

22nd

Annual

Report

2014-2015

**LEAD FINANCIAL
SERVICES LIMITED**

LEAD FINANCIAL SERVICES LIMITED

BOARD OF DIRECTORS

P.C. Bindal
Chairman

Sanjay Kumar Agarwal
Director

Pradeep Kumar Jain
Director

Kusha Bindal
Director

BANKERS

ICICI Bank
2212/61, Gurudwara Road,
Karol Bagh, New Delhi

STATUTORY AUDITORS

G.C. Sharda & Co.
Chartered Accountants
New Delhi

REGISTERED OFFICE

Lead Financial Services Limited
101, Sita Ram Mansion, 718/21, Joshi Road, Karol Bagh,
New Delhi-110005 Tel. 23549822-24 Fax. 23623829
email : lead_financial@rediffmail.com Website : www.leadfinancialservices.in
Cin : L74140DL1993PLC053485

REGISTRAR & TRANSFERS AGENTS

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

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LEAD FINANCIAL SERVICES LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 22nd Annual General Meeting of the members of Lead Financial Services Limited will be held on Monday, the 28th day of September, 2015 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 Financial Statement of the Company for the financial year ended 31st March, 2015 together with Reports of the Board of Directors and the Auditors thereon.
2. To appoint director in place of Mr. Sanjay Kumar Agarwal who retires by rotation and being eligible offers himself for reappointment.
3. To ratify the appointment of M/s. G.C. Sharda & Co., Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of 24th 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 a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association which is available for public inspection at the Registered Office of the Company, be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to undertake all such acts, deeds, matters and things to finalise and execute all such deeds, documents and writings as may be deemed necessary, proper, desirable and expedient in its absolute discretion, to enable this resolution, and to settle any question, difficulty or doubt that may arise in this regard.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any Director of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution."

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

Padam Chandra Biridal
Chairman
DIN: 00004769

Place : New Delhi
Dated: 14.08.2015

NOTE:

1. At the ensuing Annual General Meeting Mr. Sanjay Kumar Agarwal retires by rotation and being eligible, offers himself for re-appointment. The details of Mr. Sanjay Kumar Agarwal pursuant to clause 49 of the Listing Agreement are as under:

| Particulars | Name of Directors |
|---|--|
| Date of Birth | Mr. Sanjay Kumar Agarwal 14.06.1969 |
| Date of appointment | 25.03.2003 |
| Expertise in specific areas | Rich experience in the field of finance, financial services and other related matters. |
| Qualifications | B.Com. |
| Directorship in other Company | 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 31.03.2015 | NIL |
| Inter se relationship with other Directors | NIL |

LEAD FINANCIAL SERVICES LIMITED

2. 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
3. The related explanatory statement, pursuant to section 102 of the Companies Act, 2013, in respect of the business under item No.1, are annexed hereto. The Draft of the Articles of Association of the Company are also available at company's website : www.leadfinancialservices.in
4. All documents referred to in the accompanying notice and the explanatory statement are open for inspection at the registered office of the Company during working day, except Saturdays, in office hours from 10 A.M. upto 5.00 P.M.
5. The Register of Members and the Share Transfer Books of the company will remain closed from 22nd day of September, 2015 to 28th day of September, 2015 (both days inclusive).
6. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS/HER BEHALF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE EFFECTIVE, THE INSTRUMENT MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
7. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of Board resolution, authorizing their representative to attend and vote on their behalf at the Meeting.
8. Members are requested to bring their ID cards and attendance slip along with their copy of the Notice of the Meeting.
9. The notice is being sent to all the members, whose names appeared in the register of members/ Record of RTA on 14th August, 2015. Voting rights shall be reckoned on the paid-up value of the shares registered in the name of the member as on that date.
10. In accordance with provisions of section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 the business proposed for the Annual General Meeting, may be transacted through electronic voting system and the Company is providing facility for voting by electronic means ("remote e-voting") to its members.
11. The Company has engaged the services of Central Depository Services (India) Limited ("CDSL") to provide remote e-voting facilities and for security and enabling the members to cast their vote in a secure manner.
12. It may be noted that this remote e-voting facility is optional. The remote e-voting facility will be available at the link <https://www.evotingindia.co.in> during the following voting period.
Commencement of remote e-voting: From 9.00 a.m. of September 25th 2015, Friday end of remote e-voting upto at 5.00 p.m. of September 27th 2015, Sunday
13. Remote e-voting shall not be allowed beyond 5.00 p.m. of **September 27th 2015, Thursday**. During the remote e-voting period, Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date may cast their vote electronically. The cut-off date for the limited purpose of remote e-voting is 21st September, 2015.
14. The login ID and password for remote e-voting along with process, manner and instructions for remote e-voting is being sent to the members who have not registered their e-mail IDs with the Company along with physical copy of the notice.
15. Those members who have registered their e-mail IDs with the Company / their respective Depository Participants are being forwarded the login ID and password for remote e-voting along with process, manner and instructions by e-mail.
16. The Company has, in compliance with Rule 20 of the (Management and Administration) Rules, 2014, appointed CS Pooja Anand, Company Secretary in practice, as Scrutinizer (as consented by her to be appointed as scrutinizer) for conducting the electronic Process in a fair and transparent manner.
17. Members are requested to intimate immediately any change in their address or other mandates to their Depository Participants with whom they are maintaining their demat accounts. The Company or its Registrar and Transfer Agent cannot change mandates for shares in electronic form.
18. Non-resident Indian Members are requested to inform Company's Share Registrar - Beetal Financial & Computer Services (P) Limited immediately for the change in the residential status on return to India for permanent settlement;
19. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be obtained from the Company's Registrar.
20. Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the communication from the Company electronically.

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21. Shareholders seeking any information or clarification on the accounts are requested to send written queries to the Company, at least 10 days before the date of the meeting, to enable the management to keep the required information available at the meeting.

22. 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 for the resolution proposed at the Annual General Meeting (AGM) by electronic means and the business may be transacted through remote 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 remote e-voting facility, and a member may avail of the facility at his/her/ it discretion, subject to compliance with the instructions prescribed below:

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 9.00 a.m. of September 25th 2015, Friday > and ends on <5.00 p.m. of September 27th 2015, Sunday >. 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 <21st September, 2015>, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) 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.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) 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) 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 sequence number in the PAN field. In case the sequence 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 sequence number 1 then enter RA00000001 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. |

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach 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.

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- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolution(s) contained in this Notice.
- (xii) Click on the EVSN for the relevant <LEAD FINANCIAL SERVICES LIMITED> on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) 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.
- (xix) Note for Non – Individual Shareholders and Custodians
Non-individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian (i.e. and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (i) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the Cut-off date i.e. 21st September, 2015 may follow the same instructions as mentioned for e-voting.
- (ii) 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.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

OTHER INSTRUCTIONS:

- (a) In case of any queries regarding remote e-voting you may refer to the 'user manual for shareholders to cast their votes' available at www.evotingindia.com under 'HELP'.
- (b) If you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote.
23. The shareholders can opt for only one mode of voting, i.e. either physically by attending AGM or remote e-voting. If any shareholders opt for remote e-voting, he/she will not be eligible to vote physically in AGM.
24. The scrutinizer shall within a period of not exceeding three days from the conclusion of the AGM 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.
25. The results of the remote e-voting along with the scrutinizer's report shall be communicated to the stock exchanges where the shares of the Company are listed.
26. According to Secretarial Standard 1.2.4, Route Map for venue of Annual General Meeting is also annexed.

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

Padam Chandra Bindal
Chairman
DIN: 00004769

Place : New Delhi
Dated: 14.08.2015

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

Item No. 4

The Articles of Association ("AoA") of the Company as presently in force were replaced in 1993 before the IPO of the Company. The existing AoA are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no-longer in conformity with the Companies Act, 2013 ("the Act").

The Act is now largely in force with Rules thereon. On September 12, 2013, the Ministry of Corporate Affairs ("MCA") had notified 98 Sections for implementation. Subsequently, on March 26, 2014, MCA notified most of the remaining Sections (barring those provisions which require sanction /confirmation of the National Company Law Tribunal ("Tribunal"). However, substantive sections of the Act which deal with the general working of companies stand notified.

With the coming into force of the Act, several regulations of the existing AoA of the Company require alteration or deletions in several articles.

Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

The new AoA to be substituted in place of the existing AoA are based on Table 'F' of the Act which sets out the model articles of association for a company limited by shares. The Members attention is invited to certain salient provisions in the new draft AoA of the Company viz:

- (a) Existing definitions have been aligned with the Act;
- (b) new provisions relating to appointment of chief executive officer and chief Financial officer, in addition to manager and company secretary;
- (c) new provisions relating to appointment of a person as Chairperson and Managing Director or Chief Executive Officer;
- (d) existing articles have been streamlined and aligned with the Act
- (e) the statutory provisions of the Act which permit a company to do some acts "if so authorized by its articles" or provisions which require a company to do acts in a prescribed manner "unless the articles otherwise provide" have been specifically included.

The proposed new draft AoA is also available 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, up to and including the date of the Annual General Meeting of the Company.

None of the Directors, Key Managerial Personnel of the Company or their relatives are deemed to be interested or concerned in the said Special Resolution.

The Board of Directors of the Company recommends the Resolution to be passed as a Special Resolution as set out in Item No. 4, of the accompanying Notice for approval of the members.

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

Place : New Delhi
Dated: 14.08.2015

Padam Chandra Bindal
Chairman
DIN: 00004769

LEAD FINANCIAL SERVICES LIMITED

DIRECTORS' REPORT

To,

The Members

Lead Financial Services Limited

Your Directors have immense pleasure in presenting their 22nd Annual Report on the business and operations of the Company and Audited Accounts for the Financial Year ended March 31, 2015.

1. FINANCIAL RESULTS:

The Financial results of the Company during the period ended on 31st March, 2015 are as under:

(Rs in Lacs)

| Particulars | Financial Year ended | |
|----------------------------------|----------------------|-----------------|
| | 31st March 2015 | 31st March 2014 |
| Total Income | 70.15 | 43.31 |
| Profit before Depreciation & Tax | 47.73 | 23.96 |
| Depreciation | 18.62 | 3.36 |
| Profit/(Loss) before Tax | 29.11 | 20.61 |
| Provision for Tax – Current | 8.89 | 4.28 |
| Deferred | (0.01) | 2.08 |
| Earlier year tax | 0.30 | --- |
| Profit/(Loss) after Tax | 19.93 | 14.25 |
| Transfer to Statutory Reserve | (3.98) | (2.85) |
| Surplus carried to Balance Sheet | 95.31 | 79.49 |

2. 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.

3. Performance Review

During the year under review, your company achieved total income of Rs. 70.15 Lacs as compared to Rs.43.31 Lacs in the previous year. Net profit for the year is Rs. 19.93 Lacs as compared to net profit of Rs. 14.25 Lacs in the previous year. Your directors are undertaking the initiatives to improve the financial results in the coming years.

4. Management And Discussion Analysis

Industrial Structure and Development

The Government's flagship initiative 'Make in India' aims to promote manufacturing, which currently constitutes approximately 18% of the GDP versus a targeted 25%. India's unique combination of democracy, demography and demand would also help make it a suitable manufacturing destination.

India's growth story got a boost with the rebasing of GDP data. Based on the new series, the real GDP growth stands at 7.4% in FY 2014-15 and 6.9% in FY 2013-14 i.e. approximately 180 bps higher than earlier estimates. While the data shows that growth recovery has been swift and substantial, several on-ground indicators like growth in industrial output, credit and net tax revenues, suggest that activity is still sub-par. Even within the revised GDP data, fixed capital formation has been weak at 4% YOY, in FY 2015. Regulation of the NBFC sector over the last decade and a half has been incremental. As and when risks have been detected, they were sought to be addressed.

Outlook Risk and Concern

The Outlook of the Company for the year ahead is to diversify risk and stabilize its asset quality. Credit risk, Market risk, Operational risk and Liquidity risk are the key risks faced by the Company. The Company takes risk management seriously and its procedures and policies in the area are well defined and considered appropriate for the assessment and management of individual risk categories.

Except for some unforeseen and extreme event, the Company is well placed on the liquidity front and appropriate policies exist for underwriting credit risk. The Company endeavors to continuously learn and modifies its policies to manage the aforementioned risks.

Opportunities and threats

There are several large and profitable opportunities for NBFCs and the sector plays an important role in the Indian financial system. The key is for the NBFC sector to grow in a prudent manner while focusing on financial innovation and in having in place, the adequate risk management systems and procedures before entering into risky areas.

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It will be critical to retain talent at the right cost for effectively building a high performance organization with an engaged and young workforce. Adequate funding at the right cost and tenure will be critical to achieve business growth.

Adequacy of Internal Control System

The Company's internal control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with laws and regulations. The internal control system is supported by qualified personnel for reviewing the adequacy and efficacy of the Company's internal controls, including its systems and processes and compliance with regulations and procedures. The Company's internal control system is commensurate with the size, nature and operations of the Company.

Financial Performance

Operational Results 2013-14 versus 2014-15

| | (Rs. in Lacs) | |
|------------------------------|---------------|---------|
| Particulars | 2013-14 | 2014-15 |
| Total Revenue | 43.31 | 70.15 |
| Interest & Financial Charges | 3.44 | 3.02 |
| Expenses | 15.90 | 19.40 |
| Depreciation | 3.36 | 18.62 |
| Total Expenditure | 22.70 | 41.04 |
| Profit Before Tax (PBT) | 20.61 | 29.11 |
| Provision for Tax | 6.36 | 9.18 |
| Profit after Tax (PAT) | 14.25 | 19.93 |
| Equity Capital | 330 | 330 |
| Reserves & Surplus | 94.96 | 114.77 |
| Earnings Per Share | 0.43 | 0.63 |

5. Segment wise Performance:

Company operates only in one segment.

6. 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.

7. Details in respect of adequacy of internal financial controls with reference to the Financial Statements:

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were checked and no reportable material weaknesses were observed.

8. Details of Subsidiary/Joint Ventures/Associate Companies

The names of companies which have become or ceased to be its Subsidiaries, joint ventures or associate companies during the year.

Not Applicable

Performance & Financial position of each of the subsidiaries, associates and joint venture companies included in the consolidated financial statement.

Not Applicable

9. Deposits

The Company did not hold any public deposits at the beginning of the year nor has it accepted any public deposits during the year under review.

10. Auditors

⇒ STATUTORY AUDITORS

M/s G.C. Sharda & Co., Chartered Accountants, New Delhi, have been appointed as statutory auditors of the company at the last Annual General Meeting held on 30.09.2014 for a period of three years subject to ratification by members at every consequent Annual General Meeting. Therefore, ratification of their re-appointment of Statutory Auditors, M/s G.C. Sharda & Co., being eligible, is being sought from the members of the Company at the ensuing AGM, for financial year 2015-16.

⇒ SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Pooja Anand & Associates, Company Secretaries to undertake the secretarial audit of the company.

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➤ INTERNAL AUDITORS

M/s Alok Subhash & Co., Chartered Accountants, performs the duties of internal auditors of the company and their report is reviewed by the audit committee from time to time

11. Auditors' 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.

12. Secretarial Audit Report

A Secretarial Audit Report given by Ms. Pooja Anand, a company secretary in whole time practice shall be annexed with the report. (Annexure -1)

The Board of Directors has provided explanations or comments on reservation made by the company secretary in practice in the secretarial audit report as follows :

The Company is in process of filling the vacancy of the Key Managerial Personnel u/s 203 of the Companies Act, 2013.

13. Directors:

A) Changes in Directors and Key Managerial Personnel

- At a Board meeting held on 27.05.2015 the designation of Mr. P. C. Bindal (DIN 00004769) has been changed to Non-executive Chairman of the Company.
- Mr. Sanjay Kumar Aggarwal, Director of the Company retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

B) Declaration by an Independent Director(s) and re-appointment, if any

At the 21st Annual General Meeting of the company held on 29th September, 2014 the company had appointed the existing Directors Mr. Pradeep Kumar Jain (DIN 00303976) and Mr. Sanjay Kumar Aggarwal (DIN 00832074) as independent directors under the Companies Act, 2013 for 5 consecutive years for a term upto 28th September, 2019.

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149(6).

C) Evaluation of the Board, its Committees and Individual Directors

The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of the non-executive directors and executive directors.

Pursuant to the provisions of the Act, the Board has carried out an annual evaluation of its own performance, the individual Directors (including the Chairman) as well as an evaluation of the working of all Board Committees. The Board of Directors was assisted by the Nomination and Remuneration Committee. The performance evaluation was carried out by seeking inputs from all the Directors/Members of the Committees, as the case may be and discussions with the Directors by the Chairman of the NRC.

14. Number of meetings of the Board of Directors

During the year Ten (10) Board Meetings and one independent directors' meeting was held. The Details of which are given in Corporate Governance Report. The provisions of Companies Act, 2013 and listing agreement were adhered to while considering the time gap between two meetings.

15. Committee of the Board

A. Audit Committee

i. Composition of Audit Committee

The Audit Committee comprises two Independent Directors namely, Mr. Pradeep Kumar Jain (Chairman), Mr. Sanjay Kumar Jain and Mr. P C Bindal, Non-executive as other members.

ii. Reasons for not accepting the recommendations of the Audit Committee, if any

All the recommendations made by the Audit Committee were accepted by the Board.

B. Nomination & Remuneration Committee

Policy laid down by the Nomination And Remuneration Committee for remuneration of Directors, KMP & other employees and the criteria formulated by the committee for determining qualifications, positive attributes, independence of a director.

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The following policies of the Company are attached herewith (Annexure 2):

- a) Policy for selection of Directors and determining Directors independence; and
- b) Remuneration Policy for Directors, Key Managerial Personnel and other employees

16. Vigil Mechanism and Whistle Blower Policy:

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil mechanism and Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. Employees may also report to the Chairman of the Audit Committee. During the financial year, no employee was denied access to the Audit Committee.

17. Particulars of Loans, Guarantees or Investments under section 186

The provisions of Section 186 of the Act pertaining to granting of loans to any persons or bodies corporate and giving of guarantees or providing security in connection with the loan to any other bodies corporate or persons are not applicable to the Company, as the Company is a Non Banking Financial Company.

18. Corporate Social Responsibility (CSR)

Section 135 of the Companies Act, 2013, is not applicable to the company.

19. Related Party Transactions :

Particulars of Contracts or Arrangements with Related parties referred to in Section 188(1) in Form AOC- 2 (Annexure-3)

20. Share Capital

The paid-up Equity Share Capital of the Company as on March 31, 2015, was Rs. 3,30,00,000. There was no change in the Authorised or Paid-up Capital or Subscribed Capital during FY 2014-15.

21. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

A) Conservation of energy:

| | | |
|-------|---|------|
| (i) | the steps taken or impact on conservation of energy; | N.A. |
| (ii) | the steps taken by the company for utilising alternate sources of energy; | N.A. |
| (iii) | the capital investment on energy conservation equipments; | N.A. |

B) Technology absorption:

| | | |
|-------|--|------|
| (i) | the efforts made towards technology absorption; | N.A. |
| (ii) | the benefits derived like product improvement, cost reduction, product development or import substitution; | N.A. |
| (iii) | in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- | N.A. |
| (a) | the details of technology imported; | N.A. |
| (b) | the year of import; | N.A. |
| (c) | whether the technology been fully absorbed; | N.A. |
| (d) | if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and | N.A. |
| (iv) | the expenditure incurred on Research and Development. | N.A. |

(C) Foreign exchange earnings and Outgo:

| | | |
|----|--|-----|
| 1. | Activities relating to exports; initiative 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. | NIL |

22. Extract of the annual return

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 as a part of this Annual Report (Annexure- 4)

LEAD FINANCIAL SERVICES LIMITED

23. Regulatory Action:

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and operations of the Company in future.

24. Managerial Remuneration:

Details/ Disclosures of Ratio of Remuneration to each Director to the median employee's remuneration as (Annexure-5)

25. Corporate Governance And Shareholders Information:

Your Company has taken adequate steps to adhere to all the stipulations laid down in Clause 49 of the Listing Agreement. A report on Corporate Governance is included as a part of this Annual Report.

Certificate from the Statutory Auditors of the company confirming the compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

26. Directors' Responsibility Statement

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are 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 and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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**

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

**KUSHA BINDAL
DIRECTOR
DIN: 06952708**

Place : New Delhi
Date : 14.08.2015

LEAD FINANCIAL SERVICES LIMITED

Annexure- 1

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st March, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Lead Financial Services Limited
New Delhi

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Lead Financial Services Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/s/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Lead Financial Services Limited ("the Company") for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder (Not applicable to the Company during the Audit Period);
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder (Not applicable to the Company during the Audit Period);
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not applicable to the Company during the Audit Period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. (Not applicable to the Company during the Audit Period);
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the Company during the Audit Period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period);
- (vi) The laws relating to Non Banking Financial Companies to the extent applicable to the Company as per the representations made by the Company

LEAD FINANCIAL SERVICES LIMITED

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (Not notified hence not applicable to the Company during the Audit Period).
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange and National Stock Exchange;
During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:
 - 1 Key Managerial Person(s) has not been appointed as per provisions of Section 203 of Companies Act 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For Pooja Anand & Associates
Company Secretaries**

Sd/-

POOJA ANAND

FCS: 7032

CP No.: 5450

Date: 14.08.2015
Place: New Delhi

Policy for Selection of Directors and determining Directors' Independence

1. Introduction:

In order to improve the quality of governance, the Company ensures the constitution of a Board of Directors with an appropriate composition, size, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively. The Company also recognizes the importance of Independent Directors in achieving the effectiveness of the Board and aims to have an optimum combination of Executive, Non-Executive and Independent Directors.

2. Scope and Exclusion:

This Policy sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent directors of the Company.

3. Terms and References:

In this Policy, the following terms shall have the following meanings:

- i. "Director" means a director appointed to the Board of a Company.
- ii. "Nomination and Remuneration Committee" means the committee constituted by the Board of the Company in accordance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.
- iii. "Independent Director" means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Clause 49(II)(B) of the Listing Agreement.

4. Policy:

(I) Qualifications and criteria:

- (a) The Nomination and Remuneration (NR) Committee, and the Board, shall review on an annual basis, appropriate skills, knowledge and experience required by the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that are relevant for the Company's global operations.
- (b) In evaluating the suitability of individual Board members, the NR Committee may take into account factors, such as:
 - i. General understanding of the Company's business dynamics, global business and social perspective;
 - ii. Educational and professional background.
 - iii. Personal and professional ethics, integrity and values;
 - iv. Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.
- (c) The proposed appointee shall also fulfill the following requirements:
 - i. Shall possess a Director Identification Number;
 - ii. Shall not be disqualified under section 164 of the Companies Act, 2013;
 - iii. Shall give his written consent to act as a Director;
 - iv. Shall endeavor to attend all Board meetings and wherever he is appointed as a Committee Member the Committee Meetings;
 - v. Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
 - vi. Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, Listing Agreements and other relevant laws.

(II) Criteria of Independence:

- (a) The NR Committee shall assess the independence of Directors at the time of appointment /re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.
- (b) The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013.
- (c) The criteria of independence, as laid down in Companies Act, 2013 and Clause 49(II)(B) of the Listing Agreement, is as below:
An Independent Director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director-

LEAD FINANCIAL SERVICES LIMITED

- i. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
 - ii. who is or was not a promoter of the company or its holding, subsidiary or associate company;
 - iii. who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
 - iv. who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
 - v. none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
 - vi. who, neither himself nor any of his relatives –
 - a. holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - b. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
 - c. holds together with his relatives two per cent or more of the total voting power of the company; or
 - d. is a Chief Executive or director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company;
 - e. is a material supplier, service provider or customer or a lessor or lessee of the company;
 - vii. shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, corporate social responsibility or other disciplines related to the Company's business.
 - viii. who is not less than 21 years of age.
- (III) Other directorships / committee memberships:**
- (a) The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. The NR Committee shall take into account the nature of, and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.
 - (b) A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public Limited Companies.
 - (c) A Director shall not serve as an Independent Director in more than 7 Listed Companies and not more than 3 Listed Companies in case he is serving as a Whole-time Director in any Listed Company.
 - (d) A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he holds directorships.

Note: For the purpose of considering the limit of the Committees, Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies, whether listed or not, shall be included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.

Remuneration Policy for Directors, Key Managerial Personnel and other employees:

1. Introduction:

The Company recognizes the importance of aligning the business objectives with specific and measureable individual objectives and targets. Therefore, the company has formulated the remuneration policy for its directors, key managerial personnel and other employees keeping in view the following objectives:

- i. Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the company successfully.
- ii. Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.

2. Scope and Exclusion:

This Policy sets out the guiding principles for the Nomination and Remuneration Committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the Company.

3. Terms and References:

In this Policy, the following terms shall have the following meanings:

- (I) "Director" means a director appointed to the Board of the Company.

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(II) "Key Managerial Personnel" means

- a) the Chief Executive Officer or the Managing Director or the Manager;
- b) the Company Secretary;
- c) the Whole-Time Director;
- d) the Chief Financial Officer; and
- e) such other officer as may be prescribed under the Companies Act, 2013

(III) "Nomination and Remuneration Committee" means the committee constituted by the Board of the Company in accordance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

4. Policy:

(I) Remuneration to Executive Directors and Key Managerial Personnel:

- a) The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.
- b) The Board, on the recommendation of the NR Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.
- c) The Annual Plan and Objectives for Executive Directors and Senior Executives (Executive Committee) shall be reviewed by the NR Committee.

(II) Remuneration to Non-Executive Directors:

- a) The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non-Executive Directors of the Company within the overall limits approved by the shareholders.
- b) Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof. The Non-Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

(III) Remuneration to other employees:

Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

Annexure - 3

FORM NO. AOC.2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1) Details of contracts or arrangements or transactions not at arm's length basis

| Name of the Related Party | Nature of Relationship | Nature of contracts/ arrangements / transactions | Amount | Duration of the contracts/ arrangements/ transactions | Salient terms of the contracts or arrangements or transactions including the value, if any | Amount paid as advances, if any | Date on which the special resolution was passed in general meeting as required under first proviso to section 188 |
|---------------------------|------------------------|--|--------|---|--|---------------------------------|---|
| NIL | | | | | | | |

2) Details of material contracts or arrangement or transactions at arm's length basis

| Sr. | Name of the Related Party | Nature of Relationship | Nature of contracts/ arrangements / transactions | Amount | Duration of the contracts/ arrangements/ transactions | Salient terms of the contracts or arrangements or transactions including the value, if any | Amount paid as advances, if any |
|-----|---------------------------|------------------------|--|--------|---|--|---------------------------------|
| NIL | | | | | | | |

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Annexure - 4

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

| | | | |
|---|--|---|---|
| 1 | CIN | : | L74140DL1993PLC053485 |
| 2 | Registration Date | : | 11/05/1993 |
| 3 | Name of the Company | : | Lead Financial Services Limited |
| 4 | Category/Sub-Category of the Company | : | Company Limited by Shares |
| 5 | Address of the Registered office of the Company | : | 101 Sita Ram Mansion, 718/21, Joshi Road, Karol Bagh, Delhi -110005 |
| 6 | Whether listed Company | : | Yes |
| 7 | Name, Address and Contact details of RTA, If any | : | Beetal Financial & Computer Services Private Limited Add: Beetal House, 3rd Floor, 99, Madangir, B/4, Local Shopping Centre, New Delhi-110062 Tel: 011-29961281, 29961282 |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

| Sr. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|---------|--|----------------------------------|------------------------------------|
| 1 | Interest Income, Sale of Shares, Dividend Income, Long Term Capital Gain | 74140 | 98.99% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

| Sr. No. | Name and Address of the company | CIN/GLN | Holding/Subsidiary/ Associate | % of No. shares Held | Applicable Section |
|---------|---------------------------------|---------|-------------------------------|----------------------|--------------------|
| N.A. | | | | | |

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year | | | No. of Shares held at the end of the year | | | % Change during the year |
|---|---|---------------|-------------------|---|---------------|-------------------|--------------------------|
| | Physical | Demat | % of Total Shares | Physical | Demat | % of Total Shares | |
| A. Promoters | | | | | | | |
| (1) Indian | | | | | | | |
| a) Individual/HUF | 504300 | 26510 | 16.09 | 233300 | 26510 | 7.87 | (8.22) |
| b) Central Govt | - | - | - | - | - | - | - |
| c) State Govt (s) | - | - | - | - | - | - | - |
| d) Bodies Corp. | - | 294500 | 8.92 | - | 294500 | 8.92 | - |
| e) Banks / FI | - | - | - | - | - | - | - |
| f) Any Other and their relatives, societies partnership firms, RBI, Employee welfare fund, EBIP/ESOS Trusts | - | 448710 | 13.60 | 161000 | 448710 | 18.48 | 4.84 |
| Sub-total (A) (1):- | 504300 | 769720 | 38.61 | 394300 | 769720 | 35.27 | (3.38) |

LEAD FINANCIAL SERVICES LIMITED

| | | | | | | | |
|--|----------------|----------------|---------------|----------------|----------------|---------------|---------------|
| (2) Foreign | | | | | | | |
| a) NRIs -Individuals | - | - | - | - | - | - | - |
| b) Other -Individuals | - | - | - | - | - | - | - |
| c) Bodies Corp. | - | - | - | - | - | - | - |
| d) Banks / FI | - | - | - | - | - | - | - |
| e) Any Other | - | - | - | - | - | - | - |
| Sub-total (A) (2):- | - | - | - | - | - | - | - |
| Total shareholding of Promoter (A) = (A)(1)+(A)(2) | 504300 | 769720 | 38.61 | 394300 | 769720 | 35.27 | (3.38) |
| B. Public Shareholding | | | | | | | |
| 1. Institutions | | | | | | | |
| a) Mutual Funds | | | | | | | |
| b) Banks / FI | - | 17988 | 0.55 | - | 17988 | 0.55 | - |
| c) Central Govt | - | - | - | - | - | - | - |
| d) State Govt(s) | - | - | - | - | - | - | - |
| e) Venture Capital funds | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - |
| g) FIs | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - |
| i) Others (specify) | - | - | - | - | - | - | - |
| Sub-total (B)(1):- | - | 17988 | 0.55 | - | 17988 | 0.55 | - |
| 2. Non-Institutions | | | | | | | |
| a) Bodies Corp. | 742080 | 5240 | 22.65 | 697160 | 6380 | 21.32 | (1.33) |
| b) Individuals | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs.1 lakh | 495610 | 95426 | 17.91 | 493210 | 97009 | 17.89 | (0.03) |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 169800 | 385689 | 16.83 | 324720 | 385689 | 21.53 | 4.70 |
| c) Others | | | | | | | |
| - NRI | 67000 | 57 | 2.03 | 67000 | 60 | 2.03 | - |
| - HUF | - | 47045 | 1.43 | - | 46764 | 1.42 | - |
| Sub-total (B)(2):- | 1474490 | 533502 | 60.85 | 1582090 | 535902 | 64.18 | 3.33 |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | 1474490 | 551490 | 61.39 | 1582090 | 553890 | 64.73 | 3.34 |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 1978790 | 1321210 | 100.00 | 1976390 | 1323610 | 100.00 | - |

LEAD FINANCIAL SERVICES LIMITED

| Sr. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % Change in Shareholding during the year |
|---------|------------------------------|---|----------------------------------|---|-------------------------------------|----------------------------------|---|--|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to totaishares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to totaishares | |
| 1 | Padam Chandra Bindal | 195200 | 5.92 | - | 195200 | 5.92 | - | - |
| 2 | Manushree Bindal | 189000 | 5.73 | - | 189000 | 5.73 | - | - |
| 3 | Kusha Bindal | - | - | - | 161000 | 4.88 | - | 4.88 |
| 4 | Tanupriya Bindal | 60000 | 1.82 | - | 60000 | 1.82 | - | - |
| 5 | D.K. Bindal | 4510 | 0.14 | - | 4510 | 0.14 | - | - |
| 6 | Privy Capital Limited | 184500 | 5.59 | - | 184500 | 5.59 | - | - |
| 7 | LFS Services Private Limited | 110000 | 3.33 | - | 110000 | 3.33 | - | - |
| 8 | Nalini Chawla | 129500 | 3.92 | - | 129500 | 3.92 | - | - |
| 9 | Vinod Kumar Chawla | 103000 | 3.12 | - | 103000 | 3.12 | - | - |
| 10 | Pradeep Kumar Agarwal | 40000 | 1.21 | - | - | - | - | (1.21) |
| 11 | Usha Rani Gupta | 35000 | 1.06 | - | - | - | - | (1.06) |
| 12 | Narvada Devi | 35000 | 1.06 | - | - | - | - | (1.06) |
| 13 | Sushma Agarwal | 35000 | 1.06 | - | - | - | - | (1.06) |
| 14 | Kavita Gupta | 35000 | 1.06 | - | - | - | - | (1.06) |
| 15 | Neelam Gupta | 35000 | 1.06 | - | - | - | - | (1.06) |
| 16 | Rama Agarwal | 35000 | 1.06 | - | - | - | - | (1.06) |
| 17 | Anil Pandey | 21000 | 0.64 | - | - | - | - | (0.64) |
| 18 | K C Gupta | 20010 | 0.63 | - | 20010 | 0.63 | - | - |
| 19 | Reni Gupta | 6500 | 0.20 | - | 6500 | 0.20 | - | - |
| | Total | 1274020 | 38.61 | - | 1164020 | 35.28 | - | (3.33) |

(iii) **Change In Promoters' Shareholding (Specify, If there is no change)**

| | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|----------------------------------|---|----------------------------------|
| | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| At the beginning of the year | 1274020 | 38.61% | 1274020 | 38.61% |
| Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease | # | # | # | # |
| At the End of the year | 1164020 | 35.27% | 1164020 | 35.27% |

Mr Pradeep Kumar Agarwal, Ms Sushma Agarwal and Ms Rama Agarwal have been excluded from the Promoter Group.

| Name | Shareholding at the beginning of the year | | Date | Increase/Decrease in shareholding | Reason | Cumulative Shareholding during the year (01/04/2014 to 31/03/2015) | |
|-----------------------|---|----------------------------------|----------|-----------------------------------|----------|--|----------------------------------|
| | No. of Shares | % of total shares of the company | | | | No. of Shares | % of total shares of the company |
| Pradeep Kumar Agarwal | 40000 | 1.21 | 31.03.15 | (40000) | Transfer | - | - |
| Usha Rani Gupta | 35000 | 1.06 | 31.03.15 | (35000) | Transfer | - | - |
| Narvada Devi | 35000 | 1.06 | 31.03.15 | (35000) | Transfer | - | - |
| Sushma Agarwal | 35000 | 1.06 | 31.03.15 | (35000) | Transfer | - | - |
| Kavita Gupta | 35000 | 1.06 | 31.03.15 | (35000) | Transfer | - | - |
| Neelam Gupta | 35000 | 1.06 | 31.03.15 | (35000) | Transfer | - | - |
| Rama Agarwal | 35000 | 1.06 | 31.03.15 | (35000) | Transfer | - | - |
| Anil Pandey | 21000 | 0.64 | 31.03.15 | (21000) | Transfer | - | - |
| Kusha Bindal | - | - | 31.03.15 | 161000 | Transfer | 161000 | 4.88 |

LEAD FINANCIAL SERVICES LIMITED

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

| Name | Shareholding at the beginning of the year | | Date | Increase/Decrease in shareholding | Reason | Cumulative Shareholding during the year (01/04/2014 to 31/03/2015) | |
|-------------------------------|---|----------------------------------|------------|-----------------------------------|----------|--|----------------------------------|
| | No. of Shares | % of total shares of the company | | | | No. of Shares | % of total shares of the company |
| Pack-N-Move Travels Pvt Ltd | 159500 | 4.833 | - | - | - | 159500 | 4.833 |
| Era Infra Engineering Ltd. | 179680 | 5.445 | 31.03.2015 | (44920) | Transfer | 134760 | 4.084 |
| Sanjay Jasubhai Desai | 131179 | 3.975 | - | - | - | 131179 | 3.975 |
| Vaibhav Metal India Pvt. Ltd. | 108400 | 3.285 | - | - | - | 108400 | 3.285 |
| Sonakshi Marketing Pvt Ltd. | 100000 | 3.030 | - | - | - | 100000 | 3.030 |
| Subhash H Lodha | 88600 | 2.685 | - | - | - | 88600 | 2.685 |
| Bijender Singh | 82600 | 2.503 | - | - | - | 82600 | 2.503 |
| Mundhwa Investment Limited | 82000 | 2.485 | - | - | - | 82000 | 2.485 |
| Arvind Singh | 59,000 | 1.788 | - | - | - | 59000 | 1.788 |
| Mahesh G Biyani | 48845 | 1.480 | - | - | - | 48845 | 1.480 |

(v) Shareholding of Directors and Key Managerial Personnel:

| For Each of the Directors and KMP | Shareholder's Name | Date | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--|------------------------------|----------|---|----------------------------------|---|----------------------------------|
| | | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| At the beginning of the year | Mr. Padam Chandra Bindal | - | 195200 | 5.92 | 195200 | 5.92 |
| Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease | Mrs. Kusha Bindal (Transfer) | 31.03.15 | 161000 | 4.88 | 161000 | 4.88 |
| At the End of the year | Mr. Padam Chandra Bindal | - | 195200 | 5.92 | 195200 | 5.92 |
| | Mrs. Kusha Bindal | - | 161000 | 4.88 | 161000 | 4.88 |

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

| | Secured Loans | Unsecured Loans excluding deposits | Deposits | Total Indebtedness |
|--|---------------|------------------------------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | - | 1,01,00,000 | - | - |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i + ii + iii) | - | 1,01,00,000 | - | - |
| Change in Indebtedness during the financial year | | | | |
| - Addition | - | 7,00,000 | - | - |
| - Reduction | - | - | - | - |
| Net Change | - | 7,00,000 | - | - |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | - | 1,08,00,000 | - | - |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | - | 1,08,00,000 | - | - |

LEAD FINANCIAL SERVICES LIMITED

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

| Particulars of Remuneration | Name of MD/WTD/ Manager | | | Total Amount |
|--|-------------------------|-----|---------------|---------------|
| | MD | WTD | Manager | |
| Gross salary | --- | --- | 1,80,000 | 1,80,000 |
| a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | --- | --- | --- | --- |
| b. Value of perquisites u/s 17(2) Income-tax Act, 1961 | --- | --- | --- | --- |
| c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | --- | --- | --- | --- |
| Stock Option | --- | --- | --- | --- |
| Sweat Equity | --- | --- | --- | --- |
| Commission-as % of profit-others | --- | --- | --- | --- |
| Total | --- | --- | --- | --- |
| Ceiling as per the Act (in compliance with the provision of Schedule XIII Part II Section II(A)) | --- | --- | 1,00,000 p.m. | 1,00,000 p.m. |

B. Remuneration to other directors:

| Sr. No. | Particulars of Remuneration | Name of Directors | | | | Total Amount |
|---------|--|-------------------|-----|-----|-----|--------------|
| | Independent Directors | --- | --- | --- | --- | --- |
| | Fee for attending board/committee meetings | | | | | |
| | Commission | | | | | |
| | Others, please specify | | | | | |
| | Total (1) | --- | --- | --- | --- | --- |
| | Other Non-Executive Directors | | | | | |
| | Fee for attending board/committee meetings | | | | | |
| | Commission | | | | | |
| | Others, please specify | | | | | |
| | Total (2) | --- | --- | --- | --- | --- |
| | Total (B)=(1+2) | --- | --- | --- | --- | --- |
| | Total Managerial Remuneration | --- | --- | --- | --- | --- |
| | Overall Ceiling as per the Act | --- | --- | --- | --- | --- |

C. Remuneration to Key Managerial Personnel Other Than MD/ Manager/ WTD-

| Sr. No. | Particulars of Remuneration | Key Managerial Personnel | | | | | Total |
|---------|---|--------------------------|-------------------|-----|---------|-----|-------|
| | | CEO | Company Secretary | CFO | Manager | | |
| 1 | Gross salary | --- | --- | --- | --- | --- | --- |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | | | | | | --- |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | | | | | | --- |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | | | | | | --- |
| 2 | Stock Option | --- | --- | --- | --- | --- | --- |
| 3 | Sweat Equity | --- | --- | --- | --- | --- | --- |
| 4 | Commission | | | | | | |
| | - as % of profit | | | | | | |
| | - others, specify... | | | | | | |
| 5 | Others, please Specify | --- | --- | --- | --- | --- | --- |
| | Total | --- | --- | --- | --- | --- | --- |

LEAD FINANCIAL SERVICES LIMITED

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority (RD / NCLT/Court) | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|---|-----------------------------|------------------------------------|
| A. Company | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |
| B. Directors | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |
| C. Other Officers in default | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |

Annexure- 5

| | | |
|--------|---|--|
| (i) | the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year; | N.A |
| (ii) | the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year; | NIL |
| (iii) | the percentage increase in the median remuneration of employees in the financial year; | NIL |
| (iv) | the number of permanent employees on the rolls of company; | 3 |
| (v) | the explanation on the relationship between average increase in remuneration and company performance; | No Increase |
| (vi) | comparison of the remuneration of the Key Managerial Personnel against the performance of the company; | The PBT for the financial year ended on 31 st March, 2015 increase to 29.11 Lacs as compare to the PBT of previous financial year ended on 31 st March, 2014 of Rs. 20.61 Lac. However, there is no increase in the remuneration of KMP during the financial year 2014-15. |
| (vii) | variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies. | Market Cap. as on 31 st March, 2015: Rs. 263.01 Lacs Market Cap. as on 31 st March, 2014: Rs. 242.55 Lacs |
| (viii) | average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration | N.A |
| (ix) | comparison of the each remuneration of the Key Managerial Personnel against the performance of the company | The PBT for the financial year ended 31 st March, 2015 increase to 29.11 Lacs as compare to the PBT of previous year. However, there is no increase in the remuneration of KMP during the financial year. |
| (x) | the key parameters for any variable component of remuneration availed by the directors; | N.A |
| (xi) | the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; | N.A |

MANAGERIAL REMUNERATION:

It is hereby affirmed that the remuneration paid is as per the as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

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. | 10 | 10 | Yes | 1 | - | - |
| 2 | Sanjay Kumar Agarwal | Independent Non Executive | 25.03.03 | N.A. | 10 | 10 | Yes | 2 | - | - |
| 3. | Pradeep Kumar Jain | Independent Non Executive | 10.03.07 | N.A. | 10 | 10 | Yes | - | - | - |
| 4. | Manushree Bindal | Non Executive Non Independent | 15.05.14 | 29.09.14 | 10 | 5 | Yes | 1 | - | - |
| 5. | Kusha Bindal | Independent Non Executive | 29.09.14 | N.A. | 10 | 5 | Yes | - | - | - |

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

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

DATE & NUMBER OF BOARD MEETINGS HELD

Ten Board meetings were held during the year on 15.05.2014, 26.05.2014, 28.07.2014, 20.08.2014, 04.09.2014, 29.09.2014, 15.10.2014, 10.11.2014, 13.02.2015 and 31.03.2015; 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 holds directorship and membership of the committees of the board are furnished hereunder:

1. Mr. Sanjay Kumar Agarwal retires by rotation at the 22nd Annual General Meeting of the Company and being eligible offers himself for reappointment.

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

⇒ Shri Sanjay Kumar Agarwal is a Commerce Graduate. He has expertise in matters relating to financial strategies.

Shri Sanjay Kumar Agarwal is also Director Balaji Fund Growth Limited, Balaji Instalments Supply Limited, SS Buildhome Private Limited, SKG Infracity Private Limited, Skylark Info Solutions Private Limited, SKG Intrapromoters Private Limited

LEAD FINANCIAL SERVICES 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, 2015, all Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management respectively.

P. C. Bindal
Chariman
DIN: 00004769.

Vijay Kumar
Manager

Date: 01st April, 2015

Meetings of Independent Directors

As per the provisions of the Companies Act 2013, the Independent Directors have to meet at least once in a year, without the presence of Executive Directors or Management representatives.

The Independent Directors met once during the Financial Year ended 31st March, 2015 on 13th February, 2015 to take note of the following activities to be undertaken by them:

- the performance of non-Independent Directors and the Board as a whole;
- the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- the parameters for evaluation of Independent Directors; and
- the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

3. AUDIT COMMITTEE

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

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 177 of the Companies Act, 2013 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 2014-2015 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;
- l. Valuation of assets of the Company or undertaking, if necessary;

LEAD FINANCIAL SERVICES LIMITED

- m. Right to call for comments from Auditors or Management about:-
- internal control systems
 - scope of Audit
 - 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

Five meetings of Audit Committee were held during the year 2014-15, on 26th May, 2014, 28th July 2014, 04th September, 2014, 10th November 2014 and 13th February 2015.

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

| | MEMBERS | COMMITTEE MEETINGS | |
|----|--------------------------|--------------------|----------|
| | | Held | Attended |
| 1. | Mr. Pradeep Kumar Jain | 5 | 5 |
| 2. | Mr. Sanjay Kumar Agarwal | 5 | 5 |
| 3. | Mr. P C Bindal | 5 | 5 |

Satutory Auditors were special invitees to the Audit Committee Meetings.

4. STAKEHOLDERS RELATIONSHIP COMMITTEE -

In compliance with the requirement of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has in place a 'Stakeholders Relationship Committee' to look into complaints and grievances of the stakeholders of the Company.

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.

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 31st March 2015.

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Meetings

The Committee has been holding regular meetings to ensure compliance with the provisions of the Companies Act, 2013 during the financial year ended 31.03.2015 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, one meeting of the Share Allotment -Cum- Transfer Committee was held on 31.03.2015.

6. NOMINATION AND REMUNERATION COMMITTEE

The terms of reference of the Nomination and Remuneration Committee includes the matters as specified under section 178 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder and clause 49 of the Listing Agreement with the Stock Exchanges. The Composition of the Committee as on 31st March 2015 was as below:

| S. No. | Name of Directors | Category | Position |
|--------|--------------------------|----------------------------------|----------|
| 1 | Mr. Sanjay Kumar Agarwal | Independent Director | Chairman |
| 2 | Mr. Pradeep Kumar Jain | Independent Director | Member |
| 3 | Mr. P C Bindal | Non- executive Chairman Director | Member |

During the period under review, One meeting of the Nomination and Remuneration Committee was held on 10.11.2014. The Company has a Nomination & Remuneration Policy in place; the same has been annexed in Directors Report.

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, Website : www.leadfinancialservices.in

8. GENERAL BODY MEETINGS:

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

| Year | Location | Date | Time | Special Resolution Passed |
|-----------|--|----------|------------|---------------------------------------|
| 2011-2012 | 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 |
| 2013-2014 | 304, Sita Ram Mansion, 718/21, Joshi Road, Karol Bagh, New Delhi-110 005 | 29.09.14 | 10.30 a.m. | Appointment of Manager |

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

6. DISCLOSURES

- During the financial year under review the Company has not entered into any transaction of the material nature with its promoters, the Directors or the management, their subsidiaries or relatives, etc., that may have potential conflict with the interest of the Company at large.
- During the financial year under review there was no instance of non-compliance by the Company of any formalities of Stock Exchange, SEBI or any Statutory Authority, nor any penalty imposed on the Company from the Stock Exchange, SEBI or any Statutory Authority, except for non appointment of woman director.
- 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.
- All Mandatory requirements as per Clause 49 of the Listing Agreement have been complied with by the Company.
- 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.
- Other than transactions entered into in the normal course of business, the Company has not entered into any materially significant related party transactions during the period, which could have a potential conflict of interest between the Company and its Promoters, Directors, Management and /or relatives.

LEAD FINANCIAL SERVICES LIMITED

- g) In terms of Clause 49(IX) of the Listing Agreement, the Manager 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.
- h) As regards the other Non-Mandatory requirements, the Board has taken cognizance of the same and shall adopt the same as and when necessary.

7. POLICY

A. NOMINATION AND REMUNERATION POLICY

In order to attract the right kind of talent and to guide the Board in relation to appointment, evaluation of performance and recommendation of the remuneration of the Directors, Key Managerial Personnel & Senior Management, the Company has devised a Nomination and Remuneration Policy, to aid & help the Nomination and Remuneration Committee. The same has been annexed in Directors Report.

B. RELATED PARTY TRANSACTION POLICY

The Company in compliance with the provisions of Companies Act, 2013, read with relevant rules and Listing Agreement, has adopted a Related Party Transaction Policy, for approval of all the related party transactions entered into by the Company.

C. INSIDER TRADING CODE

In line with new SEBI (Prohibition of Insider Trading) Regulations, 1992, the Company was already having Insider Trading Code for its employees, Directors and Promoters. Further, in compliance of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading. All the Directors, Promoters, Designated Employees and other employees who could have access to the unpublished price sensitive information of the company are governed by this code. The Company has appointed Mr. Vijay Kumar, Manager, who is responsible for setting forth procedures and implementation of the code of conduct for trading in company's securities and during the year under review there has been due compliance with the said code.

A copy of the said code is available to all employees of the company and compliance of the same is ensured.

D. VIGIL MECHANISM AND WHISTLE BLOWER POLICY:

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil mechanism and Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. Employees may also report to the Chairman of the Audit Committee. During the financial year, no employee was denied access to the Audit Committee.

E. RISK MANAGEMENT POLICY

The Company has a risk management policy in place to take care of various risks to which the company is exposed to and to ensure implementation of Risk Management Systems and Framework; Reviewing the Company's financial and risk management policies; Assessing risk and minimizing the procedures; Framing, implementing and monitoring the risk management plan for the Company.

7. MEANS OF COMMUNICATION

Quarterly results for the quarters ending on 30th June 2014, 30th September 2014, 31st December 2014 and audited results for the quarter and year ended on 31st March 2015 were published in "Pioneer" Hindi and English. 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 2014 | 28 th July, 2014 | 29 th July, 2014 |
| July–September 2014 | 10 th November 2014 | 11 th November 2014 |
| October-December 2014 | 13 th February 2015 | 14 th February 2015 |
| January-March 2015 (Audited) | 27 th May 2015 | 28 th May 2015 |

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

8. SUBSIDIARY COMPANIES

As on 31.03.2015, the Company does not have any subsidiary company whether Indian or foreign..

9. GENERAL SHAREHOLDERS' INFORMATION

1) ANNUAL GENERAL MEETING

- Date and Time : Monday, 28th September, 2015
At 10.30 A.M.
- Venue : 304, Sita Ram Mansion, 718/21 Joshi Road Karol Bagh, New Delhi – 110 005

LEAD FINANCIAL SERVICES LIMITED

- ii) **FINANCIAL CALENDAR** : 1st April to 31st March
 iii) **BOOK CLOSURE** : 22nd September, 2015 to 28th September, 2015 (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 2015-16 has been paid on due date to the Stock Exchange.

v) MARKET PRICE DATA:

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

| Month | Bombay Stock Exchange Limited | | BSE (SENSEX) | |
|-------------|-------------------------------|------|--------------|-----------|
| | High | Low | High | Low |
| April 2014 | 8.09 | 7.71 | 22,939.31 | 22,197.51 |
| May 2014 | 8.78 | 7.60 | 25,375.63 | 22,277.04 |
| June 2014 | 7.55 | 5.58 | 25,725.12 | 24,270.20 |
| July 2014 | 5.85 | 4.15 | 26,300.17 | 24,892.00 |
| August 2014 | 5.79 | 4.35 | 26,674.38 | 25,232.82 |
| Sept 2014 | 7.72 | 6.07 | 27,354.99 | 26,220.49 |
| Oct 2014 | 7.42 | 7.05 | 27,894.32 | 25,910.77 |
| Nov 2014 | 7.25 | 6.89 | 28,822.37 | 27,739.56 |
| Dec 2014 | 7.58 | 6.88 | 28,809.64 | 26,469.42 |
| Jan 2015 | 8.75 | 7.93 | 29,844.16 | 26,776.12 |
| Feb 2015 | - | - | 29,560.32 | 28,044.49 |
| March 2015 | - | - | 30,024.74 | 27,248.45 |

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

viii) 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, processes the transfer.

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

viii) CATEGORIES OF SHAREHOLDERS AS ON 31ST MARCH, 2015

| Category | No. of shares | % |
|---|----------------|------------|
| Promoter/PAC's | 1164020 | 35.27 |
| Banks/ financial institutions/ Insurance companies | 17988 | 0.55 |
| Bodies Corporate | 703540 | 21.32 |
| Indian Public | 1300628 | 39.42 |
| NRI's | 67060 | 2.03 |
| HUF | 46764 | 1.42 |
| | 3300000 | 100 |

LEAD FINANCIAL SERVICES LIMITED

(IX) DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2015

| SHAREHOLDING OF NOMINAL VALUE OF RS. | NUMBER OF SHARE-HOLDERS | % TO TOTAL | NO. OF SHARES | % TO TOTAL |
|--------------------------------------|-------------------------|---------------|------------------|---------------|
| UPTO 5000 | 1,563 | 84.76 | 2,17,083 | 6.5783 |
| 5001 TO 10000 | 93 | 5.04 | 70,865 | 2.1474 |
| 10001 TO 20000 | 72 | 3.90 | 1,01,354 | 3.0713 |
| 20001 TO 30000 | 39 | 2.11 | 91,571 | 2.7749 |
| 30001 TO 40000 | 9 | 0.49 | 31,705 | 0.9608 |
| 40001 TO 50000 | 15 | 0.81 | 69,644 | 2.1104 |
| 50001 TO 100000 | 18 | 0.98 | 1,31,511 | 3.9852 |
| 100001 AND ABOVE | 35 | 1.90 | 25,86,267 | 78.3717 |
| TOTAL | 1,844 | 100.00 | 33,00,000 | 100.00 |

(X) DEMATERIALIZATION OF SHARES & LIQUIDITY

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

As on 31st March, 2015, 38.10 % 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 31st March 2015 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 : 27.05.2015

CA. Gopal Chandra Sharda
Partner
M.No.071920

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, 2015, 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

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view 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 Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

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, 2015;
- 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.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c. The Balance Sheet, the Profit and Loss Account, and the Cash Flow Statement dealt with in this Report are in agreement with the books of account.

LEAD FINANCIAL SERVICES LIMITED

- d. In our opinion, the financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representations received from the directors as on 31 March, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of sub-section (2) of Section 164 of the Act
- f. The Company has adequate internal financial control system in place and the operative effectiveness of such control.
- g. With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - i. The Company does not have any pending litigations which would impact its financial position in its financial statement
 - ii. The Company did not have any long-term contracts including derivatives contracts where any provisions for material foreseeable losses is required under any law or accounting standards;
 - iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

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

Place of Signature: New Delhi
Date: 27.05.2015

[CA Gopal Chandra Sharda]
Partner
M. No.071920

LEAD FINANCIAL SERVICES LIMITED

Annexure to Independent Auditor's Report

The Annexure referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report to the members of LEAD FINANCIAL SERVICES LTD. ("the Company") for the year Ended on 31st March 2015. We report that:

- 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 on the basis of available information.
 - b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- ii) In respect of its Inventories:
 - a) The inventories have 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) The company has maintained proper records of inventories. As per the information and explanation given to us, no material discrepancies were noticed on physical verification.
- iii) According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of Companies Act 2013. Accordingly Clauses (a) and (b) of sub para iii of paragraph 3 of the order are not applicable.
- iv) In our opinion and according to the information and explanation given to us, the Company has an adequate internal control system commensurate with its size and the nature of its business for the purchase of inventory and fixed asset and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.
- v) According to the information and explanations given to us, the company has not accepted any deposits from public Therefore the provisions Clause (v) of paragraph 3 of the CARO 2015 are not applicable to the company.
- vi) The company is an investment & finance company, hence clause 3(vi) of the Order regarding maintenance of cost records under sub-section 1 of section 148 of the Companies Act, 2013 is not applicable to the company.
- vii) In respect of statutory dues:
 - a) According to the records of the Company, undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2015 for a period of more than six months from the date of becoming payable.
 - b) According to the information and explanations given to us, there are no dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited as on March 31, 2015 on account of any dispute.
 - c) According to the information and explanations provided to us, the company is not required to transfer, to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.
- viii) The company does not have any accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered under by the audit and in the immediately preceding financial year.
- ix) 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
- x) According to the information and explanations given to us, the company has given guarantee for loans taken by others from banks and financial institutions, and the terms and conditions of such a guarantee are prima facie not prejudicial to the interests of the company
- xi) According to the information and explanations given to us, the company has not availed any term loan during the year under audit.
- xii) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year

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

[CA Gopal Chandra Sharda]
Partner

Place of Signature: New Delhi

Date: 27.05.2015

M. No.071920

LEAD FINANCIAL SERVICES LIMITED

BALANCE SHEET AS AT 31 MARCH, 2015

(Amount in Rs.)

| Particulars | Note No. | As at 31st March, 2015 | As at 31st March, 2014 |
|------------------------------------|----------|---------------------------|---------------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholder's Funds | | | |
| (a) Share Capital | 2 | 33,000,000 | 33,000,000 |
| (b) Reserves and Surplus | 3 | 11,477,076 | 9,496,402 |
| (2) Non-Current Liabilities | | | |
| Deferred Tax Liabilities (Net) | 4 | 159,093 | 160,721 |
| (3) Current Liabilities | | | |
| (a) Short-Term Borrowings | 5 | 10,800,000 | 10,100,000 |
| (b) Other Current Liabilities | 6 | 45,574,860 | 45,846,979 |
| (c) Short-Term Provisions | 7 | 587,921 | 295,025 |
| Total Liabilities | | 101,598,950 | 98,899,127 |
| II. ASSETS | | | |
| (1) Non-Current Assets | | | |
| (a) Fixed Assets | | | |
| Tangible Assets | 8 | 22,146,324 | 24,021,062 |
| (b) Non-Current Investments | 9 | 40,890,719 | 44,292,890 |
| (c) Deferred Tax Assets (Net) | 4 | — | — |
| (2) Current Assets | | | |
| (a) Inventories | 10 | 5,765,187 | 3,547,935 |
| (b) Cash and Cash Equivalents | 11 | 1,269,671 | 343,101 |
| (c) Short-Term Loans and Advances | 12 | 31,527,048 | 26,694,139 |
| Total Assets | | 101,598,950 | 98,899,127 |

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. Gopal Chandra Sharda
Partner
M.No.071920

P.C. Bindal
Chairman
DIN: 00004769

Kusha Bindal
Director
DIN: 06952708

Vijay Kumar
Manager

Place : New Delhi
Date : 27.05.2015

LEAD FINANCIAL SERVICES LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31 MARCH, 2015

(Amount in Rs.)

| Particulars | Note No. | Year Ended 31st March, 2015 | Year Ended 31st March, 2014 |
|---|----------|--------------------------------|--------------------------------|
| Income | | | |
| Revenue from Operations | 13 | 6,944,502 | 4,174,172 |
| Other Income | 14 | 70,858 | 158,841 |
| Total Revenue (I) | | 7,015,359 | 4,331,013 |
| Expenses | | | |
| Purchases of Stock-in-Trade/ Traded Goods (Increase)/ Decrease in Inventories of Traded Goods | 15 | 2,531,023 | 529,002 |
| Employee Benefit Expenses | 16 | (2,217,253) | (615,407) |
| Finance Costs | 17 | 716,204 | 731,954 |
| Depreciation | 18 | 302,087 | 344,026 |
| Other Expenses | 8 | 1,862,948 | 335,677 |
| | 19 | 909,145 | 944,544 |
| Total Expenses (II) | | 4,104,153 | 2,269,796 |
| Profit Before Tax (I-II) | | 2,911,206 | 2,061,217 |
| Tax Expense: | | | |
| (1) Current Tax | | 889,764 | 428,478 |
| (2) Deferred Tax | | (1,628) | 207,920 |
| (3) Earlier Year Tax | | 30,605 | --- |
| Profit for the Year from Continuing Operations (A) | | 1,992,464 | 1,424,819 |
| Profit/ (Loss) for the Year from Discontinuing Operations (B) | | --- | --- |
| Profit for the Year (A+B) | | 1,992,464 | 1,424,819 |
| Earnings Per Equity Share | | | |
| (1) Basic | | 0.60 | 0.43 |
| (2) Diluted | | 0.60 | 0.43 |
| 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. Gopal Chandra Sharda
Partner
M.No.071920

P.C. Bindal
Chairman
DIN: 00004769

Kusha Bindal
Director
DIN: 06952708

Vijay Kumar
Manager

Place : New Delhi
Date : 27.05.2015

LEAD FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2015

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards issued by the Institute of Chartered Accountants of India and the relevant requirements of the Companies Act, 2013. Significant accounting policies applied in preparing and presenting these financial Statements are set out below.

1.1 **Basis of Accounting**

The financial statements are prepared on a going concern basis under the historical cost convention on the accrual basis of accounting, in accordance with the Indian Generally Accepted Accounting Principles (GAAP) and comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent applicable, as adopted consistently by the Company.

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 II of the Companies Act, 2013 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, 2015 | 31st March, 2014 |
| 2. Share Capital | | |
| Authorised Capital | | |
| 35,00,000 (31 March, 2014: 35,00,000) Equity Shares of Rs.10/- each | 35,00,000 | 35,00,000 |
| Issued, Subscribed and Paid up | | |
| 33,00,000 (31 March, 2014: 33,00,000) Equity Shares of Rs.10/- each, fully paid-up | 33,00,000 | 33,00,000 |
| | 33,00,000 | 33,00,000 |

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

| | 31-Mar-15 | |
|---|------------------|-------------------|
| | No. | Amount (Rs) |
| Equity Shares | | |
| At the beginning of the Year | 3,300,000 | 33,000,000 |
| Issued during the Year | --- | --- |
| Outstanding at the end of the Year | 3,300,000 | 33,000,000 |
| | 31-Mar-14 | |
| | No. | Amount (Rs) |
| Equity Shares | | |
| At the beginning of the Year | 3,300,000 | 33,000,000 |
| Issued during the Year | --- | --- |
| Outstanding at the end of the Year | 3,300,000 | 33,000,000 |

(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-15 | |
|---|----------------|------------------------|
| | No. | % holding in the class |
| Equity Shares of Rs. 10 each fully paid up | | |
| P. C. Bindal | 195,200 | 5.92 |
| Manushree Bindal | 189,000 | 5.73 |
| LFS Securities Limited | 184,500 | 5.59 |
| | 568,700 | 17.23 |

| Particulars | 31-Mar-14 | |
|---|----------------|------------------------|
| | No. | % holding in the class |
| Equity Shares of Rs. 10 each fully paid up | | |
| 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 |
| | 748,380 | 22.68 |

LEAD FINANCIAL SERVICES LIMITED

(Amount in Rs.)

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|--|---------------------------|---------------------------|
| 3. Reserves and Surplus | | |
| (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 | 1,483,931 | 1,198,967 |
| Addition during the year | 398,493 | 284,964 |
| Closing Balance | <u>1,882,424</u> | <u>1,483,931</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 | 7,949,471 | 6,809,616 |
| Addition during the year | 1,992,464 | 1,424,819 |
| Transfer to Statutory Reserve | (398,493) | (284,964) |
| Adjustment for Assets having Nil remaining useful life | (11,790) | --- |
| Closing Balance | <u>9,531,652</u> | <u>7,949,471</u> |
| | <u>11,477,076</u> | <u>9,496,402</u> |
| 4. Net Deferred Tax Liabilities/ (Assets) | | |
| Deferred Tax Liabilities | | |
| Difference in Depreciation for accounting & tax purposes | 159,093 | 160,721 |
| Deferred Tax Assets | | |
| Difference in Depreciation for accounting & tax purposes | --- | --- |
| Net Deferred Tax Liabilities/ (Assets) | <u>159,093</u> | <u>160,721</u> |
| 5. Short-Term Borrowings | | |
| Loans Repayable on Demand | 9,000,000 | 9,000,000 |
| Advances Refundable | | |
| - from Directors | 700,000 | - |
| - from Others | 1,100,000 | 1,100,000 |
| | <u>10,800,000</u> | <u>10,100,000</u> |
| The above amount includes | | |
| - Secured Borrowings | --- | --- |
| - Unsecured Borrowings | 10,800,000 | 10,100,000 |
| 6. Other Current Liabilities | | |
| Advances Received | 45,000,000 | 45,000,000 |
| Interest Accrued & Due on Borrowings | 270,000 | 270,000 |
| Expenses Payable | 72,612 | 333,631 |
| Others | 232,248 | 243,348 |
| | <u>45,574,860</u> | <u>45,846,979</u> |
| 7. Short-Term Provisions | | |
| Provision For Taxation [Net of Prepaid Taxes] | 555,421 | 270,025 |
| Contingent Provisions against Standard Assets | 32,500 | 25,000 |
| | <u>587,921</u> | <u>295,025</u> |

LEAD FINANCIAL SERVICES LIMITED

8. Tangible Assets as on 31st March 2015

(Amount in Rs.)

| S. No. | Particulars | Gross Block | | | | Depreciation Block | | | | Net Block | |
|--------|----------------------|-----------------------|---------------------------|--------------------------------|------------------------|--------------------|------------------|-----------------|------------------|--------------------------------------|--------------------------------------|
| | | Cost as on 01.04.2014 | Additions during the year | Sale/ Disposal during the year | Total as on 31.03.2015 | Upto 01.04.2014 | For the year | Adjustment | Upto 31.03.2015 | Net Carrying amount as on 31.03.2015 | Net Carrying amount as on 31.03.2014 |
| 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 | 1,787,306 | - | 2,021,154 | 16,946,501 | 18,733,807 |
| 3 | Furniture & Fixtures | 1,461,325 | - | - | 1,461,325 | 1,417,411 | - | - | 1,417,411 | 43,914 | 43,914 |
| 4 | Vehicle | 518,500 | - | - | 518,500 | 265,956 | 75,642 | - | 341,598 | 176,902 | 252,544 |
| 5 | Office Equipments | 240,375 | - | - | 240,375 | 216,566 | - | (11,790) | 228,356 | 12,019 | 23,809 |
| 6 | Computers | 438,700 | - | - | 438,700 | 438,620 | - | - | 438,620 | 80 | 80 |
| | TOTAL | 26,593,463 | - | - | 26,593,463 | 2,572,401 | 1,862,948 | (11,790) | 4,447,139 | 22,146,324 | 24,021,062 |
| | Previous Year | 26,593,463 | - | - | 26,593,463 | 2,236,723 | 335,678 | - | 2,572,401 | 24,021,062 | 24,356,740 |

* Remaining WDV of Assets having Nil remaining useful life (after retaining 5% as residual value) have been adjusted from Opening Retained Earnings as prescribed by Companies Act 2013

| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
|-------------|------------------------|------------------------|
|-------------|------------------------|------------------------|

9. Non-Current Investments

TRADE INVESTMENTS (Valued at Cost)

Investment in Quoted Equity Instruments

| | | |
|---|------------------|------------------|
| 0 (31 March 2014: 100) Equity Shares of Rs 10 each fully paid up in Gujrat Optical Fibres Ltd | --- | 1,930 |
| 0 (31 March 2014: 1000) Equity Shares of Rs 10 each fully paid up in Premier Vinyl Ltd. | --- | 37,645 |
| 80,000 (31 March 2014: 80,000) Equity Shares of Rs 10 each fully paid up in NHPC Ltd. | 2,599,442 | 2,599,442 |
| 4,012 (31 March 2014: 4,012) Equity Shares of Rs 10 each fully paid up in Reliance Power Ltd. | 513,873 | 513,873 |
| | <u>3,113,315</u> | <u>3,152,890</u> |

Investment in Unquoted Equity Instruments

| | | |
|--|------------------|------------------|
| 1,20,000 (31 March 2014: 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 2014: 82,000) Equity Shares of Rs 10 each fully paid up in Indraprastha Commodity Trading Pvt. Ltd. | 820,000 | 820,000 |
| 5,000 (31 March 2014: 5,000) Equity Shares of Rs 10 each fully paid up in Kriti Machinery Pvt. Ltd. | 500,000 | 500,000 |
| 1,000 (31 March 2014: 1000) Equity Shares of Rs 10 each fully paid up in Privy Capital Advisors Pvt. Ltd. | 500,000 | 500,000 |
| | <u>3,020,000</u> | <u>3,020,000</u> |

Investments in Quoted Bonds

| | | |
|---|------------|------------|
| 24 (31 March 2014: 24) Bonds of Rs. 10,00,000 each in Reliance Gas Transportation Infrastructure Ltd. (Formerly known as Reliance Logistics Infra Ltd.) | 24,120,000 | 24,120,000 |
|---|------------|------------|

Investments in Unquoted Debentures

| | | |
|--|-----------|-----------|
| 60,000 (31 March 2014: 90,000) Optionally Convertible Debentures of Rs. 100 each in Karni Mata Auto P Ltd. | 6,000,000 | 9,000,000 |
|--|-----------|-----------|

Investments in Project Equity

| | | |
|---------------------|-------------------|-------------------|
| IDFC Infrastructure | 4,637,404 | 5,000,000 |
| | <u>40,890,719</u> | <u>44,292,890</u> |

| | | |
|--|------------|------------|
| Aggregate Amount of Quoted Investments | 27,233,315 | 27,272,890 |
|--|------------|------------|

Market Value of Quoted Investments as on 31 March, 15 is

Rs. 2,58,18,879 (31 March 2014: Rs. 2,58,09,400)

| | | |
|--|------------|------------|
| Aggregate Amount of Unquoted Investments | 13,657,404 | 17,020,000 |
|--|------------|------------|

LEAD FINANCIAL SERVICES LIMITED

| | | |
|---|--------------------|-------------------|
| 10. Inventories (Valued at lower of cost and net realizable value) | | |
| Stock-in-Trade/ Traded Goods | 5,765,187 | 3,547,935 |
| | <u>5,765,187</u> | <u>3,547,935</u> |
| 11. Cash and Cash Equivalents | | |
| Balance with Banks in Current Accounts | 1,202,435 | 43,034 |
| Cash on Hand | 67,237 | 300,067 |
| | <u>1,269,671</u> | <u>343,101</u> |
| 12. Short-Term Loans and Advances (Unsecured Considered Good) | | |
| Advances against Flats | 18,000,000 | 16,177,032 |
| Other Loans & Advances | 13,405,099 | 10,279,000 |
| Income Tax Refund Due | 117,267 | 109,644 |
| Prepaid expenses | 4,682 | 128,463 |
| | <u>31,527,048</u> | <u>26,694,139</u> |
| 13. Revenue From Operations | | |
| Interest Income | 5,915,852 | 4,084,664 |
| Sale of Shares | 843,466 | --- |
| Dividend Income | 33,980 | 89,508 |
| Long Term Capital Gain | 151,204 | --- |
| | <u>6,944,502</u> | <u>4,174,172</u> |
| 14. Other Income | | |
| Bank Interest | 70,858 | 156,841 |
| | <u>70,858</u> | <u>156,841</u> |
| 15. Purchases of Stock-in-Trade/ Traded Goods | | |
| Shares of Companies | 2,531,023 | 529,002 |
| | <u>2,531,023</u> | <u>529,002</u> |
| 16. (Increase)/ Decrease in Inventories | | |
| <i>Inventories at the beginning of the year</i> | | |
| Traded Goods (Shares of Companies) | 3,547,935 | 2,932,528 |
| <i>Inventories at the end of the year</i> | | |
| Traded Goods (Shares of Companies) | 5,765,187 | 3,547,935 |
| | <u>(2,217,253)</u> | <u>(615,407)</u> |
| 17. Employee Benefit Expenses | | |
| Salaries and Wages | 624,000 | 624,000 |
| Bonus to Employees | --- | 37,000 |
| Staff Welfare Expenses | 52,254 | 40,444 |
| Travelling & Conveyance | 39,950 | 30,510 |
| | <u>716,204</u> | <u>731,954</u> |
| 18. Finance Costs | | |
| Interest Expense | 300,000 | 342,685 |
| Bank Charges | 2,087 | 1,341 |
| | <u>302,087</u> | <u>344,026</u> |
| 19. Other Expenses | | |
| Rent, Rates & Taxes | 180,000 | 180,000 |
| Repair & Maintenance (Others) | 131,187 | 46,003 |
| Communication Expenses | 92,691 | 96,421 |
| Printing and Stationery | 36,308 | 37,031 |
| Professional & Legal Expenses | 292,795 | 220,707 |
| Auditors' Remuneration | 28,090 | 28,090 |
| Provisioning on Standard Assets | 7,500 | 5,620 |
| Demat Charges | 6,265 | --- |
| Investments Written Off | 39,575 | 265,247 |
| Advertisement & Business Promotion Expenses | 59,199 | 42,459 |
| General and Miscellaneous Expenses | 35,535 | 22,966 |
| | <u>909,145</u> | <u>944,544</u> |

LEAD FINANCIAL SERVICES LIMITED

| | | |
|---|---|-------------------|
| 20. Contingent Liabilities | In respect of Guarantees given in respect of loan taken by others, an amount not exceeding Rs. 6,89,00,000 (31 March, 2014: Rs. 6,89,00,000) | |
| 21. Capital & Other Commitments | Estimated amount of contracts remaining to be executed on Capital Accounts (Net of advances) Rs. Nil (31 March, 2014: Rs. Nil) | |
| 22. Segment Reporting | The company is a Non Banking Financial Company. Since there is only one segment in which company is operating, Segment Reporting as required under Accounting Standard-17 notified by the Companies (Accounting Standards) Rules, 2006 (as amended) is not applicable. | |
| 23. Related Party Transactions | | |
| 23.1 Related Party Disclosures | Related Parties with whom transactions have taken place during the year - Key Managerial Personnel Mr. Vijay Kumar, Manager | |
| 23.2 Related Party Transactions | 31.3.2015 | 31.3.2014 |
| Key Managerial Personnel | | |
| Remuneration | 180,000 | 180,000 |
| 24. Earnings Per Share | | |
| Particulars | 31.03.2015 | 31.03.2014 |
| 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.) | 1,992,464 | 1,424,819 |
| Earning Per Share (Rs.) - Basic & Diluted | 0.60 | 0.43 |
| 25. Payment to Auditors | 31.3.2015 | 31.3.2014 |
| Audit Fees | 28,090 | 28,090 |
| Others | --- | --- |
| 26. | 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. | |
| 27. | No provision has been made for Gratuity as no employee has completed qualifying period of service. | |
| 28. | 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. | |
| 29. Particulars | 31.03.2015 | 31.03.2014 |
| Earning in Foreign Currency | --- | --- |
| Expenditure in Foreign Exchange | --- | --- |
| 30. | 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. | |
| 31. | Parties balances are subject to confirmation from them. | |
| 32. Previous Year's Figures | 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. Gopal Chandra Sharda
Partner
M.No.071920

P.C. Bindal
Chairman
DIN: 00004769-

Kusha Bindal
Director
DIN: 06952708

Vijay Kumar
Manager

Place : New Delhi
Date : 27.05.2015

LEAD FINANCIAL SERVICES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2015

(Amount in Rs.)

| Particulars | 2014-2015 | 2013-2014 |
|---|--------------------|--------------------|
| Profit before Tax | 2,911,206 | 2,061,217 |
| Non Cash Adjustment: | | |
| - Depreciation | 1,862,948 | 335,677 |
| - Provisions Created/ (Written Back) | 7,500 | 5,620 |
| - Capital Gain on Sale of Investment | (151,204) | --- |
| - Investments w/off | 39,575 | --- |
| Operating profit before Working Capital changes | 4,670,024 | 2,402,514 |
| Changes in Working Capital: | | |
| Decrease/ (Increase) in Inventories | (2,217,253) | (615,407) |
| Decrease/ (Increase) in Short/ Long Term Loans and Advances | (4,825,909) | (4,694,208) |
| (Decrease)/ Increase in Other Current Liabilities | (272,119) | 44,153 |
| Cash generated from Operations | (2,645,256) | (2,462,948) |
| Income Tax Paid | (641,973) | (340,108) |
| Cash Flow from Operating Activities (A) | (3,287,229) | (2,803,056) |
| Cash Flow from Investing Activities | | |
| Proceeds from Sale of Investments | 3,513,800 | --- |
| Cash Flow from Investing Activities (B) | 3,513,800 | --- |
| Cash Flow from Financing Activities | | |
| Proceeds from Short Term Borrowings | 700,000 | 1,500,000 |
| Repayment of Short Term Borrowings | --- | --- |
| Cash Flow from Financing Activities (C) | 700,000 | 1,500,000 |
| Net Increase/ (Decrease) in Cash & Cash Equivalents (A+B+C) | 926,571 | (1,303,056) |
| Cash & Cash Equivalents at the beginning of year | 343,100 | 1,646,156 |
| Cash & Cash Equivalents at the end of year | 1,269,671 | 343,100 |

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
Chairman
DIN: 00004769

Vijay Kumar
Manager

Kusha Bindal
Director
DIN: 06952708

AUDITOR'S CERTIFICATE

We have examined the attached Cash Flow Statement of the Company for the year ended 31 March, 2015. 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 27th May, 2015 to the members of the Company.

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

CA. Gopal Chandra Sharda
Partner

Place : New Delhi
Date : 27.05.2015

M.No.071920