

*20<sup>th</sup>  
Annual  
Report  
2012-13*

**LEAD FINANCIAL  
SERVICES LIMITED**

# LEAD FINANCIAL SERVICES LIMITED

## BOARD OF DIRECTORS

P.C. BINDAL  
VIJAY KUMAR  
PRADEEP KUMAR JAIN  
SANJAY KUMAR AGARWAL

CHAIRMAN  
WHOLE TIME DIRECTOR  
DIRECTOR  
DIRECTOR

## AUDITORS

G.C. SHARDA & CO.  
CHARTERED ACCOUNTANTS  
NEW DELHI

## REGISTRAR & SHARE TRANSFER AGENT

BEETAL FINANCIAL & COMPUTER SERVICES (P) LTD.  
BEETAL HOUSE, 3RD FLOOR  
99, MADANGIR, BEHIND LOCAL SHOPPING CENTRE  
NEW DELHI- 110062

## REGISTERED OFFICE

101, SITA RAM MANSION  
718/21, JOSHI ROAD  
KAROL BAGH, NEW DELHI-110005

## BANKERS

ICICI BANK  
2212/61, Gurudwara Road,  
Karol Bagh, New Delhi-110005

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# LEAD FINANCIAL SERVICES LIMITED

## NOTICE

Notice is hereby given that the 20<sup>th</sup> Annual General Meeting of the members of Lead Financial Services Limited will be held on Saturday, the 21st day of September, 2013 at 10.30 a.m. at 304, Sita Ram Mansion, 718/21, Joshi Road, Karol Bagh, New Delhi-110005, to transact the following business:

### Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2013 and the Profit & Loss Account for the year ended on that date together with Reports of the Directors and the Auditors thereon.
2. To appoint director in place of Mr. Pradeép Kumar Jain who retires by rotation and being eligible offers himself for reappointment.
3. To appoint M/s. G.C. Sharda & Co., Chartered Accountants, the retiring Auditors, as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of next annual general meeting and to fix their remuneration.

### Special Business

4. To consider and if thought fit to pass, with or without modification, following resolution as a special resolution:

"RESOLVED THAT pursuant to the provision of section 198,269,302,309,310 read with the provisions of the schedule XIII of the Companies Act,1956 and other applicable provision, if any, of the Companies Act,1956 (including any statutory modifications or re-enactment thereof for the time being enforceable) Mr. Vijay Kumar be and is hereby re-appointed as the Whole Time Director of the Company for a period of five years with effect from 1<sup>st</sup> August, 2013, on the following terms and conditions as approved by remuneration committee of the Board:

(i) Term of appointment: 5 years w.e.f. 1<sup>st</sup> August, 2013

(ii) Salary Rs. 15,000/-(Fifteen Thousand only) per month.

(iii) Contribution to the provident fund, family benefit fund, superannuation fund as per rule of the Company.

(iv) Gratuity as per rules of the Company.

RESOLVED FURTHER THAT Mr. Vijay Kumar shall be liable to retire by rotation.

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

RESOLVED FURTHER THAT Mr. P.C Bindal, Director of the Company be and is hereby authorised to sign and file all the documents and to take such steps, as may be necessary, to give effect to this resolution."

By Order of the Board of Directors

Place : New Delhi  
Dated : 30.07.2013

VIJAY KUMAR  
WHOLE TIME DIRECTOR

### NOTES:

1. A MEMBER ENTITLED TO ATTEND & VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY.
2. The proxy form duly executed and properly stamped, in order to be effective, should reach the company at its Registered Office at least 48 hours before the scheduled time of the meeting.
3. The Register of Members and the Share Transfer books of the Company will remain closed from 16<sup>th</sup> day of September, 2013 to 21<sup>st</sup> day of September, 2013 (both days inclusive).
4. Only Registered Members carrying attendance slips and holders of valid proxies registered with the Company will be permitted to attend the meeting. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. The Members are requested to :
  - (a) Intimate to the Company changes, if any in their registered address at an early date.
  - (b) Quote ledger folio no. or DP ID & Client ID in all their correspondence.
  - (c) Bring their copy of the Annual Report and the attendance slips with them at the Annual General Meeting.
6. At the ensuing Annual General Meeting Mr. Pradeep Kumar Jain retires by rotation and being eligible, offer himself for re-appointment. The details of Mr. Pradeep Kumar Jain pursuant to clause 49 of the Listing Agreement are as under:

#### **Particulars**

Date of Birth  
Date of appointment  
Expertise in specific areas

Qualifications  
Directorship in other Company

Shareholdings in the company as on 31.03.2013

#### **Name of Director**

Mr. Pradeep Kumar Jain  
20.12.1960  
10.03.2007

Mr. Pradeep Kumar Jain, a commerce graduate is a fellow member of the Institute of Chartered Accountants of India. He has more than 24 years of vast experience in the field of finance and Capital Market.

B.Com., FCA  
Evergrowing Investments & Consultants Pvt Ltd.  
Startrite Financial Services Pvt Ltd  
NIL

# LEAD FINANCIAL SERVICES LIMITED

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

<b>Particulars</b>	<b>Name of Directors</b>
Date of Birth	<b>Mr. VIJAY KUMAR</b> 19.05.1955
Date of appointment	31.03.2006
Expertise in specific areas	Rich experience in the field of administration.
Qualifications	Graduate
Directorship in other Company	LFS SECURITIES LIMITED LFS SERVICES PRIVATE LIMITED LEAD BUSINESS SOLUTIONS PRIVATE LIMITED PRIVY VALUE REALTY PRIVATE LIMITED KARNI MATA AUTO PRIVATE LIMITED
Shareholdings in the company as on 31.03.2013	NIL

By Order of the Board of Directors

Place : New Delhi  
Dated : 30.07.2013

VIJAY KUMAR  
WHOLE TIME DIRECTOR

## EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

### Regarding Item No. 4

Mr. Vijay Kumar was appointed as Whole Time Director of the Company w.e.f. 01.08.2008. Mr. Vijay Kumar is an Arts Graduate and has over 20 years of experience in the field of administration.

Considering the contribution made by Mr. Vijay Kumar and industrial standards, your Board of Directors in their meeting held on 30.07.2013 has re-appointed him as a Whole Time Director of the Company w.e.f. 1st August, 2013 at a remuneration of Rs. 15,000/- for 5 Years, subject to confirmation of the shareholders in their meeting.

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

The Board is of the opinion that his knowledge and experience would be of immense help for the overall progress of the company and recommends the resolution as given in item no 4 of the convening notice for your approval.

Except Mr. Vijay Kumar, no other director of the company is concerned or interested in proposed resolution.

By Order of the Board of Directors

Place : New Delhi  
Dated : 30.07.2013

VIJAY KUMAR  
WHOLE TIME DIRECTOR

## DIRECTORS' REPORT

To,  
The Members  
Lead Financial Services Limited

Your Directors have pleasure in presenting the 20<sup>th</sup> Annual Report with Audited Statement of Accounts of the company for the year ended 31<sup>st</sup> March, 2013.

### FINANCIAL RESULTS:

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

Particulars	(Rs. in Lacs)	
	Year Ended 31.03.2013	Year Ended 31.03.2012
Total Income	49.79	46.35
Profit Before Depreciation & Tax	10.92	15.47
Depreciation	1.35	0.78
Profit/ (Loss) Before Tax	9.56	14.51
Provision for Tax - Current	3.15	4.69
- Deferred	(0.13)	(0.047)
Profit/(Loss) after Tax	6.54	9.87
Transfer to Statutory Reserve	(1.30)	(1.97)
Surplus Carried to Balance Sheet	68.09	62.85

### PERFORMANCE REVIEW:

During the year under review, your company achieved total income of Rs. 49.79 Lacs as compared to Rs.46.35 Lacs in the previous year. Net profit for the year is Rs. 6.54 Lacs as compared to net profit of Rs. 9.87 Lacs in the previous year. Your directors are undertaking the initiatives to improve the financial results in the coming years.

### MANAGEMENT DISCUSSION AND ANALYSIS:

#### Industrial Structure and Development

Economic activities in India in 2012-13 remained weak due to both domestic and global factors. The slowdown in the global growth along with continued recession in the Euro Zone hurt sentiment. However, steady monetary easing, aided by fiscal austerity measures in developed economies helped to revive global growth towards the end of the year. India's GDP (Gross Domestic Product) growth decelerated continuously and steeply, moving from 9.2 per cent in the fourth quarter of 2010-11 to 4.5 per cent in third quarter of 2012-13, its slowest pace in four years.

The GDP growth in the first nine months of 2012-13 was 5 per cent as compared 6.6 per cent in the corresponding period in previous year. The slowdown in growth was broad based across sector. The manufacturing sector production fell from 3.6 per cent to 1.2 per cent. The growth slowdown was primarily due to the weakness in industrial activity aggravated by domestic supply bottlenecks. Slowdown in the services sector reflecting weak external demand, high interest rates and low level of capital investments due to drop in overall demand RBI experts a modest improvement in growth at 5.7 per cent in 2013-14 with a pick-up likely only in the second half of the year.

#### Outlook, Risk and Concern

The Company is exposed to specific risks that are particular to its business and the environment within which it operates including Credit risk (Corporate & Retail lending), Market risk (Liquidity and Interest rate risk) and Operational risk. The Company's risk policies outline the products offered, customer and client categories, credit approval processes with limits and risk monitoring and reporting.

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

#### Opportunities and Threats

The global economic environment has improved since the lows of the economic crisis of 2008-09. While there does remain a concern on sovereign risks in several Euro zone economies, the recent upside in the US economic activity and an improvement in labour markets are encouraging. While 2012-13 saw Indian economic growth slipping sharply vis-à-vis 2011-12. India continues to present a significant opportunity over the next few years.

Although, with the Indian growth declining in the past year or two, corporates are not feeling confident of their expansion plans with the result that investment activity is at one of its lowest. Lack of determined action from Government to jump-start investment cycle and carry on the reforms may continue to affect the financial services sector.

However, we believe the policy liberalization and forward-looking regulatory changes will help markets grow in size, thus making available newer opportunities for all participants in financial services.

# LEAD FINANCIAL SERVICES LIMITED

## Adequacy of Internal Control System

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

## Financial Performance

### Operational Results, 2011-12 Versus 2012-2013:

Particulars	(Rs. in Lacs)	
	2011-12	2012-13
Total Revenue	46.35	49.79
Interest & Financial Charges	12.48	12.67
Expenses	18.57	26.19
Depreciation	0.78	1.35
Total Expenditure	31.83	40.22
Profit before Tax(PBT)	14.51	9.57
Provision for Tax	4.65	3.02
Profit after tax (PAT)	9.86	6.54
Equity Capital	330	330
Reserves & Surplus	74.17	80.71
Earnings per Share	0.30	0.20

## Segment wise Performance

Company operates only in one segment.

## DIVIDEND:

Your Directors regret their inability to recommend any dividend in view of deploying the funds for expansion of business during the year under review.

## FIXED DEPOSITS:

Your Company has not accepted any deposits from public. There are no unclaimed or unpaid deposits as on 31<sup>st</sup> March, 2013.

## DIRECTORS:

Mr. Pradeep Kumar Jain, Director of the Company retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

The Board recommends the appointment of Mr. Vijay Kumar as the Whole Time Director of the Company for a period of five years with effect from 1<sup>st</sup> August, 2013 at a remuneration of Rs.15,000/- per month.

Mr Ravi Kumar Goel was appointed as an Additional Director w.e.f. 29.05.2013, who has resigned on 30.07.2013.

## MATERIAL CHANGES:

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

## AUDITORS:

M/s. G.C. Sharda & Co., Chartered Accountants, the Auditors of the company retires at the forthcoming Annual General Meeting and is eligible for re-appointment. The Audit Committee and your Board recommend their reappointment as Auditors of the Company. The company has received letter from them to the effect that their appointment, if made would be within prescribed limit under Section 224(1B) of the Companies Act, 1956.

## AUDITOR'S REPORT:

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

## DEMATERIALISATION OF SHARES:

As the members are aware, your company's shares are tradable compulsory in electronic form. Accordingly, your company has established connectivity with both the depositories i.e. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). Members may avail the facility of dematerialization of company's shares on either of the Depositories as aforesaid.

## DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- i) That in the preparation of the accounts for the financial year ended 31<sup>st</sup> March, 2013; the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review.
- iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) That the Directors have prepared the accounts for the financial year ended 31<sup>st</sup> March, 2013 on 'going concern' basis.

# LEAD FINANCIAL SERVICES LIMITED

## PARTICULARS OF EMPLOYEES:

There is no employee whose particulars are required to be furnished in terms of Sec. 217(2A) of the Companies Act, 1956 and rules made thereunder.

## PERSONNEL:

The Board wishes to place on record their deep appreciation of all employees of the company for their endeavor and co-operation. The relations with employees continued to be cordial throughout the year.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

Information as required under section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of the board of Directors) Rules, 1988 for forming part of the Director's report for the financial year ended 31<sup>st</sup> March, 2013 is as follows :-

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

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

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

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

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

##### **Technology Absorption, Adaptation and innovation**

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

#### 3. **Foreign Exchange Earnings and Outgo**

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

## **CORPORATE GOVERNANCE:**

A report on Corporate Governance appears in this Annual Report and the certificate from M/s. G.C. Sharda & Co., Chartered Accountants, Statutory Auditors with regard to Compliance of the Corporate Governance code by your company is annexed hereto as Annexure and forms part of this report.

## **ACKNOWLEDGEMENT:**

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

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

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

**FOR AND ON BEHALF OF THE BOARD**

Place : New Delhi  
Dated : 30.07.2013

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

**VIJAY KUMAR**  
**WHOLE TIME DIRECTOR**  
**DIN: 00165917**

## CORPORATE GOVERNANCE REPORT

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

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

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

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

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

Through the Governance mechanism in the Company, the Board along with its Committees endeavors to strike the right balance with various stakeholders. The status of compliance with Clause 49 of the Standard Listing Agreement is enumerated herein below:

### 2. BOARD OF DIRECTORS

At the end of year, the Board consisted of four directors, One of them is Executive Director. Shri P.C.Bindal, Promoter of the Company is a Non Executive Director.

Sl No	Name of the Director	Status	Date of appointment	Date of Cessation	No. of Board Meetings held	No. of Board Meetings attended	Last AGM attended	No. of other directorship and committee membership and chairmanship.		
								Other Directorship in public company	Committee Membership	Committee Chairmanship
1.	P.C. Bindal	Non Executive Non Independent	28.11.94	N.A.	8	8	Yes	---	---	---
2.	Sanjay Kumar Agarwal	Independent Non Executive	25.03.03	N.A.	8	8	Yes	2	---	---
3.	Vijay Kumar	Executive	31.03.06	N.A.	8	8	Yes	1	---	---
4.	Pradeep Kumar Jain	Independent Non Executive	10.03.07	N.A.	8	8	Yes	---	---	---
5.	Ravi Kumar Goel	Independent Non Executive	29.05.13	30.07.13	8	---	No	---	---	---

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

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

### DATE & NUMBER OF BOARD MEETINGS HELD

Eight Board meetings were held during the year on 03.04.2012, 26.05.2012, 25.06.2012, 11.07.2012, 06.08.2012, 05.11.2012, 07.02.2013 and 28.02.2013 Complying with clause 49 of the listing agreement, the Board has adhered to the time gap between two meetings.

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

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

1. Mr. Pradeep Kumar Jain retires by rotation at the 20<sup>th</sup> Annual General Meeting of the Company and being eligible offers himself for reappointment.  
⇒ Mr. Pradeep Kumar Jain, a commerce graduate is a fellow member of the Institute of Chartered Accountants of India. He has more than 24 years of vast experience in the field of finance and Capital Market.  
He is also director of Evergrowing Investments & Consultants Pvt Ltd. and Startrite Financial Services Pvt Ltd
2. The Board has re-appointed Mr. Vijay Kumar as the Whole Time Director of the Company for a period of five years with effect from 1st August, 2013.  
⇒ Mr. Vijay Kumar is Graduate. He has Rich experience in the field of administration.  
⇒ Mr. Vijay Kumar is also Director in LFS Securities Limited, LFS Services Private Limited, Lead Business Solutions Private Limited, Privy Value Realty Private Limited, Karni Mata Auto Private Limited

### CODE OF CONDUCT

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

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

A declaration signed by the Whole Time Director 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, 2013, all Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management respectively.

Vijay Kumar  
Whole Time Director

Date: 01st April, 2013



### 3. AUDIT COMMITTEE

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

#### COMPOSITION

Presently, the Audit Committee of the Board of your company comprises of three members all non executive directors and out of whom two are independent directors. The committee functions under the chairmanship of Shri Pradeep Kumar Jain who is an independent director. The composition of committee is as follows:

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

#### ROLE OF AUDIT COMMITTEE

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

- Review quarterly and annual financial statements before submission to the Board for approval;
- Discuss with Auditors about Internal Control System and to consider their observations and follow-up;
- Review of risk management policies and practices;
- Ensure compliance of Internal Control System;
- Investigate on any matter referred by the Board;
- Make recommendation to the Board on any matter relating to the financial management of the Company, including the Audit Report.

#### NO. OF MEETINGS AND ATTENDANCE AT MEETINGS

Four meetings of Audit Committee were held during the year 2012-13, on 26<sup>th</sup> May 2012, 6<sup>th</sup> August 2012, 5<sup>th</sup> Nov 2012 and 7<sup>th</sup> February, 2013. The Attendance of the Committee members at the above meetings is as follows

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

\* Statutory Auditors and Company Secretary are special invitees to the Audit Committee meetings.

### 4. SHARE TRANSFER AND INVESTORS GRIEVANCE COMMITTEE

In order to give appropriate level of focus to shareholders and investors related matters, the Company has a "Share Transfer and Investor Grievance Committee."

The main areas and functions of Share Transfer and Investors Grievances Committee basically include redressal of shareholders and investors complaints like transfer of shares, non-receipt of Annual Report, non-receipt of declared dividends etc, consolidation and sub-division of share certificates, approving the transfer(s), transmission(s) and issue of duplicate share certificates and rematerialisation of the shares and transposition of names.

#### Composition

Presently, The Committee comprises of three directors namely Sh. Sanjay Kumar Agarwal, Sh. Vijay Kumar and Sh Pradeep Kumar Jain. The Committee functions under the Chairmanship of Sh. Sanjay Kumar Agarwal.

The Share holders may send their complaints to grievance redressal division at following e-mail address:  
lead\_financial@rediffmail.com

#### Complaints

During the year under review the company has not received any complaint from shareholders. There are no pending transfers as on 31<sup>st</sup> March 2013.

#### Meetings

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

#### REMUNERATION COMMITTEE

The company constituted remuneration committee on 29.05.2013 to review and recommend payment of annual salaries, agreements and other employment conditions of the Executive Directors comprising Managing Director and whole Time Directors, The Committee fixes the remuneration after taking in consideration remuneration practices followed by companies of similar size and standing in the industry. The Committee periodically reviews and recommends suitable by revision in the remuneration package of executive directors to the board.

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

#### Composition:

The constitution of remuneration committee is as follows:

S. No.	Name of Directors	Status	Category of Membership
1	Mr. Pradeep Kumar Jain	Chairman	Independent, Non- executive
2	Mr. Sanjay Kumar Agarwal	Member	Independent, Non- executive
3	Mr. Ravi Kumar Goel	Member	Independent, Non- executive

# LEAD FINANCIAL SERVICES LIMITED

## Meeting and Attendance:

During the financial year one remuneration committee meeting was held on 29<sup>th</sup> July, 2013 and all the three members were present in that meeting.

## REMUNERATION POLICY:

Subject to the approval of the Board of Directors and subsequent approval by the Shareholders at the General Body Meeting and such authorities as the case may be, remuneration of the Managing / Whole- Time Director is fixed by the remuneration committee. The remuneration is fixed considering various factors such as qualifications, experience, expertise, prevailing remuneration in the competitive industries, financial position of the company etc. The remuneration structure comprises basic salary, commission, perquisites and allowances, contribution to provident fund and other funds in accordance with various related provisions of the Companies Act, 1956. The non-executive directors have neither been paid any remuneration nor a sitting fees and reimbursement of actual travel expenses for attending the board Meeting.

## COMPLIANCE OFFICER AND CONTACT ADDRESS

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

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

Telephone/ Fax no: 011-23549822 Email ID: lead\_financial@rediffmail.com

## 5. GENERAL BODY MEETINGS:

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

Year	Location	Date	Time	Special Resolution Passed
2009-10	304, Sita Ram Mansion, 718/21, Joshi Road, Karol Bagh, New Delhi-110 005.	25.09.10	10.30 a.m	—
2010-11	304, Sita Ram Mansion, 718/21, Joshi Road, Karol Bagh, New Delhi-110 005.	24.09.11	10.30 a.m	—
2011-12	304, Sita Ram Mansion, 718/21, Joshi Road, Karol Bagh, New Delhi-110 005.	22.09.12	10.30 a.m	—

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

## 6. COMPLIANCE WITH OTHER MANDATORY REQUIREMENTS

### i) MANAGEMENT DISCUSSION AND ANALYSIS

A Management Discussion and Analysis Report forms part of the Annual Report and includes discussions on various matters specified under clause 49 (IV) (F)

### ii) DISCLOSURES

a) The details of transactions, if any, with related parties are placed before the audit committee on quarterly basis. Related party transactions during the year are disclosed in notes to accounts.

b) The Company is following the Generally Accepted Accounting Policies of the trade which provides a true and fair view of the business of the Company and there are no statutory audit qualifications in this regard.

c) In terms of Clause 49(V) of the Listing Agreement, the Whole Time Director and the Chief Financial Officer made a certification to the Board of Directors in the prescribed format for the year under review which has been reviewed by the Audit Committee and taken on record by the Board.

d) Though the Company does not have a Whistle Blower Policy. However it is ensured that every personnel can approach to the Audit Committee as and when he so desire.

e) All the mandatory requirements have been complied with. The Company always endeavors to comply with non-mandatory requirements as far as possible.

f) The Company has in place a risk management mechanism to inform the Board members about the risk assessment & minimization procedures, the Board reviews the same from time to time.

g) There were no instances of non-compliance or penalty structures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets, during the last year.

h) All Mandatory requirements as per Clause 49 of the Listing Agreement have been complied with by the Company.

## 7. MEANS OF COMMUNICATION

Quarterly results for the quarters ending on 30<sup>th</sup> June 2012, 30<sup>th</sup> September 2012, 31<sup>st</sup> December 2012 and audited results for the quarter and year ended on 31<sup>st</sup> March 2013 were published in "Pioneer" and "Vir Arjun". The results are promptly furnished to the Stock Exchange for display on their respective websites.

Quarters	Date of Board Meeting	Date of Press Release
April – June 2012	6 <sup>th</sup> August, 2012	7 <sup>th</sup> August, 2012
July–September 2012	5 <sup>th</sup> November 2012	6 <sup>th</sup> November 2012
October-December 2012	7 <sup>th</sup> February 2013	8 <sup>th</sup> February 2013
January-March 2013 (Audited)	29 <sup>th</sup> May 2013	30 <sup>th</sup> May 2013

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

## 8. SUBSIDIARY COMPANIES

As on 31.03.2013, the company does not have any subsidiary company whether Indian or foreign.

# LEAD FINANCIAL SERVICES LIMITED

## 9. GENERAL SHAREHOLDERS' INFORMATION

### i) ANNUAL GENERAL MEETING

Date and Time : Saturday, 21<sup>st</sup> September, 2013  
At 10.30 A.M.  
Venue : 304, Sita Ram Mansion, 718/21 Joshi Road Karol Bagh, New Delhi – 110 005

### ii) FINANCIAL CALENDAR

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

### iii) BOOK CLOSURE

: 16<sup>th</sup> September, 2013 to 21<sup>st</sup> September, 2013 (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 2013-14 has been paid on due date to the Stock Exchange.

### v) MARKET PRICE DATA :

Monthly High & Low closing quotation of shares of the company traded at Bombay Stock Exchange Limited and monthly high/low of close prices of the BSE Sensex during the financial year are as follows:

Month	Bombay Stock Exchange Limited		BSE (SENSEX)	
	High	Low	High	Low
April 2012	9.14	9.14	17,664.10	17,010.16
May 2012	-	-	17,432.33	15,809.71
June 2012	-	-	17,448.48	15,748.98
July 2012	-	-	17,631.19	16,598.48
August 2012	8.92	8.50	17,972.54	17,026.97
Sept 2012	10.50	9.36	18,869.94	17,250.80
Oct 2012	11.02	11.02	19,137.29	18,393.42
Nov 2012	-	-	19,372.70	18,255.69
Dec 2012	10.90	10.90	19,612.18	19,149.03
Jan 2013	10.36	10.36	20,203.66	19,508.93
Feb 2013	9.85	9.85	19,966.69	18,793.97
March 2013	9.36	8.90	19,754.66	18,568.43

### 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, Behind 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, process the transfer.

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

### viii) CATEGORIES OF SHAREHOLDERS AS ON 31<sup>ST</sup> MARCH, 2013

Category	No. of shares	%
Promoter/PAC's	1274020	38.61
Banks/ financial institutions/ Insurance companies	17988	0.55
Bodies Corporate	747120	22.64
Indian Public	1146949	34.75
NRI's	67057	2.03
HUF	46866	1.42
	<u>3300000</u>	<u>100</u>

# LEAD FINANCIAL SERVICES LIMITED

## (ix) DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2013

SHAREHOLDING OF NOMINAL VALUE OF RS.	NUMBER OF SHAREHOLDERS	% TO TOTAL	NO. OF SHARES	% TO TOTAL
UPTO 5000	1,547	84.48	218,414	6.6186
5001 TO 10000	94	5.13	71,393	2.1634
10001 TO 20000	72	3.93	102,245	3.0983
20001 TO 30000	38	2.08	88,900	2.6939
30001 TO 40000	10	0.55	35,705	1.0820
40001 TO 50000	13	0.71	60,499	1.8333
50001 TO 100000	19	1.04	136,577	4.1387
100001 AND ABOVE	38	2.08	2,586,267	78.3717
<b>TOTAL</b>	<b>1,831</b>	<b>100.00</b>	<b>33,00,000</b>	<b>100</b>

## (x) DEMATERIALIZATION OF SHARES & LIQUIDITY

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

As on 31<sup>st</sup> March, 2013, 38.12% and 1.92% of the Equity Shares of the Company are held in dematerialized form with NSDL and CDSL respectively.

## (xi) ADDRESS FOR CORRESPONDENCE

Lead Financial Services Limited  
101, Sita Ram Mansion, 718/21, Joshi Road, Karol Bagh  
New Delhi-110005 Tel. 23549822-23 Fax. 23623829

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

To the members of Lead Financial Services Limited

We have examined the compliance of conditions of Corporate Governance by Lead Financial Services Limited, for the year ended on 31<sup>st</sup> March 2013 as stipulated in clause 49 of listing agreement of the said company with the Stock Exchange (s).

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the clause 49 of the above mentioned Listing Agreement.

On the basis of the records maintained by the Shareholders/Investors Grievance Committee' of the Company, we state that, no investor grievances were received during the year.

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

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

**(C.A. ADIT SHARDA)**  
Partner  
M.No.526605

Place : New Delhi  
Date : 30.07.2013

## INDEPENDENT AUDITORS' REPORT

To the Members of  
Lead Financial Services Limited

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Lead Financial Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

### **Opinion**

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

**(C.A. ADIT SHARDA)**

Partner

M.No.526605

Place : New Delhi  
Date : 29.05.2013

## Annexure to Independent Auditor's Report

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

- i) In respect of its fixed assets:
  - a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, designed to cover all the items over a period of three years, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. Pursuant to the program, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies were noticed on such physical verification.
  - c) During the year, the company has not disposed off substantial / major part of fixed assets.
- ii) In respect of its Inventories:
  - a) As explained to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the company is maintaining proper records of inventory. There were no discrepancies noticed on verification between the physical stocks and the books records.
- iii) According to the information & explanations given to us, the company has neither granted nor taken any loans, secured or unsecured, to/ from parties covered in the register maintained u/s 301 of the Companies Act, 1956. Accordingly, the clauses (iii) (a) to (g) of paragraph 4 of the Order are not applicable.
- iv) In our opinion and according to the information and explanation given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchases of inventory and fixed assets, sale and services. During the course of our audit, we have not observed any major weakness in internal controls.
- v)
  - a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the companies Act, 1956 have been so entered.
  - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts/ arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5,00,000/- in respect of each party during the year have been made at prices which appear reasonable as per information available with the company.
- vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public to which provisions of sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 apply. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business. The directors are themselves implementing the system.
- viii) The company is an investment & finance company, hence clause 4(viii) of the Order regarding maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 is not applicable to the company.
- ix)
  - a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it have been regularly deposited with the appropriate authorities.
  - b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess and other material statutory dues applicable to it were in arrears, as at 31<sup>st</sup> March, 2013 for a period of more than six months from the date they become payable.
  - c) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.
- x) The company does not have any accumulated losses at the end of the year. The Company has not incurred any cash losses during the current and the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, during the year under audit, the company did not have any borrowings from any financial institution, bank or debenture holders.
- xii) According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

# LEAD FINANCIAL SERVICES LIMITED

- xiii) In our opinion, the company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the company.
- xiv) a) Based on the records examined by us and according to the information and explanations given to us, we are of the opinion that the company is maintaining proper records of the transactions and contracts of dealing in shares and securities and that timely entries have been made in these records.
- b) Based on our audit procedures and to the best of our knowledge and belief and according to the information and explanations given to us, the shares and other investments have been held in the Company in its own name except to the extent of the exemption granted under section 49 of the Companies Act, 1956.
- xv) According to the information and explanations given to us, the company has given guarantee for loans taken by others from banks and financial institutions. In our opinion and according to the information and explanations given to us, the terms and conditions of such a guarantee are prima facie not prejudicial to the interests of the company.
- xvi) According to the information and explanations given to us, the company has not availed any term loan during the year under audit.
- xvii) According to the information and explanations given to us and on an overall examination of the balance sheet and cash flow statement of the company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- xix) According to the information and explanations given to us, the company had not issued any debentures during the year.
- xx) According to the information and explanations given to us, the company had not raised any money by public issue during the year.
- xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

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

**(C.A. ADIT SHARDA)**  
Partner  
M.No.526605

Place : New Delhi  
Date : 29.05.2013

# LEAD FINANCIAL SERVICES LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2013

(Amount in Rs.)

PARTICULARS	Note No.	AS AT 31ST MARCH, 2013	AS AT 31ST MARCH, 2012
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	3,30,00,000	3,30,00,000
(b) Reserves and Surplus	3	80,71,583	74,17,057
<b>(2) Current Liabilities</b>			
(a) Short-Term Borrowings	4	86,00,000	1,56,00,000
(b) Other Current Liabilities	5	4,54,02,826	4,63,84,940
(c) Short-Term Provisions	6	2,01,035	3,34,486
<b>Total Liabilities</b>		<b>9,52,75,444</b>	<b>10,27,36,483</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets			
Tangible Assets	7	2,43,56,740	2,44,92,194
(b) Non-Current Investments	8	4,42,92,890	4,42,92,890
(c) Deferred Tax Assets (Net)	9	47,199	33,818
<b>(2) Current Assets</b>			
(a) Inventories	10	29,32,528	39,68,848
(b) Cash and Cash Equivalents	11	16,46,156	1,47,278
(c) Short-Term Loans and Advances	12	2,19,99,931	2,98,01,455
<b>Total Assets</b>		<b>9,52,75,444</b>	<b>10,27,36,483</b>

Summary of significant accounting policies 1

The accompanying notes are an integral part of the financial statements

### AUDITORS' REPORT

As per our report of even date

For & on Behalf of the Board

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

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

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

**[Vijay Kumar]**  
Whole Time Director  
DIN : 00165917

Place : New Delhi  
Date : May 29, 2013



# LEAD FINANCIAL SERVICES LIMITED

## STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in Rs.)

Particulars	Note No.	Year Ended	
		31st March, 2013	31st March, 2012
<b>Income</b>			
Revenue from Operations	13	49,65,661	46,35,190
Other Incomes	14	13,500	—
<b>Total Revenue (I)</b>		<b>49,79,161</b>	<b>46,35,190</b>
<b>Expenses</b>			
Purchases of Stock-in-Trade/ Traded Goods	15	—	3,63,532
(Increase)/ Decrease in Inventories of Traded Goods	16	10,36,321	85,538
Employee Benefit Expenses	17	7,55,630	7,63,337
Finance Costs	18	12,67,905	12,48,415
Depreciation	7	1,35,453	78,491
Other Expenses	19	8,27,250	6,44,161
<b>Total Expenses (II)</b>		<b>40,22,559</b>	<b>31,83,474</b>
<b>Profit Before Tax (I-II)</b>		<b>9,56,602</b>	<b>14,51,716</b>
<b>Tax Expense:</b>			
(1) Current Tax		3,15,456	4,69,606
(2) Deferred Tax		(13,381)	(4,788)
<b>Profit for the Year from Continuing Operations (A)</b>		<b>6,54,527</b>	<b>9,86,898</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>6,54,527</b>	<b>9,86,898</b>
Earnings Per Equity Share of Rs. 10/- each			
(1) Basic		0.20	0.30
(2) Diluted		0.20	0.30

Summary of significant accounting policies 1

The accompanying notes are an integral part of the financial statements

### AUDITORS' REPORT

As per our report of even date

For & on Behalf of the Board

For G.C. SHARDA & CO.

Chartered Accountants  
(FRN. 500041N)

CA. Adit Sharda  
Partner  
Membership No. 526605

[P.C. Bindal]  
Chairman  
DIN : 00004769

[Vijay Kumar]  
Whole Time Director  
DIN : 00165917

Place : New Delhi  
Date : May 29, 2013

# LEAD FINANCIAL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

### 1. SIGNIFICANT ACCOUNTING POLICIES

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

#### 1.1 Basis of Accounting

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

#### 1.2 Revenue Recognition

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

#### 1.3 Fixed Assets

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

#### 1.4 Depreciation

Depreciation is provided as per Written Down Value Method in accordance with the provisions of Schedule XIV of the Companies Act, 1956 on assets put to use. Depreciation is charged on prorata basis for assets purchased/ sold during the year.

#### 1.5 Impairment

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

#### 1.6 Investments

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

#### 1.7 Inventories

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

#### 1.8 Employee Benefits

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

#### 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.

(AMOUNT IN RS.)

PARTICULARS	AS AT 31.03.13	AS AT 31.03.12
<b>2. Share Capital</b>		
<b>Authorised Capital</b>		
35,00,000 (31 March, 2012: 35,00,000) Equity Shares of Rs.10/- each	3,50,00,000	3,50,00,000
<b>Issued, Subscribed and Paid up</b>		
33,00,000 (31 March, 2012: 33,00,000) Equity Shares of Rs.10/- each, fully paid-up	3,30,00,000	3,30,00,000
	<u>3,30,00,000</u>	<u>3,30,00,000</u>

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

	31-Mar-13	
	No.	Amount (Rs)
<b>Equity Shares</b>		
At the beginning of the Year	33,00,000	3,30,00,000
Issued during the Year	—	—
<b>Outstanding at the end of the Year</b>	<u>33,00,000</u>	<u>3,30,00,000</u>
	31-Mar-12	
	No.	Amount (Rs)
<b>Equity Shares</b>		
At the beginning of the Year	33,00,000	3,30,00,000
Issued during the Year	—	—
<b>Outstanding at the end of the Year</b>	<u>33,00,000</u>	<u>3,30,00,000</u>

# LEAD FINANCIAL SERVICES LIMITED

PARTICULARS	AS AT 31.03.13	AS AT 31.03.12
<b>(b) Terms/ Rights attached to equity shares</b>		
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.		
<b>(c) Details of shareholders holding more than 5% shares.</b>		
<b>Particulars</b>	<b>31-Mar-13</b>	
	<b>No.</b>	<b>% holding in the class</b>
<b>Equity Shares of Rs. 10 each fully paid up</b>		
P. C. Bindal	1,95,200	5.92
Manushree Bindal	1,89,000	5.73
LFS Securities Limited	1,84,500	5.59
ECI Limited	1,79,680	5.44
	<b>7,48,380</b>	<b>22.68</b>
	<b>31-Mar-12</b>	
	<b>No.</b>	<b>% holding in the class</b>
<b>Equity Shares of Rs. 10 each fully paid up</b>		
P. C. Bindal	1,95,200	5.92
Manushree Bindal	1,89,000	5.73
LFS Securities Limited	1,84,500	5.59
ECI Limited	1,79,680	5.44
	<b>7,48,380</b>	<b>22.68</b>
<b>3. Reserves and Surplus</b>		
(a) General Reserve		
As per last Balance Sheet	63,000	63,000
Addition during the year	—	—
Closing Balance	<b>63,000</b>	<b>63,000</b>
(b) Statutory Reserve*		
As per last Balance Sheet	10,68,062	8,70,682
Addition during the year	1,30,905	1,97,380
Closing Balance	<b>11,98,967</b>	<b>10,68,062</b>
* 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	62,85,995	54,96,476
Addition during the year	6,54,527	9,86,898
Transfer to Statutory Reserve	(1,30,905)	(1,97,380)
Closing Balance	<b>68,09,616</b>	<b>62,85,995</b>
	<b>80,71,583</b>	<b>74,17,057</b>
<b>4. Short-Term Borrowings</b>		
Loans Repayable on Demand	75,00,000	1,38,00,000
Loans & Advances from Related Parties	—	7,00,000
Advances Refundable	11,00,000	11,00,000
	<b>86,00,000</b>	<b>1,56,00,000</b>
The above amount includes		
- Secured Borrowings	—	—
- Unsecured Borrowings	<b>86,00,000</b>	<b>1,56,00,000</b>
<b>5. Other Current Liabilities</b>		
Expenses Payable	39,678	1,74,090
Interest Accrued & Due on Borrowings	3,24,000	10,89,765
Statutory Liabilities	39,148	1,21,085
Advances Received	4,50,00,000	4,50,00,000
	<b>4,54,02,826</b>	<b>4,63,84,940</b>

# LEAD FINANCIAL SERVICES LIMITED

<b>6.</b>	<b>Short-Term Provisions</b>		
	Provision For Taxation [Net of Prepaid Taxes]	1,81,655	3,01,606
	Contingent Provisions against Standard Assets	19,380	32,880
		<b>2,01,035</b>	<b>3,34,486</b>

**7. Tangible Assets as on 31st March 2013**

S. No.	Particulars	Gross Block			Depreciation			Net Block			
		Cost as on 01.04.2012	Addition During the Year	Sale / Disposal During the Year	Total as on 31.03.2013	Up to 01.04.2012	For the year	Adjustment	Upto 31.03.2013	Net Carrying Amount as on 31.03.2013	Net Carrying Amount as on 31.03.2012
1	Leasehold Land	49,66,908	---	---	49,66,908	---	---	---	---	49,66,908	49,66,908
2	Buildings#	1,89,67,655	---	---	1,89,67,655	---	---	---	---	1,89,67,655	1,89,67,655
3	Furniture & Fixtures	14,61,325	---	---	14,61,325	13,95,856	11,850	---	14,07,706	53,619	65,469
4	Vehicle	5,18,500	---	---	5,18,500	58,684	1,19,046	---	1,77,730	3,40,770	4,59,816
5	Office Equipments	2,40,375	---	---	2,40,375	2,08,251	4,468	---	2,12,719	27,656	32,124
6	Computers	4,38,700	---	---	4,38,700	4,38,479	88	---	4,38,567	133	221
	<b>TOTAL</b>	<b>2,65,93,463</b>	<b>---</b>	<b>---</b>	<b>2,65,93,463</b>	<b>21,01,269</b>	<b>1,35,453</b>	<b>---</b>	<b>22,36,723</b>	<b>2,43,56,740</b>	<b>2,44,92,194</b>
	Previous Year	2,60,74,963	5,18,500	---	2,65,93,463	20,22,779	78,491	---	21,01,269	2,44,92,194	2,40,52,184

# No Depreciation has been charged on the Building as the same was not ready for use till 31.3.2013.

**8. Non-Current Investments**

<b>TRADE INVESTMENTS (Valued at Cost)</b>			
	<b>Investment in Quoted Equity Instruments</b>		
	100 (31 March 2012:100) Equity shares of Rs 10 each fully paid up in Gujrat Optical Fibres Ltd	1,930	1,930
	1000 (31 March 2012:1000) Equity shares of Rs 10 each fully paid up in Premier Vinyl Ltd.	37,645	37,645
	80,000 (31 March 2012:80,000) Equity Shares of Rs 10 each fully paid up in NHPC Ltd.	25,99,442	25,99,442
	4,000 (31 March 2012:4,000) Equity Shares of Rs 10 each fully paid up in Reliance Power Ltd.	5,13,873	5,13,873
		<b>31,52,890</b>	<b>31,52,890</b>
	<b>Investment in Unquoted Equity Instruments</b>		
	1,20,000 (31 March 2012:1,20,000) Equity Shares of Rs 10 each fully paid up in SLS Stock & Shares Broker Ltd.	12,00,000	12,00,000
	82,000 (31 March 2012:82,000) Equity Shares of Rs 10 each fully paid up in Indraprastha Commodity Trading Pvt. Ltd.	8,20,000	8,20,000
	80,000 (31 March 2012:80,000) Equity Shares of Rs 10 each fully paid up in Balaji Growth Fund Ltd.	20,00,000	20,00,000
	5,000 (31 March 2012:5,000) Equity Shares of Rs 10 each fully paid up in Kriti Machinery Pvt. Ltd.	5,00,000	5,00,000
	75,000 (31 March 2012:75,000) Equity Shares of Rs 10 each fully paid up in Vishesh Jewellers Pvt. Ltd.	75,00,000	75,00,000
		<b>1,20,20,000</b>	<b>1,20,20,000</b>
	<b>Investments in Quoted Bonds</b>		
	24 (31 March 2012:24) Bonds of Rs. 10,00,000 each in Reliance Logistics Infra Ltd.	2,41,20,000	2,41,20,000
	<b>Investments in Project Equity</b>		
	IDFC Infrastructure	50,00,000	50,00,000
		<b>4,42,92,890</b>	<b>4,42,92,890</b>
	Aggregate Amount of Quoted Investments	2,72,72,890	2,72,72,890
	Market Value of Quoted Investments as on 31 March, 13 is Rs. 2,58,38,200 (31 March 2012: Rs. 2,60,39,600)		
	Aggregate Amount of Unquoted Investments	1,70,20,000	1,70,20,000
<b>9.</b>	<b>Deferred Tax Assets (Net)</b>		
	<b>Deferred Tax Assets</b>		
	Fixed Assets: Impact of difference b/w tax depreciation & depreciation charged for financial reporting	47,199	33,818
	Others	---	---
	<b>Gross Deferred Tax Assets</b>	47,199	33,818
	<b>Deferred Tax Liabilities</b>	---	---
		<b>47,199</b>	<b>33,818</b>
<b>10.</b>	<b>Inventories (Valued at lower of cost and net realizable value)</b>		
	Stock-in-Trade/ Traded Goods	29,32,528	39,68,848
		<b>29,32,528</b>	<b>39,68,848</b>

# LEAD FINANCIAL SERVICES LIMITED

<b>11. Cash and Cash Equivalents</b>		
Balance with Banks in Current Accounts	11,67,843	85,263
Cash on Hand	4,78,314	62,015
	<u>16,46,156</u>	<u>1,47,278</u>
<b>12. Short-Term Loans and Advances (Unsecured Considered Good)</b>		
Advances Recoverable	1,32,00,000	1,50,00,000
Loans Rec callable on Demand	84,45,576	1,44,64,000
Income Tax Refund Due	3,38,252	3,37,455
Other Loans & Advances	16,103	---
	<u>2,19,99,931</u>	<u>2,98,01,455</u>
<b>13. Revenue From Operations</b>		
Interest Income	39,66,012	42,14,041
Other Financial Services	—	1,00,000
Sale Of Shares	8,76,102	---
Dividend Income	1,23,548	2,04,121
Gain on Sale of Investments	—	1,17,028
	<u>49,65,661</u>	<u>46,35,190</u>
<b>14. Other Incomes</b>		
Provisions Written Back	13,500	---
	<u>13,500</u>	<u>---</u>
<b>15. Purchases of Stock-in-Trade/ Traded Goods</b>		
Shares of Companies	—	3,63,532
	<u>—</u>	<u>3,63,532</u>
<b>16. (Increase)/ Decrease in Inventories</b>		
<i>Inventories at the beginning of the year</i>		
Traded Goods (Shares of Companies)	39,68,848	40,54,386
<i>Inventories at the end of the year</i>		
Traded Goods (Shares of Companies)	29,32,528	39,68,848
<b>(Increase)/ Decrease in Inventories</b>	<u>10,36,321</u>	<u>85,538</u>
<b>17. Employee Benefit Expenses</b>		
Salaries and Wages	6,58,500	6,72,000
Bonus to Employees	37,000	41,000
Staff Welfare Expenses	33,363	28,362
Travelling & Conveyance	26,767	21,975
	<u>7,55,630</u>	<u>7,63,337</u>
<b>18. Finance Costs</b>		
Interest Expense	12,67,324	12,35,980
Bank Charges	581	12,435
	<u>12,67,905</u>	<u>12,48,415</u>
<b>19. Other Expenses</b>		
Rent, Rates & Taxes	1,80,000	1,80,000
Repair & Maintenance (Others)	38,458	14,923
Communication Expenses	93,515	66,742
Printing and Stationery	1,82,310	11,324
Professional & Legal Expenses	1,58,553	83,038
Auditors' Remuneration	28,090	28,090
Provisioning on Standard Assets	—	32,880
Balances Written Off	—	1,65,015
Advertisement & Business Promotion Expenses	1,23,314	45,291
General and Miscellaneous Expenses	23,010	16,858
	<u>8,27,250</u>	<u>6,44,161</u>

# LEAD FINANCIAL SERVICES LIMITED

**20. Contingent Liabilities**  
In respect of Guarantees given in respect of loan taken by others, an amount not exceeding Rs. 6,89,00,000 (31 March, 2012: Rs. 6,50,00,000)

**21. Capital & Other Commitments**  
Estimated amount of contracts remaining to be executed on Capital Accounts (Net of advances) Rs. Nil (31 March, 2012: Rs. Nil)

**22. Segment Reporting**  
The company is a Non Banking Financial Company. Since there is only one segment in which company is operating, Segment Reporting as required under Accounting Standard-17 notified by the Companies (Accounting Standards) Rules, 2006 is not applicable.

**23. Related Party Transactions**

**23.1 Related Party Disclosures**

Related Parties with whom transactions have taken place during the year  
- Key Managerial Personnel  
- Enterprises owned or significantly influenced by Key Management Personnel

Mr. Vijay Kumar  
LFS Securities Ltd  
LFS Services Pvt. Ltd.

**23.2 Related Party Transactions**

	31.3.2013	31.3.2012
<u>Key Managerial Personnel</u>		
Remuneration	1,88,500	1,80,000
<u>Enterprises owned or significantly influenced by Key Management Personnel</u>		
Advance Taken	---	7,00,000
Advance Repaid	7,00,000	---
<u>Balance Due to</u>		
Key Managerial Personnel	---	---
Enterprises owned or significantly influenced by Key Management Personnel	---	7,00,000
<u>Balance Due from</u>		
Key Managerial Personnel	---	---
Enterprises owned or significantly influenced by Key Management Personnel	---	---

**24. Earnings Per Share**

Particulars	31.3.2013	31.3.2012
Opening Number of Equity Shares	33,00,000	33,00,000
Allotted during the Year	---	---
Outstanding Number of Shares at the year end.	33,00,000	33,00,000
Weighted number of Shares	33,00,000	33,00,000
Net Profit after Tax (Rs.)	6,54,527	9,86,898
Earning Per Share (Rs.)	0.20	0.30

**25. Payment to Auditors**

Particulars	31.3.2013	31.3.2012
Audit Fees	28,090	28,090
Others	---	---

**26.** The company has not given any loans and advances in the nature of loan required to be disclosed pursuant to Clause 32 of the Listing Agreement.

**27.** No. provision has been made for Gratuity as no employee has completed qualifying period of service.

**28.** In the opinion of Board of Directors, all the current assets, loan & advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated, except those stated otherwise and that all known liabilities relating to the year have been provided for.

Particulars	31.3.2013	31.3.2012
Earning in Foreign Currency	---	---
Expenditure in Foreign Exchange	---	---

**30.** The Company is in the process of identifying suppliers who are Micro, Small & Medium Enterprises under the Micro, Small & Medium Enterprises Development Act, 06 & has yet to receive any written confirmation from them. Therefore, the disclosures required under section 22 of the said Act are not necessary.

**31.** Parties balances are subject to confirmation from them.

**32. Previous Year's Figures**

Previous period figures have been regrouped/ recast to conform to the current year classifications.

**AUDITORS' REPORT**

As per our report of even date

For & on Behalf of the Board

For G.C. SHARDA & CO.

Chartered Accountants  
(FRN. 500041N)

CA. Adit Sharda  
Partner  
Membership No. 526605

[P.C. Bindal]  
Chairman  
DIN : 00004769

[Vijay Kumar]  
Whole Time Director  
DIN : 00165917

Place : New Delhi

Date : May 29, 2012

# LEAD FINANCIAL SERVICES LIMITED

Annexure

## SCHEDULE TO THE BALANCE SHEET OF A NON-DEPOSIT TAKING NON-BANKING FINANCIAL COMPANY

(as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007).

	2012-13		(Rs. in Lakhs) 2011-12	
Particulars	Amount	Amount	Amount	Amount
<b>Liabilities Side:</b>				
(1) <b>Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:</b>	<b>Amount Outstanding</b>	<b>Overdue</b>	<b>Amount Outstanding</b>	<b>Overdue</b>
(a) Debentures : Secured	—	—	—	—
: Unsecured	—	—	—	—
(Other than falling within the meaning of public deposits)				
(b) Deferred Credits	—	—	—	—
(c) Term Loans	—	—	—	—
(d) Inter-Corporate loans and borrowing	78.24	—	148.90	—
(e) Commercial Paper	—	—	—	—
(f) Other Loans (specify nature)	—	—	—	—
<b>Assets Side:</b>				
(2) <b>Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:</b>		<b>Amount Outstanding</b>		<b>Amount Outstanding</b>
(a) Secured		—		—
(b) Unsecured		216.46		294.64
(3) <b>Break up of Leased Assets and stock on hire and other assets counting towards AFC activities</b>				
(i) Lease assets including lease rentals under Sundry debtors :			NIL	NIL
(a) Financial lease				
(b) Operating lease				
(ii) Stock on hire including hire charges under sundry debtors :				
(a) Assets on hire				
(b) Repossessed Assets				
(iii) Other Loans counting towards AFC activities :				
(a) Loans where assets have been repossessed				
(b) Loans other than (a) above				
(4) <b>Break Up of Investments:</b>				
<b>Current Investments:</b>			NIL	NIL
1. <b>Quoted :</b>				
(i) Shares :	(a) Equity			
(b) Preference				
(ii) Debentures and Bonds				
(iii) Units of mutual Funds				
(iv) Government Securities				
(v) Others (please specify)				
2. <b>Unquoted :</b>				
(i) Shares :	(a) Equity			
(b) Preference				
(ii) Debentures and Bonds				
(iii) Units of mutual Funds				
(iv) Government Securities				
(v) Others (please specify)				
<b>Long Term Investments :</b>				
1. <b>Quoted :</b>				
(i) Shares :	(a) Equity	31.53		31.53
(b) Preference				
(ii) Debentures and Bonds		241.20		241.20
(iii) Units of Mutual Funds				
(iv) Government Securities				
(v) Others (please specify)				

# LEAD FINANCIAL SERVICES LIMITED

2.	<b>Unquoted :</b>								
	(i) Shares :	(a) Equity			120.20				120.20
		(b) Preference							
	(ii) Debentures and Bonds								
	(iii) Units of mutual Funds								
	(iv) Government Securities								
	(v) Project Equity				50.00				50.00
					<b>442.93</b>				<b>442.93</b>

<b>(5) Borrower group-wise classification of assets financed as in (2) and (3) above :</b>				
Category	Amount Net of Provisions		Amount Net of Provisions	
	Unsecured	Total	Unsecured	Total
1. Related Parties				
(a) Subsidiaries				
(b) Companies in the same group				
(c) Other related parties				
2. Other than related parties				
	216.46	216.46	294.64	294.64
<b>Total</b>	<b>216.46</b>	<b>216.46</b>	<b>294.64</b>	<b>294.64</b>

<b>(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):</b>				
Category	Market Value/ Break up fair Value or NAV	Book Value (Net of Provisions)	Market Value/ Break up fair Value or NAV	Book Value (Net of Provisions)
1. Related Parties	—	—	—	—
(a) Subsidiaries				
(b) Companies in the same group				
(c) Other related parties				
2. Other than related parties - Market Value of Quoted Investments				
as on 31.3.13/ 31.3.12	258.38	272.73	260.40	272.73
- Break Up Value of Unquoted Investments .				
as on 31.3.12/ 31.3.11 (calculated as				
per the last available Audited Financial				
Statements)	112.23	170.20	109.78	170.20
<b>Total</b>	<b>370.61</b>	<b>442.93</b>	<b>370.18</b>	<b>442.93</b>

<b>(7) Other Information</b>				
<b>Particulars</b>				
(i) Gross Non-Performing Assets		Amount		Amount
(a) Related Parties		NIL		NIL
(b) Other than related parties				
(ii) Net Non Performing Assets		NIL		NIL
(a) Related Parties				
(b) Other than related parties				
(iii) Assets acquired in satisfaction of debt		NIL		NIL

**AUDITORS' REPORT**

As per our report of even date

For & on Behalf of the Board

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

Chartered Accountants  
(FRN. 500041N)

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

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

**[Vijay Kumar]**  
Whole Time Director  
DIN : 00165917

Place : New Delhi  
Date : May 29, 2013



# LEAD FINANCIAL SERVICES LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	2012-13	2011-12
	(Amount in Rs.)	
Profit before Tax	9,56,602	14,51,716
Non Cash Adjustment:		
- Depreciation	1,35,453	78,491
- Provisions Created/ (Written Back)	(13,500)	32,880
<b>Operating profit before Working Capital changes</b>	<b>10,78,555</b>	<b>15,63,087</b>
<b>Changes in Working Capital:</b>		
Decrease/ (Increase) in Inventories	10,36,321	85,538
Decrease/ (Increase) in Short/ Long Term Loans and Advances	78,01,524	(1,26,54,224)
(Decrease)/ Increase in Other Current Liabilities	(9,82,114)	11,20,441
<b>Cash generated from Operations</b>	<b>89,34,286</b>	<b>(98,85,158)</b>
Income Tax Paid	(4,35,407)	(3,22,747)
<b>Cash Flow from Operating Activities (A)</b>	<b>84,98,879</b>	<b>(1,02,07,905)</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Investment	---	(12,50,000)
Proceeds from Sale of Investment	---	59,33,453
Purchase of Tangible Fixed Assets	---	(5,18,500)
<b>Cash Flow from Investing Activities (B)</b>	<b>---</b>	<b>41,64,953</b>
<b>Cash Flow from Financing Activities</b>		
Proceeds from Short Term Borrowings	-	37,00,000
Repayment of Short Term Borrowings	(70,00,000)	(63,00,000)
<b>Cash Flow from Financing Activities (C)</b>	<b>(70,00,000)</b>	<b>(26,00,000)</b>
Net Increase in Cash & Cash Equivalents (A+B+C)	14,98,879	(86,42,952)
Cash & Cash Equivalents at the beginning of year	1,47,278	87,90,229
<b>Cash &amp; Cash Equivalents at the end of year</b>	<b>16,46,156</b>	<b>1,47,278</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

[Vijay Kumar]  
Whole Time Director  
DIN : 00165917

### AUDITOR'S CERTIFICATE

We have examined the attached Cash Flow Statement of Lead Financial Services Limited for the year ended 31 st March, 2013. The Statement has been prepared by the company in accordance with the requirements of clause - 32 of the listing agreement with the stock exchanges and is based on and in agreement with corresponding statement of profit and loss and balance sheet of the company covered by our Report of 29th May, 2013 to the members of the Company.

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

Chartered Accountants  
(FRN 500041N)

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

Place : New Delhi  
Date : May 29, 2013