




Form A

**Covering Letter of the Annual Audit report to be filed with the Stock Exchange**

1.	Name of the Company	LEAD FINANCIAL SERVICES LIMITED
2.	Annual financial statements for the year ended	31.03.2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N.A.
5.	To be signed by	
	<ul style="list-style-type: none"> <li>• CEO/Managing Director/ Manager</li> </ul>	Vijay Kumar 
	<ul style="list-style-type: none"> <li>• CFO</li> </ul>	NO CFO
	<ul style="list-style-type: none"> <li>• Auditor of the Company</li> </ul>	<p><b>For G.C. SHARDA &amp; CO.</b>                      Chartered Accountants                      (FRN-500041N)</p>  <p><i>Asharda</i></p> <p>CA. Adit Sharda                      Partner                      M.No.526605</p>
	<ul style="list-style-type: none"> <li>• Audit Committee Chairman</li> </ul>	 Pradeep Kumar Jain

# LEAD FINANCIAL SERVICES LIMITED

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 21<sup>st</sup> Annual General Meeting of the members of Lead Financial Services Limited will be held on Monday, the 29<sup>th</sup> day of September, 2014 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, 2014 and the Statement of 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 24<sup>th</sup> Annual General Meeting of the Company (subject to ratification of the appointment by the members at every Annual General Meeting) and to fix their remuneration.

### Special Business

4. To consider and if thought fit, to pass with or without modification, following resolution as an ordinary resolution:  
"RESOLVED THAT pursuant to provision Section 149 & 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification or re-enactment thereon, for the time being in force) and Clause 49 of the Listing Agreement, Mr. Pradeep Kumar Jain (DIN 00303976) who was appointed as Director liable to retire by rotation, be and is hereby appointed as an Independent Director of the Company, to hold office for five consecutive years for a term upto 28<sup>th</sup> September, 2019, not liable to retire by rotation."
5. To consider and if thought fit, to pass with or without modification, following resolution as an ordinary resolution:  
"RESOLVED THAT pursuant to provision Section 149 & 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification or re-enactment thereon, for the time being in force) and Clause 49 of the Listing Agreement, Mr. Sanjay Kumar Agarwal (DIN 00832074) who was appointed as Director liable to retire by rotation, be and is hereby appointed as an Independent Director of the Company, to hold office for five consecutive years for a term upto 28<sup>th</sup> September, 2019, not liable to retire by rotation."
6. To consider and if thought fit, to pass with or without modification, following resolution as an ordinary resolution:  
"RESOLVED THAT pursuant to provision Section 149 & 152 of the Companies Act, 2013 and all other applicable provisions and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification or re-enactment thereon, for the time being in force) and Clause 49 of the Listing Agreement, Ms. Kusha Bindal (DIN 06952708) be and is hereby appointed as Director of the Company, liable to retire by rotation."
7. To consider and if thought fit to pass, with or without modification, following resolution as a special resolution:  
"RESOLVED THAT pursuant to the provision of section 198,269,302,309,310 read with the provisions of the schedule XIII of the Companies Act,1956 and other applicable provision, if any ,of the Companies Act,1956 (including any statutory modifications or re-enactment thereof for the time being enforceable) the appointment of Mr. Vijay Kumar, who was appointed as the Manager of the Company, for a period of five years with effect from 21<sup>st</sup> December, 2013, be and is hereby confirmed, on the following terms and conditions as approved by remuneration committee of the Board:  
(i) Term of appointment: 5 years w.e.f. 21<sup>st</sup> December, 2013  
(ii) Salary Rs. 15,000/-(Fifteen Thousand only) per month.  
(iii) Contribution to the provident fund, family benefit fund, superannuation fund as per rule of the Company.  
(iv) Gratuity as per rules of the Company.  
RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as in its absolute discretion, it may consider necessary, expedient or desirable and to settle any questions, or doubt that may arise in relation thereto including to decide breakup of the remuneration.  
RESOLVED FURTHER THAT any director of the Company be and is hereby authorised to sign and file all the documents and to take such steps, as may be necessary, to give effect to this resolution."

By Order of the Board of Directors  
For Lead Financial Services Limited

Padam Chandra Bindal  
Director  
DIN: 00004769

Place : New Delhi  
Dated: 20.08.2014

## LEAD FINANCIAL SERVICES LIMITED

### 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, 2014 to 29<sup>th</sup> day of September, 2014 (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. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
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. At the ensuing Annual General Meeting Mr. P. C. Bindal retires by rotation and being eligible, offer himself for re-appointment. The details of Mr. P. C. Bindal pursuant to clause 49 of the Listing Agreement are as under:

Particulars	Name of Director
	<b>Mr. P. C. Bindal</b>
Date of Birth	05.06.1960
Date of appointment	28.11.1994
Expertise in specific areas	Rich experience in handling administrative, financial and Capital Market
Qualifications	M.Com, FCA
Directorship in other Company	LFS Services Private Limited Privy Capital Limited Privy Capital Advisors Private Limited Glaze Packagers Private Limited Privy Value Realty Private Limited Bindal Corporate Advisory Services Private Limited Lead Business Solutions Private Limited
Shareholdings in the company as on 31.03.2014	5.92%

7. The details of Mr. Pradeep Kumar Jain and Mr. Sanjay Kumar Agarwal, Independent Directors, pursuant to clause 49 of the Listing Agreement are as under:

Particulars	Name of Independent Directors	
	<b>Mr. Pradeep Kumar Jain</b>	<b>Mr. Sanjay Kumar Agarwal</b>
Date of Birth	20.12.1960	14.06.1969
Period of appointment	29.09.2014 to 28.09.2019	29.09.2014 to 28.09.2019
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 more than 25 years of vast experience in the field of finance and Capital Market.	Rich experience in the field of finance, financial services and other related matters.
Qualifications	B.Com., FCA	B.com
Directorship in other Company	Startrite Financial Services Pvt. Ltd. Karni Mata Auto Pvt. Ltd. A R J Metal Pvt. Ltd.	SKG Infrastate Private Limited Balaji Fund Growth Limited Balaji Instalments Supply Limited SS Buildhome Private Limited SKG Infracity Private Limited Skylark Info Solutions Private Limited SKG Infrapromoters Private Limited
Shareholdings in the company as on 31.03.2014	NIL	NIL

## LEAD FINANCIAL SERVICES LIMITED

8. The details of Ms. Kusha Bindal, pursuant to clause 49 of the Listing Agreement are as under:

Particulars	Name of Director
	<b>Ms. Kusha Bindal</b>
Date of Birth	26/01/1990
Expertise in specific areas	Good experience in the field of finance and administration.
Qualifications	B.Com., ACA
Directorship in other Company	NIL
Shareholdings in the company as on 31.03.2014	NIL

9. The details of Mr. Vijay Kumar pursuant to clause 49 of the Listing Agreement are as under:

Particulars	Name of Manager
	<b>Mr. VIJAY KUMAR</b>
Date of Birth	19/05/1955
Date of appointment	21/12/2013
Expertise in specific areas	Rich experience in the field of administration.
Qualifications	Graduate
Directorship in other Company	Lead Business Solutions Private Limited
Shareholdings in the company as on 31.03.2014	NIL

10. Keeping in view of "Green Initiative in Corporate Governance" taken by Ministry of Corporate Affairs vide their circular no. 17/2011 date 21/04/2011 and 18/2011 dated 29/04/2011, your Company has decided to send henceforth, all documents, required to be sent to the shareholders like General Meeting Notice (including AGM), Audited Financial Statements, Directors' Report, Auditors' Report etc. in electronic form on the e-mail Id provided and made available to us by the Depository. In case you have not registered your E-mail ID or you desire to have different E-mail ID to be registered, please update the same with your Depository Participant and E-mail us also at [lead\\_financial@rediffmail.com](mailto:lead_financial@rediffmail.com)

### 11. Voting through electronic means:

Pursuant to the provisions of section 108 of the Companies Act, 2013, Rule 20 and Rule 21 of Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Limited (CDSL). It is hereby clarified that it is not mandatory for a member to vote using the e-voting facility, and a member may avail of the facility at his/her/it discretion, subject to compliance with the instructions prescribed below:

In case of members receiving e-mail:

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are a first time user follow the steps given below:

#### For Members holding shares in Demat Form and Physical Form

PAN Enter your 10 digit alpha-numeric \*PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

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- Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.
  - In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
- DOB Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
- Dividend Bank Details Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
- Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.
- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (xvii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

### **In case of members receiving the physical copy:**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

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- (B) The voting period begins on <Date and Time> and ends on <Date and Time>. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <Record Date>, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (D) The shareholders can opt for only one mode of voting, i.e. either physically by attending AGM or e-voting. If any shareholders opt for e-voting, he/she will not be eligible to vote physically in AGM.

### OTHER INSTRUCTIONS:

- (a) In case of any queries regarding e-voting you may refer to the 'user manual for shareholders to cast their votes' available at [www.evotingindia.com](http://www.evotingindia.com) under 'HELP'.
  - (b) If you are already registered with CDSL for e-voting then you can use your existing user ID and password for casting your vote.
  - (c) The e-voting period commences on Saturday, September 20<sup>th</sup>, 2014 (9.00 a.m.) and ends on Monday, September 22<sup>nd</sup>, 2014 (6.00 p.m.). During the e-voting period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, August 22, 2014, may cast their votes electronically. Once the vote on a resolution is cast by the shareholder, he shall not be allowed to change it subsequently.
  - (d) The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of August 22, 2014.
  - (e) Ms. Pooja Anand, (Membership No. FCS 7032) Practising Company Secretary, New Delhi, has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
  - (f) The scrutinizer shall within a period of not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in employment of the Company and make a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
  - (g) The results of the e-voting along with the scrutinizer's report shall be communicated to the stock exchanges where the shares of the Company are listed.
9. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9 A.M. to 5 P.M.) on all working days except Saturdays and Sundays, up to and including the date of the Annual General Meeting of the Company.

By Order of the Board of Directors  
**For Lead Financial Services Limited**

Place : New Delhi  
Dated: 20.08.2014

Padam Chandra Bindal  
Director  
DIN: 00004769

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### Item No. 4 & 5

#### Appointment of Mr. Pradeep Kumar Jain & Mr. Sanjay Kumar Agarwal as Independent Directors

Mr. Pradeep Kumar Jain & Mr. Sanjay Kumar Agarwal were appointed as Independent Directors of the Company and have held the positions as such.

In line with amended Clause 49 of the Listing Agreement and provisions of the Companies Act, 2013, which stipulates the conditions for the appointment of Independent Directors by a Listed Company, it is proposed to appoint Mr. Pradeep Kumar Jain & Mr. Sanjay Kumar Agarwal, as Independent Directors under section 149 of the Companies act, 2013 and Clause 49 of the Listing Agreement to hold office for five consecutive years for a term upto 28<sup>th</sup> September, 2019, not liable to retire by rotation. As per the said provisions, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation at every AGM.

Mr. Pradeep Kumar Jain & Mr. Sanjay Kumar Agarwal are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

## LEAD FINANCIAL SERVICES LIMITED

In the opinion of the Board, Mr. Pradeep Kumar Jain & Mr. Sanjay Kumar Agarwal fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. They are independent of the management.

The company has received notice in writing from members alongwith the deposit of requisite amount under section 160 of the Companies Act, 2013 proposing the candidature of each of Mr. Pradeep Kumar Jain & Mr. Sanjay Kumar Agarwal for the office of the Directors of the Company.

Except Mr. Pradeep Kumar Jain & Mr. Sanjay Kumar Agarwal, no other director of the company is concerned or interested in proposed resolution.

### **Item No. 6**

#### **Appointment of Woman director**

In compliance with the provisions of Companies Act, 2013 and Clause 49 of the Listing Agreement,

The Board proposed the appointment of Ms. Kusha Bindal, as Director of the Company w.e.f. 29.09.2014. Ms. Kusha Bindal is a Chartered Accountant and has good experience in the field of finance and administration.

The Board is of the opinion that her knowledge and experience would be of immense help for the overall progress of the company and recommends the resolution as given in item no 6 of the convening notice for your approval.

The company has received notice in writing from members alongwith the deposit of requisite amount under section 160 of the Companies Act, 2013 proposing the candidature of Ms. Kusha Bindal for the office of the Directors of the Company.

Except Mr. Padam Chandra Bindal and Ms Kusha Bindal, no other director of the company is concerned or interested in proposed resolution.

### **Item No. 7**

#### **Appointment of Manager**

Considering the contribution made by Mr. Vijay Kumar and industrial standards, your Board of Directors in their meeting held on 21.12.2013, has appointed Mr. Vijay Kumar as a Manager of the Company w.e.f. 21st December, 2013 at a remuneration of Rs. 15,000/- per month for 5 Years, subject to confirmation of the shareholders in their meeting.

Mr. Vijay Kumar is an Arts Graduate and has over 21 years of experience in the field of administration.

The remuneration payable to Mr. Vijay Kumar was duly approved by the remuneration committee of Directors.

The Board is of the opinion that his knowledge and experience would be of immense help for the overall progress of the company and recommends the resolution as given in item no 7 of the convening notice for your approval.

Except Mr Vijay Kumar, none of the director of the company is concerned or interested in proposed resolution.

By Order of the Board of Directors  
**For Lead Financial Services Limited**

Place : New Delhi  
Dated: 20.08.2014

Padam Chandra Bindal  
Director  
DIN: 00004769



# LEAD FINANCIAL SERVICES LIMITED

## DIRECTORS' REPORT

To,

The Members

**Lead Financial Services Limited**

Your Directors have pleasure in presenting the 21<sup>st</sup> Annual Report with Audited Statement of Accounts of the company for the year ended 31<sup>st</sup> March, 2014.

### **FINANCIAL RESULTS:**

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

Particulars	(Rs. In Lacs)	
	Year Ended 31.3.2014	Year Ended 31.03.2013
Total Income	43.31	49.79
Profit Before Depreciation & Tax	23.96	10.92
Depreciation	3.35	1.35
Profit/ (Loss) Before Tax	20.61	9.56
Provision for Tax - Current	4.28	3.15
- Deferred	2.08	(0.13)
Profit/(Loss) after Tax	14.24	6.54
Transfer to Statutory Reserve	(2.85)	(1.30)
Surplus Carried to Balance Sheet	79.49	68.09

### **PERFORMANCE REVIEW:**

During the year under review, your company achieved total income of Rs. 43.31 Lacs as compared to Rs.49.79 Lacs in the previous year. Net profit for the year is Rs. 14.24 Lacs as compared to net profit of Rs. 6.54 Lacs in the previous year. Your directors are undertaking the initiatives to improve the financial results in the coming years.

### **MANAGEMENT DISCUSSION AND ANALYSIS:**

#### **Industrial Structure and Development**

India is facing a difficult economic situation on the growth, asset quality, inflation and fiscal deficit fronts. Growth is estimated to have bottomed, but recovery is predicated upon clarity of policy matters and decision making by the Government, both factors out of the control of private enterprise.

The Government's first GDP estimate for FY 2013-14 estimates growth at 4.9%, largely in line with market expectations. The Interim budget which was the last budget of the UPA-II Government was "not" biased towards populist measures but focused on growth measures, like reduction in excise duties on capital and consumer goods and maintaining the fiscal deficit target within limits. The key to a higher growth would be reviving investments (initially by revival of stalled projects), especially in the private sector and higher domestic savings, especially financial savings, by containing inflation and positive real return.

The year ahead will be challenging on the interest rate and credit quality front, however, stability of Government, can improve the asset quality and return growth.

#### **Outlook, Risk and Concern**

The Company is exposed to specific risks that are particular to its business and the environment within which it operates including Credit risk (Corporate & Retail lending), Market risk (Liquidity and Interest rate risk) and Operational risk.

A comprehensive and integrated risk management framework forms the basis of all the de-risking efforts of the Company. Reporting and control mechanisms ensure timely information availability and facilitate proactive risk management. We recognise that risk is inherent in our business and the markets in which we operate. As such the Company is committed to the creation and maintenance of strong risk management as well as rigorous control standards throughout the organization. The Company's risk management policies encompass structured reporting and strict controls to ensure smooth running of the business and security of client's data.

#### **Opportunities and Threats**

The NBFC segment of Industry has witnessed considerable growth in the last few years due to implementation of innovative marketing strategies, customer-oriented services, attractive rates of return on deposits and simplified procedures, etc. NBFCs have been at the forefront of catering to the financial needs and creating livelihood sources of the so-called unbankable masses in the rural and semi-urban areas.

A shakeout in the non banking finance sector, has resulted into the disinterest of public. The public is not willing to park its fund with NBFC due to low rate of interest offered by them for deposits.



# 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, 2012-13 Versus 2013-2014:

Particulars	(Rs. in Lacs)	
	2012-13	2013-14
Total Revenue	49.79	43.31
Interest & Financial Charges	12.67	3.44
Expenses	26.19	15.90
Depreciation	1.35	3.36
Total Expenditure	40.22	22.70
Profit before Tax(PBT)	9.57	20.61
Provision for Tax	3.02	6.36
Profit after tax (PAT)	6.54	14.25
Equity Capital	330	330
Reserves & Surplus	80.71	94.96
Earnings per Share	0.20	0.43

## 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, 2014.

## DIRECTORS:

- Mr. P. C. Bindal, Director of the Company retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment
- Appointment of Mr. Pradeep Kumar Jain & Mr. Sanjay Kumar Agarwal as Independent Directors for five consecutive years with effect from the conclusion of the forthcoming Annual General Meeting upto 28<sup>th</sup> September, 2019.
- The Board recommends the confirmation for the appointment of Mr. Vijay Kumar as the Manager of the Company for a period of five years with effect from 21st December, 2013 at remuneration of Rs.15, 000/- per month.
- The Board recommends the appointment of Ms. Kusha Bindal as Woman Director.
- Mr. Manushree Bindal, who was appointed as an Additional Director on 15.05.2014 to hold the office till 21st AGM i.e. 29.09.2014. The Board did not recommend his regularisation as ordinary director in the ensuing Annual General Meeting.

## 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 retires at the forthcoming Annual General Meeting and is 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.

# LEAD FINANCIAL SERVICES LIMITED

## 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 dematerialization 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:

- i) That in the preparation of the accounts for the financial year ended 31<sup>st</sup> March, 2014; the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii) 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.
- 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, 2014 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 there under.

## 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:

### *Particulars regarding conservation of energy, technology absorption, foreign exchange, earning and outgo*

Information as required under section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of the board of Directors) Rules, 1988 for forming part of the Director's report for the financial year ended 31<sup>st</sup> March, 2014 is as follows :-

#### 1. **Conservations of Energy**

- |  |                |
|--|----------------|
| a. Energy conservation measures taken  | Not Applicable |
| b. Additional investment & proposals if any being implemented.   | Not Applicable |
| c. Impact of measures of a & b above for reduction of energy consumption and consequent impact                     | Not applicable |
| On cost of production  |                |
| Total energy consumption and energy consumption  | Not Applicable |
| Per unit of production as per form 'A' of the Annexure in respect of industries specified in the Schedule thereto. |                |

#### 2. **Technology Absorption**

##### **Research and Development (R&D)**

- |   |   |
|---|---|
| 1. Specific area in which R & D is carried by the company               | The company is conducting R & D to make its business more profitable. |
| 2. Benefits derived as a result of the above R & D                      | The awareness of investor's benefit has increased.                    |
| 3. Future plan of action  | The company would continue R & Ds for more investors' awareness.      |
| 4. Expenditure on R & D   | The company has not undertaken any major expenditure on R & D         |
| i) Capital  |   |
| ii) Recurring Total R & D Expenditure as a percentage of total turnover |   |

# LEAD FINANCIAL SERVICES LIMITED

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## Technology Absorption, Adaptation and innovation

- |   |                |
|---|----------------|
| 1. Efforts in brief, made through towards technology absorption, adaptation and innovation  | Not Applicable |
| 2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc. | Not Applicable |
| 3. Information regarding imported technology  |                |
| (a) Technology Imported   | None           |
| (b) Year of Import  | Not Applicable |
| (c) Has the technology been fully absorbed  | Not Applicable |
| (d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action                                 | Not Applicable |

## 3. Foreign Exchange Earnings and Outgo

- |  |   |
|--|---|
| 1. Activities relating to exports; imitative taken to increase exports; development of new export markets for products, services and export plans. | Nil   |
| 2. Total foreign exchange used and earned  | The information of foreign exchange earnings and outflow is furnished in notes to accounts. |

## 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 For Lead Financial Services Limited

Place : New Delhi  
Date : 20.08.2014

**P.C. BINDAL**  
**DIRECTOR**  
**DIN: 00004769**

**MANUSHREE BINDAL**  
**DIRECTOR**  
**DIN: 03620670**

# 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:

### 2. BOARD OF DIRECTORS

At the end of year, the Board consisted of optimum combination of Executive & Non-Executive Directors. Mr. 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, Non Independent	28.11.94	N.A.	14	14	Yes	1	-	-
2.	Sanjay Kumar Agarwal	Independent Non Executive	25.03.03	N.A.	14	14	Yes	3	-	-
3.	Pradeep Kumar Jain	Independent Non Executive	10.03.07	N.A.	14	14	Yes	-	-	-
4.	Manushree Bindal #	Non Executive Non Independent	15.05.14	N.A.	14	-	No	-	-	-
6.	Ravi Kumar Goel	Independent Non Executive	29.05.13	30.07.13	14	3	No	-	-	-
7.	Shalu Sharma	Independent Non Executive	16.12.13	18.02.14	14	6	No	-	-	-

\* 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.

# Mr. Manushree Bindal who was appointed as an Additional Director on 15.05.2014 to hold office till 21st AGM i.e. 29.09.2014. The Board did not recommend his regularisation as ordinary director in the ensuing Annual General Meeting

### DATE & NUMBER OF BOARD MEETINGS HELD

Fourteen Board meetings were held during the year on 05.04.2013, 29.05.2013, 05.07.2013, 30.07.2013, 07.10.2013, 11.11.2013, 15.12.2013, 16.12.2013, 18.12.2013, 21.12.2013, 30.12.2013, 13.02.2014, 18.02.2014 and 04.03.2014 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

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:

1. Mr. P. C. Bindal retires by rotation at the 21<sup>st</sup> Annual General Meeting of the Company and being eligible offers himself for reappointment.
- ⇒ Mr. P. C. Bindal, a commerce post graduate is a fellow member of the Institute of Chartered Accountants of India. He has more than 30 years of vast experience in the field of administration, finance and Capital Market.

He is also director of LFS Services Private Limited, Privy Capital Limited, Privy Capital Advisors Private Limited, Glaze Packagers Private Limited., Privy Value Realty Private Limited, Bindal Corporate Advisory Services Private Limited, and Lead Business Solutions Private Limited.

## LEAD FINANCIAL SERVICES LIMITED

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2. The Board recommends the appointment of Ms. Kusha Bindal as woman director.  
⇒ Ms. Kusha Bindal is a Chartered Accountant. She has good experience in finance and administration. Ms. Kusha Bindal is not a director in any other Company.
3. It is proposed to appoint Mr. Pradeep Kumar Jain & Mr. Sanjay Kumar Agarwal as the Independent director of the Company.  
⇒ Mr. Pradeep Kumar Jain, a commerce graduate is a fellow member of the Institute of Chartered Accountants of India. He has more than 25 years of vast experience in the field of in finance and Capital Market. Mr Pradeep Kumar Jain is also director in Startrite Financial Services Pvt. Ltd., Karni Mata Auto Pvt. Ltd. and A R J Metal Pvt. Ltd.  
⇒ Mr Sanjay Kumar Agarwal, is a Commerce Graduate. He has expertise in matters relating to financial strategies. Mr. Sanjay Kumar Agarwal is also Director in SKG Infrastate Private Limited, Balaji Fund Growth Limited, Balaji Instalments Supply Limited, SS Buildhome Private Limited, SKG Infracity Private Limited, Skylark Info Solutions Private Limited, and SKG Infrapromoters Private Limited.

### CODE OF CONDUCT

The Company's Code of Conduct, as adopted by the Board of Directors, is applicable to all Directors, Senior Management and Employees of the Company. The Code of Conduct of the Company covers substantial development, disclosure of material information, integrity of financial reporting, continuous improvement of the internal control system and sound investor relations.

The Code has been circulated to all the members of the Board and senior management personnel and the compliance with the Code of Conduct and Ethics is affirmed by them annually.

A declaration signed by the Director and Manager of the Company is given below:

This is to certify that, to the best of my knowledge and belief, for the financial year ended on 31st March, 2014, all Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management respectively.

P. C. Bindal  
Director  
DIN: 00004769

Vijay Kumar  
Manager

Date: 01st April, 2014

### 3. AUDIT COMMITTEE

The Company has constituted an Audit Committee of Directors since 25<sup>th</sup> 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.

The terms of reference, role and scope are in line with those prescribed by Clause 49 of the Listing Agreement with the Stock Exchanges. The Company also complies with the provisions of Section 292A of the Companies Act, 1956 pertaining to Audit Committee and its functioning. The terms of reference of the Audit Committee and the powers vested in this committee as mentioned in the Corporate Governance Report for 2013-2014 are wide in scope and allow it the necessary latitude to discharge its duties efficiently and independently.

The Audit Committee is responsible for the effective supervision of the financial reporting process, reviewing with the management, the financial statements and ensuring their compliance with accounting standards, listing agreement and other legal requirements, reviewing with the external auditors the internal control system, assessing their adequacy and ensuring compliance with internal controls, reviewing finding of internal audit and ensuring follow up action on significant findings and reviewing quarterly, half yearly and annual accounts.

### ROLE OF AUDIT COMMITTEE

The broad term of reference of Audit Committee, as revised by the Companies Act-2013, include inter-alia the following:-

- a. Review quarterly and annual financial statements before submission to the Board for approval;
- b. Discuss with Auditors about Internal Control System and to consider their observations and follow- up;
- c. Review of risk management policies and practices;
- d. Ensure compliance of Internal Control System;
- e. Investigate on any matter referred by the Board;
- f. Make recommendation to the Board on any matter relating to the financial management of the Company, including the Audit Report.
- g. Related Party Transactions;
- h. Appointment of Auditor including Cost Auditor;
- i. Auditor's independence and performance, and effectiveness of audit process;
- j. Inter-corporate loans and investments;
- k. Evaluation of internal financial controls and risk management systems;

## LEAD FINANCIAL SERVICES LIMITED

- l. Valuation of assets of the Company or undertaking, if necessary;
- m. Right to call for comments from Auditors or Management about:-
  - a. internal control systems
  - b. scope of Audit
  - c. observations of the auditors
- n. To call for any information from officers or employees of the Company on any fraud being referred by the Auditors of the Company;
- o. To establish a vigil Mechanism for Directors and Employees to report genuine concerns;

### 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 Mr. Pradeep Kumar Jain who is an independent director. The composition of committee is as follows:

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

### NO. OF MEETINGS AND ATTENDANCE AT MEETINGS

Four meetings of Audit Committee were held during the year 2013-14, on 29<sup>th</sup> May, 2013, 30<sup>th</sup> July 2013, 11<sup>th</sup> November 2013 and 13<sup>th</sup> February 2014.

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

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

\*Statutory Auditors were special invitees to the Audit Committee Meetings.

### 4. STAKEHOLDERS RELATIONSHIP COMMITTEE –

The Company is conscious towards having cordial relations with all the stakeholders of the company. The Company was already having 'Share Transfer and Investor Grievance Committee comprising of Mr.Sanjay Kumar Agarwal, Mr P C Bindal and Mr. Pradeep Kumar Jain, Directors, as its members. However, to rationalize with the requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the 'Stakeholders Relationship Committee' (SR Committee) was constituted by the Board on August 20, 2014 consequently, Share Transfer and Investor Grievance Committee is now Stakeholders Relationship Committee.

The Stakeholders Relationship Committee of the Board of Directors comprises of following members:

#### Composition

The Committee comprises of three directors namely Mr. Sanjay Kumar Agarwal, Mr. P C Bindal and Mr. Pradeep Kumar Jain. The Committee functions under the Chairmanship of Mr. Sanjay Kumar Agarwal.

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

lead\_financial@rediffmail.com

The Stakeholder's Relationship Committee is primarily responsible to review all matters connected with the Company's transfer of securities and redressal of shareholders' / investors' / security holders' complaints. The Committee also monitors the implementation and compliance with the Company's Code of Conduct for prohibition of Insider Trading.

The Stakeholder's Relationship Committee's composition and the terms of reference meet with the requirements of Clause 49 of the Listing Agreement and provisions of the Companies Act, 2013.

Terms of Reference of the Committee, inter alia, includes the following:

- Oversee and review all matters connected with the transfer of the Company's securities
- Approve issue of the Company's duplicate share / debenture certificates
- Monitor redressal of investors' / shareholders' / security holders' grievances

The Company has duly appointed share transfer agents (R & T Agents) for servicing the shareholder's holding shares in physical and dematerialized form. All requests for dematerialization of shares are processed and confirmations thereof are communicated to the investors within the prescribed time.

# LEAD FINANCIAL SERVICES LIMITED

## Complaints

During the year under review no investor grievance was received or was pending in the SCORES account of the Company. There are no pending transfers as on 31<sup>st</sup> March 2014

## Meetings

The Committee has been holding regular meetings to ensure compliance with the provisions of the Companies Act, 1956 during the financial year ended 31.03.2014 and the Listing Agreement and ensure proper services to investors.

### 5. SHARE ALLOTMENT-CUM-TRANSFER COMMITTEE

The Share Allotment -cum- Transfer Committee comprises of three directors namely Mr. Sanjay Kumar Agarwal, Mr. P C Bindal and Mr. Pradeep Kumar Jain. The Committee functions under the Chairmanship of Mr. Sanjay Kumar Agarwal.

The Share Allotment cum Transfer Committee looks after approval of share transfers, transposition, issue of duplicate share certificates, approval of demat/ remat of share certificates etc.

The Company complies with the various requirements of the listing agreements and the depositories with respect to transfer of shares and the requisite reports are sent to them within the prescribed time.

During the period under review, No meeting of the Share Allotment –Cum- Transfer Committee were held.

### 6. REMUNERATION COMMITTEE

The Company reconstituted remuneration committee on 18.12.2013 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.

The remuneration committee presently comprises of three directors as its members. All the members of the Committee are independent, non-executive and person of repute and have sound knowledge of management practices.

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	Mrs. Shalu Sharma#	Member	Independent, Non- executive

# Resigned on 18.02.2014

Meeting and Attendance:

During the financial year one remuneration committee meeting was held on 21<sup>st</sup> December, 2013 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/Manager 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.

### 7. COMPLIANCE OFFICER AND CONTACT ADDRESS

As per the requirement of the Listing Agreement with the Stock Exchange, Mr. P C Bindal is the Compliance Officer of the Company.

Contact Address: 101, Sitaram Mansion, 718/21, Joshi Road, Karol Bagh, New Delhi-110005

Telephone/ Fax no: 011-23549822/23

Email ID: lead\_financial@rediffmail.com

### 8. GENERAL BODY MEETINGS:

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

Year	Location	Date	Time	Special Resolution Passed
2010-11	304, Sita Ram Mansion, 718/21, Joshi Road, Karol Bagh, New Delhi-110 005	24.09.11	10.30 a.m.	-
2011-12	304, Sita Ram Mansion, 718/21, Joshi Road, Karol Bagh, New Delhi-110 005	22.09.12	10.30 a.m.	-
2012-2013	304, Sita Ram Mansion, 718/21, Joshi Road, Karol Bagh, New Delhi-110 005	21.09.13	10.30 a.m.	re-appointment of Whole Time Director

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



# LEAD FINANCIAL SERVICES LIMITED

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## 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) 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) 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 and there are no statutory audit qualifications in this regard.
- c) In terms of Clause 49(V) of the Listing Agreement, the Whole Time Director and the Chief Financial Officer made a certification to the Board of Directors in the prescribed format for the year under review which has been reviewed by the Audit Committee and taken on record by the Board.
- d) Though the Company does not have a Whistle Blower Policy. However, it is ensured that every personnel can approach to the Audit Committee as and when he so desire.
- e) All the mandatory requirements have been complied with. The Company always endeavors to comply with non-mandatory requirements as far as possible.
- f) The Company has in place a risk management mechanism to inform the Board members about the risk assessment & minimization procedures, the Board reviews the same from time to time.
- g) 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.
- h) All Mandatory requirements as per Clause 49 of the Listing Agreement have been complied with by the Company.

## 7. MEANS OF COMMUNICATION

Quarterly results for the quarters ending on 30<sup>th</sup> June 2013, 30<sup>th</sup> September 2013, 31<sup>st</sup> December 2013 and audited results for the quarter and year ended on 31<sup>st</sup> March 2014 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 2013	30 <sup>th</sup> July, 2013	31 <sup>st</sup> July, 2013
July–September 2013	11 <sup>th</sup> November 2013	12 <sup>th</sup> November 2013
October-December 2013	13 <sup>th</sup> February 2014	14 <sup>th</sup> February 2014
January-March 2014 (Audited)	26 <sup>th</sup> May 2014	27 <sup>th</sup> May 2014

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

## 8. SUBSIDIARY COMPANIES

As on 31.03.2014, the Company does not have any subsidiary company whether Indian or foreign.

## 9. GENERAL SHAREHOLDERS' INFORMATION

### i) ANNUAL GENERAL MEETING

Date and Time : Monday, 29<sup>th</sup> September, 2014  
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** : 22<sup>nd</sup> September, 2014 to 29<sup>th</sup> September, 2014 (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 2014-15 has been paid on due date to the Stock Exchange.

# LEAD FINANCIAL SERVICES LIMITED

## 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		BSE (SENSEX)	
	High	Low	High	Low
April 2013	-	-	19,622.68	18,144.22
May 2013	-	-	20,443.62	19,451.26
June 2013	-	-	19,860.19	18,467.16
July 2013	-	-	20,351.06	19,126.82
August 2013	8.46	8.46	19,569.20	17,448.71
Sept 2013	8.46	8.46	20,739.69	18,166.17
Oct 2013	8.45	7.70	21,205.44	19,264.72
Nov 2013	-	-	21,321.53	20,137.67
Dec 2013	-	-	21,483.74	20,568.70
Jan 2014	7.70	6.62	21,409.66	20,343.78
Feb 2014	7.35	7.35	21,140.51	19,963.12
March 2014	-	-	22,467.21	20,920.98

## 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, B/4, 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, 2014

Category	No. of shares	%
Promoter/PAC's	1274020	38.61
Banks/ financial institutions/ Insurance companies	17988	0.55
Bodies Corporate	747365	22.64
Indian Public	1146525	34.74
NRI's	67057	2.03
HUF	47045	1.43
	<b>3300000</b>	<b>100</b>

## LEAD FINANCIAL SERVICES LIMITED

### (IX) DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2014

SHAREHOLDING OF NOMINAL VALUE OF RS.	NUMBER OF SHARE-HOLDERS	% TO TOTAL	NO. OF SHARES	% TO TOTAL
UPTO 5000	1,566	84.65	218,414	6.6186
5001 TO 10000	94	5.08	71,393	2.1634
10001 TO 20000	72	3.89	102,245	3.0983
20001 TO 30000	38	2.05	88,900	2.6939
30001 TO 40000	10	0.54	35,705	1.0820
40001 TO 50000	13	0.71	60,499	1.8333
50001 TO 100000	19	1.03	136,577	4.1387
100001 AND ABOVE	38	2.05	2,586,267	78.3717
<b>TOTAL</b>	<b>1,850</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, 2014, 38.03 % and 2.01 % 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. 23549822-24 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 2014 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  
(FRN - 500041N)

Place : New Delhi  
Date : 20.08.2014

CA. Adit Sharda  
Partner  
M.No.526605

# LEAD FINANCIAL SERVICES LIMITED

## INDEPENDENT AUDITOR'S REPORT

To the Members of Lead Financial Services Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of Lead Financial Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
  - b) in the case of the Statement of Profit and Loss, of the profit 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.
1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
  2. As required by section 227(3) of the Act, 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
    - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
    - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **G.C. SHARDA & CO.**  
Chartered Accountants  
(FRN - 500041N)

**[CA Adit Sharda]**  
Partner  
M. No. 526605

Place of Signature: New Delhi  
Date: May 26, 2014

# LEAD FINANCIAL SERVICES LIMITED

## Annexure to Independent Auditor's Report

Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

- 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 were 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 neither granted nor taken any loans, secured or unsecured, to/ from parties covered in the register maintained u/s 301 of the Companies Act, 1956. Accordingly, the clauses (iii) (a) to (g) of paragraph 4 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 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 the Order 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, 2014 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

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- 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, during the year under audit, the company did not have any borrowings from any 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 provisions of clause 4 (xiii) of the Order 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 records 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 given guarantee for loans taken by others from banks and financial institutions. In our opinion and according to the information and explanations given to us, the terms and conditions of such a guarantee are prima facie not prejudicial to the interests of the company.
- 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  
(FRN - 500041N)

**[CA Adit Sharda]**  
Partner  
M. No. 526605

Place of Signature: New Delhi  
Date: May 26, 2014

# LEAD FINANCIAL SERVICES LIMITED

## BALANCE SHEET AS AT 31 MARCH, 2014

(Amount in Rs.)

Particulars	Note No.	As at 31st March, 2014	As at 31st March, 2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	33,000,000	33,000,000
(b) Reserves and Surplus	3	9,496,402	8,071,583
<b>(2) Non-Current Liabilities</b>			
Deferred Tax Liabilities (Net)	4	160,721	---
<b>(3) Current Liabilities</b>			
(a) Short-Term Borrowings	5	10,100,000	8,600,000
(b) Other Current Liabilities	6	45,846,979	45,402,826
(c) Short-Term Provisions	7	295,025	201,035
<b>Total Liabilities</b>		<b>98,899,127</b>	<b>95,275,444</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets			
Tangible Assets	8	24,021,062	24,356,740
(b) Non-Current Investments	9	44,292,890	44,292,890
(c) Deferred Tax Assets (Net)	4	---	47,199
<b>(2) Current Assets</b>			
(a) Inventories	10	3,547,935	2,932,528
(b) Cash and Cash Equivalents	11	343,101	1,646,156
(c) Short-Term Loans and Advances	12	26,694,139	21,999,931
<b>Total Assets</b>		<b>98,899,127</b>	<b>95,275,444</b>

Summary of significant accounting policies 1

The accompanying notes are an integral part of the financial statements

### AUDITORS' REPORT

As per our report of even date

For **G.C. SHARDA & CO.**  
Chartered Accountants  
(FRN - 500041N)

**FOR & ON BEHALF OF THE BOARD**

**CA. Adit Sharda**  
Partner  
M.No.526605

**P.C. Bindal**  
Director  
DIN: 00004769

**Manushree Bindal**  
Director  
DIN: 03620670

**Vijay Kumar**  
Manager

Place : New Delhi  
Date : May 26, 2014



# LEAD FINANCIAL SERVICES LIMITED

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31 MARCH, 2014

(Amount in Rs.)

Particulars	Note No.	Year Ended 31st March, 2014	Year Ended 31st March, 2013
<b>Income</b>			
Revenue from Operations	13	4,174,172	4,965,661
Other Incomes	14	156,851	13,500
<b>Total Revenue (I)</b>		<b>4,331,023</b>	<b>4,979,161</b>
<b>Expenses</b>			
Purchases of Stock-in-Trade/ Traded Goods (Increase)/ Decrease in Inventories of Traded Goods	15	529,002	---
Employee Benefit Expenses	16	(615,407)	1,036,321
Finance Costs	17	731,954	755,630
Depreciation	18	344,026	1,267,905
Other Expenses	7	335,678	135,453
	19	944,554	827,250
<b>Total Expenses (II)</b>		<b>2,269,806</b>	<b>4,022,559</b>
<b>Profit Before Tax (I-II)</b>		<b>2,061,217</b>	<b>956,602</b>
<b>Tax Expense:</b>			
(1) Current Tax		428,478	315,456
(2) Deferred Tax		207,920	(13,381)
<b>Profit for the Year from Continuing Operations (A)</b>		<b>1,424,819</b>	<b>654,527</b>
<b>Profit/ (Loss) for the Year from Discontinuing Operations (B)</b>		<b>---</b>	<b>---</b>
<b>Profit for the Year (A+B)</b>		<b>1,424,819</b>	<b>654,527</b>
Earnings Per Equity Share			
(1) Basic		0.43	0.20
(2) Diluted		0.43	0.20
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the financial statements			

### AUDITORS' REPORT

As per our report of even date

For **G.C. SHARDA & CO.**  
Chartered Accountants  
(FRN - 500041N)

**FOR & ON BEHALF OF THE BOARD**

**CA. Adit Sharda**  
Partner  
M.No.526605

**P.C. Bindal**  
Director  
DIN: 00004769

**Manushree Bindal**  
Director  
DIN: 03620670

Place : New Delhi  
Date : May 26, 2014

**Vijay Kumar**  
Manager

# LEAD FINANCIAL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2014

### 1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant requirements of the Companies Act, 1956. Significant accounting policies applied in preparing and presenting these financial statements are set out below:

#### 1.1 Basis of Accounting

Financial statements have been prepared under historical cost convention and on the basis of going concern.

#### 1.2 Revenue Recognition

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

#### 1.3 Fixed Assets

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

#### 1.4 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.

#### 1.5 Impairment

Impairment is recognized at each balance sheet date in respect of the company's fixed assets. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and the value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value, based on an appropriate discount factor.

#### 1.6 Investments

Investments are classified into Current Investments and Non-Current/ Long Term Investments. Current Investments are carried at the lower of cost and fair value and provisions are made to recognize the decline in the carrying value. Non-Current/ Long Term investments are stated at cost. Provision for diminution in the value of Non-Current/ Long- Term Investments is made only if such decline is other than temporary, in the opinion of the management.

#### 1.7 Inventories

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

#### 1.8 Employee Benefits

Gratuity is charged to the Statement of Profit and Loss 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.

#### 1.9 Taxation

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

Deferred Tax: Deferred Tax is recognized on timing difference between taxable and accounting income that originates in one period and is 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.

#### 1.10 Contingent Liabilities

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

# LEAD FINANCIAL SERVICES LIMITED

(Amount in Rs.)

Particulars	As at 31st March, 2014	As at 31st March, 2013
<b>2. Share Capital</b>		
<b>Authorised Capital</b>		
35,00,000 (31 March, 2013: 35,00,000) Equity Shares of Rs.10/- each	35,000,000	35,000,000
<b>Issued, Subscribed and Paid up</b>		
33,00,000 (31 March, 2013: 33,00,000) Equity Shares of Rs.10/- each, fully paid-up	33,000,000	33,000,000
	<b>33,000,000</b>	<b>33,000,000</b>

**(a) Reconciliation of the shares outstanding at the beginning & end of the reporting period.**

	31-Mar-14	
	No.	Amount (Rs)
<b>Equity Shares</b>		
At the beginning of the Year	3,300,000	33,000,000
Issued during the Year	---	---
<b>Outstanding at the end of the Year</b>	<b>3,300,000</b>	<b>33,000,000</b>
	31-Mar-13	
	No.	Amount (Rs)
<b>Equity Shares</b>		
At the beginning of the Year	3,300,000	33,000,000
Issued during the Year	---	---
<b>Outstanding at the end of the Year</b>	<b>3,300,000</b>	<b>33,000,000</b>

**(b) Terms/ Rights attached to equity shares**

The company has only one class of equity shares having par value of Rs. 10 per share. Each Holder of Equity Shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees.

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

**(c) Details of shareholders holding more than 5% shares.**

Particulars	31-Mar-14	
	No.	% holding in the class
<b>Equity Shares of Rs. 10 each fully paid up</b>		
P. C. Bindal	195,200	5.92
Manushree Bindal	189,000	5.73
LFS Securities Limited	184,500	5.59
ECI Limited	179,680	5.44
	<b>748,380</b>	<b>22.68</b>
Particulars	31-Mar-13	
	No.	% holding in the class
<b>Equity Shares of Rs. 10 each fully paid up</b>		
P. C. Bindal	195,200	5.92
Manushree Bindal	189,000	5.73
LFS Securities Limited	184,500	5.59
ECI Limited	179,680	5.44
	<b>748,380</b>	<b>22.68</b>

# LEAD FINANCIAL SERVICES LIMITED

(Amount in Rs.)

Particulars	As at 31st March, 2014	As at 31st March, 2013
<b>3. Reserves and Surplus</b>		
(a) General Reserve		
As per last Balance Sheet	63,000	63,000
Addition during the year	---	---
Closing Balance	<u>63,000</u>	<u>63,000</u>
(b) Statutory Reserve*		
As per last Balance Sheet	1,198,967	1,068,062
Addition during the year	284,964	130,905
Closing Balance	<u>1,483,931</u>	<u>1,198,967</u>
* Reserve created as per the Guidelines issued by the Reserve Bank of India.		
(c) Surplus i.e. Balance in the Statement of Profit & Loss		
As per last Balance Sheet	6,809,616	6,285,995
Addition during the year	1,424,819	654,527
Transfer to Statutory Reserve	(284,964)	(130,905)
Closing Balance	<u>7,949,471</u>	<u>6,809,616</u>
	<b><u>9,496,402</u></b>	<b><u>8,071,583</u></b>
<b>4. Net Deferred Tax Liabilities/ (Assets)</b>		
<b>Deferred Tax Liabilities</b>		
Difference in Depreciation for accounting & tax purposes	160,721	---
<b>Deferred Tax Assets</b>		
Difference in Depreciation for accounting & tax purposes	---	47,199
<b>Net Deferred Tax Liabilities/ (Assets)</b>	<u>160,721</u>	<u>(47,199)</u>
<b>5. Short-Term Borrowings</b>		
Loans Repayable on Demand	9,000,000	7,500,000
Advances Refundable	1,100,000	1,100,000
	<u>10,100,000</u>	<u>8,600,000</u>
The above amount includes		
- Secured Borrowings	---	---
- Unsecured Borrowings	10,100,000	8,600,000
<b>6. Other Current Liabilities</b>		
Advances Received	45,000,000	45,000,000
Interest Accrued & Due on Borrowings	270,000	324,000
Expenses Payable	333,631	39,678
Others	243,348	39,148
	<u>45,846,979</u>	<u>45,402,826</u>
<b>7. Short-Term Provisions</b>		
Provision For Taxation [Net of Prepaid Taxes]	270,025	181,655
Contingent Provisions against Standard Assets	25,000	19,380
	<u>295,025</u>	<u>201,035</u>

# LEAD FINANCIAL SERVICES LIMITED

## 8. Tangible Assets as on 31st March 2014.

(Amount in Rs.)

S. No.	Particulars	Gross Block				Depreciation Block				Net Block	
		Cost as on 01.04.2013	Additions during the year	Sale/ Disposal during the year	Total as on 31.03.2014	Upto 01.04.2013	For the year	Adjustment	Upto 31.03.2014	Net Carrying amount as on 31.03.2014	Net Carrying amount as on 31.03.2013
1	Leasehold Land	4,966,908	---	---	4,966,908	---	---	---	---	4,966,908	4,966,908
2	Buildings	18,967,655	---	---	18,967,655	---	233,848	---	233,848	18,733,807	18,967,655
3	Furniture & Fixtures	1,461,325	---	---	1,461,325	1,407,706	9,705	---	1,417,411	43,914	53,619
4	Vehicle	518,500	---	---	518,500	177,730	88,225	---	265,956	252,544	340,770
5	Office Equipments	240,375	---	---	240,375	212,719	3,847	---	216,566	23,809	27,656
6	Computers	438,700	---	---	438,700	438,567	53	---	438,620	80	133
<b>TOTAL</b>		<b>26,593,463</b>	<b>---</b>	<b>---</b>	<b>26,593,463</b>	<b>2,236,723</b>	<b>335,678</b>	<b>---</b>	<b>2,572,401</b>	<b>24,021,062</b>	<b>24,356,740</b>
Previous Year		26,593,463	---	---	26,593,463	2,101,269	135,453	---	2,236,723	24,356,740	24,492,194

**Particulars**

**As at  
31st March, 2014**

**As at  
31st March, 2013**

## 9. Non-Current Investments

### TRADE INVESTMENTS (Valued at Cost)

#### Investment in Quoted Equity Instruments

100 (31 March 2013:100) Equity Shares of Rs 10 each fully paid up in Gujrat Optical Fibres Ltd	1,930	1,930
1000 (31 March 2013:1000) Equity Shares of Rs 10 each fully paid up in Premier Vinyl Ltd.	37,645	37,645
80,000 (31 March 2013: 80,000) Equity Shares of Rs 10 each fully paid up in NHPC Ltd.	2,599,442	2,599,442
4,000 (31 March 2013: 4,000) Equity Shares of Rs 10 each fully paid up in Reliance Power Ltd.	513,873	513,873
	<u>3,152,890</u>	<u>3,152,890</u>

#### Investment in Unquoted Equity Instruments

1,20,000 (31 March 2013:1,20,000) Equity Shares of Rs 10 each fully paid up in SLS Stock & Share Brokers Ltd.	1,200,000	1,200,000
82,000 (31 March 2013: 82,000) Equity Shares of Rs 10 each fully paid up in Indraprastha Commodity Trading Pvt. Ltd.	820,000	820,000
Nil (31 March 2013: 80,000) Equity Shares of Rs 10 each fully paid up in Balaji Growth Fund Ltd.	---	2,000,000
5,000 (31 March 2013: 5,000) Equity Shares of Rs 10 each fully paid up in Kriti Machinery Pvt. Ltd.	500,000	500,000
Nil (31 March 2013: 75,000) Equity Shares of Rs 10 each fully paid up in Vishesh Jewellers Pvt. Ltd.	---	7,500,000
1,000 (31 March 2013: Nil) Equity Shares of Rs 10 each fully paid up in Privy Capital Advisors Pvt. Ltd.	500,000	---
	<u>3,020,000</u>	<u>12,020,000</u>

#### Investments in Quoted Bonds

<b>24 (31 March 2013: 24) Bonds of Rs. 10,00,000 each in Reliance Logistics Infra Ltd.</b>	24,120,000	24,120,000
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#### Investments in UnQuoted Debentures

90,000 (31 March 2013: Nil) Debentures of Rs. 100 each in Karni Mata Auto P Ltd.	9,000,000	---
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#### Investments in Project Equity

IDFC Infrastructure	5,000,000	5,000,000
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	<u><b>44,292,890</b></u>	<u><b>44,292,890</b></u>
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Aggregate Amount of Quoted Investments	27,272,890	27,272,890
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Market Value of Quoted Investments as on 31 March, 14 is Rs. 2,58,09,400 (31 March 2013: Rs. 2,58,38,200)		
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Aggregate Amount of Unquoted Investments	17,020,000	17,020,000
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## LEAD FINANCIAL SERVICES LIMITED

<b>10. Inventories (Valued at lower of cost and net realizable value)</b>		
Stock-in-Trade/ Traded Goods	3,547,935	2,932,528
	<b>3,547,935</b>	<b>2,932,528</b>
<b>11. Cash and Cash Equivalents</b>		
Balance with Banks in Current Accounts	43,034	1,167,843
Cash on Hand	300,067	478,314
	<b>343,101</b>	<b>1,646,156</b>
<b>12. Short-Term Loans and Advances (Unsecured Considered Good)</b>		
Advances Recoverable	16,177,032	13,200,000
Loans Recallable on Demand	10,279,000	8,445,576
Income Tax Refund Due	109,644	338,252
Other Loans & Advances	128,463	16,103
	<b>26,694,139</b>	<b>21,999,931</b>
<b>13. Revenue From Operations</b>		
Interest Income	4,084,664	3,966,012
Sale of Shares	---	876,102
Dividend Income	89,508	123,548
	<b>4,174,172</b>	<b>4,965,661</b>
<b>14. Other Incomes</b>		
Provisions Written Back	---	13,500
Interest on FDR	127,860	---
Interest on Income Tax Refund	28,981	---
Other Miscellaneous Income	10	---
	<b>156,851</b>	<b>13,500</b>
<b>15. Purchases of Stock-in-Trade/ Traded Goods</b>		
Shares of Companies	529,002	---
	<b>529,002</b>	<b>---</b>
<b>16. (Increase)/ Decrease in Inventories</b>		
<i>Inventories at the beginning of the year</i>		
Traded Goods (Shares of Companies)	2,932,528	3,968,848
<i>Inventories at the end of the year</i>		
Traded Goods (Shares of Companies)	3,547,935	2,932,528
	<b>(615,407)</b>	<b>1,036,321</b>
<b>17. Employee Benefit Expenses</b>		
Salaries and Wages	624,000	658,500
Bonus to Employees	37,000	37,000
Staff Welfare Expenses	40,444	33,363
Travelling & Conveyance	30,510	26,767
	<b>731,954</b>	<b>755,630</b>
<b>18. Finance Costs</b>		
Interest Expense	342,685	1,267,324
Bank Charges	1,341	581
	<b>344,026</b>	<b>1,267,905</b>
<b>19. Other Expenses</b>		
Rent, Rates & Taxes	180,000	180,000
Repair & Maintenance (Others)	46,003	38,458
Communication Expenses	96,421	93,515
Printing and Stationery	37,031	182,310
Professional & Legal Expenses	220,707	158,553
Auditors' Remuneration	28,090	28,090
Provisioning on Standard Assets	5,620	---
Balances Written Off	265,247	---
Advertisement & Business Promotion Expenses	42,459	123,314
General and Miscellaneous Expenses	22,976	23,010
	<b>944,554</b>	<b>827,250</b>

## LEAD FINANCIAL SERVICES LIMITED

<b>20. Contingent Liabilities</b>	In respect of Guarantees given in respect of loan taken by others, an amount not exceeding Rs. 6,89,00,000 (31 March, 2013: Rs. 6,89,00,000)	
<b>21. Capital &amp; Other Commitments</b>	Estimated amount of contracts remaining to be executed on Capital Accounts (Net of advances) Rs. Nil (31 March, 2013: Rs. Nil)	
<b>22. Segment Reporting</b>	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 notified by the Companies (Accounting Standards) Rules, 2006 (as amended) is not applicable.	
<b>23. Related Party Transactions</b>		
<b>23.1 Related Party Disclosures</b>	Related Parties with whom transactions have taken place during the year	
	- Key Managerial Personnel	
	Mr. Vijay Kumar, Manager	
<b>23.2 Related Party Transactions</b>	<b>31.3.2014</b>	<b>31.3.2013</b>
<b>Key Managerial Personnel</b>		
Remuneration	180,000	188,500
<b>24. Earnings Per Share</b>		
<b>Particulars</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
Opening No. of Equity Shares	3,300,000	3,300,000
Allotted during the Year	---	---
Outstanding Number of Shares at the year end.	3,300,000	3,300,000
Weighted number of Shares	3,300,000	3,300,000
Net Profit after Tax (Rs.)	1,424,819	654,527
Earning Per Share (Rs.) - Basic & Diluted	0.43	0.20
<b>25. Payment to Auditors</b>	<b>31.3.2014</b>	<b>31.3.2013</b>
Audit Fees	28,090	28,090
Others	---	---
<b>26.</b>	The company has not given any loans and advances in the nature of loan required to be disclosed pursuant to Clause 32 of the Listing Agreement.	
<b>27.</b>	No. provision has been made for Gratuity as no employee has completed qualifying period of service.	
<b>28.</b>	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 known liabilities relating to the year have been provided for.	
<b>29. Particulars</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
Earning in Foreign Currency	---	---
Expenditure in Foreign Exchange	---	---
<b>30.</b>	The Company is in the process of identifying suppliers who are Micro, Small & Medium Enterprises under the Micro, Small & Medium Enterprises Development Act, 06 & has yet to receive any written confirmation from them. Therefore, the disclosures required under section 22 of the said Act are not necessary.	
<b>31.</b>	Party balances are subject to confirmation from them.	
<b>32. Previous Year's Figures</b>	Previous period figures have been regrouped /recast to conform the current year classifications.	

### AUDITORS' REPORT

As per our report of even date

For **G.C. SHARDA & CO.**  
Chartered Accountants  
(FRN - 500041N)

### FOR & ON BEHALF OF THE BOARD

**CA. Adit Sharda**  
Partner  
M.No.526605

**P.C. Bindal**  
Director  
DIN: 00004769

**Manushree Bindal**  
Director  
DIN: 03620670

Place : New Delhi  
Date : May 26, 2014

**Vijay Kumar**  
Manager



# LEAD FINANCIAL SERVICES LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2014

(Amount in Rs.)

Particulars	2013-2014	2012-2013
Profit before Tax	2,061,217	956,602
Non Cash Adjustment:		
- Depreciation	335,678	135,453
- Provisions Created/ (Written Back)	5,620	(13,500)
<b>Operating profit before Working Capital changes</b>	<b>2,402,515</b>	<b>1,078,555</b>
<b>Changes in Working Capital:</b>		
Decrease/ (Increase) in Inventories	(615,407)	1,036,321
Decrease/ (Increase) in Short/ Long Term Loans and Advances	(4,694,208)	7,801,524
(Decrease)/ Increase in Other Current Liabilities	444,153	(982,114)
<b>Cash generated from Operations</b>	<b>(2,462,948)</b>	<b>8,934,286</b>
Income Tax Paid	(340,108)	(435,407)
<b>Cash Flow from Operating Activities (A)</b>	<b>(2,803,056)</b>	<b>8,498,879</b>
<b>Cash Flow from Investing Activities</b>		
Proceeds from Sale of Investments	-	-
<b>Cash Flow from Investing Activities (B)</b>	<b>-</b>	<b>-</b>
<b>Cash Flow from Financing Activities</b>		
Proceeds from Short Term Borrowings	1,500,000	-
Repayment of Short Term Borrowings	-	(7,000,000)
<b>Cash Flow from Financing Activities (C)</b>	<b>1,500,000</b>	<b>(7,000,000)</b>
Net Increase/ (Decrease) in Cash & Cash Equivalents (A+B+C)	(1,303,056)	1,498,879
Cash & Cash Equivalents at the beginning of year	1,646,156	147,278
<b>Cash &amp; Cash Equivalents at the end of year</b>	<b>343,101</b>	<b>1,646,156</b>

Note :

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

### FOR & ON BEHALF OF THE BOARD

**P.C. Bindal**  
Director  
DIN: 00004769

**Manushree Bindal**  
Director  
DIN: 03620670

**Vijay Kumar**  
Manager

### AUDITOR'S CERTIFICATE

We have examined the attached Cash Flow Statement of the Company for the year ended 31 March, 2014. 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 is in agreement with corresponding Statement of Profit and Loss and Balance Sheet of the Company covered by our Report of 26 May, 2014 to the members of the Company.

For **G.C. SHARDA & CO.**  
Chartered Accountants  
(FRN - 500041N).

**CA. Adit Sharda**  
Partner  
M.No.526605

Place : New Delhi  
Date : May 26, 2014

# LEAD FINANCIAL SERVICES LIMITED

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## LEAD FINANCIAL SERVICES LIMITED

Regd. Office: 101, Sita Ram Mansion, 718/21 Joshi Road, Karol Bagh, New Delhi 110005

CIN: L74140DL1993PLC053485

Ph. No.-011-23549822, 23 e-mail: [lead\\_financial@rediffmail.com](mailto:lead_financial@rediffmail.com)

### ATTENDANCE SLIP

21st Annual General Meeting

Reg. Folio/DP & Client No: .....

No .of Shares Held: .....

I certify that I am a Registered Shareholder/Proxy for the Registered Shareholder of the Company. I hereby record my presence at the 21st Annual General Meeting of the Company to be held on **Monday, 29th September, 2014 at 10.30 A.M.** at the Registered Office of the Company at 304, Sitaram Mansion, 718/21, Joshi Road, Karol Bagh, New Delhi -110005, and at any adjournment thereof.

Member's Name : .....

Proxy's Name : .....

Member's/ Proxy's Signature

- NOTE:
1. Please fill this attendance slip and hand it over at the entrance of the Hall.
  2. Members/Proxy Holders/Authorised Representatives are requested to show their Photo ID Proof for attending the Meeting.
  3. Authorized Representatives of Corporate Member(s) shall produce proper authorization issued in their favour.

# LEAD FINANCIAL SERVICES LIMITED

Form No. MGT-11

## LEAD FINANCIAL SERVICES LIMITED

Regd. Office: 101, Sita Ram Mansion, 718/21 Joshi Road, Karol Bagh, New Delhi 110005

CIN: L74140DL1993PLC053485

Ph. No.-011-23549822, 23 e-mail: [lead\\_financial@rediffmail.com](mailto:lead_financial@rediffmail.com)

### PROXY FORM

*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

Name of the member (s) : .....

Registered Address: .....

E-Mail Id: .....

Folio No./ Client Id: .....

DP ID: .....

I/We, being the member (s) holding ..... shares of the above named company, hereby appoint

1. Name: ..... Address: .....  
E-mail Id: ..... Signature: ..... or failing him
2. Name: ..... Address: .....  
E-mail Id: ..... Signature: ..... or failing him
3. Name: ..... Address: .....  
E-mail Id: ..... Signature: ..... or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 21<sup>st</sup> Annual general meeting of the company, to be held on the 29<sup>th</sup> day of September, 2014 at 10:30 a.m. at 304, Sita Ram Mansion, 718/21 Joshi Road, Karol Bagh, New Delhi 110005 and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Description of Resolution
1.	To Consider and adopt the Audited Financial Statements as at 31st March, 2014 and the Report of the Auditors' and Board of Director's thereon.
2.	To appoint a Director in place of Mr. P. C. Bindal, who retires by rotation and being eligible offers himself for re-appointment.
3.	Appointment of M/s. G.C. Sharda & Co., Chartered Accountants for a term of three years (subject to ratification of their appointment at every AGM) and fixing their remuneration.
4.	Appointment of Mr. Pradeep Kumar Jain as an Independent Director for a term of 5 consecutive years
5.	Appointment of Mr. Sanjay Kumar Agarwal as an Independent Director for a term of 5 consecutive years
6.	Appointment of Ms. Kusha Bindal as a Woman Director of the Company
7.	Confirmation of Appointment of Mr. Vijay Kumar as Manager of the Company for a period of 5 years w.e.f. 21.12.2013.

Signed this ..... day of ..... 2014

Signature of Shareholder (s) .....

Signature of Proxy Holder (s) .....

Affix a  
Re.1  
Revenue  
Stamp

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**