

# Devki Leasing & Finance Limited

Velocity Multiplex, 18-A, Scheme No. 94-C, Ring Road,  
INDORE - 452010 (M.P.) INDIA Tel. : +91-731-473 5555 - 69  
Fax: +91-731-473 5500 E-mail : dlflindore@gmail.com

CIN : L65921MP1993PLC007522

devki

18<sup>th</sup> September, 2017

To,  
General Manager-Listing  
BSE Limited,  
P.J. Towers, Dalal Street,  
MUMBAI - 400001

Sub: Intimation of non-applicability of Corporate Governance Provision of SEBI (LODR) Regulation, 2015.

**Script Code-530765**

Dear Sir/Madam,

This is to inform you that following are the details of paid-up capital and net worth of the Company as on 31<sup>st</sup> March, 2017 as per audited Financial Statement of the Company-

**(1) Paid-up equity capital:** Rs. 3,45,18,500/- (Rupees Three Crore Forty Five Lakh Eighteen Thousands Five Hundred only);

**(2) Net-worth:** Rs. 1,29,54,074/- (Rupees One Crore Twenty Nine Lakh Fifty Four Thousands Seventy Four only).

Hence, as per regulation 15(2) of SEBI (LODR) Regulation, 2015, corporate governance provisions as specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V is not applicable on the Company. The Audited Financial Statement for Financial Year ended on 31<sup>st</sup> March, 2017 is attached.

Please take a note of the same.

Thanking You  
Yours faithfully

For, DEVKI LEASING AND FINANCE LIMITED



**SUDHIR BINDAL**  
**MANAGING DIRECTOR**  
**(DIN: 00108548)**



## **INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBER OF  
DEVKI LEASING AND FINANCE LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Devki Leasing and Finance Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.





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### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and loss and its cash flows for the year ended on that date.

### Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

Note No. 24 (b) to the financial statements indicate that the company's policy relating to retirement benefits which are accounted for on payment basis.

Note No. 24 (c) to the financial statements which describe the Non Provision of Interest on Secured Loan from Dena Bank.

Our opinion is not qualified / modified in respect of these matters.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies ( Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matter specified in the paragraph 3 and 4 of the Order, to the extent applicable .
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such control, refer to our separate report in "Annexure B" ; and





**A.B. Doshi & Co.**  
**Chartered Accountants**

Office : 114, M.T.H. Compound, Indore - 452007 (M.P.)  
Tel.: +91 (731) 2433074, 2451032  
Email : ashwini\_doshi123@yahoo.co.in

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- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 24 (c) to the financial statements.
  - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. - Refer Note 28 to the financial statements.
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - (iv) The Company has provided requisite disclosures in its financial statements as to holding as well as dealing in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of account maintained by the company. – Refer Note 15.1 to the financial statements

**For A.B.DOSHI & CO.**

*Chartered Accountants*

Firm's Registration No. 001577C



**Ashwini Kumar Doshi**

*Proprietor*

Membership number 031460

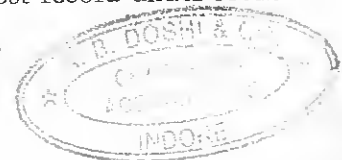
Indore, May 30, 2017

## DEVKI LEASING AND FINANCE LIMITED

### Annexure "A" to the Independent Auditors' Report

The Annexure referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirement" of our Independent Auditors' Report to the member of the Company on the financial statements for the year ended 31<sup>st</sup> March 2017, we report that :

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 having regard to the size of the Company and the nature of its assets.
  - (c) According to the information and explanations given to us and on the basis of our examination, Company does not have any immovable property hence requirement of this clause is not applicable to the company.
2. The stock of shares and securities has been physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed on such verification. In our opinion the frequency of verification is reasonable.
3. The Company has granted unsecured loans to Two Parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act").
  - (a) In our opinion, the rate of interest and other terms and condition on which the loan had been granted to the party covered in the register maintained under section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.
  - (b) In the case of the loans granted to the Party covered in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the interest as stipulated. The term of arrangements do not stipulate any repayment schedule and the loans are repayable on demand.
  - (c) There are no overdue amounts in respect of the loans granted to the party covered in the register maintained under section 189 of the Act.
4. The Company is a non -banking financial company register under chapter IIIB of Reserve Bank of India Act, 1934 (2 of 1934) hence section 186 of the Companies Act, 2013 with respect to investments made is not applicable to the Company.  
In our opinion and according to the information and explanation given to us , the Company has complied with the provisions of section 185 of Companies Act, 2013 with respect to the loans made.
5. The Company has not accepted any deposit from the public as governed by the provision of Section 73 to 76 or any other relevant provision of the Companies Act, 2013 and rules framed their under.
6. The Central Government has not prescribed the maintenance of cost record under section 148 (1) of the Act for any of the services rendered by the Company.





## DEVKI LEASING AND FINANCE LIMITED

### Annexure "A" to the Independent Auditors' Report

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7.

- (a) According to the information and explanation given to us and on the basis of our examination of the record of the company, the company is regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax custom duty, excise duty, Value added tax, cess and other material statutory dues applicable to it.

According to the information and explanations given to us, there is no undisputed amount payable in respect of income tax, sales tax, service tax, custom duty, excise duty, value added tax 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.

- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty, and cess, which have not been, deposited on account of any dispute.

8. The company has defaulted in repayment of dues to the Dena bank from 01.10.2009 amounting to Rs. 262.8 Lac and same has been declared as Non Performing assets by the bank
9. The Company does not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
10. According to information and explanations given to us, no material fraud by the Company or on the Company by its officer or employees has been noticed or reported during the course of our audit.
11. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the provision of section 197 read with Schedule V to the Companies Act.
12. In our opinion and according to the information and explanation given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanation given to us and based on our examination of the records of the Company, transaction with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transaction have been disclosed in the financial statements as required by applicable by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year,
15. According to the information and explanation given to us and base on our examination of the records of the Company, the Company has not entered into non-cash transaction with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

**DEVKI LEASING AND FINANCE LIMITED**

**Annexure "A" to the Independent Auditors' Report**

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16. The Company is a non –banking financial Company. Accordingly has obtained registration Under Section 45 IA of Reserve Bank of India Act, 1934 .

**For A.B.DOSHI & CO.**

*Chartered Accountants*

Firm's Registration No. 001577C

**Ashwini Kumar Doshi**

*Proprietor*

Membership number 031460



Indore, May 30, 2017

## DEVKI LEASING AND FINANCE LIMITED

### Annexure "B" to the Independent Auditors' Report

#### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Devki Leasing and finance Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

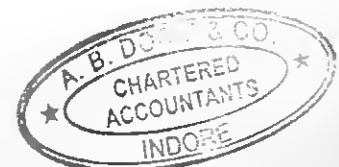
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.





## DEVKI LEASING AND FINANCE LIMITED

### Annexure "B" to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

For A.B.DOSHI & CO.

*Chartered Accountants*

Firm's Registration No. 0015770

Ashwini Kumar Doshi

Proprietor

Membership number 031460

Indore, May 30, 2017

**DEVKI LEASING AND FINANCE LIMITED**

**BALANCE SHEET AS AT 31st MARCH 2017**

Particulars	Note No.	As at 31 March 2017 [Rs.]	As at 31 March 2016 [Rs.]
<b>A EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share capital	2	34518500.00	34518500.00
(b) Reserves and surplus	3	-21564425.94	-20058733.23
		<u>12954074.06</u>	<u>14459766.77</u>
<b>Non-current liabilities</b>			
(a) Long-term borrowings	4	26284879.07	26284879.07
(b) Other long-term liabilities	5	30215.00	42185.00
(c) Long term provisions	6	18765.75	12570.25
		<u>26333859.82</u>	<u>26339634.32</u>
<b>Current liabilities</b>			
(a) Other current liabilities	7	299593.16	168023.57
(b) Short-term provisions	8	1248.00	1248.00
		<u>300841.16</u>	<u>169271.57</u>
<b>TOTAL</b>		<u>39588775.04</u>	<u>40968672.66</u>
<b>B ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed assets			
- Tangible assets	9	547680.00	599160.36
(b) Non-current investments	10	36112000.00	36112000.00
(c) Deferred tax assets (net)	11	69467.00	90953.00
(d) Long-term loans and advances	12	37900.00	1412001.00
(e) Other non-current assets	13	14502.42	14502.42
		<u>36781549.42</u>	<u>38228616.78</u>
<b>Current assets</b>			
(a) Inventories	14	32265.00	32265.00
(b) Cash and Bank equivalents	15	295039.04	1995308.04
(c) Short-term loans and advances	16	2479921.58	712482.84
		<u>2807225.62</u>	<u>2740055.88</u>
<b>TOTAL</b>		<u>39588775.04</u>	<u>40968672.66</u>

Significant Accounting Policies & Notes on Accounts 1 to 31

As per our report of even date attached

**FOR A.B.DOSHI & CO.**

Chartered Accountants

Firm Registration



**Ashwini Kumar Doshi**

Proprietor


Membership No. 031460

Indore, May 30, 2017

For and on behalf of the Board

  
**Sudhir Bindal**  
Managing Director

  
**Safita Bindal**  
Director

  
**Muralidharan Pillai**  
Chief Financial Officer

  
**Satyanarayan Patidar**  
Company Secretary

**DEVKI LEASING AND FINANCE LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017**

PARTICULARS	Note No.	As at	As at
		31 March 2017 [Rs.]	31 March 2016 [Rs.]
<b>INCOME</b>			
Revenue from Operations	17	308514.00	526273.00
Other Income	18	14523.64	4626.76
<b>Total Revenue</b>		<b>323037.64</b>	<b>530899.76</b>
<b>EXPENDITURE</b>			
Change in Inventories	19	0.00	0.00
Employee Benefits Expenses	20	1015000.00	991500.00
Depreciation and amortisation expenses	9	45004.00	45004.00
Provisions and contingencies	21	6195.50	3435.25
Other Expenses	22	741044.85	494236.72
<b>Total Expenses</b>		<b>1807244.35</b>	<b>1534175.97</b>
Profit /(Loss) Before Tax		-1484206.71	-1003276.21
<b>Tax Expenses</b>			
Current Tax		-	-
Deferred Tax		21486.00	-27124.35
<b>Profit /(Loss) for the Year</b>		<b>-1505692.71</b>	<b>-976151.86</b>
<b>Earnings per equity share</b>	23		
Basic and Diluted { in Rs. }		-0.43	-0.28
Significant Accounting Policies & Notes on Accounts	1 to 31		

As per our report of even date attached

**FOR A.B.DOSHI & CO.**

Chartered Accountants

Firm Registration No. 001577



Ashwini Kumar Doshi

Proprietor

Membership No. 031460

Indore, May 30, 2017

For and on behalf of the Board

Sudhar Bindal

Managing Director

Sarita Bindal

Director

Muralidharan Pilla Satyanaryan Patidar

Chief Financial Office Company Secretary

**DEVKI LEASING AND FINANCE LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR 2016-17**

Particulars	As at 31 March 2017 [ Rs.]	As at 31 March 2016 [ Rs.]
<b>A: CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Loss before tax as per Profit and Loss Account	-1484206.71	-1003276.21
Adjusted for :		
Depreciation and Amortisation Expenses	45004.00	45004.00
Other Income	-14523.64	-272.81
	<u>-1453726.35</u>	<u>-958545.02</u>
Operating profit before Working Capital Changes		
Movement in Working Capital		
Increase/(decrease) in other Long term liabilities	-11970.00	6955.00
Increase/(decrease) in Long term provision	6195.50	3435.25
Increase/(decrease) in other current liabilities	131569.59	-43892.23
Increase/(decrease) in short term provision	0.00	-2500.00
Increase/(decrease) in long term loan and advance	1374101.00	2279819.00
Increase/(decrease) in short term loan and advance	-1767438.74	-70291.80
<b>Cash Generated from operations</b>	<u>-1721269.00</u>	<u>1214980.20</u>
<b>B: CASH FLOW FROM INVESTING ACTIVITIES.</b>		
Interest Received	0.00	272.81
Proceed from Sale of Assets	21000.00	0.00
Net Cash (used in ) Investing Activities	<u>21000.00</u>	<u>272.81</u>
<b>C: CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds From long term borrowings	0.00	0.00
Net Cash ( used in)/ from Financing Activities	<u>0.00</u>	<u>0.00</u>
Net increase /(decrease) in cash and cash equivalents [A+B+C]	-1700269.00	1215250.00
Opening Balance of Cash and cash equivalents	1995308.04	780058.04
Closing Balance of Cash and cash equivalents	<u>295039.04</u>	<u>1995308.04</u>

\* The above Cash flow Statement has been prepared under the indirect method as set out in Accounting Standard - 3 on Cash Flow Statement

As per our report of even date attached

**FOR A.B.DOSHI & CO.**

Chartered Accountants

Firm Registration No. 001577



Ashwini Kumar Doshi

Proprietor

Membership No. 031460

Indore, May 30, 2017

For and on behalf of the Board

Sudhir Bindal  
Managing Director

Sarita Bindal  
Director

Muralidharan Pillai  
Chief Financial Officer

Satyannaryan Patidar  
Company Secretary

## DEVKI LEASING AND FINANCE LIMITED

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2017

#### **1. SIGNIFICANT ACCOUNTING POLICIES**

##### **1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

These financial statements have been prepared to comply with Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

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, 2013 & 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 useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

##### **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, 2017 [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:**

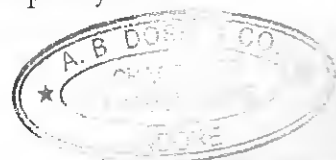
In accordance with the Accounting Standard (As-28 ) in " Impairment of Assets " issued by The Institute of Chartered accountants of India , during the year the company has reassessed its fixed assets and is of the view that no further impairment / reversal is considered to be necessary in view of its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

**Note : 2**

**Shareholder's Funds -Share Capital**

Particulars	As at	As at
	31 March 2017 [Rs.]	31 March 2016 [Rs.]
<b>Authorised</b>		
3750000 [Previous Year 3750000] Equity Shares of Rs.10/-each	37500000.00	37500000.00
	37500000.00	37500000.00
<b>Issued</b>		
3509600 [Previous Year 3509600] Equity Shares of Rs.10/- each	35096000.00	35096000.00
<b>Subscribed &amp; fully Paid up</b>		
3424800 [ Previous Year 3424800 ] Equity Shares of Rs. 10/- each	34248000.00	34248000.00
<b>Subscribed but not fully Paid up</b>		
84800 [ Previous Year 84800 ] Equity Shares of Rs. 10/- each	848000.00	848000.00
<b>Less</b>		
Allotment money in arrears	577500.00	577500.00
	270500.00	270500.00
<b>Total</b>	34518500.00	34518500.00

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

Particulars	As at	As at
	31 March 2017 [No. of Share ]	31 March 2016 [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	3509600	3509600

**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.

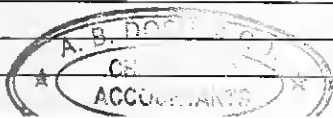
In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**2.4 Disclosure of More than 5% Shareholding**

Name of Shareholder	As at 31 March 2017		As at 31 March 2016	
	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 2017		As at 31 March 2016	
	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	As at
	31 March 2017	31 March 2016
	[Rs.]	[Rs.]
<b>Note : 3</b>		
<b><u>Reserves and surplus</u></b>		
<b>Statutory Reserve Fund</b>		
As per last Balance Sheet	855703.05	855703.05
<b>Surplus/{Deficit} in Statement of Profit &amp; Loss</b>		
Opening Balance	-20914436.28	-19938284.42
Add : - Deficit for the Year Profit & Loss	-1505692.71	-976151.86
Closing Balance	<u>-22420128.99</u>	<u>-20914436.28</u>
Total [ A+B ]	-21564425.94	-20058733.23

#.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

26284879.07

26284879.07

#.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 owned by relatives of director.

#.Working Capital Loan from Dena Bank has been treated as Long term Borrowing since same is outstanding more than 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**

**Other long-Term Liabilities**

Creditor of Expenses

30215.00

42185.00

Total

30215.00

42185.00



Devki Leasing and Finance Limited

Notes forming part of the financial statements

Particulars	As at 31 March 2017 [Rs.]	As at 31 March 2016 [Rs.]
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Note : 6

Long Term Provisions

Contingent provisions against standard assets	18765.75	12570.25
<b>Total</b>	<b>18765.75</b>	<b>12570.25</b>

Note : 7

Other current Liabilities

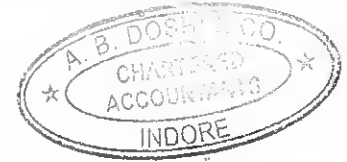
Creditor of Expenses	221798.00	112507.98
Other Payables #.	77795.16	55515.59
<b>Total</b>	<b>299593.16</b>	<b>168023.57</b>

#. Other Payable includes Book overdraft

Note : 8

Short-term Provisions

Others	1248.00	1248.00
<b>Total</b>	<b>1248.00</b>	<b>1248.00</b>



**DEVKI LEASING & FINANCE LIMITED**

**NOTE - "9" - FIXED ASSETS**

Notes forming part of the financial statements  
for the year ended 31 st March, 2017

St. No.	Description	Gross Block			Accumulated Depreciation			Net Block			
		As at 01.04.2016	Additions/ Adjustment	Deduction/ Adjustments	As at 31.03.2017	As at 01.04.2016	For the Year	Deduction/ Adjustments	Upto 31.03.2017	As at 31.03.2017	As at 31.03.2016
	<b>TANGIBLE ASSETS</b>										
	<b>OWN ASSETS</b>										
1	Air Conditioner	14100.00	0.00	0.00	14100.00	13395.00	0.00	-	13395.00	705.00	705.00
2	Car	583211.00	0.00	583211.00	0.00	576734.64	0.00	576734.64	0.00	0.00	6476.36
3	Furniture & Fixtures	2953676.41	0.00	0.00	2953676.41	2435901.41	45004.00		2480905.41	472771.00	517775.00
4	Office Equipments	1484079.05	0.00	0.00	1484079.05	1409875.05	0.00	-	1409875.05	74204.00	74204.00
	<b>Total { Rs. }</b>	<b>5035066.46</b>	<b>0.00</b>	<b>583211.00</b>	<b>4451855.46</b>	<b>4435906.10</b>	<b>45004.00</b>	<b>576734.64</b>	<b>3904175.46</b>	<b>547680.00</b>	<b>599160.36</b>
	Previous Year	5035066.46	0.00	0.00	5035066.46	4390902.10	45004.00	-	4435906.10	599160.36	644164.36





Devki Leasing and Finance Limited

Notes forming part of the financial statements

Particulars	As at	As at
	31 March 2017 [Rs.]	31 March 2016 [Rs.]
<b>Note :10</b>		
<b><u>Non -Current Investments</u></b>		
[ Long Term Investments ]		
<b><u>Other Investment</u></b>		
<b><u>In Equity Share - Unquoted , fully paid up - Face Value Rs. 10 each</u></b>		
933250 Velocity Private Limited (933250)	16668000.00	16668000.00
200000 Design Finance Limited (200000) of Rs. 10 each	2000000.00	2000000.00
85000 P.J. Credit Capital Limited (85000) of Rs. 10 each	850000.00	850000.00
30000 Brahma Builders Limited (30000) of Rs. 10 each	300000.00	300000.00
19600 Kirti 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 Sundrop 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 Private Limited (62500) of Rs. 40 each	2500000.00	2500000.00
125000 Jupiter Securities Pvt Ltd (125000) of Rs. 40 each	5000000.00	5000000.00
<b>Total Trade Investment</b>	<b>36112000.00</b>	<b>36112000.00</b>
Aggregate amount of unquoted investments	36112000.00	36112000.00

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



Devki Leasing and Finance Limited

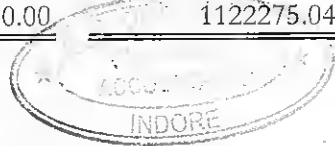
Notes forming part of the financial statements

Particulars	As at 31 March 2017 [Rs.]	As at 31 March 2016 [Rs.]
<b>Note : 11</b>		
<b><u>Deferred Tax assets</u></b>		
Related to Fixed assets	69467.00	90953.00
<b>Total</b>	<b>69467.00</b>	<b>90953.00</b>
<b>Note :12</b>		
<b><u>Long-term loans and advances</u></b>		
Vehicle Loan to Individuals [ Secured ; Considered good ]	0.00	1374101.00
Security Deposit	12900.00	12900.00
Advance for capital Assets [ Unsecured ; Considered good ]	25000.00	25000.00
<b>Total</b>	<b>37900.00</b>	<b>1412001.00</b>
<b>Note :13</b>		
<b><u>Other non-current assets</u></b>		
Long Term Trade Receivables [ Unsecured ; considered good ]	14502.42	14502.42
<b>Total</b>	<b>14502.42</b>	<b>14502.42</b>
<b>Note :14</b>		
<b><u>Inventories</u></b>		
Stock in Trade - Equity Shares	32265.00	32265.00
<b>Total</b>	<b>32265.00</b>	<b>32265.00</b>
<b>Note :15</b>		
<b><u>Cash &amp; cash equivalents</u></b>		
Cash in Hand	295039.04	1995308.04
Balances with Schedule Banks - In Current Account	0.00	0.00
<b>Total</b>	<b>295039.04</b>	<b>1995308.04</b>

**Note :15.1**

**Details of Specified Bank Notes( SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016**

	SBNs	Other denomination notes	Total
Closing Cash in hand as on 08.11.2016	1200000.00	1213995.04	2413995.04
(+) Permitted receipts	0.00	0.00	0.00
(-) Permitted Payments	0.00	1720.00	1720.00
(-) Amount deposited in Bank	1200000.00	90000.00	1290000.00
Closing cash in hand as on 30.12.2016	0.00	1122275.04	1122275.04



Devki Leasing and Finance Limited

Notes forming part of the financial statements

Particulars	As at 31 March 2017 [Rs.]	As at 31 March 2016 [Rs.]
<b>Note :16</b>		
<b>Short-term loans and advances</b>		
<b>[Unsecured and Considered Goods]</b>		
Loan and Advance to Related Parties **	2478200.00	712157.00
Deposit with Revenue Authorities	912.00	0
Others advances	809.58	325.84
<b>Total</b>	<b>2479921.58</b>	<b>712482.84</b>

\*\* Loan amount due from Managing Director Rs. 24.78 Lac [ Previous Year Rs. 7.12 Lac ]

**Note :17**

**Revenue from Operations**

Sale of Equity Shares	0.00	0.00
<b>Income from Financing Activity</b>		
Interest on Advances/Deposits	66955.00	76489.00
Interest on Vehicle Loan	241559.00	449784.00
<b>Total</b>	<b>308514.00</b>	<b>526273.00</b>

**Note :18**

**Other Income**

**Interest**

On Income Tax Refund	0.00	272.81
<b>Other Non operating Income</b>		
Profit on sale of assets	14523.64	0.00
Miscellaneous Income	0.00	4353.95
<b>Total</b>	<b>14523.64</b>	<b>4626.76</b>

**Note :19**

**Particulars of Change in Inventories**

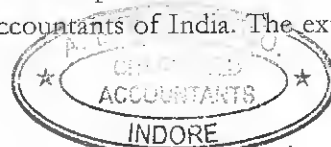
Inventories [ at Close ]		
Stock In Trade -Equity Shares	32265.00	32265.00
Less:- Inventories [ at Commencement ]		
Stock In Trade -Equity Shares	32265.00	32265.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

**Note :20**

**Employee Benefits Expenses**

Salaries	1015000.00	991500.00
<b>Total</b>	<b>1015000.00</b>	<b>991500.00</b>

#.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 31 March 2017 [Rs.]	As at 31 March 2016 [Rs.]
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Note :21

Provision and contingencies

Provision for Standard assets	0.00	3435.25
<b>Total</b>	<b>0.00</b>	<b>3435.25</b>

Note :22

Other Expenses

Establishment & Administrative

Advertisement	31026.00	40326.00
Bank Charges	6072.00	0.00
Balance Written back	167875.00	0.00
Consultancy Charges	50000.00	0.00
Demat & Coustodian Charges	131045.85	78575.85
Filing Fee	31650.00	0.00
Interest Paid on Taxes	0.00	41.00
Key Men Insurance	34488.00	34498.00
Legal & Professional Fee	0.00	48455.00
Listing Fee	200000.00	200000.00
Meeting Expenses	30543.00	19880.87
Postage & Telegrams	0.00	8240.00
Professional Tax	2500.00	0.00
Payment to Auditors	20000.00	20000.00
Rate & Taxes	0.00	27220.00
Service Tax	34635.00	0.00
Stationery & Printing	1210.00	17000.00
<b>Total</b>	<b>741044.85</b>	<b>494236.72</b>

22.1 Payment to Auditors as :

Statutory Audit Fee	20000.00	20000.00
Consultation Fees	0.00	0.00
<b>Total</b>	<b>20000.00</b>	<b>20000.00</b>

Note :23

Earnings per equity share [EPS]

1]. Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders	-1505692.71	-976151.86
2]. Weighted Average number of Equity shares used as denominator for calculating EPS	3509600	3509600
3]. Basis and Diluted Earnings per share	-0.43	-0.28
4]. Face Value per equity share	10	10



## DEVKI LEASING AND FINANCE LIMITED

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2017 [CONTD.]

#### 24. CONTINGENT LIABILITIES

- (a) Contingent liability that may arise due to delayed / non-compliance of certain fiscal statutes amount unascertainable.
- (b) 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.
- (c) Secured Loan given by Dena Bank has been declaring Non Performing Assets by the bank and the matter is in litigation. Due to uncertainty related to the outcome of lawsuit, No Provision for Interest has been made on the Secured Loan which resulting in Loss for the year and liability being understated to the extent of said amount of interest.
25. 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.
26. 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.
27. 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.
28. The Company has generally complied with the direction issued by Reserve Bank of India and provisions of section 73 of the Companies Act, 2013. 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

#### 29. Quantitative Details of Equity Shares held by company during the year

Particulars	Current Year [2016-2017]		Previous Year [2015-2016]	
	Shares	Value Rs.	Shares	Value Rs.
Opening Stock	19800	32265.00	19800	32265.00
Shares Sale	-	-	-	-
Shares Purchased	-	-	-	-
Closing Stock	19800	32265.00	19800	32265.00



**DEVKI LEASING AND FINANCE LIMITED**

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2017 [CONTD.]**

30. 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.

Name of related party	Nature of relationship	Nature of transaction	As at 31 <sup>st</sup> March 2017 [Rs.]		As at 31 <sup>st</sup> March 2016 [Rs.]	
			Transaction Value	Outstanding amounts carried in the Balance Sheet	Transaction Value	Outstanding amounts carried in the Balance Sheet
Sudhir Bindal	Key Management Personnel	Remuneration	Rs. 372000/-		Rs. 372000/-	
		Interest Received	Rs. 57832/-		Rs. 76489/-	
		Loan Received back	Rs. 250000/-			
		Loan Granted	Rs. 1005000/-	Rs. 1569989/-		Rs.712157/-
Velocity Private Limited		Interest Received	Rs. 9123.00/-			
		Loan Received back				
		Loan Granted	Rs. 900000/-	Rs. 908211/-		

31. 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: 0015776


**Ashwini Kumar Doshi**


*Proprietor*

Membership Number 031460

Indore, May 30, 2017

For and on behalf of the Board

  
**Sudhir Bindal**  
Managing Director

  
**Muralidharan Pillai**  
Chief Financial Officer

  
**Sarita Bindal**  
Director

  
**Satyanarayan Patidar**  
Company Secretary