECTOR

SUNIL KUMAR JAIN

INDEPENDENT DIRECTOR

MANOJ K SINGH

INDEPENDENT DIRECTOR

RAJESH KHANDELWAL

INDEPENDENT DIRECTOR

KAMLESH KASLIWAL

INDEPENDENT DIRECTOR

AUDITORS

A.B.DOSHI & CO.
Chartered Accountants
68. A.RADHA NAGAR COLONY
INDORE – (M.P.)

CONSULTING COMPANY SECRETARY

A. MEHTA & CO.
3-D, "PADM-PRABH"
11/3, MANORAMAGANJ
NEAR GEETA BHAWAN SQUARE,
INDORE – 452 001

BANKER

DENA BANK
SIYAGANJ BRANCH,
INDORE

SOLICITORS AND ADVOCATE

PANKAJ BAGDIA

REGISTRAR & SHARE TRANSFER AGENT

LINK INTIME INDIA LIMITED
Formerly Intime Spectrum Registry Limited
C-13, PANNALAL SILK MILLS COMPOUND
LBS MARG, BHANDUP,
MUMBAI– 400 078

REGISTERED OFFICE

"Velocity", 18-A Scheme No 94C
Ring Road
Indore-452001
Madhya Pradesh

NOTICE

NOTICE is hereby given that 17th Annual General Meeting of the Members of the **DEVKI LEASING & FINANCE LIMITED** will be held on **Wednesday, the 30th September 2009 at 3:00 P.M. at "Velocity, 18-A Scheme No 94C, Ring Road, Indore** to transact the following business: -

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2009 attached with the Cash Flow Statement and Profit and Loss Account for the year ended that day together with the reports of the Auditors and Directors thereon.
2. To appoint a person in place of Shri Sunil Kumar Jain, who retires by rotation and being eligible offers himself for re-appointment.
3. To consider re-appointment of Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to section 260 of the Companies Act, 1956 and Article of Association of the Company, Shri Rajesh Khandelwal, who was appointed as an Additional Director with effect from June 30, 2009 and who holds office up to the date of ensuing Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, proposing his candidature as a Director of the Company, be and is hereby appointed as a Director of the Company 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 pursuant to section 260 of the Companies Act, 1956 and Article of Association of the Company, Shri Kamlesh Kasliwal, who was appointed as an Additional Director with effect from June 30, 2009 and who holds office up to the date of ensuing Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, proposing his candidature as a Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."

6. To consider and if thought fit, to pass, with or without modifications, the following as an Special Resolution:

RESOLVED THAT pursuant to the provisions of Section 269, 309, 310, Schedule XIII and other applicable provisions of the Companies Act, 1956, consent of the members of the Company be and is hereby accorded to re-appoint Shri Sudhir Kumar Bindal as the Managing Director of the Company for a further period of five years commencing from the 1st October, 2009 on the following terms and conditions:

- a. His monthly remuneration shall be Rs.31,000/- (Thirty One Thousand only) which shall be subject to upward revision of 10% per annum in compliance with the applicable provisions of the Companies Act subject to that however the Board in mutual agreement with Shri Sudhir Kumar Bindal, may pay any lesser remuneration than mentioned herein

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- b. He will be entitled for furnished housing accommodation which will be restricted to a sum equivalent to 50% of his salary as above. However, he will be entitled to house rent allowance of equal value if company does not provide him with the furnished housing accommodation.
- c. He will be entitled to reimbursement of expenditure to be incurred by him on gas, electricity, water and furnishing etc provided however that the sum payable herein will be restricted to 10% of his salary.
- d. He will be entitled for reimbursement of medical expenditure for self and family upto a maximum amount equivalent to one months' salary. Family shall include wife, dependent children and dependent parents.
- e. He will be entitled for leave travel concession once in one year for self and family. Family herein shall have the same meaning as in (d) above.
- f. He will be entitled to annual fee for one club.
- g. He will be entitled to personal accident insurance, the premium of which shall be payable by the company up to Rs. 1000/- per annum.
- h. He will be entitled for free use of company's chauffeur driven car, a mobile telephone and telephone at residence for his official workings.
- i. All other terms and conditions such as relating to Provident Fund, Gratuity, Superannuation, Annuity and Earned Leave shall continue unchanged subject however that they might be revised upward under policy of the company in its ordinary course of business.

RESOLVED FURTHER THAT the aforesaid remuneration and perquisite package shall remain in force irrespective of Company incurring any loss or profits remaining inadequate in any year.

AND RESOLVED THAT the Board be and is hereby authorized to do all the needful acts, deeds, matters and things to give effect to this resolution.

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By order of the board of
DEVKI LEASING & FINANCE LIMITED

PLACE: INDORE

DATE: 31ST July, 2009

BARMANAND BINDAL
CHAIRMAN

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. PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES TO EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.
2. The Members are requested to:
 - a. Intimate changes, if any, in their registered addresses immediately and they must quote their ledger folio number in all their correspondence.
 - b. Hand over the enclosed attendance slip, duly signed in accordance with their specimen signatures registered with the company for attending the meeting.
 - c. Bring their Annual Report and Attendance Slips with them at the AGM venue.
3. Explanatory Statement is attached to the Notice as per Section 173 of the Companies Act, 1956.
4. The Register of Members and Share Transfer Books of the company shall remain closed from 28th September, 2009 to 30th September, 2009 (all the days inclusive).
5. The Management Discussions and Analysis together with the report under Corporate Governance requirements are attached to the report of the Directors as Annex -1 & 2.
6. 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.
7. Members, who are holding physical shares in more than one folio, are requested to intimate to the Company/Registrar and Share Transfer Agent the details of all their folio numbers for consolidation into single folio.

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8. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting are advised to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Meeting.

By order of the board of
DEVKI LEASING & FINANCE LTD

Place: Indore
Date: 31st July, 2009

BARMANAND BINDAL
CHAIRMAN

Explanatory Statement

Item No. 4 & 5

Shri Rajesh Khandelwal and Shri Kamlesh Kasliwal, were appointed as Additional Directors by the Board of Directors of the Company for the optimum combination of Promoter, Professional and Independent Directors as per Clause 49 of the Listing Agreement. In terms of Section 260 of the Companies Act, 1956 both of them shall hold office up to the date of this Annual General Meeting of the Company. The Company has received valid notices and requisite deposits from members of the Company under Section 257 of the Companies Act, 1956 proposing their candidature for office of Director. Brief resume of Shri Rajesh Khandelwal and Shri Kamlesh Kasliwal is set out in the "Information about Directors seeking appointment/ reappointment at the Annual General Meeting as required under the Code of Corporate Governance Clause of Listing Agreement."

Your Directors recommend the resolution for approval of the members.

Shri Rajesh Khandelwal and Shri Kamlesh Kasliwal are interested in the resolution as it relates to their appointment. None of the other Directors of the Company are, in any way, concerned or interested in the said resolution.

Item No. 6

Shri Sudhir Kumar Bindal has been the Managing Director of the company for more than a decade and has proved to be an invaluable asset for the company. Considering his sincerity, commitment, hard work, devotion and concern about the company and its growth, the Board feels it absolutely necessary to re-appoint him as the Managing Director of the company for another period of five years.

In view of the above your Directors recommend this resolution for your approval. Shri Sudhir Kumar Bindal and Shri Barmanand Bindal as a father of Shri Sudhir Kumar Bindal are interested in the resolution to the extent of his appointment and remuneration payable to him, none other then the above Directors may be deemed as concerned or interested in the aforesaid resolution.

By order of the board of
DEVKI LEASING & FINANCE LTD

Place: Indore
Date: 31st July, 2009

BARMANAND BINDAL
CHAIRMAN

DETAILS OF THE DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT IN THE ENSUING ANNUAL GENERAL MEETING

Name of Directors	SUDHIR KUMAR BINDAL	RAJESH KHANDELWAL	KAMLESH KASLIWAL	SUNIL KUMAR JAIN
Date of Birth	06.04.1964	21.07.0965	15.09.1968	05.07.1970
Date of Appointment	15.02.1993	30.06.2009	30.06.2009	31.03.2003
Expertise / Experience in specific functional areas	Having 25 years experience in handling an manufacturing and finance business	Having 10 years experience in handing of commercial activities	Having more than 15 years experience in businesses	Having more than 12 years experience in commercial activities
Qualification	Commerce Graduate	Commerce Post graduate	Commerce Graduate	Diploma holder
No. of Equity Shares held	110400	NIL	3500	NIL
List of outside Company directorship held	Nil	NIL	NIL	NIL
Chairman / Member of the Committees of the Board of Directors of the Company	Chairman Share Transfer Committee	Member Audit Committee Remuneration Committee	Member Audit Committee Remuneration Committee	Member Audit Committee
Chairman / Member of the Committees of the Board Directors of other Companies in which he is director	NIL	NIL	NIL	NIL

DIRECTORS' REPORT

To
The Members of,
Devki Leasing & Finance Limited, Indore

Your directors have pleasure in presenting their sixteenth Annual Report of your company together with audited accounts for the year ended on 31st March, 2009.

State of Company's Affairs:**Financial Results****Amount (Rs in Lakhs)**

Particulars	31st March, 2009	31st March 2008
Total Income	37.98	85.69
Depreciation	2.62	2.62
Interest & Fin Charges	38.66	37.40
Other Total Expenditure	30.82	32.96
Profit before Tax	-34.12	12.71
Tax provisions	-0.09	6.77
Net Profit for the year	-34.03	5.94
Balance brought forward	42.79	36.84
Carried to Balance Sheet	8.76	42.79

Operations and Future Outlook:

The Indian economy, after exhibiting strong growth during the second quarter of 2008-09, has experienced moderation in the wake of the global economic slowdown. A number of factors inimical to growth have intensified in 2008 such as a sharp elevation in global inflation rates specially crude oil, tightening in credit and equity markets and global slowdown in growth. India did not remain unscathed. Overall, economic growth slows down. Financial markets in India, which, by and large, remained orderly from April 2008 to mid-September 2008, witnessed heightened volatility subsequently reflecting the knock-on effects of the disruptions in the international financial markets and the uncertainty that followed. The pressure on financial markets mounted with the credit spreads widening to record levels and equity prices crashing to historic lows leading to widespread volatility across the market spectrum. The turmoil transcended from credit and money markets to the global financial system more broadly. Added to this, there was a significant deterioration in the global economic outlook.

In view of the current scenario due to the factors mentioned above the Company's performance was being hit which led to the decrease in the total income of the Company from Rs.85.69 Lacs to Rs.37.98 Lacs and bottom line has turned into negative and incurred net loss of Rs.34 lacs as compared to profit of Rs.5.94 Lacs approx.

Dividend:

Owing to inadequacy of profit, your directors do not recommend any dividend for this financial year.

Directors Responsibility Statement:

As required under the provisions of Section 217 (2AA) of the Companies Act, 1956, we confirm that:

01. in the preparation of the annual accounts, the applicable accounting standards have been followed;
02. 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 loss of the company for the year under review ;

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03. 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
04. the directors had prepared the annual accounts for the financial year ended 31st March, 2009 on a "going concern" basis ;

Directorate:

Shri Sunil Kumar Jain retires by rotation and being eligible offers himself for re-appointment. Shri Sudhir Bindal completed his term of five years as the Managing Director of the Company, your Directors proposes for his reappointment as the Managing Director of the Company subject to approval of the shareholders in the ensuing AGM, for a further period of five years. Shri Rajesh Khandelwal and Shri Kamlesh Kasliwal were appointed as Additional Directors on 30th June, 2009. They will hold office up to the date of ensuing Annual General Meeting. Notice under Section 257 of the Companies Act, 1956 have been received from the members proposing candidature of Additional Directors along with Fees of Rs 500 each for appointment as Directors of the Company. There are no other changes in the composition of the Board of the Company.

Auditors:

M/s. A.B.DOSHI & CO., Chartered Accountants, Indore, the Statutory Auditors of the Company are retiring at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment. The Auditors' Report, read with relevant Notes is self explanatory and needs no further clarification.

Corporate Governance & Management Discussion and Analysis:

In terms of Clause 49 of the Listing Agreement, Board Report on Corporate Governance is forming part of this Balance Sheet. Management Analysis and Discussion report is also annexed herewith by the Board.

Subsidiary Company:

In terms of Sec 212 of the Companies Act, 1956, the full annual accounts of Devki Cyber Securities Private Limited are annexed herewith.

Public Deposits:

Your company has not accepted or invited any deposits from public within the meaning of Section 58 A of the Companies Act, 1956.

Particulars of Employees etc:

Your company did not have any person in employment who was in receipt of remuneration, whose particulars are to be included here under Sec 217 (2A) of the Companies Act read with Companies (Particulars of Employees) Rules 1975.

Energy Conservation and other Reporting u/s 217(1)(e) :

The provisions of Energy Conservation in terms of section 217 (1)(e) of the Companies Act, 1956, are not applicable on the company. Almost entire project technology in the company is indigenous, which needs no adaptation. Your company also did not have any foreign exchange earnings or out go your Directors place on record their sincere appreciation for the devoted performance of the employees of the company at all levels.

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

Place: INDORE
Date: 31st July, 2009

BARMANAND BINDAL
CHAIRMAN

MANAGEMENT DISCUSSION & ANALYSIS REPORT**Industry Structure & Developments**

The company is a non-banking finance company, a segment, where scope for growth always exists, but for large size companies having bigger infrastructure and deeper pockets because demand for finance would always have an upward trend. However, the small size companies shall not be able to reap such benefits because of lesser opportunities. This seems to continue, however, appropriate risk calculation and management is the key factor in designing and maintaining finance portfolio and earning profits under limited resources.

Segment- wise & Product – wise performance

The company belongs only to one segment; however, it has been deploying its resources into hire-purchase, securities trading, loans and advances. The company's management has made regular endeavors for improving operating efficiencies despite of breakdown of financial system globally during the year under review

Outlook

As competition gets tougher amid a slow business environment, company's management carves out survival strategies to stay afloat. The company's management has adopted due measures in cutting the expenditure account. The company is adopting various vital measures which is aimed to ensure a policy regime that will enable the company to recoup growth; to continuously monitor global and domestic conditions and respond swiftly and effectively through internal measures so as to minimize the impact of the adverse developments and reinforce the effect of the positive developments and rebuild the confidence of the investors.

Risk & Concern

The primary risk for financial company is rapid and large shifts in exchange rates and uncertainty over interest rates besides tough competition prevailing in the market. Weekend investment capacity counts for concern for the industry.

Internal Control System and its adequacy

The company has adequate internal control procedures in commensuration with its size and nature of business at all desired levels.

Discussion on financial performance with respect to operational performance.

The financial performance of the company under reported circumstances have been directly related to efficiency in all areas of functional management such as marketing, human resources and finance. Continuing trend of deep contraction in the global economy and financial sector has led to a massive reduction in operational output.