

## LEAD FINANCIAL SERVICES LIMITED

### NOTICE

Notice is hereby given that the 17<sup>th</sup> Annual General Meeting of the members of Lead Financial Services Limited, will be held on Saturday, the 25<sup>th</sup> day of September, 2010 at 10.30 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 31<sup>st</sup> March, 2010 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.P C Bindal 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 : 30.07.2010

(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 21<sup>st</sup> day of September, 2010 to 25<sup>th</sup> day of September, 2010 (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

Date of Birth	Mr. P.C. Bindal
Date of appointment	05.06.1960
Expertise in specific areas	28.11.1994
Qualifications	Rich experience in handling, administrative, financial and other related matters.
Directorship in other Company	M.Com., FCA
Shareholdings in the company as on 31.03.2010	Glaze Packagers Pvt Ltd
	195,200 shares

By Order of the Board of Directors

Place : New Delhi  
Dated : 30.07.2010

(Vijay Kumar)  
Whole Time Director  
DIN - 00165917

**DIRECTORS' REPORT**

To,  
The Members  
Lead Financial Services Limited

Your Directors have pleasure in presenting the 17<sup>th</sup> Annual Report with Audited Statement of Accounts of the company for the year ended 31<sup>st</sup> March, 2010.

**FINANCIAL RESULTS:**

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

(Rs. in Lacs)

Particulars	Year Ended 31.3.2010	Year Ended 31.03.2009
Total Income	114.56	39.43
Profit Before Depreciation & Tax	15.12	10.25
Depreciation	0.29	0.35
Profit/ (Loss) Before Tax	14.83	9.90
Provision for Tax - Current	3.71	2.21
- Deferred	(0.008)	0.31
- Fringe Benefit	---	0.04
- Previous Tax	0.02	0.11
Profit/(Loss) after Tax	11.10	7.23
Transfer to Statutory Reserve	2.39	1.45
Surplus Carried to Balance Sheet	49.07	39.49

**PERFORMANCE REVIEW:**

During the year under review, your company achieved total income of Rs.114.56 Lacs as compared to Rs.39.43 Lacs in the previous year. Net profit for the year is Rs.11.10 Lacs as compared to net profit of Rs.7.23 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 :**

**Industrial Structure and Development**

The Indian economy, which had managed to emerge out of the global turmoil in the year 2008-2009 relatively unscathed, witnessed a quick rebound in the year 2009-2010. The global growth momentum also saw a rise following the unprecedented boost of liquidity by Federal Governments across countries especially in developed economies.

During the phase of recovery, the challenge before India was striking the right balance between a host of macro issues containing fiscal deficit, smooth roll back of stimulus programmes without affecting the growth momentum, yet maintaining adequate liquidity for enabling credit. All this, without growth leading to high inflation. Macro policies in India maneuvered the situation with precision. The RBI was quick and proactive in tacking inflation and inflation expectations. RBI increased the benchmark rates one of the first major central banks to do so but only at a gradual and calibrated pace so as to ensure that the process of growth recovery is not derailed either. Union budgets (in July 2009 and more so in February 2010) also kept boosting growth expectations as government policies succeeded in balancing the trade off between stimulating growth and reducing deficits.

**Outlook, Risk and Concern**

Our risk management strategy is based on a robust process of risk evaluation, assessment and monitoring key metrics aided by appropriate risk mitigation plans.

The primary risks that the Company is exposed to are: Credit risk (Corporate & Retail lending), Market risk (Liquidity and Interest rate risk) and Operational risk. The Company's risk policies outline the products offered, customer and client categories, credit approval processes with limits and risk monitoring and reporting.

The Management reviews risk policies from time to time to address strategy and portfolio/balance sheet risks arising from equity investments, credit, liquidity movements and interest rate movements

**Opportunities and Threats**

The Benchmark BSE sensex, which had dipped to 8100 in March, 2009 saw a steep recovery to close at 17527 as on March 31, 2010 – an increase of 80% in F.Y 10 and an increase of 115% from its trough. As a result, valuations that are beginning to emerge as a key concern in India, coupled with the ongoing developments in the Euro Zone, have the potential to cause a correction.

Thus, while the long term India growth story remains intact, a sense of caution is in order here because we perceive some short term challenges for the next few months. We see market size growing slowly (as capital markets are going through a wave of changes and needs to consolidate after the heady growth years of 2003-2007), with intense competition and increase in costs on all fronts. In addition, turbulence in sovereign credit markets, especially in some of the southern European countries, could impact investor risk appetite and reverse the flows from stock markets. While contagion risks remain at elevated levels, we believe, concerted action by the European Monetary Authority (EMF), international Monetary fund (IMF) and other will contain the situation and that the stock markets will not be impact too adversely.

# LEAD FINANCIAL SERVICES LIMITED

## Adequacy of Internal Control System

The Company maintains a system of well established policies and procedures for internal control of operations and activities, and these are continually reviewed for effectiveness. The internal control system is supported by qualified personnel and a continuous program of internal audit. The prime objective of such audits is to test the adequacy and effectiveness of all internal control systems laid down by the management and to suggest improvements. We believe that the Company's overall system of internal control is adequate given the size and nature of operations and effective implementation of internal control self assessment procedures. The Company encourages and recognizes improvements in work practices. The internal control system of the Company is also reviewed by the Audit Committee periodically.

## Financial Performance

### Operational Results, 2009-10 Versus 2008-09:

Particulars	2009-10	(Rs. In Lacs)
		2008-09
Total Income	114.56	39.43
Interest & Financial Charges	4.06	5.48
Expenses	95.38	23.70
Depreciation	0.29	0.35
Total Expenditure	99.73	29.53
Profit before Tax(PBT)	14.83	9.90
Provision for Tax	3.73	2.67
Profit after tax (PAT)	11.10	7.23
Equity Capital	330.00	330.00
Reserves & Surplus	56.06	44.96
Earning per Share	0.34	0.22

## 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 31<sup>st</sup> March, 2010.

## DIRECTORS :

Sh. P. C. Bindal, 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.

## DEMATERIALIZATION 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 31<sup>st</sup> March, 2010, 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.

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- iii) 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.
- iv) That the Directors have prepared the accounts for the financial year ended 31<sup>st</sup> March, 2010 on 'going concern' basis.

### 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:

#### A. Conservation of Energy and Technology Absorption

Your company has no activity relating to conservation of energy and technology absorption. Hence provision requiring particulars under Section 217 (1) (e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is not applicable

#### B. Foreign Exchange Earnings and Outgo

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 : 30.07.2010

(P.C. BINDAL)  
Chairman

DIN - 00004769

# LEAD FINANCIAL SERVICES LIMITED

## CORPORATE GOVERNANCE REPORT

In compliance with Clause 49 of the Listing Agreement entered into with the stock exchanges, the Company hereby submits the report on matters as mentioned in the said clause and Corporate Governance practices followed by the Company. This section besides being in compliance of the mandatory listing requirement gives an insight into the process of functioning of the Company.

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Corporate Governance philosophy of the Company is driven by the following fundamental principles:

- conduct the affairs of the Company in an ethical manner
- ensure transparency in all dealings
- ensure highest level of responsibility and accountability
- ensure compliance with all laws and regulations
- ensure timely dissemination of all price sensitive information and matters of interest to stakeholders

The Company, through effective dissemination of information to the Directors and active interaction of the Board Members with Senior Management ensures effective oversight of the Company's businesses and activities.

Through the Governance mechanism in the Company, the Board alongwith its Committees endeavors to strike the right balance with various stakeholders

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

### 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 in public company	Committee Membership	Committee Chairmanship
1.	P.C. Bindal	Non Executive	28.11.94	N.A.	7	7	Yes	---	---	---
2	Sanjay Kumar Agarwal	Independent Non Executive	25.03.03	N.A.	7	7	Yes	2	---	---
3	Vijay Kumar	Executive	31.03.06	N.A.	7	7	Yes	---	---	---
4.	Pradeep Kumar Jain	Independent Non Executive	10.03.07	N.A.	7	7	Yes	---	---	---

The directorship held by directors do not include alternate directorship and directorship of foreign Companies, section 25 Companies & private limited Companies.

\*\* In accordance with clause 49 of the Listing Agreement, membership/chairmanship of only the Audit Committee and Shareholders/Investors Grievance Committee of all Public Ltd. Companies have been considered.

### DATE & NUMBER OF BOARD MEETINGS HELD

Seven Board meetings were held during the year on 6th April 2009, 26th June 2009, 29th July 2009, 30th October 2009, 11th November, 2009, 29th January 2010 and 29th March, 2010 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 P C Bindal retires by rotation at the 17th 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 P C Bindal, is a Post Graduate in Commerce and Fellow member of the Institute of Chartered Accountants of India. He has 20 years experience in corporate finance and administration. Mr. Bindal is a man widely connected as social as well as professionally. He has served as a member of Professional Development committee of the Institute of Chartered Accountants of India (ICAI). He also has been a member of Study group on Investors' Protection of ICAI.

### 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

#### ROLE OF AUDIT COMMITTEE

The broad terms of reference of Audit Committee include inter-alia the following:-

- Review quarterly and annual financial statements before submission to the Board for approval;
- Discuss with Auditors about Internal Control System and to consider their observations and follow-up;
- Review of risk management policies and practices;
- Ensure compliance of Internal Control System;

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- Investigate on any matter referred by the Board;
- Make recommendation to the Board on any matter relating to the financial management of the Company, including the Audit Report.

### NO. OF MEETINGS AND ATTENDANCE AT MEETINGS

Four meetings of Audit Committee were held during the year 2009-10, on 26<sup>th</sup> June 2009, 29<sup>th</sup> July 2009, 30<sup>th</sup> October 2009 and 29<sup>th</sup> January 2010. 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 and Company Secretary are special invitees to the Audit Committee meetings.

#### 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 (resigned)	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.

#### 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, 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 31<sup>st</sup> March 2010

#### 5. GENERAL BODY MEETINGS:

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

Year	Location	Date	Time	Special Resolution Passed
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	Appointment of Whole Time Director
2008-09	304, Sita Ram Mansion, 718/21, Joshi Road, Karol Bagh, New Delhi-110 005.	26.09.09	10.00 a.m	---

*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.

**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 30<sup>th</sup> June 2009, 30<sup>th</sup> September 2009, 31<sup>st</sup> December 2009 and audited results for the quarter and year ended on 31<sup>st</sup> March 2010 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 2009	29 <sup>th</sup> July 2009	30 <sup>th</sup> July, 2009
July–September 2009	30 <sup>th</sup> October 2009	31 <sup>st</sup> October 2009
October–December 2009	29 <sup>th</sup> January 2010	30 <sup>th</sup> January 2010
January–March 2010 (Audited)	28 <sup>th</sup> May 2010	29 <sup>th</sup> May 2010

*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, 25<sup>th</sup> September, 2010  
At 10.30 A.M.

Venue : 304, Sita Ram Mansion, 718/21 Joshi Road Karol Bagh, New Delhi – 110 005

**ii) FINANCIAL CALENDAR**

: 1<sup>st</sup> April to 31<sup>st</sup> March

**iii) BOOK CLOSURE**

: 21<sup>st</sup> September, 2010 to 25<sup>th</sup> September, 2010 (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 2009	34.15	22.90
May 2009	21.80	13.30
June 2009	18.65	15.60
July 2009	-	-
August 2009	15.25	12.50
September 2009	14.97	12.00
October 2009	15.60	12.35
November 2009	13.00	12.50
December 2009	13.12	11.75
January 2010	14.95	11.06
February 2010	13.65	10.29
March 2010	11.50	10.93

**vi) STOCK CODE**

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

## LEAD FINANCIAL SERVICES LIMITED

**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

**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 31<sup>ST</sup> MARCH, 2010**

Category	No. of shares	%
Promoter/PAC's	1149020	34.82
Banks/ financial institutions/ Insurance companies	19889	0.60
Bodies Corporate	913396	27.68
Indian Public	1150695	34.87
NRI's	67000	2.03
	<b>3300000</b>	<b>100</b>

**(ix) DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2010**

SHAREHOLDING OF NOMINAL VALUE OF RS.	NUMBER OF SHAREHOLDERS	% TO TOTAL	NO. OF SHARES	% TO TOTAL
UPTO 5000	1,473	83.74	2,14,302	6
5001 TO 10000	91	5.17	70,051	2
10001 TO 20000	73	4.15	104,879	3
20001 TO 30000	41	2.33	96,699	2
30001 TO 40000	9	0.51	32,600	0
40001 TO 50000	12	0.68	55,500	1
50001 TO 100000	19	1.08	1,37,001	4
100001 AND ABOVE	41	2.33	25,88,968	79
<b>TOTAL</b>	<b>1,759</b>	<b>100.00</b>	<b>33,00,000</b>	<b>100</b>

**(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 31<sup>st</sup> March, 2010, 17.38% and 1.77% 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

**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 31<sup>st</sup> March 2010 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  
FRN. 500041N

Place : New Delhi  
Date : 30<sup>th</sup> July 2010



**AUDITORS' REPORT**

**REPORT TO THE MEMBERS OF LEAD FINANCIAL SERVICES LIMITED**

1. We have audited the attached balance sheet of Lead Financial Services Limited as at 31st March, 2010 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 ( as amended) issued by the 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:
  - a) 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;
  - b) In our opinion, proper books of account as required by law have been kept by the company, so far as appears from our examination of those 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 account and cash flow statement dealt with this report comply with the accounting standards referred in sub section (3C)of Section211 of the Companies Act, 1956 ;
  - e) On the basis of the written representations received from the directors as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 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 , read together with significant accounting policies and notes to accounts thereto 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, 2010 ;
  - 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.

**For G.C. SHARDA & CO.**  
Chartered Accountants

**[CA.V.G.SHARDA]**

Partner  
M. No. : 091051  
FRN. 500041N

Place : New Delhi  
Date : 28.05.2010

## 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 31<sup>ST</sup> MARCH, 2010

- 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) a) According to the information & explanations given to us, the company has not granted any loan secured or unsecured from the parties covered in the register maintained u/s 301 of the Companies Act, 1956. Accordingly, the clauses (iii) (b) to (d) of paragraph 4 of the order are not applicable.
- e) The company had taken interest free loan from three parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 69.00 lacs and the year end balance of loans taken from such parties was Rs. 69.00 lacs
- f) In our opinion, the terms and conditions on which loans have been taken from companies, firms or other parties listed in the register maintained section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
- g) The company is regular in repaying the principal amounts as stipulated .
- 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 transactions made in pursuance of contracts / arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5,00,000/- in respect of each party during the year have been made at prices which appear reasonable as per information available with the company.
- 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 an 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 31<sup>st</sup> March, 2010 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.

## LEAD FINANCIAL SERVICES LIMITED

- 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.
- 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 those 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

**[CA.V.G.SHARDA]**

Partner  
M. No. : 091051  
FRN. 500041N

Place : New Delhi  
Date : 28.05.2010

## LEAD FINANCIAL SERVICES LIMITED

### BALANCE SHEET AS AT 31ST MARCH, 2010

(Amount in Rs.)

PARTICULARS	SCHEDULE	AS AT 31.03.10	AS AT 31.03.09
<b>SOURCES OF FUNDS</b>			
1. <b>Shareholders' Fund</b>			
Share Capital	"A"	33,000,000.00	33,000,000.00
Reserves & Surplus	"B"	5,693,312.70	4,495,742.72
		<u>38,693,312.70</u>	<u>37,495,742.72</u>
2. <b>Loan Fund</b>	"C"		
Secured Loans		8,990,728.75	9,195,171.95
Unsecured Loans		6,900,000.00	---
		<u>15,890,728.75</u>	<u>9,195,171.95</u>
<b>Grand Total</b>		<u>54,584,041.45</u>	<u>46,690,914.67</u>
<b>APPLICATION OF FUNDS</b>			
1. <b>Fixed Assets</b>	"D"		
Gross Block		26,074,963.00	26,074,963.00
Less: Accumulated Depreciation		<u>1,998,838.00</u>	<u>1,969,854.00</u>
Net Block		<u>24,076,125.00</u>	<u>24,105,109.00</u>
2. <b>Investments</b>	"E"	39,171,828.44	25,179,575.00
3. <b>Current Assets, Loans &amp; Advances</b>	"F"		
Inventories		965,097.56	907,577.00
Sundry Debtors		3,456,618.67	60,241.76
Cash & Bank Balance		10,515,267.11	36,882,821.12
Other Current Assets		357,905.00	1,305,261.00
Loans & Advances		25,831,447.79	4,612,590.79
		<u>41,126,336.13</u>	<u>43,768,491.67</u>
Less: Current Liabilities & Provisions			
Current Liabilities	"G"	49,447,652.12	46,165,733.00
Provisions	"H"	371,495.00	224,551.00
<b>Net Current Assets</b>		<u>(8,692,810.99)</u>	<u>(2,621,792.33)</u>
4. <b>Deffered Tax Assets</b>		<u>28,899.00</u>	<u>28,023.00</u>
<b>Grand Total</b>		<u>54,584,041.45</u>	<u>46,690,914.67</u>
<b>SIGNIFICANT ACCOUNTING POLICIES &amp; NOTES TO ACCOUNTS:</b>			
	"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  
FRN. 500041N

[P.C. Bindal]  
Chairman  
DIN - 00004769  
[Rikki Anand]  
Company Secretary

[Vijay Kumar]  
Whole Time Director  
DIN - 00165917

Place : New Delhi  
Date : 28.05.2010

# LEAD FINANCIAL SERVICES LIMITED

## SCHEDULE FORMING PART OF BALANCE SHEET

(AMOUNT IN RS.)

PARTICULARS	AS AT 31.03.10	AS AT 31.03.09
<b>SCHEDULE "A"</b>		
<b>Share Capital</b>		
<b>Authorised</b>		
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
	<u>35,000,000.00</u>	<u>35,000,000.00</u>
<b>Issued, Subscribed &amp; Paid Up</b>		
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
	<u>33,000,000.00</u>	<u>33,000,000.00</u>
Total	<u>33,000,000.00</u>	<u>33,000,000.00</u>
<b>SCHEDULE "B"</b>		
<b>Reserves &amp; Surplus</b>		
<b>General Reserve</b>		
As per last year Balance Sheet	63,000.00	63,000.00
<b>Statutory Reserve</b>		
Balance b/f	483,799.00	339,181.00
Transferred from Profit & Loss A/C	239,514.00	144,618.00
	<u>723,313.00</u>	<u>483,799.00</u>
<b>Profit &amp; Loss Account</b>		
Total	<u>4,906,999.70</u>	<u>3,948,943.72</u>
	<u>5,693,312.70</u>	<u>4,495,742.72</u>
<b>SCHEDULE "C"</b>		
<b>Loan Fund</b>		
<b>Secured Loan</b>		
Overdraft limit from Banks*	8,990,728.75	9,195,171.95
Total-I	<u>8,990,728.75</u>	<u>9,195,171.95</u>
Note: Overdraft limit from Banks are secured against pledge of FDRs.		
<b>Unsecured Loan</b>		
Director	2,000,000.00	---
Intercorporate Deposits	4,900,000.00	---
	<u>6,900,000.00</u>	---

### SCHEDULE "D" OF FIXED ASSETS AS ON 31ST MARCH, 2010

Particulars	Gross Block					Depreciation			Net Block	
	Cost as on 01.04.2009	Addition During the Year	Sold During the Year	Total as on 31.03.10	Up to 31.03.09	For the year	Adjustment	Upto 31.03.10	WDV as on 31.03.10	WDV as on 31.03.09
Leasehold Land & Building	23,934,563.00	---	---	23,934,563.00	---	---	---	---	23,934,563.00	23,934,563.00
Computers	438,700.00	---	---	438,700.00	437,676.00	410.00	---	438,086.00	614.00	1,024.00
Office Equipments	240,375.00	---	---	240,375.00	190,028.00	7,003.00	---	197,031.00	43,344.00	50,347.00
Furniture & Fixture	1,461,325.00	---	---	1,461,325.00	1,342,150.00	21,571.00	---	1,363,721.00	97,604.00	119,175.00
<b>TOTAL</b>	<b>26,074,963.00</b>	<b>---</b>	<b>---</b>	<b>26,074,963.00</b>	<b>1,969,854.00</b>	<b>28,984.00</b>	<b>---</b>	<b>1,998,838.00</b>	<b>24,076,125.00</b>	<b>24,105,109.00</b>
Previous Year	26,008,214.00	66,749.00	---	26,074,963.00	1,934,698.00	35,156.00	---	1,969,854.00	24,105,109.00	24,073,516.00

# LEAD FINANCIAL SERVICES LIMITED

## SCHEDULE FORMING PART OF BALANCE SHEET

(AMOUNT IN RS.)

### SCHEDULE "E" OF INVESTMENTS

Particulars	Face Value	As at 31.03.10		As at 31.03.09	
		No. of Shares	Amount	No. of Shares	Amount
<b>LONG TERM</b>					
<b>A) Quoted Shares</b>					
Gujrat Optical Fibres Ltd.	10	100	1,930.00	100	1,930.00
Premier Vinyl Ltd.	70	1000	37,645.00	1000	37,645.00
Adani Power Ltd	10	4000	408,690.68		---
NHPC Limited	10	30000	1,069,689.76		---
Reliance Power Ltd	10	4000	513,873.00		---
		<b>Total a:</b>	<b>2,031,828.44</b>		<b>39,575.00</b>
<b>B) Unquoted</b>					
<b>Equity Shares</b>					
SLS Shares & Stock Broker Ltd.	10	120000	1,200,000.00	120000	1,200,000.00
Indraprastha Commodity Trading Pvt Ltd	10	82000	820,000.00	82000	820,000.00
Balaji Fund Growth Ltd.	10	80000	2,000,000.00		---
Kriti Machinery P Ltd	10	5000	500,000.00		---
Vishesh Jewellers P Ltd.	10	75000	7,500,000.00		---
<b>Bonds</b>					
Reliance Logistics			24,120,000.00		23,120,000.00
IDFC Infrastructure			1,000,000.00		---
		<b>Total b:</b>	<b>37,140,000.00</b>		<b>25,140,000.00</b>
		<b>G.Total(a+b)</b>	<b>39,171,828.44</b>		<b>25,179,575.00</b>

Note: Market Value of the quoted Investment as on 31st March, 2010 is Rs.19.78 Lacs (P.Y.Rs.0.1 lacs)

#### Movement in investments during the year:

##### Addition:

##### Equity Shares

- 4000 Equity Shares of Adani Power Ltd.
- 30000 Equity Shares of NHPC Ltd.
- 4000 Equity Shares of Reliance Power Ltd.
- 80000 Equity Shares of Balaji Fund Growth Ltd.
- 5000 Equity Shares of Kriti Machinery P Ltd
- 75000 Equity Shares of Vishesh Jewellers P Ltd.

##### Deletion :

##### Bonds

- Reliance Logistics - Rs. 50,00,000/-

##### Bonds

- Reliance Logistics - Rs. 60,00,000/-
- IDFC Infrastructure Rs. 10,00,000/-

### SCHEDULE "F"

#### Current Assets, Loans & Advances

Inventories (Valued at cost or market value whichever is lower)		965,097.56	907,577.00
	Total a:	<u>965,097.56</u>	<u>907,577.00</u>
Sundry Debtors (Unsecured, Considered good)		---	---
Outstanding for a period exceeding six months others		3,456,618.67	60,241.76
	Total b:	<u>3,456,618.67</u>	<u>60,241.76</u>
<b>Cash &amp; Bank Balance</b>			
Cash in hand		390,577.43	482,126.13
Balance with Scheduled Banks in Current Accounts		124,689.68	400,694.99
Fixed Deposits (includes FDRs pledged with bank)		10,000,000.00	36,000,000.00
	Total c:	<u>10,515,267.11</u>	<u>36,882,821.12</u>
<b>Other Current Assets</b>			
Interest Accrued on Fixed Deposits		357,905.00	1,305,261.00
	Total d:	<u>357,905.00</u>	<u>1,305,261.00</u>

## LEAD FINANCIAL SERVICES LIMITED

### SCHEDULE FORMING PART OF BALANCE SHEET

(AMOUNT IN RS.)

PARTICULARS	AS AT 31.03.10	AS AT 31.03.09
<b>Loans &amp; Advances</b> (Unsecured, Considered Good)		
Short Term Loans, Advances & ICDs	25,001,334.00	4,075,367.00
Prepaid Taxes	516,228.00	436,377.00
Income Tax Refund Due	313,885.79	100,846.79
Total e:	25,831,447.79	4,612,590.79
Grand Total (a+b+c+d+e)	41,126,336.13	43,768,491.67
<b>SCHEDULE "G"</b>		
<b>Current Liabilities</b>		
Sundry Creditors & Expenses Payable	4,447,652.12	1,165,733.00
Advance Against Assets	45,000,000.00	45,000,000.00
Total-I	49,447,652.12	46,165,733.00
<b>SCHEDULE "H"</b>		
<b>Provisions</b>		
FBT Payable	---	3,808.00
Provision for Taxation	371,495.00	220,743.00
Total-II	371,495.00	224,551.00
G.Total(I+II)	49,819,147.12	46,390,284.00

### SCHEDULE FORMING PART OF PROFIT & LOSS ACCOUNT

PARTICULARS	2009-2010	2008-2009
<b>SCHEDULE "I"</b>		
<b>INCOME FROM OPERATIONS</b>		
Income from Interest	5,716,610.00	1,995,929.00
(Tax Deducted at source Rs 5.16 Lacs P.Y.Rs.3.56 Lacs)		
Sale /Trading of Shares	5,708,216.91	943,623.13
Advisory Services	---	250,000.00
Capital Gain	---	723,002.38
Dividend	18,611.98	30,420.00
	11,443,438.89	3,942,974.51
<b>SCHEDULE "J"</b>		
<b>OTHER INCOME</b>		
Balance Written Off	13,105.70	---
	13,105.70	---
<b>SCHEDULE "K"</b>		
<b>OPERATING &amp; OTHER EXPENSES</b>		
Advertisement Expenses	37,140.00	39,075.00
Auditors Remuneration	12,133.00	12,133.00
Bank Charges & Interest	406,306.80	548,211.95
Communication Expenses	58,648.52	69,881.31
Establishment Expenses	636,000.00	702,228.00
General & Misc Expenses	28,509.00	28,191.50
Insurance Paid	---	696.00
Legal & Professional Expenses	221,013.00	35,138.75
Listing & Filing Fee	25,483.00	14,712.00
Bad Debts	328,874.00	32,250.00
Printing & Stationery Expenses	16,297.00	1,115.00
Rent, Rates & Taxes	180,000.00	181,124.00
Repair & Maintenance Expenses	2,000.00	---
Traveling & Conveyance	52,025.00	---
Total	2,004,429.32	1,664,756.51

# LEAD FINANCIAL SERVICES LIMITED

## SCHEDULE "L"

SCHEDULES "L" OF FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2010 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 on assets put to use. 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.

9. **Contingent Liabilities**

Contingent Liabilities are not provided for and generally disclosed by way of Notes to accounts, if any.

### 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:

<b>Deferred Tax Assets</b>	<b>31.3.10</b>		<b>31.3.09</b>
a) Fixed Assets	28899		28023
b) Others	Nil		Nil
<b>Deferred Tax Liability</b>	<b>31.3.10</b>		<b>31.3.09</b>
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.

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)



## LEAD FINANCIAL SERVICES LIMITED

### Related Party Transactions:

(figures in Lacs)

Particulars	A	B (a)	Group B (b)	B (c)	Total
- Rent Paid (Current Year)	-	-	1.80	-	1.80
(Previous Year)	-	-	1.80	-	1.80
- Loan Repaid (Current Year)	-	-	-	-	-
(Previous Year)	-	-	-	-	-
- Loan Taken (Current Year)	-	49.00	-	20	69.00
(Previous Year)	-	-	-	-	-
- Investment Purchase (Current Year)	-	60.00	-	-	60.00
(Previous Year)	-	-	-	-	-
Balance as on 31.03.2010					
Due from	Nil	Nil	Nil	Nil	Nil
Due to	Nil	64.40	Nil	20	Nil
Balance as on 31.03.2009					
Due from	Nil	Nil	Nil	Nil	Nil
Due to	Nil	Nil	Nil	Nil	Nil

Amount written off or written back in respect of debts due from or to the related parties is NIL (Previous year -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	31.3.2010	31.3.2009
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.)	1109442	723091
6.	Earning Per Share (Rs.)	0.34	0.22

7. Estimated amount of contracts remaining to be executed on Capital Accounts (Net of advances) Rs. Nil (Pr. Year. Nil).

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. 1,80,000/- (Pr. Yr. 1,20,000/-)

10. No. provision has been made for gratuity as no employee has completed qualifying period of service.

11. Amount paid/payable to Auditors

**Current Year**      **Previous Year**

Audit Fees	12133.00	12133.00
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  
FRN 500041N

[P.C. Bindal]  
Chairman  
DIN - 00004769

[Rikki Anand]  
Company Secretary

[Vijay Kumar]  
Whole Time Director  
DIN - 00165917

Place : New Delhi  
Date : 28.05.2010

# LEAD FINANCIAL SERVICES LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	2009-2010	2008-2009 (Amount in Rs.)
Net profit before taxation & extraordinary item	1,482,997.98	989,695.83
Adjustment for:		
Add		
Depreciation	28,984.00	35,156.00
Profit on Sale of Assets	---	---
Provision for Bad Debts Written Back	88,128.00	---
<b>Operating profit before working capital changes</b>	<b>1,600,109.98</b>	<b>1,024,851.83</b>
Adjustment for:		
Decrease(Increase) in Trade & other receivable	(23,667,877.91)	(3,069,473.01)
Decrease(Increase) in Inventories	(57,520.56)	1,253,366.17
(Decrease)Increase in Trade Payable	3,428,863.12	44,863,168.51
<b>Cash generated from operations</b>	<b>(18,696,425.37)</b>	<b>44,071,913.50</b>
Income Tax Paid	(374,432.00)	(232,034.00)
Fringe Benefit Tax	---	(3,808.00)
<b>Cash Flow from Operating activities(A)</b>	<b>(19,070,857.37)</b>	<b>43,836,071.50</b>
<b>Cash Flow from Investing activities</b>		
Capital work in progress	---	18,900,906.00
Capitalisation of Fixed Assets	---	(18,967,655.00)
Purchase of Investment	(13,992,253.44)	(24,120,000.00)
Proceeds from Sale of Assets	---	---
Proceeds from Sale of Investment	---	503,354.02
<b>Net Cash from Investing activities(B)</b>	<b>(13,992,253.44)</b>	<b>(23,683,394.98)</b>
<b>Cash Flow from Financing activities</b>		
Proceeds from short term borrowing	6,695,556.80	9,195,171.95
<b>Net Cash Flow from Financing activities(C)</b>	<b>6,695,556.80</b>	<b>9,195,171.95</b>
<b>Net increase in cash &amp; cash equivalents(A+B+C)</b>	<b>(26,367,554.01)</b>	<b>29,347,848.47</b>
<b>Cash &amp; Cash equivalents at beginning of year</b>	<b>36,882,821.12</b>	<b>7,534,972.65</b>
<b>Cash &amp; Cash equivalents at end of year</b>	<b>10,515,267.11</b>	<b>36,882,821.12</b>

Note :

The above Cash Flow Statement has been prepared under the " Indirect Method " as stated in Accounting Standard -3.

For & Behalf of the Board

[P.C. Bindal]

Chairman

DIN - 00004769

[Rikki Anand]

Company Secretary

[Vijay Kumar]

Whole Time Director

DIN - 00165917

Place : New Delhi

Date : 28.05.2010

### AUDITOR'S CERTIFICATE

We have examined the attached Cash Flow Statement of Lead Financial Services Limited for the year ended 31 st March , 2010. 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 28th May, 2010 to the members of the Company.

For G.C. SHARDA & CO.

Chartered Accountants

[CA.V.G.SHARDA]

Partner

M. No. : 091051

FRN 500041N

Place : New Delhi

Date : 28.05.2010

# 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	31.3.2010
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	54,584
	Total assets	54,584
	Source of funds	
	Paid-up capital	33,000
	Share Application Money	---
	Reserves and surplus	5,693
	Secured loans	8,991
	Unsecured loans	6,900
	Deferred tax liability	---
		<b>54,584</b>
	Application of funds :	
	Net fixed assets	24,076
	Investments	39,172
	Net current assets	(8,693)
	Misc. Expenditure	---
	Accumulated losses	---
	Deferred Tax	29
		<b>54,584</b>
IV	Performance of the Company	
	Turnover	11,457
	Total expenditure	9,974
	Profit before tax	1,483
	Profit after tax	1,109
	Earning per share of Rs. 10/- each- Basic & Diluted	Rs. 0.34
	Dividend Rate	NIL
V	Generic name of principal products of the Company	
	Item Code No. (ITC code)	NIL
	Product description	Finance Related Business/ Consultancy

For & Behalf of the Board

[P.C. Bindal]  
Chairman  
DIN - 00004769

[Rishi Anand]  
Company Secretary

[Vijay Kumar]  
Whole Time Director  
DIN - 00165917

PLEASE  
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