

TWENTIETH
ANNUAL REPORT
2011 - 2012

BOARD OF DIRECTORS

SUDHIR BINDAL	-	CHAIRMAN & MANAGING DIRECTOR
MANOJ KUMAR 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.)

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 20th Annual General Meeting of the Members of the **DEVKI LEASING & FINANCE LIMITED** will be held on **Saturday, 29th September, 2012 at 4.00 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 2012 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 Kamlesh Kasliwal, 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.

By order of the board of Director's of
DEVKI LEASING & FINANCE LIMITED

PLACE: Indore
DATE: 30.05.2012

Sd/-
SUDHIR BINDAL.
Chairman & Managing Director

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 BE 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.
 - d. Send their Email address to us for prompt communication and update the same with their D.P to receive softcopy of the Annual Report of the company.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from 28th September, 2012 to 29th September, 2012 (Both days inclusive).
4. The Management Discussions and Analysis Report together with the report under Corporate Governance requirements are attached to the report of the Directors as Annex -2 & 3.
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. 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.
7. Link Intime India Limited is the Share Transfer Agent of the Company, members are requested to update their E Mail ID and Address with their Depository Participant for prompt communication.

DEVKI LEASING & FINANCE LTD

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 Director's of
DEVKI LEASING & FINANCE LIMITED

PLACE: Indore
DATE: 30.05.2012

Sd/-
SUDHIR BINDAL
Chairman & Managing Director

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

Name of Directors	KAMLESH KASLIWAL
Date of Birth	15.09.1968
Date of Appointment	30.06.2009
Expertise / Experience in specific functional areas	Having more than 15 years experience in business.
Qualification	Commerce Graduate
No. of Equity Shares held	3500
List of outside Company Directorship held	NIL
Chairman / Member of the Committees of the Board of Directors of the Company	Member Audit Committee Remuneration Committee
Chairman / Member of the Committees of the Board Directors of other Companies in which he is Director	NIL

DIRECTORS' REPORT

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

Your Directors have pleasure in presenting their Twentieth Annual Report of your Company together with audited accounts for the year ended on 31st March, 2012.

STATE OF COMPANY'S AFFAIRS:**FINANCIAL RESULTS****(Amount in lacs)**

Particulars	As on 31.03.2012	As on 31.03.2011
Revenue from operations	13.16	17.37
Other Income	0.69	0.007
Operating Expenditure	21.03	55.89
Interest & Depreciation	2.24	2.29
Profit before Tax	-9.42	-40.80
Provisions for Tax	0.10	0.1
Profit after Tax	-9.32	-40.7

OPERATIONS AND FUTURE OUTLOOK:

Global economic uncertainties have affected India's economy, including the real estate market. Macroeconomic indicators are not healthy. Fiscal deficit and interest rates are high while the rupee is depreciating. All this does not bode well for any industry, especially real estate. High prices and interest rates have been dampeners. Demand has been stagnating in a few cities even as supply remains high. Investors as well as end-users have been showing signs of weariness.

In the Current year under review the Company has earned income from its business operations of Rs.13.16 lacs which has decreased as compared to previous year's income of Rs. 17.37 lacs. Losses after Depreciation and Taxes are Rs. 9.32 lacs which has decreased as compared to the previous year losses of Rs.40.7 lacs as the Company has not made any provision for the Interest as the same is made NPA by the Bank.

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.

DIVIDEND:

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

DIRECTORATE:

Shri Kamlesh Kasliwal retires by rotation and being eligible offers himself for reappointment. There is no other change in the composition of the Board of the Company.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 217 (2AA) of the Companies Act, 1956, and based on the representation received from the operating management, the Directors 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 loss 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, 2012 on a “going concern” basis ;

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.

COMPLIANCE CERTIFICATE

Your Directors have obtained a Compliance Certificate from Practicing Company Secretary, pursuant to Rule 3 of Companies (Compliance Certificate) Rules, 2001 which is forming part of this report as Ann. - 1.

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 as Annexure 2 and 3.

SUBSIDIARY COMPANY:

At the end of the financial year under review, your Company had the one subsidiary company namely “Devki Cyber Securities Private Limited”. The Ministry of Corporate Affairs, Government of India has issued a Circular No.2 / 2011 dated 8th February 2011 granting general exemption to Companies under section 212 (8) from attaching the documents referred to in section 212 (1) pertaining to its subsidiaries, subject to approval by the Board of Directors of the Company and furnishing of certain financial information in the Annual Report.

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The Board of Directors of the Company have accordingly accorded approval to the Company dispensing with the requirement of attaching to its Annual Report the annual audited accounts of the Company's subsidiaries. Accordingly, the Annual Report of the Company does not contain the individual financial statements of these subsidiaries, but contains the audited consolidated financial statements of the Company, its subsidiaries and associate. The Annual Accounts of these subsidiary companies and the related detailed information will be made available to the shareholder seeking such information at any point of time. The annual accounts of the Subsidiary Companies will also be kept for inspection by any shareholder at its registered / corporate office and that of the concerned subsidiary companies. The statement pursuant to the approval under section 212 (8) of the Companies Act, 1956 is annexed together with the Annual Accounts of the Company.

Consolidated financial statements

The Consolidated Financial Statements of the Company prepared as per the Accounting Standard AS21 and Accounting AS 23, consolidating the Company's accounts with its subsidiaries and an associate have also been included as part of this Annual Report.

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 that, if employed throughout the financial year or part thereof, was in receipt of remuneration, particulars of which are required to be included in this report as per Section 217 (2A) of the Companies Act, 1956 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.

APPRECIATION

Your Directors wish to place on record their appreciation for the continued co-operation and support given to the Company by its Customers, Shareholders, Bankers, and Central & State Governments including all those associated with the Company

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

PLACE: Indore
DATE: 30.05.2012

S/d-
SUDHIR BINDAL
Chairman & Managing Director

COMPLIANCE CERTIFICATE
[Rule 3 of Companies (Compliance Certificate) Rules, 2001]

CIN: L65921MP1993PLC007522

Authorised Capital: Rs.3,75,00,000/-

Paid-up Capital: Rs.3,45,18,500/-

**To,
The Members,
Devki Leasing and Finance Limited
Indore**

I have examined the registers, records, books and papers of **Devki Leasing and Finance Limited** ("the Company") as required to be maintained under the Companies Act, 1956, ("the Act") and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2012 (financial year). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its Directors and officers, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company, being a Limited Company, comments is not required.
4. The Board of Directors duly met 5 times in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company being a listed Company closed its Register of Members on 10th September, 2011 to 12th September, 2011 (all the days inclusive) under Section 154 of the Act.
6. The Annual General Meeting for the financial year ended on 31st March, 2011 was held on 12th September 2011 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. The Company has not held any Extra-ordinary General Meeting during the financial year under review.
8. The Company has not advanced any loans to its Directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has not entered into contracts in contravention of the provisions of section 297 of the Act.

Devki Leasing and Finance Limited (for 31st March, 2012)

10. The Company has complied with the provisions relating to registers maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government, as the case may be.
12. The Company has not issued any duplicate certificates during the financial year.
13. The Company has
 - i) delivered all the certificate of securities on allotment of shares/ lodgment thereof transfer/transmission or any other purpose in accordance with the provisions of the Act;
 - ii) Not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
 - iii) Not posted warrants to any member of the Company as no dividend declared during the financial year.
 - iv) was not required to transfer any amount to the Investor Education & Protection Fund as there was no amount due for transfer to the above said account relating to unpaid dividend, application money due for refund, matured deposits, matured debentures and interest accrued thereon as remain unpaid or unclaimed for a period of Seven years.
 - v) Duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of additional Directors, alternate Directors and Directors to fill casual vacancies during the financial year.
15. The Company has not appointed any Managing Director/ Whole Time Director/ Manager during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company has not been required to obtain any approval of the Central Government, Company Law Board, Regional Director and/or such authorities prescribed under the various provisions of the Act.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors Pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any Equity Shares during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has no preference shares or debentures.
22. The Company has not declared dividend nor has issued any rights shares and bonus shares.

Devki Leasing and Finance Limited (for 31st March, 2012)

23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. No amount has been borrowed by the Company in violation of Section 293(1) (d) of the Act during the financial year.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate in violation of Section 372A of the Act during the financial year.
26. The Company has not altered the provisions of Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to Share Capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year
31. There was no prosecution initiated against or show cause notices received by the Company, during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has deposited both employee's and employer's contribution to Provident Fund with the prescribed authorities pursuant to Section 418 of the Act.

Place: Indore
Date: 30.05.2012

**Signature :
Name of the Company Secretary : ASHISH GARG
F.C.S No. 5181, C.P. No. 4423**

Annexure A

Registers as maintained by the Company

1. Register of Share Transfers.
2. Register of Charges under Section 143.
3. Register of Members under Section 150.
4. Registers & Returns kept at the Registered Office viz Annual Returns under Section 163.
5. Minutes Book of Board Meeting and General Meeting under Section 193.
6. Books of Accounts under Section 209
7. Register of Contracts under Section 301
8. Register of Directors, Managing Director, Manager and Secretary under Section 303
9. Register of Director's Shareholdings under Section 307
10. Register of Inter Corporate Investments.
11. Register of loans and Investments.

Annexure B

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended 31st March 2012.

Sr. No.	Form /Return	No.	Filed under section	For	Date of filing/Date of deposit of Challans	Whether filed within prescribed time (Yes/No)	If delay in filing whether requisite additional fees paid (Yes/No)
1.	Compliance Certificate		Sec 383 A	As on 31.03.2011	12.10.2011	Yes	No
2.	Balance Sheet		Sec. 220	As on 31.03.2011	26.11.2011	No	Yes
3.	Annual Return		Sec. 159	AGM held on 12.09.2011	28.11.2011	No	Yes

Place: Indore
Date: 30.05.2012

**Signature :
Name of the Company Secretary : ASHISH GARG
F.C.S No. 5181, C.P. No. 4423**

MANAGEMENT DISCUSSION & ANALYSIS REPORT**INDUSTRY STRUCTURE & DEVELOPMENTS**

The business of the Company is that of a Non Banking Finance Company (NBFC). Non Banking Financial Companies (NBFCs) play a crucial role in broadening access to financial services, enhancing competition and diversification of the financial sector. Banks and NBFCs compete for similar kinds of business. In spite of strong competition faced by the NBFCs, the inner strength of NBFCs viz local knowledge, credit appraisal skill, well trained collection machinery, close monitoring of borrowers and personalized attention to each client, are catering to the needs of small and medium enterprises in the rural and semi urban area. 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

Non-banking financial companies (NBFCs) are fast emerging as an important segment of Indian financial system. It is a heterogeneous group of institutions (other than commercial and co-operative banks) performing financial intermediation in a variety of ways, like accepting deposits, Making loans and advances, leasing, hire purchase, etc. They raise funds from the public, directly or indirectly, and lend them to ultimate spenders. They advance loans to the various wholesale and retail traders, small-scale industries and self-employed persons. Thus, they have broadened and diversified the range of products and services offered by a financial sector. Gradually, they are being recognized as complementary to the banking sector due to their customer-oriented services; simplified procedures; attractive rates of return on deposits; flexibility and time lines in meeting the credit needs of specified sectors; etc.

OPPORTUNITIES AND THREATS

The Board expects that the Company will continue to improve its overall performance and excel to enhance the profitability of the Company, in the present economic scenario and growth momentum of Indian economy, via its strategy competency, operational efficiencies. It expects a robust growth and enhanced market share on the strength of its existing product portfolio, operational efficiency and enhanced network alongwith the successful implementation of strategies in future. Current elevated rates of inflation pose significant threat to future growth. With the attention of Government focused in containing the inflation, the economic growth may see a deceleration with corporate turning in moderate growth.

RISK & CONCERN

The Company like any other Company is exposed to specific risks that are particular to its business and the environment within which it operates. The Company is exposed to the market risk (including liquidity risk) and also the factors that are associated with capital market, which interalia includes economic/business cycle, fluctuations in the stock prices in the market, besides the interest rate volatility, and credit risk. The Company is confident of managing these risks by maintaining a conservative financial profile, and by following prudent business and risk management practices.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has proper and adequate system of internal controls to ensure that all it's assets are safeguarded and protected against loss from unauthorized use or disposition of assets and that the transactions are recorded and reported. The Company ensures adherence to all internal control policies and procedures as well as compliance with all regulatory guidelines. Besides, the Audit Committee reviews the internal controls at periodic intervals in close coordination with the Internal Auditors.

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.

CORPORATE GOVERNANCE REPORT 2011-12**(Forming part of the Directors' Report of Devki Leasing & Finance Limited, Indore)**

Effective corporate governance practices constitute the foundations on which successful commercial enterprises are built to last. These practices are categorized through principle based standards and not just through a framework enforced by regulation. It develops through adoption of ethical practices in all of its dealings with a wide group of stakeholders encompassing regulators, employees, shareholders, customers and vendors.

1. COMPANY'S PHILOSOPHY

The Company has a strong legacy of fair, transparent and ethical governance practices. The Company firmly believes and has consistently practiced good corporate governance. The Company's policy is reflected by the very values of transparency, professionalism and accountability. The Company constantly strives towards betterment of these aspects and thereby perpetuate it into generating long term economic value for its shareholders, customers, employees, other associated persons and the society as a whole. 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. CEO / MD CERTIFICATION

In terms of Clause 49 of the Listing Agreement, the certification by the Managing Director on the financial statements and internal controls relating to financial reporting has been obtained.

3. BOARD OF DIRECTORS

The Board of Directors of the Company consists of persons with considerable entrepreneurial professional expertise and experience of trade, commerce and industry. The present composition is of one promoter Director and three independent professional Directors. Out of this only one is executive in the Company and working as the Managing Director. The particulars of the Board with their interest in other concern are presented before you in the following table:

Name of the Director	Interested in	Nature of interest
1. Shri Sudhir Bindal	Nil	Nil
2. Shri Manoj Kumar Singh	Nil	Nil
3. Shri Kamlesh Kasliwal	Nil	Nil
4. Shri Rajesh Khandelwal	Nil	Nil

4. BOARD PROCEDURE

The Board generally meet to resolve upon or to review Company's matters pertaining to planning, organizing, staffing, directing, co-coordinating 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. ***The Board met five times during the year under review on 30.04.2011, 30.06.2011, 30.07.2011, 29.10.2011, 30.01.2012.***

5. DIRECTORS ATTENDANCE:

Name of the Director	Category	Attendance at Board meeting	Attendance at AGM/EGM
1. Shri Sudhir Bindal	Managing Director	5	Yes
2. Shri Manoj K Singh	Independent Non-Executive	5	Yes
3. Shri Kamlesh Kasliwal	Independent Non-Executive	3	Yes
4. Shri Rajesh Khandelwal	Independent Non-Executive	5	Yes

6. 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:

A. AUDIT COMMITTEE

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements entered into with the stock Exchange read with Section 292 A of the Companies Act, 1956.

Composition

The Audit Committee comprised of three Directors, majority of who are Independent Directors. All these directors possess knowledge of corporate finance, accounts and company law. Statutory Auditors are permanent invitees of the meetings of the Committee.

The Minutes of the Audit Committee Meetings are noted by the Board of the Directors at the subsequent Board Meeting.

The composition of the Audit Committee and the details of meetings attended by its members are given below:

Name	Category	Number of Meetings during the year 2011-12	
		Held	Attended
Shri Manoj K Singh	Chairman Independent, Non – Executive	5	5
Shri Rajesh Khandelwal	Independent, Non – Executive.	5	5
Shri Kamlesh Kasliwal	Independent, Non – Executive.	5	5

Meetings

During the financial year ended 31st March, 2012, Five Audit Committee Meetings were held the Dates on which the Said meetings were held are as follow:

30.04.2011, 30.06.2011, 30.07.2011, 29.10.2011, 30.01.2012

B. SHARE TRANSFER COMMITTEE

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

- | | | | |
|-------|--------------------|---|----------|
| (i) | Shri Sudhir Bindal | – | Chairman |
| (ii) | Shri G. M. Pillai | - | Member |
| (iii) | Shri Manoj K Singh | - | Member |

The committee met time to time to record the share transfer

C. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

With view to review all matters connected with security transfers and transmission, redressal of shareholders/investor complaints like non-transfer of shares, non-receipt of balance-sheet, non-receipt of dividend, etc. a Share Transfer and Investor Grievance Committee has been constituted.

This committee oversees the performance of the Registrar & Transfer Agents and Secretary who have been authorised to deal with all these matters, also recommends measures for overall improvement of the quality of investor services.

The Committee comprises three members, viz., Shri Sudhir Bindal (Chairman), Shri G.M. Pillai and Shri Manoj Singh.

As of March 31, 2012, all requests, complaints, grievances, if any, have been replied to/resolved within the stipulated period and no such matter was pending.

7. COMPLIANCE OFFICER

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

8. GENERAL BODY MEETING

The last three General Meetings were held as per detail below: Date of General Meeting Relevant Venue/location Time of meeting Financial year where held

AGM/EGM	Date	Location of the Meeting	Time
AGM - 2009	30.09.2009	Reg. Off of the Company at Indore	3.00 pm
AGM - 2010	30.09.2010	Reg. Off of the Company at Indore	4.30 pm
AGM - 2011	12.09.2011	Reg. Off of the Company at Indore	4.30 pm

No special resolutions were passed through postal ballot in the last AGM. No special resolutions requiring postal ballot are placed before the shareholders for approval at the forthcoming AGM.

Details of Special Businesses Transacted in last three years General Meetings are as under:

AGM/EGM	Date	Special Business Transacted
AGM	30 th September, 2009	<ul style="list-style-type: none">• Appointment of Rajesh Khandelwal as Additional Director of the Company u/s 260.• Appointment of Kamlesh Kasliwal as Additional Director of the Company u/s 260.• Re-appointment of Sudhir Bindal as Managing Director of the Company u/s 269 read with 198,309 and 310.

9. NOTE ON DIRECTORS APPOINTMENT/ RE-APPOINTMENT

In terms of the provisions of the Companies Act, 1956 Shri Kamlesh Kasliwal would retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible offers him for re-appointment in the ensuing Annual General Meeting, hence approval of the members is being sought for his appointment.

10. OTHER DISCLOSURES

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

11. MEANS OF COMMUNICATION

- i. The Board of Directors of the Company approves and takes on record the quarterly, half yearly and yearly financial results in the Performa prescribed by Clause 41 of the Listing Agreement within one month of the end of the respective period.
- ii. The Quarterly/ Half yearly/ Annual Results of the Company are published in accordance with the Stock Exchange Listing Agreement in newspapers viz. “**Free Press**”, (English) and “**Choutha Sansar**” (Hindi).
- iii. Management Discussion and Analysis forms part of this Annual Report.

12. SHAREHOLDER INFORMATION

a) REGISTERED OFFICE

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

b) AGM

20TH AGM of the Company will be held on 29TH day of September, 2012 at 4.00 P.M. at the Registered Office of the Company.

c) FINANCIAL CALENDAR

(i)	Results for the quarter ending 30-06-2012:	Last week of July, 2012
(ii)	Results for the quarter ending 30-09-2012:	Last week October, 2012
(iii)	Results for the quarter ending 31-12-2012:	Last week January, 2013
(iv)	Results for the quarter ending 31-03-2013:	Last week May/ June, 2013

d) DATES OF BOOK CLOSURE

28th September, 2012 to 29th September, 2012 (both the days inclusive).

e) DIVIDEND

Not declared for the financial year.

f) LISTING

The equity shares of the Company are listed at MPSE, BSE and ASE.

g) STOCK CODE

The Company has Scrip Code: - 530765

h) ISIN NO

The Company has got the ISIN NO: INE510B01018 (both CDSL and NSDL)

i) MARKET QUOTES OF STOCKS

Table 1 gives the monthly high and low quotations as well the volume of shares traded at Bombay Stock Exchange during 2011-12.

Table 1: Monthly highs and lows and volumes traded at the BSE, 2011-12

Year	High(Rs.)	Low(Rs.)	Close(Rs.)
Mar 2012	2.20	2.10	2.10
Feb 2012	2.36	2.25	2.25
Jan 2012	-	-	-
Dec 2011	-	-	-
Nov 2011	2.36	2.25	2.25
Oct 2011	2.48	2.15	2.25
Sep 2011	2.66	2.42	2.60
Aug 2011	4.52	2.54	2.54
Jul 2011	4.75	4.75	4.75
Jun 2011	4.75	4.75	4.75
May 2011	4.76	4.53	4.75
Apr 2011	5.00	4.76	5.00

(j) REGISTRARS AND SHARE TRANSFER AGENTS

Link Intime India Limited
Formerly - Intime Spectrum Registry Limited
C-13, Pannalal Silk Mills Compound
LBS Marg, Bhandup, MUMBAI – 400

(k) SHARE TRANSFER SYSTEM

Share Transfers are registered and returned/Demat confirmed within 30 days from the date of receipt, if the documents are in order in all respects. The share transfer committee of the Board of Directors of the Company meets frequently to approve the transfer of shares.

(l) DISTRIBUTION OF SHAREHOLDING AS ON 31-03-2012

No. of Shares held	SHAREHOLDERS		SHARES		
	Numbers	%	Shares in Amount	%	
1	500	1163	64.5752	312430	8.9022
501	1000	337	18.7118	276276	7.8720
1001	2000	152	8.4398	231300	6.5905
2001	3000	45	2.4986	119098	3.3935
3001	4000	31	1.7213	112777	3.2134
4001	5000	8	0.4442	36940	1.0525
5001	10000	24	1.3326	177525	5.0583
10001	above	41	2.2765	2243254	63.9177
TOTAL		1801	100.00	35096000	100.00

(m) SHAREHOLDING PATTERN AS ON 31-03-2012.

Sr. No.	Category	No. of Shares Held	Percentage of Shareholding
1.	Promoters	1331573	37.94
2.	Private Corporate Bodies	375204	10.69
3.	Indian Public	1797623	51.22
4.	NRIs/OCBs	5200	0.15
	Total	3509600	100

DEMATERIALISATION OF SHARES AND LIQUIDITY

Total number of Dematted shares with NSDL	1791428
Total number of Dematted shares with CSDL	252352
Total number of shares HELD IN Physical form	1464020

Declaration by the Managing Director under Clause 49 of the Listing Agreement regarding adherence to the Code of Conduct

In accordance with Clause 49 sub-clause I(D) of the Listing Agreement, I hereby declare that all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct applicable to all the Directors and Senior Management, for the year ended March 31, 2012.

S/d-
SUDHIR BINDAL
Chairman & Managing Director

CERTIFICATE

To,
The Board of Directors,
DEVKI LEASING & FINANCE LTD
Indore (M.P.)

Dear Sirs,

- (a)** We have reviewed the Balance Sheet, Profit and Loss Account and all its Schedules and Notes on Accounts, as well as the cash flow statement as at 31st March 2012 and that to the best of their knowledge and belief:
 - (1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b)** We further certify that, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct.
- (c)** We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and they have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d)** We have indicated to the Auditors and the Audit Committee that there is
 - (i) No significant change in internal control over financial reporting during the year
 - (ii) No significant change in accounting policies during the year under review and
 - (iii) No instance of any fraud in the Company in which the management has any role.

PLACE: INDORE
DATE: 30.05.2012

S/d-
SUDHIR BINDAL.
Chairman & Managing Director

AUDITORS REPORT ON CORPORATE GOVERNANCE

To,
The Members,

We have examined the compliance of conditions of Corporate Governance by Devki Leasing and Finance Limited for the year ended 31st March, 2012 as stipulated in Clauses 49 of the Listing Agreement with the Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and management, we certify that the Company has complied with the conditions of Corporate Governance applicable as aforesaid.

As required by the Guidance Note issued by the ICAI, on the basis of information and explanations given to us, we have to state that no investor grievances were pending for a period of one month.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted its affairs.

PLACE: INDORE
DATE: 30.05.2012

For A. B. Doshi & Co.
Chartered Accountants

Ashwini Kumar Doshi
Proprietor

AUDITORS' REPORT

To
The Board of Directors
Devki Leasing and Finance Limited

We have audited the attached Consolidated Balance Sheet of **Devki Leasing and Finance Limited** (referred to as the “holding Company”), and Devki Cyber Securities Private Limited ,(referred to as the “subsidiary company”) as at **31st March 2012**, the Consolidated Statement of Profit & Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements 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 the 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 the management, as well as evaluating the overall financial statement presentations. We believe that our audit provides a reasonable basis for our opinion.

We report that the consolidated financial statements have been prepared by the company's management in accordance with the requirement of accounting standard {AS 21}, ‘Consolidated Financial Statements’ issued by the Institute of Chartered Accountants of India.

In our opinion and to the best of our information and according to the explanations given to us and on the consideration of separate audit reports on individual audited financial statements of the company and its subsidiary company and other financial information of components, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India: -

- (i) In the case of the **Consolidated Balance Sheet**, of the state of affairs of the company as at March **31st 2012** ;
- (ii) In the case of the **Consolidated Statement of Profit and Loss Account**, of the **Loss** for the year ended on that date; and
- (iii) In the case of the **Consolidated cash flow statement**, of the cash flow of the company for the year ended on that date

For A.B.DOSHI & CO.
Chartered Accountants
Firm Registration No. 001577C

Ashwini Kumar Doshi
Proprietor
Membership .No. 031460

Place: Indore
Date: May 30, 2012

DEVKI LEASING AND FINANCE LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2012

Particulars	Note No.	As at 31 March 2012 { Rs. }	As at 31 March 2011 { Rs. }
A EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2	35096000.00	35096000.00
(b) Reserves and surplus	3	-15054691.19	-14129649.88
		<u>20041308.82</u>	<u>20966350.12</u>
Non-current liabilities			
(a) Long-term borrowings	4	26284879.07	26284879.07
(b) Deferred tax liabilities (net)	5	136607.73	146826.13
(c) Other long-term liabilities	6	40700.09	40684.44
		<u>26462186.89</u>	<u>26472389.64</u>
Current liabilities			
(a) Trade payables	7	0.00	118240.00
(b) Other current liabilities	8	196255.42	127012.50
(c) Short-term provisions	9	8196.00	7979.00
		<u>204451.42</u>	<u>253231.50</u>
TOTAL		<u>46707947.13</u>	<u>47691971.26</u>
B ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	1381624.76	1606563.57
(ii) Intangible assets	10	282775.00	282775.00
(b) Non-current investments	11	36173250.00	36173250.00
(c) Long-term loans and advances	12	217558.90	241766.86
(d) Other non-current assets	13	1236956.42	1439456.41
		<u>39292165.08</u>	<u>39743811.84</u>
Current assets			
(a) Inventories	14	2588268.12	2605788.12
(b) Trade receivables	15	0.00	466.91
(c) Cash and Bank equivalents	16	4682147.07	4709874.39
(d) Short-term loans and advances	17	145366.86	621000.00
(e) Other current assets	18	0.00	11030.00
		<u>7415782.05</u>	<u>7948159.42</u>
TOTAL		<u>46707947.13</u>	<u>47691971.26</u>

Significant Accounting Policies & Notes on Accounts 1to 25

As per our report of even date attached

FOR A.B.DOSHI & CO.

Chartered Accountants
Firm Registration No. 001577C

Ashwini Kumar Doshi

Proprietor
Membership No. 031460

Place : Indore

Dated : May 30, 2012

For and on behalf of the Board

Sudhir Bindal
Managing Director

Manoj Kumar Singh
Director

DEVKI LEASING AND FINANCE LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR 2011-12

Particulars	As at 31 March 2012 { Rs.}	As at 31 March 2011 { Rs.}
<u>A: CASH FLOW FROM OPERATING ACTIVITIES</u>		
Net Loss before tax as per Profit and Loss Account	-930815.06	-4073401.62
Adjusted for :		
Depreciation and Amortisation Expenses	224938.81	229995.21
Share of Minorities	-15.65	-18.18
Other Income	-89707.61	-26020.65
	<u>-795599.51</u>	<u>-3869445.24</u>
Operating profit before Working Capital Changes		
Movement in Working Capital		
Increase/(decrease) in other Long term liabilities	15.65	-185777.82
Increase/(decrease) in trade payables	-118240.00	-55461.08
Increase/(decrease) in other current liabilities	69242.92	127012.50
Increase/(decrease) in short term provision	217.00	7979.00
Increase/(decrease) in long term loan and advance	24207.96	-195366.86
Increase/(decrease) in other non current assets	202500.00	-861956.42
Increase/(decrease) in inventories	17520.00	27447.33
Increase/(decrease) in trade receivables	466.91	4484132.51
Increase/(decrease) in short term loan and advance	475633.14	625333.16
Increase/(decrease) in other current assets	11030.00	-9789.00
Cash Generated from operations	<u>-113005.93</u>	<u>94108.08</u>
Income-tax	4429.00	0.00
Net Cash from Operating Activities	<u>-117434.93</u>	<u>94108.08</u>
<u>B: CASH FLOW FROM INVESTING ACTIVITIES</u>		
Interest Received	21753.61	4224.00
Income Tax Refund	65242.00	0.00
Proceeding from Sale of Investment	0.00	143548.85
Dividend	2712.00	3247.80
	<u>89707.61</u>	<u>151020.65</u>
Net Cash (used in) Investing Activities	89707.61	151020.65
<u>C: CASH FLOW FROM FINANCING ACTIVITIES</u>		
Proceeds From long term borrowings	0.00	-179580.00
Net Cash (used in)/ from Financing Activities	0.00	-179580.00
Net increase /(decrease) in cash and cash equivalents [A+B+C]	-27727.32	65548.73
Opening Balance of Cash and cash equivalents	4709874.39	4644325.66
Closing Balance of Cash and cash equivalents	<u>4682147.07</u>	<u>4709874.39</u>

As per our report of even date attached

FOR A.B.DOSHI & CO.
Chartered Accountants
Firm Registration No. 001577C

Ashwini Kumar Doshi
Proprietor
Membership No. 031460

Place : Indore
Dated : May 30, 2012

For and on behalf of the Board

Sudhir Bindal
Managing Director

Manoj Kumar Singh
Director

DEVKI LEASING AND FINANCE LIMITED

1. SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUTS

a) Basis of Preparation of Consolidation financial Statements

The consolidated financial statements have been prepared and presented under the historical cost convention on accrual basis of accounting in accordance with the accounting principles generally accepted in India and comply with the mandatory accounting standard issued by the institute of chartered Accountant of India and the provisions of the Companies Act, 1956.

b) Principals of Consolidation

The consolidated financial statements include the financial statements of Devki Leasing and Financial Limited, the parent company and its 99.8 % Subsidiary Devki Cyber Securities Private Limited, Indore (M.P.)

The Consolidated Financial Statements have been prepared on the following basis

- a) The financial statements of the parent company and the subsidiary company have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses. The amount shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post-acquisition increase/decrease in the relevant reserves of the subsidiary.
- b) The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the parent company for its separate financial statements.
- c) The consolidated financial statements are presented using uniform accounting policies for like transactions and other events in similar circumstances as required by Accounting Standard (AS) 21, 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India.

DESCRIPTION OF THE GROUP

Devki Leasing and Finance Limited ,the parent company hold 99800 share of total 100000 equity share comprised 99.8% holding of its Subsidiary Devki Cyber Securities Private Limited

For and on behalf of the Board

Sudhir Bindal
Managing Director

Manoj Kumar Singh
Director

AUDITORS' REPORT

To
The Members
Devki Leasing and Finance Limited

1. We have audited the attached Balance Sheet of **Devki Leasing and Finance Limited** as at **31st March 2012**, the Statement of Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the 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 the management, as well as evaluating the overall financial statement presentations. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) order 2003, as amended by Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, of India (the Act) and on the basis of such checks of books and records of the Company as we considered appropriate and according to the information and explanations given to us , we enclosed in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order .
4. Further to our comments in the Annexure referred in paragraph 3 above we report that:
 - a) We have obtained all the information & explanation, which to the best of our knowledge & belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of accounts as required by law have been kept by the Company, so far as appears from our examinations of those books.
 - c) The Balance Sheet and Statement Profit & Loss Account & Cash flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet and Statement of Profit & Loss Account & Cash Flow Statement dealt with by this report comply with the Accounting Standards notified in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the Directors, as on March 31, 2012 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2012 from being appointed as Director in terms of clause (g) of sub-section (1) of section 274 of the Act;

[2]

- f) In our opinion and to the best of our information and according to the explanations given to us, and subject to –

Note No – 1.8 relating to retirement benefits which are accounted for on payment basis. The extent of non compliance of value term is not ascertainable.

Note No.- 25 relating to Non Provision of Interest on Secured Loan, resulting in Loss for the year and liability being understated to the extent of said amount of interest.

- g) In our opinion and to the best of our information and according to the explanations given to us , the said financial statements read together with the Significant Accounting Policies and notes thereon and attached thereto, give in the 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 ;

- (i) In the case of the **Balance Sheet**, of the state of affairs of the company as at March **31st 2012** ;
- (ii) In the case of the **Statement of Profit and Loss Account**, of the **Loss** for the year ended on that date; and
- (iii) In the case of the **cash flow statement**, of the cash flow of the company for the year ended on that date;

For A.B.DOSHI & CO.

Chartered Accountants

Firm Registration No. 001577C

Ashwini Kumar Doshi

Proprietor

Membership .No. 031460

Place: Indore

Date: May 30, 2012

DEVKI LEASING AND FINANCE LIMITED

ANNEXURE TO THE AUDITORS REPORT

[Annexure referred to in paragraph 3 of the report of the Auditors to the members on the Accounts of Devki Leasing and Finance Limited, for the period ended on March 31, 2012.]

1

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) None of the substantial part of fixed assets has been disposed off during the year.

2.

- (a) The stock of shares and securities has been physically verified by the management at reasonable intervals during the year. In our opinion the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of stock of shares & securities followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) The Company has maintained proper records of inventory and the discrepancies noticed on verification between the physical stocks and book records were not material and have been properly dealt with in the books of account.

3.

- (a) The Company has not taken any loans, secured or unsecured to / from companies, firms or parties covered in the register maintained under section 301 of the act.
- (b) The Company has not granted any loans to party covered in the register maintained under section 301 of the act.
- (c) The parties to whom loans and or advances in the nature of loans have been granted, are generally repaying the principal and interest, where stipulated.

4.

In our opinion and according to the information and explanations given to us The Company has an adequate internal control procedure commensurate with the size and nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal controls.

DEVKI LEASING AND FINANCE LIMITED

ANNEXURE TO THE AUDITORS REPORT

5. In our opinion and according to the information and explanations given to us all the transactions that need to be entered into the register maintained under section 301 of the act have been properly entered and are made at prices which are reasonable having regard to the prevailing market price at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public as governed by the provision of Section 58 A and 58 AA of the Companies Act, 1956 and rules framed thereunder.
7. In our opinion, the Company has as an Internal Audit system commensurate with the size and nature of its business.
8. According to the information and explanations given to us, we are of the opinion that no cost records maintenance has been prescribed by the Central Govt. under section 209 (1) (b) of the Companies Act, 1956.
9.
 - (a) The company is regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
 - (b) According to the information and explanations given to us and there is no undisputed amount payable in respect of income tax, sales tax, wealth tax, custom duty, excise duty, and cess were in arrears, as at the last day of the financial year concerned for a period of more than six months from the date they become payable.
 - (c) According to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, custom duty, excise duty, and cess, which have not been, deposited on account of any dispute
10. The Company has accumulated losses and also has incurred cash losses during the financial year concerned by our audit and has incurred cash loss in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the company has defaulted in repayment of dues to the banks and same has been declared as Non Performing assets by the bank.
12. In our opinion and according to the information and explanations given to us, the company has not granted loans & advances on the basis of security by way of pledge of share, debentures and other securities.
13. As the company is not a Nidhi /Mutual Benefit Fund /Society /Investment Company, the reporting requirement under point no. (xii), (xiii), (xiv) are not applicable to the company.

DEVKI LEASING AND FINANCE LIMITED

ANNEXURE TO THE AUDITORS REPORT

14. 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 is held by the company in its own name.
15. According to information and explanations given to us, we are of the opinion that the company has not given any guarantee for loans taken by others from banks & other financial institutes
16. According to the information and explanation given to us, the company has not taken any term loan during the year; hence requirement of this clause is not applicable to the company.
17. According to the information and explanation given to us and on an overall examination of the Balance Sheet of the company, we report that the no funds raised on short-term basis have been used for long term investment.
18. In our opinion and according to the information and explanations given to us, the company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The company has not issued debentures during the year hence the question of creation of securities for debenture dose not arises.
20. The company has not raised any funds by Public issue; clause (xx) of the order is not applicable.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For A.B.DOSHI & CO.

Chartered Accountants

Firm Registration No. 001577C

Ashwini Kumar Doshi

Proprietor

Membership .No. 031460

Place: Indore

Date: May 30, 2012

DEVKI LEASING AND FINANCE LIMITED**BALANCE SHEET AS AT 31st MARCH 2012**

Particulars	Note No.	As at	As at
		31 March 2012 { Rs. }	31 March 2011 { Rs. }
A EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2	35096000.00	35096000.00
(b) Reserves and surplus	3	-15043088.06	-14110233.79
		<u>20052911.95</u>	<u>20985766.21</u>
Non-current liabilities			
(a) Long-term borrowings	4	26284879.07	26284879.07
(b) Deferred tax liabilities (net)	5	136607.73	146826.13
(c) Other long-term liabilities	6	228765.00	230465.00
		<u>26650251.80</u>	<u>26662170.20</u>
Current liabilities			
(a) Trade payables	7	0.00	118240.00
(b) Other current liabilities	8	188055.42	124312.50
(c) Short-term provisions	9	4996.00	7508.00
		<u>193051.42</u>	<u>250060.50</u>
TOTAL		<u>46896215.17</u>	<u>47897996.91</u>
B ASSETS			
Non-current assets			
(a) Fixed assets			
- Tangible assets	10	1381624.76	1606563.56
(b) Non-current investments	11	36935000.00	36935000.00
(c) Long-term loans and advances	12	166129.97	191766.86
(d) Other non-current assets	13	1236956.42	1439456.42
		<u>39719711.15</u>	<u>40172786.84</u>
Current assets			
(a) Inventories	14	2588268.12	2605788.12
(b) Trade receivables	15	0.00	466.91
(c) Cash and Bank equivalents	16	4442869.04	4486925.04
(d) Short-term loans and advances	17	145366.86	621000.00
(e) Other current assets	18	0.00	11030.00
		<u>7176504.02</u>	<u>7725210.07</u>
TOTAL		<u>46896215.17</u>	<u>47897996.91</u>

Significant Accounting Policies & Notes on Accounts

1 to 32

As per our report of even date attached

FOR A.B.DOSHI & CO.

Chartered Accountants

Firm Registration No. 0015770

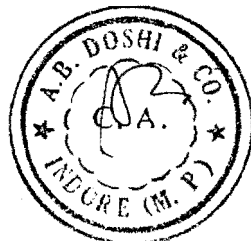
Ashwini Kumar Doshi

Proprietor

Membership No. 031460

Place : Indore

Dated : May 30, 2012



For and on behalf of the Board

Sudhar Bindal
Managing DirectorManoj Kumar Singh
Director

Notes forming part of the financial statements

Note : 2

Shareholder's Funds -Share Capital

Particulars	As at 31 March 2012 { Rs.}	As at 31 March 2011 { Rs.}
Authorised		
3750000 (Previous Year 3750000) Equity Shares of Rs.10/-each	37500000.00	37500000.00
	<u>37500000.00</u>	<u>37500000.00</u>
Issued		
3509600 (Previous Year 3509600) Equity Shares of Rs.10/- each	35096000.00	35096000.00
	<u>35096000.00</u>	<u>35096000.00</u>
Subscribed & fully Paid up		
3424800 (Previous Year 3424800) Equity Shares of Rs. 10/- each	34248000.00	34248000.00
Subscribed but not fully Paid up		
84800 (Previous Year 84800) Equity Shares of Rs. 10/- each	848000.00	848000.00
Total	<u>35096000.00</u>	<u>35096000.00</u>

2.1 Reconciliation of the number of shares and amount outstanding is set out below :

Particulars	As at 31 March 2012 { No. of Share }	As at 31 March 2011 { No. of Share }
Shares outstanding at the beginning of the year	3509600	3509600
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	<u>3509600</u>	<u>3509600</u>

2.3 Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

2.4 Disclosure of More than 5% Shareholding

Name of Shareholder	As at 31 March 2012		As at 31 March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Jupiter Securities & Proprieties Private Limited	180900	5.15%	180900	5.15%

2.5 Details of Allotment Money Pending

Particulars	As at 31 March 2012		As at 31 March 2011	
Equity Shares	No. of Shares held	Amount	No. of Shares held	Amount
Aggregate of calls unpaid				
- by directors	Nil	Nil	Nil	Nil
- by officers	Nil	Nil	Nil	Nil
- by others	84800	577500.00	84800	577500.00

Devki Leasing and Finance Limited

Notes forming part of the financial statements

Particulars	As at 31 March 2012 { Rs.}	As at 31 March 2011 { Rs.}
-------------	----------------------------------	----------------------------------

Note : 3

Reserves and surplus

Statutory Reserve Fund

As per last Balance Sheet	855703.05	855703.05
---------------------------	-----------	-----------

Surplus/{Deficit} in Statement of Profit & Loss

Opening Balance	-14965936.84	-10894705.37
Add : - Deficit for the Year Profit & Loss	-932854.27	-4071231.47
Closing Balance	<u>-15898791.11</u>	<u>-14965936.84</u>
Total {A+B}	-15043088.06	-14110233.79

#. Statutory Reserve fund was created as per the direction issued by Reserve bank of India for NBFC's to make provision against standard assets .

Note : 4

Long-Term borrowings

Secured

Dena Bank - Cash Credit Account	26284879.07	26284879.07
Total	<u>26284879.07</u>	<u>26284879.07</u>

#. 244 Lac of Working capital loan secured against hypothecation of Stock of hire under the Tri party agreement & collateral securities of Immovable property situated at 13-14, RNT Marg Indore & Office at Mumbai

#. Working Capital Loan from Dena Bank has been treated as Long term Borrowing since same is outstanding more then 12 Months and account has been declared as Non Performing Assets by the bank .

#. No Provision for Interest has been made on the secured loan given by the Dena Bank as matter is in litigation and same shall be accounted for on cash basis on settlement of case.

Note : 5

Deferred Tax Liability

Related to Fixed assets	136607.73	146826.13
Total	<u>136607.73</u>	<u>146826.13</u>

Note : 6

Other long-Term Liabilities

Creditor of Expenses	38715.00	38715.00
Other Payables	190050.00	191750.00
Total	<u>228765.00</u>	<u>230465.00</u>

Devki Leasing and Finance Limited

Notes forming part of the financial statements

Particulars	As at 31 March 2012 { Rs.}	As at 31 March 2011 { Rs.}
-------------	----------------------------------	----------------------------------

Note : 7

Current liabilities

Trade Payable	-	118240.00
Total	<u>-</u>	<u>118240.00</u>

Note : 8

Other current Liabilities

Creditor of Expenses	92713.25	94708.55
Other Payable	95342.17	29603.95
Total	<u>188055.42</u>	<u>124312.50</u>

Note : 9

Short-term Provisions

Income-tax		
Others	4996.00	7508.00
Total	<u>4996.00</u>	<u>7508.00</u>

M/S DEVKI LEASING & FINANCE LIMITED

NOTE - "10"- FIXED ASSETS

Sr. No.	Description	Rate %	Gross Block				Accumulated Depreciation				Net Block	
			As at 01.04.2011	Additions/ Adjustment	Deduction/ Adjustments	As at 31.03.2012	As at 01.04.2011	For the Year	Deduction/ Adjustments	Upto 31.03.2012	As at 31.03.2012	As at 31.03.2011
	TANGIBLE ASSETS											
	OWN ASSETS											
1	Air Conditioner	4.75%	14100.00	0.00	0.00	14100.00	4666.23	669.75	-	5335.98	8764.02	9433.77
2	Car	9.50%	583211.00	0.00	0.00	583211.00	410519.51	55405.05	-	465924.55	117286.45	172691.50
3	Furniture & Fixtures	6.33%	2953676.41	0.00	0.00	2953676.41	1695022.38	148405.00	-	1843427.38	1110249.03	1258654.03
4	Bicycle	9.50%	10575.00	0.00	0.00	10575.00	10574.00	0.00	-	10574.00	1.00	1.00
5	Computer	16.21%	1042788.05	0.00	0.00	1042788.05	1042787.05	0.00	-	1042787.05	1.00	1.00
6	Office Equipments	4.75%	430716.00	0.00	0.00	430716.00	264933.73	20459.01	-	285392.74	145323.26	165782.27
	Total { Rs.}		5035066.46	0.00	0.00	5035066.46	3428502.90	224938.81	-	3653441.70	1381624.76	1606563.57
	Previous Year		5035066.46	0.00	0.00	5035066.46	3428502.90	229995.21	-	3428502.90	1606563.57	1878571.97

Devki Leasing and Finance Limited

Notes forming part of the financial statements

Particulars	As at 31 March 2012 { Rs.}	As at 31 March 2011 { Rs.}
Note :11		
Non -Current Investments		
{ Long Term Investments }		
Trade Investment		
In Equity Share of Subsidiary Companies -		
Unquoted , fully paid up - Face Value Rs. 10 each		
99800 - Devki cyber Securities Private Limited	998000.00	998000.00
'(99800) of Rs.10 each		
Total Trade Investment {A}	998000.00	998000.00
Other Investment		
In Equity Share - Unquoted , fully paid up - Face Value Rs. 10 each		
450000 Velcity Limited		
(450000) of Rs. 10 each	4500000.00	4500000.00
48000 Velcity Limited		
(48000) of Rs. 22 each	1056000.00	1056000.00
156000 Velcity Limited		
(156000) of Rs. 27 each	4212000.00	4212000.00
202500 Velcity Limited		
(202500) of Rs. 30 each	6075000.00	6075000.00
200000 Design Finance Limited		
(200000) of Rs. 10 each	2000000.00	2000000.00
150000 P.J. Credit Capital Limited		
(150000) of Rs. 10 each	1500000.00	1500000.00
30000 Brahma Builders Limited		
(30000) of Rs. 10 each	300000.00	300000.00
19600 Kitti Stock Brokers Pvt. Ltd.		
(19600) of Rs. 15 each	294000.00	294000.00
40000 Krishna Kripa Holdings Private Ltd.		
(40000) of Rs. 50 each	2000000.00	2000000.00
150000 Sundriop Securities Pvt Ltd		
(150000) of Rs. 40 each	6000000.00	6000000.00
50000 Alpine Essence Limited		
(50000) of Rs. 10 each	500000.00	500000.00
62500 Brahma Builders Limited		
(62500) of Rs. 40 each	2500000.00	2500000.00
125000 Jupiter Securities Pvt Ltd		
(125000) of Rs. 40 each	5000000.00	5000000.00
Total Trade Investment {B}	35937000.00	35937000.00
Total Non Current Investment { A+B}	36935000.00	36935000.00
Aggregate amount of unquoted investments	36935000.00	36935000.00

***Figure in brackets indicate corresponding figure of Previous year .

Devki Leasing and Finance Limited

Notes forming part of the financial statements

Particulars	As at 31 March 2012 { Rs. }	As at 31 March 2011 { Rs. }
Note :12		
Long-term loans and advances		
{ <i>Unsecured and Considered Goods</i> }		
Security Deposit	12900.00	21400.00
Deposit with Revenu Authorities	128229.97	145366.86
Advance for capital Assets	25000.00	25000.00
Total	166129.97	191766.86
Note :13		
Other non-current assets		
Long Term Trade Receivables		
{ <i>Unsecured ; considered good</i> }	659456.42	861956.42
Allotment money in arrears	577500.00	577500.00
Total	1236956.42	1439456.42
Note :14		
Inventories		
Stock in Trade - Equity Shares	2588268.12	2605788.12
Total	2588268.12	2605788.12
Note :15		
<u>Trade receivables</u>		
{ <i>Unsecured and Considered Goods</i> }		
Less then Six Months	0.00	466.91
Total	0.00	466.91
Note :16		
<u>Cash & cash equivalents</u>		
Cash in Hand	24324.04	11934.04
Balances with Schedule Banks		
- In Current Account	12822.00	32770.00
- Fixed Deposit with banks #	4405723.00	4442221.00
Total	4442869.04	4486925.04
# . Fixed Deposit with banks include deposit of Rs. 44 Lacs (Previous Year Rs. 44 Lac) with Maturity of more than 12 months .		
# . The deposit maintained by the Company with banks comprise of time deposit, which can be withdrawn by the company at any point without prior notice or penalty on the principl.		
Note :17		
Short-term loans and advances		
{ <i>Unsecured and Considered Goods</i> }		
Deposit with Revenu Authorities	145366.86	0.00
Advance to Staff	0.00	621000.00
Total	145366.86	621000.00
Note :18		
Other current assets		
Bombay Stock Exchange Limited	0.00	11030.00
Total	0.00	11030.00

Devki Leasing and Finance Limited

Notes forming part of the financial statements

Particulars	As at 31 March 2012 { Rs.}	As at 31 March 2011 { Rs.}
Note :19		
Revenue from Operations		
Sale of Equity Shares	21461.66	-
<i>Income from Financing Activity</i>		
Interest	347858.40	273009.97
Other Financial Services	946343.68	1463417.56
Total	1315663.74	1736427.53
Note :20		
Other Income		
Interest Received on Income Tax Refund	3576.00	0.00
Income Tax Refund	65054.00	0.00
Dividend	212.00	747.80
Total	68842.00	747.80
Note :21		
Change in Inventories of Stock-in-Trade		
Inventories { Opening }	2605788.12	2605788.12
Less:- Inventories { Closing }	2588268.12	2605788.12
Total	17520.00	0.00
Note :22		
Employee Benefits Expenses		
Salaries	1207385.00	1221481.00
Total	1207385.00	1221481.00

#. The company has not provided for gratuity, privilege leave and other retirement benefits as the company follows the practice of accounting for the retirement benefits as and when paid. This is not in accordance with the Accounting standard – 15 issued by the Institute of Chartered Accountants of India. The extent of non compliance in value term is not ascertainable and material.

Devki Leasing and Finance Limited

Notes forming part of the financial statements

Particulars	As at	As at
	31 March 2012	31 March 2011
	{ Rs. }	{ Rs. }
Note :23		
Other Expenses		
<u>Establishment & Administrative</u>		
Advertisement	17739.00	19743.00
Bad Debts	0.00	3286677.00
Bank Charges	0.00	420.00
Books & Peridocals	0.00	6671.00
Business Promotions	3345.00	5000.00
Communication Expenses	25139.00	28452.00
Consultancy Fee	44682.00	0.00
Convyance	5600.00	28090.00
Demat Expenses	69617.76	83270.09
Electricity	275413.00	136783.00
Filing Fee	5500.00	3000.00
Interest Paid on TDS	210.00	102.00
Key Men Insurance	34223.00	34223.00
Legal & Professional Fee	92206.00	419010.00
Licence fee	0.00	3665.00
Listing Fee	141545.00	10000.00
Meeting Expenses	16180.00	24640.00
office Expenses	1675.00	350.00
Payment to Auditors	28545.00	16545.00
Recovery Charges	1506.00	0.00
Rent , Rate & Taxes	2500.00	100972.50
Repair & Maintanance -others	395.00	3470.00
Repair & Maintanance -Vechile	37426.00	66275.00
Stationery & Printing	592.84	11550.00
Travelling	73695.00	79280.00
Total	877734.60	4368188.59

23.1 Payment to Auditors as :

Statutory Audit Fee	16545.00	16545.00
Consultation Fees	12000.00	0.00
Total {Rs.}	28545.00	16545.00

Note :24

Earnings per equity share { EPS }

1). Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders	-932854.27	-4071231.47
2). Weighted Average number of Equity shares used as denominator for calculating EPS	3509600.00	3509600.00
3). Basis and Diluted Earnings per share	-0.27	-1.16
4). Face Value per equity share	10.00	10.00

DEVKI LEASING AND FINANCE LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2012

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The accompanying financial statement have been prepared under the historical cost convention, going concern and on the accrual basis of accounting in accordance with the provisions of the Companies Act, 1956 & comply with the accounting standards issued by the Institute of Chartered Accountants of India to the extent applicable.

1.2 ACCOUNTING ESTIMATES

The preparation of the financial statements in accordance with generally accepted accounting principles often requires that Company officials makes estimates & assumption that affect the reported amount of Assets & Liabilities and disclosure of contingent Assets and liabilities as on the date of financial statement & the reported amounts of revenue & expenses. During the reported period Company officials believes that the estimates used in the preparation of the financial statement are prudent & reasonable, actual results could differ from these estimates.

1.3 FIXED ASSETS

Fixed assets are stated at cost less accumulated depreciation.

1.4 DEPRECIATION

Depreciation on fixed assets have been provided on straight-line method and on prorata basis at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956.

1.5 INVENTORIES

Inventories are valued at cost or net realizable value, whichever is lower. The cost in respect of the various items of inventory is computed as under.

- **Hire purchase Stock:** At Cost Plus total finance charges and reduced by the installments, which have matured during the relevant period and un-matured finance charges.

The company has filed legal suits against some defaulters, which are classified as non-performing assets as per Reserve Bank of India's guidelines, and provisions for the same are being made in the accounts. However, during the year few of suits filed cases are written –off considering the bleak possibility of their recovery. Any recovery made in the future shall be properly accounted for as receipt.

- **Stock in trade:** The Securities acquired with the intention of short term holding and trading positions are considered as stock in trade. Securities held as stock in trade are valued at cost or net realizable value, whichever is lower.

DEVKI LEASING AND FINANCE LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2012 [CONTD.]

1.6 REVENUE RECOGNITION

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection.. Interest Income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

1.7 TAXES ON INCOME

Tax expenses comprises of Current tax and deferred tax. Current Tax Provision, if any, has been made on the basis of reliefs and deduction available under the Income- Tax Act, 1961. Deferred tax resulting from “timing difference” between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the Balance Sheet date. The deferred tax assets is recognised and carried forward only to the extent that there is a reasonable certainty that the assets can be realised in future. However, where there is unabsorbed depreciation or carry forward losses under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each Balance Sheet date.

1.8 RETIREMENT BENEFITS

The company has not provided for gratuity ,privilege leave and other retirement benefits as the company follows the practice of accounting for the retirement benefits as and when paid.

1.9. Consistency:

These Financial statements have been prepared on basis consistent with previous years and accounting policies not specifically referred hereto are consistent with generally accepted accounting principles.

1.10. IMPAIRMENT OF ASSETS:

In accordance with the Accounting Standard (As-28) in “ Impairment of Assets “ issued by The Institute of Chartered accountants of India , during the year the company has reassessed its fixed assets and is of the view that no further impairment / reversal is considered to be necessary in view of its expected realizable .

1.11. SEGMENTAL REPORTING:

Being the company having only one line of operation and working in a single geographical area and in accordance with the provisions of AS -17 , the company has only one reportable segment consisting of its finance operation. Hence segmental report is not furnished.

1.12. INVESTMENTS

Investments that are intended to be held for more than a year, from the date of acquisition, are classified as long term investments and are carried at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary.

DEVKI LEASING AND FINANCE LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2012 [CONTD.]

25. CONTINGENT LIABILITIES

- Contingent liability that may arise due to delayed / non-compliance of certain fiscal statutes amount unascertainable.
 - The company has not provided for gratuity , privilege leave and other retirement benefits as the company has follows the practice of accounting for the retirement benefits as and when paid . This not in accordance with accounting standards -15 issued by the Institute of Chartered Accountants of India. The extent of non compliance in value is not ascertainable and material.
 - No Provision for Interest has been made 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 The extent of value is not ascertainable..
26. Balance of Sundry Debtors, Sundry Creditors, Trade Deposit, Loans & Advances and others are subject to confirmation. However, in the opinion of the management these accounts will fetch the amount as stated in the books of account on realisation in the ordinary course of business.
27. No impairment loss has been booked in the books of accounts due to recoverable amount (higher of an asset's net selling price and its value in use) is higher than carrying amount of asset as per the Directors of company.
28. In the opinion of the management and to the best of their knowledge and belief, the aggregate value of the current assets and loans & advances, on realization in the ordinary course of business, will not be less than the amount at which they are stated in the balance sheet.
29. The Company has generally complied with the direction issued by Reserve Bank of India and provisions of section 58A of the Companies Act, 1956. The policy of provisioning for Non – performing Loans and Advances has been decided by the management considering prudential norms prescribe by the Reserve Bank of India
30. Additional information pursuant to part II of Schedule VI of the Companies Act, 1956: -

QUANTITATIVE DEATAILS

Particulars	Current Year (2011-2012)		Previous Year (2010-2011)	
	Shares	Value Rs.	Shares	Value Rs.
Opening Stock	2150000	2605788.12	2152175	2633235.45
Shares Sales	200	21461.66	2175	27447.33
Shares Purchased	-	0.00	-	0.00
Closing Stock	2149800	2588268.12	2150000	2605788.12
Expenses in Foreign Currency	Nil	Nil	Nil	Nil

DEVKI LEASING AND FINANCE LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2012 [CONTD.]

31. Related Party Disclosures have been set out as below. The related parties , as defined by Accounting Standard 18 related party disclosure, issued by Institute of chartered Accountants of India .In respect of which the disclosures have been made , have been identified on the basis of information available with the company .

S. No.	Name of Person / Enterprises	Nature of payment	Amount (Rs.)
1.	Mr. Sudhir Bindal	Remuneration	3.72,000/-
2.	Devki Cyber Securities Pvt. Ltd.	Control over enterprises	

32. These financial Statements have been prepared in the format prescribed by the Revised Schedule VI to the Companies Act, 1956. Previous year figures have been reworked, recast/re-stated to confirm to the classification of the Current year.

FOR A.B.DOSHI & CO.

Chartered Accountants
Firm Registration No. 001577C

Ashwini Kumar Doshi
Proprietor
Membership No. 031460

Place : Indore
Dated : May 30, 2012

For and on behalf of the Board

Sudhir Bindal
Managing Director

Manoj Kumar Singh
Director

**STATEMENT PURSUANT TO EXEMPTION RECEIVED UNDER SECTION 212(3) AND 212(5)
OF THE COMPANIES ACT , 1956 RELATING TO SUBSIDIARY COMPANY**

NAME OF SUBSIDIARY COMPANY	DEVKI CYBER SECURITIES PRIVATE LIMITED
SHARE CAPITAL	
Authorised Capital	10,00,000
Paid up Capital	10,00,000
RESERVES	-11,618
TOTAL ASSETS	9,99,782
TOTAL LIABILITIES	11,400
DETAILS OF INVESTMENTS (except in case of investment in the subsidiaries)	NIL
TURNOVER	20,865
PROFIT BEFORE TAXATION	12,258
PROVISION FOR TAXATION	4429
PROFIT AFTER TAXATION	7829
PROPOSED DIVIDEND	NIL

Place: Indore
Date: 30.05.2012

for and on behalf of the board of
DEVKI LEASING & FINANCE LIMITED

S/d-
SUDHIR BINDAL.
Chairman & Managing Director

DEVKI LEASING AND FINANCE LIMITED

Reg. Off: Velocity, 18-A, Scheme No 94C,
Ring Road, INDORE - 452008

PROXY FORM

R.F. No. _____

No. of Shares _____

I/We _____ of
_____ being a member of
DEVKI LEASING AND FINANCE LIMITED holding _____ ordinary share(s) hereby appoint
_____ of
_____ or failing him or her
_____ of
_____ as my/our proxy to vote
for me/us on my/our behalf at the 20th Annual General meeting of the Company to be held on 29th
September, 2012 and at any adjourned meeting thereof.

As witnessed my/our hand(s) this _____ day of _____ 2012

Signature _____

Re.1 Revenue Stamp

Note :

If it is intended to appoint a proxy, the form of proxy should be completed and deposited at the Registered Office of the Company at least 48 hours before the meeting.

ATTENDANCE SLIP

20TH ANNUAL GENERAL MEETING ON 29TH SEPTEMBER 2012.

R.F. No. _____

Mr./Mrs./Miss _____

(Shareholders' name in block letters)

I/We certify that I/We am/are registered shareholder / proxy for the registered shareholder of the Company.

I/We hereby record my/our presence at the 20th Annual General Meeting of the Company at "Velocity, 18-A Scheme No 94C, Ring Road, Indore on 29th September, 2012.

(If signed by proxy, his name should be
written in block letters)

(Shareholders/proxy's Signature)

Note :

1. Shareholders / proxy holders are requested to bring the attendance Slips with them when they come to the meeting and hand over them at the entrance after affixing their signatures on them.
2. If it is intended to appoint a proxy, the form of proxy should be completed and deposited at the Registered Office of the Company at least 48 hours before the Meeting.