

12th Annual Report

2003 - 2004



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. S. N. IYER
DIRECTOR

MR. SUNIL KUMAR JAIN
DIRECTOR

AUDITORS

O. T. GANDHI & Co.
BASKETBALL COMPLEX, RACECOURSE ROAD, 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**N O T I C E**

NOTICE is hereby given that 12th Annual General Meeting of the Members of the DEVKI LEASING & FINANCE LIMITED will be held on Saturday 4th September 2004 at 2.00 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 2004 and Profit and Loss Accounts for the year ended on that day together with the reports of the Auditors and Directors thereon.
2. To appoint a person in place of Shri Barmanand Bindal, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a person in place of Shri Bharat Bindal, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a person in place of Shri Sunil Kumar Jain, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint statutory auditors and fix their remuneration

SPECIAL BUSINESS:

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

RESOLVED THAT Shri S. N. Aiyer be and is hereby appointed as the Director of the Company whose period of office will be liable to be determined by retirement by rotation.

7. To consider and if thought fit, to pass, with or without modifications, the following as an Ordinary 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 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, 2004 on the following terms and conditions:

- a. His monthly remuneration will be Rs. 25,000/- which will be subject to automatic annual increment @ 15% from 1st April 2005 subject however that the Board in mutual agreement with Shri Sudhir Kumar Bindal, may pay any lesser remuneration than mentioned herein
- 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 upto 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.

DEVKI LEASING AND FINANCE LTD

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.

By order of the board of
DEVKI LEASING & FINANCE LTD
sd/-

(BARMANAND BINDAL)
CHAIRMAN

INDORE
30th June, 2004

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. The Register of Members and Share Transfer Books of the company shall remain closed from Friday 3rd Sept 2004 to Saturday 4th Sept 2004 (both days inclusive).
4. The reports on Management Discussions and Analysis and the Corporate Governance are also annexed to the report of the Directors as Annex -1 & 2.
5. 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.
6. The Explanatory Statement in pursuance of Sec 173(2) is annexed herewith.

EXPLANATORY STATEMENT FOR ITEM 6

Shri S. N. Iyer was appointed as Additional Director by the Board in terms of Sec 260 of the Companies Act. Now, the company has received a valid notice from a member in terms of Sec 257 of the said Act proposing to appoint him as a Director to retire by rotation in the ensuing annual general meeting. This appointment requires approval of the members in the general meeting as per the provisions of the said Act. Therefore, your Directors recommend this resolution. However, none of the Directors, except Mr Iyer himself, be deemed as interested in or concerned with the resolution.

EXPLANATORY STATEMENT FOR ITEM 7

Shri Sudhir Bindal has been the Managing Director of the company for last about a decade and has proved to be an invaluable asset for the company. Considering his sincerity, commitment, devotion and concern about the company's affairs, the Board deem it absolutely necessary to re-appoint him the Managing Director of the company for another period of five years. However, such re-appointment requires approval of the members in the general meeting. Therefore, your Directors recommend this resolution. However, none of the Directors, except Mr Sudhir Bindal himself, be deemed as interested in or concerned with the resolution.

for and on behalf of the board of
DEVKI LEASING & FINANCE LTD
sd/-

(BARMANAND BINDAL)
CHAIRMAN

INDORE
30th June, 2004

DEVKI LEASING AND FINANCE LTD

DIRECTORS' REPORT

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

Your Directors have pleasure in presenting the Twelfth Annual Report of your company along with the Audited Accounts of the company for the year ended 31st March, 2004.

1. STATE OF COMPANY'S AFFAIRS
FINANCIAL RESULTS

(Rs. in LAKHS)

Particulars	As on 31.03.04	As on 31.03.03
Income from Operations	71.83	84.33
Depreciation	3.79	3.79
Interest & Fin Charges	28.40	39.98
Balance Expenditure	33.19	37.52
Profit Before Tax	6.45	3.04
Tax Provisions	4.39	2.81
Net Profit for the year	2.06	0.23
Balance brought forward	18.13	17.90
Carried to Balance Sheet	20.19	18.13

Operations and Future Outlook :

The year under review has been a year of beginning of consolidation of activities for achieving greater operating efficiencies. Your directors have adopted various strategic measures in trimming the expenditure accounts. There has been substantial savings in interest outflow and various other expenditure heads and there is almost a break even in share trading operations as compared to previous year where the company incurred substantial loss in securities trading. Investments of the company have also been strategically redesigned and thus, your directors are hopeful of a better financial performance in the year to come.

Dividend:

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

Directors Responsibility Statement :

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 judgements 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 ;
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, 2004 on a "going concern" basis ; and

DEVKI LEASING AND FINANCE LTD**Directorate :**

Shri Ashok Mehta got retired from the Board during the year whereas Shri Barmanand Bindal, Shri Bharat Bindal and Shri Sunil Kumar Jain retire by rotation and being eligible offer themselves for re-appointment. Shri S. N. Iyer is appointed as an additional director on the board during the year. There is no other change in the composition of the Board of the company.

Auditors :

M/s. O. T. Gandhi & Co., Chartered Accountants, the statutory auditors, retire at the end of ensuing annual general meeting and being eligible offer themselves for re-appointment as statutory auditors of the company. The auditors' report read with notes to accounts is self explanatory and needs no further clarification.

Corporate Governance :

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.

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

sd/-

(BARMANAND BINDAL)

CHAIRMAN

INDORE

30th June, 2004

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Industry Structure & Developments

The company is a non-banking finance company, a segment, where scope for growth always exist, because demand for finance has only seen an upward trend during last about a decade. This seems to continue, however, appropriate risk calculation and management is the key factor in designing and maintaining finance portfolio.

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 management has consolidated its activities for improving operating efficiencies during the year under review and has increased its profitability.

Outlook

The company management has adopted certain strategic measures in trimming the expenditure account. There has been substantial savings in interest outflow and various other expenditure heads and there is almost a break even in share trading operations as compared to previous year where the company incurred substantial loss in securities trading. Investments of the company have also been strategically redesigned and thus, your directors are hopeful of a better financial performance in the year to come.

Risk & Concern

Profitability always gets affected on account of continuing decline in saving and interest rates and growing competition from large network finance companies and consumer service banking institutions.

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. At present all these functional areas seem to be working in tandem and in unison and the majority of its credit goes to the deft managerial tactics and apt financial management by company's board.

DEVKI LEASING AND FINANCE LTD

Annexure - 2

CORPORATE GOVERNANCE REPORT

(forming part of the Directors' Report of Devki Leasing & Finance Limited, Indore)

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 are applicable on the company and accordingly, the following report is submitted.

1. Company's Philosophy

The company has outlined the procedures and practices as per the requirements of the corporate governance and steps have been taken to ensure transparency and accountability. The company would continue to follow the same with keeping objective of 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 two promotor directors in the whole time employment of the company, one nominee director and two independent professional directors. The particulars of the Board with their interest in other concern is presented before you in the following table:

Name of the Director Interested in	Nature of interest	
1. Shri Barmanand Bindal	Nil	Nil
2. Shri Sudhir Bindal	Nil	Nil
3. Shri Sunil Kumar Jain	Nil	Nil
4. Shri S. N. Iyer	Nil	Nil
5. Shri Bharat Bindal	Devki Cyber Securities Pvt. Ltd.	Director

3. Board Procedure

The Board generally meet to resolve upon or to review company's matters pertaining to planning, organizing, staffing, directing, co-ordinating and controlling but ensures to meet at least once in a calendar quarter. All major functional areas of management of the company i. e., finance, investment, human resources, marketing and internal administration find place in the deliberations amongst directors. Notice and agenda papers are sent to the directors reasonably in advance.

4. Directors Attendance:

Name of the Director	Attendance at the Board Meetings	Attendace at the General Meetings
1. Shri Barmanand Bindal	6	1
2. Shri Sudhir Bindal	5	1
3. Shri Bharat Bindal	5	1
4. Shri Ashok Mehta	2	1
5. Shri Sunil Kumar Jain	4	1
6. Shri S. N. Iyer	1	0
7. Shri Bharat Bindal	6	1

5. Board Committees

The company has formed two committees viz., Audit Committee and Share Transfer Committee. The composition and other information about the committees and their meetings are as under:

DEVKI LEASING AND FINANCE LTD**Audit Committee**

This composition of the committee during the year has been as under :

- (i) Shri Sunil Kumar Jain - Chairman
- (ii) Shri S. N. Iyer -Member - appointed during the year
- (iii) Shri Barmanand Bindal - Member
- (iv) Shri Ashok Mehta - Resigned during the year

The Committee met 4 times during the year in April, July, October and January.

Share Transfer Committee

This composition of the committee during the year has been as under :

- (i) Shri Sudhir Bindal - Chairman
- (ii) Shri G. M. Pillai Member
- (iii) Smt T. Manoj Member

The Committee met Nine times during the year on 30th June 03, 31st July 03, August 03, 03rd, Oct. 03, 31st Oct. 03, 29th Nov. 03, 31st Jan. 04, 28th Feb. 04, 31st March 04.

6. Compliance Officer

Shri G. M. Pillai is the general legal compliance officer of the company.

7. Shareholders' Grievances

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

8. General Meeting

The company duly called and held the 12th Annual General Meeting of the members on 30th September 2003 at the registered office of the company at 4.00 p.m.

9. Other Disclosures

Your company does not have any pending litigation with SEBI, Stock Exchange, Shareholders and ROC nor it does have any other material reportable information.

10. Shareholder Information

- a) Registered Office
Tagore Centre, Rear Block,
1st floor, 13-14, RNT Marg
INDORE - 452 001

b) AGM

At the aforesaid registered office of the company on 30.09.2003 at 4.00 p.m.

c) Last 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 MPSE, BSE and ASE.

f) Market quotes of stocks

The company's shares have been very thinly traded during last about two financial years, however the company does not have its last quoted price.

g) Registrars and Share Transfer Agents

Intime Spectrum Registry Limited
C-13, Pannalal Silk Mills Compound
LBS Marg, Bhandup
MUMBAI - 400 078