

# LEAD FINANCIAL SERVICES LIMITED

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## **BOARD OF DIRECTORS**

P.C. Bindal  
Chairman

Sanjay Kumar Agarwal  
Director

Pradeep Kumar Jain  
Director

Kusha Bindal  
Director

## **BANKERS**

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

## **STATUTORY AUDITORS**

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

## **REGISTERED OFFICE**

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

## **REGISTRAR & TRANSFERS AGENTS**

Beetal Financial & Computer Services Private Limited,  
Beetal House, 3rd Floor, 99, Madangir,  
B/4, Local Shopping Centre, New Delhi-110062  
Tel: 011-29961281, 29961282, Fax: 011-29961284,  
E-Mail ID: beetal @ beetalfinancial.com,  
Website: www.beetalfinancial.com

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# LEAD FINANCIAL SERVICES LIMITED

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 23<sup>rd</sup> Annual General Meeting of the members of Lead Financial Services Limited will be held on Monday, the 26<sup>th</sup> day of September, 2016 at 10:30 a.m. at 304, Sita Ram Mansion, 718/21, Joshi Road, Karol Bagh, New Delhi-110005, to transact the following business:

### Ordinary Business

1. To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31<sup>st</sup> March, 2016 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 reappointment.
3. To ratify the appointment of M/s. G.C. Sharda & Co., Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of 24<sup>th</sup> Annual General Meeting of the Company at such remuneration and such terms and conditions as may be mutually agreed upon by the board of directors of the company or a committee thereof and the auditors.

### Special Business

4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, read with Schedule V to the Companies Act, 2013, the remuneration of Mr. Vijay Kumar, Manager of the Company be and is hereby increased upto Rs.20,000/- per month, w.e.f 1<sup>st</sup> October 2016, upto the remaining tenure of his appointment, on the following terms and conditions as approved by nomination and remuneration committee of the Board:

- i. Salary upto Rs.20,000/- (Rupees Twenty Thousand only) per month.
- ii. Contribution to the provident fund, family benefit fund, superannuation fund as per rule of the Company.
- iii. Gratuity as per rules of the Company.

RESOLVED FURTHER THAT all other terms and conditions of appointment of Vijay Kumar as approved earlier by the Members, shall remain unchanged.

RESOLVED FURTHER THAT Net profit for this purpose shall be as per computation of net profit as per Section 198 of the Companies Act, 2013 and the remuneration package is well within the overall limit prescribed under Schedule V to the Companies Act, 2013, which permits the company to pay overall managerial remuneration upto 10% of net profit to Managing director/ Whole Time Director/Manager in any financial year with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said remuneration as it may deem fit and as may be acceptable to Mr. Vijay Kumar, subject to the same not exceeding the limits specified under Section 197 and Schedule V to the Companies Act, 2013 or such other limits as may be prescribed from time to time or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as in its absolute discretion, it may consider necessary, expedient or desirable and to settle any questions, or doubt that may arise in relation thereto including to decide breakup of the remuneration.”

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

Place : New Delhi  
Dated: 12.08.2016

Chetan Sharma  
Company Secretary  
Membership No.: 23055

### NOTE:

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. 4 of the Notice, is annexed hereto.
2. The Register of Members and the Share Transfer books of the Company will remain closed from 20<sup>th</sup> day of September, 2016 to 26<sup>th</sup> day of September, 2016 (both days inclusive).

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3. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and the provisions of Companies Act, 2013, of the person seeking re-appointment/change in terms, areas under:

Particulars	Name of Directors	
	Mr. Padam Chandra Bindal	Vijay Kumar
Date of Birth	05/06/1960	19/05/1955
Date of appointment	28/11/1994	21/12/2013
Expertise in specific areas	Mr. Bindal has over three decades of experience in finance, capital markets and administration.	Mr. Vijay Kumar has good managerial skills, efficiency and leadership quality. He has a wide knowledge in commercial activities, finance, procurement, marketing and routine work of the companies
Qualifications	M.Com., FCA	Graduate
Shareholdings in the company as on 31.03.2016	5.92%	NIL
Inter se relationship with other Directors	Mr Padam Chandra Bindal and Ms Kusha Bindal are related to each other.	NIL
Names of listed entities in which the person also holds the directorship and the membership of Committees of the board; and	NIL	NIL

4. Keeping in view of “Green Initiative in Corporate Governance” taken by Ministry of Corporate Affairs vide their circular no. 17/2011 date 21/04/2011 and 18/2011 dated 29/04/2011, your Company has decided to send henceforth, all documents, required to be sent to the shareholders like General Meeting Notice (including AGM), Audited Financial Statements, Directors’ Report, Auditors’ Report etc. in electronic form on the e-mail Id provided and made available to us by the Depository. In case you have not registered your E-mail ID or you desire to have different E-mail ID to be registered, please update the same with your Depository Participant and E-mail us also at [lead\\_financial@rediffmail.com](mailto:lead_financial@rediffmail.com). Members may note that this Notice and the Annual Report 2015-16 will also be available on the Company’s website viz. [www.leadfinancialservices.in](http://www.leadfinancialservices.in).
5. All documents referred to in the accompanying notice and the explanatory statement are open for inspection at the registered office of the Company during working day, except Saturdays, in office hours from 10 A.M. upto 5.00 P.M.
6. **A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company’s Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the commencement of the AGM.** Proxies submitted on behalf of limited companies, societies etc., must be supported by appropriate resolutions / authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
7. Members are requested to bring their ID cards and attendance slip along with their copy of the Notice of the Meeting.
8. The notice is being sent to all the members, whose names appeared in the register of members/ Record of RTA as on the close of business hours on 12<sup>th</sup> August, 2016 (Record Date). Voting rights shall be reckoned on the paid-up value of the shares registered in the name of the member as on record date.
9. 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.
10. In accordance with provisions of section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the business proposed for the Annual General Meeting, may be transacted through electronic voting system and the Company is providing facility for voting by electronic means (“remote e-voting”) to its members.
11. The Company has engaged the services of Central Depository Services (India) Limited (“CDSL”) to provide remote e-voting facilities and for security and enabling the members to cast their vote in a secure manner.
12. It may be noted that this remote e-voting facility is optional. The remote e-voting facility will be available at the link <https://www.evotingindia.co.in> during the following voting period.
- Commencement of remote e-voting: From 9.00 a.m. of September 23<sup>rd</sup> 2016, Friday end of remote e-voting upto at 5.00 p.m. of September 25<sup>th</sup> 2016, Sunday**
13. Remote e-voting shall not be allowed beyond 5.00 p.m. of **September 25<sup>th</sup> 2016, Sunday**. During the remote e-voting period, Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date may cast their vote electronically. The cut-off date for the limited purpose of remote e-voting is 19<sup>th</sup> September, 2016.
14. The login ID and password for remote e-voting along with process, manner and instructions for remote e-voting is being sent to the members who have not registered their e-mail IDs with the Company along with physical copy of the notice.

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15. Those members who have registered their e-mail IDs with the Company / their respective Depository Participants are being forwarded the login ID and password for remote e-voting along with process, manner and instructions by e-mail.
16. The Company has, in compliance with Rule 20 of the Companies (Management and Administration) Rules, 2014, appointed CS Pooja Anand/ CS Mukul Tyagi 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.
17. Members are requested to intimate immediately any change in their address or other mandates to their Depository Participants with whom they are maintaining their Demat accounts. The Company or its Registrar and Transfer Agent cannot change mandates for shares in electronic form.
18. Non-resident Indian Members are requested to inform Company's Share Registrar – Beetal Financial & Computer Services (P) Limited immediately for the change in the residential status on return to India for permanent settlement;
19. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be obtained from the Company's Registrar.
20. Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the communication from the Company electronically.
21. Shareholders seeking any information or clarification on the accounts are requested to send written queries to the Company, at least 10 days before the date of the meeting, to enable the management to keep the required information available at the meeting.

### 22. Voting through electronic means:

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

#### The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on **9.00 a.m. of September 23<sup>rd</sup> 2016, Friday** > and ends on **<5.00 p.m. of September 25<sup>th</sup> 2016, 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 **<19<sup>th</sup> September, 2016.>**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy) as recorded in your demat account or in the company records in order to login <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the number of id/folio number in the Dividend Bank details field as mentioned in Instruction iv</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.

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- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolution(s) contained in this Notice.
  - (xi) Click on the EVSN for the relevant <LEAD FINANCIAL SERVICES LIMITED> on which you choose to vote.
  - (xii) 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.
  - (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
  - (xiv) 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.
  - (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
  - (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
  - (xvii) If a Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - (xviii) 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. Please follow the instructions as prompted by the mobile app while voting on your mobile.
  - (xix) 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](http://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](mailto:helpdesk.evoting@cdslindia.com).
    - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
    - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto: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.
  - (xx) 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
23. The shareholders can opt for only one mode of voting, i.e. either physically by attending AGM or remote e-voting. If any shareholders opt for remote e-voting, he/she will not be eligible to vote physically in AGM.
24. The scrutinizer shall within a period of not exceeding three days from the conclusion of the AGM unblock the votes in the presence of at least two witnesses not in employment of the Company and make a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
25. The results of the remote e-voting along with the scrutinizer's report shall be communicated to the stock exchanges where the shares of the Company are listed.
26. Route Map for venue of Annual General Meeting is also annexed.

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

### ITEM NO.4

At the Annual General Meeting of the Company held on 29<sup>th</sup> September, 2014, the Members had approved the appointment of Mr. Vijay Kumar, as Manager for a term of 5 years with effect from 21<sup>st</sup> December, 2013 on a remuneration upto Rs. 15,000 per month. Upon recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company has now proposed to revise the maximum remuneration payable to Mr. Vijay Kumar upto Rs. 20,000 per month with effect from 1st October, 2016 for the remaining tenure of his appointment till 20<sup>th</sup> December, 2018. However, at any point of time, the remuneration paid to Mr Vijay Kumar shall not exceed the limits specified under Section 197 and Schedule V to the Companies Act, 2013

Except Mr. Vijay Kumar being appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

The resolution and explanatory statement be treated as an abstract under section 190 of Companies Act, 2013.

Statement as per Section II Clause A of Part II of Schedule V of the Companies Act, 2013 is enclosed with Notice.

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

Chetan Sharma  
Company Secretary  
M No. 23055

Place: New Delhi  
Date: 12.08.2016



# LEAD FINANCIAL SERVICES LIMITED

## A. Statement as per Schedule V Part II Section II of the Companies Act, 2013

To  
The Members  
**Lead Financial Services Limited**

Your Directors are presenting statement as per Schedule V of the Companies Act, 2013 with respect to increase in remuneration payable to Mr.Vijay Kumar, Manager of the Company.

### I. GENERAL INFORMATION

- (1) Nature of Industry : Non Banking Financial Company  
(2) Year of Commencement of commercial production : 1993  
(3) Financial Performance :

Financial Parameters	2013-2014	2014-2015	2015-2016
Total Revenue	4,331,013	7,015,359	9,330,416
PAT	1,424,819	1,992,464	677,498

- (4) Foreign Investment or collaboration, if any: NIL

### II. INFORMATION ABOUT THE WHOLE TIME DIRECTOR

- (1) Background Details : Mr. Vijay Kumar was appointed as Manager of the Company w.e.f. 21<sup>st</sup> December, 2013 for five years.  
(2) Past remuneration : upto Rs. 15,000/- pm  
(3) Recognition or awards : Mr. Vijay Kumar has good managerial skills, efficiency and leadership quality. He has a wide knowledge in commercial activities, finance, procurement, marketing and routine work of the companies.  
(4) Job profile and his suitability : Job profile includes whole time attention to the day to day affairs of the business of the Company; looking overall administration in the best interest of the Company and guiding the Company to the next level of success.  
(5) Remuneration proposed : upto Rs. 20,000/- per month w.e.f. 01<sup>st</sup>October,2016  
(6) Comparative remuneration profile : The remuneration payable has been benchmarked with the remuneration being drawn by similar positions in Companies having Business of comparable size with respect to industry, size of the Company, profile of the position in the Industry.  
(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any : Mr. Vijay Kumar has no pecuniary relationship directly or indirectly with the company except to the extent of his Remuneration.

### III. OTHER INFORMATION

- (1) **Reasons of loss or Inadequate profits:** In the last financial year-2015, the Company has earned net profit after tax of Rs. 19,92,464. Due to adverse market conditions, subdued economy and wild fluctuations in stock market the company could not earn the profits sufficient to pay whole of the salary of Mr.Vijay Kumar .  
(2) **Steps taken or proposed to be taken for improvement:** Your Management is in continuous process to cop-up with the market trend, to increase the profits of the Company.  
(3) **Expected increase in productivity and profits in measurable terms:** The Company always believes in increasing its potential to face future challenges and enhance competitive position in the Business today.

### IV. REMUNERATION PACKAGE OF MR. VIJAY KUMAR

Mr. Vijay Kumar will be entitled to the Salary upto Rs. 20,000/- per month.



# LEAD FINANCIAL SERVICES LIMITED

## DIRECTORS' REPORT

To,

The Members

**Lead Financial Services Limited**

Your Directors have immense pleasure in presenting their 23<sup>rd</sup> Annual Report on the business and operations of the Company and Audited Accounts for the Financial Year ended March 31, 2016.

### **1. FINANCIAL RESULTS:**

The Financial results of the Company during the period ended on 31<sup>st</sup> March, 2016 are as under:

PARTICULARS	(Rs in Lacs)	
	CURRENT YEAR (2015-16)	PREVIOUS YEAR (2014-15)
<b>1. Total Income</b>	<b>93.30</b>	70.15
Less: i) Operating, Administrative & other Exp.	75.51	19.41
<b>2. Earning before interest and depreciation</b>		
Less: i) Interest	3	3
ii) Depreciation	9.47	18.63
<b>3. Profit before Extra-ordinary item</b>	5.32	29.11
Add: Extra-ordinary item	2.02	-
<b>3. Profit before Tax</b>	7.34	29.11
Less: provision for Tax		
i) Current	1.45	8.90
ii) Deferred	0.48	(0.02)
iii) Earlier year Tax	.09	0.31
iv) MAT Credit	(1.45)	-
<b>4. Profit after Tax</b>	<b>6.77</b>	<b>19.92</b>
Add: Balance of Profit as per last Balance Sheet	95.31	79.49
Less: Adjustment of depreciation on account of change in estimated life of fixed assets	-	(0.12)
Less: Transfer to Statutory Reserve	(1.35)	(3.98)
<b>5. Balance available for appropriation</b>	121.55	114.77
<b>2. Dividend</b>		

Your Directors regret their inability to recommend any dividend in view of low profits and requirement of the funds for expansion of business during the financial year under review.

### **3. Performance Review**

During the Financial year under review, your company achieved total income of Rs. 93.30 Lacs as compared to Rs.70.15 Lacs in the previous year. Net profit (after tax) for the year is Rs. 6.77 Lacs as compared to net profit of Rs. 19.92 Lacs in the previous year. Your directors are undertaking the initiatives to improve the financial results in the coming years.

### **4. Management And Discussion Analysis**

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

The Indian economy has weathered many challenges successfully in recent times. Markets are optimistic, as a result of various policy measures announced or taken by the Government.

In FY 2015-16, the Government focused on its theme "Transform India". The Budget for FY 2016-17 preferred fiscal prudence and stability over growth. The priorities of the Government were to provide additional resources for the vulnerable sections of society, to rural areas and for creating social and physical infrastructure. The Government encouraged private and public spending, but private investment is not likely to recover in FY 2016-17 as there is significant unutilized capacity and private sector Balance Sheets are stretched. By maintaining fiscal deficit at 3.5%, the Government has precluded the possibility of any direct fiscal stimulus. The positive effect of the Government's fiscal discipline is that it has created conditions for the Reserve Bank of India ("RBI") to cut rates, thereby indirectly benefiting the economy by bringing down the cost of borrowing for both the Government and the private sector. The RBI started cutting rates in FY 2015-16, the transmission of which is likely to happen in FY 2016-17.

The banking system in India saw a major shift with the RBI ending forbearance in April 2015 and, through the Asset Quality Review process, ensuring that banks were taking proactive steps to clean up their Balance Sheets by March 2017. In all adversity, there is opportunity and as a result of the stressed bank Balance Sheets, the NBFC sector has a significant opportunity to grow. NBFCs do not have the NPA problem of the magnitude of that of the banks and are already operating under strict

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regulatory supervision. The NBFC sector is likely to report higher NPAs in the initial period as it moves to the 90+ recognition norm, but the sector as a whole will emerge stronger after the implementation of these initiatives. Additionally, SARFAESI cover and a new bankruptcy code would make collections through the judicial system much simpler.

A normal monsoon and further rate cuts by RBI are expected to facilitate rural and urban consumption. The year ahead will be challenging on many fronts, credit quality and shifts in operating model, to name a couple. Each individually, and all of them collectively, have the ability to change the face of the financial services sector. The NBFC sector appears to be best placed to take advantage and succeed in this changing environment.

## **Outlook Risk and Concern**

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

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

## **Opportunities and threats**

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

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

## **Adequacy of Internal Control System**

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

## **Financial Performance**

### **Operational Results 2014-15 versus 2015-16**

Particulars	(Rs. in Lacs)	
	2014-15	2015-16
Total Revenue	70.15	93.30
Interest & Financial Charges	3.02	3.01
Expenses	19.40	65.50
Depreciation	18.62	9.47
Total Expenditure	41.04	87.98
Profit Before Tax (PBT)	29.11	7.34
Provision for Tax	9.18	.57
Profit after Tax (PAT)	19.92	6.77
Equity Capital	330	330
Reserves & Surplus	114.77	121.55
Earnings Per Share	0.60	0.21

### **5. Segment wise Performance:**

Company operates only in one segment.

### **6. Material Changes:**

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

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

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

### **8. Details of Subsidiary/Joint Ventures/Associate Companies**

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

Not Applicable

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

Not Applicable

# LEAD FINANCIAL SERVICES LIMITED

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## 9. Deposits

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

## 10. Auditors

### Ø STATUTORY AUDITORS

M/s G.C. Sharda & Co., Chartered Accountants, New Delhi, have been appointed as statutory auditors of the company at the 21<sup>st</sup> Annual General Meeting held on 29.09.2014 for a period of three years subject to ratification by members at every consequent Annual General Meeting. Therefore, ratification of their re-appointment of Statutory Auditors, M/s G.C. Sharda & Co., being eligible, is being sought from the members of the Company at the ensuing AGM, for financial year 2016-17.

### Ø 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.

### Ø INTERNAL AUDITORS

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

## 11. Auditors' Report

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

## 12. Secretarial Audit Report

A Secretarial Audit Report in Form MR-3 given by Mr.Mukul Tyagi of M/s Pooja Anand & Associates, Company Secretary in whole time practice is annexed with the report in 'Annexure 1'.

Regarding the remarks of Secretarial Auditor, the Board of the Company explained that it is in process to appoint suitable Key Managerial Person(s), in compliance with provisions of Section 203 of Companies Act 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## 13. Directors:

### A) Changes in Directors and Key Managerial Personnel

Ø Mr. Padam Chandra Bindal, Director of the Company retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

Ø With a recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company has proposed to revise the maximum remuneration payable to Mr. Vijay Kumar, Manager of the Company upto Rs. 20,000 per month with effect from 1st October, 2016 for the remaining tenure of his appointment till 20th December, 2018.

Ø Mr Chetan Sharma has been appointed as a Company Secretary and Compliance Officer of the Company w.e.f.21.07.2016.

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

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

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

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

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

Pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India (listing obligations and Disclosure Requirement), Regulation, 2015 (SEBI Listing Regulation), the Board has carried out an annual evaluation of its own performance, the individual Directors (including the Chairman) as well as an evaluation of the working of all Board Committees. The Board of Directors was assisted by the Nomination and Remuneration Committee. The performance evaluation was carried out by seeking inputs from all the Directors/Members of the Committees, as the case may be and discussions with the Directors by the Chairman of the NRC.

## 14. Number of meetings of the Board of Directors

During the year Eight(8) Board Meetings and one independent directors' meeting was held. The Details of which are given in Corporate Governance Report. The provisions of Companies Act, 2013 and (SEBI Listing Obligation and Disclosure Requirement) Regulation 2015 were adhered to while considering the time gap between two meetings.

# LEAD FINANCIAL SERVICES LIMITED

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## 15. Committee of the Board

### A. Audit Committee

- i. Composition of Audit Committee : The Audit Committee comprises two Independent Directors namely, Mr. Pradeep Kumar Jain (Chairman), Mr. Sanjay Kumar Agarwal and Mr. Padam Chandra Bindal, Non-executive as other members.
- ii. Reasons for not accepting the recommendations of the Audit Committee, if any : All the recommendations made by the Audit Committee were accepted by the Board.

### B. Nomination & Remuneration Committee

The nomination and remuneration committee of the Company is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations, read with Section 178 of the Act.

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](http://www.leadfinancialservices.in) .

The broad terms of above mentioned policy has also been disclosed in the corporate governance report, which forms part of this report.

### 16. Vigil Mechanism and Whistle Blower Policy:

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

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

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

### 18. Corporate Social Responsibility (CSR)

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

### 19. Related Party Transactions :

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

### 20. Share Capital

The paid-up Equity Share Capital of the Company as on March 31, 2015, was Rs. 3,30,00,000. There was no change in the Authorised or Paid-up Capital or Subscribed Capital during FY 2015-16.

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

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

#### A) Conservation of energy:

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

#### B) Technology absorption:

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

# LEAD FINANCIAL SERVICES LIMITED

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## (C) Foreign exchange earnings and Outgo:

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

## 22. Extract of the annual return

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 is annexed (Annexure- 3)

## 23. Regulatory Action:

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

## 24. Managerial Remuneration:

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- 4)

No employees is 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

## 25. Corporate Governance And Shareholders Information:

Your Company has taken adequate steps to adhere to all the stipulations laid down in Clause 49 of the Listing agreement (Listing Agreement) of the Company with the stock exchanges for the period from 1st April 2015 to 30th November 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulation) for the period from 1st December 2015 to 31st March 2016. A report on Corporate Governance is included as a part of this Annual Report.

Certificate from the Statutory Auditors of the company confirming the compliance with the conditions of Corporate Governance is enclosed to this report.

## 26. Directors' Responsibility Statement

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

## ACKNOWLEDGEMENT:

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

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

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

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

Place : New Delhi  
Date : 12.08.2016

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

**KUSHA BINDAL  
DIRECTOR  
DIN: 06952708**

# LEAD FINANCIAL SERVICES LIMITED

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**Annexure- 1**

**Form No. MR-3**

## **SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2016**

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

To,  
The Members,  
Lead Financial Services Limited  
New Delhi

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Lead Financial Services Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate 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 31<sup>st</sup> March, 2016 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 31<sup>st</sup> March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder (Not applicable to the Company during the Audit Period);
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder (Not applicable to the Company during the Audit Period);
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not applicable to the Company during the Audit Period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, (Not applicable to the Company during the Audit Period);
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the Company during the Audit Period);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period);
- (vi) The laws relating to Non Banking Financial Companies to the extent applicable to the Company as per the representations made by the Company

## LEAD FINANCIAL SERVICES LIMITED

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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 Bombay Stock Exchange and Securities and Exchange Board of India (Listing Obligation and Disclosure Reuirements) 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- 1 Key Managerial Person(s) has not been appointed as per provisions of Section 203 of Companies Act 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There is no change in composition od Board of Directors during the period under review.

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.

**For Pooja Anand & Associates  
Company Secretaries**

Sd/-

**MUKUL TYAGI**

**ACS: 33949**

**CP No.: 16631**

Date:12.08.2016  
Place: New Delhi



# LEAD FINANCIAL SERVICES LIMITED

Annexure - 2

## 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 - 3

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
as on the financial year ended on 31<sup>st</sup> March, 2016

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

**I. REGISTRATION AND OTHER DETAILS:**

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

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Interest Income, Sale of Shares, Dividend Income, Long Term Capital Gain	74140	98.59%

**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	233300	26510	7.87	161000	195200	10.79	2.92
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	161000	448710	18.48	800	280020	8.51	(9.97)
<b>Sub-total (A) (1):-</b>	<b>394300</b>	<b>769720</b>	<b>35.27</b>	<b>161800</b>	<b>769720</b>	<b>28.23</b>	<b>(7.04)</b>

## LEAD FINANCIAL SERVICES LIMITED

<b>(2) Foreign</b>							
a) NRIs -Individuals	-	-	-	-	-	-	-
b) Other –Individuals	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) =(A)(1)+(A)(2)</b>	394300	769720	35.27	161800	769720	28.23	(7.04)*
<b>B. PublicShareholding</b>							
<b>1. Institutions</b>							
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)	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	17988	0.55	-	17988	0.55	-
<b>2. Non-Institutions</b>							
a) Bodies Corp.	697160	6380	21.32	697160	9988	21.43	0.11
b) Individuals							
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	493210	97009	17.89	550110	95875	19.58	1.69
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	324720	385689	21.53	497820	385689	26.77	5.24
c) Others							
- NRI	67000	60	2.03	67000	60	2.03	-
- HUF	-	46764	1.42	-	46790	1.42	-
<b>Sub-total (B)(2):-</b>	1582090	535902	64.18	1812090	538402	71.22	7.04
<b>Total PublicShareholding(B)= (B)(1)+(B)(2)</b>	1582090	553890	64.73	1812090	556390	71.77	7.04
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>							
	-	-	-	-	-	-	-
<b>Grand Total(A+B+C)</b>	<b>1976390</b>	<b>1323610</b>	<b>100.00</b>	<b>1973890</b>	<b>1326110</b>	<b>100.00</b>	<b>-</b>

# 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 to total shares	% of Shares Pledged / encumbered	No. of Shares	% of total Shares of the company to total shares	% of Shares Pledged / encumbered	
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	Tanupriya Bindal	60000	1.82	-	60000	1.82	-	-
5	D.K. Bindal	4510	0.14	-	4510	0.14	-	-
6	Privy Capital Limited	184500	5.59	-	184500	5.59	-	-
7	LFS Services Private Limited	110000	3.33	-	110000	3.33	-	-
8	Nalini Chawla	129500	3.92	-	-	-	-	(3.92)
9	Vinod Kumar Chawla	103000	3.12	-	-	-	-	(3.12)
10	K C Gupta	20810	0.63	-	20810	0.63	-	-
11	Reni Gupta	6500	0.20	-	6500	0.20	-	-
	<b>Total</b>	<b>1164020</b>	<b>35.27</b>	<b>-</b>	<b>931520</b>		<b>-</b>	<b>(7.04)*</b>

## (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	1164020	35.27%	1164020	35.27%
Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease	<b>232500</b>	<b>(7.04)%</b>	<b>232500</b>	<b>(7.04)%</b>
At the End of the year	931520	28.23%	931520	28.23%

Note: There is no increase /decrease in shareholding in promoter group. The change is due to exclusion of holding of Mr. Vinod Kumar Chawla and Ms. Nalini Chawla from the Promoter Group.

## (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
Vaibhav Metal India Pvt. Ltd.	108400	3.285	-	-	-	108400	3.285
Sonakshi Marketing Pvt Ltd.	100000	3.030	-	-	-	100000	3.030
Subhash H Lodha	88600	2.685	-	-	-	88600	2.685
Bijender Singh	82600	2.503	-	-	-	82600	2.503
Mundhwa Investment Limited	82000	2.485	-	-	-	82000	2.485
Arvind Singh	59000	1.788	-	-	-	59000	1.788
Mahesh G Biyani	48845	1.480	-	-	-	48845	1.480

# LEAD FINANCIAL SERVICES LIMITED

## (v) Shareholding of Directors and Key Managerial Personnel:

For Each of the Directors and KMP	Shareholder's Name	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	Mr. Padam Chandra Bindal	-	195200	5.92	195200	5.92
	Ms. Kusha Bindal	-	161000	4.88	161000	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	-	195200	5.92	195200	5.92
	Ms. Kusha Bindal	-	161000	4.88	161000	4.88

## V. INDEBTEDNESS

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

	Secured Loans	Unsecured Loans excluding deposits	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	1,08,00,000	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i + ii + iii)</b>	-	1,08,00,000	-	-
<b>Change in Indebtedness during the financial year</b>				
· Addition	-	-	-	-
· Reduction	-	35,00,000	-	-
<b>Net Change</b>	-	35,00,000	-	-
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	73,00,000	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	73,00,000	-	-

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
	MD	WTD	Manager	
Gross salary	---	---	1,80,000 p.a.	1,80,000 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-others	---	---	---	---
Total	---	---	---	---
Ceiling as per the Act(in compliance with the provision of Schedule Xiii 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"> <li>• Fee for attending board/committee meetings</li> <li>• Commission</li> <li>• Others, please specify</li> </ul>					
	<b>Total (1)</b>	---	---	---	---	---
	Other Non-Executive Directors					
	<ul style="list-style-type: none"> <li>• Fee for attending board/committee meetings</li> <li>• Commission</li> <li>• Others, please specify</li> </ul>					
	Total (2)	---	---	---	---	---
	Total (B)=(1+2)	---	---	---	---	---
	Total Managerial Remuneration	---	---	---	---	---
	Overall Ceiling as per the Act	---	---	---	---	---

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

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

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

# LEAD FINANCIAL SERVICES LIMITED

## Annexure- 4

(i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	N.A
(ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	NIL
(iii) the percentage increase in the median remuneration of employees in the financial year;	NIL
(iv) the number of permanent employees on the rolls of company;	3
(v) the explanation on the relationship between average increase in remuneration and company performance;	No Increase
(vi) comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	The PBT for the financial year ended on 31 <sup>st</sup> March, 2016 decrease to Rs. 7.34 Lacs as compare to the PBT of previous financial year ended on 31 <sup>st</sup> March, 2015 of Rs. 29.11 Lac. However, there is no increase in the remuneration of KMP during the financial year 2015-16.
(vii) variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies.	Market Cap. as on 31 <sup>st</sup> March, 2016: Rs. 176.88 Lacs Market Cap. as on 31 <sup>st</sup> March, 2015: Rs. 263.01 Lacs
(viii) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	N.A
(ix) comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	The PBT for the financial year ended 31 <sup>st</sup> March, 2016 decrease to Rs. 7.34 Lacs as compare to the PBT of previous year. However, there is no increase in the remuneration of KMP during the financial year.
(x) the key parameters for any variable component of remuneration availed by the directors;	N.A
(xi) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	N.A

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 : 12.08.2016

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

**KUSHA BINDAL  
DIRECTOR  
DIN: 06952708**



# LEAD FINANCIAL SERVICES LIMITED

## CORPORATE GOVERNANCE REPORT

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

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

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

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

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

The Company is in compliance with the requirements of Corporate Governance under Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Risk Management and internal control functions have been geared up to meet the progressive governance standards.

### 2. BOARD OF DIRECTORS

#### (i) Composition

At the end of year, the Board consisted of optimum combination of Executive & Non-Executive Directors. Mr. Padam Chandra Bindal, Promoter of the Company is a Non Executive Chairman.

S. No.	Name of the Director	Status	Date of appointment	No. of Board Meetings held	No. of Board Meetings attended	Last AGM attended	No. of other directorship and committee membership and chairmanship.		
							Other Directorship in public company	Committee MemberShip in other company	Committee chairmanship in other company
1.	P.C. Bindal	Non Executive, Non Independent	28.11.94	8	8	Yes	1	-	-
2.	Sanjay Kumar Agarwal	Independent Non Executive	25.03.03	8	8	Yes	2	-	-
3.	Pradeep Kumar Jain	Independent Non Executive	10.03.07	8	8	Yes	-	-	-
4.	Kusha Bindal	Non Executive, Non Independent	29.09.14	8	8	Yes	-	-	-

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

#### DATE & NUMBER OF BOARD MEETINGS HELD

Eight Board meetings were held during the year on 27<sup>th</sup> May, 2015; 14<sup>th</sup> August, 2015; 27<sup>th</sup> September, 2015; 5<sup>th</sup> November, 2015; 29<sup>th</sup> December, 2015; 10<sup>th</sup> February, 2016; 26<sup>th</sup> February, 2016; 31<sup>st</sup> March, 2016 and the gap between two meetings did not exceed one hundred and twenty days.

The necessary quorum was present for all the meetings.

- (i) None of the Non- Executive directors have any material pecuniary relationship or transactions with the Company.
- (ii) None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2016 have been made by the Directors.
- (iii) During the year 2015-16, information as mentioned in Schedule II Part A of the SEBI Listing Regulations, has been placed before the Board for its consideration.
- (iv) The details of the familiarisation programme of the Independent Directors are available on the website of the Company [www.leadfinancialservices.in](http://www.leadfinancialservices.in)

## LEAD FINANCIAL SERVICES LIMITED

### (vi) ADDITIONAL INFORMATION IN TERMS SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AS ON 31<sup>ST</sup> March, 2016

Name of the Director	Mr. P.C. Bindal	Mr. Sanjay Kumar Agarwal	Mr. Pradeep Kumar Jain	Ms. Kusha Bindal
Designation	Chairman Non executive, Non Independent	Independent Non Executive	Independent Non Executive	Non-executive Non Independent Director
Date of Birth	05/06/1960	14/06/1969	20/12/1960	26/01/1990
Nationality	Indian	Indian	Indian	Indian
Date of Appointment	28/11/1994	25/03/2003	10/03/2007	29/09/2014
Qualification & Experience	M.com, FCA, Having rich experience in handling administrative, financial and Capital Market	Commerce Graduate, Rich experience in the field of finance, financial services and other related matters.	FCA, He has more than 27 years of vast experience in the field of in finance and Capital Market.	B. Com. ACA, Good experience in the field of finance and administration.
Shareholding in CMI Limited as on 31-03-2016	195200 (5.92%)	Nil	Nil	161000 (4.88%)
DIN	00004769	00832074	00303976	06952708

#### Meetings of Independent Directors

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

The Independent Directors met once during the Financial Year ended 31st March, 2016 to take note of the following activities to be undertaken by them:

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

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

Brief resume of Directors being reappointed, nature of their expertise in specific functional areas and names of companies in which they hold directorship and membership of the committees of the board are furnished hereunder:

1. Mr. Padam Chandra Bindal retires by rotation at the 23<sup>rd</sup> Annual General Meeting of the Company and being eligible offers himself for reappointment.

Mr. Padam Chandra Bindal, a fellow member of the Institute of Chartered Accountants of India, has rich experience in handling administrative, financial and Capital Market.

Mr Padam Chandra Bindal is also Director in following Companies:

- LFS Services Private Limited
- Privy Capital Limited
- Privy Capital Advisors Private Limited
- Privy Value Realty Private Limited
- Bindal Corporate Advisory Services Private Limited
- Lead Business Solutions Private Limited

#### COMMITTEES OF THE BOARD

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

##### AUDIT COMMITTEE

The Company has constituted an Audit Committee of Directors since 25<sup>th</sup> March 2003. The Audit Committee of the Board, inter alia, provides reassurance to the Board on the existence of an effective internal control environment that ensures:

- Efficiency and effectiveness of the operations;
- Safeguarding of the assets;

## LEAD FINANCIAL SERVICES LIMITED

- Reliability of financial and other management information;
- Compliance with relevant national laws and regulations;

The Audit Committee is empowered, pursuant to these terms of reference, inter alia, to:

- Investigate any activity within its terms of reference and to seek information from any employee;
- Obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary.

The Audit Committee is entrusted with the responsibility to supervise the company's financial control and reporting processes and inter alia perform the following functions:

- Overseeing the Company's financial reporting processes and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommending appointment and removal of statutory auditors, fixation of audit fee and approval of payment of fees for any other services.
- Reviewing with the management, the periodical financial statements before submission to the Board, focusing primarily on:
  - Any changes in accounting policies and practices;
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134 of the Companies Act, 2013;
  - Qualifications in the draft audit report, if any;
  - Significant adjustments arising out of audit;
  - Compliance with legal requirements concerning financial statements;
  - Related party transactions;
  - Scrutiny of inter corporate loans and advances;
  - Approval of appointment of CFO or any other person heading Finance function after assessing the qualification, experience and background etc of the candidate.
- Reviewing with the management, statutory and internal auditors, the adequacy of internal control systems and recommending improvements to the management;
- Reviewing with the Management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purpose other than those stated in the offer document/prospectus, notice and report submitted by the monitoring agency monitoring the utilization of the proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing the adequacy of the Internal audit function, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audits;
- Reviewing reports of internal audit and discussion with internal auditors on any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by the internal auditors and the executive management's Response on matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors, before the audit commences, on nature and scope of audit as well as after conclusion of audit to ascertain any areas of concern and review the comments contained in their management letter;
- Reviewing the Company's financial and risk management policies;
- Looking into the reasons for substantial defaults, if any, in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Considering such other matters as may be delegated by Board from time to time.

### COMPOSITION

Presently, the Audit Committee of the Board of your Company comprises of three members all non executive directors and out of whom two are independent directors. The committee functions under the chairmanship of Mr. Pradeep Kumar Jain who is an independent director. All the members have sound knowledge of accounts, audit, finance, internal controls etc. The composition of committee is as follows:

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

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## NO. OF MEETINGS AND ATTENDANCE AT MEETINGS

Five meetings of Audit Committee were held during the year 2015-16, on 27<sup>th</sup> May, 2015, 14<sup>th</sup> August, 2015, 05<sup>th</sup> November 2015, 10<sup>th</sup> February, 2016 and 31<sup>st</sup> March, 2016.

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

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

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

## 4. STAKEHOLDERS RELATIONSHIP COMMITTEE –

The Stakeholders' Relationship Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations read with section 178 of the Act.

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

### Composition

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

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

lead\_financial@rediffmail.com

The Stakeholder's Relationship Committee is primarily responsible to review all matters connected with the Company's transfer of securities and redressal of shareholders' / investors' / security holders' complaints, 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.

The Stakeholder's Relationship Committee's composition and the terms of reference meet with the requirements of provisions of Regulation 20 of SEBI Listing Regulations and provisions of the Companies Act, 2013.

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

- Oversee and review all matters connected with the transfer of the Company's securities
- Monitor redressal of investors' / shareholders' / security holders' grievances

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

### Complaints

During the year under review no investor grievance was received or was pending in the SCORES account of the Company. There are no pending transfers as on 31<sup>st</sup> March 2016.

### Meetings

Five meetings of Stakeholder's Relationship Committee were held during the year 2015-16, on 27<sup>th</sup> May, 2015, 14<sup>th</sup> August 2015, 05<sup>th</sup> November, 2015, 10<sup>th</sup> February 2016 and 31<sup>st</sup> March, 2016.

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

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

## NOMINATION AND REMUNERATION COMMITTEE

The Company has Nomination and Remuneration Committee. In line with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

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.

### a. Functions

(i) The broad terms of reference of the Remuneration Committee are as under:

1. Formulating criteria for determining qualifications, positive attributes and independence of a director.
2. Identifying persons who are qualified to become Directors and who may be appointed in Senior Management and as KMPs of the Company in accordance with the criteria laid down, recommend to the Board their appointment and removal.

## LEAD FINANCIAL SERVICES LIMITED

3. Recommending to the Board a policy relating to the remuneration of the Directors, Senior Management, KMP and other employees, as may be applicable
4. Formulating criteria for evaluation of Independent Directors and the Board and carry out evaluation of every Director's performance.
5. Devising a policy on Board diversity.
6. Ensuring that level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully.
7. Ensuring the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
8. Carrying out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.
9. Performing such other functions as may be necessary or appropriate for the performance of its duties.

### a. Composition

The Nomination and Remuneration committee comprises of 3 Non- Executive Independent Directors. The composition of the Remuneration Committee and the details of meeting attended by its members are given below:

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

During the period under review, two meeting of the Nomination and Remuneration Committee was held on 14.08.2015 and 31.03.2016..

### c. 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. The Company follows a compensation mix of fixed pay, benefits and performance based variable pay. 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 Directors. 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 Directors out of the profits for the financial year and within the ceilings prescribed under the Companies Act, 2013, 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.

Nomination and Remuneration Policy is available on our website i.e. [www.leadfinancialservices.in](http://www.leadfinancialservices.in), in detail.

No sitting fee is paid to any Director.

Details of Remuneration of Directors and Key Managerial Personnel (KMP) for the financial year ending March 31, 2016:

( In Rs.)

Director	Salary and Allowance (in Rs)	Total (in Rs)
Vijay Kumar, Manager	180000	180000

d. Presently, the Company does not have a scheme for grant of stock options.

e. Non -Executive Directors have not been paid any remuneration.

### COMPLIANCE OFFICER AND CONTACT ADDRESS

The Company has appointed Mr. Chetan Sharma as a Company Secretary and Compliance Officer of the Company, w.e.f 21.07.2016.

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

Telephone/ Fax no: 011-23549822/23

Email ID: lead\_financial@rediffmail.com, Website : [www.leadfinancialservices.in](http://www.leadfinancialservices.in)

### GENERAL BODY MEETINGS:

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

Year	Location	Date	Time	Special Resolution Passed
2012-2013	304, Sita Ram Mansion, 718/21, Joshi Road, Karol Bagh, New Delhi-110 005	21.09.13	10.30 a.m.	re-appointment of Whole Time Director
2013-2014	304, Sita Ram Mansion, 718/21, Joshi Road, Karol Bagh, New Delhi-110 005	29.09.14	10.30 a.m.	Appointment of Manager
2014-2015	304, Sita Ram Mansion, 718/21, Joshi Road, Karol Bagh, New Delhi-110 005	28.09.15	10.30 a.m.	Adoption of new set of Articles

# LEAD FINANCIAL SERVICES LIMITED

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

## 6. DISCLOSURES

- a) During the financial year under review the, Company has not entered into any transaction of the material nature with its promoters, Directors or the management, their subsidiaries or relatives, etc., that may have potential conflict with the interest of the Company at large.
- b) During the financial year under review, there was no instance of non-compliance by the Company of any formalities of Stock Exchange, SEBI or any Statutory Authority, nor any penalty imposed on the Company from the Stock Exchange, SEBI or any Statutory Authority.
- c) The Company is following the generally accepted Accounting Policies of the trade which provides a true and fair view of the business of the Company and there are no statutory audit qualifications in this regard.
- d) The Company has in place, a risk management mechanism to inform the Board members about the risk assessment & minimization procedures, the Board reviews the same from time to time.
- e) All material transactions entered into with related parties as defined under the Act and Regulation 23 of SEBI Listing Regulations during the financial year were in the ordinary course of business. These have been approved by the Audit Committee. Other than transactions entered into in the normal course of business, the Company has not entered into any materially significant related party transactions during the period, which could have a potential conflict of interest between the Company and its Promoters, Directors, Management and /or relatives. The Board has approved a policy for related party transactions which has been uploaded on the Company's website
- f) The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of SEBI Listing Regulations for Directors and employees to report concerns about unethical behaviour. No person has been denied access to the Chairman of the audit committee. The said policy has been also put up on the website of the Company
- g) The Company has also adopted Policy on Determination of 'material' subsidiaries which has been also put up on the website of the Company
- h) The Company has duly fulfilled the following discretionary requirements as prescribed in Schedule II Part E of the SEBI Listing Regulations:
  - i. The Auditors' Report on statutory financial statements of the Company is unqualified.
  - ii. The Internal Auditors of the Company make presentations to the audit committee on their reports.
- i) Code of Conduct  
The members of the Board and Senior Management personnel have affirmed the compliance with Code applicable to them during the year ended March 31, 2016. The annual report of the Company contains a certificate by the Managing Director in terms of SEBI Listing Regulations on the compliance declarations received from Independent Directors, Non-executive Directors and Senior Management.

## POLICY

### A. NOMINATION AND REMUNERATION POLICY

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

### B. RELATED PARTY TRANSACTION POLICY

The Company in compliance with the provisions of Companies Act, 2013, read with relevant rules and Regulation 23 of the SEBI Listing Regulations, 2015 has adopted a Related Party Transaction Policy, for approval of all the related party transactions entered into by the Company.

### C. INSIDER TRADING CODE

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

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

### D. VIGIL MECHANISM AND WHISTLE BLOWER POLICY:

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil mechanism and Whistle blower policy under which the employees



## LEAD FINANCIAL SERVICES LIMITED

are free to report violations of applicable laws and regulations and the Code of Conduct. Employees may also report to the Chairman of the Audit Committee. During the financial year, no employee was denied access to the Audit Committee.

### E. DISCLOSURE POLICY

The Company has a Disclosure policy in place to take a view on (a) the materiality of an event that qualifies for disclosure under Regulation 30 of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015; (b) to decide the appropriate time at which such disclosure is required to be filed with the stock exchanges; (c) to decide the details that may be filed with the stock exchanges in the best interest of present and potential investors; and (d) other connected matters thereto.

### F. DIRECTORS' PERFORMANCE EVALUATION POLICY

The Company believes that continuous performance evaluation of individual Directors, Board and its Committees, will strengthen their effectiveness and enable Board members, individually and collectively, to assess themselves and develop the key skills required to meet foreseeable requirements. In line with this and pursuant to the Companies Act, 2013, Rules made thereunder, and entered into by the Company with Stock Exchanges, the Nomination and Remuneration Committee ("NRC") has framed this Directors' Performance Evaluation Policy ('Policy').

### G. POLICY ON FAMILIARIZATION PROGRAMS FOR INDEPENDENT DIRECTORS

The Familiarization Programs are targeted towards induction of its Independent Directors, outlining their roles, rights, responsibilities in the Company. It also provides information on nature of the industry in which the Company operates, business model of the Company, etc.

### H. POLICY FOR PRESERVATION AND RETRIEVAL OF DOCUMENTS AND RECORDS/ARCHIVAL POLICY

In pursuance of provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 ("Listing Regulations"), the Company is required to formulate and adopt a policy for preservation of documents is to ensure that Company's documents and records will remain authentic and accessible in the future to anyone who needs them.

### I. POLICY FOR DETERMINATION OF MATERIALITY OF ANY EVENT/ INFORMATION

The Policy is framed in accordance with the requirements of Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulations) to determine materiality of events or information pertaining to the Company and to ensure that such information is adequately disseminated in pursuance with the Regulations and to provide an overall governance framework for such determination of materiality.

## 7. MEANS OF COMMUNICATION

Quarterly results for the quarters ending on 30<sup>th</sup> June 2015, 30<sup>th</sup> September 2015, were published in "Pioneer" Hindi and English, 31<sup>st</sup> December 2015, were published in Jansatta Hindi and Financial Express in English and audited results for the quarter and year ended on 31<sup>st</sup> March 2016 were published in "Naya India" in Hindi and "Mint" in English. The results are promptly furnished to the Stock Exchange for display on their respective websites.

Quarters	Date of Board Meeting	Date of Press Release
April – June 2015	14 <sup>th</sup> August, 2015	15 <sup>th</sup> August, 2015
July–September 2015	05 <sup>th</sup> November 2015	11 <sup>th</sup> November 2015
October-December 2015	10 <sup>th</sup> February 2016	11 <sup>th</sup> February 2016
January-March 2016 (Audited)	16 <sup>th</sup> May 2016	17 <sup>th</sup> May 2016

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

## 8. SUBSIDIARY COMPANIES

As on 31.03.2016, the Company does not have any subsidiary company whether Indian or foreign.

## 9. GENERAL SHAREHOLDERS' INFORMATION

### i) ANNUAL GENERAL MEETING

Date and Time : Monday, 26<sup>th</sup> September, 2016  
At 10.30 A.M.

Venue : 304, Sita Ram Mansion, 718/21 Joshi Road Karol Bagh, New Delhi – 110005

ii) FINANCIAL CALENDAR : 1<sup>st</sup> April to 31<sup>st</sup> March

iii) BOOK CLOSURE : 20<sup>th</sup> September, 2016 to 26<sup>th</sup> September, 2016 (Both days inclusive)

### iv) LISTING ON STOCK EXCHANGES

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

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

Listing fees including for the year 2015-16 has been paid on due date to the Stock Exchange.



# LEAD FINANCIAL SERVICES LIMITED

## v) MARKET PRICE DATA:

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

Month	Bombay Stock Exchange Limited		BSE (SENSEX)	
	High	Low	High	Low
April 2015	8.36	7.90	29094.61	26897.54
May 2015	8.29	8.29	28,071.16	26,423.99
June 2015	-	-	27,968.75	26,307.07
July 2015	7.88	7.88	28,578.33	27,416.39
August 2015	-	-	28,417.59	25,298.42
Sept 2015	8.27	6.10	26,471.82	24,833.54
Oct 2015	6.72	5.78	27,618.14	26,168.71
Nov 2015	6.20	5.89	26,824.30	25,451.42
Dec 2015	6.45	5.11	26,256.42	24,867.73
Jan 2016	5.37	5.12	26,197.27	23,839.76
Feb 2016	-	-	25,002.32	22,494.61
March 2016	5.36	5.11	25,479.62	23,133.18

## vi) STOCK CODE

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

## vii) REGISTRAR & SHARE TRANSFER AGENT

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

Beetal Financial & Computer Services Private Limited, Beetal House, 3rd Floor,  
99, Madangir, B/4, Local Shopping Centre, New Delhi-110062  
Tel: 011-29961281, 29961282, Fax: 011-29961284,  
E-Mail ID: beetal @ beetalfinancial.com, Website: www.beetalfinancial.com

## viii) TRANSFER SYSTEM

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

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

## viii) CATEGORIES OF SHAREHOLDERS AS ON 31<sup>ST</sup> MARCH, 2016

Category	No. of shares	%
Promoter/PAC's	931520	28.23
Banks/ financial institutions/ Insurance companies	17988	0.54
Bodies Corporate	707148	21.43
Indian Public	1529494	46.35
NRI's	67060	2.03
HUF	46790	1.42
	<b>3300000</b>	<b>100</b>

## (IX) DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2016

SHAREHOLDING OF NOMINAL VALUE OF RS.	NUMBER OF SHARE-HOLDERS	% TO TOTAL	NO. OF SHARES	% TO TOTAL
UPTO 5000	1,787	97.12	5,81,422	17.62
5001 TO 10000	18	0.98	1,31,511	3.99
10001 TO 20000	6	0.33	94,388	2.86
20001 TO 30000	3	0.16	69,210	2.10
30001 TO 40000	7	0.38	2,51,465	7.62
40001 TO 50000	2	0.11	93,765	2.84
50001 TO 100000	6	0.33	4,72,200	14.31
100001 AND ABOVE	11	0.60	16,06,039	48.67
<b>TOTAL</b>	<b>1,840</b>	<b>100.00</b>	<b>33,00,000</b>	<b>100.00</b>

## LEAD FINANCIAL SERVICES LIMITED

### (x) DEMATERIALIZATION OF SHARES & LIQUIDITY

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

As on 31<sup>st</sup> March, 2016, 38.24 % and 1.95 % of the Equity Shares of the Company are held in dematerialized form with NSDL and CDSL respectively.

### (xi) ADDRESS FOR CORRESPONDENCE

Lead Financial Services Limited  
101, Sita Ram Mansion, 718/21, Joshi Road, Karol Bagh,  
New Delhi-110005 Tel. 23549822-24 Fax. 23623829

### CODE OF CONDUCT

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

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

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

This is to certify that, to the best of my knowledge and belief, for the financial year ended on 31st March, 2016, all Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management respectively.

Padam Chandra Bindal      Vijay Kumar  
Chairman                      Manager  
DIN: 00004769

Date: 16<sup>th</sup> May, 2016

### CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the members of Lead Financial Services Limited

We have examined the compliance of conditions of Corporate Governance by Lead Financial Services Limited (the Company), for the year ended on 31st March 2016, as stipulated in Clause 49 of the Listing agreement (Listing Agreement) of the Company with the stock exchanges for the period from 1st April 2015 to 30th November 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulation) for the period from 1st December 2015 to 31st March 2016.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to the review of the procedures and implementation thereof adopted by the Company for ensuring compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement/Listing Regulations, as applicable.

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

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

CA. Gopal Chandra Sharda  
Partner  
M.No.071920

Place : New Delhi  
Date : 16.05.2016

# LEAD FINANCIAL SERVICES LIMITED

## INDEPENDENT AUDITOR'S REPORT

To the Members of Lead Financial Services Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of LEAD FINANCIAL SERVICES LIMITED ("the company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2016, and its profit and its cash flow, for the year ended on that date.

### 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 sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order."
2. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - c. The Balance Sheet, the Profit and Loss Account, and the Cash Flow Statement dealt with in this Report are in agreement with the books of account.
  - d. In our opinion, the financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

## LEAD FINANCIAL SERVICES LIMITED

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- e. On the basis of written representations received from the directors as on 31 March, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016, from being appointed as a director in terms of sub-section (2) of Section 164 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, in accordance with the Rule 11 of Companies/ (Audit and Auditor’s) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us :
  - i. The Company does not have any pending litigations which would impact its financial position in its financial statement
  - ii. The Company did not have any long-term contracts including derivatives contracts where any provisions for material foreseeable losses is required under any law or accounting standards; There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
  - iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

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

Place of Signature: New Delhi  
Date: 16.05.2016

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

### **Annexure “A” to Independent Auditor’s Report**

The Annexure referred to in paragraph 1 under the heading of “Report on Other Legal and Regulatory Requirements” of our report to the members of LEAD FINANCIAL SERVICES LTD. (“the Company”) for the year Ended on 31<sup>st</sup> March 2016. We report that:

- i. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) According to the information and explanation given to us fixed assets have been physically verified by the management at reasonable intervals . No material discrepancies were noticed on such verification.
  - (c) The title deeds of immovable properties are held in the name of the company.
- ii. According to the information and explanation given to us, physical verification of inventory has been conducted at reasonable intervals by the management. No material discrepancies were noticed on such verification.
- iii. According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of Companies Act 2013.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits to which the directives issued by Reserve Bank of India and provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the applicable 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 maintenance of cost records has not been specified by the Central government under sub section (1) of section 148 of the Companies Act, 2013.
- vii. a) According to the information and explanations given to us and according to the books and records produced before us, the company is regular in depositing undisputed statutory dues including income-tax, and any other statutory dues , as applicable to it to the appropriate authority. There are no arrears of outstanding statutory dues as on the last day of the financial concerned for a period of more than six months from the date they became payable.
  - b) According to the information and explanations given to us, there are no dues of income tax which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us, the company did not have loan or borrowings from any financial institution, bank government or dues to debenture holders

## LEAD FINANCIAL SERVICES LIMITED

- ix. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans.
- x. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- xi. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii. The Company is not a Nidhi Company.
- xiii. According to the information given and explanations by the management, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
- xiv. According to the information given and explanations by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv. According to the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi. According to the information and explanations given by the management, the company is required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and has obtained registration accordingly.

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

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

Place of Signature: New Delhi  
Date: 16.05.2016

### Annexure “B” to the Independent Auditor’s Report

The Annexure referred to in paragraph 1 (f), relating to Report on Internal Financial Controls, under the heading of “Report on Other Legal and Regulatory Requirements” of our report to the members of LEAD FINANCIAL SERVICES LTD. (“the Company”) for the year Ended on 31<sup>st</sup> March 2016. We report that:

“We have audited the internal financial controls over financial reporting of LEAD FINANCIAL SERVICES LTD. (“the Company”) as of March 31, 2016 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. 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

## LEAD FINANCIAL SERVICES LIMITED

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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.

### **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 March 31, 2016, 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 **G.C. SHARDA & CO.**  
Chartered Accountants  
(FRN - 500041N)

Place of Signature: New Delhi  
Date: 16.05.2016

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

# LEAD FINANCIAL SERVICES LIMITED

## BALANCE SHEET AS AT 31 MARCH, 2016

(Amount in Rs.)

Particulars	Note No.	As at 31st March, 2016	As at 31st March, 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	33,000,000	33,000,000
(b) Reserves and Surplus	3	12,154,574	11,477,076
<b>(2) Non-Current Liabilities</b>			
Deferred Tax Liabilities (Net)	4	206,816	159,093
<b>(3) Current Liabilities</b>			
(a) Short-Term Borrowings	5	7,300,000	10,800,000
(b) Other Current Liabilities	6	52,544,170	45,574,860
(c) Short-Term Provisions	7	58,920	587,921
<b>Total Liabilities</b>		<b>105,264,480</b>	<b>101,598,950</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets			
Tangible Assets	8	21,199,390	22,146,324
(b) Non-Current Investments	9	32,257,057	40,890,719
(c) Long Term Loans And Advances	10	415,508	117,267
<b>(2) Current Assets</b>			
(a) Inventories	11	17,551,907	5,765,187
(b) Cash and Cash Equivalents	12	466,632	1,269,671
(c) Short-Term Loans and Advances	13	33,373,986	31,409,781
<b>Total Assets</b>		<b>105,264,480</b>	<b>101,598,950</b>

Summary of significant accounting policies 1

The accompanying notes (1-32) are an integral part of the financial statements

### AUDITORS' REPORT

As per our report of even date

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

**FOR & ON BEHALF OF THE BOARD**

**CA. Gopal Chandra Sharda**  
Partner  
M.No.071920

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

**Kusha Bindal**  
Director  
DIN: 06952708

**Vijay Kumar**  
Manager

Place : New Delhi  
Date : 16/05/2016



# LEAD FINANCIAL SERVICES LIMITED

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31 MARCH, 2016

(Amount in Rs.)

Particulars	Note No.	Year Ended 31st March, 2016	Year Ended 31st March, 2015
<b>Income</b>			
Revenue from Operations	14	9,199,135	6,944,502
Other Income	15	131,281	70,858
<b>Total Revenue (I)</b>		<b>9,330,416</b>	<b>7,015,359</b>
<b>Expenses</b>			
Purchases of Stock-in-Trade/ Traded Goods	16	17,665,603	2,531,023
(Increase)/ Decrease in Inventories of Traded Goods	17	(11,786,720)	(2,217,253)
Employee Benefit Expenses	18	561,060	676,254
Finance Costs	19	300,809	302,087
Depreciation	8	946,934	1,862,948
Other Expenses	20	1,110,518	949,095
<b>Total Expenses (II)</b>		<b>8,798,204</b>	<b>4,104,153</b>
<b>Profit before Extra-ordinary item and tax (I-II)</b>		<b>532,212</b>	<b>2,911,206</b>
<b>Add: Extra-ordinary item</b>			
Security Deposits forfeited		202,248	-
<b>Profit Before Tax</b>		<b>734,460</b>	<b>2,911,206</b>
<b>Tax Expense:</b>			
(1) Current Tax		144,986	889,764
(2) Deferred Tax		47,723	(1,628)
(3) Earlier Year Tax		9,239	30,605
(4) Mat Credit Entitlement		(144,986)	
<b>Profit for the Year from Continuing Operations (A)</b>		<b>677,498</b>	<b>1,992,464</b>
<b>Profit/ (Loss) for the Year from Discontinuing Operations (B)</b>		<b>-</b>	<b>-</b>
<b>Profit for the Year (A+B)</b>		<b>677,498</b>	<b>1,992,464</b>
Earnings Per Equity Share			
(1) Basic		0.21	0.60
(2) Diluted		0.21	0.60
Summary of significant accounting policies	1		
The accompanying notes (1-32) are an integral part of the financial statements			

### AUDITORS' REPORT

As per our report of even date

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

Chartered Accountants  
(FRN - 500041N)

**CA. Gopal Chandra Sharda**  
Partner  
M.No.071920

Place : New Delhi  
Date : 16/05/2016

**FOR & ON BEHALF OF THE BOARD**

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

**Kusha Bindal**  
Director  
DIN: 06952708

**Vijay Kumar**  
Manager

# LEAD FINANCIAL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2016

### 1. SIGNIFICANT ACCOUNTING POLICIES

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

#### 1.1 **Basis of Accounting**

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

#### 1.2 **Revenue Recognition**

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

#### 1.3 **Fixed Assets**

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

#### 1.4 **Depreciation**

Depreciation is provided as per Written Down Value Method in accordance with the provisions of Schedule II of the Companies Act, 2013 on assets put to use. Depreciation is charged on prorata basis for assets purchased/ sold during the year.

#### 1.5 **Impairment**

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

#### 1.6 **Investments**

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

#### 1.7 **Inventories**

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

#### 1.8 **Employee Benefits**

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

#### 1.9 **Taxation**

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

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

#### 1.10 **Contingent Liabilities**

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

# LEAD FINANCIAL SERVICES LIMITED

## Notes to the financial statements as on 31st March, 2016

(Amount in Rs.)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>2. Share Capital</b>		
<b>Authorised Capital</b>		
35,00,000 (31 March, 2015: 35,00,000) Equity Shares of Rs.10/- each	35,00,000	35,00,000
<b>Issued, Subscribed and Paid up</b>		
33,00,000 (31 March, 2015: 33,00,000) Equity Shares of Rs.10/- each, fully paid-up	33,00,000	33,00,000
	<b>33,00,000</b>	<b>33,00,000</b>

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

	31-Mar-16	
	No.	Amount (Rs)
<b>Equity Shares</b>		
At the beginning of the Year	3,300,000	33,000,000
Issued during the Year	---	---
<b>Outstanding at the end of the Year</b>	<b>3,300,000</b>	<b>33,000,000</b>
	31-Mar-15	
	No.	Amount (Rs)
<b>Equity Shares</b>		
At the beginning of the Year	3,300,000	33,000,000
Issued during the Year	---	---
<b>Outstanding at the end of the Year</b>	<b>3,300,000</b>	<b>33,000,000</b>

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

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

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

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

Particulars	31-Mar-16	
	No.	% holding in the class
<b>Equity Shares of Rs. 10 each fully paid up</b>		
P. C. Bindal	195,200	5.92
Manushree Bindal	189,000	5.73
Privy Capital Ltd. (formerly known as LFS Securities Limited)	184,500	5.59
	<b>568,700</b>	<b>17.23</b>
Particulars	31-Mar-15	
	No.	% holding in the class
<b>Equity Shares of Rs. 10 each fully paid up</b>		
P. C. Bindal	195,200	5.92
Manushree Bindal	189,000	5.73
Privy Capital Ltd. (formerly known as LFS Securities Limited)	184,500	5.59
ECI Limited	179,680	5.44
	<b>748,380</b>	<b>22.68</b>

# LEAD FINANCIAL SERVICES LIMITED

(Amount in Rs.)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>3. Reserves and Surplus</b>		
(a) General Reserve		
As per last Balance Sheet	63,000	63,000
Addition during the year	---	---
Closing Balance	63,000	63,000
(b) Statutory Reserve*		
As per last Balance Sheet	1,882,424	1,483,931
Addition during the year	135,500	398,493
Closing Balance	2,017,924	1,882,424
* Reserve created as per the Guidelines issued by the Reserve Bank of India.		
(c) Surplus i.e. Balance in the Statement of Profit & Loss		
As per last Balance Sheet	9,531,652	7,949,471
Addition during the year	677,498	1,992,464
Transfer to Statutory Reserve	(135,500)	(398,493)
Adjustment for Assets having Nil remaining useful life	-	(11,790)
Closing Balance	10,073,650	9,531,652
	<b>12,154,574</b>	<b>11,477,076</b>
<b>4. Net Deferred Tax Liabilities/ (Assets)</b>		
<b>Deferred Tax Liabilities</b>		
Difference in Depreciation for accounting & tax purposes	389,830	159,093
<b>Deferred Tax Assets</b>		
Carried forward Losses	183,014	-
<b>Net Deferred Tax Liabilities/ (Assets)</b>	<b>206,816</b>	<b>159,093</b>
<b>5. Short-Term Borrowings</b>		
Loans Repayable on Demand		
- from Directors	700,000	700,000
- from Inter Corporate Deposit	6,600,000	10,100,000
	<b>7,300,000</b>	<b>10,800,000</b>
The above amount includes		
- Secured Borrowings	-	-
- Unsecured Borrowings	7,300,000	10,800,000
<b>6. Other Current Liabilities</b>		
Advances Received	52,000,000	45,000,000
Interest Accrued & Due on Borrowings	270,000	270,000
Expenses Payable	244,170	72,612
Others (Including Statutory Dues)	30,000	232,248
	<b>52,544,170</b>	<b>45,574,860</b>
<b>7. Short-Term Provisions</b>		
Provision For Taxation [Net of Prepaid Taxes]	-	555,421
Contingent Provisions against Standard Assets	58,920	32,500
	<b>58,920</b>	<b>587,921</b>

# LEAD FINANCIAL SERVICES LIMITED

## 8. Tangible Assets as on 31st March 2016

(Amount in Rs.)

S. No.	Particulars	Gross Block				Depreciation Block				Net Block	
		Cost as on 01.04.2015	Additions during the year	Sale/ Disposal during the year	Total as on 31.03.2016	Upto 01.04.2015	For the year	Adjustment	Upto 31.03.2016	Net Carrying amount as on 31.03.2016	Net Carrying amount as on 31.03.2015
1	Leasehold Land	4,966,908	-	-	4,966,908	-	-	-	-	4,966,908	4,966,908
2	Buildings	18,967,655	-	-	18,967,655	2,021,154	893,847	-	2,915,001	16,052,654	16,946,501
3	Furniture & Fixtures	1,461,325	-	-	1,461,325	1,417,411	-	-	1,417,411	43,914	43,914
4	Vehicle	518,500	-	-	518,500	341,598	53,087	-	394,685	123,815	176,902
5	Office Equipments	240,375	-	-	240,375	228,356	-	-	228,356	12,019	12,019
6	Computers	438,700	-	-	438,700	438,620	-	-	438,620	80	80
	<b>TOTAL</b>	<b>26,593,463</b>	<b>-</b>	<b>-</b>	<b>26,593,463</b>	<b>4,447,139</b>	<b>946,934</b>	<b>-</b>	<b>5,394,073</b>	<b>21,199,390</b>	<b>22,146,324</b>
	Previous Year	26,593,463	-	-	26,593,463	2,572,401	1,862,948	(11,790)	4,447,139	22,146,324	24,021,062

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

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>9. Non-Current Investments</b>		
<b>TRADE INVESTMENTS (Valued at Cost)</b>		
<b>Investment in Quoted Equity Instruments</b>		
80,000 (31 March 2015: 80,000) Equity Shares of Rs 10 each fully paid up in NHPC Ltd.	2,599,442	2,599,442
4,012 (31 March 2015: 4,012) Equity Shares of Rs 10 each fully paid up in Reliance Power Ltd.	513,873	513,873
	<u>3,113,315</u>	<u>3,113,315</u>
<b>Investment in Unquoted Equity Instruments</b>		
1,20,000 (31 March 2015: 1,20,000) Equity Shares of Rs 10 each fully paid up in SLS Stock & Share Brokers Ltd.	1,200,000	1,200,000
82,000 (31 March 2015: 82,000) Equity Shares of Rs 10 each fully paid up in Indraprastha Commodity Trading Pvt. Ltd.	820,000	820,000
5,000 (31 March 2015: 5,000) Equity Shares of Rs 10 each fully paid up in Kriti Machinery Pvt. Ltd.	300,000	500,000
1,000 (31 March 2015: 1000) Equity Shares of Rs 10 each fully paid up in Privy Capital Advisors Pvt. Ltd.	500,000	500,000
	<u>2,820,000</u>	<u>3,020,000</u>
<b>Investments in Quoted Bonds</b>		
<b>24 (31 March 2015: 24) Bonds of Rs. 10,00,000 each in Reliance Gas Transportation Infrastructure Ltd. (Formerly known as Reliance Logistics Infra Ltd.)</b>	24,120,000	24,120,000
<b>Investments in UnQuoted Debentures</b>		
60,000 (31 March 2015: 60,000) Optionally Convertible Debentures of Rs. 100 each in Karni Mata Auto P Ltd.	-	6,000,000
<b>Investments in Project Equity</b>		
IDFC Infrastructure	2,203,742	4,637,404
	<u>32,257,057</u>	<u>40,890,719</u>
Aggregate Amount of Quoted Investments	27,233,315	27,233,315
Market Value of Quoted Investments as on 31 March, 16 is Rs. 2,61,25,992(31 March 2015: Rs. 2,58,18,879 )		
Aggregate Amount of Unquoted Investments	5,023,742	13,657,404
<b>10. Long -Term Loans and Advances</b>		
Income Tax Refund Due	415,508	117,267
	<u>415,508</u>	<u>117,267</u>

## LEAD FINANCIAL SERVICES LIMITED

<b>11. Inventories (Valued at lower of cost and net realizable value)</b>		
Stock-in-Trade/ Traded Goods	17,551,907	5,765,187
	<u>17,551,907</u>	<u>5,765,187</u>
<b>12. Cash and Cash Equivalents</b>		
Balance with Banks in Current Accounts	432,605	1,202,435
Cash on Hand	34,027	67,237
	<u>466,632</u>	<u>1,269,671</u>
<b>13. Short-Term Loans and Advances</b> (Unsecured, Considered Good)		
Advances against Flats	13,590,000	18,000,000
Other Loans & Advances	19,639,000	13,405,099
Prepaid expenses	-	4,682
Mat Credit Entitlement	144,986	-
	<u>33,373,986</u>	<u>31,409,781</u>
<b>14 Revenue from Operations</b>		
Interest Income	6,832,000	5,915,852
Sale Of Shares	737,397	843,466
Dividend Income	18,586	33,980
Long Term Capital Gain (Listed Shares)	721,713	151,204
Long Term Capital Gain (Unlisted Shares)	401,388	-
Short Term Capital Gain	488,052	-
	<u>9,199,135</u>	<u>6,944,502</u>
<b>15 Other Income</b>		
Bank Interest	131,281	70,858
	<u>131,281</u>	<u>70,858</u>
<b>16 Purchases of Stock-in-Trade/ Traded Goods</b>		
Shares of Companies	17,665,603	2,531,023
	<u>17,665,603</u>	<u>2,531,023</u>
<b>17 (Increase)/ Decrease in Inventories</b>		
<i>Inventories at the beginning of the year</i>		
Traded Goods (Shares of Companies)	5,765,187	3,547,935
<i>Inventories at the end of the year</i>		
Traded Goods (Shares of Companies)	17,551,907	5,765,187
<b>(Increase)/ Decrease in Inventories</b>	<u>(11,786,720)</u>	<u>(2,217,253)</u>
<b>18 Employee Benefit Expenses</b>		
Salaries and Wages	504,000	624,000
Staff Welfare Expenses	57,060	52,254
	<u>561,060</u>	<u>676,254</u>
<b>19 Finance Costs</b>		
Interest Expense	300,000	300,000
Bank Charges	809	2,087
	<u>300,809</u>	<u>302,087</u>
<b>20. Other Expenses</b>		
Rent	180,000	180,000
Repair & Maintenance	129,421	131,187
Communication Expenses	116,267	92,691
Printing and Stationery	38,280	36,308
Professional & Legal Expenses	303,567	292,795
Auditors' Remuneration	28,625	28,090
Travelling & Conveyance	47,940	39,950
Provisioning on Standard Assets	26,420	7,500
Demat Charges	1,755	6,265
Investments Written Off	-	39,575
Insurance Charges	8,089	-
Loss on Sale of Investment	120,000	-
Advertisement & Business Promotion Expenses	75,365	59,199
General and Miscellaneous Expenses	34,789	35,535
	<u>1,110,518</u>	<u>949,095</u>

## LEAD FINANCIAL SERVICES LIMITED

<b>21. Capital &amp; Other Commitments</b>	In respect of Guarantees given in respect of loan taken by others, an amount not exceeding Rs. 6,89,00,000 (31 March, 2015: Rs. 6,89,00,000)	
22.	Estimated amount of contracts remaining to be executed on Capital Accounts (Net of advances) Rs. 6,65,000 (31 March, 2015: Rs. Nil)	
<b>23. Segment Reporting</b>	The company is a Non Banking Financial Company. Since there is only one segment in which company is operating, Segment Reporting as required under Accounting Standard-17 notified by the Companies (Accounting Standards) Rules, 2006 (as amended) is not applicable.	
<b>24. Related Party Transactions</b>		
<b>24.1</b>	Related Party Disclosures	
	Related Parties with whom transactions have taken place during the year	
	Key Managerial Personnel	Mr. Vijay Kumar, Manager
<b>24.2</b>	Related Party Transactions	
	Key Managerial Personnel	
	Remuneration	
	<b>31.3.2016</b>	<b>31.3.2015</b>
	180,000	180,000
<b>25. Earnings Per Share</b>		
	<b>31.03.2016</b>	<b>31.03.2015</b>
<b>Particulars</b>		
Opening No. of Equity Shares	3,300,000	3,300,000
Allotted during the Year	---	---
Outstanding Number of Shares at the year end.	3,300,000	3,300,000
Weighted number of Shares	3,300,000	3,300,000
Net Profit after Tax (Rs.)	677,498	1,992,464
Less: Securities Deposits Forfeited	(202,248)	
Net Profit/ (Loss) after tax before Extraordinary items (B)	475,250	1,992,464
Earning Per Share (Rs.) - Basic & Diluted (B÷A)	0.14	0.60
<b>After Extraordinary Items:-</b>		
Net Profit/ (Loss) after tax (C)	677,498	1,992,464
Earning Per Share (Rs.) - Basic & Diluted (C÷A)	0.21	0.60
<b>26. Payment to Auditors</b>	<b>31.3.2016</b>	<b>31.3.2015</b>
Audit Fees	25,000	25,000
Others	---	---
Service Tax	3,625	3,090
27.	The company has not given any loans and advances in the nature of loan required to be disclosed pursuant to SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.	
28.	No provision has been made for Gratuity as no employee has completed qualifying period of service.	
29.	In the opinion of Board of Directors, all the current assets, loan & advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated, except those stated otherwise and that all known liabilities relating to the year have been provided for.	
<b>30. Particulars</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
Earning in Foreign Currency	---	---
Expenditure in Foreign Exchange	---	---
31.	The Company has not receives any written confirmation from Suppliers who are Micro, Small & Medium Enterprises under the Micro, Small & Medium Enterprises Development Act, 2006. Therefore, the disclosures required under section 22 of the said Act are not necessary.	
<b>32. Previous Year's Figures</b>	Previous period figures have been regrouped /recast to conform the current year classifications.	

### AUDITORS' REPORT

As per our report of even date

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

### FOR & ON BEHALF OF THE BOARD

**CA. Gopal Chandra Sharda**  
Partner  
M.No.071920

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

**Kusha Bindal**  
Director  
DIN: 06952708

Place : New Delhi  
Date : 16/05/2016

**Vijay Kumar**  
Manager



# LEAD FINANCIAL SERVICES LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2016

(Amount in Rs.)

Particulars	2015-2016	2014-2015
Profit before Tax	734,460	2,911,206
Non Cash Adjustment:		
- Depreciation	946,934	1,862,948
- Provisions Created/ (Written Back)	26,420	7,500
- Capital Gain on Sale of Investment	(1,611,153)	(151,204)
- Loss on Sale of Investment	120,000	-
- Investments w/off	-	39,575
<b>Operating profit before Working Capital changes</b>	<b>216,662</b>	<b>4,670,024</b>
<b>Changes in Working Capital:</b>		
Decrease/ (Increase) in Inventories	(11,786,720)	(2,217,253)
Decrease/ (Increase) in Short/ Long Term Loans and Advances	(1,828,917)	(4,825,909)
(Decrease)/ Increase in Other Current Liabilities	6,969,310	(272,119)
<b>Cash generated from Operations</b>	<b>(6,429,665)</b>	<b>(2,645,256)</b>
Income Tax Paid	(998,189)	(641,973)
<b>Cash Flow from Operating Activities (A)</b>	<b>(7,427,854)</b>	<b>(3,287,229)</b>
<b>Cash Flow from Investing Activities</b>		
Proceeds from Sale of Investments	10,124,815	3,513,800
<b>Cash Flow from Investing Activities (B)</b>	<b>10,124,815</b>	<b>3,513,800</b>
<b>Cash Flow from Financing Activities</b>		
Proceeds from Short Term Borrowings	-	700,000
Repayment of Short Term Borrowings	(3,500,000)	-
<b>Cash Flow from Financing Activities (C)</b>	<b>(3,500,000)</b>	<b>700,000</b>
Net Increase/ (Decrease) in Cash & Cash Equivalents (A+B+C)	(803,039)	926,571
Cash & Cash Equivalents at the beginning of year	1,269,671	343,100
<b>Cash &amp; Cash Equivalents at the end of year</b>	<b>466,631</b>	<b>1,269,671</b>

Note :

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

### FOR & ON BEHALF OF THE BOARD

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

**Kusha Bindal**  
Director  
DIN: 06952708

**Vijay Kumar**  
Manager

### AUDITOR'S CERTIFICATE

We have examined the attached Cash Flow Statement of the Company for the year ended 31 March, 2016. The Statement has been prepared by the Company in accordance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and is based on and is in agreement with corresponding Statement of Profit and Loss and Balance Sheet of the Company covered by our Report to the members of the Company.

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

**CA. Gopal Chandra Sharda**  
Partner  
M.No.071920

Place : New Delhi  
Date : 16/05/2016

# LEAD FINANCIAL SERVICES LIMITED

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## LEAD FINANCIAL SERVICES LIMITED

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

CIN: L74140DL1993PLC053485

Ph. No.-011-23549822, 23 e-mail: lead\_financial@rediffmail.com

www.leadfinancialservice.in

### ATTENDANCE SLIP

23rd Annual General Meeting

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

No .of Shares Held: .....

I certify that I am a Registered Shareholder/Proxy for the Registered Shareholder of the Company. I hereby record my presence at the 23rd Annual General Meeting of the Company to be held on **Monday, 26th day of September, 2016 at 10.30 A.M.** at 304, Sitaram Mansion, 718/21, Joshi Road, Karol Bagh, New Delhi -110005, and at any adjournment thereof.

Member's Name : .....

Proxy's Name : .....

Member's/ Proxy's Signature

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

# LEAD FINANCIAL SERVICES LIMITED

## Form No. MGT-11

### LEAD FINANCIAL SERVICES LIMITED

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

CIN: L74140DL1993PLC053485

Ph. No.-011-23549822, 23 e-mail: lead\_financial@rediffmail.com

www.leadfinancialservice.in

### PROXY FORM

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

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

Registered Address: .....

E-Mail Id: .....

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

DP ID: .....

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23<sup>rd</sup> Annual general meeting of the company, to be held on the 26<sup>th</sup> day of September, 2016 at 10:30 a.m. at 304, Sita Ram Mansion, 718/21 Joshi Road, Karol Bagh, New Delhi 110005 and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Description of Resolution
----------	---------------------------

#### Ordinary Business

1. To Consider and adopt the Audited Financial Statements as at 31st March, 2016 and the Report of the Auditors' and Board of Director's thereon.
2. To appoint a Director in place of Mr. Padam Chandra Bindal, who retires by rotation and being eligible offers himself for re-appointment.
3. Ratification of appointment of M/s. G.C. Sharda & Co., Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of 24th Annual General Meeting of the Company and to fix their remuneration.

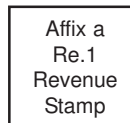
#### Special Business

4. Increase in salary of Mr. Vijay Kumar, Manager of the Company.

Signed this ..... day of ..... 2016

Signature of Shareholder (s) .....

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



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