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10th Annual Report

2001-2002

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devki

Devki Leasing and Finance Limited

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BOARD OF DIRECTORS

MR. BARMANAND BINDAL
CHAIRMAN

MR. SUDHIR KUMAR BINDAL
MANAGING DIRECTOR

MR. BHARAT BINDAL
DIRECTOR

MR. ASHOK MEHTA
DIRECTOR

AUDITORS

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

CONSULTING COMPANY SECRETARY

A. MEHTA & CO.
KIBE COMPOUND, INDORE

PRINCIPAL BANKERS

DENA BANK
SIYAGUNJ BRANCH,
INDORE

SOLICITORS AND ADVOCATE

SHRI PANKAJ BAGADIA

REGISTERED OFFICE :

106, TAGORE CENTRE, REAR BLOCK "B"
13-14 R.N.T. MARG,
INDORE (M.P.) 452 001

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NOTICE

NOTICE is hereby given that the Tenth Annual General Meeting of the members of DEVKI LEASING & FINANCE LIMITED will be held on Saturday, 21st September, 2002 at 4.00 p.m. at the registered office of the company to transact the following business :-

ORDINARY BUSINESS

1. To consider the Balance Sheet as on 31st March, 2002 and the Profit & Loss Account of the company for the year ended that date alongwith the reports of the Directors and Auditors 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 and fix their remuneration.

PLACE : INDORE
DATE : 01.08.2002

By Order of the Board of
DEVKI LEASING & FINANCE LIMITED
sd/-
(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 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 MEETING.
2. Pursuant to Section 154 of the Companies Act, 1956, the Register of the Members and Share Transfer Book will remain closed from Thursday, 19 September, 2002 to 21st September, 2002 (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) send their queries, if any, at least seven days in advance so that the information can be made available at the meeting.
   (d) bring their copies of Annual Report and Attendance Slips with them at the Annual General Meeting.
   (e) hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signatures registered with the company, for admission to the meetinghall.
4. Members seeking any information are requested to write to the company at least 10 days before the date of this general meeting so as to enable the management of the company to keep the desired information ready at the Annual General Meeting.

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DIRECTORS REPORT

To,
The Members of
Devki Leasing & Finance Ltd.,
INDORE.

Your Directors have pleasure in presenting the Tenth Annual Report of your company along with the Audited Accounts of the company for the year ended 31st March, 2002.

(Rs. in Lakhs)

STATE OF COMPANY'S AFFAIRS

	As on 31.03.02	As on 31.03.01
Income from Operations	85.46	89.97
Other Income	7.95	6.10
PBDIT	44.45	38.35
Interest	38.00	30.77
Depreciation	3.66	5.63
Profit before Tax	2.79	1.95
Prior year writeback/adjustment	1.19	0.67
Profit after Tax	1.60	1.28
Balance Brought Forward	16.30	15.02
Carried to Balance Sheet	17.90	16.30

COMPANY'S PERFORMANCE & DIVIDEND

During the year under review, the income of your company has remained more or less the same. The activities of your company such as securities trading and other fund based ornon-fund based financial services could not achieve any satisfactory level due to consistent depressed capital market and money market conditions. It also resulted in declination in the value of the stock-in-trade and forced company to make provision for diminution in their value. The constant efforts of your directors paid dividends as they were able to recover substantial amount of money which was declared as non performing assets as per applicable accounting guidelines and they are hopeful of recovering some more money through the legal process which is underway. Though there is no direct improvement in the overall value of the securities stock of the company, but with the improving capital and money market conditions your Directors are hopeful of earning profits in this business segment also.

However, due to inadequacy of the profits, your directors do not recommend any dividend for the period under review.

PUBLIC DEPOSITS

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

DIRECTORS

Shri Bharat Bindal, the Director of the company, retire by rotation and being eligible offers himself for re-appointment.

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DIRECTORS' RESPONSIBILITY STATEMENT

Pursurant to the requirements under section 217 (2AA) of the Companies Act, 1956, we hereby confirm that:-

1. In the prepartion of the annual acounts, the applicable accounting standards had been followed.
2. The directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the company for the end of the financial year and of the profit and loss account of the company for the period under review.
3. The directors had taken proper and sufficient care for the 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 fraud and other irregularities.
4. The directors had prepared the accounts for the financial year ended 31st March, 2002 on a "going concern" basis.

SUBSIDIARY COMPANY

Pursurant 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.

AUDITORS

M/s. Khandelwal & Jhaver, Chartered Accountants, Auditors of the company retiring at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The report of the auditor read with notes on accounts is self explanatory and needs no further clarification.

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.

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.

SAFETY AND INSURANCE

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

ACKNOWLEDGMENTS

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 LIMITED
sd/-
BARMANAND BINDAL
Chairman

PLACE : INDORE
DATE : 01.08.2002.

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AUDITOR'S REPORT

To
The Members of
DEVKI LEASING AND FINANCE LIMITED

We have audited the attached Balance Sheet of **DEVKI LEASING AND FINANCE LIMITED** as at 31st March, 2002 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statement are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We 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. An audit includes 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.

As required by the Manufacturing and other Companies (Auditors' Report) Order, 1988 issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and as they relate to the Company, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to above we report that:

a) 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.

b) 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 those books:

c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of accounts:

d) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the accounting standards referred in Sub-Section (3C) of Section 211 of the Companies Act, 1956, except Accounting Standard - 22 i.e. Accounting of Taxes on Income, which would have resulted in reducing the profit by Rs. 2,40,393/- and creation of Deferred Tax Liability with the same amount.

e) On the basis of the written representations received from the directors, as on 31.03.2002 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31.03.2002 from being appointed as a director in terms of Clause (g) of Sub Section (1) of Section 274 of the Companies Act, 1956;

f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, subject to the qualification in Para (d) above give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

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(i) In the case of Balance Sheet of the state of affairs of the company as on 31st March, 2002; and

(ii) In the case of Profit & Loss Account, of the Profit of the Company for the year ended on that date.

For KHANDELWAL & JHAVER
Chartered Accountants

ANIL K. KHANDELWAL
Partner

Place: INDORE
Date : 11.06.2002

ANNEXURE TO AUDITORS REPORT

Statement required under Manufacturing and other Companies (Auditors' Report) Order, 1988 issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956, as referred to in our report on even date :

1. The company has maintained records showing full particulars including quantitative details and situation of Fixed Assets. We have been informed that physical verification of fixed assets was conducted by the management. The frequency of verification in our opinion, is reasonable having regard to the size of company and nature of assets.

2. None of the Fixed Assets have been revalued during the year.

3. As informed to us the procedure of physical verification of stock of shares and securities followed by the Management, in our opinion, is adequate in relation to the size of the company and nature of its business.

4. No discrepancies have been noticed on such physical verification of stock as compared to books.

5. On the basis of our examination, we are of the opinion that the valuation of stocks of shares is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.

6. The Company has not taken unsecured loans from parties listed in the register maintained under Section 301 of the Companies Act 1956. We are informed that there is no company under the same management as defined under Section 370 (1B) of the Companies Act, 1956.

7. In the cases where the Company has granted loans to the Company and firms which have been listed in the register maintained under Section 301 of the Companies Act, 1956 the rate of interest and other terms and conditions, wherever stipulated, in our opinion, are not prima facie prejudicial to the interest of the Company. We are informed that there is no company under the same management as defined under Section 370 (1B) of the Companies Act, 1956.

8. The parties to whom loans and / or advances in the nature of loans have been granted, are generally repaying the principle and interest, wherever stipulated except in one case where the Company has given share application money of rupees Five Lakhs to a Private Limited company since past five years.

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9. 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 the nature of its business, with regard to purchase of equipments and other assets.

10. According to the information and explanations given to us there were no transactions for purchases of goods and materials and sale of goods, materials and services aggregat ing during the year to Rs. 50,000/- or more with the parties listed in the register maintained under Section 301 of the Companies Act, 1956.

11. The Company has not accepted deposits from the public during the year under audit and has complied with the directives issued by the Reserve Bank of India and the provisions of Section 58 A of the Companies Act, 1956 and the rules framed thereunder.

12. The Company does not have internal audit system.

13. As informed to us and in the opinion of Management, provisions relating to Provident Fund and Employees State Insurance Act are not applicable to the Company.

14. As per the information provided and explanations given to us the Company has no undisputed amount payable in respect of Income Tax Act, Wealth Tax, Sales Tax, Customs Duty or Excise Duty, which were outstanding as at the last day of financial year for a period of more than six months from the date they became payable.

15. According to the information and explanations given to us and records examined by us, no personal expenses other than expenses under contractual obligations and/or generally accepted business practices, have been charged to revenue account.

16. We are informed that the provisions of any special statute applicable to Chit Fund, Nidhi or Mutual Benefit Society do not apply to the company.

17. In our opinion, the company has maintained proper records of transactions and contracts in securities and other investments. Timely entries have been made in the records. The shares and securities held in investments and stock in trade are held by the company in its own name and there in no loss on amount of dividend, bonus or rights.

18. Other provisions of the order, in our opinion, are not applicable to the company.

Place: INDORE
Date : 11.07.2002

For KHANDELWAL & JHAVER
Chartered Accountants

ANIL K. KHANDELWAL
Partner

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BALANCE SHEET AS AT 31ST MARCH, 2002

PARTICULARS	SCHEDULE	CURRENT YEAR 31.03.2002	PREVIOUS YEAR 31.03.2001
SOURCES OF FUNDS			
SHAREHOLDER'S FUNDS			
a) Share Capital	A	**3,44,87,750.00**	3,44,87,750.00
b) Reserves & Surplus (Profit & Loss Account)		**17,90,400.96**	16,30,152.10
LOAN FUNDS			
Secured Loans	B	**2,31,04,376.59**	1,98,87,758.18
		5,93,82,527.55	5,60,05,660.28
APPLICATION OF FUNDS			
FIXED ASSETS	C		
GROSS BLOCK		**39,01,268.82**	39,97,483.82
Less : Depreciation		**17,88,779.82**	14,46,316.82
NET BLOCK		**21,12,489.00**	25,51,167.00
INVESTMENTS	D	**1,31,31,000.00**	1,18,53,000.00
CURRENT ASSETS, LOANS & ADVANCES			
Sundry Debtors	E	**3,18,47,517.00**	2,46,66,841.05
Stock in Trade	F	**70,35,599.00**	64,58,264.00
Cash and Bank Balances	G	**7,50,218.78**	2,41,463.23
Loans and Advances	H	**82,25,431.00**	1,34,17,311.71
		4,78,58,765.78	4,47,83,879.99
Less : CURRENT LIABILITIES AND PROVISIONS	I	**44,17,647.23**	41,63,218.71
Net Current Assets		**4,34,41,118.55**	4,06,20,661.28
MISCELLANEOUS EXPENDITURE	J	**6,97,920.00**	9,80,832.00
		5,93,82,527.55	5,60,05,660.28
ACCOUNTING POLICIES	P		
NOTES FORMING PART OF ACCOUNTS	Q		

As per our Report of even date attached

FOR KHANDELWAL & JHAVER

(ANIL K.KHANDELWAL)
Partner.

INDORE : 11th June, 2002

FOR AND ON BEHALF OF BOARD

B.N.BINDAL — Chairman
SUDHIR KUMAR BINDAL — Managing Director
BHARAT BINDAL — Director

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