

23rd
ANNUAL REPORT
2014 - 2015

devki
DEVKI LEASING AND FINANCE LIMITED

DEVKI LEASING & FINANCE LIMITED

MANAGING DIRECTOR	:	MR. SUDHIR BINDAL (DIN: 00108548)
NON EXECUTIVE DIRECTOR	:	MRS. SARITA BINDAL (DIN: 02194558)
INDEPENDENT DIRECTORS	:	MR. MANOJ KUMAR SINGH (DIN: 01684132) MR. KAMLESH KASLIWAL (DIN : 00457056)
CHIEF FINANCIAL OFFICER	:	MR. MURALIDHARAN PILLAI
COMPANY SECRETARY	:	MS. MONIKA RIZWANI
AUDITORS	:	M/s A.B. DOSHI & CO. CHARTERED ACCOUNTANTS 114, M.T.H. Compound Indore (M.P.)
BANKERS	:	DENA BANK, SIYAGANJ BRANCH, INDORE HDFC BANK, TRADE HOUSE BRANCH, INDORE
SOLICITORS AND ADVOCATE	:	PANKAJ BAGDIA
REGISTRAR & SHARE TRANSFER AGENT	:	LINK INTIME INDIA LIMITED C-13, PANNALAL SILK MILLS COMPOUND LBS MARG, BHANDUP, MUMBAI- 400 078 Tel: 022- 25946970 Fax: 022-25946969 rnthelpdesk@linkintime.co.in
REGISTERED OFFICE	:	"VELOCITY", 18-A SCHEME NO 94C RING ROAD INDORE-452010 MADHYA PRADESH www.devkileasing.com. dlflindore@gmail.com Tel: +91-731 4735555 – 69 Fax: +91-731 4735500 CIN: L65921MP1993PLC007522

NOTICE

NOTICE is hereby given that Twenty Third Annual General Meeting of the Members of the **DEVKI LEASING & FINANCE LIMITED** will be held on Tuesday, **29th September, 2015 at 1.30 P.M.** at the registered office of the company 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 March 31, 2015, the Statement of Profit & Loss and the Cash Flow Statement for the financial year ended March 31, 2015 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sudhir Bindal (DIN: 00108548), who retires by rotation and being eligible, offers himself for re-appointment.
3. **To ratify the appointment of auditors of the Company and to fix their remuneration and to pass the following resolution as Ordinary Resolution thereof:**

“RESOLVED THAT, pursuant to the provision of section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, pursuant to the recommendations of the audit committee and pursuant to the resolution passed by the members at the AGM held on 30th September, 2014, the appointment of M/s A.B. Doshi & Co, Chartered Accountants (ICAI Firm Registration No. 001577C) as the auditors of the Company to hold office till the conclusion of the AGM to be held in the calendar year 2017 be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2016 as may be recommended by the audit committee.”

PLACE : Indore

DATE : 10.08.2015

By order of the Board of Directors

DEVKI LEASING & FINANCE LIMITED

Registered Office:

Velocity", 18-A Scheme No 94 C,
Ring Road, Indore (M.P.) 452010

MONIKA RIZWANI
COMPANY SECRETARY
(ACS-36102)

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING 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. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. Brief details of Directors seeking re-appointment / appointment at the Annual General Meeting scheduled to be held on 29th September 2015 (Pursuant to Clause 49 of the Listing Agreement) forms part of the notice.
4. The report on the Corporate Governance and Management Discussion and Analysis also form part to the report of the Directors.
5. The company has notified closure of register of members and share transfer books from Friday, September 25, 2015 to Tuesday, September 29, 2015 (both days inclusive).
6. The Members are requested to:
 - a. Intimate changes, if any, in their registered addresses immediately.
 - b. Quote their ledger folio number in all their correspondence.
 - c. Hand over the enclosed attendance slip, duly signed in accordance with their specimen registered with the Company for admission to the meeting place.
 - d. Bring their Annual Report and Attendance Slips with them at the AGM venue.
7. Members seeking any information are requested to write to the Company by email at dlflindore@gmail.com at least 7 days before the date of the AGM to enable the management to reply appropriately at the AGM.

8. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. Members who hold shares in physical form in multiple folios in identical names or joint holding in same order of names are requested to send the share certificates to M/s Link Intime India Pvt. Ltd., for consolidation into a single folio.
10. Members are requested to notify immediately any change in their address and E – Mail ID to their respective Depository Participants (DPs) in respect of their electronic share accounts and to the Registrar and Share Transfer Agent of the Company at M/s Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup, Mumbai (MH).
11. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members may contact the Company or Registrar and Share Transfer Agent of the Company, for assistance in this regard.
12. The Ministry of Corporate Affairs, Government of India (vide its circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' by allowing paperless compliances and recognizing delivery of Notices / Documents / Annual Reports, etc., to the shareholders through electronic medium. In view of the above the Company will send Notices / Documents / Annual Reports, etc., to the shareholders through email, wherever the email addresses are available; and through other modes of services where email addresses have not been registered. Accordingly, members are requested to support this initiative by registering their email addresses in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with the Company's Registrar and Transfer Agent, M/s Link Intime India Pvt. Ltd. to enable the Company to send all communications electronically.
13. Members may also note that the Annual Report for FY 2014-15 is also available for downloading on Company's website www.devkileasing.com
14. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / M/s Link Intime India Pvt. Ltd.
16. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the registered office of the company on all working days, except Saturday, during business hours up to the date of the meeting.
17. **Voting through electronic means**
 - (i) In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the ensuing Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by CDSL.
 - (ii) The facility for voting through polling paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through polling paper.
 - (iii) The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
 - (iv) The voting period begins on 26th September 2015(9.00 AM) and ends on 28th September 2015(5.00 PM) During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd September 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (v) **Instructions for the voting through electronic means**
 - a. The shareholders should log on to the e-voting website www.evotingindia.com.
 - b. Click on Shareholders tab.
 - c. Now Enter your User ID

- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- d. Next enter the Image Verification as displayed and Click on Login.
- e. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- f. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number. The sequence number is printed on the address sticker where the Annual Report is sent in physical form and the same is communicated in the e-mail where the Annual Report is sent in an electronic form.</p>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (c).</p>

- g. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 22nd September 2015, may obtain the login ID and password by sending a request to Link Intime India Pvt Ltd at rnthelpdesk@linkintime.co.in
- h. However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote. If Demat account holder has forgotten the password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- i. After entering these details appropriately, click on "SUBMIT" tab.
- j. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- k. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- l. Click on the EVSN for the relevant **DEVKI LEASING AND FINANCE LIMITED** on which you choose to vote
- m. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- n. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- o. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- p. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- q. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- r. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- s. **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (vi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- (vii) The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. 22nd September 2015.
- (viii) Ms. Shraddha Jain (Membership No. 39488 CP no. 14717), Company Secretary in Practice has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (ix) At the AGM, at the end of discussion on the resolutions on which voting is to be held, the Chairman shall, with the assistance of Scrutinizer, order voting through poll for all those members who are present at the AGM but have not cast their votes electronically using the remote e-voting facility.
- (x) Immediately after the conclusion of voting at the AGM, the Scrutinizer shall first count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall prepare a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, not later than three days after the conclusion of the AGM. This report shall be made to the Chairman or any other person authorized by the Chairman, who shall declare the result of the voting forthwith.
- (xi) The voting results declared along with the Scrutinizer's Report shall be placed on the Company's website www.devkileasing.com and on the website of CDSL immediately after the declaration of the result by the Chairman or a person authorized by the Chairman. The results shall also be immediately forwarded to BSE Limited.

BOARDS' REPORT

To
The Members of
Devki Leasing & Finance Limited,
Indore - 452010

Your directors are pleased to present the 23rd Annual Report together with the Audited financial Statement for the year ended 31st March, 2015.

1. STATE OF AFFAIRS, FINANCIAL PERFORMANCE AND FUTURE OUTLOOK.

1. 1 FINANCIAL HIGHLIGHTS AND SUMMARY

(Amount in Lacs)

Particulars	As on 31.03.2015	As on 31.03.2014
Total Income	19.27	7.60
Less : Total Expenditures	40.43	13.09
Profit before Interest, Tax & Depreciation	-21.16	5.49
Less : Financial Charges	-	-
Less : Depreciation	2.88	2.25
Profit before tax	-24.04	-7.74
Less: Provision for tax-		
Current Tax	-	-
Deferred Tax	-1.10	-0.59
Profit/(Loss) after tax	-22.94	-07.15

The company is engaged in non banking finance business. During the financial year company has achieved total income of Rs. 19.27 Lacs in comparison to previous year's total income of Rs. 7.6 Lacs. The overall expense of the Company has also increased from Rs. 13.09 Lacs to Rs. 40.43 Lacs due to Loss on Sale of Stock in Trade and other operational cost which resulted in Net Loss of 22.94 Lacs, as compared to Rs. 07.15 Lacs in the previous year.

1.2 COMPANY'S PERFORMANCE & FUTURE OUTLOOK

The Non Banking financial Companies (NBFC) sector is still struggling for its growth in India. FY2014-15' has been a tough year for the NBFC sector as the business has greatly suffered in the subdued environment. Due to subdued economic environment, the last two years have been challenging for the NBFC sector with moderation in rate of asset growth, rising delinquencies resulting in higher provisioning thereby impacting profitability.

Due to high and fluctuating interest rate and regular changes in the Monetary Policy by the Reserve Bank of India through the Base Rate, the business of Leasing and Finance has been adversely affected and especially small NBFC Companies are not able to sustain in this competitive world where large amount of Capital is required. Your Directors are continuously striving hard for more avenues in their field for better operational and financial performance in the better interest of all the stakeholders of the Company.

1.3 Change in nature of Business

Company is engaged in NBFC activities only and during the year there was no change in business activity of the company.

1.4 Changes in Share Capital

During the Financial Year 2014-15 there was no change in capital structure of the company. The paid up equity capital as on March 31, 2015 was Rs.350.96 Lacs. During the year under review, the company has not issued shares with differential voting rights nor has granted any stock option or sweat equity shares.

1.5 Revision of annual financial statement

There was no such case of revision in financial statement during the year.

2. TRANSFER TO RESERVES:

The Company has not transferred any sum to Reserve for the financial year ended on 31st March, 2015.

3. DIVIDEND

Your directors do not recommend any dividend due to losses in current financial year.

4. DEPOSITS

The company being an NBFC, the provisions of Section 73(1) of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014 are not applicable to the company. As the Company is a RBI registered Non- Deposit Accepting NBFC, it has not accepted any Public Deposits during the year under review in compliance with RBI Guidelines.

5. MATERIAL CHANGES AND COMMITMENTS AFTER THE END OF FINANCIAL YEAR

There are no material changes and commitments affecting financial position of the company which have occurred between the end of the financial year of the company and date of the report.

6. SUBSIDIARY COMPANY ASSOCIATE COMPANIES OR JOINT VENTURE:

As on date the Company has no subsidiary Company as the Company has disposed off the shares of its subsidiary company, Devki Cyber Securities Private Limited, on 30.07.2014.

The Company does not have any associate company or any joint venture or Holding company.

7. EXTRACTS OF ANNUAL RETURN

Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 the extracts of the Annual Return as at March 31, 2015 forms part of this report as **Annexure I**

8. NUMBER OF MEETINGS OF THE BOARED

During the year under review the Board meets five times viz. **May 30, 2014; July 30, 2014; October 30, 2014, January 30, 2015 and March 30, 2015.** The details of the Board meetings and the attendance of Directors are provided in the Corporate Governance Report.

9. DIRECTORS RESPONSIBILITY STATEMENT

In terms of Section 134(3) (c) of the Companies Act, 2013, Your Directors state that:

- a. In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures
- b. The Directors have selected such accounting policies and applied them consistently and made judgments 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 the financial year and of the profit for the year ended on that period;
- c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- d. The Directors have prepared the annual accounts on a going concern basis.
- e. The Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f. The Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

10. REPORTING OF FRAUD BY STATUTORY AUDITORS

There was no fraud in the Company; hence no reporting was made by statutory auditors of the Company under sub-section (12) of section 143 of Companies Act, 2013.

11. APPOINTMENT AND DECLARATION BY INDEPENDENT DIRECTORS

11.1 Appointment of independent directors

At the Annual General Meeting held on 30.09.2014, the members approved the appointment of Mr. Kamlesh Kasliwal and Mr. Manoj Kumar Singh as Independent Directors of the Company for a term of 5 years to hold the office till 31st March, 2019 who are not liable to retire by rotation.

11.2 Declaration by independent directors

All Independent Directors of your Company have given a declaration pursuant to Section 149(7) of the Companies Act, 2013 affirming compliance to the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement with stock exchanges.

Based on the declaration(s) of Independent Directors, the Board of Directors recorded its opinion that all Independent Directors are independent of the Management and have fulfilled the conditions as specified in the Companies Act, 2013, rules made thereunder as well as concerning provisions of Clause 49 of the Listing Agreement with stock exchanges.

11.3 Meetings of Independent Directors

During the year under review, a separate meeting of Independent Directors was held on March 30, 2015, *inter alia*, to discuss:

- evaluation of the performance of Non-Independent Directors and Board of Directors as a whole;
- evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive
- evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and necessarily perform its duties.

All the Independent Directors were present at the said Meeting.

11.4 Familiarization Programme

The Company shall through its Executive Directors / Senior Managerial Personnel conduct programs / presentations periodically to familiarize the Independent Directors with the strategy, operations and functions of the Company

The details of familiarization programme have been posted in the website of the Company under the web link - <http://www.devkileasing.com/FamiliarisationProgrammeForIndependentDirectors.pdf>

12. NOMINATION, REMUNERATION COMMITTEE AND STAKEHOLDERS RELATIONSHIP COMMITTEE

As per the requirement of Section 178 of the Companies Act, 2013 and clause 49 of listing agreement the Company has constituted Nomination and Remuneration Committee and Stakeholders Relationship Committee. The Composition of the above Committees, their terms are reference detailed in the report of Corporate Governance.

13. REMUNERATION POLICY

Information regarding Directors' Remuneration Policy and criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178 are given in **Annexure II** forming part of this report.

14. AUDITORS

14.1 Statutory Auditor

At the Annual General Meeting held on 30th September 2014, M/s A.B. Doshi & Co, Chartered Accountants (ICAI Firm Registration No. 001577C) were appointed as statutory auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2017. In terms of the first proviso to section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s A.B. Doshi & Co., as statutory auditors of the Company, is placed for ratification by the shareholders. In this regard, the Company has received a certificate from the auditors to the effect that if they are reappointed, it would be in accordance with the provisions of section 141 of the Companies Act, 2013

Explanation to Auditor's Remark

The Auditors' Report read with relevant notes are self explanatory, except note no. 25 (b) and note no. 25 (c) of the notes to accounts read with last Para of the Auditors Report.

Note no. 25 (b), specifically relates to retirement benefits as the Company has not provide gratuity, privilege leave and other retirement benefits as the company follows the practice of accounting for the retirement benefits as and when paid. And note no. 25 (c) relates to no provision for interest on the Secured Loan - the Company has not made provision for interest on the Secured Loan given by Dena Bank as the matter is in litigation and the same shall be accounted on the settlement of case.

14.2 Secretarial Auditor

The Board has appointed Mr. Ashish Nayak, Practising Company Secretary, to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed herewith marked as **Annexure III** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.