

LEAD FINANCIAL SERVICES LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 21st Annual General Meeting of the members of Lead Financial Services Limited will be held on Monday, the 29th day of September, 2014 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 31st March, 2014 and the Statement of 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. P. C. Bindal 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 24th Annual General Meeting of the Company (subject to ratification of the appointment by the members at every Annual General Meeting) and to fix their remuneration.

Special Business

4. To consider and if thought fit, to pass with or without modification, following resolution as an ordinary resolution:
"RESOLVED THAT pursuant to provision Section 149 & 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification or re-enactment thereon, for the time being in force) and Clause 49 of the Listing Agreement, Mr. Pradeep Kumar Jain (DIN 00303976) who was appointed as Director liable to retire by rotation, be and is hereby appointed as an Independent Director of the Company, to hold office for five consecutive years for a term upto 28th September, 2019, not liable to retire by rotation."
5. To consider and if thought fit, to pass with or without modification, following resolution as an ordinary resolution:
"RESOLVED THAT pursuant to provision Section 149 & 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification or re-enactment thereon, for the time being in force) and Clause 49 of the Listing Agreement, Mr. Sanjay Kumar Agarwal (DIN 00832074) who was appointed as Director liable to retire by rotation, be and is hereby appointed as an Independent Director of the Company, to hold office for five consecutive years for a term upto 28th September, 2019, not liable to retire by rotation."
6. To consider and if thought fit, to pass with or without modification, following resolution as an ordinary resolution:
"RESOLVED THAT pursuant to provision Section 149 & 152 of the Companies Act, 2013 and all other applicable provisions and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification or re-enactment thereon, for the time being in force) and Clause 49 of the Listing Agreement, Ms. Kusha Bindal (DIN 06952708) be and is hereby appointed as Director of the Company, liable to retire by rotation."
7. 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) the appointment of Mr. Vijay Kumar, who was appointed as the Manager of the Company, for a period of five years with effect from 21st December, 2013, be and is hereby confirmed, on the following terms and conditions as approved by remuneration committee of the Board:
(i) Term of appointment: 5 years w.e.f. 21st December, 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 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 any 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
For Lead Financial Services Limited

Padam Chandra Bindal
Director
DIN: 00004769

Place : New Delhi
Dated: 20.08.2014

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NOTE:

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 22nd day of September, 2014 to 29th day of September, 2014 (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. P. C. Bindal retires by rotation and being eligible, offer himself for re-appointment. The details of Mr. P. C. Bindal pursuant to clause 49 of the Listing Agreement are as under:

Particulars	Name of Director
	Mr. P. C. Bindal
Date of Birth	05.06.1960
Date of appointment	28.11.1994
Expertise in specific areas	Rich experience in handling administrative, financial and Capital Market
Qualifications	M.Com, FCA
Directorship in other Company	LFS Services Private Limited Privy Capital Limited Privy Capital Advisors Private Limited Glaze Packagers Private Limited Privy Value Realty Private Limited Bindal Corporate Advisory Services Private Limited Lead Business Solutions Private Limited
Shareholdings in the company as on 31.03.2014	5.92%

7. The details of Mr. Pradeep Kumar Jain and Mr. Sanjay Kumar Agarwal, Independent Directors, pursuant to clause 49 of the Listing Agreement are as under:

Particulars	Name of Independent Directors	
	Mr. Pradeep Kumar Jain	Mr. Sanjay Kumar Agarwal
Date of Birth	20.12.1960	14.06.1969
Period of appointment	29.09.2014 to 28.09.2019	29.09.2014 to 28.09.2019
Expertise in specific areas	Mr. Pradeep Kumar Jain, a commerce graduate is a fellow member of the Institute of Chartered Accountants of India. He has more than 25 years of vast experience in the field of finance and Capital Market.	Rich experience in the field of finance, financial services and other related matters.
Qualifications	B.Com., FCA	B.com
Directorship in other Company	Startrite Financial Services Pvt. Ltd. Karni Mata Auto Pvt. Ltd. A R J Metal Pvt. Ltd.	SKG Infrastate Private Limited Balaji Fund Growth Limited Balaji Instalments Supply Limited SS Buildhome Private Limited SKG Infracity Private Limited Skylark Info Solutions Private Limited SKG Infrapromoters Private Limited
Shareholdings in the company as on 31.03.2014	NIL	NIL

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8. The details of Ms. Kusha Bindal, pursuant to clause 49 of the Listing Agreement are as under:

Particulars	Name of Director
	Ms. Kusha Bindal
Date of Birth	26/01/1990
Expertise in specific areas	Good experience in the field of finance and administration.
Qualifications	B.Com., ACA
Directorship in other Company	NIL
Shareholdings in the company as on 31.03.2014	NIL

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

Particulars	Name of Manager
	Mr. VIJAY KUMAR
Date of Birth	19/05/1955
Date of appointment	21/12/2013
Expertise in specific areas	Rich experience in the field of administration.
Qualifications	Graduate
Directorship in other Company	Lead Business Solutions Private Limited
Shareholdings in the company as on 31.03.2014	NIL

10. Keeping in view of "Green Initiative in Corporate Governance" taken by Ministry of Corporate Affairs vide their circular no. 17/2011 date 21/04/2011 and 18/2011 dated 29/04/2011, your Company has decided to send henceforth, all documents, required to be sent to the shareholders like General Meeting Notice (including AGM), Audited Financial Statements, Directors' Report, Auditors' Report etc. in electronic form on the e-mail Id provided and made available to us by the Depository. In case you have not registered your E-mail ID or you desire to have different E-mail ID to be registered, please update the same with your Depository Participant and E-mail us also at lead_financial@rediffmail.com

11. Voting through electronic means:

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

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

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- Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.
 - In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
- DOB Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
- Dividend Bank Details Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
- Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.
- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (xvii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

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- (B) The voting period begins on <Date and Time> and ends on <Date and Time>. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <Record Date>, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- (D) The shareholders can opt for only one mode of voting, i.e. either physically by attending AGM or e-voting. If any shareholders opt for e-voting, he/she will not be eligible to vote physically in AGM.

OTHER INSTRUCTIONS:

- (a) In case of any queries regarding e-voting you may refer to the 'user manual for shareholders to cast their votes' available at www.evotingindia.com under 'HELP'.
 - (b) If you are already registered with CDSL for e-voting then you can use your existing user ID and password for casting your vote.
 - (c) The e-voting period commences on Saturday, September 20th, 2014 (9.00 a.m.) and ends on Monday, September 22nd, 2014 (6.00 p.m.). During the e-voting period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, August 22, 2014, may cast their votes electronically. Once the vote on a resolution is cast by the shareholder, he shall not be allowed to change it subsequently.
 - (d) The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of August 22, 2014.
 - (e) Ms. Pooja Anand, (Membership No. FCS 7032) Practising Company Secretary, New Delhi, has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - (f) The scrutinizer shall within a period of not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in employment of the Company and make a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - (g) The results of the e-voting along with the scrutinizer's report shall be communicated to the stock exchanges where the shares of the Company are listed.
9. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9 A.M. to 5 P.M.) on all working days except Saturdays and Sundays, up to and including the date of the Annual General Meeting of the Company.

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

Place : New Delhi
Dated: 20.08.2014

Padam Chandra Bindal
Director
DIN: 00004769

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

Item No. 4 & 5

Appointment of Mr. Pradeep Kumar Jain & Mr. Sanjay Kumar Agarwal as Independent Directors

Mr. Pradeep Kumar Jain & Mr. Sanjay Kumar Agarwal were appointed as Independent Directors of the Company and have held the positions as such.

In line with amended Clause 49 of the Listing Agreement and provisions of the Companies Act, 2013, which stipulates the conditions for the appointment of Independent Directors by a Listed Company, it is proposed to appoint Mr. Pradeep Kumar Jain & Mr. Sanjay Kumar Agarwal, as Independent Directors under section 149 of the Companies act, 2013 and Clause 49 of the Listing Agreement to hold office for five consecutive years for a term upto 28th September, 2019, not liable to retire by rotation. As per the said provisions, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation at every AGM.

Mr. Pradeep Kumar Jain & Mr. Sanjay Kumar Agarwal are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

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In the opinion of the Board, Mr. Pradeep Kumar Jain & Mr. Sanjay Kumar Agarwal fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. They are independent of the management.

The company has received notice in writing from members alongwith the deposit of requisite amount under section 160 of the Companies Act, 2013 proposing the candidature of each of Mr. Pradeep Kumar Jain & Mr. Sanjay Kumar Agarwal for the office of the Directors of the Company.

Except Mr. Pradeep Kumar Jain & Mr. Sanjay Kumar Agarwal, no other director of the company is concerned or interested in proposed resolution.

Item No. 6

Appointment of Woman director

In compliance with the provisions of Companies Act, 2013 and Clause 49 of the Listing Agreement,

The Board proposed the appointment of Ms. Kusha Bindal, as Director of the Company w.e.f. 29.09.2014. Ms. Kusha Bindal is a Chartered Accountant and has good experience in the field of finance and administration.

The Board is of the opinion that her knowledge and experience would be of immense help for the overall progress of the company and recommends the resolution as given in item no 6 of the convening notice for your approval.

The company has received notice in writing from members alongwith the deposit of requisite amount under section 160 of the Companies Act, 2013 proposing the candidature of Ms. Kusha Bindal for the office of the Directors of the Company.

Except Mr. Padam Chandra Bindal and Ms Kusha Bindal, no other director of the company is concerned or interested in proposed resolution.

Item No. 7

Appointment of Manager

Considering the contribution made by Mr. Vijay Kumar and industrial standards, your Board of Directors in their meeting held on 21.12.2013, has appointed Mr. Vijay Kumar as a Manager of the Company w.e.f. 21st December, 2013 at a remuneration of Rs. 15,000/- per month for 5 Years, subject to confirmation of the shareholders in their meeting.

Mr. Vijay Kumar is an Arts Graduate and has over 21 years of experience in the field of administration.

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 7 of the convening notice for your approval.

Except Mr Vijay Kumar, none of the director of the company is concerned or interested in proposed resolution.

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

Place : New Delhi
Dated: 20.08.2014

Padam Chandra Bindal
Director
DIN: 00004769

LEAD FINANCIAL SERVICES LIMITED

DIRECTORS' REPORT

To,

The Members

Lead Financial Services Limited

Your Directors have pleasure in presenting the 21st Annual Report with Audited Statement of Accounts of the company for the year ended 31st March, 2014.

FINANCIAL RESULTS:

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

Particulars	(Rs. In Lacs)	
	Year Ended 31.3.2014	Year Ended 31.03.2013
Total Income	43.31	49.79
Profit Before Depreciation & Tax	23.96	10.92
Depreciation	3.35	1.35
Profit/ (Loss) Before Tax	20.61	9.56
Provision for Tax - Current	4.28	3.15
- Deferred	2.08	(0.13)
Profit/(Loss) after Tax	14.24	6.54
Transfer to Statutory Reserve	(2.85)	(1.30)
Surplus Carried to Balance Sheet	79.49	68.09

PERFORMANCE REVIEW:

During the year under review, your company achieved total income of Rs. 43.31 Lacs as compared to Rs.49.79 Lacs in the previous year. Net profit for the year is Rs. 14.24 Lacs as compared to net profit of Rs. 6.54 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

India is facing a difficult economic situation on the growth, asset quality, inflation and fiscal deficit fronts. Growth is estimated to have bottomed, but recovery is predicated upon clarity of policy matters and decision making by the Government, both factors out of the control of private enterprise.

The Government's first GDP estimate for FY 2013-14 estimates growth at 4.9%, largely in line with market expectations. The Interim budget which was the last budget of the UPA-II Government was "not" biased towards populist measures but focused on growth measures, like reduction in excise duties on capital and consumer goods and maintaining the fiscal deficit target within limits. The key to a higher growth would be reviving investments (initially by revival of stalled projects), especially in the private sector and higher domestic savings, especially financial savings, by containing inflation and positive real return.

The year ahead will be challenging on the interest rate and credit quality front, however, stability of Government, can improve the asset quality and return growth.

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.

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 organization. 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 NBFC segment of Industry has witnessed considerable growth in the last few years due to implementation of innovative marketing strategies, customer-oriented services, attractive rates of return on deposits and simplified procedures, etc. NBFCs have been at the forefront of catering to the financial needs and creating livelihood sources of the so-called unbankable masses in the rural and semi-urban areas.

A shakeout in the non banking finance sector, has resulted into the disinterest of public. The public is not willing to park its fund with NBFC due to low rate of interest offered by them for deposits.

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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, 2012-13 Versus 2013-2014:

(Rs. in Lacs)

Particulars	2012-13	2013-14
Total Revenue	49.79	43.31
Interest & Financial Charges	12.67	3.44
Expenses	26.19	15.90
Depreciation	1.35	3.36
Total Expenditure	40.22	22.70
Profit before Tax(PBT)	9.57	20.61
Provision for Tax	3.02	6.36
Profit after tax (PAT)	6.54	14.25
Equity Capital	330	330
Reserves & Surplus	80.71	94.96
Earnings per Share	0.20	0.43

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 31st March, 2014.

DIRECTORS:

- Mr. P. C. Bindal, Director of the Company retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment
- Appointment of Mr. Pradeep Kumar Jain & Mr. Sanjay Kumar Agarwal as Independent Directors for five consecutive years with effect from the conclusion of the forthcoming Annual General Meeting upto 28th September, 2019.
- The Board recommends the confirmation for the appointment of Mr. Vijay Kumar as the Manager of the Company for a period of five years with effect from 21st December, 2013 at remuneration of Rs.15, 000/- per month.
- The Board recommends the appointment of Ms. Kusha Bindal as Woman Director.
- Mr. Manushree Bindal, who was appointed as an Additional Director on 15.05.2014 to hold the office till 21st AGM i.e. 29.09.2014. The Board did not recommend his regularisation as ordinary director in the ensuing Annual General Meeting.

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.

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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 31st March, 2014; 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 31st March, 2014 on 'going concern' basis.

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 there under.

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 31st March, 2014 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 of energy consumption and consequent impact | Not applicable |
| On cost of production | |
| Total energy consumption and energy consumption | Not Applicable |
| Per unit of production as per form 'A' of the 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 | |