

LEAD FINANCIAL SERVICES LIMITED

*16th
Annual Report
2008-09*

LEAD FINANCIAL SERVICES LIMITED

BOARD OF DIRECTORS

P.C. BINDAL
PRADEEP KUMAR JAIN
SANJAY KUMAR AGARWAL
VIJAY KUMAR

CHAIRMAN
DIRECTOR
DIRECTOR
WHOLE TIME DIRECTOR

AUDITORS

G.C. SHARDA & CO.
NEW DELHI

COMPANY SECRETARY

RIKKIANAND

**REGISTRAR &
SHARE TRANSFER AGENT**

BEETAL FINANCIAL & COMPUTER SERVICES (P) LTD.
BEETAL HOUSE, 3RD FLOOR
99, MADANGIR, BEHIND LOCAL SHOPPING CENTRE
NEW DELHI- 110062

REGISTERED OFFICE

101, SITARAM MANSION
718/21, JOSHI ROAD
KAROL BAGH, NEW DELHI

BANKERS

THE BANK OF RAJASTHAN LTD.

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LEAD FINANCIAL SERVICES LIMITED

NOTICE

Notice is hereby given that the 16th Annual General Meeting of the members of Lead Financial Services Limited, will be held on Saturday, the 26th day of September, 2009 at 10.00 a.m. at 304, Sita Ram Mansion, 718/21, Joshi Road, Karol Bagh, New Delhi-110005, to transact the following business

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and the Profit & Loss Account for the year ended on that date together with Reports of the Directors and the Auditors thereon.
2. To appoint director in place of Mr. Pradeep Kumar Jain who retires by rotation and being eligible offers himself for reappointment.
3. To appoint M/s. G.C. Sharda & Co., Chartered Accountants, the retiring Auditors, as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of next annual general meeting and to fix their remuneration.

By Order of the Board of Directors

Place : New Delhi

Dated : 29.07.2009

(Vijay Kumar)

Whole Time Director

NOTE:

1. A MEMBER ENTITLED TO ATTEND & VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY.
2. The proxy form duly executed and properly stamped, in order to be effective, should reach the company at its Registered Office at least 48 hours before the scheduled time of the meeting.
3. The Register of Members and the Share Transfer books of the Company will remain closed from 22nd day of September, 2009 to 26th day of September, 2009 (both days inclusive).
4. Only Registered Members carrying attendance slips and holders of valid proxies registered with the Company will be permitted to attend the meeting.
5. The Members are requested to :
 - (a) Intimate to the Company changes, if any in their registered address at an early date.
 - (b) Quote ledger folio no. or DP ID & Client ID in all their correspondence.
 - (c) Bring their copy of the Annual Report and the attendance slips with them at the Annual General Meeting.

6. Details of Directors pursuant to clause 49 of the Listing Agreement:

Particulars

Name of Directors

Sh Pradeep Kumar Jain

Date of Birth

20.12.1960

Date of appointment

10.03.2007

Expertise in specific areas

Mr Pradeep Kumar Jain, a commerce graduate is a fellow member of the Institute of Chartered Accountants of India. He has 23 years of vast experience in the field of in finance and Capital Market.

Qualifications

B.Com., FCA

Directorship in other Company

Evergrowing Investments & Consultants Pvt Ltd.
Startrite Financial Services Pvt Ltd

Shareholdings in the company as on 31.03.2009

NIL

By Order of the Board of Directors

Place : New Delhi

Dated : 29.07.2009

(Vijay Kumar)

Whole Time Director

DIRECTORS' REPORT

To,
The Members
Lead Financial Services Limited

Your Directors have pleasure in presenting the 16th Annual Report with Audited Statement of Accounts of the company for the year ended 31st March, 2009.

FINANCIAL RESULTS:

Financial results of the company for the year under review are summarized as below:

(Rs. In Lacs)

Particulars	Year Ended 31.3.2009	Year Ended 31.03.2008
Total Income	39.43	19.14
Profit Before Depreciation & Tax	10.25	10.31
Depreciation	0.35	0.70
Profit/ (Loss) Before Tax	9.90	9.61
Provision for Tax - Current	2.21	1.35
- Deferred	0.31	0.31
- Fringe Benefit	0.04	0.04
- Previous Tax	0.11	0.18
Profit/(Loss) after Tax	7.23	7.73
Transfer to Statutory Reserve	1.45	1.55
Surplus Carried to Balance Sheet	39.49	33.70

PERFORMANCE REVIEW :

During the year under review, your company achieved total income of Rs.39.43 Lacs as compared to Rs.19.14 Lacs in the previous year. Net profit for the year was Rs.7.23 Lacs as compared to net profit of Rs.7.73 Lacs in the previous year. Your directors expect that the initiatives undertaken will result in improvement of financial results in the coming years.

MANAGEMENT DISCUSSION AND ANALYSIS :

Industry Structure and Development

Pronouncements by several leading economists and Central Bankers across the world would suggest that the worst is over for the global economy. There are early, if feeble, signs of recovery in the US economy, which has a significant bearing on the other major economies including India. The formation of a stable government at the Centre brings with it the hope of a renewed thrust on economic reforms and the pursuit of a growth agenda which are critical prerequisites for the Indian Economy to regain its growth momentum. Your Company, as in the past, will continue to pursue its objective of Growth with Quality. Your Company also continues to focus on new opportunities to improve profitability.

Outlook, Risk and Concern

Risk is an integral part of the banking business and we aim at delivering superior shareholder value by achieving an appropriate trade-off between risk and returns. The key risks are credit risk, market risk and operational risk.

Our risk management strategy is based on a clear understanding of various risks, disciplined risk assessment and measurement procedures and continuous monitoring. The policies and procedures established for this purpose are continuously benchmarked with international best practices.

The company as a NBFC is engaged predominantly in the business of investments, the future outlook/business prospects are closely linked with the variations in the stock market and also in the government policy and world economy. As the recent global economic recession has its impact on the stock markets, it had dampened the earlier buoyancy and optimism in the economy, still the overall outlook of the company continues to be positive in the current financial year.

Opportunities and Threats

Inflation which has reached the High mark of 12.63% level and touched a decade low of 0.26% level during the year under review, due to worldwide recession. With the attention of Government focused to come out from the current economic recession, the economic growth for the current year may see a deceleration with corporates turning in moderate growth in their financial results. Added to the above, the economic recession all over the world will also have its impact on the performance in the business of the company.

It is however, believed that the Indian growth story is intact inspite of all these odds over the long term. In the Current year Indian economy may still see a growth rate of around 5 to 6%.

The Company's prime and main business being financial services, it is exposed to the competitive threats from mutual and other funds. However, the Company hopes to improve its performance on the strength of its long experience and its strong emphasis on fundamentals.

LEAD FINANCIAL SERVICES LIMITED

Adequacy of Internal Control System

As part of the effort to evaluate the effectiveness of the internal control systems, your Company's internal audit department reviews all the control measures on a periodic basis and recommends improvements, wherever appropriate. The internal audit department reports directly to the Audit Committee of the Board. The Audit Committee regularly reviews the audit findings as well as the adequacy and effectiveness of the internal control measures.

Financial Performance

Operational Results, 2008-09 Versus 2007-08:

Particulars	(Rs. in Lacs)	
	2008-09	2007-08
Total Income	39.43	19.14
Interest & Financial Charges	5.48	0.15
Expenses	23.70	8.68
Depreciation	0.35	0.70
Total Expenditure	29.53	9.53
Profit before Tax(PBT)	9.90	9.61
Provision for Tax	2.67	1.88
Profit after tax (PAT)	7.23	7.73
Equity Capital	330.00	330.00
Reserves & Surplus	44.96	37.73
Earning per Share	0.22	0.23

Segment wise Performance

Company operates only in one segment.

DIVIDEND:

Your Directors regret their inability to recommend any dividend in view of deploying the funds for expansion of business during the year under review.

FIXED DEPOSITS:

Your Company has not accepted any deposits from public. There are no unclaimed or unpaid deposits as on 31st March, 2009.

DIRECTORS:

Sh. Pradeep Kumar Jain, Director of the Company retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

MATERIAL CHANGES:

There are no material changes and commitments, affecting the financial position of the company between the end of financial year of your company and the date of Director's Report.

AUDITORS:

M/s. G.C. Sharda & Co., Chartered Accountants, the Auditors of the company retire at the forthcoming Annual General Meeting and are eligible for re-appointment. The Audit Committee and your Board recommend their reappointment as Auditors of the Company. The company has received letter from them to the effect that their appointment, if made would be within prescribed limit under Section 224(1B) of the Companies Act, 1956.

AUDITOR'S REPORT:

The observations in the Auditor's Report are dealt in the notes forming part of accounts at appropriate places and the same being self explanatory, no further comment is considered necessary.

DEMATERIALISATION OF SHARES:

As the members are aware, your company's shares are tradable compulsory in electronic form. Accordingly, your company has established connectivity with both the depositories i.e. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). Members may avail the facility of dematerialisation of company's shares on either of the Depositories as aforesaid.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- That in the preparation of the accounts for the financial year ended 31st March, 2009, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review.
- That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- That the Directors have prepared the accounts for the financial year ended 31st March, 2009 on 'going concern' basis.

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PARTICULARS OF EMPLOYEES:

There is no employee whose particulars are required to be furnished in terms of Sec. 217(2A) of the Companies Act, 1956 and rules made thereunder.

PERSONNEL:

The Board wishes to place on record their deep appreciation of all employees of the company for their endeavor and co-operation. The relations with employees continued to be cordial throughout the year.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Your company has no activity relating to conservation of energy and technology absorption. The Company did not have any foreign exchange income/ outflow.

CORPORATE GOVERNANCE:

A report on Corporate Governance appears in this Annual Report and the certificate from M/s. G.C. Sharda & Co., Chartered Accountants, Statutory Auditors with regard to Compliance of the Corporate Governance code by your company is annexed hereto as Annexure and forms part of this report.

ACKNOWLEDGEMENT:

We thank our clients, investors and bankers for their continued support during the year. We place on record our appreciation of the contribution made by employees at all levels. We thank the Government of India, particularly the Securities And Exchange Board of India (SEBI), Stock Exchanges, the State Governments, and other government agencies/authorities for their support, and look forward to their continued support in future.

Your Company's employees are the keys for its attaining new heights. Your Directors place on record their deep appreciation of the commitment and professionalism displayed by them.

We also value the support provided by the Company's Shareholders and we look forward to your continuing future support.

For and On Behalf of the Board

Place : New Delhi
Dated : 29.07.2009

(P.C. BINDAL)
Chairman

LEAD FINANCIAL SERVICES LIMITED

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company is committed to good governance practices while conducting its business and has upheld the core concept of the Corporate Governance i.e. transparency, integrity, honesty, accountability and compliance of laws, so as to strengthen the investors confidence, and enhance the long-term sustainable value for its shareholders.

Good Corporate governance policies have further guided the Company to not only work towards the enhancement of shareholder value but for the overall betterment of all its stakeholders viz. it's customers, creditors, employees and the society at large.

The status of compliance with Clause 49 of the Standard Listing Agreement is enumerated herein below:

2. BOARD OF DIRECTORS

At the end of year, the Board consisted of four directors. One of them is Executive Director. Shri P.C.Bindal, Promoter of the Company is a Non Executive Director.

Sl No	Name of the Director	Status	Date of appointment	Date of Cessation	No. of Board Meetings held	No. of Board Meetings attended	Last AGM attended	No. of other directorship and committee membership and chairmanship.		
								Other Directorship	Committee Membership	Committee Chairmanship
1.	P.C. Bindal	Non Executive	28.11.94	N.A.	6	6	Yes	1	1	---
2	Sanjay Kumar Agarwal	Independent Non Executive	25.03.03	N.A.	6	6	Yes	2	3	1
3	Vijay Kumar	Executive	31.03.06	N.A.	6	6	Yes	4	1	---
4.	Pradeep Kumar Jain	Independent Non Executive	10.03.07	N.A.	6	6	Yes	2	3	2
5.	Neeraj Jain	Independent Non Executive	28.06.08	30.07.08	6	2	No	2	1	---

DATE & NUMBER OF BOARD MEETINGS HELD

Six Board meetings were held during the year on 2nd May 2008, 28th June 2008, 30th July 2008, 24th October 2008, 30th January, 2009 and 23rd March 2009 Complying with clause 49 of the listing agreement, the Board has adhered to the time gap between two meetings.

RETIREMENT OF DIRECTOR BY ROTATION, RE-APPOINTMENT AND NEW APPOINTMENT OF DIRECTOR

Mr Pradeep Kumar Jain retires by rotation at the 16th Annual General Meeting of the Company and being eligible offers himself for reappointment.

As required under Clause 49 of the Listing Agreement, brief resume of directors being reappointed, nature of his expertise in specific functional areas and names of companies in which he hold directorship and membership of the committees of the board are furnished hereunder:

⇒ Mr Pradeep Kumar Jain, a commerce graduate is a fellow member of the Institute of Chartered Accountants of India. He has 23 years of vast experience in the field of in finance and Capital Market.

He is also director of Evergrowing Investments & Consultants Pvt Ltd. and Startrite Financial Services Pvt Ltd

3. AUDIT COMMITTEE

The Company has an Audit Committee of Directors since 25th March 2003. The Committee has the powers similar to those stated in the listing Agreement and exercises most of the functions as per terms of reference of the Audit Committee.

COMPOSITION

Presently, the Audit Committee of the Board of your company comprises of three members all non executive directors and out of whom two are independent directors. The committee functions under the chairmanship of Shri Pradeep Kumar Jain who is an independent director. Shri Rikki Anand, Company Secretary of the Company acts as the secretary of the committee. The composition of committee is as follows:

Name of Members	Designation	Status / Position
1. Pradeep Kumar Jain	Chairman	Independent Non Executive Director
2. Sanjay Kumar Agarwal	Member	Independent Non Executive Director
3. P C Bindal	Member	Non Executive Director
4. Rikki Anand	Company Secretary	

*Statutory Auditors and Company Secretary are special invitees to the Audit Committee Meetings.

NO. OF MEETINGS AND ATTENDANCE AT MEETINGS

Four meetings of Audit Committee were held during the year 2008-09, on 28th June 2008, 30th July 2008, 24th October 2008 and 30th January 2009.

The Attendance of the Committee members at the above meetings is as follows

MEMBERS	COMMITTEE MEETINGS	
	Held	Attended
1. Sh. Pradeep Kumar Jain	4	4
2. Sh. Sanjay Kumar Agarwal	4	4
3. Sh. P C Bindal	4	4

Statutory Auditors are permanent invites to the Audit Committee.

4. SHAREHOLDERS' / INVESTORS GRIEVANCE/TRANSFER COMMITTEE – COMPOSITION

The company has merged the shareholders/investor grievance committee and share transfer committee into a single committee named Shareholders/ Investor Grievance Committee to redress the complaints of the shareholders in respect of the matters pertaining to transfer of shares, non-receipt of annual report, dematerialisation of shares etc.

Presently, The Committee comprises of three directors namely Sh. Sanjay Kumar Agarwal, Sh. Vijay Kumar and Sh Pradeep Kumar Jain. The Committee functions under the Chairmanship of Sh. Sanjay Kumar Agarwal.

The Share holders may send their complaints to grievance redressal division at following e-mail address:

lead_financial@rediffmail.com

REMUNERATION COMMITTEE

The company constituted remuneration committee on 28.06.2008 to review and recommend payment of annual salaries, agreements and other employment conditions of the Executive Directors comprising Managing Director and whole Time Directors, The Committee fixes the remuneration after taking in consideration remuneration practices followed by companies of similar size and standing in the industry. The Committee periodically reviews and recommends suitable by revision in the remuneration package of executive directors to the board.

Composition:

The constitution of remuneration committee is as follows:

S. No.	Name of Directors	Status	Category of Membership
1	Mr. Pradeep Kumar Jain	Chairman	Independent, Non- executive
2	Mr. Sanjay Kumar Agarwal	Member	Independent, Non- executive
3	Mr. Neeraj Jain	Member	Independent, Non- executive

Mr Neeraj Jain one of the Ex member of the remuneration committee has resigned from the directorship of the Company on 30.07.2008.

The company will reconstitute the remuneration committee as and when required.

Meeting and Attendance:

During the financial year one remuneration committee meeting was held on 29th July, 2008 and all the three members were present in that meeting.

REMUNERATION POLICY:

Subject to the approval of the Board of Directors and subsequent approval by the Shareholders at the General Body Meeting and such authorities as the case may be, remuneration of the Managing / Whole- Time Director is fixed by the remuneration committee. The remuneration is fixed considering various factors such as qualifications, experience, expertise, prevailing remuneration in the competitive industries, financial position of the company etc. The remuneration structure comprises basic salary, commission, perquisites and allowances, contribution to provident fund and other funds in accordance with various related provisions of the Companies Act, 1956. The non-executive directors have neither been paid any remuneration nor a sitting fees and reimbursement of actual travel expenses for attending the board Meeting.

COMPLIANCE OFFICER

As per the requirement of the Listing Agreement with the Stock Exchange, Mr Rikki Anand, Company Secretary is the Compliance Officer of the Company.

During the year under review the company has not received any complaint from shareholders. There are no pending transfers as on 31st March 2009

5. GENERAL BODY MEETINGS:

Location and time for the last three Annual General Meetings (AGM).

Year	Location	Date	Time	Special Resolution Passed
2005-06	101, Sita Ram mansion 718/21, Joshi Road, Karol Bagh New Delhi-110 005.	27.09.06	3.30 p.m	
2006-07	304, Sita Ram Mansion 718/21, Joshi Road, Karol Bagh New Delhi-110 005.	29.09.07	10.00 a.m	
2007-08	304, Sita Ram Mansion 718/21, Joshi Road, Karol Bagh New Delhi-110 005.	27.09.08	10.00 a.m	

All the Directors of the Company were present at the above Annual General Meetings.

No special resolution was put through Postal Ballot during last year.

6. COMPLIANCE WITH OTHER MANDATORY REQUIREMENTS

i) MANAGEMENT DISCUSSION AND ANALYSIS

A Management Discussion and Analysis Report forms part of the Annual Report and includes discussions on various matters specified under clause 49 (IV) (F)

ii) DISCLOSURES

a) Related Party Transactions

The details of transactions, if any, with related parties are placed before the audit committee on quarterly basis. Related party transactions during the year are disclosed in notes to accounts.

b) Disclosure of Accounting Treatment:

The Company is following the Generally Accepted Accounting Policies of the trade which provides a true and fair view of the business of the Company.

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c) CEO/CFO Certification

A Certificate from Finance Head on the financial statements of the Company was placed before the Board.

d) Code of Conduct:

The Board has formulated a code of Conduct for the Board members and senior management of the Company.

It is hereby affirmed that all the Directors and senior management personnel have complied with the code of conduct framed by the Company and a confirmation to that effect has been obtained from the directors and senior management.

e) Whistle Blower Policy:

Though the company does not have a Whistle Blower Policy, however it is ensured that every personnel has approach to the audit committee as and when he so desire.

f) All the mandatory requirements have been complied with. The Company always endeavors to comply with non-mandatory requirements as far as possible.

g) Compliance by the Company:

There were no instances of non-compliance or penalty structures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets, during the last year.

7. MEANS OF COMMUNICATION

Quarterly results for the quarters ending on 30th June 2008, 30th September 2008, 31st December 2008 and audited results for the quarter and year ended on 31st March 2009 were published in "Pioneer" and "Vir Arjun". The results are promptly furnished to the Stock Exchange for display on their respective websites.

Quarters	Date of Board Meeting	Date of Press Release
April – June 2008	30 th July 2008	31 st July, 2008
July–September 2008	24 th October 2008	25 th October 2008
October–December 2008	30 th January 2009	31 st January 2009
January–March 2009	26 th June 2009	27 th June 2009

(Audited)

The official press releases of Company are displayed on the website of The Bombay Stock Exchange Limited

8. GENERAL SHAREHOLDERS' INFORMATION

i) ANNUAL GENERAL MEETING

Date and Time	Saturday, 26 th September, 2009 At 10.00 A.M.
Venue	304, Sita Ram Mansion, 718/21 Joshi Road Karol Bagh, New Delhi – 110 005
ii) FINANCIAL CALENDAR	1 st April to 31 st March
iii) BOOK CLOSURE	22 nd September, 2009 to 26 th September, 2009 (both days inclusive)

iv) LISTING ON STOCK EXCHANGES

Your company's shares are listed on the following stock exchanges:

(1) The Stock Exchange, Mumbai
Corporate Relationship Department
1st Floor, New Trading Ring, Rotunda Building,
PJ Towers, Dalal Street, Fort, Mumbai – 400 001

Listing fees including for the year 2009-10 has been paid on due date to the Stock Exchange.

v) MARKET PRICE DATA :

Monthly High & Low closing quotation of shares traded at Bombay Stock Exchange Limited are as follows:

Month	Bombay Stock Exchange Limited	
	High	Low
April 2008	79.00	72.00
May 2008	78.85	67.80
June 2008	73.40	67.60
July 2008	80.00	73.20
August 2008	69.55	66.10
September 2008	65.90	59.70
October 2008	-	-
November 2008	56.75	56.75
December 2008	53.95	51.30
January 2009	48.75	48.75
February 2009	48.70	44.00
March 2009	41.85	34.25

vi) STOCK CODE

Stock Code for the Equity Shares of the Company at Bombay Stock Exchange is: 531288

vii) REGISTRAR & SHARE TRANSFER AGENT

The company has appointed Beetal Financial and Computer Services (P) Limited (Beetal) as its Registrar and Share Transfer Agent. The shareholders are advised to approach Beetal on the following address for any share & demat related queries and problem.

Beetal Financial & Computer Services Private Limited

Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, New Delhi-110062.

Tel: 011-29961281, 29961282 Fax: 011-29961284 E-Mail ID: beetal @ beetalfinancial.com Website: www.beetalfinancial.com

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vii) TRANSFER SYSTEM

Transfer of equity shares are handled by Beetal Financial and Computer Services (P) Limited. The transferee is required to furnish transfer deed duly complete in all respects together with share certificate to Beetal Financial and Computer Services (P) Limited at the above address in order to enable beetal to process the transfer. Beetal Financial and Computer Services (P) Limited after complying with SEBI Guidelines and on the basis of valid and complete documents, process the transfer.

As regards transfer of dematerialized shares, the same can be effected through demat accounts of the transferor/s and transferee/s maintained with recognized depository participants.

viii) CATEGORIES OF SHAREHOLDERS AS ON 31ST MARCH, 2009

Category	No. of shares	%
Promoter/PAC's	1149020	34.82
Banks/ financial institutions/ Insurance companies	19889	0.60
Bodies Corporate	909948	27.57
Indian Public	1154143	34.98
NRI's	67000	2.03
	3300000	100

(ix) DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2009

SHAREHOLDING OF NOMINAL VALUE OF RS.	NUMBER OF SHAREHOLDERS	% TO TOTAL	NO. OF SHARES	% TO TOTAL
UPTO 5000	1,397	84.06	2,07,532	6
5001 TO 10000	80	4.81	61,544	2
10001 TO 20000	67	4.03	93,870	3
20001 TO 30000	37	2.23	86,800	3
30001 TO 40000	8	0.48	28,600	1
40001 TO 50000	12	0.72	53,993	2
50001 TO 100000	18	1.08	1,28,573	4
100001 AND ABOVE	43	2.59	26,39,088	79
TOTAL	1,662	100.00	33,00,000	100

(x) DEMATERIALIZATION OF SHARES & LIQUIDITY

The company's equity shares are eligible for dematerialisation. The company has signed agreements with both the depositories namely NSDL and CDSL. The shareholders may therefore hold company's shares in electronic mode. The company's ISIN No. for both the depositories is INE531D01010.

As on 31st March, 2009, 16.75% and 1.45% of the Equity Shares of the Company are held in dematerialized form with NSDL and CDSL respectively.

xi) ADDRESS FOR CORRESPONDENCE

Lead Financial Services Limited
101, Sita Ram Mansion, 718/21, Joshi Road, Karol Bagh
New Delhi-110005 Tel. 23549822-23 Fax. 23623829

(xii) SEBI EDIFAR

As per the requirements of clause 51 of the listing agreement with the stock exchanges, all the data relating to quarterly financial results, shareholding pattern, etc. are being electronically filed on the electronic data information filing and retrieval (EDIFAR) website of SEBI (www.sebiedifar.nic.in) within the timeframe prescribed in this regard.

CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the members of Lead Financial Services Limited

We have examined the compliance of conditions of Corporate Governance by Lead Financial Services Limited, for the year ended on 31st March 2009 as stipulated in clause 49 of listing agreement of the said company with the Stock Exchange (s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to the review of the procedures and implementation thereof adopted by the Company for ensuring compliance of the conditions of the Corporate Governance. 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 the representations made by the Directors and the management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the clause 49 of the above mentioned Listing Agreement.

On the basis of the records maintained by the Shareholders/Investors Grievance Committee' of the Company, we state that, no investor grievances were received during the year.

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

For G.C.SHARDA & CO.
Chartered Accountants

(C.A. V.G.SHARDA)
Partner
M.No.91051

Place : New Delhi
Date : 29th July 2009

AUDITORS' REPORT

The Members,
Lead Financial Services Limited
New Delhi.

REPORT ON THE ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH, 2009 IN COMPLIANCE WITH SECTION 227(2) OF THE COMPANIES ACT, 1956.

1. We have audited the attached balance sheet of Lead Financial Services Limited as at 31st March, 2009 and the profit & loss account and also the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the annexure referred to above, we report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - ii) In our opinion, proper books of account as required by the law have been kept by the company, so far as appears from our examination of those books;
 - iii) The balance sheet, profit & loss account, and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv) In our opinion, the balance sheet, profit & loss account and cash flow statement dealt with this report comply with the accounting standards referred in section 211(3C) of the Companies Act, 1956;
 - v) On the basis of the written representations received from the directors as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;
 - vi) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts, subject to notes to accounts in Schedule L give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India:
 - a) In the case of Balance Sheet, of the state of affairs of the company as at 31st March, 2009;
 - b) In the case of Profit & Loss Account, of the Profit of the company for the year ended on that date; and
 - c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
5. As required by the Non Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 1998, we further state that we have submitted a report to the Board of Directors of the Company containing a statement on the matters of supervisory concern to the Reserve Bank of India as specified in the said Directions, namely the following:-
 - i) The Company has been registered with Reserve Bank of India vide Certificate of Registration No. B-14.00432 dated 12.03.1998 according to the requirement under Section 45IA of Reserve Bank of India Act, 1934.
 - ii) The Board of Directors, in their meeting held on 06.04.2009 have passed the resolution to the effect that the Company has neither accepted public deposit nor would accept any public deposit during the financial year 2009-10.
 - iii) The Company has not accepted any public deposit during the financial year 2008-2009.
 - iv) The Company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it.

For G.C. SHARDA & CO
Chartered Accountants

Place : New Delhi
Date : 26th June, 2009

[CA.V.G.SHARDA]
Partner
M. No. : 091051

LEAD FINANCIAL SERVICES LIMITED

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF LEAD FINANCIAL SERVICES LIMITED FOR THE YEAR ENDED ON 31ST MARCH, 2009

- i) In respect of its fixed assets:
 - a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, designed to cover all the items over a period of three years, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. Pursuant to the program, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies were noticed on such physical verification.
 - c) During the year, the company has not disposed off substantial / major part of fixed assets.
- ii) In respect of its Inventories
 - a) As explained to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the company is maintaining proper records of inventory. There was no discrepancies noticed on verification between the physical stocks and the books records.
- iii) According to the information & explanations given to us, the company has not granted/ taken any loan secured or unsecured from the parties covered in the register maintained u/s 301 of the Companies Act, 1956. Accordingly, the clauses 4 (iii) (a) & (g) of the order are not applicable.
- iv) In our opinion and according to the information and explanation given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchases of inventory and fixed assets, sale and services. During the course of our audit, we have not observed any major weakness in internal controls.
- v)
 - a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the companies Act, 1956 have been so entered.
 - b) In our opinion and according to the information and explanations given to us, the company has not made any transactions in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 for a value exceeding rupees five lacs in respect of any party.
- vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public to which provisions of sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 apply. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business. The directors are themselves implementing the system.
- viii) The company is a investment & finance company, hence clause 4(viii) of Companies (Auditors' Report) Order, 2003 regarding maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 is not applicable to the company.
- ix)
 - a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it have been regularly deposited with the appropriate authorities.
 - b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess and other material statutory dues applicable to it were in arrears, as at 31st March, 2009 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 sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.
- x) The company does not have any accumulated losses at the end of the year. The Company has not incurred any cash losses during the current and the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- xii) According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provision of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

LEAD FINANCIAL SERVICES LIMITED

- xiv) a) Based on the records examined by us and according to the information and explanations given to us, we are of the opinion that the company is maintaining proper record of the transactions and contracts of dealing in shares and securities and that timely entries have been made in these records.
- b) Based on our audit procedures and to the best of our knowledge and belief and according to the information and explanations given to us, the shares and other investments have been held in the Company in its own name except to the extent of the exemption granted under section 49 of the Companies Act, 1956.
- xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions.
- xvi) According to the information and explanations given to us, the company has not availed any term loan during the year under audit.
- xvii) According to the information and explanations given to us and on an overall examination of the balance sheet and cash flow statement of the company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- xix) According to the information and explanations given to us, the company had not issued any debentures during the year.
- xx) According to the information and explanations given to us, the company had not raised any money by public issue during the year.
- xxi) 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 G.C. SHARDA & CO.
Chartered Accountants

Place : New Delhi
Date : 26th June, 2009

[CA.V.G.SHARDA]
Partner
M. No. : 091051

LEAD FINANCIAL SERVICES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2009

		(Amount in Rs.)	
PARTICULARS	SCHEDULE	AS AT 31.03.09	AS AT 31.03.08
SOURCES OF FUNDS			
1. Shareholders' Fund			
Share Capital	"A"	33,000,000.00	33,000,000.00
Reserves & Surplus	"B"	4,495,742.72	3,772,650.89
2. Loan Fund	"C"		
Secured Loan		9,195,171.95	---
Unsecured Loan		---	---
Grand Total		46,690,914.67	36,772,650.89
APPLICATION OF FUNDS			
1. Fixed Assets	"D"		
Gross Block		26,074,963.00	7,107,308.00
Less: Depreciation		1,969,854.00	1,934,698.00
Net Block		24,105,109.00	5,172,610.00
Capital Work in Progress		---	18,900,906.00
		24,105,109.00	24,073,516.00
2. Investment	"E"	25,179,575.00	1,562,929.02
3. Current Assets, Loans & Advances	"F"		
Inventories		907,577.00	2,160,943.17
Sundry Debtors		60,241.76	200,924.75
Cash & Bank Balance		36,882,821.12	7,534,972.65
Other Current Assets		1,305,261.00	---
Loans & Advances		4,612,590.79	2,707,695.79
		43,768,491.67	12,604,536.36
Less: Current Liabilities & Provisions			
Current Liabilities	"G"	46,165,733.00	1,392,223.49
Provisions	"H"	224,551.00	134,892.00
Net Current Assets		(2,621,792.33)	11,077,420.87
4. Defferred Tax Assets		28,023.00	58,785.00
Grand Total		46,690,914.67	36,772,650.89
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS:			
	"L"		

AUDITORS' REPORT

As per our report of even date

For & Behalf of the Board

For G.C. SHARDA & CO.
Chartered Accountants

[CA.V.G. Sharda]
Partner
Membership No.091051

[P.C. Bindal]
Chairman

[Vijay Kumar]
Whole Time Director

Place : New Delhi
Date : 26th June, 2009

LEAD FINANCIAL SERVICES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2009 (AMOUNT IN RS.)

PARTICULARS	SCHEDULE	2008-2009	2007-2008
INCOME			
Income From Operations	"I"	3,942,974.51	1,847,399.32
Other Income	"J"	---	66,933.00
		<u>3,942,974.51</u>	<u>1,914,332.32</u>
EXPENDITURE			
Purchases		---	1,337,401.21
(Increase)/Decrease in Stock		1,253,366.17	(1,337,401.20)
Operating & Other Expenses	"K"	1,664,756.51	883,725.21
Depreciation	"D"	35,156.00	69,990.00
		<u>2,953,278.68</u>	<u>953,715.22</u>
Profit Before Tax		<u>989,695.83</u>	<u>960,617.10</u>
Less: Provision for Tax			
Current		220,743.00	134,642.00
Previous Year Adjustment		11,291.00	17,698.00
Deferred Tax (Assets)/Liabilities		30,762.00	31,206.00
Fringe Benefit		3,808.00	3,950.00
Profit After Tax		<u>723,091.83</u>	<u>773,121.10</u>
Add: Surplus from Previous Year		<u>3,370,469.89</u>	<u>2,751,972.79</u>
PROFIT AVAILABLE FOR APPROPRIATION		<u>4,093,561.72</u>	<u>3,525,093.89</u>
Less : Transfer to Statutory Reserve		<u>144,618.00</u>	<u>154,624.00</u>
Surplus Carried to Balance Sheet		<u>3,948,943.72</u>	<u>3,370,469.89</u>
Earning Per Share (Rs.Per Equity Share of Rs.10/- each)			
Basic & Diluted		0.22	0.23
No. of Shares used in computing earning per share			
Basic & Diluted		3,300,000	3,300,000
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS:	"L"		

AUDITORS' REPORT

As per our report of even date

For & Behalf of the Board

For G.C. SHARDA & CO.
Chartered Accountants

[CA.V.G. Sharda]
Partner
Membership No.091051

[P.C. Bindal]
Chairman

[Vijay Kumar]
Whole Time Director

Place : New Delhi
Date : 26th June, 2009

LEAD FINANCIAL SERVICES LIMITED

(AMOUNT IN RS.)

PARTICULARS	AS AT 31.03.09	AS AT 31.03.08
SCHEDULE "A"		
Share Capital		
Authorised		
35,00,000 Equity Shares of Rs.10/- each (Prev.Year 35,00,000 Equity Shares of Rs.10/- each)	35,000,000.00	35,000,000.00
	35,000,000.00	35,000,000.00
Issued, Subscribed & Paid Up		
33,00,000 Equity Shares of Rs.10/- each fully paidup issued for cash at par (Pr.Yr. 33,00,000 Equity Shares of Rs.10/- each)	33,000,000.00	33,000,000.00
Total	33,000,000.00	33,000,000.00
Schedule "B"		
Reserves & Surplus		
General Reserve		
As per last year Balance Sheet	63,000.00	63,000.00
Statutory Reserve		
Balance b/f	339,181.00	184,557.00
Transferred from Profit & Loss A/C	144,618.00	154,624.00
	483,799.00	339,181.00
Profit & Loss Account	3,948,943.72	3,370,469.89
Total	4,495,742.72	3,772,650.89
Schedule "C"		
Loan Fund		
Secured Loan		
Overdraft limit from Banks*	9,195,171.95	---
Total-I	9,195,171.95	---

Note: Overdraft limit from Banks are secured by hypothecation of FDRs.

SCHEDULE "D" OF FIXED ASSETS AS ON 31ST MARCH, 2009

Particulars	Gross Block					Depreciation			Net Block	
	Cost as on 01.04.2008	Addition During the Year	Sold During the Year	Total as on 31.03.09	Up to 31.03.08	For the year	Adjustment	Upto 31.03.09	WDV as on 31.03.09	WDV as on 31.03.08
Leasehold Land	4,966,908.00	---	---	4,966,908.00	---	---	---	---	4,966,908.00	4,966,908.00
Building	---	18,967,655.00	---	18,967,655.00	---	---	---	---	18,967,655.00	---
Data Processing	---	---	---	---	---	---	---	---	---	---
Equipments	438,700.00	---	---	438,700.00	436,993.00	683.00	---	437,676.00	1,024.00	1,707.00
Office Equipments	240,375.00	---	---	240,375.00	181,893.00	8,135.00	---	190,028.00	50,347.00	58,482.00
Furniture & Fixture	1,461,325.00	---	---	1,461,325.00	1,315,812.00	26,338.00	---	1,342,150.00	119,175.00	145,513.00
Car	---	---	---	---	---	---	---	---	---	---
	7,107,308.00	18,967,655.00	---	26,074,963.00	1,934,698.00	35,156.00	---	1,969,854.00	24,105,109.00	5,172,610.00
Previous Year	21,723,491.04	5,034,722.96	750,000.00	26,008,214.00	2,501,641.00	69,990.00	636,933.00	1,934,698.00	24,073,516.00	19,221,850.04
Capital Work In Progress	---	---	---	---	---	---	---	---	---	---
Building under construction	---	---	---	---	---	---	---	---	---	18,900,906.00
TOTAL	---	---	---	---	---	---	---	---	---	24,073,516.00

LEAD FINANCIAL SERVICES LIMITED

(AMOUNT IN RS.)

SCHEDULE "E" OF INVESTMENTS

<u>SCHEDULE "E" OF INVESTMENTS</u>		As at 31.03.09		As at 31.03.08	
Particulars	Face Value	No. of Shares	Amount	No. of Shares	Amount
LONG TERM					
A) <u>Quoted Shares</u>					
Maytas Infra Ltd	10	---	---	500	295,530.02
Gujrat Opticals Fibres Ltd.	10	100	1,930.00	100	1,930.00
Premier Vinyl Ltd.	10	1000	37,645.00	1000	37,645.00
NTPC Limited	10	---	---	3352	207,824.00
	Total a:		39,575.00		542,929.02
B) <u>Unquoted</u>					
Equity Shares					
SLS Shares & Stock Broker Ltd.	10	120000	1,200,000.00	20000	200,000.00
Indraprastha Commodity Trading Pvt Ltd	10	82000	820,000.00	82000	820,000.00
Bonds					
Reliance GTI Ltd.		23.00	23,120,000.00		---
	Total b:		25,140,000.00		1,020,000.00
	G.Total(a+b)		25,179,575.00		1,562,929.02

Note: Market Value of the quoted Investment as on 31st March, 2009 is Rs.0.01 Lacs appx. (P.Y.Rs.11.11 lacs)

SCHEDULE "F"

Current Assets, Loans & Advances

Inventories	907,577.00	2,160,943.17
(Valued at cost or market value whichever is lower)		
Total a:	907,577.00	2,160,943.17
Sundry Debtors		
(Unsecured, Considered good)		
Outstanding for a period exceeding six months	---	---
others	60,241.76	200,924.75
Total b:	60,241.76	200,924.75
Cash & Bank Balance		
Cash in hand	482,126.13	356,036.13
Balance with Scheduled Banks in		
Current Accounts	400,694.99	7,178,936.52
Fixed Deposits	36,000,000.00	---
(includes FDRs pledged with banks)		
Total c:	36,882,821.12	7,534,972.65
Other Current Assets		
Interest Accrued on Fixed Deposits	1,305,261.00	---
Total d:	1,305,261.00	---
Loans & Advances		
(Unsecured, Considered Good)		
Short Term Loans, Advances & ICDs	4,075,367.00	2,494,867.00
Prepaid Taxes	436,377.00	127,228.79
Income Tax Refund Due	100,846.79	85,600.00
Total e:	4,612,590.79	2,707,695.79
Grand Total (a+b+c+d+e)	43,768,491.67	12,604,536.36

LEAD FINANCIAL SERVICES LIMITED

(AMOUNT IN RS.)		
PARTICULARS	AS AT 31.03.09	AS AT 31.03.08
SCHEDULE "G"		
Current Liabilities		
Sundry Creditors & Expenses Payable	46,165,733.00	1,392,223.49
Total-I	46,165,733.00	1,392,223.49
Schedule "H"		
Provisions		
FBT Payable	3,808.00	250.00
Provision for Taxation	220,743.00	134,642.00
Total-II	224,551.00	134,892.00
G.Total(I+II)	46,390,284.00	1,527,115.49
Schedule "I"		
INCOME FROM OPERATIONS		
Income from Interest	1,995,929.00	428,815.50
(Tax Deducted at source Rs 3.56 Lacs P.Y.Rs.1.27 Lacs)		
Sale /Trading of Shares	943,623.13	---
Advisory Services	250,000.00	750,000.00
Capital Gain	723,002.38	654,638.82
Dividend	30,420.00	13,945.00
	3,942,974.51	1,847,399.32
Schedule "J"		
OTHER INCOME		
Profit on Sale of Assets	---	66,933.00
	---	66,933.00
Schedule "K"		
OPERATING & OTHER EXPENSES		
Advertisement Expenses	39,075.00	35,131.00
Auditors Remuneration	12,133.00	12,360.00
Bank Charges & Interest	548,211.95	15,031.50
Periodicals Expenses	---	1,800.00
Communication Expenses	61,616.03	52,549.76
Internet Expenses	8,265.28	---
Establishment Expenses	702,228.00	488,167.00
General & Misc Expenses	28,191.50	19,457.95
Insurance Paid	696.00	798.00
Legal & Professional Expenses	35,138.75	29,338.00
Listing & Filing Fee	14,712.00	20,530.00
Bad Debts	32,250.00	---
Printing & Stationery Expenses	1,115.00	962.00
Rent, Rates & Taxes	181,124.00	191,254.00
Repair & Maintenance Expenses	---	5,000.00
Vehicle Running & Maintenance Expenses	---	11,346.00
Total	1,664,756.51	883,725.21

LEAD FINANCIAL SERVICES LIMITED

SCHEDULE "L"

SCHEDULES "L" OF FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2009 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

Financial statement are prepared under historical cost convention and on the basis of a going concern.

2. Revenue Recognition

Income from operations which comprises of sale of shares, interest, hire charges, lease rental etc. are all accounted for on accrual basis except for dividend Income which are considered on receipt basis. Advisory service charges are accounted for on accrual basis.

3. Fixed Assets

Fixed Assets are recorded at cost of acquisition. They are stated at historical cost less depreciation.

4. Depreciation

Depreciation is provided as per Written Down Value Method in accordance with the provisions of Schedule XIV of the Companies Act, 1956. Depreciation is charged on prorata basis for assets purchased/sold during the year.

5. Investments

Investments are valued as cost. Shares, debentures and securities which the management intends to hold on long term basis are classified as "Investments". No provisions are made for temporary diminution in value of investments.

6. Inventories

Stock in trade is valued at cost or market value whichever is low.

7. Employee Benefits

Gratuity is charged to profit and loss account through a provision of accruing liability based on assumption that such benefits are payable to all the eligible employees at the end of accounting year.

8. TAXATION

Current Tax : Provision for Income Tax is made in accordance with the provision of Income Tax Act, 1961.

Deferred Tax : Deferred Tax is recognized on timing difference between taxable and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax asset is recognized and carried forward only to the extent there is reasonable certainty of its realization.

B. NOTES TO ACCOUNTS

1. Contingent Liabilities Rs Nil (P.Year Rs. Nil).

2. Segment Reporting

The company is a Non Banking Financial Company. Since there is only one segment in which company is operating, segment reporting as required under Accounting Standard 17 issued by the Institute of Chartered Accountants of India is not applicable.

3.1 In accordance with the Accounting Standards 22 relating to accounting for taxes on income issued by The Institute of Chartered Accountants of India, made applicable w.e.f. 1.4.2001, income taxes for the current year have been provided for using tax effect accounting method and deferred tax assets/liability has been recorded.

3.2 Break up Deferred Tax Assets and Deferred Tax Liabilities:

Deferred Tax Assets	31.3.09	31.3.08
a) Fixed Assets	28023	31553
b) Others	Nil	27232
Deferred Tax Liability	31.3.09	31.3.08
a) Fixed Assets	Nil	Nil
b) Others	Nil	Nil

4. Related Party Transactions :

1. Related Party Disclosures

A) Subsidiary Company: NIL

B) Names of related parties with whom transactions have taken place during the year.

a. Associates :

LFS Securities Ltd

LFS Services Pvt. Ltd.

LEAD FINANCIAL SERVICES LIMITED

- b. Individuals owing significant shareholding and occupying, key management position and his relatives.
P.C. Bindal HUF
- c. Other key management person:
P.C. Bindal (Chairman)

Related Party Transactions:

		(figures in Lacs)			
Particulars		A	B (a)	Group B (b)	Total B (c)
- Rent Paid (Current Year)		-	-	1.80	1.80
(Previous Year)		-	-	1.80	1.80
- Loan Repaid (Current Year)		-	-	-	-
(Previous Year)		-	12.44	-	12.44
Balance as on 31.03.2009					
Due from		Nil	Nil	Nil	Nil
Due to		Nil	Nil	Nil	Nil
Balance as on 31.03.2008					
Due from		Nil	Nil	Nil	Nil
Due to		Nil	Nil	Nil	Nil

5. The company has not given any loans and advances in the nature of loan required to be disclosed pursuant to clause 32 of listing agreement,
6. Earning per Share :-
Calculation of Earning Per Share – Basic & Diluted
- | S.No. | Particulars | 31.3.2009 | 31.3.2008 |
|-------|---|-----------|-----------|
| 1. | Opening Number of Equity Shares | 3300000 | 3300000 |
| 2. | Allotted during the Year | — | — |
| 3. | Outstanding Number of Shares at the year end. | 3300000 | 3300000 |
| 4. | Weighted number of Shares - | 3300000 | 3300000 |
| 5. | Net Profit after Tax (Rs.) | 723091 | 773121 |
| 6. | Earning Per Share (Rs.) | 0.22 | 0.23 |
7. Estimated amount of contracts remaining to be executed on Capital Accounts (Net of advances) Rs. Nil (Pr. Year. Rs. 10.00 Lacs).
8. The company has created necessary statutory reserve as per the guidelines issued by the Reserve Bank of India.
9. Total Management remunerations paid/payable to the directors is Rs. Nil (Pr. Yr. Nil)
10. No. provision has been made for gratuity as no employee has completed qualifying period of service.
- | | Current Year | Previous Year |
|-------------------------------------|--------------|---------------|
| 11. Amount paid/payable to Auditors | | |
| Audit Fees | 12133.00 | 12360.00 |
| Others | Nil | Nil |
12. In the opinion of Board of Directors, all the current assets, loan & advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated, except those stated otherwise and that all the known liabilities relating to the year have been provided for.
- | | | |
|-------------------------------------|-----|---------------|
| 13. i) Earning in Foreign Currency | Nil | (Pr. Yr. Nil) |
| ii) Expenditure in Foreign Currency | Nil | (Pr. Yr. Nil) |
14. Previous year figures have been regrouped/ rearranged wherever necessary to make figures comparable.
15. All the figures are stated in Indian Rupees.
16. Schedule "A" to "L" are integral part of Balance Sheet and Profit and Loss Account.

AUDITORS' REPORT

As per our report of even date

For & Behalf of the Board

For G.C. SHARDA & CO.
Chartered Accountants

[CA.V.G. Sharda]
Partner
Membership No.091051

[P.C. Bindal]
Chairman

[Vijay Kumar]
Whole Time Director

Place : New Delhi
Date : 26th June, 2009

LEAD FINANCIAL SERVICES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

	2008-2009	(Amount in Rs.) 2007-2008
Net profit before taxation & extraordinary item	989,695.83	960,617.10
Adjustment for:		
Add		
Depreciation	35,156.00	69,990.00
Profit on Sale of Assets	---	(66,933.00)
Operating profit before working capital changes	1,024,851.83	963,674.10
Adjustment for:		
Decrease(Increase) in Trade & other receivable	(3,069,473.01)	6,757,088.21
Decrease(Increase) in Inventories	1,253,366.17	(1,337,401.20)
(Decrease)Increase in Trade Payable	44,863,168.51	1,121,664.39
Cash generated from operations	44,071,913.50	7,505,025.50
Income Tax Paid	(232,034.00)	(152,340.00)
Fringe Benefit Tax	(3,808.00)	(3,950.00)
Cash Flow from Operating activities(A)	43,836,071.50	7,348,735.50
Cash Flow from Investing activities		
Capital work in progress	18,900,906.00	(5,034,722.96)
Capitalisation of Fixed Assets	(18,967,655.00)	
Purchase of Investment	(24,120,000.00)	---
Proceeds from Sale of Assets	---	180,000.00
Proceeds from Sale of Investment	503,354.02	2,744,469.98
Net Cash from Investing activities(B)	(23,683,394.98)	(2,110,252.98)
Cash Flow from Financing activities		
Proceeds from short term borrowing	9,195,171.95	(1,244,400.00)
Net Cash Flow from Financing activities(C)	9,195,171.95	(1,244,400.00)
Net Increase in cash & cash equivalents(A+B+C)	29,347,848.47	3,994,082.52
Cash & Cash equivalents at beginning of period	7,534,972.65	3,540,890.13
Cash & Cash equivalents at end of period	36,882,821.12	7,534,972.65

For & Behalf of the Board

[P.C. Bindal]
Chairman

[Vijay Kumar]
Whole Time Director

AUDITOR'S CERTIFICATE

We have examined the attached Cash Flow Statement of Lead Financial Services Limited for the year ended 31 st March , 2009. The Statement has been prepared by the company in accordance with the requirements of clause - 32 of the listing agreement with the stock exchanges and is based on and in agreement with corresponding profit and loss account and balance sheet of the company covered by our Report of 26th June, 2009 to the members of the Company.

For G.C. SHARDA & CO.
Chartered Accountants

Place : New Delhi
Date : 26th June, 2009

[CA.V.G.SHARDA]
Partner
M. No. : 091051

LEAD FINANCIAL SERVICES LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS REQUIRED UNDER PART (IV) OF SCHEDULE VI OF THE COMPANIES ACT, 1956

Amount in thousands

I	Registration details	
	Registration no.	55-53485
	State code	55
	Balance Sheet date	31.3.2009
I	Capital raised during the year	
	Public Issue	NIL
	Rights Issue	NIL
	Bonus Issue	NIL
	Private Placement	NIL
II	Position of mobilisation and deployments of funds	
	Total liabilities	46,691
	Total assets	46,691
	Source of funds	
	Paid-up capital	33,000
	Share Application Money	---
	Reserves and surplus	4,496
	Secured loans	9,915
	Unsecured loans	---
	Deferred tax liability	---
		46,691
	Application of funds :	
	Net fixed assets	24,105
	Investments	25,180
	Net current assets	(2,622)
	Misc. Expenditure	-
	Accumulated losses	-
	Deferred Tax	28
		46,691
IV	Performance of the Company	
	Turnover	3,943
	Total expenditure	2,953
	Profit before tax	990
	Profit after tax	723
	Earning per share of Rs. 10/- each- Basic & Diluted	Rs. 0.22
V	Dividend Rate	Nil
	Generic name of principal products of the Company	
	Item Code No. (ITC code)	Nil
	Product description	Finance Related Business/ Consultancy

AUDITORS' REPORT

As per our report of even date

For & Behalf of the Board

For G.C. SHARDA & CO.
Chartered Accountants

[CA.V.G. Sharda]
Partner
Membership No.091051

[P.C. Bindal]
Chairman

[Vijay Kumar]
Whole Time Director

Place : New Delhi
Date : 26th June, 2009

LEAD FINANCIAL SERVICES LIMITED

Registered Office : 101, Sita Ram Mansion, 718/21, Joshi Road, Karol Bagh, New Delhi-110 005

PLEASE FILL THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. Joint shareholders may obtain additional slip on request.

DP.ID*	
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Registered Folio No.	
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Client ID*	
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NAME AND ADDRESS OF THE SHAREHOLDER :

No. of shares(s) held :

I hereby record my presence at the 16th Annual General Meeting of the members of Lead Financial Services Limited, will be held on Saturday, the 26th day of September, 2009 at 10.00 a.m. at 304, Sita Ram Mansion, 718/21, Joshi Road, Karol Bagh, New Delhi-110005

Signature of the shareholder or proxy

*Applicable for investors holding shares in electronic form.

TEAR HERE

PROXY FORM

LEAD FINANCIAL SERVICES LIMITED

Registered Office : 101, Sita Ram Mansion, 718/21, Joshi Road, Karol Bagh, New Delhi-110 005

DP.ID*	
--------	--

Registered Folio No.	
----------------------	--

Client ID*	
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We R/o

being a member/members of Sharda Capsec Limited hereby appoint

of or failing him

of as my/our proxy to vote on my/our behalf at the 16th Annual General Meeting to be held on Saturday, the 26th day of September, 2009 at 10.00 a.m. or at any adjournment thereof.

Signed this day of 2009.

Place :

Affix 15 paise Revenue Stamp

*Applicable for investors holding shares in electronic form.

Note : This form, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the meeting. The proxy need not be a member of the Company.

BOOK-POST

If Undelivered please return to :

LEAD FINANCIAL SERVICES LIMITED

101, Sita Ram Mansion, 718/21, Joshi Road
Karol Bagh, New Delhi-110 005