

*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 21<sup>st</sup> 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. Pradeep 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:

**Particulars**

**Name of Directors**

**Mr. VIJAY KUMAR**

Date of Birth

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

NIL

Shareholdings in the company as on 31.03.2013

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

# LEAD FINANCIAL SERVICES LIMITED

## 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:

(Rs. in Lacs)

Particulars	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:

- 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.
- 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.
- 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.
- 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<br>Per unit of production as perform 'A' of the<br>Annexure in respect of industries specified in the schedule thereto. | Not Applicable |

#### **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) It 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**