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BOARD OF DIRECTORS

SUDHIR KUMAR BINDAL

CHAIRMAN & MANAGING DIRECTOR

MANOJ K 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 19th Annual General Meeting of the Members of the **DEVKI LEASING & FINANCE LIMITED** will be held on **Monday, the 12th September 2011 at 4:30 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 2011 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 Rajesh Khandelwal, 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: 30th June, 2011

SUDHIR KUMAR 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 EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.
2. The Members are requested to:
 - a. Intimate changes, if any, in their registered addresses immediately and they must quote their ledger folio number in all their correspondence.
 - b. Hand over the enclosed attendance slip, duly signed in accordance with their specimen signatures registered with the company for attending the meeting.
 - c. Bring their Annual Report and Attendance Slips with them at the AGM venue.
3. The Register of Members and Share Transfer Books of the company shall remain closed from 10th September, 2011 to 12th September, 2011 (Both days inclusive).
4. The Management Discussions and Analysis 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
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: 30th June, 2011

SUDHIR KUMAR BINDAL.
Chairman & Managing director

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

Name of Directors	RAJESH KHANDELWAL
Date of Birth	21.07.1965
Date of Appointment	30.06.2009
Expertise / Experience in specific functional areas	Having 12 year experience in handling of commercial activities
Qualification	Commerce Post Graduate
No. of Equity Shares held	NIL
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 Nineteenth Annual Report of your company together with audited accounts for the year ended on 31st March, 2011.

State of Company's Affairs:**Financial Results****Amount (Rs in Lakhs)**

<u>Particulars</u>	<u>31st March, 2011</u>	<u>31st March 2010</u>
Total Income	17.37	8.90
Depreciation	2.24	2.25
Interest & Fin Charges	0.00	37.84
Other Total Expenditure	55.89	78.21
Profit before Tax	-40.77	-109.40
Tax provisions	-0.11	-0.26
Net Profit for the year	-40.66	-109.14
Balance b/f (Reserve and Surplus)	-108.95	0.19
Carried to Balance Sheet	-149.61	-108.95

Operations and Future Outlook:

In the Current scenario company has earned income from its business operations of Rs.17.37 lacs which has increased as compared to previous income of Rs.8.90 lacs. Losses after Depreciation and Taxes are Rs. 44.66 lacs which is decrease as compared to the previous year losses of Rs.109.14 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 adversely affected and specially small NBFC Companies are not able to sustain in this competitive world where large amount of Capital is required. Your directors are continuously making the efforts 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.

Directors Responsibility Statement:

As required under the provisions of Section 217 (2AA) of the Companies Act, 1956, we confirm that:

01. in the preparation of the annual accounts, the applicable accounting standards have been followed;
02. the directors had selected such accounting policies and applied them consistently and made 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 ;
03. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities
04. the directors had prepared the annual accounts for the financial year ended 31st March, 2011 on a "going concern" basis ;

Directorate:

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

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:

In terms of Sec 212 of the Companies Act, 1956, the full annual accounts of Devki Cyber Securities Private Limited are annexed herewith.

Public Deposits:

Your company has not accepted or invited any deposits from public within the meaning of Section 58 A of the Companies Act, 1956.

Particulars of Employees etc:

Your company did not have any person in employment who was in receipt of remuneration, whose particulars are to be included here under Sec 217 (2A) of the Companies Act read with Companies (Particulars of Employees) Rules 1975.

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: 30th June, 2011

SUDHIR KUMAR BINDAL
Chairman & Managing director
Devki Leasing & Finance Limited,
Annexure - 1

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, 2011 (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 6 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 29th September, 2010 to 30th September, 2010 (all the days inclusive) under Section 154 of the Act.
6. The Annual General Meeting for the financial year ended on 31st March, 2010 was held on 30th September 2010 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.
10. The Company has complied with the provisions relating to register 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) not required to delivered any 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.
 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: **30.06.2011**

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.

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 2011.

Sr. No.	Form No. /Return	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 31.03.2010	26.10.2010	Yes	No
2.	Balance Sheet	Sec. 220	As on 31.03.2010	26.10.2010	Yes	No
3.	Annual Return	Sec. 159	AGM held on 30.09.2010	20.11.2010	Yes	No

Place: **INDORE**
Date: **30.06.2011**

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 company is a non-banking finance company, a segment, where scope for growth always exists, but for large size companies having bigger infrastructure and deeper pockets because demand for finance would always have an upward trend. However, the small size companies shall not be able to reap such benefits because of lesser opportunities. 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.

Risk & Concern

The Company is exposed to normal industry risks which it shall try to tackle by adopting prudent and comprehensive business policies. The Company has been fully compliant with all the guidelines, regulations and directions of Reserve Bank of India, as applicable. The primary risk for financial company is rapid and large shifts in exchange rates and uncertainty over interest rates besides tough competition prevailing in the market.

Internal Control System and its adequacy

The company has adequate internal control procedures in commensuration with its size and nature of business at all desired levels.

Discussion on financial performance with respect to operational performance

The financial performance of the company under reported circumstances have been directly related to efficiency in all areas of functional management such as marketing, human resources and finance. Continuing trend of deep contraction in the global economy and financial sector has led to a massive reduction in operational output.

Annexure – 3CORPORATE GOVERNANCE REPORT

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

The importance of Corporate Governance lies in the contribution it makes to the overall growth and direction of the business, management accountability, transparency and equity with stakeholders. The provisions of Clause 49 of Listing Agreement are applicable on the company and accordingly, the following report is submitted.

1. Company's Philosophy

The company 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. 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

3. Board Procedure

The Board generally meet to resolve upon or to review company's matters pertaining to planning, organizing, staffing, directing, co-ordinating and controlling but ensures to meet at least once in a calendar quarter. All major functional areas of management of the company i.e., finance, investment, human resources, marketing and internal administration find place in the deliberations amongst directors. Notice and agenda papers are sent to the directors reasonably in advance. **The Board met six times during the year review on 29.05.2010, 30.06.2010, 30.07.2010, 30.09.2010, 30.10.2010 and 29.01.2011.**

4. Directors Attendance:

Name of the Director	Attendance at the Board Meetings	Attendance at the General Meetings
1. Shri Sudhir Bindal	6	Yes
2. Shri Manoj K Singh	6	Yes
3. Shri Kamlesh Kasliwal	5	Yes
4. Shri Rajesh Khandelwal	5	Yes

5. Board Committees

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

Audit Committee

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

- (i) Shri Manoj K Singh - Chairman
- (ii) Shri Rajesh Khandelwal - Member
- (iii) Shri Kamlesh Kasliwal - Member

The Committee met 5 times during the year for the quarters on 29/05/2010, 30/06/2010, 30/07/2010, 30/10/2010 and 29/01/2011.

Share Transfer Committee

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

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

The committee met time to time to record the share transfer

9. Compliance Officer

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

7. Shareholders' Grievances

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

8. General Body Meeting

Location and time where last three years General Meetings were held:

AGM/EGM	Date	Location of the Meeting	Time
AGM - 2008	29.09.2008	Reg. Off of the Company at Indore	3.00 pm
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

9. Other Disclosures

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

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 proforma 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.

11. Shareholder Information

a) **Registered Office**

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

b) **AGM**

19th AGM of the Company will be held on 30th day of September, 2011 at 4.30 P.M. at the Registered Office of the company

c) **Financial Calendar**

- (i) Results for the quarter ending 30-06-2011: 30 July, 2010
- (ii) Results for the quarter ending 30-09-2011:30 October, 2010
- (iii) Results for the quarter ending 31-12-2011: 30January, 2011
- (iv) Results for the quarter ending 31-03-2012: 30June, 2011

d) **Dates of Book Closure**

10th September, 2011 to 12th September, 2011 (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) **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 2010-11.

Table 1: Monthly highs and lows traded at the BSE, 2010-11

Year	High(Rs.)	Low(Rs.)	Close(Rs.)
Mar 2011	5.25	4.95	5.00
Feb 2011	4.75	4.75	4.75
Dec 2010	4.75	4.75	4.75
Nov 2010	5.40	4.47	-4.75
Oct 2010	6.00	4.60	4.90
Sep 2010	6.55	5.35	5.80
Aug 2010	6.01	5.15	6.00
Jul 2010	6.22	4.52	5.40
Jun 2010	7.37	5.16	5.16
May 2010	7.50	5.60	7.05
Apr 2010	5.79	2.87	5.79

(h) 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

(g) 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.

(h) DISTRIBUTION OF SHAREHOLDING AS ON 31-03-2011

No. of Shares held	SHAREHOLDERS		SHARES		
	Numbers	%	Shares in Amount	%	
1	500	1154	63.8274	311844	8.8855
501	1000	344	19.0265	282278	8.0430
1001	2000	157	8.6836	241033	6.8678
2001	3000	49	2.7102	130063	3.7059
3001	4000	32	1.7699	115956	3.3040
4001	5000	9	0.4978	41040	1.1694
5001	10000	22	1.2168	165307	4.7101
10001	*****	41	2.2677	2222079	63.3143
TOTAL		1808	100.00	35096000	100.00

(I) SHAREHOLDING PATTERN AS ON 31-03-2010.

Sr. No.	Category	No. of Shares Held	Percentage of Shareholding
1.	Promoters	1321289	37.65
2.	Private Corporate Bodies	379128	10.80
3.	Indian Public	1803983	51.41
4.	NRIs/OCBs	5200	0.14
	Total	3509600	100

(j) DEMATERIALISATION OF SHARES AND LIQUIDITY

Total number of Dematted shares with NSDL 1782467
Total number of Dematted shares with CSDL 253713

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

In accordance with Clause 49 (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, 2011.

SUDHIR KUMAR 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 2011 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: 30th June, 2011

SUDHIR KUMAR BINDAL.
Chairman & Managing director

AUDITOR'S REPORT

**TO,
THE BOARD OF DIRECTORS,
DEVKI LEASING AND FINANCE LTD.**

We have audited the attached Consolidated Balance Sheet of DEVKI LEASING AND FINANCE LTD. (holding Company), and Devki Cyber securities private limited, (subsidiary company), as at 31st March 2011 and also the Consolidated Profit & Loss Account and Consolidated Cash Flow Statement for the year ended as on that date. 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 have conducted our audit in accordance with the generally accepted auditing standards in India. Those standards require that we plan and perform the audit to obtain reasonable assurance 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 and its subsidiary, as at March 31 2011.
- II. In the case of the Consolidated Profit and Loss Account of the company and its subsidiary, for the year ended on that date.
- III. In the case of the Consolidated Cash Flow Statement, of the company and its subsidiary, for the year ended on that date.

For A.B.DOSHI & CO
Chartered Accountants

Ashwini Kumar Doshi
Proprietor
Membership .No. 031460

Place: Indore

Date: 30th June 2011

DEVKI LEASING AND FINANCE LIMITED

CONSOLIDATED BALANCE SHEET AS ON 31st MARCH 2011

Particulars	Sch.	Year ended 31st March,2011 (Rs.)	Year ended 31st March,2010 (Rs.)
<u>SOURCES OF FUNDS</u>			
I] SHAREHOLDER'S FUNDS			
Share Capital		34518500.00	34518500.00
Reserve and surplus		855703.05	855703.05
		<u>35374203.05</u>	<u>35374203.05</u>
LOAN FUNDS			
Secured Loan		26284879.07	26464459.07
Unsecured Loan		0.00	0.00
		<u>26284879.07</u>	<u>26464459.07</u>
DEFERRED TAX		146826.13	158084.13
MINORITY INTEREST		1969.44	1951.26
<u>TOTAL</u>		<u>61807877.69</u>	<u>61998697.51</u>
<u>II] APPLICATION OF FUNDS</u>			
FIXED ASSETS			
Gross Block		5317841.46	5317841.46
Less: Depreciation		3428502.90	3198506.96
Net Block		<u>1889338.57</u>	<u>2119334.50</u>
INVESTMENTS		36173250.00	36298250.00
CURRENT ASSETS, LOANS & ADVANCE			
Sundry Debtors		847524.00	4270849.42
Inventories		2605788.12	2633235.45
Cash and Bank Balances		4709874.39	4644325.66
Loans and Advances		1080446.18	1506483.15
<u>TOTAL</u>		<u>9243632.69</u>	<u>13054893.68</u>
LESS: CURRENT LIABILITIES & PROVISION			
A) Current Liabilities		475717.50	386980.08
B) Provisions		7979.00	11232.00
		<u>483696.50</u>	<u>398212.08</u>
Net Current Assets		8759936.19	12656681.60
Miscellaneous Expenditure			
Preliminary Expenses		-	1241.00
<i>{to the extent not written off or adjusted }</i>			
Profit & Loss Account		14985352.94	10923190.41
<u>TOTAL</u>		<u>61807877.69</u>	<u>61998697.51</u>

Accounting Policies & Notes on Accounts
Schedule Referred to above form an Integral Part of Accounts

As per our report of even date attached

FOR A.B.DOSHI & CO.

Chartered Accountants

Ashwini Kumar Doshi

Proprietor

Membership No. 031460

Place : Indore

Dated : 30th June 2011

For and on behalf of the Board

Sudhir Bindal
Managing Director

Manoj Kumar Singh
Director

DEVKI LEASING AND FINANCE LIMITED

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR YEAR ENDED 31ST MARCH, 2011

PARTICULARS	Sch.	Year ended		
		Year ended March,2011	31st (Rs.)	Year ended 31st March,2010 (Rs.)
INCOME				
Income from Operations		1762448.18		895084.72
Total {Rs.}		<u>1762448.18</u>		<u>895084.72</u>
EXPENDITURE				
Establishment & Administrative		2094708.00		1643774.34
Interest		-		3783717.00
Bad Debts		3286677.00		0.00
Other Expenses		223228.59		6187008.17
Total {Rs.}		<u>5604613.59</u>		<u>11614499.51</u>
Cash Profit for the Year		-3842165.41		-10719414.79
Depreciation		229995.21		225509.06
Preliminary Expense Written off		1241.00		1246.00
Provision for N.P.Assets		-		10761.00
Total Non-Cash Expenditure		231236.21		237516.06
Profit/(Loss) Before Taxation		-4073401.62		-10956930.85
Income Tax Relates to Earlier Period		0.00		0.00
Fringe Benefit Tax		0.00		2018.00
Deffered Tax Liability		-11258.00		-27670.00
Provision for Taxation		0.00		0.00
Profit/(Loss) After Taxation		-4062161.80		-10931245.45
Share of Minorities of Subsidiary		18.18		-33.40
Balance Brought forward (Reserve and surplus)		-10923190.41		8055.04
Balance carried to Balance Sheet		<u>-14985352.94</u>		<u>-10923190.41</u>

Accounting Policies & Notes on Accounts A

As per our report of even date attached

FOR A.B.DOSHI & CO.

Chartered Accountants

Ashwini Kumar Doshi

Proprietor

Membership No. 031460

Place : Indore

Dated : 30th June 2011

For and on behalf of the Board

Sudhir Bindal

Manging Director

Manoj Kumar Singh

Director

NOTES TO CONSOLIDATED ACCOUNTS

a) BASIS OF PREPARATION OF CONSOLIDATED 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 principals 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 which is a company organized under the law of India, holds 99800 Shares out of total 100000 equity shares comprises 99.8 % holding of its Subsidiary Devki Cyber Securities Private Limited, which is also a company organized under the law of India.

FOR AND ON BEHALF OF BOARD

SUDHIR BINDAL
Managing Director

MANOJ KUMAR SINGH
Director

DEVKI LEASING AND FINANCE LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR 2010-11

S.No.	PARTICULARS	Current Year Amt 31.03.2011	Previous Year Amt 31.03.2010
CASH FLOW FROM OPERATING ACTIVITIES			
A.	Net Profit Before Tax & Extra Ordinary Item	-4114268.50	-10956930.85
	Adjustment for:		
	Depreciation	224938.81	225439.06
	Preliminary & Pre-operative Expenses W/off	1241.00	1246.00
	Interest	0.00	3783717.00
	Operating Profit Before Working Capital Changes	-3888088.69	-6946528.79
	Adjustments for		
	Tarde & Other Receivables	3430401.09	31247589.92
	Inventories / Stock in Trade	152447.33	15930.29
	Trade Payable	-58830.47	-2141057.76
	Loans and Advances	465429.58	-564850.87
	Change in working Capital	3989447.53	28557611.58
	Cash Genrated From Operations	101358.84	21611292.79
	Interest Paid	0.00	-3783717.00
	Direct Taxes	3450.00	-2018.00
		3450.00	-3785735.00
	Net Cash from Operating Activities (A)	104808.84	17825557.79
B.	Cash flow from financing Activities		
	Net Cash used in Investment Activities	0.00	-16000000.00
		0.00	-16000000.00
C.	Cash Flow From Investment Activities		
	Proceeds from Long Term Borrowings [C]	179580.00	1970371.82
	Net Increase in Cash & Cash Equivalents (A+B+C)	284388.84	3795929.61
	Cash and Cash Equivalents at the beginning of year	4644396.39	848466.78
	Cash and Cash Equivalents at the end of year	4928785.23	4644396.39

For and on behalf of the Board

Place :Indore

Date :30.06.2009 30.06.2011

Sudhir Bindal
managing Director

Manoj Kumar Singh
Director

AUDITORS CERTIFICATE

We have examined the attached Cash Flow Statement of DEVKI LEASING AND FINANCE LTD. for the year ended 31st March, 2011 and 31st March, 2010 The Statement has been prepared by the Company in accordance with the requirements of clause 32 of the listing Agreement with the Bombay Stock Exchange and is based on and in Agreement with corresponding Profit and Loss Account and

Place :Indore

Date: 30.06.2010 30.06.2011

FOR A.B.DOSHI & CO
Chartered Accountants

AshwniKumar Doshi
Proprietor

AUDITORS REPORT

**TO,
THE SHAREHOLDERS,
DEVKI LEASING AND FINANCE LIMITED,
INDORE.**

We have audited the attached Balance Sheet of DEVKI LEASING AND FINANCE LIMITED, INDORE (M.P.) as at 31st March 2011 and also the Profit & Loss Account of the company for the year ended on that date annexed thereto. and the cash flow statement for the year ended on that date. 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 have 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.

As required by the Companies (Auditors Report) order 2003 (As amended by (Amendment) order 2004) issued by the Central Government in terms of section 227 (4A) of the companies Act, 1956, we enclosed in the annexure a statement specified in the said order.

Further to our comments in the Annexure referenced to 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 such books.
- (c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.

- (d) In our opinion, the Balance Sheet Profit & Loss A/C and Cash flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, to the extent applicable, subject to note no.3 of schedule-15, regarding treatment of retirement benefits (Accounting standard-15)
- (e) On the basis of written representations received from the Directors as on 31st March 2011 and taken on record of the Board of Directors, we report that none of the directors is disqualified as on March 31,2011, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- (f) In our opinion and to the best of our information and according to the explanations given to us and subject to-
- (a) **Note No.-4 of schedule - O** relating to retirement benefits which is accounted for on payment basis. The extent of non compliance of value term is not ascertainable.
- (b) **Note No. 8 of Schedule –O** –Disclosures as required under Accounting Standard 18 –related party disclosures has been based on the information made available to us by the company
- (c) **Note No.-10 of schedule – O** relating to third party balance Confirmation and Others;
- (d) **Note No. 11 of Schedule –O** 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.

The said Balance Sheet and Profit and Loss Account read together with the significant accounting policies and notes thereon, , give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India: -

i) In the case of the Balance Sheet, of the state of affairs of the company as at **March 31 2011.**

ii) In the case of the Profit & Loss Account of the **Loss** for the year ended as that date.

iii) In the case of the Cash Flow Statement, of the cash flows for the year ended
on that date.

For A.B.DOSHI & CO
Chartered Accountants

Ashwini Kumar Doshi
Proprietor
Membership .No. 031460

Place: Indore

Date: 30th June 2011

DEVKI LEASING AND FINANCE LIMITED, INDORE

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, INDORE. For the period ended on March 31, 2011.

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.
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 their under.

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 financial institution and banks. The Company approached bank for rescheduling the payments of loans.
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.
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 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. No long-term funds have been used to finance short-term assets except permanent working capital.

17. 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.
18. The company has not issued debentures to raise the fund during the year.
19. The company has not raised any funds by Public Issue during the year.
20. 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

Ashwini Kumar Doshi
Proprietor
Membership .No. 031460

Place: Indore

Date: 30th June 2011

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, 2011 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: 30th June, 2011

For A. B. Doshi & Co.
Chartered Accountants

Ashwini Kumar Doshi
Proprietor

DEVKI LEASING AND FINANCE LIMITED
BALANCE SHEET AS ON 31st MARCH 2011

Particulars	Sch.	Year ended March,2011	31st (Rs.)	Year ended 31st March,2010 (Rs.)
SOURCES OF FUNDS				
I] SHAREHOLDER'S FUNDS				
Share Capital	A	34518500.00		34518500.00
Reserve and surplus	B	855703.05		855703.05
		<u>35374203.05</u>		<u>35374203.05</u>
LOAN FUNDS				
Secured Loan	C	26284879.07		26464459.07
Unsecured Loan		0.00		0.00
		<u>26284879.07</u>		<u>26464459.07</u>
DEFERRED TAX		146826.13		158084.13
TOTAL		<u>61805908.25</u>		<u>61996746.25</u>
II] APPLICATION OF FUNDS				
FIXED ASSETS				
Gross Block	D	5035066.46		5035066.46
Less: Depreciation		3428502.90		3198507.69
Net Block		<u>1606563.57</u>		<u>1836558.78</u>
INVESTMENTS				
CURRENT ASSETS, LOANS & ADVANCE	E	36935000.00		36935000.00
Sundry Debtors	F	847524.00		4270849.42
Inventories	G	2605788.12		2633235.45
Cash and Bank Balances	H	4486925.04		4579405.16
Loans and Advances	I	838696.18		1242733.15
TOTAL		<u>8778933.34</u>		<u>12726223.18</u>
LESS: CURRENT LIABILITIES & PROVISION				
A) Current Liabilities	J	473017.50		384980.08
B) Provisions	K	7508.00		10761.00
		<u>480525.50</u>		<u>395741.08</u>
Net Current Assests		8298407.84		12330482.10
Miscellaneous Expenditure				
Profit & Loss Account		14965936.84		10894705.37
TOTAL		<u>61805908.25</u>		<u>61996746.25</u>
Accounting Policies & Notes on Accounts	O			
Schedule Referred to above form an Integral Part of Accounts				

As per our report of even date attached

FOR A.B.DOSHI & CO.

Chartered Accountants

Ashwini Kumar Doshi

Proprietor

Membership No. 031460

Place : Indore

Dated : 30th June 2011

For and on behalf of the Board

Sudhir Bindal
Managing Director

Manoj Kumar Singh
Director

DEVKI LEASING AND FINANCE LIMITED
PROFIT & LOSS ACCOUNT FOR YEAR ENDED 31ST MARCH, 2011

Sch.

PARTICULARS		Year ended March,2011	31st (Rs.)	Year ended 31st March,2010 (Rs.)
INCOME				
Income from Operations		1737175.33		890860.72
Total {Rs.}		1737175.33		890860.72
EXPENDITURE				
Establishment & Administrative	L	2079764.00		1623958.34
Interest	M	-		3783717.00
Bad Debts		3286677.00		5954642.74
Other Expenses	N	223228.59		232365.43
Total {Rs.}		5589669.59		11594683.51
Cash Profit for the Year		-3852494.26		-10703822.79
Depreciation	D	229995.21		225509.06
Provision for N.P.Assets		-		10761.00
Total Non-Cash Expenditure		229995.21		236270.06
Profit/(Loss) Before Taxation		-4082489.47		-10940092.85
Income Tax Relates to Earlier Period		0.00		0.00
Fringe Benefit Tax		0.00		2018.00
Deffered Tax Liability		-11258.00		-27670.00
Provision for Taxation		0.00		0.00
Profit/(Loss) After Taxation		-4071231.47		-10914440.85
Balance Brought forward (Reserve and surplus)		-10894705.37		19735.48
Balance carried to Balance Sheet		-14965936.84		-10894705.37

Accounting Policies & Notes on Accounts

O

As per our report of even date attached

FOR A.B.DOSHI & CO.

Chartered Accountants

For and on behalf of the Board

Sudhir Bindal

Managing Director

Ashwini Kumar Doshi

Proprietor

Membership No. 031460

Manoj Kumar Singh

Director

Place : Indore

Dated : 30th June 2011

DEVKI LEASING AND FINANCE LIMITED
Schedule forming part of Balance Sheet & Profit & Loss Account as on 31st March 2011

Particulars	Year ended March,2011	31st (Rs.)	Year ended March,2010	31st (Rs.)
SCHEDULE "A"				
Share Capital				
Authorised				
3750000 Equity Shares of Rs.10/- each		37,500,000.00		37,500,000.00
		<u>37,500,000.00</u>		<u>37,500,000.00</u>
Issued, Subscribed and Paid-up				
3509600 Equity Shares of Rs.10/- each		35,096,000.00		35,096,000.00
Less				
Allotment money in arrears		577,500.00		577,500.00
Total {Rs.}		<u>34,518,500.00</u>		<u>34,518,500.00</u>
SCHEDULE "B"				
Reserve & surplus				
Statutory Reserve fund		855,703.05		855,703.05
Total {Rs.}		<u>855,703.05</u>		<u>855,703.05</u>
SCHEDULE "C"				
Secured Loans				
Dena Bank - Cash Credit Account <i>(Secured against hypothecation of Lease Rental and Stock on Hire and Personal gaurantee of Directors)</i>		26,284,879.07		26,464,459.07
Total {Rs.}		<u>26,284,879.07</u>		<u>26,464,459.07</u>

M/S DEVKI LEASING & FINANCE LIMITED

SCHEDULE - "D" FIXED ASSETS

Sr. No.	PARTICULARS	RATE %	GROSS BLOCK			DEPERICATION			NET BLOCK		
			AS ON 01.04.2010 Rs.	ADDITION DURING THE YEAR	SOLD DURING THE YEAR	AS ON 31.03.20110	UP TO 01.04.2010 Rs.	FOR THE YEAR RS.	UP TO 31.03.2011	AS ON 31.03.2011 Rs.	AS ON 31.03.2010 Rs.
1	Air Conditioner	4.75%	14100.00	0.00	0.00	14100.00	3996.48	669.75	4666.23	9433.77	10103.52
2	Car	9.50%	583211.00	0.00	0.00	583211.00	355114.46	55405.05	410519.51	172691.50	228096.54
3	Furniture & Fixtures	6.33%	2953676.41	0.00	0.00	2953676.41	1546617.38	148405.00	1695022.38	1258654.03	1407059.03
4	Bicycle	9.50%	10575.00	0.00	0.00	10575.00	10475.00	99.00	10574.00	1.00	100.00
5	Computer	16.21%	1042788.05	0.00	0.00	1042788.05	1037829.65	4957.40	1042787.05	1.00	46971.60
6	Office Equipments	4.75%	430716.00	0.00	0.00	430716.00	244474.72	20459.01	264933.73	165782.27	186241.28
			5035066.46	0.00	0.00	5035066.46	3198507.69	229995.21	3428502.90	1606563.57	1878571.97
	Previous Year		4150266.46	884800.00	0.00	5035066.46	2972998.63	225509.06	3198507.69	1836558.78	1177267.84

SCHEDULE "E"**Investment****Equity Share {Unquoted Shares}**

Design Finance Ltd	2,000,000.00	2,000,000.00
Velocity Limited	4,500,000.00	4,500,000.00
P.J.Credit Capital Ltd	1,500,000.00	1,500,000.00
Velocity Limited	1,056,000.00	1,056,000.00
Velocity Limited	4,212,000.00	4,212,000.00
Brahma Builders Ltd	300,000.00	300,000.00
Devki Cyber Securities Pvt.Ltd	998,000.00	998,000.00
Velocity Limited	6,075,000.00	6,075,000.00
Kirti Stock Brokers Pvt Ltd	294,000.00	294,000.00
Krishna Kripa Holdings Pvt Ltd	2,000,000.00	2,000,000.00
Sundriop Securities Pvt Ltd	6,000,000.00	6,000,000.00
Swasitk Coal Interenational Ltd	-	7,500,000.00
Alpine Essence Ltd	500,000.00	500,000.00
Brahma Builders Ltd	2,500,000.00	-
Jupiter Securities Pvt Ltd	5,000,000.00	-
Total {Rs.}	36,935,000.00	36,935,000.00

SCHEDULE "F"**Debtors**

More than six months	847,524.00	4,270,849.42
Others	-	-
Total {Rs.}	847,524.00	4,270,849.42

SCHEDULE "G"**Stock In Trade {Equity Shares}***(As certify by the Management)*

	2,605,788.12	2,633,235.45
Total {Rs.}	2,605,788.12	2,633,235.45

SCHEDULE "H"**Cash & Bank Balance**

Cash in Hand	11,934.04	88,015.04
Balances with Schedule Banks		
- In Current Account	32,770.00	287,912.64
- Short Term Deposit Account	4,442,221.00	4,203,477.48
Total {Rs.}	4,486,925.04	4,579,405.16

SCHEDULE "I"**Loans & Advances***(Advance recoverable in cash or in kind or for or for value to be received)*

Loans	-	264,071.63
Deposits	46,400.00	46,400.00
Staff Loans	621,000.00	915,133.00
Sundry Advances	25,999.33	17,128.52
Balance with Revenue Authorities		
TDS A.Yr.2010-2011	145,296.85	-
Total {Rs.}	838,696.18	1,242,733.15

SCHEDULE "J"**Current Liabilities**

Sundry Creditors	118,240.00	171,230.08
Sundry Creditors for Expenses	133,423.55	
Balance with Subsidiary company		
--Devki Cyber Securities Private Ltd.	191,750.00	213,750.00
Book Overdraft	29,603.95	-
	473,017.50	384,980.08

SCHEDULE "K"**Provision**

N.P.Assets	-	10,761.00
Professional Tax	7,508.00	-
Total {Rs.}	7,508.00	10,761.00

SCHEDULE "L"**Establishment & Administrative Expenses**

Directors Remuneration	372,000.00	372,000.00
Employee Salary & Benefits	883,704.00	929,773.00
Travelling and Conveyance	107,370.00	100,025.00
Communication Expenses	28,452.00	73,504.00
Stationery & Printing	11,550.00	5,878.34
Legal & Professional	422,010.00	51,000.00
Repairs & Maintenance- Others	3,470.00	75.00
Vehicle Running & Maintenance	66,275.00	14,500.00
Advertisement	19,743.00	19,028.00
Electricity	136,783.00	41,208.00
Computer Expenses	-	16,967.00
Licence fees	3,665.00	-
Miscellaneous Exp	24,742.00	-
	2,079,764.00	1,623,958.34

SCHEDULE "M"**Interest**

Interest on Working Capital	-	3,783,717.00
Total {Rs.}	-	3,783,717.00

SCHEDULE "N"**Other Expenses**

Bank Charges	420.00	21220.76
Audit Fees	16,545.00	16545.00
Insurance	-	4496.00
Listing Fee	10,000.00	10000.00
Office Expenses	350.00	900.00
Business Promotion	5,000.00	12727.00
Books & Periodicals	6,671.00	9919.00
Professional Tax	2,500.00	2500.00
Demate Expenses	83,270.09	63922.90
Rent, Rates and Taxes	98,472.50	90134.77
Total {Rs.}	223,228.59	232365.43

DEVKI LEASING AND FINANCE LIMITED
CASH FLOW STATEMENT

S.No.	Particulars	Year ended 31st March,2011 (Rs.)	Year ended 31st March,2010 (Rs.)
	CASH FLOW FROM OPERATING ACTIVITIES		
A.	Net Profit Before Tax & Extra Ordinary Item	-4082489.47	-10956790.85
	Depreciation	229995.21	225509.06
	Interest	0.00	3783717.00
	Operating Profit Before Working Capital Changes	-3852494.26	-6947564.79
	Adjustments for		
	Trade & Other Receivables	3423325.42	30985439.08
	Inventories / Stock in Trade	27447.33	15930.29
	Trade Payable	84784.42	-2141367.76
	Loans and Advances	404036.97	-564850.57
	Change in working Capital	3939594.14	28295151.04
	Cash Genrated From Operations	87099.88	21347586.25
	Interest Paid	0.00	-3783717.00
	Direct Taxes	0.00	-2018.00
		87099.88	-3785735.00
	Net Cash from Operating Activities (A)	87099.88	-25133321.25
B.	Cash flow from Investing Activities		
	Net Cash used in Investment Activities	0.00	-16000000.00
	Net Cash used in Investment Activities (B)	0.00	-16000000.00
C.	Cash Flow From Financing Activities		
	Proceeds from Long Term Borrowings [C]	-179580.00	1970371.82
	Net Increase in Cash & Cash Equivalents (A+B+C)	-92480.12	-39162949.43
	Cash and Cash Equivalents at the beginning of year	4579405.16	785583.55
	Cash and Cash Equivalents at the end of year	4486925.04	4579405.16

For and on behalf of the Board

Place :Indore

Dated : 30th June 2011

Sudhir Bindal
mangaing Director

Manoj Kumar Singh
Director

AUDITORS CERTIFICATE

We have examined the attached Cash Flow Statement of DEVKI LEASING AND FINANCE LTD. for the year ended 31st March, 2011 and 31st March, 2010 The Statement has been prepared by the Company in accordance with the requirements of clause 32 of the listing Agreement with the The Bombay Stock Exchange and is based on and in Agreement with corresponding Profit and Loss Account Balance Sheet of the Company covered by our report of 30th June,2011 at the members of the of the company .

Place :Indore

Dated : 30th June 2011

FOR A.B.DOSHI & CO.
Chartered Accountatns

Ashwini Kumar Doshi
Proprietor
Membership No. 031460

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.

1	0	-	0	7	5	2	2	-	1	9	9	3
---	---	---	---	---	---	---	---	---	---	---	---	---

State Code

1	0
---	---

Balance Sheet

3	1	-		0	3			-	2	0	1	1
---	---	---	--	---	---	--	--	---	---	---	---	---

Date

II. Capital raised during the year (Amount in Rs.Thousand)

Public Issue

						N	I	L
--	--	--	--	--	--	---	---	---

Right

Issue

						N	I	L
--	--	--	--	--	--	---	---	---

Bonus Issue

						N	I	L
--	--	--	--	--	--	---	---	---

Private
Placement

						N	I	L
--	--	--	--	--	--	---	---	---

III. Position of Mobilisation and Development of Funds (Amount in Rs.Thousand)

Total Liabilities

				6	1	8	0	6
--	--	--	--	---	---	---	---	---

Total Assets

				6	1	8	0	6
--	--	--	--	---	---	---	---	---

Sources of Funds

Paid-up
Capital

				3	4	5	1	9
--	--	--	--	---	---	---	---	---

Reserves &
Surplus

							8	5	5
--	--	--	--	--	--	--	---	---	---

Secured
Loans

				2	6	2	8	5
--	--	--	--	---	---	---	---	---

Unsecured Loans

									0
--	--	--	--	--	--	--	--	--	---

Deferred Tax Liability

						1	4	7
--	--	--	--	--	--	---	---	---

Application of Funds

Net Fixed Assets

					1	6	0	6
--	--	--	--	--	---	---	---	---

Investments

					3	6	9	3	5
--	--	--	--	--	---	---	---	---	---

Net Current Assets

					8	2	9	8
--	--	--	--	--	---	---	---	---

Misc.
Expenditure

									0
--	--	--	--	--	--	--	--	--	---

Accumulated Losses

					1	4	9	6	6
--	--	--	--	--	---	---	---	---	---

IV. Performance of Company (Amount in Rs.Thousands)

Turn
Over

					1	7	3	7
--	--	--	--	--	---	---	---	---

Total Expenditure

					-	5	5	9	0
--	--	--	--	--	---	---	---	---	---

Profit before Tax

					-	4	0	8	2
--	--	--	--	--	---	---	---	---	---

Profit after Tax

					-	4	0	7	1
--	--	--	--	--	---	---	---	---	---

Earning per share (Rs.)

					-	1	.	1	6
--	--	--	--	--	---	---	---	---	---

Dividend Rate %

					-				
--	--	--	--	--	---	--	--	--	--

V. Generic Names of Three Principal Products/Services of Company (As per monetary terms)

Item Code
No.

(ITC Code)

Product Description

Not
Applicable
Financial
Services

FOR AND ON BEHALF OF BOARD

Sudhir Bindal

Manging Director

**Manoj Kumar
Singh**

Director

SCHEDULE 'O' OF NOTES ON ACCOUNTS

(1) SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

THE financial statements have been prepared on the historical cost basis and are in conformity with the statutory provisions and practices prevailing in the industry are in accordance with the generally accepted accounting principals and the provisions of the Companies Act, 1956.

1.2 INCOME AND EXPENSES

- a) The Company recognizes income and expenditure in accordance with the guidelines issued by the Institute Of Chartered Accountants of India..
- b) Hire charges arising out of hire purchase contracts are apportioned equally over the term of contract and taken into account on the date hire charges falls due.
- c) In respect of other heads of income, the company follows the practice of accounting of such income on accrual basis. Delayed payment charges are accounted on Cash basis
- d) These Financial Statements are prepared on going concern basis.

1.3 FIXED ASSETS:

In respect of fixed assets, the assets are valued as per Accounting Standard 10 prescribed by the institute of Chartered Accounts of India

1.4 DEPRECIATION:

The depreciation in respect **of** these assets is provided of on a Straight line method (SLM) at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

1.5.HIRE PURCHASE STOCK

a) Hire purchase stock is stated at cost plus total finance charges and reduced by the installments, which have matured during the relevant period and un-matured finance charges.

b) The Company has filed legal suits against some defaulters, which are classified as non-performing assets as per the Reserve Bank of India's guidelines, and provisions for the same are being made in the accounts. However, during the year few of such 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.

1.6 STOCK IN TRADE AND INVESTMENTS:

a) The Securities acquired with the intention of short – term holding and trading positions are considered as stock in – trade and shown as current assets. Other securities acquired with the intention pf long –term holdings are considered as Investments.

b) In respect of investments as well as stock-in-trade, brokerage and stamp duty payable are considered to arrive at the cost..

c) The securities held as stock –in trade under current assets are valued at cost or market, whichever is lower.

d) Investment are valued at cost of acquisition .Provision for diminution in value of investment ,if any , is made if such diminution is other then temporary.

1.7 TAXES ON INCOME: - Provisions for taxation for the year comprises of current tax and deferred tax. Current tax is the amount of income tax determined to be payable in respect of taxable income for the year. Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax liabilities / assets, on timing difference, being the difference between taxable income and accounting income

that originate in one or more period and are being capable of reversal in one or more subsequent periods.

1.8 PROVISION FOR DOUBTFUL LOANS AND ADVANCES:

The policy of provisioning for non-performing Loans and Advances has been decided by the management considering prudential norms prescribed by the Reserve Bank of India.

1.9 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 operations. Hence segmental report is not furnished.

1.10 RETIREMENT BENEFITS: - Retirement benefits in form of Provident Fund, E.S.I.C. Etc whether in pursuance of law or otherwise is accounted on accrual basis and charged to profit & loss account of the year.

1.11 Consistency: - These Financial statements have been prepared in the basis of consistent with previous years and accounting policies not specifically referred here to are consistent with generally accepted accounting principal.

1.12 Impairment of Assets: - In accordance with the account statement (AS -28) in "Improvement of Asset" issued by ICAI. During the year the Company reassessed its fixed assets and is of the view that no impairment/reversal is considered to be necessary in view of its value realizable

2 NOTES ON ACCOUNTS

1. The Company has generally complied with the directions issued by the Reserve Bank of India and provisions of section 58A of the Companies Act, 1956.
2. Contingent Liabilities :Nil (Previous Year - NIL)
3. Contingent Liabilities that may arise due to delayed/non Compliance of certain fiscal Statuaries amount unascertainable.
4. 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.

5. Managerial Remuneration:

	2010-2011	2009-2010
Salary	3,72,000/-	3,72,000/-
Monetary value of perquisites	-	-
Total Rs.	3,72,000/-	3,72,000/-

6. EARNING PER SHARE:

	31-3-2011	31.03.2010
Net profit available for Equity Shareholders	-4071231	-10914440
Weighted average number of Equity Share outstanding	3509600	3509600
Basic and diluted earning per equity share of face value of Rs. 10/- each	(1.16)	(3.11)

7. Additional information pursuant to part II of Schedule VI of the Companies Act, 1956: -

QUANTITATIVE DEATAILS

Particulars	Current Year (2010-2011)		Previous Year (2009-2010)	
	Shares	Value Rs.	Shares	Value Rs.
Opening Stock	2152175	2633235.45	2152175	2649165.74
Shares Sales	2175	27447.33	0	0
Shares Purchased	0	0	0	0
Closing Stock	2150000	2605788.12	2152175	2633235.45
Expenses in Foreign Currency	Nil	NIL	NIL	Nil

8. 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	Interest Received	-
		Remuneration	3.72,000/-
		Loan	-
2.	Devki Cyber Securities Pvt. Ltd.	Control over enterprises	

9. 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.

10. Balances under the head Sundry Debtors, Creditors, Loans & Advances and other are subject to confirmation with respective parties and necessary adjustments and/or proper classification thereof, if any, will be made on its reconciliation and/or settlement

11. 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 for on cash basis on settlement of case.

11. Payment made to the auditors for the year ended as on 31.03.2011 for Rs.16545/- (2009-2010 Rs. 16545/-).

12 Previous year's figures have been regrouped and rearranged, wherever considered necessary so as to make them comparable.

FOR AND ON BEHALF OF BOARD

SUDHIR BINDAL
Managing Director

MANOJ KUMAR SINGH
Director

N O T I C E

NOTICE is hereby given that 11th Annual General Meeting of the Members of the **Devki Cyber Securities Private Limited will be held on Monday, 12th September, 2011 at 2.00 pm** at the registered office of the company to transact the following business: -

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2011 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 Statutory Auditors and to fix their remuneration.

By order of the board of
DEVKI CYBER SECURITIES PVT LIMITED

Place: Indore
DATE: 30th June 2011

BHARAT BINDAL
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 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 intimate changes, if any, in their registered addresses immediately and they must quote their ledger folio number in all their correspondence.

DIRECTORS' REPORT

To
The Members
Devki Cyber Securities Private Limited
Indore

Your directors have pleasure in presenting the Eleventh Annual Report of your company together with the audited accounts for the year ended on 31st March, 2011

State of Company's Affairs:**A. Financial Results**

Particulars	Amount in (Rs.)	
	31st March, 2011	31st March, 2010
Total Income	25272	4224
Total Expenditure	14444	19816
Net Profit (Loss)	9587	(16838)
Balance brought forward	(28534)	(11697)
Carried to Balance Sheet	(22396)	(28535)

B. Operations and Future Outlook

During the year under review your company did not carry out any commercial activity. However the Company has earned income from capital gain and other revenues of Rs. 25272/-. Your Directors are continuously working hard to very brightful future of the Company in the coming year

Dividend:

Your directors do not recommend any dividend for the year.

Directorate:

There is no other change in the composition of the Board of the Company.

Directors Responsibility Statement:

As required under the provisions of Section 217 (2AA) of the Companies Act, 1956, we confirm that:

- 01 in the preparation of the annual accounts, the applicable accounting standards have been followed
- 02 the directors had selected such accounting policies and applied them consistently and made 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 ;
- 03 he directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities.
04. the directors had prepared the annual accounts for the financial year ended 31st March, 2011 on a "going concern" basis ; and

Auditors:

M/s. A.B.Doshi & Co., Chartered Accountants, the statutory auditors, retire at the end of ensuing annual general meeting and being eligible offer themselves for re-appointment as statutory auditors of the company. The auditors' report read with notes to accounts is self explanatory and needs no further clarification.

Secretarial Compliance Certificate:

Your directors have obtained a secretarial compliance certificate as per Companies (Compliance Certificate) Rules, 2001 and have annexed the same with this 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 who, 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. Your company also did not have any foreign exchange earnings or outgo.

Place: Indore

Date: 30th June, 2011

For and on behalf of the board of
DEVKI CYBER SECURITIES PVT LTD

**BHARAT BINDAL
DIRECTOR**

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

To,
 The Members,
Devki Cyber Securities Private Limited
INDORE.

I have examined the registers, records, books and papers of Devki Cyber Securities Private 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 31st March, 2011. In my opinion, to the best of my information, according to the examination carried out and explanations furnished by the company, its directors and officers, I certify that in respect of the aforesaid financial year:-

1. The company has kept and maintained registers as stated in **Annexure – ‘A’** to this certificate, as per respective provisions and rules made there under and all entries there in have been recorded.
2. The company has filed forms and returns as stated in **Annexure – ‘B’** to this certificate, with the Registrar of Companies within the time prescribed under the Act and the rules made there under.
3. The company has the minimum prescribed paid up capital and its maximum number of members are not more than 50. There are no present and past employees members in the company and during the year under scrutiny, the company :
 - a. has not invited public to subscribe for its shares or debentures; and
 - b. has not invited or accepted any deposits from any persons including its members, directors or their relatives.
4. The Board of Directors met 4 (four) times, in respect of which meetings, notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The company being a closely held private company has opted not to close its Register of Members in terms with the provisions of Sec 154 of the Act.
6. The Company has held its last Annual General Meeting on 30th September, 2010 for the financial year ended 31st March, 2010.
7. The company has not held any Extra Ordinary General Meeting.
8. The company has not advanced loans to its directors and/or persons firms or companies referred in Section 295 of the Act.
9. The company has not entered into contracts in contravention of the provisions of Sec. 297 of the Act, 1956.
10. The company has complied with the provisions relating to register maintained under Section 301 of the Act.
11. The company has not been required to obtain approval from members and previous approval of the Central Government pursuant to Section 314 of the Act.

12. The Board of Directors has not issued duplicate share certificates during the financial year under scrutiny.
13. The Company :
 - i) not required to deliver any certificate of securities on 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.
 - iv) 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 provisions of Section 269 and Schedule XIII of the Act are not applicable on the company.
16. No appointment of sole-selling agents was made in the company.
17. The company has not been required to obtain any approval of the Central Government, Company Law Board, Regional Director, Registrar of other authorities as 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 or allotted shares during the financial year.
20. The company has not bought back any shares during the financial year.
21. The company has no debentures and it has not redeemed any preference shares.
22. The company has not declared dividend nor has issued any right shares and bonus shares.
23. The company has complied with the provisions of Sec. 58A and 58AA read with Companies (Acceptance of Deposits) Rules, 1975/the applicable directions issued by Reserve Bank of India/any other authority as the company has not accepted any deposits within the meaning of the Act.
24. The company has not made any borrowing during year.
25. The company has not made loans nor given guarantees nor provided securities to other bodies' corporate nor made investments in other bodies corporate.
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.
31. No prosecution has been initiated against the company nor any show cause notices have been received by the company for any offence under the Act.
32. The company has not received any amount as security from its employees during the year under certification.
33. The provisions relating to contribution to Provident Fund are not applicable on the company.

Place: INDORE
Date: 30.06.2011

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. Minutes book of Board Meeting & General Meeting.
4. Register of Members u/s 150
5. Register of Directors u/s 303
6. Register & Returns kept at Registered office viz Annual Returns
7. Register of Director's Share holding u/s 307
8. Register of Contracts u/s 301
9. Register of Directors Attendance

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 2011.

Sr. No.	Form No. /Return	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 31.03.2010	26.10.2010	Yes	No
2.	Balance Sheet	Sec. 220	As on 31.03.2010	26.10.2010	Yes	No
3.	Annual Return	Sec. 159	AGM held on 30.09.2010	28.10.2010	Yes	No

Place: INDORE
Date: 30.06.2011

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

AUDITORS REPORT

**To,
The Shareholders,
Devki Cyber Securities Private Limited,
Indore**

We have audited the attached Balance Sheet of DEVKI CYBER SECURITIES PRIVATE LIMITED, INDORE (M.P.) as at 31ST March 2011 and also the Profit & Loss Account of the company 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 have 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.

As required by the Companies (Auditors Report) order 2003 (As amended by (Amendment) order 2004) issued by the Central Government in terms of section 227 (4A) of the companies Act, 1956, we enclosed in the annexure a statement specified in the said order.

Further to our comments in the Annexure referenced to 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 such books.
- (c) The Company's the Balance Sheet and the Profit & Loss Account referred to in this report are in agreement with the books of account.

- (d) In our opinion, the Balance Sheet and the Profit & Loss A/C comply with the Accounting Standards notified in sub-section (3C) of section 211 of the Companies Act, 1956.
- (e) On the basis of written representation received from the Directors and taken on records by Board of Directors, we report that none of the director is disqualified as on March 31, 2011, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- (f) The company has not made any provision on account of any diminution in the value of its investment amounting to Rs. 236250/- made in quoted/unquoted Equity Shares. We are unable to form an opinion on the value of these investments in view of uncertainties involved.
- (g) Subject to above, In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and the Profit and Loss account read with the notes there on, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India: -

iii) In case of the Balance Sheet, of the state of affairs of the company as at March 31 2011.

iv) In case of the Profit & Loss Account of the **Profit** for the year ended as that date.

For A.B.DOSHI & CO
Chartered Accountants

Ashwini Kumar Doshi
Proprietor
Membership .No. 031460

Place: Indore

Date: 30th June 2011

DEVKI CYBER SECURITIES PRIVATE LIMITED, INDORE

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 CYBER SECURITIES PRIVATE LIMITED, INDORE, for the period ended on March 31, 2011.

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. As the Company is finance company, the provision of sub clause (ii) a, b and c of the order is not applicable to the Company.
3. The Company has not either granted or taken any loans, secured or unsecured to / from companies, firms or parties covered in the register maintained under section 301 of the Companies act, 1956.
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.
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 their under.
7. The Company does have internal audit system.

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 the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to the financial institution and banks.
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.
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 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. No long-term funds have been used to finance short-term assets except permanent working capital.
17. 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.
18. The company has not issued debentures to raise the fund during the year.
19. The company has not raised any funds by Public Issue during the year.
20. 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

Ashwini Kumar Doshi
Proprietor
Membership .No. 031460

Place: Indore

Date: 30th June 2011

DEVKI CYBER SECURITIES PRIVATE LIMITED
BALANCE SHEET AS ON 31st MARCH 2011

Particulars	Sch.	Year ended March,2011	31st (Rs.)	Year ended 31st March,2010 (Rs.)
SOURCES OF FUNDS				
I] SHAREHOLDER'S FUNDS				
Share Capital	A	1000000.00		1000000.00
Reserve and surplus		0.00		0.00
		<u>1000000.00</u>		<u>1000000.00</u>
LOAN FUNDS				
Secured Loan		0.00		0.00
Unsecured Loan		0.00		0.00
		<u>0.00</u>		<u>0.00</u>
DEFERRED TAX		-		-
TOTAL		<u>1000000.00</u>		<u>1000000.00</u>
II] APPLICATION OF FUNDS				
FIXED ASSETS				
Gross Block	B	282775.00		282775.00
Less: Depreciatioion		0.00		0.00
Net Block		<u>282775.00</u>		<u>282775.00</u>
INVESTMENTS				
CURRENT ASSETS, LOANS & ADVANCE				
Sundry Debtors	C	236250.00		361250.00
Inventories		0.00		0.00
Cash and Bank Balances	D	222949.35		64920.50
Loans and Advances	E	241750.00		263750.00
TOTAL		<u>464699.35</u>		<u>328670.50</u>
LESS: CURRENT LIABILITIES & PROVISION				
A) Current Liabilities	F	2700.00		2000.00
B) Provisions	G	471.00		471.00
		<u>3171.00</u>		<u>2471.00</u>
Net Current Assests		461528.35		326199.50
Miscellaneous Expenditure				
Preliminary Expenses { to the extent not written off or adjusted }		0		1241.00
Profit & Loss Account		19446.65		28534.50
TOTAL		<u>1000000.00</u>		<u>1000000.00</u>

Accounting Policies & Notes on Accounts
Schedule Referred to above form an Integral Part of Accounts
As per our report of even date attached

FOR A.B.DOSHI & CO.

Chartered Accountatns

Ashwini Kumar Doshi
Proprietor
Membership No. 031460

Place : Indore
Dated : 30th June 2011

For and on behalf of the Board

Sudhir Bindal
Manging Director

Manoj Kumar Singh
Director

DEVKI CYBER SECURITIES PRIVATE LIMITED

PROFIT & LOSS ACCOUNT FOR YEAR ENDED 31ST MARCH, 2011

Sch.	Year ended March,2011	31st (Rs.)	Year ended 31st March,2010 (Rs.)
PARTICULARS			
INCOME			
Income from Operations		25272.85	4224.00
Total {Rs.}		25272.85	4224.00
EXPENDITURE			
Administrative Expenses	H	14944.00	19816.00
Total {Rs.}		14944.00	19816.00
Cash Profit for the Year		10328.85	-15592.00
Depreciation		0.00	0.00
Preliminary Exp. Written off	I	1,241.00	1246.00
Profit/(Loss) Before Taxation		9087.85	-16838.00
Income Tax Relates to Earlier Period		0.00	0.00
Provision for Taxation		0.00	0.00
Profit/(Loss) After Taxation		9087.85	-16838.00
Balance Brought Forward		-28534.50	-11696.50
Balance carried to Balance Sheet		-19446.65	-28534.50

Accounting Policies & Notes on Accounts

J

As per our report of even date attached

FOR A.B.DOSHI & CO.

Chartered Accountants

For and on behalf of the Board

Sudhir Bindal
Managing Director

Ashwini Kumar Doshi
Proprietor
Membership No. 031460

Manoj Kumar Singh
Director

Place : Indore
Dated : 30th June 2011

DEVKI CYBER SECURITIES PRIVATE LIMITED
Schedule forming part of Balance Sheet & Profit & Loss Account as on 31st March 2011

Particulars	Year ended March,2011	31st (Rs.)	Year ended March,2010	31st (Rs.)
SCHEDULE "A"				
Share Capital				
Authorised				
3750000 Equity Shares of Rs.10/-each		1000000.00		1000000.00
		1,000,000.00		1,000,000.00
Issued, Subscribed and Paid-up				
100000 Equity Shares of Rs.10/- each		1,000,000.00		1,000,000.00
Total {Rs.}		1,000,000.00		1,000,000.00
SCHEDULE "B"				
Fixed Assets				
Member Ship Card { M.P. Stock Exchange } { <i>Inclusive of Preoperative & Incidental Exp</i> }		282775.00		282775.00
Total {Rs.}		282,775.00		282,775.00
SCHEDULE "C"				
Investment				
Equity Share {Unquoted Shares}				
Endolabs Limited		10,000.00		10,000.00
Goyal Finance Limited		-		15,000.00
Woo Yang Electronics		76,250.00		76,250.00
Velocity Limited		140,000.00		140,000.00
M.P.S.E.Ltd		10,000.00		10,000.00
Mutual Fund				
Birala Sunlife S.S.Fund		-		25,000.00
J.M.Engineering Leaders Fund		-		60,000.00
Reliance Natural Resources		-		25,000.00
Total {Rs.}		236,250.00		361,250.00
SCHEDULE "D"				
Cash & Bank Balance				
Cash in Hand		655.00		655.00
Balances with Schedule Banks				
- In Current Account		6,294.35		14,265.50
- Short Term Deposit Account		216,000.00		50,000.00
Total {Rs.}		222,949.35		64,920.50

SCHEDULE "E"**Loans & Advances**

(Advance recoverable in cash or in kind or for or for value to be received)

Balance with Holding company

--Devki Leasing & finance Ltd.	191,750.00	213,750.00
Deposits	50,000.00	50,000.00
Total {Rs.}	241,750.00	263,750.00

SCHEDULE "F"**Current Liabilities**

Sundry Creditors for Expenses	2,700.00	2,000.00
	2,700.00	2,000.00

SCHEDULE "G"**Provision**

Income-tax	471.00	471.00
Total {Rs.}	471.00	471.00

SCHEDULE "H"**Administrative Expenses**

Bank Charge	44.00	166.00
Audit Fee	1,500.00	1,000.00
Filing Fee	2,400.00	1,400.00
Member Fee	11,000.00	17,250.00
Total {Rs.}	14,944.00	19,816.00

SCHEDULE "I"**Miscellaneous Expenses**

Preliminary Expenses	1,241.00	2,487.00
Written off	1,241.00	1,246.00
Total {Rs.}	-	1,241.00

PART IV

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.

1	0	-	1	4	1	0	9	-	2	0	0	0
---	---	---	---	---	---	---	---	---	---	---	---	---

State Code

1	0
---	---

Balance Sheet

3	1	-		0	3			-	2	0	1	1
---	---	---	--	---	---	--	--	---	---	---	---	---

Date

II. Capital raised during the year (Amount in Rs.Thousand)

Public Issue

										N	I	L
--	--	--	--	--	--	--	--	--	--	---	---	---

Right Issue

											N	I	L
--	--	--	--	--	--	--	--	--	--	--	---	---	---

Bonus Issue

											N	I	L
--	--	--	--	--	--	--	--	--	--	--	---	---	---

Private Placement

												N	I	L
--	--	--	--	--	--	--	--	--	--	--	--	---	---	---

III. Position of Mobilisation and Development of Funds (Amount in Rs.Thousand)

Total Liabilities

						1	0	0	0	0
--	--	--	--	--	--	---	---	---	---	---

Total Assets

						1	0	0	0	0
--	--	--	--	--	--	---	---	---	---	---

Sources of Funds

Paid-up Capital

						1	0	0	0	0
--	--	--	--	--	--	---	---	---	---	---

Reserves & Surplus

										0
--	--	--	--	--	--	--	--	--	--	---

Secured Loans

											N	I	L
--	--	--	--	--	--	--	--	--	--	--	---	---	---

Unsecured Loans

												N	I	L
--	--	--	--	--	--	--	--	--	--	--	--	---	---	---

Application of Funds

Net Fixed Assets

						2	8	3
--	--	--	--	--	--	---	---	---

Investments

						2	3	6
--	--	--	--	--	--	---	---	---

Net Current Assets

						4	6	2
--	--	--	--	--	--	---	---	---

Misc. Expenditure

										0	1
--	--	--	--	--	--	--	--	--	--	---	---

Accumulated Losses

						0	1	9
--	--	--	--	--	--	---	---	---

IV. Performance of Company (Amount in Rs.Thousands)

Total Income

						0	2	5
--	--	--	--	--	--	---	---	---

Total Expenditure

						0	1	5
--	--	--	--	--	--	---	---	---

Profit before Tax

						0	9
--	--	--	--	--	--	---	---

Profit after Tax

						-	0	9
--	--	--	--	--	--	---	---	---

Earning per share (Rs.)

						-
--	--	--	--	--	--	---

Dividend Rate %

						-
--	--	--	--	--	--	---

V. Generic Names of Three Principal Products/Services of Company (As per monetary terms)

Item Code

No.

(ITC

Code)

Product Description

Not Applicable

Share Trading

FOR AND ON BEHALF OF BOARD

BHARAT BINDAL
DIRECTOR

MANOJ SINGH
DIRECTOR

Indore :
30.06.2011

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 19th Annual General meeting of the Company to be held on 12th
September, 2011 and at any adjourned meeting thereof.

As witnessed my/our hand(s) this _____ day of _____ 2011

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

19TH ANNUAL GENERAL MEETING ON 12TH SEPTEMBER 2011.

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 19th Annual General Meeting of the Company at "Velocity, 18-A Scheme No 94C, Ring Road, Indore on 12th September, 2011.

(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.