

27th

Annual

Report

2019-2020

**LEAD FINANCIAL
SERVICES LIMITED**

LEAD FINANCIAL SERVICES LIMITED

BOARD OF DIRECTORS

Padam Chandra Bindal
Chairman

Suman Bindal
Director

Pradeep Kumar Jain
Director

Jitender Kumar Sharma
Director

BANKERS

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

STATUTORY AUDITORS

B G G & Associates
Chartered Accountants
New Delhi

REGISTERED OFFICE

Lead Financial Services Limited
101, Sita Ram Mansion, 718/21, Joshi Road, Karol Bagh,
New Delhi-110005 Tel. 23549822-23 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 27th Annual General Meeting of the members of Lead Financial Services Limited will be held on Monday, the 21st day of September, 2020 at 11:30 a.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), to transact the following businesses:

Ordinary Business

1. To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31st March, 2020 together with Reports of the Board of Directors and the Auditors thereon.
2. To appoint Director in place of Mr. Padam Chandra Bindal (DIN: 00004769) who retires by rotation and being eligible offers himself for re-appointment.

Special Business

3. Appointment of Ms. Suman Bindal as a Director

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provision of Section 152 and all other applicable provisions of the Companies Act, 2013 and all other applicable provisions and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification or re-enactment thereof) Ms. Suman Bindal (DIN: 00030791), who was appointed as an Additional Director of the Company with effect from 29th June, 2020 by the Board of Directors pursuant to Section 161 of the Companies Act, 2013 and as recommended by the Nomination & Remuneration Committee and who holds office only upto the date of ensuing Annual General Meeting of the Company and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director, be and is hereby re-appointed as Non-Executive & Non-Independent Women Director of the Company, whose period of office will be liable to determination by retirement of the directors by rotation.

RESOLVED FURTHER THAT the Board of Directors and Company Secretary of the Company be and are hereby severally authorised to do all acts or things necessary to give effect to the above resolution."

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

Place: New Delhi
Dated: 24.08.2020

Suman
Company Secretary
M. No.- A52842

NOTES:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item No. 3 of the Notice, is annexed hereto.
2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the "AGM" through Video Conferencing (VC) / Other Audio-Visual Means (OAVM), without the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), applicable SEBI Circulars and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
3. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (" Listing Regulations"), Secretarial Standards- 2 issued by Institute of Company Secretaries of India and the provisions of Companies Act, 2013, of the person seeking appointment/re-appointment/change in terms, are as under:

LEAD FINANCIAL SERVICES LIMITED

Particulars	Name of Directors/KMP	
	Mr. Padam Chandra Bindal	Ms. Suman Bindal
Date of Birth	05/06/1960	24/07/1962
Date of first Appointment on Board	28/11/1994	29/06/2020
Age	60	58
Brief Profile/ Experience/Expertise in specific functional area	Mr. Bindal has more than three decades of experience in finance, capital markets and administration.	Mrs. Suman Bindal, a post graduate has been associated with NBFC Company for more than a decade. She could be guiding force for exploring business opportunities with woman entrepreneurs.
Qualifications	M.Com., FCA	Post Graduate
Shareholding in the company as on 31.03.2020	195200 5.92%	60,000 1.82%
Inter se relationship with other Directors	Mr. P C Bindal and Ms. Suman Bindal are relative.	Mr. P C Bindal and Ms. Suman Bindal are relative.
Name of other companies in which the person holds the directorship as at March 31, 2020	-Privy Value Realty Private Limited -Privy Capital Advisors Private Limited -Privy Capital Limited -LFS Services Private Limited -Bindal Corporate Advisory Services Private Limited	-Privy Value Realty Private Limited -Privy Capital Advisors Private Limited -Privy Infosystem Private Limited -Privy Capital Limited -LFS Services Private Limited
Membership/ Chairmanship of committees of other companies*	NIL	NIL
Terms and conditions of appointment/re-appointment	Terms and Conditions of appointment are as per the Remuneration and Nomination Policy of the Company	Terms and Conditions of appointment are as per the Remuneration and Nomination Policy of the Company
Remuneration last drawn, if any	NIL	NA
Number of Board meetings attended during the year ended 31.03.2020	6	NA

*The Companies in which the Director holds position of Director as on the date of meeting and is a member of that Company's Audit Committee/Stakeholders committee is taken into consideration. Companies include listed as well as unlisted entities.

4. The AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
5. Corporate Members are required to send a scanned copy (PDF / JPG Format) of its Board or governing body Resolution/Authorization, etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting to Beetal Financial & Computer Services (P) Limited, Registrar and Transfer Agent, by e-mail through its registered e-mail address to beetal @ beetalfinancial.com.
6. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
7. As mandated by SEBI, effective from April 1, 2019, securities of listed companies shall be transferred only in dematerialised form. In order to facilitate transfer of share(s) in view of the above and to avail various benefits of dematerialisation, Members are advised to dematerialise share(s) held by them in physical form.
8. The Register of Members and the Share Transfer books of the Company will remain closed from 15th day of September, 2020 to 21st day of September, 2020 (both days inclusive).

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9. Keeping in view of "Green Initiative in Corporate Governance" taken by Ministry of Corporate Affairs vide their circular no. 17/2011 dated 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 to us also at lead_financial@rediffmail.com. Members may note that this Notice and the Annual Report 2019-20 will also be available on the Company's website viz. www.leadfinancialservices.in.
10. All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to lead_financial@rediffmail.com.
11. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
12. The Company has engaged the services of Beetal Financial & Computer Services (P) Limited, Registrar and Transfer Agent as the authorized agency for conducting of the e-AGM and providing e-voting facility and 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.
13. 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.
14. The Company has, in compliance with Rule 20 of the Companies (Management and Administration) Rules, 2014, appointed CS Mukul Tyagi, partner of M/s Pooja Anand & Associates, Company Secretaries in practice, as Scrutinizer (as consented by him to be appointed as scrutinizer) for conducting the electronic Process in a fair and transparent manner.
15. Members are requested to intimate immediately any change in their address/email Id 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.
16. 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.
17. 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.
18. 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.
19. Shareholders seeking any information or clarification on the accounts are requested to send written queries to the Company, at least 7 days before the date of the meeting, to enable the management to keep the required information available at the meeting.
20. Instructions for remote e-voting and joining the e-AGM are as follows:
 - A. Voting through electronic means:**
 1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
 2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

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3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such company or body corporate or LLP or HUF can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.leadfinancial.in. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on **<10.00 a.m. of September 18th 2020, Friday >** and ends on **<5.00 p.m. of September 20th 2020, 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 **<14th September, 2020>**, 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/ Members" module.
 - (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.
- OR
- Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.
- (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.

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(viii) If you are a first time user follow the steps given below:

For Shareholders holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 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 PANfield.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field as mentioned in Instruction (iv)

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Shareholders 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.
- (xi) For Shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN of 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 a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a Demat account holder has forgotten the login 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) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App store and the Window phone store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) 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.

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- 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 linked in the login 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.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; lead_financial@rediffmail.com , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- (xxi) 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 or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542)
- (xxii) All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

B. Process for those Shareholders whose email addresses are not registered with the Depositories for obtaining Login Credentials for E-voting for the resolutions proposed in this Notice:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders- please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id.

C. Instructions for attending the AGM through VC / OAVM are as under:

- i. Member will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Members may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- ii. Members are encouraged to join the Meeting through Laptops for better experience.
- iii. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- iv. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
- vi. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

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- D. **Instructions for shareholders for e-voting during the AGM are as under:**
- i. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
 - ii. Only those members/shareholders, who will be present in the AGM through video conferencing facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
 - iii. If any Votes are cast by the members through the e-voting available during the AGM and if the same members have not participated in the meeting through VC/OAVM facility, then the votes cast by such members shall be considered invalid as the facility of e-voting during the meeting is available only to the members participating in the meeting.
 - iv. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
21. The scrutinizer shall within a period of not exceeding three days from the conclusion of the AGM make a scrutinizer's report of the votes cast in favour or against, if any, and submit the report to the Chairman of the Company or any other person authorised by him.
22. The notice is being sent to all the members whose e-mail id is registered with RTA on or before 27th August, 2020. Voting rights shall be reckoned on the paid-up value of the shares registered in the name of the member as on cut-off date.
23. 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.

LEAD FINANCIAL SERVICES LIMITED

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

ITEM NO. 3

Appointment of Ms. Suman Bindal as a Director

Ms. Suman Bindal was appointed as an Additional Director of the Company by the Board on the recommendation of the Nomination and Remuneration Committee, with effect from June 29, 2020, in accordance with the provisions of Section 161 of the Companies Act, 2013 (the "Act"). Pursuant to the provisions of Section 161 of the Act, Ms. Suman Bindal holds office upto the date of the ensuing Annual General Meeting. As required under Section 160 of the Act, the Company has received notice in writing from a member proposing her candidature for office of Director of the Company, liable to retire by rotation. Ms. Suman Bindal is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as Director.

Ms. Suman Bindal possesses the requisite knowledge, experience and skill for the position of Director. The Board on receipt of the said notice from a member and on the recommendation of the Nomination and Remuneration Committee and subject to the approval of members in the ensuing AGM, has accorded its consent, to appoint Ms. Suman Bindal as a Non-Executive & Non-Independent Women Director liable to retire by rotation. Ms. Suman Bindal will not be entitled for any remuneration as per the Company policy for non-executive directors except sitting fees for attending board meetings.

The Details required under Regulations 36(3) of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard -2 is given in notes forming part of this annual report.

Ms. Suman Bindal and Mr. Padam Chandra Bindal are interested in the resolution set out at Item No. 3 of the Notice in regard to her appointment. Save and except the above, none of the other Directors, Key Managerial Personnel and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

Approval of Members is accordingly sought for appointment of Ms. Suman Bindal as Director as set out in the resolution at Item No. 3 of the accompanying Notice. The Board recommends the Ordinary Resolution set out at Item No. 3 of the accompanying Notice for the approval of the Members.

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

Place: New Delhi
Dated: 24.08.2020

Suman
Company Secretary
M. No.- A52842

LEAD FINANCIAL SERVICES LIMITED

DIRECTORS' REPORT

To,

The Members

Lead Financial Services Limited

Your Directors are presenting their 27th Annual Report on the business and operations of the Company and Audited Accounts for the Financial Year ended March 31, 2020.

1. Financial Performance

The Financial results of the Company during the period ended on 31st March, 2020 are as under:

PARTICULARS	(Rs in Lakhs)	
	CURRENT YEAR (2019-20)	PREVIOUS YEAR (2018-19)
1. Total Income	6.13	17.08
Less: i) Operating, Administrative & other Exp.	21.06	22.02
2. Earnings before interest and depreciation		
Less: i) Interest	2.89	1.13
ii) Depreciation	-	0.11
3. Profit/(Loss) before Extra-ordinary item	(17.83)	(6.18)
Add: Extra-ordinary item	-	-
3. Profit/(Loss) before Tax	(17.83)	(6.18)
Less: provision for Tax		
i) Current	-	0.24
ii) Deferred	(9.82)	(1.76)
iii) Earlier year Tax	-	-
iv) MAT Credit	-	-
4. Profit/(Loss) after Tax	(8.01)	(4.67)
Add: Other Comprehensive Income (OCI)	5.07	(0.25)
5. Total Comprehensive Income	(2.93)	(4.92)
6. Equity Capital	330.00	330.00
7. Earnings Per Share	(0.24)	(0.14)

2. Dividend

Your Directors regret their inability to recommend any dividend in view of losses during the financial year under review.

3. Reserves and surplus

Reserves and Surplus as at 31st March, 2020 is Rs. 221.33 lacs. The Company has not transferred any amount to the Statutory Reserve, during the year under review.

4. Management and Discussion Analysis

The COVID-19 pandemic has caused a huge disruption creating an unprecedented impact on the financial well-being of nations, corporations and individuals. A detailed discussion on impact of COVID-19 on the NBFC sector and operations of the Company is covered in the 'Management Discussion and Analysis.'

The Management Discussion and Analysis of financial condition and results of operation of the Company for the year under review, as required under Regulation 34 of SEBI (LODR) Regulations, 2015, is given separately under the head "Management Discussion & Analysis Report" in Annual Report as 'Annexure-1'.

5. 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.

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6. 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 Financial year, such controls were checked and no reportable material weaknesses were observed.

7. 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

8. 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.

9. Auditors

➤ STATUTORY AUDITORS

M/s B G G & Associates, Chartered Accountants (ICAI Firm Registration Number: 016874N), New Delhi, were appointed as statutory auditors of the company to hold office for a period of 5 years, commencing from the conclusion of the 24th Annual General Meeting ("AGM") held on 28th September, 2017 till the conclusion of the 29th AGM of the Company to be held in the year 2022, subject to ratification of their appointment by the Members at every AGM, as may be applicable.

Pursuant to the Notification issued by the Ministry of Corporate Affairs on 7th May, 2018 amending Section 139 of the Companies Act, 2013 and the applicable Rules, the mandatory requirement for ratification of appointment of Auditors by the Members at every AGM has been omitted and hence the Company has not proposed ratification of appointment of M/s B G G & Associates, Chartered Accountants, at the ensuing AGM.

The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they are not disqualified in any manner from continuing as Statutory Auditors. The remuneration payable to the Statutory Auditors shall be determined by the Board of Directors based on the recommendation of the Audit Committee.

➤ 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.

➤ INTERNAL AUDITORS

Mr. PL Verma, Chartered Accountant, performs the duties of internal auditor of the Company. The report given by the internal auditor has been reviewed by the audit committee from time to time

10. 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.

11. Secretarial Audit Report

A Secretarial Audit Report in Form_MR-3 given by Mr. Mukul Tyagi partner of M/s Pooja Anand & Associates, Company Secretary in whole time practice is annexed with the report in 'Annexure 2'.

12. Directors, Key Managerial Personnel and Management:

A) Changes in Directors

- Mr. Padam Chandra Bindal (DIN : 00004769), Director of the Company retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment. The Board recommends his re-appointment for the consideration of the Members of the Company at the Annual General Meeting.
- Ms. Suman Bindal (DIN: 00030791) was appointed as an Additional Director of the Company with effect from June 29, 2020 to hold office as Director upto the date of ensuing Annual General Meeting of the Company. The Company has received notices under Section 160 of the Act from a member proposing her candidature for the office of Director of the Company, liable to retire by rotation. On the recommendation of Nomination & Remuneration Committee, the Board hereby recommends the resolution in relation to appointment of Ms. Suman Bindal as a Non-executive & Non-Independent Women Director, for the approval by the members of the Company. The brief profile and requisite details of Ms Suman Bindal as stipulated in regulation 36(3) of SEBI (LODR) Regulation, 2015 is given in notice forming part of this annual report.

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- Ms. Kusha Bindal (DIN: 06952708) has resigned from the position of Director of the Company w.e.f. June 29, 2020 due to personal reason.
- Mr. Sanjay Kumar Agarwal (DIN 00832074), who was appointed as an Independent Director of the Company to hold office upto September 28, 2019, ceased to be the independent director of the Company on the said date.

B) Changes in Key Managerial Personnel

- Mr. Atul Vaibhav was appointed as Chief Financial Officer of the Company with effect from April 22, 2019.
- Mr. Vijay Bansal has resigned from the position of Manager of the Company w.e.f. June 29, 2020 due to personal reason.
- Mr. Sudesh Gupta was appointed as Chief Executive Officer of the Company with effect from June 29, 2020.

C) Declaration by an Independent Director(s)

The Company has received necessary declaration from all the Independent Directors of the Company confirming that they fulfill the criteria of Independence as prescribed under sub section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

D) 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 include criteria for performance evaluation of the non-executive directors and executive directors.

Pursuant to the provisions of the Companies Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("Listing Regulations"), 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.

A separate meeting of the Independent Directors was also held for the evaluation of the performance of non-independent Directors, performance of the Board as a whole and that of the Chairman of the Board.

13. Number of meetings of the Board of Directors

During the financial year ended March 31, 2020, 06 (Six) meetings of the Board were held, as follows:

S. No.	Dates of Board Meeting	Board Strength	No. of directors present
01.	April 22, 2019	5	5
02.	May 29, 2019	5	5
03.	August 12, 2019	5	5
04.	November 30, 2019	4	4
05.	January 09, 2020	4	4
06.	February 12, 2020	4	4

*The maximum time gap between two meetings was not more than 120 days.

14. Committee of the Board

The Board has constituted three Committees of the Board – the Audit Committee, the Nomination and Remuneration Committee, Stakeholders' Relationship Committee. The composition of these Committees, including the number of the meetings held during the financial year are as follows:

A. Audit Committee

The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of the SEBI (LODR) Regulations, 2015.

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 Regulations and other legal requirements 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. All the recommendations made by the Audit Committee were accepted by the Board.

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Five meetings of Audit Committee were held during the year 2019-20 on April 22, 2019, May 29, 2019, August 12, 2019, November 30, 2019 and February 12, 2020.

The composition of Audit Committee as on March 31, 2019 including the attendance of the committee members at the meeting held during financial year is as follows:

Name of Members	Category	Designation	Number of Meetings during the year 2019-20	
			Held during tenure of Member/Chairman	Attended
Mr. Pradeep Kumar Jain	Independent Director	Chairman	5	5
Mr. Jitender Kumar Sharma	Independent Director	Member	5	5
Mr. P C Bindal	Non-Executive Director	Member	5	5

B. Nomination & Remuneration Committee

The Nomination and Remuneration Committee (N & R Committee) of the Company is constituted in line with the Section 178 of the Companies Act, 2013 and as per provisions of Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Nomination and Remuneration Committee of the Board, inter alia, recommends to the Board of Directors, the compensation terms of Executive Director/ Manager. It also recommends successions and appointments for the membership of the Board and the senior management.

Nomination and Remuneration Policy

The Company's Nomination and Remuneration Policy is driven by the success and performance of the individual employee and the Company. Through its compensation programme, the Company endeavours to attract, retain, develop and motivate a high performance workforce. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process.

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission (variable component) to the Executive Director, if any. Annual increments are decided by the Remuneration Committee within the salary scale approved by the members and are effective from April 1, each year. The Nomination and Remuneration Committee decides on the commission payable to the Executive Director, if any, out of the profits for the financial year and within the ceilings prescribed under the Companies Act, 2013, and amendment thereof based on the performance of the Company as well as that of the each Executive Director.

The Company firmly believes in attracting and retaining high caliber talent. The Nomination and remuneration policy, therefore, takes into account the competitive circumstances so as to attract & retain quality talent.

Moreover, the policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178, is available on our website i.e. www.leadfinancialservices.in.

Three meetings of N & R Committee were held during the year 2019-20 on April 22, 2019, May 29, 2019, and August 12, 2019.

The composition of Nomination & Remuneration Committee as on March 31, 2020 including the attendance of the committee members at the meeting held during financial year is as follows:

Name of Members	Category	Designation	Number of Meetings during the year 2019-20	
			Held during tenure of Member/Chairman	Attended
Mr. Jitender Kumar Sharma	Independent Director	Chairman	3	3
Mr. Pradeep Kumar Jain	Independent Director	Member	3	3
Mr. P C Bindal	Non-Executive Director	Member	3	3

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C. Stakeholder Relationship Committee

The Stakeholder Relationship committee of the Company is constituted in line with the Section 178 of the Companies Act, 2013 and as per provisions of Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 transposition, issue of duplicate share certificates, approval of demat/ remat of share certificates, issue of duplicate share / debenture certificates. The Committee also monitors the implementation and compliance with the Company's Code of Conduct for prohibition of Insider Trading.

Five meetings of Stakeholder's Relationship Committee were held during the year 2019-20, on April 22, 2019, May 29, 2019, August 12, 2019, November 30, 2019 and February 12, 2020.

The composition of Stakeholder Relationship Committee as on March 31, 2020 including the attendance of the committee members at the meeting held during financial year is as follows:

Name of Members	Category	Designation	Number of Meetings during the year 2019-20	
			Held during tenure of Member/Chairman	Attended
Mr. Jitender Kumar Sharma	Independent Director	Chairman	5	5
Mr. Pradeep Kumar Jain	Independent Director	Member	5	5
Mr. P C Bindal	Non-Executive Director	Member	5	5

❖ 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 2020.

15. 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.

16. 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.

17. Corporate Social Responsibility (CSR)

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

18. Related Party Transactions :

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

19. Share Capital

The paid-up Equity Share Capital of the Company as on March 31, 2020, was Rs. 3,30,00,000/- There was no change in the Authorised or Paid-up Capital or Subscribed Capital during FY 2019-20.

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20. 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. | NIL |
- The information of foreign exchange earnings and outflow is furnished in notes to accounts.

21. Extract of the annual return

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 is annexed (**Annexure- 4**) and is available on the Company's website viz. www.leadfinancialservices.in.

22. 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.

23. Managerial/ Employee Remuneration:

The information required under section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is mentioned in (**Annexure- 5**)

No employees are in receipt of remuneration as specified under section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

24. Corporate Governance:

Since, the paid-up capital of the Company is less than Rs10 Crores and Net worth is less than Rs 25 Crores, the provisions of the Corporate Governance (specified in the regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and Para C, D and E of Schedule V) as stipulated under Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable to the Company. Hence, no separate report on Corporate Governance Report has been given.

However, your Company is complying and doing every effort to comply with the provisions of the Corporate Governance and to see that the interest of the Shareholders and the Company are properly served. It has always been the Company's endeavor to excel through better Corporate Governance and fair & transparent practices, many of which have already been in place even before they were mandated by the law of land.

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25. Directors' Responsibility Statement

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

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the directors have 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 have 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 have prepared the annual accounts on a going concern basis; and
- (e) the directors have 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 have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

26. Maintenance of Cost Record

The maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not applicable to the Company.

27. Risk Management and policy

As a NBFC, the Company has laid down a well-defined risk management framework to identify, assess and monitor risk and strengthen controls to mitigate risk. The Company has laid down procedures to inform the Audit Committee as well as the Board of Directors about risk assessment and management procedures and status. The Risk management process has been established across the Company and is designed to identify, assess and frame a response to threats that affect the achievement of its objectives. Further, it is embedded across all the major functions and revolves around the goals and objectives of the Company

The Company has a strong risk management framework to identify, monitor and minimize risk as also identify business opportunities.

28. Listing on Stock Exchanges

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

- (1) BSE Ltd.
Corporate Relationship Department
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001

Listing fees including for the year 2020-21 has been paid within due date to the Stock Exchange.

29. 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

30. Transfer System

During the year, shares in physical form were processed by the Registrar and Share Transfer Agents within 15 days from the date of receipt, provided the documents are valid and complete in all respects. Beetal Financial and Computer Services (P) Limited, Share Transfer Agents of the Company, is authorized to sign the share certificates on behalf of the Company for expeditious disposal of transfer requests.

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SEBI vide its Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018 amended Regulation 40 of SEBI Listing Regulations which mandated transfer of securities only in dematerialised mode from 5th December, 2018. Further, as per SEBI Notification No. SEBI/LAD-NRO/GN/2018/49 dated 30th November, 2018, the date for transfer of securities in physical form was extended from 5th December, 2018 to 1st April, 2019. Accordingly, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form with the depository, with effect from 1st April, 2019.

In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants.

31. Dematerialization of Shares

The company's equity shares are eligible for dematerialization. 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. Stock Code for the Equity Shares of the Company at BSE Ltd. is: 531288

As on 31st March 2020, 53.59 % and 4.88 % of the Equity Shares of the Company are held in dematerialized form with NSDL and CDSL respectively.

32. Details in respect of frauds reported by Auditors other than those which are reportable to the Central Government

The Statutory Auditors, Secretarial Auditors, Internal Auditors of the Company have not reported any frauds to the Audit Committee or to the Board of Directors under Section 143(12) of the Companies Act, 2013, including rules made thereunder.

33. Disclosure under the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013.

As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has formulated and implemented a policy on prevention of sexual harassment at workplace with a mechanism of lodging complaints. There is an Internal Complaints Mechanism wherein any wrongful conduct as regards sexual harassment or any discrimination can be reported. The following is a summary of sexual harassment complaints received and disposed of during the year under review-

- No. of complaints received: Nil
- No. of complaints disposed of: NA
- No. of complaints pending: Nil

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 Reserve Bank of India, the Securities and Exchange Board of India (SEBI), Stock Exchanges, 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**

**PADAM CHANDRA BINDAL
CHAIRMAN
DIN: 00004769**

**SUMAN BINDAL
DIRECTOR
DIN: 00030791**

Place : New Delhi
Date : 24.08.2020

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industrial Structure and Development

India's financial sector is a highly diversified one comprising commercial banks, insurance companies, non-banking financial companies, co-operatives, pension funds, mutual funds and other smaller financial entities. The sector is predominantly driven by banking and non-banking financial companies ('NBFCs'). Over the past few years NBFCs have emerged as important financial intermediaries, particularly for the small-scale and retail sectors in underserved areas and unbanked sectors. The sector turned out to be growth engines in an environment where significant importance is assigned to financial inclusion and have aided the economy in employment generation and wealth creation by making credit available to the rural segment. However, in recent times the sector is becoming a weaker segment in Indian financial system.

During FY 19-20 the sector continues to witness liquidity challenges which led to certain NBFCs experience stress in their loan books as evidenced by the growing level of non-performing assets ('NPAs'). The onset of COVID-19 during the fourth quarter, further weakened NBFCs stance in the economy. Asset quality deterioration in NBFCs is expected to be more severe than banks because of its exposure in riskier segments. To support the economy, the RBI eased monetary policy to maintain adequate liquidity in the system, facilitate smooth bank credit flow and moderate financial strain. Revival measures initiated by the regulator include provision of moratorium on EMI repayments, cut on repo rates from 6.25% to 4.40%, relaxation in classification of loan as NPAs and provision of long-term repo operations (LTRO). Prudential requirements for banks have also been eased to free up liquidity for lending.

Indian Economy Overview

Indian economy had shown clear signs of slowing down even before the onset of the pandemic. The country's GDP grew by 4.2% in the FY 19-20 with a moderate growth of 4.8% in the first half year. A weak consumer demand, slow private investment and tight credit conditions in the financial sectors were some of the key factors for the decelerated growth during the year. Reforms undertaken by the government to revamp the financial sector, address the NBFC crisis, reduce the stress in the real estate sector and speed up the resolution under Insolvency and Bankruptcy Code (IBC) had a marginal impact during the second half year. However, GDP growth tapered significantly to 3.1% in the fourth quarter due to the outbreak of coronavirus pandemic and the resultant nationwide lock down.

Opportunities and threats

❖ **Opportunities**

NBFCs have served the unbanked customers by pioneering into retail asset-backed lending, lending against securities and microfinance. Following variables in the external environment may be seen as opportunities for the Company:

- NBFCs aspire to emerge as a one-stop shop for all financial services;
- The sector has witnessed moderate consolidation activities in recent years, a trend expected to continue in the near future;
- New banking license-related guidelines issued by RBI place NBFCs ahead in competition for licenses owing largely to their rural network;
- New RBI guidelines on NBFCs with regard to capital requirements, provisioning norms & enhanced disclosure requirements are expected to benefit the sector in the long run.

❖ **Threats**

Being an NBFC, the Company has to face various threats as under mentioned;

- High cost of funds;
- Financial services companies often compete on the basis of offering lower financing rates, higher deposit rates and investment services;
- Competition from other NBFCs and banks;
- Stringent regulatory norms prevent new entrants;

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COVID-19 Impact on the NBFC sector

- Retail financing industry, which was one of the key drivers of credit growth, will be impacted for at least two quarters, as the demand for housing assets, consumer goods and working capital financing will get hit due to general slowdown in economic activity.
- There is an enormous risk of defaults and insolvencies unless the regulatory framework is modified urgently to address the unprecedented challenge.
- Uncertainty on the potential credit loss in portfolios will result in lower securitisation deals thus impacting the fund-raising ability of NBFCs.
- Auto and auto-ancillary, aviation, travel and hospitality, retail and consumer durables, real estate and construction are likely to be stressed assets in the absence of significant government stimulus to these sectors.

The actual impact is still difficult to predict, and it will depend upon the time frame required to curb the pandemic and the various relief measures, which the government is expected to roll out. The NBFC/ HFC sector, which has managed to sustain amid a challenging funding scenario by taking various mitigating steps, will now have to weather the COVID-19 disruption. While the sector remains fairly well-capitalised, the trend in delinquencies in retail asset classes will be a key factor to monitor for the sector over the next few quarters, along with resource mobilisation capabilities.

Segment wise Performance:

The Company is a Non Banking Finance Company (NBFC). It operates only in one segment. Hence, the results for the year under review pertain to only financing activity

Outlook, Risk and Concern

In today's complex business environment, almost every business decision requires executives and managers to balance risk and rewards. Effective risk management is therefore critical to an organisation's success. Globalisation with increasing integration of markets, newer and more complex products and transactions and an increasingly stringent regulatory framework has exposed organisations making them take an integrated approach to risk management. Timely and effective risk management is of prime importance to our continued success. The sustainability of the business is derived from the following:

- Identification of the diverse risks faced by the Company.
- The evolution of appropriate systems and processes to measure and monitor them.
- Risk management through appropriate mitigation strategies within the policy framework.
- Monitoring the progress of the implication of such strategies and subjecting them to periodical audit and review.
- Reporting these risk mitigation results to the appropriate managerial levels.

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.

Adequacy of Internal Control System

The Company maintains a system of internal controls designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls, and compliance with applicable laws and regulations.

The Company has put in place adequate systems to ensure that assets are safeguarded against loss from unauthorised use or disposition and that transactions are authorised, recorded and reported. The Company also has an exhaustive budgetary control system to monitor all expenditures against approved budgets on an ongoing basis.

The Company has an internal audit function which continuously evaluates the adequacy of, and compliance with, policies, plans, regulatory and statutory requirements. Risk based approach is adopted while carrying out the audits. Internal audit also evaluates and suggests improvement in effectiveness of risk management, control and governance process. The Audit Committee of the Board provides necessary oversight and directions to the internal audit function and periodically reviews the findings and ensures corrective measures are taken.

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Performance Review

During the Financial year under review, your company achieved total revenue of Rs. 6.13 Lacs as compared to Rs. 17.08 Lacs in the previous year. Net Loss (after tax) for the year is Rs. (8.01) Lacs as compared to Net Loss of Rs. (4.67) Lacs in the previous year. Your directors are exploring new initiatives for long term growth of the Company.

Material developments in Human Resources / Industrial Relations front, including number of people employed.

The Company recognizes people as its most valuable asset and it has built an open, transparent and meritocratic culture to nurture this asset. Employees are central as well as critical to the Company as they are the real assets of the organization. The Company believes in retaining high caliber employees while engaging and nurturing them to achieve great heights in the area of operations. The employee relationship with the company remained harmonious throughout the year.

The Company had 3 permanent employees on the rolls of the Company as at March 31, 2020.

**For and on behalf of the Board
For Lead Financial Services Limited**

Place : New Delhi
Date : 24.08.2020

**PADAM CHANDRA BINDAL
CHAIRMAN
DIN: 00004769**

**SUMAN BINDAL
DIRECTOR
DIN: 00030791**

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March, 2020

[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 (CIN L74140DL1993PLC053485) having its registered office at 101, Sita Ram Mansion, 718/21, Joshi Road, Karol Bagh, New Delhi-110005, (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/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, 2020 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, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder including amendments thereof;
- (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;
- (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, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, (Not applicable to the Company during the Audit Period);
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (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, 2018 (Not applicable to the Company during the Audit Period);
 - i) The Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015
 - j) Securities and Exchange Board of India(Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations,2013 (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.
- (ii) The Listing Agreements entered into by the Company with BSE Limited;

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 along with the appointment of woman director during the financial year ended 31.03.2020. 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.

All the decision are carried unanimously 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.

Date:21.08.2020
Place: New Delhi

For Pooja Anand & Associates
Company Secretaries
Sd/-
MUKUL TYAGI
FCS: 9973
CP No.: 16631
UDIN: F009973B000601993

LEAD FINANCIAL SERVICES LIMITED

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 and Nature of Relationship	Nature of contracts/ arrangements / transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value,if any	Justification for entering into such contracts or arrangements or transactions	Date (s) of approval by the Board	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

Name of the Related Party and Nature of Relationship	Nature of contracts/ arrangements / transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value,if any	Date (s) of approval by the Board	Amount paid as advances, if any
NIL					

LEAD FINANCIAL SERVICES LIMITED

Annexure - 4

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2020

[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, Income from Investment	64990	100%

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	-	356200	10.79	-	356200	10.79	-
b) Central Govt	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-
d) Bodies Corp.	-	294500	8.92	-	294500	8.92	-
e) Banks / FI	-	-	-	-	-	-	-
f) Any Other director and their relatives, societies partnership firms, RBI, Employee welfare fund, EBIP/ESOS Trusts	-	280820	8.51	-	280820	8.51	-
Sub-total (A) (1) :-	-	931520	28.23	-	931520	28.23	-

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)	-	931520	28.23	-	931520	28.23	-
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.	448760	1764	13.65	448760	1226	13.63	(0.02)
b) Individuals							
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	549400	97452	19.60	549400	98286	19.63	0.03
ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	408320	735858	34.67	305320	838858	34.67	-
c) Others							
- NRI	67000	360	2.04	67000	60	2.03	(0.01)
- HUF	-	41578	1.26	-	41577	1.26	-
- Clearing Members	-	-	-	-	5	0.00	-
Sub-total (B)(2):-	1473480	877012	71.22	1370480	980012	71.22	-
Total Public Shareholding(B)=(B)(1)+(B)(2)	1473480	895000	71.77	1370480	998000	71.77	--
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-
Grand Total(A+B+C)	1473480	1826520	100.00	1370480	1929520	100.00	-

LEAD FINANCIAL SERVICES LIMITED

(ii) Shareholding of Promoters

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 total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
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	-	161000	4.88	-	-
4	D.K. Bindal	4510	0.14	-	4510	0.14	-	-
5	Privy Capital Limited	184500	5.59	-	184500	5.59	-	-
6	LFS Services Private Limited	110000	3.33	-	110000	3.33	-	-
7	K C Gupta	20810	0.63	-	20810	0.63	-	-
8	Reni Gupta	6500	0.20	-	6500	0.20	-	-
9	Suman Bindal	60000	1.82	-	60000	1.82	-	-
	Total	931520	28.23	-	931520	28.23	-	-

(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	931520	28.23%	931520	28.23%
Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease	NO CHANGE			
At the End of the year	931520	28.23%	931520	28.23%

(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	
	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.	134760	4.084	-	-	-	134760	4.084
Sanjay Jasubhai Desai	131179	3.975	-	-	-	131179	3.975
Bhagwat Dass	129500	3.920	-	-	-	129500	3.920
Seema Bansal	108400	3.285	-	-	-	108400	3.285
Sudesh Gupta	103000	3.120	-	-	-	103000	3.120
Shalu Sharma	100000	3.030	-	-	-	100000	3.030
Ashish Sharma	94000	2.848	-	-	-	94000	2.848
Bijender Singh	82600	2.503	-	-	-	82600	2.503
Mundhwa Investment Limited	82000	2.485	-	-	-	82000	2.485

LEAD FINANCIAL SERVICES LIMITED

(v) Shareholding of Directors and Key Managerial Personnel:

For Each of the Directors and KMP	Shareholder's Name	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 Ms. Kusha Bindal	195200 161000	5.92 4.88	195200 161000	5.92 4.88
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease	N.A.				
At the End of the year	Mr. Padam Chandra Bindal Ms. Kusha Bindal	195200 161000	5.92 4.88	195200 161000	5.92 4.88

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Amount in Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	24,01,420	-	24,01,420
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	-	24,01,420	-	24,01,420
Change in Indebtedness during the financial year				
· Addition	-	-	-	-
· Reduction	-	24,01,420	-	24,01,420
Net Change	-	(24,01,420)	-	(24,01,420)
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Amount in Rs.)

Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
	MD	WTD	Manager Mr. Vijay Kumar	
Gross salary	---	---	2,20,000 p.a.	2,20,000 p.a.
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	---	---	---	---
Total	---	---	---	---
Ceiling as per the Act(in compliance with the provision of Schedule 'V' Part II Section II(A))	---	---	2,50,000 p.m.	2,50,000 p.m.

LEAD FINANCIAL SERVICES LIMITED

B Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
	Independent Directors	---	---	---	---	---
	<ul style="list-style-type: none"> Fee for attending board/committee meetings Commission Others, please specify 					
	Total (1)	---	---	---	---	---
	Other Non-Executive Directors					
	<ul style="list-style-type: none"> 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- (Amount in Rs.)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary (Ms. Suman)	CFO (Mr. Atul vaibhav)	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	---	3,60,000 p.a.	1,69,500 p.a.	5,29,500 p.a.
2	Stock Option	---	---	---	---
3	Sweat Equity	---	---	---	---
4	Commission - as % of profit - others, specify...	---	---	---	---
5	Others, please Specify	---	---	---	---
	Total	---	3,60,000 p.a.	1,69,500 p.a.	5,29,500 p.a.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

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	-	-	-	-	-

LEAD FINANCIAL SERVICES LIMITED

Annexure- 5

MANAGERIAL REMUNERATION:

The information required under section 197 of the Act read with rule 5(1) of the companies (Appointment and Remuneration of Managerial Personnel) Rule 2014 are given below :

(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;	Company Secretary - 20%
(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) 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

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.

**For and on behalf of the Board
For Lead Financial Services Limited**

Place : New Delhi
Date : 24.08.2020

**PADAM CHANDRA BINDAL
CHAIRMAN
DIN: 00004769**

**SUMAN BINDAL
DIRECTOR
DIN: 00030791**

LEAD FINANCIAL SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT

To the Members of LEAD FINANCIAL SERVICES LIMITED

Report on the audit of financial statements

Opinion

We have audited the accompanying financial statements of LEAD FINANCIAL SERVICES LIMITED (the 'Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and the notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, its loss, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Emphasis of matter

We draw your attention to Note 37 to the financial statements relating to carrying value of Loans and Investments as at March 31, 2020. As described in the Note, the carrying value of such Loans and Investments is subject to uncertainties related to the impact of Covid-19 pandemic.

Our opinion is not modified in respect of the above matter.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report and Management Discussion & Analysis, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

LEAD FINANCIAL SERVICES LIMITED

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting 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 adequate internal financial controls, 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- i. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for explaining our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

LEAD FINANCIAL SERVICES LIMITED

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 197(16) of the Act, we report that the Company has not paid any remuneration to its directors during the current year.
- 3) 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 Statement of Profit and Loss and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under Section 133 of the Act.
 - e) On the basis of written representations received from the directors as on 31 March, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
 - g) With respect to the other matters included in the Auditor's Report and to the best of our information and according to the explanations given to us:
 - a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. – Refer Note 25 to the financial statements.
 - b. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
 - c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company;

LEAD FINANCIAL SERVICES LIMITED

- d. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2020.

For B G G & Associates
Chartered Accountants
F R N. 016874N

Place of Signature: New Delhi
Date: June 29, 2020

CA. Alok Kumar Bansal
Partner
M. No. 092854
UDIN: 20092854AAAACD3772

LEAD FINANCIAL SERVICES LIMITED

“Annexure A” to the Independent Auditors’ Report

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of LEAD FINANCIAL SERVICES LIMITED (“the Company”) of even date)

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) The fixed assets have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. To the best of our knowledge, no discrepancies have been noticed on such verification.
 - (c) As per the records and according to information and explanations given to us, title deeds of immovable properties are held in the name of the Company.
- ii. As explained to us, inventories have been verified by the management at regular intervals during the year. No discrepancy has been noticed on verification between the statements obtained from depository participants and the books records.
- iii. According to the Information and explanation 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 the Companies Act 2013. Accordingly, Clauses (a), (b) and (c) of sub Para iii of paragraph 3 of the Order are not applicable.
- iv. In our opinion and according to information and explanation given to us, the Company has not granted any loans or provided any guarantees or given any security or made any investments to which the provision of section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3 (iv) of the Order is not applicable.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from public to which the directives issued by Reserve Bank of India and provisions of sections 73 to 76 of the Companies Act, 2013, including rules framed there under, apply. Further, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any other tribunal.
- vi. The Company is a Non-Banking Finance Company. Hence, clause (vi) of the Order regarding compliance of maintenance of cost records under clause of sub section (1) of section 148 of the Companies Act, 2013 is not applicable to the Company.
- vii. (a) According to the books and records produced before us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees’ state insurance, income-tax, goods & services tax, cess and any other statutory dues with the appropriate authority, as applicable to it.
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at 31 March, 2020 for a period of more than six months from the date they became payable.
 - (b) According to the books and records produced before us, there are no dues of income tax or service tax or goods & service tax or cess which have not been deposited on account of any dispute.
- viii. According to the books of accounts and records of the Company, the Company has not taken any loan from any financial institutions or banks or debenture holders. Thus, this clause is not applicable to Company.
- ix. According to the information and explanations given to us and our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) or by way of term loan during the current financial year.

LEAD FINANCIAL SERVICES LIMITED

- X. Based on our audit procedures and on the basis of the information and explanations given to us, no fraud by the Company or by its officer or employees has been noticed or reported during the course of our audit.
- Xi. According to the books of accounts and records of the Company, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act 2013.
- Xii. According to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of paragraph 3 (xii) of the Order are not applicable to the Company.
- Xiii. Based on our audit procedure and according to the information and explanation given to us, all transactions with the related parties are in compliance with section 177 & section 188 of Companies Act-2013 and details of the same is disclosed in the financial statement as required by the applicable accounting standards.
- Xiv. Based on our audit procedures and on the basis of the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit.
- Xv. According to the books of accounts and records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him in compliance with provisions of Section 192 of Companies Act, 2013.
- Xvi. The Company is registered under section 45-IA of the Reserve Bank of India Act, 1934. A copy of such registration has been obtained.

For B G G & Associates
Chartered Accountants
F R N. 016874N

Place of Signature: New Delhi
Date: June 29, 2020

CA. Alok Kumar Bansal
Partner
M. No. 092854
UDIN: 20092854AAAACD3772

LEAD FINANCIAL SERVICES LIMITED

“Annexure B” to the Independent Auditor’s Report

(Referred to in paragraph 3 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of LEAD FINANCIAL SERVICES LIMITED (“the Company”) of even date).

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of LEAD FINANCIAL SERVICES LIMITED (“the Company”) as of 31 March, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

LEAD FINANCIAL SERVICES LIMITED

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B G G & Associates
Chartered Accountants
F R N. 016874N

Place of Signature: New Delhi
Date: June 29, 2020

CA. Alok Kumar Bansal
Partner
M. No. 092854
UDIN: 20092854AAAACD3772

LEAD FINANCIAL SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Lead Financial Services Limited

Additional Report as per Direction of RBI

As required by the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016, (the Directions) issued by the Reserve Bank of India in terms of sub-section (1A) of section 45MA of the Reserve Bank of India Act, 1934, we give the following statements on the matters specified in paragraphs 3 and 4 of the Directions-

1. The Company is engaged in the business of Non - Banking Financial institution as defined in section 45-I (a) of the RBI Act and meeting the Principal Business Criteria (Financial asset/ Income pattern) as laid down vide the Bank's press release dated April 08, 1999, and directions issued by DNBR. The Company has obtained a Certificate of Registration (CoR) from the Bank.
2. The Company is entitled to hold such CoR in terms of Principal Business Criteria (Financial asset/ Income pattern) as on March 31, 2020.
3. The Company is meeting the required net owned fund requirement as laid down in Master Direction - Non-Banking Financial Company - Non-Systemically Important Non-Deposit Taking Company (Reserve Bank) Directions, 2016.
4. The Board of Directors has passed a resolution for non - acceptance of any public deposits.
5. The Company has not received any public deposits during the financial year 2019-20.
6. The Company has duly complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Non-Banking Financial Company - Non-Systemically Important Non-Deposit Taking Company (Reserve Bank) Directions, 2016.

For B G G & Associates
Chartered Accountants
F R N. 016874N

Place of Signature: New Delhi
Date: June 29, 2020

CA. Alok Kumar Bansal
Partner
M. No. 092854
UDIN: 20092854AAAACD3772

LEAD FINANCIAL SERVICES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2020

(Amount in ₹ Lakhs)

Particulars	Note	As at 31st March, 2020	As at 31st March, 2019	As at 01st April, 2018
ASSETS				
I. Financial Assets				
(1) (a) Cash & Cash Equivalents	6	2.72	3.80	16.66
(b) Loans	7	32.30	32.30	32.31
(c) Securities for Trade	8	457.92	460.59	460.86
(d) Investments	9	1.47	28.79	29.13
	(A)	494.41	525.48	538.96
(2) Non-Financial Assets				
(a) Current Tax Assets (Net)	10(d)	1.74	4.63	4.09
(b) Deferred Tax Assets (Net)	10(a)	12.92	3.22	1.37
(c) Investment Property	11	210.20	210.20	210.20
(d) Property, Plant & Equipment	12	0.57	0.57	0.69
(e) Other Non-Financial Assets	13	285.89	285.09	285.02
	(B)	511.33	503.71	501.36
Total Assets		1005.73	1029.19	1040.32
II. LIABILITIES AND EQUITY				
(1) Financial Liabilities				
(a) Borrowings	14	-	24.01	20.00
(b) Other Financial Liabilities	15	3.98	0.89	1.30
	(A)	3.98	24.90	21.30
(2) Non-Financial Liabilities				
(a) Current Tax Liabilities (Net)	10(d)	-	-	8.57
(b) Other Non-Financial Liabilities	16	450.42	450.02	451.26
	(B)	450.42	450.02	459.83
(3) Equity				
(a) Equity Share Capital	17	330.00	330.00	330.00
(b) Other Equity	18	221.33	224.27	229.18
	(C)	551.33	554.27	559.18
Total Equity & Liabilities		1005.73	1029.19	1040.32

Summary of significant accounting policies 4

The accompanying notes are an integral part of the financial statements

As per our report of even date

For **B G G & Associates**
Chartered Accountants
Firm Registration No. 016874N

On behalf of the Board of Directors

(CA. Alok Kumar Bansal)
Partner
M.No.092854
Place : New Delhi
Date : June 29, 2020

P.C. Bindal
Chairman
DIN: 00004769

Atul Vaibhav
Chief Financial Officer

Sudesh Gupta
Chief Executive Officer

Suman
Company Secretary

LEAD FINANCIAL SERVICES LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

(Amount in ₹ Lakhs)

Particulars	Note No.	Year Ended 31st March, 2020	Year Ended 31st March, 2019
(I) Revenue from Operations			
(i) Interest Income	19	6.00	6.02
(ii) Dividend Income		0.06	0.06
Total Revenue from Operations		6.06	6.08
(II) Other Income	20	0.07	11.00
(III) Total Income (I+II)		6.13	17.08
(IV) Expenses			
(i) Finance Costs	21	2.89	1.13
(ii) Changes in Inventories of Stock-in-Trade	22	2.67	0.27
(iii) Employee Benefit Expenses	23	7.92	8.43
(iv) Depreciation and amortization expenses	12	-	0.11
(v) Other Expenses	24	10.47	13.32
Total Expenses (III)		23.95	23.26
(V) Profit/ (Loss) before tax (III-IV)		(17.83)	(6.18)
(VI) Tax Expense:			
(a) Current Tax		-	0.24
(b) Deferred Tax		(9.82)	(1.76)
(VII) Profit / (Loss) after tax (V-VI)		(8.01)	(4.67)
(VIII) Other Comprehensive Income (OCI)			
(i) Items that will not be reclassified to Profit or Loss			
(a) Change in fair value of FVOCI equity instruments		5.19	(0.34)
(b) Income Tax relating to these items		(0.11)	0.09
(ii) Items that will be reclassified to Profit or Loss		-	
Other Comprehensive Income (net of tax)		5.07	(0.25)
Total Comprehensive Income (VII+VIII)		(2.93)	(4.92)
Earnings Per Equity Share (par value Rs. 10 per share)			
Basic & Diluted		(0.24)	(0.14)
Summary of significant accounting policies	4		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For **B G G & Associates**
Chartered Accountants
Firm Registration No. 016874N

On behalf of the Board of Directors

(CA. Alok Kumar Bansal)
Partner
M.No.092854
Place : New Delhi
Date : June 29, 2020

P.C. Bindal
Chairman
DIN: 00004769

Atul Vaibhav
Chief Financial Officer

Sudesh Gupta
Chief Executive Officer

Suman
Company Secretary

LEAD FINANCIAL SERVICES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

(Amount in ₹ Lakhs)

Particulars	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
Cash Flow from Operating Activities		
Profit before Tax	(17.83)	(6.18)
<i>Adjustments for:</i>		
- Depreciation	-	0.11
- Finance Charges	2.89	1.13
Operating profit before Working Capital changes	(14.93)	(4.94)
Changes in Working Capital:		
Decrease/ (Increase) in Securities for Trade	2.67	0.27
Decrease/ (Increase) in Loans	-	0.01
Decrease/ (Increase) in Other Assets	2.09	(0.61)
(Decrease)/ Increase in Other Liabilities	3.49	(1.66)
Cash generated from /(used in) Operations	(6.68)	(6.94)
Income Tax Paid	-	(8.82)
Cash generated from /(used in) Operating Activities (A)	(6.68)	(15.75)
Cash Flow from Investing Activities		
Proceeds from Sale of Investments	32.51	-
Cash generated from /(used in) Investing Activities (B)	32.51	-
Cash Flow from Financing Activities		
Proceeds/(Repayment) from Short Term Borrowings	(24.01)	4.01
Finance Charges	(2.89)	(1.13)
Cash generated from /(used in) Financing Activities (C)	(26.90)	2.88
Net Increase/ (Decrease) in Cash & Cash Equivalents (A+B+C)	(1.08)	(12.87)
Cash & Cash Equivalents at the beginning of year	3.80	16.66
Cash & Cash Equivalents at the end of year (Note No.6)	2.72	3.80

- The above statement of cash flows has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.
- Previous year figures have been regrouped/ reclassified wherever necessary to conform to the current year classification.

The accompanying notes are an integral part of the financial statements

As per our report of even date

For **B G G & Associates**
Chartered Accountants
Firm Registration No. 016874N

On behalf of the Board of Directors

(CA. Alok Kumar Bansal)
Partner
M.No.092854
Place : New Delhi
Date : June 29, 2020

P.C. Bindal
Chairman
DIN: 00004769

Sudesh Gupta
Chief Executive Officer

Atul Vaibhav
Chief Financial Officer

Suman
Company Secretary

LEAD FINANCIAL SERVICES LIMITED

Statement of changes in Equity for the financial year ended 31st March, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

(a) Equity Share Capital	Note	Amount
As at 1st April, 2018		330.00
Changes in equity share capital during the year	17	-
As at 31st March, 2019		330.00
Changes in equity share capital during the year	17	-
As at 31st March, 2020		330.00

(b) Other Equity

	Reserves & Surplus			Other Comprehensive Income	Total
	General Reserve	Reserve Fund as per RBI Act	Retained Earnings	FVOCI-Equity Instruments	
Balance As at 01st April,2018	0.63	41.18	184.74	2.64	229.18
Profit/ (loss) for the year	-	-	(4.67)	-	(4.67)
Other comprehensive income/ (loss) (net of tax)	-	-	-	(0.25)	(0.25)
Transfer to Reserve Fund in terms of RBI Act	-	-	-	-	-
Balance as at 31st March,2019	0.63	41.18	180.07	2.39	224.27
Profit/ (loss) for the year	-	-	(8.01)	-	(8.01)
Other comprehensive income/ (loss) (net of tax)	-	-	5.62	(0.54)	5.07
Transfer to Reserve Fund in terms of RBI Act	-	-	-	-	-
Balance as at 31st March, 2020	0.63	41.18	177.68	1.84	221.33

Summary of significant accounting policies 4

The accompanying notes are an integral part of the financial statements

As per our report of even date

For **B G G & Associates**
Chartered Accountants
Firm Registration No. 016874N

On behalf of the Board of Directors

(CA. Alok Kumar Bansal)
Partner
M.No.092854
Place : New Delhi
Date : June 29, 2020

P.C. Bindal
Chairman
DIN: 00004769

Atul Vaibhav
Chief Financial Officer

Sudesh Gupta
Chief Executive Officer

Suman
Company Secretary

LEAD FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

1. Corporate Information

Lead Financial Services Limited ("the Company") is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is a Non-Banking Finance Company registered with Reserve Bank of India and engaged in (i) providing loans and various financial services to its clients and (ii) making investments.

The registered office of the Company is located at 101 Sitaram Mansion, 718/21 Joshi Road, Karol Bagh, New Delhi-110005.

2. Basis of Preparation

In accordance with the notification issued by the Ministry of Corporate Affairs, with effect from 1 April 2019 the Company has adopted Indian Accounting Standards (referred to as "Ind AS" notified under the Companies (Indian Accounting Standards) Rules, 2015. Previous period numbers in the financial statements have been restated to Ind AS.

In accordance with Ind AS 101 – First Time Adoption of Indian Accounting Standard, the Company has presented a reconciliation of the financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of shareholders' equity as at 31 March 2019 and 1 April 2018 being the transition date and of the total comprehensive income for the year ended 31 March 2019.

These financial statements have been prepared in accordance with Ind AS 1 – Presentation of Financial Statements as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

The financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and financial liabilities which are measured at fair value/ amortized cost (Refer accounting policy regarding financial instruments).

Accounting policies have been consistently applied except where newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These financial statements are the Company's first Ind AS financial statements. The Company's financial statements are presented in Indian Rupees, which is also its functional currency and values are rounded to nearest lakhs, except when otherwise indicated.

These financial statements are approved for issue by the Board of Directors on June 29, 2020.

3. Use of Estimates

The preparation of the financial statements in conformity with Ind AS requires that management make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and the income and expense for the reporting period. The actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The Company makes certain judgments and estimates for valuation and impairment of financial instruments, useful life of property, plant and equipment and investment property and deferred taxes. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

4. Significant Accounting Policies

a. Property, Plant & Equipment

Property plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount.

All property, plant and equipment are initially recorded at cost. Cost comprises acquisition cost, borrowing cost if capitalization criteria are met, and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefit associated with these will flow with the Company and the cost of the item can be measured reliably.

Depreciation on property, plant and equipment is provided on written down value basis over the estimated useful life as prescribed in Schedule II of the Companies Act, 2013. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each reporting date and adjusted prospectively, if appropriate.

LEAD FINANCIAL SERVICES LIMITED

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of 1 April, 2018 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

b. Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and wherever applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Depreciation on investment properties is calculated using the straight-line method (SLM) to allocate their cost, net of their residual values, over their estimated useful lives, as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of derecognition.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment properties recognised as of 1 April, 2018 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

c. Revenue Recognition

(i) Under Ind AS 109, Interest Income is recorded using the Effective Interest Rate (EIR) method for all financial instruments measured at amortised cost, debt instruments measured at fair value through other comprehensive Income (FVOCI) and debt instruments designated at fair value through profit & loss (FVTPL). The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

(ii) Income from trading in securities comprises profit/ loss on sale of securities held as stock in trade. Profit/ loss on sale of securities is determined based on the First-in-First-Out ('FIFO') cost of the securities sold and are accounted for on the trade date of transaction.

(iii) Dividend income (including from FVOCI investments) is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

(iv) Other income and expenses are accounted for on accrual basis.

d. Securities for trade

Securities for trade are classified as financial assets in accordance with IND AS on Financial Instruments, hence recognized and measured at fair value (FVTPL) with the corresponding debit/ credit in Statement of Profit & Loss.

e. Borrowings

Borrowings are initially recognized at net of transaction costs incurred and measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the Statement of Profit and Loss over the period of the borrowings using the Effective Interest Rate (EIR) method.

LEAD FINANCIAL SERVICES LIMITED

f. Provisions

Provision is recognized when an enterprise has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on management estimates required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at the balance sheet date and adjusted to reflect the current management estimates.

g. Borrowing Costs

Borrowing costs include interest expense as per the EIR and other costs incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of those property, plant & equipment which necessarily take a substantial period of time to get ready for their intended use are capitalized. Other borrowing costs are recognized as an expense in the year in which they are incurred.

h. Operating Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a Lessee

The Company applies the short-term lease recognition exemption to its short-term leases of office spaces (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

As a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms.

i. Tax Expenses

Income Taxes

The income tax expense comprises current and deferred tax incurred by the Company. Income tax expense is recognized in the income statement except to the extent that it relates to items recognized directly in equity or OCI, in which case the tax effect is recognized in equity or OCI. Income tax payable on profits is based on the applicable tax laws in each tax jurisdiction and is recognized as an expense in the period in which profit arises.

Current Income Tax

Current tax is the expected tax payable/receivable on the taxable income/ loss for the year using applicable tax rates at the Balance Sheet date, and any adjustment to taxes in respect of previous years.

Deferred Tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purpose and the amounts for tax purposes.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized, for all deductible temporary differences, to the extent it is probable that future taxable profits will be available against which deductible temporary differences can be utilized. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The tax effects of income tax losses, available for carry forward, are recognized as deferred tax asset, when it is probable that future taxable profits will be available against which these losses can be set-off.

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j. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

i. Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost, if both the following conditions are met:

- a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b. Contractual terms of the asset that give rise on specified dates to

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

ii. Debt instruments at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b. The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii. Debt instruments at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

iv. Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's combined balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Company recognises loss allowances for ECLs on the following financial instruments that are not measured at FVTPL:

- Loans and advances to customers;
- Debt investment securities; and
- Trade and other receivables;

ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition (and consequently for credit impaired financial assets). For all other financial instruments, ECLs are measured at an amount equal to the 12 month ECL.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Company under the contract and the cash flows that the Company expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's EIR.

The Company measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables and borrowings, etc.

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Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

i. Financial liabilities at FVTPL

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

ii. Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

k. Impairment of Non-Financial Assets

The Company assesses at the reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses are recognised in statement of profit and loss.

l. Cash & Cash Equivalents

For the purpose of presentation in statement of cash flow, cash and cash equivalents include cash on hand, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value.

m. Dividends

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

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n. Earnings Per Share

Basic earnings per share is calculated by dividing the profit attributable to the shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share is calculated by dividing the profit attributable to the shareholders of the Company (after adjusting the corresponding income/ charge for dilutive potential equity shares, if any) by the weighted average number of equity shares outstanding during the financial year plus the weighted average number of additional equity shares that would have been issued on conversion of all the dilutive potential equity shares.

5. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

		As at		
		31.03.2020	31.03.2019	01.04.2018
6	Cash & Cash Equivalents			
	Cash on hand	0.42	0.80	1.27
	Balances with Banks in current accounts	2.29	3.00	15.39
		2.72	3.80	16.66
7	Loans			
	(Carried at Fair Value through Amortised Cost)			
(A)	Inter-Corporate Loans	32.43	32.43	32.44
	Less: Impairment Loss Allowance	0.13	0.13	0.13
	Total (A)	32.30	32.30	32.31
(B)	Out of above			
	Secured by Tangible Assets	-	-	-
	Unsecured	32.43	32.43	32.44
	Less: Impairment Loss Allowance	0.13	0.13	0.13
	Total (B)	32.30	32.30	32.31
(C)	Out of above			
(i)	Loans in India			
	- Public Sector	-	-	-
	- Others	32.43	32.43	32.44
	Less: Impairment Loss Allowance	0.13	0.13	0.13
	Sub-Total (i)	32.30	32.30	32.31
(ii)	Loans Outside India	-	-	-
	Less: Impairment Loss Allowance	-	-	-
	Sub-Total (ii)	-	-	-
	Total (C)	32.30	32.30	32.31
	Stage-wise breakup of Loans			
	Stage-1: Low Credit Risk	32.30	32.30	32.31
	Stage-2: Significant Increase in Credit Risk	-	-	-
	Stage-3: Credit Impaired	-	-	-
	Total	32.30	32.30	32.31
8	Securities for Trade			
	(Valued at Fair Value through Profit & Loss)			
	Inventories of Shares/ Securities	457.92	460.59	460.86
		457.92	460.59	460.86

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9	Investments			
	(At fair value through other comprehensive income)			
	- Investments in Mutual Funds	1.34	1.74	1.61
	- Investments in Equity Instruments	0.13	27.06	27.52
	Less: Impairment Loss Allowance	-	-	-
	Total	1.47	28.79	29.13
	Out of above			
	Investments in India	1.47	28.79	29.13
	Investments Outside India	-	-	-
	Less: Impairment Loss Allowance	-	-	-
	Total	1.47	28.79	29.13
10				
(a)	Deferred Tax Assets/ (Liabilities)			
	Deferred Tax Assets			
	Property, plant & equipment: impact of difference between tax depreciation and depreciation for financial reporting	0.21	0.27	0.31
	Brought forward losses	11.68	1.80	-
	MAT Credit Entitlement	1.98	1.98	1.98
	Deferred Tax Liabilities			
	Impact of Fair Value of Financial Instruments	(0.95)	(0.84)	(0.93)
	Deferred Tax Assets (Net)	12.92	3.22	1.37
(b)	Reconciliation of movement in Deferred Tax Assets (Net)			
		As at		
		31.03.2020	31.03.2019	
	Opening Deferred Tax Assets/ (Liabilities)	3.22	1.37	
	Deferred tax credit/ (charge) recorded in statement of profit & loss	9.82	1.76	
	Deferred tax credit/ (charge) recorded in OCI	(0.11)	0.09	
	Closing Deferred Tax Assets/ (Liabilities)	12.92	3.22	
(c)	Reconciliation of Tax Expense recognised in the statement of profit & loss			
		For the Year Ended		
		31.03.2020	31.03.2019	
	Accounting profit/ (loss) before income tax	(17.83)	(6.18)	
	At India's statutory income tax rate	(4.63)	(1.61)	
	Tax Effect of Brought Forward Losses	(7.04)	-	

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	Current income tax of previous years	-	0.24	
	Others	1.86	(0.15)	
		(9.82)	(1.52)	
(d)	Current Tax Assets & Liabilities			
	Current Tax Assets (Net)	1.74	4.63	4.09
	Current Tax Liabilities (Net)	-	-	8.57

11 Investment Property

Particulars		
Cost as at 01st April,2018		210.20
Addition during the year		-
Deletion during the year		-
As at 31st March, 2019		210.20
Addition during the year		-
Deletion during the year		-
As at 31st March, 2020		210.20
Accumulated Depreciation		
As at 01st April,2018		-
Charge during the year		-
Disposals / adjustments during the year		-
As at 31st March, 2019		-
Charge during the year		-
Disposals / adjustments during the year		-
As at 31st March, 2020		-
Net Block Value		
As at 01st April, 2018		210.20
As at 31st March, 2019		210.20
As at 31st March, 2020		210.20

(i) **Notes:**
Disclosures relating to fair valuation of Investment Property
Fair Value of Investment Property

Particulars		
As at 01st April, 2018		450.00
As at 31st March, 2019		450.00
As at 31st March, 2020		450.00

These values are based on valuations performed by management. Resulting fair value estimates for Investment Property are included in Level 3.

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(ii) **Amount recognised in Statement of Profit & Loss for Investment Property**

Particulars

Year ended 31st March, 2019	-
Year ended 31st March, 2020	-

(iii) Investment Property have been mortgaged as security with banks against specific term loans taken by others.

(iv) Investment Property has been measured at the lower of carrying amount and fair value, and accordingly, no depreciation has been charged on such Investment Property.

12 Property, Plant & Equipments

Particulars	Computers	Furniture & Fixtures	Office Equipments	Total
Cost as at 01st April,2018	0.30	14.61	2.40	17.31
Addition during the year	-	-	-	-
Deletion during the year	-	-	-	-
As at 31st March, 2019	0.30	14.61	2.40	17.31
Addition during the year	-	-	-	-
Deletion during the year	-	-	-	-
As at 31st March, 2020	0.30	14.61	2.40	17.31
Accumulated Depreciation				
As at 01st April,2018	0.17	14.17	2.28	16.63
Charge during the year	0.11	-	-	0.11
Disposals / adjustments during the year	-	-	-	-
As at 31st March, 2019	0.28	14.17	2.28	16.74
Charge during the year	-	-	-	-
Disposals / adjustments during the year	-	-	-	-
As at 31st March, 2020	0.28	14.17	2.28	16.74
Net Block Value				
As at 31st March, 2020	0.01	0.44	0.12	0.57
As at 31st March, 2019	0.01	0.44	0.12	0.57
As at 01st April,2018	0.13	0.44	0.12	0.69

Note:

No depreciation has been charged during the current financial year considering that the entire depreciable amount of these property, plant & equipments has already been charged as depreciation in earlier years.

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13	Other Non-Financial Assets			
	Capital Advances	285.00	285.00	285.00
	Balances with statutory authorities	0.89	0.09	-
	Other recoverable	-	-	0.02
		<u>285.89</u>	<u>285.09</u>	<u>285.02</u>
14	Borrowings			
	(other than debt securities)			
(I)	In India			
	Measured at amortised cost:			
	Inter Corporate Loans	-	24.01	20.00
		<u>-</u>	<u>24.01</u>	<u>20.00</u>
	Outside India	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>
(II)	Out of above			
	Secured	-	-	-
	Un-Secured	-	24.01	20.00
		<u>-</u>	<u>24.01</u>	<u>20.00</u>
15	Other Financial Liabilities			
	Expenses Payable	3.98	0.89	1.30
		<u>3.98</u>	<u>0.89</u>	<u>1.30</u>
16	Other Non-Financial Liabilities			
	Advances Received	450.00	450.00	450.00
	Statutory Liabilities	0.42	0.02	1.26
		<u>450.42</u>	<u>450.02</u>	<u>451.26</u>

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17 Equity Share Capital

Authorised

35,00,000 (31 March, 2019: 35,00,000) (1 April, 2018: 35,00,000) Equity Shares of Rs.10/- each 350.00 350.00 350.00

Issued, subscribed and fully paid-up:

33,00,000 (31 March, 2019: 33,00,000) (1 April, 2018: 33,00,000) Equity Shares of Rs.10/- each fully paid-up 330.00 330.00 330.00

(a) Reconciliation of the shares outstanding at the beginning & end of the year

		31-Mar-20	
		No.	₹ Lakhs
Equity Shares			
At the beginning of the Year		3,300,000	330.00
Issued during the Year		-	-
Outstanding at the end of the Year		3,300,000	330.00
		31-Mar-19	
		No.	₹ Lakhs
Equity Shares			
At the beginning of the Year		3,300,000	330.00
Issued during the Year		-	-
Outstanding at the end of the Year		3,300,000	330.00

(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.

		31-Mar-20	
		No.	% holding
Equity Shares of Rs. 10 each fully paid up			
P. C. Bindal		195,200	5.92
Manushree Bindal		189,000	5.73
Privy Capital Limited		184,500	5.59
		568,700	17.23

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	31-Mar-19	
	No.	% holding
Equity Shares of Rs. 10 each fully paid up		
P. C. Bindal	195,200	5.92
Manushree Bindal	189,000	5.73
Privy Capital Limited	184,500	5.59
	568,700	17.23
	1-Apr-18	
	No.	% holding
Equity Shares of Rs. 10 each fully paid up		
P. C. Bindal	195,200	5.92
Manushree Bindal	189,000	5.73
Privy Capital Limited	184,500	5.59
	568,700	17.23

- (d) **Other details of Equity Shares for a period of five years immediately preceding 31st March 2020**
The Company has not issued any bonus shares for consideration other than cash nor there been any buyback of shares during the years immediately preceding 31 March 2020.

18 Other Equity *

(i)	Retained Earnings	177.68	180.07	184.74
	Other Reserves			
(ii)	Statutory Reserve (Reserve Fund)	41.18	41.18	41.18
(iii)	General Reserve	0.63	0.63	0.63
(iv)	Other Comprehensive Income	1.84	2.39	2.64
		221.33	224.27	229.18

Nature & Purpose of Other Equity

- (i) Retained Earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve.
- (ii) Statutory Reserve (Reserve Fund): Reserve fund is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934 as a statutory reserve.
- (iii) General Reserve: Amounts set aside from retained earnings as a reserve to be utilised for permissible general purpose as per Law.
- (iv) Other Comprehensive Income: Other comprehensive income consists of gain/ (loss) of equity instruments carried through FVTOCI.

* For movements during the period refer Statement of Changes in Equity.

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		For the Year Ended	
		31.03.2020	31.03.2019
19	Interest Income		
	(on financial assets measured at amortised cost)		
	Interest on Loans	6.00	6.02
		6.00	6.02
20	Other Income		
	Interest on Income Tax Refunds	0.07	-
	Others	-	11.00
		0.07	11.00
21	Finance Costs		
	Interest Expense	2.88	1.12
	Bank Charges	0.01	0.01
		2.89	1.13
22	Changes in Inventories of Stock-in-Trade		
	<i>Inventories at the beginning of the year</i>		
	Inventories of Shares/ Securities	460.59	460.86
	<i>Inventories at the end of the year</i>		
	Inventories of Shares/ Securities	457.92	460.59
	Changes in Inventories of Stock-in-Trade	2.67	0.27
23	Employee Benefit Expense		
	Salaries, wages & incentives	7.80	8.24
	Staff Welfare Expenses	0.13	0.19
		7.92	8.43
24	Other Expenses		
	Rent	3.60	3.60
	Repair & Maintenance	0.71	1.73
	Communication Expenses	0.04	0.05
	Printing and Stationery	0.11	0.15
	Fee & Subscription	3.70	3.23
	Professional & Legal Expenses	1.34	3.36
	Auditors' Remuneration@	0.25	0.25
	Travelling & Conveyance	0.10	0.13
	Insurance Charges	-	0.02

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	Advertisement & Business Promotion Expenses	0.53	0.54
	General and Miscellaneous Expenses	0.04	0.10
	Bad debts / Balance written off	-	0.06
	Donation	0.05	0.10
		10.47	13.32
@	Payment to auditor (net of GST ITC availed)		
	Audit Fees	0.25	0.25
		0.25	0.25
25	Contingent Liabilities		
	Contingent Liabilities in respect of Guarantees given in respect of loan taken by others, is limited to investment property mortgaged having book value of Rs. 210.20 Lakhs only and subject to adjustment of realizations. The proceedings in respect of matters under litigation are in early stage. Impact of the above will be considered as and when arises.		
26	Capital Commitments		
	Estimated amount of contracts remaining to be executed on capital accounts (net of advances) Rs. NIL Lakhs (31 March, 2019: Rs. 665 Lakhs) (1 April, 2018: Rs. 665 Lakhs)		
27	No provision has been made for Gratuity as no employee has completed qualifying period of service.		
28	Amounts due to Micro & Small enterprises under MSMED Act, 2006 is Rs. Nil (31st March 2019: Rs. Nil, 1st April 2018: Rs. Nil). In the absence of information about registration of such enterprises under the said Act, the details of dues to Micro & Small Enterprises have been furnished to the extent such parties have been identified by the Company based on information made available by them.		
29	Earnings Per Share		
	Basic earnings Per Share (EPS) is calculated by dividing the net profit for the year attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the year. Diluted EPS is calculated by dividing the net profit for the year attributable to the equity shareholders of the company by weighted average number of equities shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.		

	For the year ended	
	31st March, 2020	31st March, 2019
Net Profit attributable to equity shareholders		
Net profit/ (loss) for the year	(8.01)	(4.67)
Nominal value of equity share (INR)	10.00	10.00
Total number of equity share outstanding at the beginning of the year	3,300,000	3,300,000
Total number of equity share outstanding at the end of the year	3,300,000	3,300,000
Weighted average no of equity shares	3,300,000	3,300,000
Basic EPS (Rs.)	(0.24)	(0.14)
Nominal value of equity share (INR)	10.00	10.00
Weighted average no of equity shares used for calculating diluted earning per share	3,300,000	3,300,000
Diluted EPS (Rs.)	(0.24)	(0.14)

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30 Segment Information

The Company is engaged primarily in the business of financing and investments and accordingly, there are no separate reportable segments as per Ind AS 108 dealing with Operating Segments.

31 Leases

The Company has entered into leases with a lease term of 12 months or less, and has accordingly used the recognition and measurement exemption provided by Ind AS 116 for short-term leases (less than a year).

32 Related Party Disclosures

In accordance with the requirements of Indian Accounting Standard (Ind AS) - 24 'Related Party Disclosures' the names of the related parties where control exists/ able to exercise significant influence along with the aggregate transactions and year end balance with them as identified by the management in the ordinary course of business and on arms' length basis are given below:

(a) List of Related Parties

Name of Related Party	Relationship
Mr. Vijay Kumar	Manager (KMP)
Ms. Suman	Company Secretary(KMP)
Mr. Atul Vaibhav	Chief Financial Officer (KMP) (w.e.f. 23-04-2019)

(b) Transactions with related parties:-

Disclosure of transactions between the Company & related parties & the status of outstanding balance as on 31st March, 2020 & 31st March, 2019:

Relationship	Nature	For the year ended	
		31st March, 2020	31st March,2019
Key Managerial Personnel	Remuneration	7.80	5.17

(c) Outstanding credit balance at the year end with related parties

Key Management Personnel (KMP)	0.45	0.50
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33 Fair Value Measurement & hierarchy

(a) Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

(b) All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows based on the lowest level input that is significant to the fair value measurement as whole. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used as under:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices, for example listed equity instruments, traded bonds and mutual funds that have quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable the instrument is included in Level 2.

However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

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Financial Instruments by category & hierarchy

Financial Assets

Amortised Cost	Level	As at 31st March, 2020	As at 31st March, 2019	As at 01st April, 2018
Cash & Cash Equivalents		2.72	3.80	16.66
Loans		32.30	32.30	32.31
Fair Value Through Profit & Loss				
Securities for Trade	Level -1 & Level-3	457.92	460.59	460.86
Fair Value Through OCI				
Investments	Level -1	1.47	28.79	29.13
Total		494.41	525.48	538.96

Financial Liabilities

Amortised Cost

Borrowings		-	24.01	20.00
Other Financial Liabilities		3.98	0.89	1.30
Total		3.98	24.90	21.30

Assets disclosed at fair value

Investment Property	Level-3	450.00	450.00	450.00
Total		450.00	450.00	450.00

The carrying amounts of other financial liabilities, borrowings, loans, and cash and cash equivalents, as at 31st March, 2020, 31st March, 2019 and 1st April, 2018 are considered to be the same as fair values, due to their short-term nature.

- (c) During the year ending 31st March, 2020, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

34 Financial Risk Management

Financial risk management objective & policies

The Company is a Non-Banking Finance Company. Its principal financial liabilities comprise borrowings and trade and other payables. The main purpose of these financial liabilities is to finance and support the Company's operations. The Company's principal financial assets include inter corporate deposits, loans, investments, cash and cash equivalents and other receivables.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management looks after the management of these risks. The Company's senior management is responsible to ensure that Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

(i) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk. Financial instruments affected by market risk include loans & borrowings, inventories & Investments.

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(a) **Interest Rate Risk**

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates primarily relates to the Company's long-term debt obligations with floating interest rates. The Company's policy is to manage its interest cost using a mix of fixed & floating rate borrowings.

(b) **Price Risk**

The Company is mainly exposed to the price risk due to its Investments in equity instruments, preference instruments and debt instruments and classified in balance sheet at fair value through profit & loss. The price risk arises due to uncertainties about the future market values of these Instruments. The Company has laid down policies & guidelines which it adheres to in order to minimise price risk from these Instruments.

(c) **Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company does not have any foreign currency exposure during the current year as well as in previous financial years and hence, no Foreign Currency Risk.

(ii) **Credit Risk**

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits. The Company also exposed to credit risk from deposits with banks and other financial instruments.

Credit risk is monitored by the management. It is their responsibility to review and manage credit risk. The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. Counterparty limits are established by the use of a credit risk classification system, which assigns each counterparty a risk rating. Risk ratings are subject to regular revision. The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

The Company classifies its financial assets in three stages having the following characteristics:

Stage 1: unimpaired and without significant increase in credit risk since initial recognition on which a 12-month allowance for ECL is recognised;

Stage 2: a significant increase in credit risk since initial recognition on which a lifetime ECL is recognised; and

Stage 3: objective evidence of impairment, and are therefore considered to be in default or otherwise credit impaired on which a lifetime ECL is recognised.

Unless identified at an earlier stage, all financial assets are deemed to have suffered a significant increase in credit risk when they are 30 days past due (DPD) or one instalment overdue on the reporting date and are accordingly transferred from stage 1 to stage 2. For stage 1 an ECL allowance is calculated based on a 12-month point in time (PIT) probability weighted probability of default (PD). For stage 2 and 3 assets a life time ECL is calculated based on a lifetime PD.

(iii) **Liquidity Risk**

Liquidity risk is the risk that the Company may encounter difficulty in meeting its present and future obligations associated with financial liabilities that are required to be settled by delivering cash or another financial asset.

Company monitors their risk of shortage of funds using cash flow forecasting models. These models consider the maturity of their financial investments, committed funding and projected cash flows from operations.

The Company's objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner. A balance between continuity of funding and flexibility is maintained through the use of borrowings. The Company also monitors compliance with its debt covenants.

The tables below summarise the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

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	Carrying Amount	Payable on Demand	Payable		Total
			0-1 Year	After one year	
As at 31st March,2020					
Borrowings	-	-	-	-	-
Other Financial Liabilities	3.98	-	3.98	-	3.98
	<u>3.98</u>	<u>-</u>	<u>3.98</u>	<u>-</u>	<u>3.98</u>

	Carrying Amount	Payable on Demand	Payable		Total
			0-1 Year	After one year	
As at 31st March,2019					
Borrowings	24.01	-	24.01	24.01	48.03
Other Financial Liabilities	0.89	-	0.89	-	0.89
	<u>24.90</u>	<u>-</u>	<u>24.90</u>	<u>24.01</u>	<u>48.92</u>

	Carrying Amount	Payable on Demand	Payable		Total
			0-1 Year	After one year	
As at 01st April,2018					
Borrowings	20.00	-	20.00	-	20.00
Other Financial Liabilities	1.30	-	1.30	-	1.30
	<u>21.30</u>	<u>-</u>	<u>21.30</u>	<u>-</u>	<u>21.30</u>

35 Capital Management

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company's capital management aims to ensure that it maintains a stable capital structure with the focus on total equity to uphold investor, creditor, and customer confidence and to ensure future development of its business.

The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments. The funding requirements are met through a mixture of equity, internal fund generation and Current and Non- Current borrowings.

36 First Time Adoption of Indian Accounting Standards

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April, 2019, with a transition date of 1st April,2018. These financial statements for the year ended 31st March,2020 are the first financial statements of the Company prepared under Ind AS. For all the periods upto & including the year ended 31st March,2019, the Company prepared it's financial statements in accordance with accounting standards notified under section 133 of the Companies Act,2013 read together with paragraph 7 of Companies (Accounts) Rules,2014 ('Previous GAAP').

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First time adoption of Indian Accounting Standards. Ind AS-101 requires that all Ind AS Standards & interpretations that are issued & effective for the first Ind AS financial statements be applied retrospectively & consistently for all the financial years presented. Accordingly the Company has prepared financial statements which comply for the year ended 31st March,2020 together with the comparatives as at and for the year ended 31st March,2019 & and the opening Ind AS balance sheet as at 1st April,2018, the date of transition to Ind AS.

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In preparing these Ind AS Financial statements, the Company has availed certain exemptions & exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets & liabilities in the financial statements as at the transition date under Ind AS & Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity).

This note explains the principal adjustments made by the Company in restating its Previous GAAP financial statements, including the balance sheet as at 1 April 2018 and 31 March 2019 and statement of profit and loss for the year ended 31 March 2019.

(a) Ind AS optional exemptions availed:

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has availed the following exemptions:

(i) Deemed Cost

The Company has elected to continue with the carrying value of all of its property, plant and equipment and investment property as recognised in the financial statements as at the date of transition to Ind AS, measured as per previous GAAP and used it as its deemed cost at the date of transition.

(b) Ind AS mandatory exceptions:

The Company has adopted the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101:

(i) Estimates

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

(ii) Classification and measurement of financial assets

The classification of financial assets to be measured either at amortised cost or fair value through other comprehensive income or fair value through P&L are made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

(c) Transition to Ind AS-Reconciliation

The following reconciliations provide the explanations and quantification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:

(i) Reconciliation of Balance Sheet as at 1st April,2018

(ii) Reconciliation of Balance Sheet as at 31st March,2019

(iii) Reconciliation of Total Comprehensive Income for the year ended 31st March,2019

(iv) Reconciliation of Other Equity as at 1st April,2018 & 31st March,2019

(i) Reconciliation of Balance Sheet as at 1st April,2018

	Notes No	Previous GAAP *	Ind AS adjustments	Ind AS
Assets				
Financial Assets				
(a) Cash & Cash Equivalents		16.66	-	16.66
(b) Loans		32.31	-	32.31
(c) Securities for Trade		460.86	-	460.86
(d) Investments	(a)	25.57	3.56	29.13
Total		535.40	3.56	538.96

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Non-Financial Assets				
(a) Current Tax Assets (Net)		4.09	-	4.09
(b) Deferred Tax Assets (Net)	(b)	2.29	(0.93)	1.37
(c) Investment Property		210.20	-	210.20
(d) Property, Plant & Equipment		0.69	-	0.69
(f) Other Non-Financial Assets		285.02	-	285.02
Total		502.28	(0.93)	501.36
Total Assets				
		1,037.68	2.63	1,040.32
Liabilities & Equity Liabilities				
Financial Liabilities				
(a) Borrowings		20.00	-	20.00
(b) Other Financial Liabilities		1.30	-	1.30
Total		21.30	-	21.30
Non-Financial Liabilities				
(a) Current Tax Liabilities (Net)		8.57	-	8.57
(b) Other Non-Financial Liabilities		451.26	-	451.26
Total		459.83	-	459.83
Equity				
(a) Equity Share Capital		330.00	-	330.00
(b) Other Equity	(c)	226.55	2.63	229.18
Total		556.55	2.63	559.18
Total		1,037.68	2.63	1,040.32
(ii) Reconciliation of Balance Sheet as at 31st March, 2019				
Assets				
Financial Assets				
(a) Cash & Cash Equivalents		3.80	-	3.80
(b) Loans		32.30	-	32.30
(c) Securities for Trade		460.59	-	460.59
(d) Investments	(a)	25.57	3.23	28.79
Total		522.26	3.23	525.48

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Non-Financial Assets				
(a) Current Tax Assets (Net)		4.63	-	4.63
(b) Deferred Tax Assets (Net)	(b)	4.05	(0.84)	3.22
(c) Investment Property		210.20	-	210.20
(d) Property, Plant & Equipment		0.57	-	0.57
(f) Other Non-Financial Assets		285.09	-	285.09
Total		504.55	(0.84)	503.71
Total Assets				
		1,026.80	2.39	1,029.19
Liabilities & Equity Liabilities				
Financial Liabilities				
(a) Borrowings		24.01	-	24.01
(b) Other Financial Liabilities		0.89	-	0.89
Total		24.90	-	24.90
Non-Financial Liabilities				
(a) Current Tax Liabilities (Net)		-	-	-
(b) Other Non-Financial Liabilities		450.02	-	450.02
Total		450.02	-	450.02
Equity				
(a) Equity Share Capital		330.00	-	330.00
(b) Other Equity	(c)	221.88	2.39	224.27
Total		551.88	2.39	554.27
Total				
		1,026.80	2.39	1,029.19
(d) Reconciliation of Total Comprehensive Income for the year ended 31st March, 2019				
			Year ended	
			31st March,	
			2019	
Net Profit/ (Loss) after tax as reported under Previous GAAP			(4.67)	
Adjustments increasing/(decreasing) Net (Profit/ (Loss) after tax as reported under Previous GAAP:			-	
Net Profit/ (Loss) after tax as per Ind AS			(4.67)	
Other Comprehensive Income (net of tax)			(0.25)	
Total Comprehensive Income			(4.92)	

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(e) Reconciliation of Other Equity	As at 31st March,2019	As at 01st April,2018
Other Equity as per Previous GAAP	221.88	226.55
Adjustment increasing/(decreasing) Other Equity as reported under previous GAAP:		
- Fair value change on financial assets at fair value through other comprehensive income (net of tax)	2.39	2.63
Other Equity as per Ind AS	224.27	229.18

* The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements i.e. basis Division III of schedule III for the purpose of this note. After reclassification, effect has been given for transition adjustments.

Footnotes to the reconciliation of equity as at 1 April 2018 and 31 March 2019 and Total Comprehensive Income for the year ended 31 March 2019.

(a) **Investments**
Under the Previous GAAP, the Company had accounted for long term investments measured at cost less provision for other than temporary diminution in the value of investments, Current investments were carried at lower of cost and fair value. Under Ind AS, the Company has designated investments at fair value through other comprehensive income (FVOCI) resulting fair value changes of the investments is recognised in equity as at the date of transition and subsequently in the OCI for the year ended 31st March, 2019.

(b) **Deferred Tax**
Previous GAAP requires deferred tax accounting using the statement of profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, the various transitional adjustments have lead to temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

(i) **Other Equity**
Other Equity as at 1st April,2018 & 31st March,2019 has been adjusted consequent to the above mentioned Ind AS transition adjustments.

37 Given the dynamic nature of the Covid-19 pandemic situation, the carrying value of the Company's Loans & Investments as at March 31, 2020, may be affected by the severity and duration of the outbreak. However the Company believes that it has taken into account all the possible impact of known events arising out of COVID 19 pandemic in the preparation of financial statements.

The extent to which Covid-19 pandemic will impact the Company's operations and financial statements is dependent on future developments, which are highly uncertain.

38 The Company has not given any loans and advances in the nature of loans and advances required to be disclosed pursuant to Regulation 53 (f) read with Para A of Schedule V to SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

39 Earning and Expenditure in Foreign Currency

	For the year ended	
	31st March,2020	31st March,2019
Earnings	-	-
Expenditure	-	-

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40 Disclosures in terms of RBI Notification RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 Dt. April 17, 2020:

(a) SMA/overdue categories, where the moratorium/deferment was extended NIL
 (b) Asset classification benefit extension NIL

41 Disclosures in terms of RBI Notification RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 Dt. March 13, 2020:

Asset Classification as per RBI Norms	Asset Classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions Required as per IRACP norms	Difference between Ind AS 109 Provisions & IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
A Performing Assets						
Standard	Stage 1	32.43	-	32.43	0.13	-
	Stage 2	-	-	-	-	0.13
Sub-Total		32.43	-	32.43	0.13	0.13
B Non-Performing Assets (NPA)						
Sub-Standard	Stage 3	-	-	-	-	-
Doubtful	Stage 3	-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Sub-Total		-	-	-	-	-
C Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms						
Sub-Total	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
	Stage 1	-	-	-	-	-
Total	Stage 1	32.43	-	32.43	0.13	0.13
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
	Total	32.43	-	32.43	0.13	0.13

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- 42 Figures are rounded off to nearest rupees in Lakhs.
- 43 The financial statements were approved for issue by the Board of Directors on June 29, 2020.

As per our report of even date

For **B G G & Associates**
Chartered Accountants
Firm Registration No. 016874N

On behalf of the Board of Directors

(CA. Alok Kumar Bansal)
Partner
M.No.092854
Place : New Delhi
Date : June 29, 2020

P.C. Bindal
Chairman
DIN: 00004769

Atul Vaibhav
Chief Financial Officer

Sudesh Gupta
Chief Executive Officer

Suman
Company Secretary