

# LEAD FINANCIAL SERVICES LIMITED

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## **BOARD OF DIRECTORS**

P.C. Bindal  
Chairman

Sanjay Kumar Agarwal  
Director

Pradeep Kumar Jain  
Director

Kusha Bindal  
Director

## **BANKERS**

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

## **STATUTORY AUDITORS**

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

## **REGISTERED OFFICE**

Lead Financial Services Limited  
101, Sita Ram Mansion, 718/21, Joshi Road, Karol Bagh,  
New Delhi-110005 Tel. 23549822-23 Fax. 23623829  
email : lead\_financial@rediffmail.com Website : www.leadfinancialservices.in  
CIN : L74140DL1993PLC053485

## **REGISTRAR & TRANSFERS AGENTS**

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

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# LEAD FINANCIAL SERVICES LIMITED

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 24<sup>th</sup> Annual General Meeting of the members of Lead Financial Services Limited will be held on Thursday, the 28<sup>th</sup> day of September, 2017 at 10:30 a.m. at 304, Sita Ram Mansion, 718/21, Joshi Road, Karol Bagh, New Delhi-110005, to transact the following business:

### Ordinary Business

1. To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31<sup>st</sup> March, 2017 together with Reports of the Board of Directors and the Auditors thereon.
2. To appoint director in place of Ms. Kusha Bindal (DIN: 06952708) who retires by rotation and being eligible offers herself for reappointment.
3. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:  
"RESOLVED that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, BGG & Co., Chartered Accountants (Firm Registration No.016874N), be and is hereby appointed as Statutory Auditors of the Company in place of the retiring auditors G C Sharda & Co, Chartered Accountants (Firm Registration No. 500041N), to hold office from the conclusion of this Annual General Meeting ("AGM") till the conclusion of the twenty-ninth AGM to be held in the year 2022 (subject to ratification of their appointment at every AGM if so required under the Act), at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Auditors."

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

Place: New Delhi  
Dated: 12.08.2017

Padam Chandra Bindal  
Chairman  
DIN: 00004769

### NOTE:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item No. 3 of the Notice, is annexed hereto.
2. The Register of Members and the Share Transfer books of the Company will remain closed from 22<sup>nd</sup> day of September, 2017 to 28<sup>th</sup> day of September, 2017 (both days inclusive).
3. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and the provisions of Companies Act, 2013, of the person seeking re-appointment/change in terms, areas under:

### **Particulars**

### **Name of Directors**

#### **Ms. Kusha Bindal**

Date of Birth

26/01/1990

Date of appointment

29/09/2014

Expertise in specific areas

Ms Kusha Bindal, a commerce graduate is a Associate member of the Institute of Chartered Accountants of India. She has vast experience in the field of finance and Capital Market.

Qualifications

B.Com., ACA

Shareholdings in the company as on 31.03.2017

161000

Inter se relationship with other Directors

Mr Padam Chandra Bindal and Ms Kusha Bindal are related to each other.

Names of listed entities in which the person also holds the directorship and the membership of Committees of the board

NIL

4. Keeping in view of "Green Initiative in Corporate Governance" taken by Ministry of Corporate Affairs vide their circular no. 17/2011 dated 21/04/2011 and 18/2011 dated 29/04/2011, your Company has decided to send henceforth, all documents, required to be sent to the shareholders like General Meeting Notice (including AGM), Audited Financial Statements,

## LEAD FINANCIAL SERVICES LIMITED

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Directors' Report, Auditors' Report etc. in electronic form on the e-mail Id provided and made available to us by the Depository. In case you have not registered your E-mail ID or you desire to have different E-mail ID to be registered, please update the same with your Depository Participant and E-mail us also at [lead\\_financial@rediffmail.com](mailto:lead_financial@rediffmail.com). Members may note that this Notice and the Annual Report 2016-17 will also be available on the Company's website viz. [www.leadfinancialservices.in](http://www.leadfinancialservices.in).

5. All documents referred to in the accompanying notice and the explanatory statement are open for inspection at the registered office of the Company during working day, except Saturdays, in office hours from 10 A.M. upto 5.00 P.M.
6. **A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the commencement of the AGM.** Proxies submitted on behalf of limited companies, societies etc., must be supported by appropriate resolutions / authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
7. Members are requested to bring their ID cards and attendance slip along with their copy of the Notice of the Meeting.
8. The notice is being sent to all the members, whose names appeared in the register of members/ Record of RTA as on the close of business hours on 18<sup>th</sup> August, 2017. Voting rights shall be reckoned on the paid-up value of the shares registered in the name of the member as on record date.
9. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
10. In accordance with provisions of section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the business proposed for the Annual General Meeting, may be transacted through electronic voting system and the Company is providing facility for voting by electronic means ("remote e-voting") to its members.
11. The Company has engaged the services of Central Depository Services (India) Limited ("CDSL") to provide remote e-voting facilities and for security and enabling the members to cast their vote in a secure manner.
12. It may be noted that this remote e-voting facility is optional. The remote e-voting facility will be available at the link <https://www.evotingindia.co.in> during the following voting period.  
**Commencement of remote e-voting: From 9.00 a.m. of September 25<sup>th</sup> 2017, Monday end of remote e-voting upto at 5.00 p.m. of September 27<sup>th</sup> 2017, Wednesday**
13. Remote e-voting shall not be allowed beyond 5.00 p.m. of **September 27<sup>th</sup> 2017, Wednesday**. During the remote e-voting period, Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date may cast their vote electronically. The cut-off date for the limited purpose of remote e-voting is **21<sup>st</sup> September, 2017**.
14. The login ID and password for remote e-voting along with process, manner and instructions for remote e-voting is being sent to the members who have not registered their e-mail IDs with the Company along with physical copy of the notice.
15. Those members who have registered their e-mail IDs with the Company / their respective Depository Participants are being forwarded the login ID and password for remote e-voting along with process, manner and instructions by e-mail.
16. The Company has, in compliance with Rule 20 of the Companies (Management and Administration) Rules, 2014, appointed CS Pooja Anand/ CS Mukul Tyagi of M/S Pooja Anand & Associates, Company Secretaries in practice, as Scrutinizer (as consented by him to be appointed as scrutinizer) for conducting the electronic Process in a fair and transparent manner.
17. Members are requested to intimate immediately any change in their address or other mandates to their Depository Participants with whom they are maintaining their Demat accounts. The Company or its Registrar and Transfer Agent cannot change mandates for shares in electronic form.
18. Non-resident Indian Members are requested to inform Company's Share Registrar – Beetal Financial & Computer Services (P) Limited immediately for the change in the residential status on return to India for permanent settlement;
19. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be obtained from the Company's Registrar.

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20. Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the communication from the Company electronically.
21. Shareholders seeking any information or clarification on the accounts are requested to send written queries to the Company, at least 10 days before the date of the meeting, to enable the management to keep the required information available at the meeting.

### 22. Voting through electronic means:

Pursuant to the provisions of section 108 of the Companies Act, 2013, Rule 20 and Rule 21 of Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote for the resolution proposed at the Annual General Meeting (AGM) by electronic means and the business may be transacted through remote e-voting services provided by Central Depository Services Limited (CDSL). It is hereby clarified that it is not mandatory for a member to vote using the remote e-voting facility, and a member may avail of the facility at his/her/it discretion, subject to compliance with the instructions prescribed below:

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

- (i) The voting period begins on **9.00 a.m. of September 25<sup>th</sup> 2017, Monday > and ends on <5.00 p.m. of September 27<sup>th</sup> 2017, Wednesday >**. 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 **<21<sup>st</sup> September, 2017>**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders/ Members.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

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

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company

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opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
  - (xi) Click on the EVSN of LEAD FINANCIAL SERVICES LIMITED on which you choose to vote.
  - (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
  - (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
  - (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
  - (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
  - (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
  - (xvii) If a Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the app store and the window phone store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
  - (xix) **Note for Non – Individual Shareholders and Custodians**
    - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
    - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
    - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
    - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
    - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - (xxi) If you are holding shares in Demat Form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
23. The shareholders can opt for only one mode of voting, i.e. either physically by attending AGM or remote e-voting. If any shareholders opt for remote e-voting, may also attend the AGM but shall not be eligible to vote physically in the AGM again.
24. The scrutinizer shall within a period of not exceeding three days from the conclusion of the AGM unblock the votes in the presence of at least two witnesses not in employment of the Company and make a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
25. The results of the remote e-voting along with the scrutinizer's report shall be communicated to the stock exchanges where the shares of the Company are listed.
26. Route Map for venue of Annual General Meeting is also annexed.

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

### ITEM NO.3

This explanatory statement is provided though strictly not required as per Section 102 of the Act.

M/s G.C. Sharda & Co., Chartered Accountants, New Delhi, have been appointed as statutory auditors of the company at the 21st Annual General Meeting held on 29.09.2014 for a period of three years subject to ratification by members at every subsequent Annual General Meeting. At the conclusion of the ensuing AGM, M/s G.C. Sharda & Co would be completing a period of three years as Statutory Auditors of the Company, which is the prescribed tenor as per the provisions of the Act and the applicable Rules framed thereunder.

Accordingly, based on the recommendation of the Audit Committee, the Board of Directors of the Company had, at its Meeting held on August 12, 2017, proposed the appointment of BGG & Associates, Chartered Accountants (ICAI Firm Registration Number: 016874N), as the Statutory Auditors of the Company for a term of five consecutive years commencing from the conclusion of the ensuing 24<sup>th</sup> AGM up to the conclusion of the 29<sup>th</sup> AGM of the company to be held in 2022, for the approval of the Members of the Company at the ensuing AGM and ratification of their appointment at every AGM.

BGG & Associates have expressed their willingness to act as the Statutory Auditors of the Company and have further confirmed that, if appointed, the said appointment would be in conformity with the provisions of Section 139 read with Section 141 of the Act, along with the Rules made thereunder.

The Board commends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution set out at Item No. 3 of the Notice.

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

Padam Chandra Bindal  
Chairman  
DIN: 00004769

Place: New Delhi

Date: 12.08.2017



# LEAD FINANCIAL SERVICES LIMITED

## DIRECTORS' REPORT

To,  
The Members  
**Lead Financial Services Limited**

Your Directors have immense pleasure in presenting their 24<sup>th</sup> Annual Report on the business and operations of the Company and Audited Accounts for the Financial Year ended March 31, 2017.

### 1. **Financial Performance** (Standalone)

The Financial results of the Company during the period ended on 31<sup>st</sup> March, 2017 are as under:

(Rs in Lacs)		
PARTICULARS	CURRENT YEAR (2016-17)	PREVIOUS YEAR (2015-16)
<b>1. Total Income</b>	<b>408.40</b>	<b>93.30</b>
Less : i) Operating, Administrative & other Exp.	<b>354.63</b>	<b>75.51</b>
<b>2. Earning before interest and depreciation</b>		
Less : i) Interest	3.12	3
ii) Depreciation	0.37	9.47
<b>3. Profit before Extra-ordinary item</b>	<b>50.27</b>	<b>5.32</b>
Add: Extra-ordinary item	-	2.02
<b>3. Profit before Tax</b>	<b>50.27</b>	<b>7.34</b>
Less : provision for Tax		
i) Current	9.96	1.45
ii) Deferred	(2.61)	0.48
iii) Earlier year Tax	-	.09
iv) MAT Credit	-	(1.45)
<b>4. Profit after Tax</b>	<b>42.92</b>	<b>6.77</b>
Add : Balance of Profit as per last Balance Sheet	<b>100.74</b>	<b>95.31</b>
Less : Adjustment of depreciation on account of change in estimated life of fixed assets	-	-
Less : Transfer to Statutory Reserve	<b>(8.59)</b>	<b>(1.35)</b>
<b>5. Balance available for appropriation</b>	<b>164.47</b>	<b>121.55</b>
6. Equity Capital	330.00	330.00
7. Earnings Per Share	1.30	0.21

### 2. **Dividend**

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

### 3. **Reserves and surplus**

Reserves and Surplus as at 31<sup>st</sup> March, 2017 is Rs. 1,64,46,866/- . The Company has transferred an amount of Rs 8,58,460/- to the Statutory Reserve, during the year under review.

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

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

The year proved that analysts and markets often get it completely wrong. The key surprises globally were Brexit, results of the US elections and impact of Demonetisation of the largest democracy in the world. It is heartening to note that, even in the weak global backdrop, our economy remains a visible bright spot. The macro economic conditions of India are amongst the best they have been in recent times.

This year, the incumbent Government pushed ahead with its reform agenda, backed by key wins in the State elections. The outcome of the State elections pushed the equity markets to an all time high in March 2017 and the Rupee witnessed considerable



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relative strengthening in the current fiscal. The top three reforms during the current fiscal were Demonetisation, Goods and Services Tax and operationalisation of the Monetary Policy Committee.

The new Governor of the RBI cut rates by 25 bps in his first policy, but has since held rates, given that the inflation pressures are likely to be exerted by a reviving commodity cycle and global risks to the Indian economy. On the fiscal front, our country's position has improved, helped mainly by controlled spending and higher GDP to Tax ratio. The low crude prices and consequently lower subsidies and higher cesses played an important part in the fiscal strength demonstrated by the Government.

On the interest rate front globally, the Federal Reserve Bank raised rates for the first time, in December 2016 and indicated that they could further raise rates upto 3 times in the calendar year 2017. Closer home, the 10-year Government Securities rates declined by approximately 125 bps.

The declining interest rates in India were helped by easing liquidity, which the RBI mopped up in the course of the year through the Market Stabilisation Scheme, in the latter part of the financial year. The outlook on interest rates is mixed, as the RBI will need to balance growth objectives, especially post Demonetisation, with Inflation targeting. FY 2017-18 may provide some pockets for rate reduction, but the key determinants will be the monsoon and uptick in commodity and crude prices driven largely by artificial supply constraints than demand side.

### **Outlook Risk and Concern**

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

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

### **Opportunities and threats**

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

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

### **Adequacy of Internal Control System**

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

### **Performance Review**

During the Financial year under review, your company achieved total income of Rs. 408.40 Lacs as compared to Rs. 93.30 Lacs in the previous year. Net profit (after tax) for the year is Rs. 42.92 Lacs as compared to net profit of Rs. 6.77 Lacs in the previous year. Your directors are undertaking the initiatives to improve the financial results in the coming years.

### **Segment wise Performance:**

Company operates only in one segment.

### **5. Material Changes:**

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

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

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

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

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

Not Applicable

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

Not Applicable

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### 8. Deposits

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

### 9. Auditors

#### ➤ **STATUTORY AUDITORS**

M/s G.C. Sharda & Co., Chartered Accountants, New Delhi, have been appointed as statutory auditors of the company at the 21<sup>st</sup> Annual General Meeting held on 29.09.2014 for a period of three years subject to ratification by members at every subsequent Annual General Meeting. At the conclusion of the ensuing AGM, M/s G.C. Sharda & Co would be completing a period of three years as Statutory Auditors of the Company, which is the prescribed tenor as per the provisions of the Act and the applicable Rules framed thereunder.

Accordingly, based on the recommendation of the Audit Committee, the Board of Directors of the Company had, at its Meeting held on August 12, 2017, proposed the appointment of (BGG & Associates, Chartered Accountants (ICAI Firm Registration Number: 016874N), as the Statutory Auditors of the Company for a term of five consecutive years commencing from the conclusion of the ensuing 24<sup>th</sup> AGM up to the conclusion of the 29<sup>th</sup> AGM of the company to be held in 2022, for the approval of the Members of the Company at the ensuing AGM and ratification of their appointment at every AGM.

BGG & Associates have expressed their willingness to act as the Statutory Auditors of the Company and have further confirmed that, if appointed, the said appointment would be in conformity with the provisions of Section 139 read with Section 141 of the Act, along with the Rules made thereunder.

The Board commends the appointment of BGG & Associates as Statutory Auditors of the Company.

The Members of the Company may wish to refer to the accompanying Notice of the AGM of the Company.

#### ➤ **SECRETARIAL AUDITORS**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Pooja Anand & Associates, Company Secretaries to undertake the secretarial audit of the company.

#### ➤ **INTERNAL AUDITORS**

Ms Seema Gupta, Chartered Accountant, performs the duties of internal auditors of the Company and their report is reviewed by the audit committee from time to time

### 10. Auditors' Report

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

### 11. Secretarial Audit Report

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

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

### 12. Directors:

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

- Ms.Kusha Bindal, Director of the Company retires by rotation at the forthcoming Annual General Meeting and being eligible offers herself for re-appointment.
- Mr Chetan Sharma, who was appointed as a Company Secretary and Compliance Officer of the Company w.e.f. 21.07.2016, has resigned w.e.f. 29.04.2017.

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

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

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