



# ANNUAL REPORT 2014-2015



## **LSE Securities Limited**

Regd. Off. : SCO 50, 1st Floor, Sector 34-A,  
Chandigarh-160022.

Corp. Off. : 1st Floor, LSE Building,  
Feroze Gandhi Market, Ludhiana-141001.

## BOARD OF DIRECTORS



**Mr. Jaspal Singh**  
(Chairman)



**Mr. T.S. Thapar**  
(Director)



**Mr. Parmod Kumar Goyal**  
(Director)



**Mr. Rajesh Kumar Sharma**  
(Director)



**Mr. Ashok Kumar**  
(Nominee Director)



**Mr. Ashwani Kumar**  
(Nominee Director)



**Mr. Pritpal Singh**  
(Whole Time Director)

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## VENUE

### **16<sup>th</sup> ANNUAL GENERAL MEETING**

At Hotel Park View, Sector 24, Near Indira Holiday Home, Chandigarh.

# COMPANY DETAILS

## BOARD OF DIRECTORS

<b>Mr. Jaspal Singh</b>	Chairman
<b>Mr. T.S. Thapar</b>	Director
<b>Mr. Parmod Kumar Goyal</b>	Director
<b>Mr. Rajesh Kumar Sharma</b>	Director
<b>Mr. Ashok Kumar</b>	Nominee Director
<b>Mr. Ashwani Kumar</b>	Nominee Director
<b>Mr. Pritpal Singh</b>	Whole Time Director

## LEADERSHIP TEAM

<b>Mr. Pritpal Singh</b>	CGM cum WTD
<b>Mr. Pallavi Sethi</b>	Company Secretary
<b>Mr. Madhur Gupta</b>	HOD - IT
<b>Mr. Rajesh Gupta</b>	HOD - Accounts - I
<b>Mr. Jaswinder Singh</b>	HOD - DP
<b>Mr. Vipen Goyal</b>	HOD - Clearing & Sett.
<b>Mr. Ravinder S. Saini</b>	HOD - Accounts - II
<b>Mr. Sandhir Kumar Chadha</b>	HOD - KYC
<b>Mr. Rajinder Pal Singh</b>	HOD - Margin
<b>Mr. Pawan Bhardwaj</b>	HOD - Membership
<b>Ms. Paramjeet Kaur</b>	HOD - Human Resource

### Registered Office :

SCO 50, First Floor, Sector 34-A,  
Chandigarh – 160 022  
Tele No.: 0172-3258091

### Corporate Office :

1st Floor, LSE Building,  
Feroze Gandhi Market, Ludhiana – 141 001  
Tele No.: 0161-2405756, 5068133

### Statutory Auditors :

M/s Anoop K. Goel & Co.  
Add: 152H, Lane-3, Adj. Jassal Engg.  
GTB Nagar, Chandigarh Road,  
Ludhiana – 141 010

### Internal Auditors :

M/s K.C. Khanna & Co.  
202, LSE Building, Feroze Gandhi Market,  
Ludhiana - 141 001.

### Trading cum Clearing Member :

National Stock Exchange of India Limited  
Bombay Stock Exchange Limited  
Metropolitan Stock Exchange of India Limited

### Depository Participants :

National Securities Depository Limited  
Central Depository Services (India) Limited

### Bankers

HDFC Bank, Oriental Bank of Commerce, Indusind Bank,  
ICICI Bank, Yes Bank, Axis Bank, State Bank of India, Federal Bank

## DP BRANCHES

### Amritsar

35-36, 2nd Floor, Deep Complex,  
Opp. Centurion Bank of Punjab  
Court Road, Amritsar – 143001  
Ph.: 0183-2542212, 5018601-02

### Chandigarh

SCO 50-51, First Floor, Sector 34-A,  
Adj. Mukat Hospital  
Chandigarh – 160 022  
Tele No.: 0172-3258091, 5065459-60

### Jalandhar

1st Floor, Milbertan Building,  
Opp. Govt. Girls Higher Secondary School,  
PNB Chowk, Jalandhar-144 001  
Ph.: 0181-5012689

### Sangrur

Near Main Post Office,  
Banasar Bagh Road, Sangrur – 148 001  
Ph.: 01672-503281

### Una

Chaudhary Ram Saran Saini Complex,  
Opp. Bus Stand, Distt. Una (H.P.)  
Ph.: 01975-224245

Website : [www.lse.co.in](http://www.lse.co.in)

E-mail: [igc@lsesl.com](mailto:igc@lsesl.com) (for investors), [cgm@lsesl.com](mailto:cgm@lsesl.com), [cs@lsesl.com](mailto:cs@lsesl.com)

# LSE SECURITIES LIMITED

Registered Office: SCO 50, 1st Floor, Sector 34-A, Chandigarh 160 022.

## NOTICE

Notice is hereby given that the SIXTEENTH ANNUAL GENERAL MEETING of the Members of LSE SECURITIES LIMITED will be held on Saturday, the 05th day of September, 2015 at 12:00 Noon at Hotel Park View, Sector 24, Near Indira Holiday Home, Chandigarh to transact the following businesses :

### **ORDINARY BUSINESS:**

1. To receive, consider, and adopt the Audited Financial Statements for the year ended 31st March, 2015 together with the Reports of the Board of Directors and Auditors thereon.
2. To confirm the declaration of interim dividend as the final dividend on Equity Shares.
3. To appoint a Director in place of Mr. Tribhawan Singh Thapar (DIN: 00494576), who retires by rotation and being eligible, offers himself for the re-appointment.
4. To ratify appointment of Auditors and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the appointment of M/s. Anoop K. Goel & Co., Chartered Accountants (Registration No. 016327N) as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) to the conclusion of the Seventeenth AGM of the Company on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors, be and is hereby ratified.”

### **SPECIAL BUSINESS :**

5. To appoint Member Directors and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the Articles of Association of the Company and in accordance with the applicable provisions of the Companies Act, 2013, if any and rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force) it is be and hereby decided to fill the two vacancies of the Member Directors on the Board of the Company amongst the candidates, notice in respect of whom is to be received by the Company either from the candidate himself or any other Member of the Company along with the requisite deposit not less than fourteen days before the date of the Annual General Meeting of the Company in accordance with the provisions of Section 160 of the Companies Act, 2013 and rules made there under.”

Place : LUDHIANA

Date : 07.08.2015

**By order of the Board  
FOR LSE SECURITIES LIMITED**

**Sd/-  
PALLAVI SETHI  
COMPANY SECRETARY  
ACS32903**

**Registered Office :**  
SCO 50, 1st Floor,  
Sector 34 A, Chandigarh  
**Corporate Office :**  
First Floor, LSE Bldg.,  
Feroze Gandhi Mkt., Ludhiana  
**CIN:** U67120CH2000PLC023244  
**e-mail:** cs@lssl.com

**Notes:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE VALID AND EFFECTIVE, MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY SO APPOINTED SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING.
2. Corporate Members are requested to send a duly certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representative to attend and vote at the Annual General Meeting.
3. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
4. The shares of the Company are held in physical form. Any member who transfers his shares to any person has to seek approval from the Board of the LSE Securities Ltd subject to prior approval from BSE, NSE and Metropolitan Stock Exchange of India Limited.
5. The Register of Members and the Share Transfer Book of the Company will remain closed from 02.09.2015 (Wednesday) to 03.09.2015 (Thursday) for the purpose of the Annual General Meeting.
6. Members are requested to write to the Company at least ten days before the meeting for obtaining any information as regards to accounts and operations of the Company so that the same could be complied in advance.
7. Members are requested to bring their copy of Annual Report along with them to the Annual General Meeting.

**STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“the Act”)**

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

**Item No. 5**

Your Company in view of the de-recognition of the Holding Company as the Stock Exchange and the applicability of the Companies Act, 2013 adopted the new set of Articles of Association of the Company in its Extra-Ordinary General Meeting held on 20th March, 2015. As per the new set of Articles of Association adopted by the Company, your Company is required to have Six Member Directors on the Governing Board of the Company. Since presently there are Four Member Directors on the Governing Board of the Company, your Company is required to fill the two vacancies of Member Directors in this Annual General Meeting.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board commends the Ordinary Resolutions set out at Item No. 5 of the Notice for approval by the shareholders.

**Place : LUDHIANA**

**Date : 07.08.2015**

**By order of the Board  
FOR LSE SECURITIES LIMITED**

**Sd/-  
PALLAVI SETHI  
COMPANY SECRETARY  
ACS32903**

**Registered Office :**  
SCO 50, 1st Floor,  
Sector 34 A, Chandigarh  
**Corporate Office :**  
First Floor, LSE Bldg.,  
Feroze Gandhi Mkt., Ludhiana  
**CIN:** U67120CH2000PLC023244  
**e-mail:** cs@lsesl.com

## ■■■■■■ DIRECTORS' REPORT ■■■■■■

Dear Shareholders,

The Directors are pleased to present the Sixteenth Annual Report on the business and operations of the Company along with the Audited Financial Statements for the financial year ended 31st March, 2015.

### **FINANCIAL PERFORMANCE :**

The Company's Financial Performance for the financial year ended on 31st March, 2015 under review along with previous year's figures is given hereunder :

(Amount in ₹ Lacs)

Sr. No.	PARTICULARS	31.03.2015	31.03.2014
1.	<b>Profit Before Depreciation, Interest and Tax (PBDIT)</b>	<b>183.13</b>	<b>204.39</b>
2.	Depreciation	(5.36)	(7.25)
3.	Interest	(0.27)	(0.09)
4.	<b>Profit Before Tax (PBT)</b>	<b>177.50</b>	<b>197.05</b>
5.	Provision for Taxation		
	a. Current	(58.85)	(59.54)
	b. Deferred	1.11	(0.85)
	c. Earlier Years	0.96	(1.50)
6.	<b>Profit After Tax (PAT)</b>	<b>120.72</b>	<b>135.16</b>
7.	<b>Balance brought forward from previous years</b>	<b>840.98</b>	<b>799.04</b>
8.	Adjustments to P & L Account on account of Depreciation due to change in useful life of Fixed Assets	4.21	0.00
9.	<b>Profit available for appropriation</b>	<b>965.91</b>	<b>934.20</b>
10.	<b>Appropriations</b>		
	a. Transfer to Capital Redemption reserve	-	-
	b. Transfer to General Reserve	(3.02)	(3.38)
	c. Proposed Dividend		
	i) Interim Dividend	(77.30)	-
	ii) Dividend on Equity Shares	-	(77.30)
	d. Corporate Dividend Tax	(14.97)	(12.54)
11.	<b>Surplus carried to Balance Sheet</b>	<b>870.62</b>	<b>840.98</b>
12.	<b>Earning Per Share (EPS)</b>		
	a. Basic	<b>1.87</b>	<b>2.10</b>
	b. Diluted	<b>1.87</b>	<b>2.10</b>

### **STATE OF AFFAIRS :**

Your Company which was incorporated as a subsidiary of Ludhiana Stock Exchange Limited (Presently known as Ludhiana Stock and Capital Limited) in the year 2000 has become a normal Stock broker due to the de-recognition of Ludhiana Stock Exchange Limited on 30.12.2014.

Accordingly, the new set of Articles of Association was adopted by the Company in its Extra-Ordinary General Meeting held on **20th March, 2015**.

### **BUSINESS OVERVIEW**

**a) Trading at NSE and BSE in Capital Market Segment**

During the year under review, your company has recorded a business volume of ₹6550.53 Crores (Previous year ₹4550.58 Crores) and ₹2441.86 Crores (Previous year ₹1500.26 Crores) in Capital Market Segment of the National Stock Exchange of India Limited and the Bombay Stock Exchange, Mumbai respectively.

**b) F&O Segment of NSE**

During the year under review, your company has recorded a business volume of ₹87982.29 Crores (Previous year ₹74124.82 Crores) in the Futures & Options Segment of National Stock Exchange of India Limited.

**c) Currency Segment**

The business volume in Currency Derivatives was ₹932.55 Crores (Previous year ₹1503.18 Crores) in NSE, ₹2.45 Crores (Previous year ₹23.55 Crores) in Metropolitan Stock Exchange of India Limited during the year.

**d) Depository Participant Services**

During the year under review, your Company has opened 1580 new accounts in CDSL and 56 accounts in NSDL.

**e) Client Registration Department**

During the year under review, your Company has opened 1823 Trading Accounts.

**f) Future Outlook**

Your Company has already commenced trading in BSE Derivatives segment and the volumes on BSE Derivatives segment are expected to grow in future.

### **DIVIDEND :**

During the F.Y. 2014-15, the Board of Directors declared and paid an Interim Dividend at the rate of ₹1.20 per equity share of ₹10 each, absorbing a sum of ₹7730130 excluding dividend distribution tax. The Directors are pleased to recommend confirmation of the said Interim Dividend to be the Final Dividend for the Financial Year 2014-2015. The Dividend, if approved by the members at the Annual General Meeting, shall be the Final Dividend for the Financial Year 2014-2015.

### **CORPORATE SOCIAL RESPONSIBILITY :**

During the period under review, the Board of company has not spent any amount on the account of the Corporate Social Responsibility Policy as the Company was not covered under the provisions of Section 135 of the Companies Act, 2013.

### **STATUTORY AUDITORS :**

M/s. Anoop K. Goel & Co., Chartered Accountants (Registration No. 016327N) were appointed as the Statutory Auditors of the company last year in AGM held on 27th day of September, 2014, for five consecutive years, subject to ratification at every Annual General Meeting. Accordingly, the Board recommend their appointment to be ratified in this AGM. They have given their eligibility & consent for the proposed ratification.

### **EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS IN THEIR REPORTS**

There was no qualification, reservation or adverse remark made by the Auditors in their report.

During the period under review, the provisions of Section 204 of the Companies Act, 2013 relating to submission of Secretarial Audit Report are not applicable to the Company.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

During the year under review, Mr. Pritpal Singh was appointed as the Whole-time Director **w.e.f 24.06.2014**. On the last year Annual General Meeting, held on **27.09.2014**, Members approved his appointment and further appointed Mr. Dharam Pal Gandhi and Mr. Dheeraj Ghai as Member Directors in place of Directors who retired by rotation.

Further, Ms. Kehkesha Verma resigned from the Board of the Company **w.e.f 24.11.2014**.

Further, pursuant to adoption of new set of Articles of Association of the Company, the following Member Directors resigned from the Board of the Company w.e.f 12.03.2015:

1. Mr. Dharam Pal Gandhi
2. Mr. Dheeraj Ghai
3. Mr. Rakesh Jain

Due to the resignation of above mentioned Member Directors the casual vacancies were aroused, which were filled by the Board in its meeting held on 12.03.2015 by appointing Mr. Parmod Kumar Goyal and Mr. Rajesh Kumar Sharma **w.e.f 12.03.2015** in place of Mr. Dheeraj Ghai and Mr. Dharam Pal Gandhi respectively.

Further, Mr. Bir Pal Singh, Mr. Ajay Chaudhry, Dr. Rakesh Kumar Gupta, Mr. Ashish Aggarwal and Mr. Vinesh Kumar were the Public Representative Directors on the Board of the Company. They all resigned from the Board of the Company **w.e.f 20.03.2015**. Mrs. Pooja M. Kohli also resigned from the Board of the Company **w.e.f 31.03.2015**.

Further, pursuant to the nomination by the Holding Company in context of the Article 64 (3) of Articles of Association of Company, Mr. Ashok Kumar and Mr. Ashwani Kumar were appointed as the Nominee Directors on the Board of the Company **w.e.f 08.06.2015**.

Also, Ms. Pallavi Sethi joined the Company **w.e.f 07.07.2014** as the Company Secretary of the Company in place of Mr. Varun Madaan who left the organization **w.e.f 24.06.2014**.

Your Directors place on record the appreciation for sincere, dedicated and valuable services rendered by the above named persons to the Company.

Mr. Tribhawan Singh Thapar (DIN 00494576) retire by rotation at this Annual General Meeting and being eligible, offers himself for the re-appointment.

Further, as per the new set of Articles of Association adopted by the Company, your Company is required to have Six Member Directors on the Governing Board of the Company. Since presently there are Four Member Directors on the Governing Board of the Company, your Company is required to fill the two vacancies of Member Directors in this Annual General Meeting.

**Board of Directors as on date :**

NAME OF THE DIRECTOR	CATEGORY	DESIGNATION
Mr. Jaspal Singh	Non-Executive Director	Chairman
Mr. Tribhawan Singh Thapar	Non-Executive Director	Member-Director
Mr. Rajesh Kumar Sharma#	Non-Executive Director	Member-Director
Mr. Parmod Kumar Goyal#	Non-Executive Director	Member-Director
Mr. Ashok Kumar*	Non-Executive Director	Nominee Director
Mr. Ashwani Kumar *	Non-Executive Director	Nominee Director
Mr. Pritpal Singh	Executive Director	Whole-time Director

# Appointed w.e.f. 12.03.2015

\* Appointed w.e.f. 08.06.2015

### **DECLARATION OF INDEPENDENT DIRECTORS**

During the period under review, the Company is not required to have declaration of Independent Directors as the Company was not covered under the provisions of Section 149 of the Companies Act, 2013.

### **BOARD MEETING**

During the financial year 2014-15, the Board met Seven (7) times. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

### **COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES**

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are presently not applicable to the Company as the Company does not fall under the criteria as mentioned in the Companies Act, 2013 and hence the Company has not devised any policy relating to appointment of Directors, payment of Managerial remuneration, Directors qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

### **INFORMATION PURSUANT TO RULE 5 (2) OF COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

The Company has presently not appointed any employee(s) in receipt of remuneration exceeding the limits specified under Rule 5 (2) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has duly set up an Internal Complaints Committee (ICC) in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, to redress complaints received regarding sexual harassment. However, the Company had not received any such Complaint during the period under review.

### **DIRECTORS' RESPONSIBILITY STATEMENT :**

Pursuant to Section 134 (3) (c) read with Section 134 (5) of the Companies Act, 2013, your Directors state that:

- a. In the preparation of the annual accounts, the applicable accounting standards have been followed with proper explanation relating to material departures, if any;
- b. They have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2015 and of its Profit/Loss for the year ended on that date;
- c. They have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d. They have prepared the annual accounts for the year ended 31st March, 2015 on a 'going concern' basis; and
- e. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

There was no loan given or guarantee given or investment made or security provided pursuant to Section 186 of the Companies Act, 2013 during the year under review and hence the said provisions are not applicable.

### **DISCLOSURES OF AMOUNTS TRANSFER TO ANY RESERVES**

An amount of 3.02 Lacs is proposed to be transferred to General Reserve as per the existing provisions of the Companies Act, 2013 and rules made thereunder.

### **PUBLIC DEPOSITS**

During the period under review, your Company has not accepted any deposits from public in terms of the Companies Act, 2013 and rules made thereunder.

### **MATERIAL CHANGES AND COMMITMENTS**

In terms of the information required under Sub-section (3)(i) of Section 134 of the Companies Act, 2013, it is to be noted that there were no material changes and commitments affecting the financial position of the Company has occurred between the end of the Financial Year to which the Financial Statements relates and the date of the Directors Report.

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

The Company is engaged in stock broking, depository activities and has no activity pertaining to manufacturing and as such furnishing of details as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is not given.

Further, the particulars as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, in respect to foreign exchange earnings and outgo are **Nil**.

### **STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT**

Risk Management is a key function in a Stock Broking Company and your Company has adopted a comprehensive Risk Management in order to protect itself from client's default and the same is reviewed by the Company from time to time.

### **DETAILS OF SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNAL IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE**

In terms of the information required under Section 134 of the Companies Act, 2013 and Rule 8 of Companies (Accounts) Rules, 2014, it is to be noted that there are no significant material orders passed by the Regulators / Courts / Tribunal which would impact the going concern status of the Company and the Company's operations in future.

### **DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:**

The Company has an adequate Internal Financial Control system with reference to financial statements pursuant to Rule 8 (5) (viii) of Companies (Accounts) Rules, 2014, commensurate with the size of its business operations and such are reviewed by the Company from time to time.

### **ANNUAL RETURN**

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in "**Annexure A**" and forms part of this report.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES MADE PURSUANT TO SECTION 188 OF THE COMPANIES ACT, 2013**

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis.

Your Directors draw attention of the members to Notes to the financial statements which set out related party disclosures.

**DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM**

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 is not applicable to the Company as the criteria mentioned in the Companies Act, 2013 is not fulfilled for the time-being by the Company. Hence, disclosure pursuant to Section 177 (8) & (9) of the Companies Act, 2013 is not required.

**DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES**

During the period under review, no Company have become or ceased to be Subsidiary/ Joint Venture/Associate Company of your Company.

**TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

**FRAUD REPORTING**

The Auditors have not reported any fraud to the Board under Section 143 (12) of the Companies Act, 2013.

**OTHER DISCLOSURES**

During the year under review, the Company has not issued shares with Differential Voting Right nor has granted any stock options or Sweat Equity. Further, the Company has neither bought its own shares nor has given any loan to the employees of the Company for the purchase of the shares of the Company.

**ACKNOWLEDGEMENTS :**

The Board wishes to place on record its gratitude for the kind co-operation, assistance, and continued support to the Company by the office-bearers, Sub-Brokers, Members and officials of the Ludhiana Stock and Capital Limited, the Ministry of Finance, Central Government, the Securities and Exchange Board of India (SEBI), the Government of Punjab, Local Administration, the National Stock Exchange of India Limited (NSEIL), the Stock Exchange, Mumbai (BSE), Metropolitan Stock Exchange of India Limited, the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and other business associates.

The relations between the management and the staff were cordial during the period under review.

The Company also wishes to put on record the appreciation of the work done by the staff. Your Directors appreciate and value the trust imposed upon them by the members of the Company.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**Place : LUDHIANA**

**Date : 07.08.2015**

**Sd/-  
JASPAL SINGH  
CHAIRMAN**

## Annexure to Directors' Report for the year ended 31st March, 2015

### Annexure "A" - Form No. MGT-9

Extracts of Annual Return pursuant to the provisions of Section 92  
read with Rule 12 of the Companies (Management and administration) Rules, 2014

#### EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2015  
of  
**LSE SECURITIES LIMITED**

#### I. REGISTRATION AND OTHER DETAILS :

- i) CIN U67120CH2000PLC023244
- ii) Registration Date 07/01/2000
- iii) Name of the Company LSE SECURITIES LIMITED
- iv) Category/Sub-Category of the Company : Public Company limited by Shares
- v) Address of the Registered Office and Contact Details : SCO 50, 1st Floor, Sector 34 A, Chandigarh. Phone No. 0172-5065459, Fax No. 0172-5065460, Email Id: cs@lssl.com, Website: www.lse.co.in
- vi) Whether listed company : No
- vii) Name, Address and contact details of Registrar & Transfer Agents (RTA), if any : Not Applicable

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

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

Sl. No.	Name and Description of main Products / Services	NIC Code of the Product / Service	% to Total Turnover of the Company
1.	Stock Broking and Depository Activities	661- Activities Auxiliary to Financial Service Activities, except Insurance and Pension Funding	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name and Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of Share Held	Applicable Section
1.	Ludhiana Stock and Capital Limited	U67120PB1981PLC 004696	Holding	51.71	2 (46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year %				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
(a) Individual/HUF	-	53000	53000	0.823	-	52900	52900	0.821	-0.002
(b) Central Govt.	-	-	-	-	-	-	-	-	-
(c) State Govt. (s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	-	3331075	3331075	51.71	-	3331075	3331075	51.71	NIL
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A) (1) :-</b>	-	3384075	3384075	52.533	-	3383975	3383975	52.531	-0.002
<b>(2) Foreign</b>									
(a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
(b) Other-Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any Other ....	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A) (2) :-</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	3384075	3384075	52.533	-	3383975	3383975	52.531	-0.002
<b>Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>									

<b>A. Public Shareholding</b>									
<b>1. Institution</b>									
(a) Mutual Funds	-	-	-	-	-	-	-	-	-
(b) Banks / FI	-	-	-	-	-	-	-	-	-
(c) Central Govt.	-	-	-	-	-	-	-	-	-
(d) State Govt.(s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FIIS	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
(a) Bodies Corp.									
(i) Indian	-	933500	933500	14.49	-	943500	943500	14.64	0.16
(ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals									
(i) Individual Shareholders holding nominal share capital upto Rs. 1 lakh	-	827000	827000	12.84	-	799100	79100	12.40	-0.43
(ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 lakh	-	1297200	1297200	20.14	-	1315200	1315200	20.41	0.29
(c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(2):-</b>									
Total Public Shareholding (B)=(B) (1)+(B) (2)	-	3057700	305770	47.465	-	3058700	3058700	47.458	0.002
<b>C. Share held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	6441775	6441775	100	-	6441775	6441775	100	-

**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change is share holding during the year
		No. of Shares	% of total shares of the company	% of shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the company	% of shares Pledged / encumbered to total shares	
1.	Tribhawan Singh Thapar	26600	0.412	-	26500	0.411	-	-0.002
2.	Tarvinder Dhingra	8100	0.13	-	8100	0.13	-	
3.	Raghubir Singal	100	0.00	-	100	0.00	-	
4.	Rajiv Kalra	18100	0.28	-	18100	0.28	-	
5.	Harjit Singh Sidhu	100	0.00	-	100	0.00	-	
6.	Ludhiana Stock and Capital Limited	3331075	51.71	-	3331075	51.71	-	
	<b>TOTAL</b>	<b>3384075</b>	<b>52.533</b>		<b>3383975</b>	<b>52.531</b>		<b>-0.002</b>

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	Tribhawan Singh Thapar	26600	0.412					26600	0.412
				20.01.2015	Transfer of Shares	100	0.002	26500	0.411
				31.03.2015	At the end of the year	-	-	26500	0.411

(iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	Mr. Sanjeev Kumar Gupta	38000	0.59					38000	0.59
				-	No Change	-	-	-	-
				31.03. 2015	At the end of the year	-	-	38000	0.59
2.	Bajaj GDS Share Shoppe Pvt. Ltd.	28500	0.44					28500	0.44
				-	No Change	-	-	-	-
				31.03. 2015	At the end of the year	-	-	28500	0.44
3.	Corporate Scrips Pvt. Ltd.	26500	0.41					26500	0.41
				-	No Change	-	-	-	-
				31.03. 2015	At the end of the year	-	-	26500	0.41
4.	Mr. Krishan Chand Gupta	20000	0.31					20000	0.31
				-	No Change	-	-	-	-
				31.03. 2015	At the end of the year	-	-	20000	0.31

5.	Mrs. Toshi Bansal	20000	0.31					20000	0.31
				-	No Change	-	-	-	-
				31.03. 2015	At the end of the year	-	-	20000	0.31
6.	Super Finvest Services Pvt. Ltd.	20000	0.31					20000	0.31
				-	No Change	-	-	-	-
				31.03. 2015	At the end of the year	-	-	20000	0.31
7.	Mr. Neeraj Gupta	20000	0.31					20000	0.31
				-	No Change	-	-	-	-
				31.03. 2015	At the end of the year	-	-	20000	0.31
8.	Mr. Sanjay Anand	20000	0.31					20000	0.31
				-	No Change	-	-	-	-
				31.03. 2015	At the end of the year	-	-	20000	0.31
9.	Aruma Capital Services Pvt. Ltd.	20000	0.31					20000	0.31
				12.03. 2015	Transfer of Shares	(10000)	(0.16)	(10000)	(0.16)
				31.03. 2015	At the end of the year	-	-	10000	0.16
10.	Mr. Rajiv Sood	20000	0.31					20000	0.31
				-	No Change	-	-	-	-
				31.03. 2015	At the end of the year	-	-	20000	0.31

11.	Arora Stock Brokers Ltd.	18500	0.29					18500	0.29
				12.03. 2015	Transfer of Shares	10000	0.16	10000	0.16
				31.03. 2015	At the end of the year	-	-	28500	0.44
12.	AL Share Brokers P. Ltd.	18000	0.28					18500	0.29
				27.12. 2014	Transfer of Shares	10000	0.16	10000	0.16
				31.03. 2015	At the end of the year	-	-	28000	0.43

(v) **Shareholding of Directors and Key Managerial Personnel (Present) :**

Sl. No.	Name of Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	Mr. Jaspal Singh	20000	0.31					20000	0.31
				-	No Change	-	-	-	-
				31.03. 2015	At the end of the year	-	-	20000	0.31
2.	Mr. Tribhawan Singh Thapar	26600	0.412					26600	0.412
				20.01. 2015	Transfer of Shares	100	0.002	26500	0.411
				31.03. 2015	At the end of the year	-	-	26500	0.411

3.	Mr. Rajesh Kumar Sharma (w.e.f. 12.03.2015)	-	-					-	-
				20.01. 2015	Transfer of Shares	1000	0.02	1000	0.02
				31.03. 2015	At the end of the year	-	-	1000	0.02
4.	Mr. Parmod Kumar Goyal (w.e.f. 12.03.2015)	-	-					-	-
				20.01. 2015	Transfer of Shares	100	0.002	100	0.002
				31.03. 2015	At the end of the year	-	-	100	0.002
5.	Mr. Ashok Kumar (w.e.f. 08.06.2015)	-	-					-	-
				-	No Change	-	-	-	-
				31.03. 2015	At the end of the year	-	-	-	-
6.	Mr. Ashwani Kumar (w.e.f. 08.06.2015)	-	-					-	-
				-	No Change	-	-	-	-
				31.03. 2015	At the end of the year	-	-	-	-
7.	Mr. Pritpal Singh	-	-					-	-
				-	No Change	-	-	-	-
				31.03. 2015	At the end of the year	-	-	-	-
8.	Ms. Pallavi Sethi (w.e.f. 07.07.2014)	-	-					-	-
				-	No Change	-	-	-	-
				31.03. 2015	At the end of the year	-	-	-	-

**Shareholding of Directors and Key Managerial Personnel (Past) :**

SI. No.	Name of Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
9.	Ms. Kehkesha Verma (upto 24.11.2014)	-	-					-	-
				-	No Change	-	-	-	-
				31.03.2015	At the end of the year	-	-	-	-
10.	Mrs. Pooja M. Kohli (upto 31.03.2015)	-	-					-	-
				-	No Change	-	-	-	-
				31.03.2015	At the end of the year	-	-	-	-
11.	Mr. Dheeraj Ghai (upto 12.03.2015)	18500	0.29					18500	0.29
				-	No Change	-	-	-	-
				31.03.2015	At the end of the year	-	-	18500	0.29
12.	Mr. Dharam Pal Gandhi (upto 12.03.2015)	18100	0.28					18100	0.28
				-	No Change	-	-	-	-
				31.03.2015	At the end of the year	-	-	18100	0.28

13.	Mr. Rakesh Jain (upto 12.03.2015)	8500	0.13					8500	0.13
				-	No Change	-	-	-	-
				31.03. 2015	At the end of the year	-	-	8500	0.13
14.	Mr. Bir Pal Singh (upto 20.03.2015)	-	-					-	-
				-	No Change	-	-	-	-
				31.03. 2015	At the end of the year	-	-	-	-
15.	Mr. Ajay Chaudhry (upto 20.03.2015)	-	-					-	-
				-	No Change	-	-	-	-
				31.03. 2015	At the end of the year	-	-	-	-
16.	Mr. Rakesh Kumar Gupta (upto 20.03.2015)	-	-					-	-
				-	No Change	-	-	-	-
				31.03. 2015	At the end of the year	-	-	-	-
17.	Mr. Ashish Aggarwal (upto 20.03.2015)	-	-					-	-
				-	No Change	-	-	-	-
				31.03. 2015	At the end of the year	-	-	-	-
18.	Mr. Vinesh Kumar (upto 20.03.2015)	-	-					-	-
				-	No Change	-	-	-	-
				31.03. 2015	At the end of the year	-	-	-	-

19.	Mr. Varun Madaan (upto 24.06.2014)	-	-	-	No Change	-	-	-	-
				31.03.2015	At the end of the year	-	-	-	-

## V. INDEBTEDNESS

### Indebtedness of the Company Including Interest outstanding/accrued but not due for payment

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

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-Time Directors and / or Manager : (Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
		<b>Mr. Pritpal Singh</b>	
1.	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	771246	771246

	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-
	(c) Profits in lieu of salary under	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify .....	- -	- -
5.	Others, please specify	-	-
	Total (A)	771246	771246
	Ceiling as per the Act	887064	

**B. Remuneration to other directors :**

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Bir Pal Singh	Mr. Ajay Chau-dhary	Dr. Rakesh Kumar Gupta	Mr. Ashish Aggar-wal	Mr. Vinesh Kumar	
	<b>1. Independent Directors</b>						
	• Fee for attending board / committee meetings	-	-	-	-	-	-
	• Commission	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-
	<b>Total (1)</b>	-	-	-	-	-	-
	<b>2. Other Non-Executive Directors</b>						
	• Fee for attending board / committee meetings	20220	39859	14045	27521	20220	121865
	• Commission						
	• Others, please specify						
	<b>Total (2)</b>	20220	39859	14045	27521	20220	121865
	<b>Total (B)=(1+2)</b>	20220	39859	14045	27521	20220	121865
	Total Managerial Remuneration	20220	39859	14045	27521	20220	121865
	Overall Ceiling as per the Act	177413					

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD**

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel (Company Secretary)		
		Mr. Varun Madaan	Ms. Pallavi Sethi	Total
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	92213  -  -	167573  -  -	259786  -  -
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	- -	- -	- -
5.	Others, please specify	-	-	-
	<b>Total</b>		<b>259786</b>	

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

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [ RD / NCLT / COURT ]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty			<b>"NONE"</b>		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			<b>"NONE"</b>		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			<b>"NONE"</b>		
Punishment					
Compounding					

# INDEPENDENT AUDITORS' REPORT

**To the Members of  
LSE SECURITIES LIMITED**

## **Report on the Financial Statement**

We have audited the accompanying financial statements of LSE SECURITIES LIMITED ("the company"), which comprise the Balance Sheet as at 31 March 2015, 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**

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

## **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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

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

## Opinion

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) in the case of the Statement of Profit and Loss Account, of the Profit for the year ended on that date;
- c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

## Report on the other Legal and regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, We give in the Annexure statement on the matters specified in paragraph 3 & 4 of the order.
2. As required by section 143(3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) the Balance Sheet, the 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 aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) on the basis of written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
    - iii. No amount is required to be transferred to the Investor Education and Protection Fund by the Company as on 31 March, 2015.

**For ANOOP K. GOEL & Co.**  
**Chartered Accountants**  
**FRN : 016327N**

**Place : LUDHIANA**  
**Date : 07.08.2015**

**ANOOP KUMAR**  
**( Partner)**  
**Membership No. : 096966**

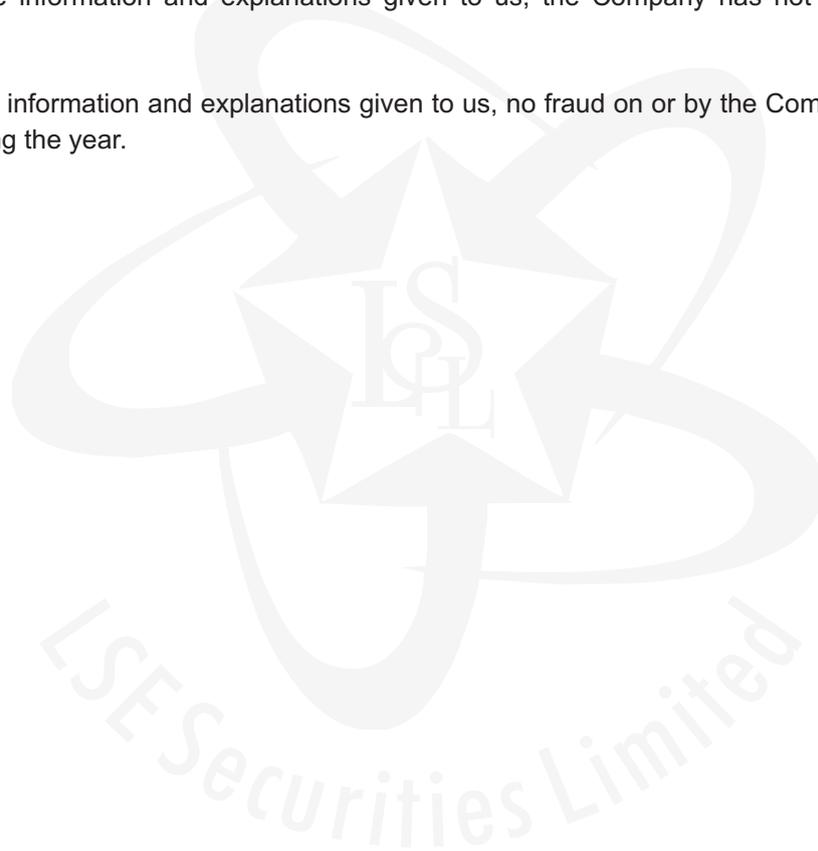
**The Annexure referred to in paragraph 1 of the Our Report of even date to the members of LSE SECURITIES LIMITED on the accounts of the company for the year ended 31st March, 2015.**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of information available.
- (b) As explained to us, fixed assets have been physically verified by the management reasonable intervals; no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, no substantial part of fixed asset has been disposed off during the year and therefore does not affect the going concern assumption.
- (ii) The Company's nature of operations does not require it to hold inventories. Consequently provisions of clause ii of the Order is not applicable. However, the company held stock of saleable stationery as on 31-03-2015, valued at cost or net realizable value, whichever is lower.
- (iii) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii(a) and iii(b) of the order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of fixed assets and for the sale of services. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
- (v) In our opinion, and according to the information and explanation given to us, the company has not accepted any deposits; hence, clause (v) is not applicable to the company. Accordingly, directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable.
- (vi) The Company is not required to maintain cost records pursuant to the Rules made by the Central Government for maintenance of cost records under sub-section (1) of section 148 of the Act.
- (vii) (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Duty of Custom, Duty of Excise, Value added tax, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2015 for a period of more than six months from the date they became payable.
- (b) According to the records of the company, the dues outstanding for taxes on account of dispute are as follows:

<b>Name of the Statute</b>	<b>Nature of Dues</b>	<b>Amount (Rs.)</b>	<b>Period to which the amount related</b>	<b>Forum where dispute is pending</b>
Service Tax Act, 1994	Service Tax	2,25,942	2005-06	Service Tax Commissioner (Appeals)

- (c) Company does not have any amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.
- (i) The Company does not have any accumulated loss at the end of the financial year and has not incurred cash losses in the financial year and in the financial year immediately preceding such financial year.
- (ii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (iii) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by other from bank or financial institutions.
- (iv) According to the information and explanations given to us, the Company has not raised any term loans during the year.
- (v) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.



**For ANOOP K. GOEL & Co.  
Chartered Accountants  
FRN : 016327N**

**Place : LUDHIANA  
Date : 07.08.2015**

**ANOOP KUMAR  
( Partner)  
Membership No. : 096966**

LSE SECURITIES LIMITED

**BALANCE SHEET**

LSE SECURITIES LIMITED  
BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2015

Amount in (₹)

Particulars	NOTE	As at 31 March, 2015	As at 31 March, 2014
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital	1	64,417,750	64,417,750
(b) Reserves and Surplus	2	97,949,359	94,683,694
<b>(2) Non-Current Liabilities</b>			
(a) Other Long Term Liabilities	3	27,645,335	38,889,059
(b) Deferred Tax Liability	4	82,000	193,000
<b>(3) Current Liabilities</b>			
(a) Trade Payables	5	206,878,471	159,158,503
(b) Other Current Liabilities	6	2,653,879,289	1,878,621,820
(c) Short Term provisions	7	360,020	9,278,729
<b>TOTAL</b>		<b>3,051,212,224</b>	<b>2,245,242,555</b>
<b>II ASSETS</b>			
<b>(1) Non Current Assets</b>			
(a) Fixed Assets	8		
Tangible Assets		1,365,243	1,201,601
Intangible Assets		466,770	358,779
(b) Non Current Investments	9	6,764,000	6,764,000
(c) Long term loans and advances	10	40,491,908	39,923,885
(d) Other Non Current Assets	11	1,000,933	2,491,379
<b>(2) Current Assets</b>			
(a) Inventory	12	28,907	7,404
(b) Trade Receivables	13	167,109,716	102,081,606
(c) Cash and bank balances	14	260,258,436	263,994,995
(d) Short term Loans and advances	15	5,980,901	3,520,784
(e) Other Current Assets	16	2,567,745,410	1,824,898,122
<b>TOTAL</b>		<b>3,051,212,224</b>	<b>2,245,242,555</b>

Significant Accounting Policies 23.1

See Accompanying Notes to the Financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For Anoop K.Goel & Co.  
Chartered Accountants  
(Firm Registration No. 016327N)

Jaspal Singh  
Chairman  
DIN: 00458451

Pritpal Singh  
CGM Cum WTD  
DIN: 01219436

(ANOOP KUMAR)  
PARTNER  
MEMBERSHIP NO. 096966

Pallavi Sethi  
Company Secretary  
PAN:CYZPS1438R

Rajesh Gupta  
Sr. Manager-Accounts  
PAN:APHPG2853B

Place : LUDHIANA  
Date : 07.08.2015

## LSE SECURITIES LIMITED

**PROFIT AND LOSS ACCOUNT**

LSE SECURITIES LIMITED

PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015

Amount in (₹)

Particulars	NOTE	For the year ended 31.03.2015	For the year ended 31.03.2014
I Revenue from operations	17	22,867,349	22,505,619
II Other Income	18	25,734,967	25,200,113
III Total Revenue		<b>48,602,316</b>	<b>47,705,732</b>
IV Expenses			
Operating Expenses	19	2,735,028	2,972,520
Employee Benefit expenses	20	13,621,568	11,704,890
Finance Cost	21	488,390	224,285
Depreciation and amortization expenses		535,939	724,794
Other expenses	22	13,471,498	12,373,938
Total Expenses		<b>30,852,423</b>	<b>28,000,427</b>
V Profit before Tax (III-IV)		<b>17,749,893</b>	<b>19,705,305</b>
VI Tax Expense :			
1) Tax Expense for Current Year		5,885,000	5,954,000
2) Deferred Tax		(111,000)	85,000
3) Short/(Excess) Provision of earlier years Written off/Written Back		(96,292)	150,445
VII Profit for the year (V-VI)		<b>12,072,185</b>	<b>13,515,860</b>
VIII Earning per Share (Nominal Value of Share Rs. 10 each)			
Basic		1.87	2.10
Diluted		1.87	2.10

Significant Accounting Policies 23.1

See Accompanying Notes to the Financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For Anoop K.Goel & Co.  
Chartered Accountants  
(Firm Registration No. 016327N)

Jaspal Singh  
Chairman  
DIN: 00458451

Pritpal Singh  
CGM Cum WTD  
DIN: 01219436

(ANOOP KUMAR)  
PARTNER  
MEMBERSHIP NO. 096966

Pallavi Sethi  
Company Secretary  
PAN:CYZPS1438R

Rajesh Gupta  
Sr. Manager-Accounts  
PAN:APHPG2853B

Place : LUDHIANA  
Date : 07.08.2015

## LSE SECURITIES LIMITED

**CASH FLOW STATEMENT**

Amount in (₹)

PARTICULARS	AS AT 31.03.2015	
	AMOUNT	TOTAL
<b>A . CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax		17749893
Non-Cash & Non-Operating Adjustments for :		
Depreciation & Amortisation	535939	
Finance Cost	488390	
Dividend Received	(520000)	
Bad Debts W/o/(Recovered)	(235420)	
Profit on sale of Assets	(8614)	
Provision for Leave encashment	181104	
Loss on Sale of Assets	0	
<b>Operating Profit before Working Capital changes</b>		441399
Adjustments for :		18191292
(Increase)/Decrease in Inventories	(21503)	
(Increase)/Decrease in Trade & Other Receivable	(64792690)	
(Increase)/Decrease in Short-Term Loan & Advances	(1692981)	
(Increase)/Decrease in Long-Term Loan & Advances	(568023)	
(Increase)/Decrease in other Current Assets	(742847288)	
(Increase)/Decrease in Non-Current Assets	1490445	
(Increase)/Decrease in Non-Current Investments	0	
Increase/(Decrease) in Trade Payables	47719968	
Increase/(Decrease) in other Current Liabilities	775257469	
Increase/(Decrease) in Short term Provisions	(115662)	
Increase/(Decrease) in Other Long-Term Liabilities	(11243724)	
<b>Cash Generated from Operations</b>		3186010
Income Tax Expense	(6555844)	21377302
<b>NET CASH FROM OPERATING ACTIVITIES</b>		(6555844)
		14821458
<b>B . CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(410352)	
Proceeds From Sale of Fixed Assets	31850	
Dividend Received	520000	
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		141498
<b>C . CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend Paid Including Dividend Distribution Tax	(18211125)	
Finance Cost	(488390)	
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		(18699515)
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS</b>		(3736559)
<b>CASH AND CASH EQUIVALENTS at the Beginning of the Period</b>		263994995
<b>CASH AND CASH EQUIVALENTS at the End of the Period</b>		260258436

The cash flow statement, as per the provisions of AS-3, is applicable for the first year as per the provisions of Companies Act 2013. Therefore corresponding figures for the previous year are not available.

Significant Accounting Policies

23.1

See Accompanying Notes to the Financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For Anoop K.Goel & Co.  
Chartered Accountants  
(Firm Registration No. 016327N)

Jaspal Singh  
Chairman  
DIN: 00458451

Pritpal Singh  
CGM Cum WTD  
DIN: 01219436

(ANOOP KUMAR)  
PARTNER  
MEMBERSHIP NO. 096966

Place : LUDHIANA  
Date : 07.08.2015

Pallavi Sethi  
Company Secretary  
PAN:CYZPS1438R

Rajesh Gupta  
Sr. Manager-Accounts  
PAN:APHPG2853B

## LSE SECURITIES LIMITED

Amount in (₹)

Notes to Financial Statements For The Year Ended March 31,2015

**AS AT 31.03.2015** **AS AT 31.03.2014****1 SHARE CAPITAL****AUTHORISED**

130,00,000 Equity Shares of Rs 10/- each (Par Value)	130,000,000	130,000,000
20,00,000 8% Cumulative Redeemable Preference Shares of Rs 10/-each (Par Value)	20,000,000	20,000,000
	150,000,000	150,000,000

**ISSUED, SUBSCRIBED AND PAID UP**

6441775 Equity Shares of Rs.10/- each Fully Paid Up	64,417,750	64,417,750
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**TOTAL**

<b>64,417,750</b>	<b>64,417,750</b>
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**Reconciliation of number of shares outstanding****a) Equity Shares**

	Number of Shares	Amount	Number of Shares	Amount
Outstanding at the beginning of the year	6441775	64417750	6441775	64417750
Add: shares issued during the year	-	-	-	-
Outstanding at the end of the year	6441775	64417750	6441775	64417750

**Terms / Rights attached to Equity Shares**

The company has only one class of equity shares having par value of Rs.10 per share. Each holder of the equity share is entitled to one vote per share. In the event of liquidation of the company, the holders of equity share will be entitled to receive the remaining assets of the company, after distribution of all preferential amount.

Out of Equity Shares issued by the Company, shares held by its holding company are as follows:

	Number of shares	Number of shares
LUDHIANA STOCK & CAPITAL LTD	33310750	33310750

Details of Shares held by shareholders holding more than 5% of the aggregate shares in the company.

	Number of shares	Percentage	Number of shares	Percentage
LUDHIANA STOCK & CAPITAL LTD	3331075	51.71	3331075	51.71

**2 RESERVES & SURPLUS**

Securities Premium - As Per Last Year Balance Sheet	4,068,875	4,068,875
Capital Redemption Reserve - As Per Last Year Balance Sheet	790,460	790,460
General Reserve - As Per Last Year Balance Sheet	5,725,736	5,387,839
Amount Transferred During The Year	301,805	337,897
	<b>6,027,541</b>	<b>5,725,736</b>
	<b>10,886,876</b>	<b>10,585,071</b>
Surplus in statement of Profit & Loss Account		
Opening Balance	84,098,623	79,904,810
Add Adjustments as per Schedule II of the Companies Act, 2013	420,456	-
Add: Profit for the year	12,072,185	13,515,860
Amount available for appropriation	98,591,264	93,420,670
Less: Trf to Capital Redemption Reserve	-	-
Trf to General Reseve	301,805	337,897
Less: Appropriations:		
Interim/ Proposed Dividend on equity shares	7,730,130	7,730,130
Distribution Dividend Tax	1,496,846	1,254,020
Closing Balance	87,062,483	84,098,623
<b>TOTAL</b>	<b>97,949,359</b>	<b>94,683,694</b>

## Amount in (₹)

Notes to Financial Statements For The Year Ended March 31,2015

**AS AT 31.03.2015** **AS AT 31.03.2014****3 Other Long Term Liabilities**

Deposits from sub brokers	27,645,335	37,389,059
Deposits from sub brokers for IL&FS (Future Currency)	-	1,500,000
<b>TOTAL</b>	<b>27,645,335</b>	<b>38,889,059</b>

**4 Deferred Tax Liability (NET)**

a) Deferred Tax Liability		
- On account of depreciation of Fixed Assets	121,000	82,000
- On account of Disallowance U/S 40 A(7) of The Income Tax Act 1961	85,000	238,000
	206,000	320,000
b) Deferred Tax Asset		
- On account of Disallowance U/S 43B of The Income Tax Act 1961	(124,000)	(127,000)
<b>TOTAL</b>	<b>82,000</b>	<b>193,000</b>

**5 Trade Payables**

Sundry Creditors	206,878,471	159,158,503
<b>TOTAL</b>	<b>206,878,471</b>	<b>159,158,503</b>

**6 Other Current Liabilities**

<u>Deposits from sub brokers</u> <u>(Kept with the Principal Stock Exchanges as margins)</u>		
(A) Bombay Stock Limited, Mumbai (BSE)	50,323,179	52,929,505
In form of FDRs	47,362,337	48,360,572
In form of Funds	2,960,842	4,568,933
(B) The National Stock Exchange of India Ltd (NSE)	733,392,931	656,443,059
In form of FDRs	468,743,170	402,099,597
In form of Funds	99,260,077	82,444,653
In form of Scrips	165,389,684	171,898,809
(C) IL&FS	3,973,209	8,763,675
In form of FDRs	3,100,000	7,917,174
In form of Funds	873,209	846,501
(D) Scrips held on behalf of Clients	1,847,658,901	1,144,860,650
(E) Deposit from DP clients	112,000	116,000
(F) Dp Charges Received in Advance	794,346	580,445
<b>TOTAL</b>	<b>2,636,254,566</b>	<b>1,863,693,334</b>

**Other Payables**

Payable to Holding Company (Ludhiana Stock & capital Ltd)	266,063	354,750
Cheques issued but not presented	11,202,900	10,390,976
Expenses Payable	2,860,556	1,361,792
Statutory Liabilities( including Stamp Duty, Tax Deducted at Source, Bonus, Service Tax, ESI & EPF)	2,305,868	1,404,157
Other Liabilities	989,336	1,416,811

<b>TOTAL</b>	<b>17,624,723</b>	<b>14,928,486</b>
<b>GRAND TOTAL</b>	<b>2,653,879,289</b>	<b>1,878,621,820</b>

Notes to Financial Statements For The Year Ended March 31,2015

**AS AT 31.03.2015** **AS AT 31.03.2014****7 Short Term Provisions**

Provision for employee benefits		
Leave Encashment	360,020	294,579
Proposed Dividend on Equity Shares	-	7,730,130
Dividend Distribution Tax	-	1,254,020
<b>TOTAL</b>	<b>360,020</b>	<b>9,278,729</b>

**LSE SECURITIES LIMITED**

Amount in (₹)

**8 FIXED ASSETS**

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	AS AT 01-04- 2014	ADDITIONS 2014	SALE/ ADJUSTMENT	AS AT 31-03-2015	01-04- 2014	FOR THE PERIOD DURING THE ADJUSTMENTS*	OTHER	AS AT 31-03-2015	AS AT 31-03-2014
<b>A) TANGIBLE ASSETS</b>									
FURNITURE & FIXTURES	1438182	0	40395	1397787	1183158	129612	33204	(1788)	1281364
VEHICLES	5865	0	0	5865	5865	0	0	294	294
OFFICE EQUIPMENT	27983	0	0	27983	22317	0	0	(4266)	26583
AIR CONDITIONER	246115	0	21900	224215	162175	573	8079	(58336)	213004
COOLERS	6330	0	0	6330	4888	1125	0	0	6013
ELECTRONIC EQUIPMENTS	193108	0	0	193108	132950	31106	0	0	164056
FANS & ELECTRICAL FITTINGS	58361	5858	0	64219	52970	5136	0	0	58106
FIRE FIGHTING EQUIPMENT	49805	0	0	49805	37265	0	0	(10051)	47316
GENERATOR	77497	0	0	77497	60305	9522	0	(3795)	73622
GLOW SIGN BOARD	59454	0	0	59454	48039	0	0	(8441)	56480
REFRIGERATOR	7180	0	0	7180	5549	1272	0	0	6821
TELEPHONE & TELEX	276750	19145	0	295895	200064	27488	0	(36718)	264269
VSAT SKYEDGE	76000	0	0	76000	54476	0	0	(19625)	74101
COMPUTERS	19827961	110678	44475	19884164	19180968	163425	42251	563191	18738952
<b>TOTAL - A</b>	<b>22352591</b>	<b>135681</b>	<b>106770</b>	<b>22381502</b>	<b>21150990</b>	<b>369259</b>	<b>83534</b>	<b>420456</b>	<b>21016259</b>
PREVIOUS YEAR	22358227	34280	40116	22352591	20828107	537644	14761	0	21150980
<b>B) INTANGIBLE ASSETS</b>									
COMPUTER SOFTWARE & LICENSES	5862061	274671	0	6136732	5503282	166679	0	0	5669961
<b>TOTAL - B</b>	<b>5862061</b>	<b>274671</b>	<b>0</b>	<b>6136732</b>	<b>5503282</b>	<b>166679</b>	<b>0</b>	<b>0</b>	<b>5669961</b>
PREVIOUS YEAR	5450335	411726	0	5862061	5316132	187150	0	0	553282
<b>GRAND TOTAL CURRENT YEAR</b>	<b>28214652</b>	<b>410352</b>	<b>106770</b>	<b>28518234</b>	<b>26654272</b>	<b>535939</b>	<b>83534</b>	<b>420456</b>	<b>26686220</b>
<b>GRAND TOTAL PREVIOUS YEAR</b>	<b>27808562</b>	<b>446206</b>	<b>40116</b>	<b>28214652</b>	<b>25944239</b>	<b>724794</b>	<b>14761</b>	<b>0</b>	<b>26654272</b>

\* Represents adjustments in fixed assets which have completed useful life as prescribed under Schedule II to the Companies Act 2013 and the book value as on 31.03.2014 was more or less than the prescribed residual value in the said Schedule.

	Amount in (₹)	
Notes to Financial Statements For The Year Ended March 31,2015	<u>AS AT 31.03.2015</u>	<u>AS AT 31.03.2014</u>
<b>9 <u>Non Current Investments</u></b>		
a) Trade Unquoted		
130000 Equity Shares (P/Y 130000 Equity Shares) of Rs. 1 Each of Bombay Stock Exchange Limited	6,764,000	6,764,000
<b>TOTAL</b>	<b>6,764,000</b>	<b>6,764,000</b>
<b>10 <u>Long Term Loans and Advances</u></b>		
<u>Unsecured, Considered Good</u>		
Security Deposits	40,276,975	39,784,210
Advances to Employees other than Current Maturities	201,410	115,720
Accrued interest on loan to employees other than current maturities	13,523	23,955
<b>TOTAL</b>	<b>40,491,908</b>	<b>39,923,885</b>
<b>11 <u>Other Non-Current Assets</u></b>		
Planned Gratuity Assets (Net of Gratuity Obligation)	262,571	734,204
Accrued interest on term deposits having remaining maturity more than one year	738,362	1,757,175
<b>TOTAL</b>	<b>1,000,933</b>	<b>2,491,379</b>
<b>12 <u>INVENTORY</u></b>		
Others:-		
Saleable Stationery	28,907	7,404
<b>TOTAL</b>	<b>28,907</b>	<b>7,404</b>
<b>13 <u>Trade Receivables</u></b>		
Outstanding for a period exceeding six months from the due date of payment		
-Secured, Considered Good	17,285,293	16,813,365
-Unsecured, Considered Good	15,204,872	12,938,899
<b>TOTAL</b>	<b>32,490,165</b>	<b>29,752,264</b>
Others		
-Secured, Considered Good	129,816,924	70,574,426
-Unsecured, Considered Good	4,802,627	1,754,916
<b>TOTAL</b>	<b>134,619,551</b>	<b>72,329,342</b>
<b>GRAND TOTAL</b>	<b>167,109,716</b>	<b>102,081,606</b>
<b>14 <u>Cash and Bank Balances</u></b>		
<u>Cash and Cash Equivalents</u>		
Cash in hand	69,046	40,183
Bank Balances in Current Accounts	22,289,390	48,954,812
<b>TOTAL</b>	<b>22,358,436</b>	<b>48,994,995</b>

Amount in (₹)

Notes to Financial Statements For The Year Ended March 31,2015	AS AT 31.03.2015	AS AT 31.03.2014
<b>Other Bank Balances</b>		
- Term Deposits having remaining maturity of more than one year.(See Note Below)	59,500,000	31,000,000
- Term Deposits having remaining maturity not more than one year.(See Note Below)	178,400,000	184,000,000
	<b>237,900,000</b>	<b>215,000,000</b>
<b>GRAND TOTAL</b>	<b>260,258,436</b>	<b>263,994,995</b>
Note : The deposits represent lien marked deposits against margin with major stock exchanges, bank guarantee and bank overdraft limits.		
<b>15 Short Term Loans and Advances</b>		
<b>Unsecured, Considered Good</b>		
Advances Recoverable in Cash or in kind or for value to be received-Considered Good	1,982,045	668,099
Accrued interest on current maturities of loan to employees	27,574	46,024
Current Maturity of Advances to employees	317,104	315,707
Prepaid Expenses	1,222,238	825,610
Advance Income Tax(Net of Provision for Tax)	2,431,939	1,664,803
<b>TOTAL</b>	<b>5,980,901</b>	<b>3,520,784</b>
<b>16 Other Current Assets</b>		
Accrued interest on deposits with IL & FS	314,244	840,869
Accrued interest on term deposits having remaining maturity less than one year	9,814,716	9,385,569
Income Tax Refund Receivable	1,962,358	1,962,358
Margins Collected by IL & FS	6,200,000	18,750,000
Members fdr kept as Margin	536,405,507	477,200,408
Members Scrips kept as Margin	165,389,684	171,898,809
Scrips held on behalf of clients	1,847,658,901	1,144,860,650
<b>TOTAL</b>	<b>2,567,745,410</b>	<b>1,824,898,662</b>
<b>17 Revenue From Operations</b>		
<b>Income from services rendered</b>		
Turnover Charges (Net)	12,271,422	11,717,980
Depository Income	10,462,170	10,549,879
Other operating revenue		
- Relating to Bombay Stock Exchange Limited, Mumbai	73,500	152,603
- Relating to National Stock Exchange of India Limited, Mumbai	60,257	85,157
<b>TOTAL</b>	<b>22,867,349</b>	<b>22,505,619</b>
<b>18 Other Income</b>		
Dividend on Non current Investment	520,000	520,000
Dividend on current Investment	-	354,888
Interest Income	24,072,663	21,902,230
Bad Debts Recovered	235,420	-
Service tax refund	-	1,500,000
Interest on Service tax Refund	340,582	-
Profit on sale of assets	8,614	-
Provision for doubtful Advances - Reversed	-	386,371
Miscellaneous Income	557,688	536,624
<b>TOTAL</b>	<b>25,734,967</b>	<b>25,200,113</b>

		Amount in (₹)	
Notes to Financial Statements For The Year Ended March 31,2015		<u>AS AT 31.03.2015</u>	<u>AS AT 31.03.2014</u>
<b>19</b>	<b><u>Operating Expenses</u></b>		
	- Relating to Bombay Stock Exchange Limited, Mumbai	326,105	1,112,071
	- Relating to National Stock Exchange Limited, Mumbai	629,464	340,486
	- Relating to MCX Stock Exchange Limited	64,368	43,858
	- Depository Expenses	1,715,091	1,349,460
	- Prior Period Expenses	-	126,645
	<b>TOTAL</b>	<b>2,735,028</b>	<b>2,972,520</b>
<b>20</b>	<b><u>Employee Benfit Expenses</u></b>		
	Salaries and Wages	11,211,677	10,313,450
	Contribution to provident and other funds	1,275,067	1,208,032
	Staff Welfare Expenses	417,704	385,567
	Contribution/ (Adjustment) to Gratuity Fund	717,120	(213,865)
	Leave Travel Concession	-	11,706
	<b>TOTAL</b>	<b>13,621,568</b>	<b>11,704,890</b>
<b>21</b>	<b><u>Finance Cost</u></b>		
	Interest Expenses	27,710	9,175
	Other Borrowing Costs	460,680	215,110
	<b>TOTAL</b>	<b>488,390</b>	<b>224,285</b>
<b>22</b>	<b><u>Other Expenses</u></b>		
	Advertisement	6,440	16,936
	Auditors' Remuneration		
	- Statutory Audit Fee	70,000	60,000
	- Out of Pocket Expenses	11,537	9,753
	Internal Auditors' Remuneration- Audit Fees	233,200	233,200
	Internal Auditors' (Out of Pocket) Expenses	30,053	25,371
	System Audit	22,500	22,500
	Special audit fee	375,000	-
	Audit fee inspection	5,000	-
	Board/Committee Meeting Expenses	13,657	16,074
	Bad Debts	-	31,816
	Cable TV Expenses	219,448	214,050
	Computer Media Charges	-	19,560
	Computer Maintainence expenses	3,278,059	3,313,933
	Compensation Paid to Cleints	282,433	-
	Electricity Charges	93,154	118,238
	Festival Expenses	500,265	71,990
	Filing Fees	4,460	470
	General Expenses	219,638	234,592
	Loss on Sale of Fixed Assets	-	12,155
	Insurance	349,807	288,170
	Legal and Professional Charges	251,885	330,278
	Newspapers and periodicals	8,464	7,847
	Office expenses	320,976	356,926
	Postage and Courier	597,149	561,934
	Printing and stationery	521,320	374,750
	Rates and Taxes	664,970	383,565
	Rent	4,374,347	4,553,090
	Repairs and Maintenance	43,354	74,812

Amount in (₹)

Notes to Financial Statements For The Year Ended March 31,2015

	<b>AS AT 31.03.2015</b>	<b>AS AT 31.03.2014</b>
Sitting Fees to Public Representatives	121,865	179,159
Telephone & Communication Charges	740,365	706,266
Travelling and Conveyance-Directors	10,800	31,315
Travelling and Conveyance-others	101,352	125,188
<b>TOTAL</b>	<b>13,471,498</b>	<b>12,373,938</b>



## LSE SECURITIES LIMITED

### NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2015

#### 23 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

##### 23.1 SIGNIFICANT ACCOUNTING POLICIES

- **Accounting Convention**

The accompanying financial statements are prepared and presented under the historical cost convention, on the basis of accounting principles and comply with the Accounting Standards prescribed by Companies (Accounting Standards) Rules 2006, the relevant provisions of the Companies Act, 2013 and the Revised Schedule VI to the Act.

- **Revenue Recognition**

a) The Company follows accrual system of accounting in accordance with the normally accepted accounting principles. Income in respect of zero holding depository accounts is accounted for at the time of reasonable certainty of its collection.

b) Brokerage income on securities and commodities broking business is recognised as per contracted rates at the execution of transactions on behalf of customers on the trade date and is reflected net of related brokerage expenses and service tax.

c) Interest Income is recognised using time proportion method.

d) Dividend income is recognised when the right to receive payment is established.

- **Fixed Assets**

Fixed assets are stated at historical cost less depreciation. The cost of fixed assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

- **Intangible Assets and Amortization**

Intangible assets of the Company such as software and software licences are amortised on straight line basis over a period of 5 years, being the useful life as estimated by the management, beginning with the year in which the said assets are put to use.

- **Depreciation**

Depreciation is provided on written down value method as per the requirements prescribed in schedule II to The Companies Act, 2013 on all the assets of the Company. In respect of assets sold, depreciation is provided upto the date of disposal. The useful life of fixed assets has been taken to be the life as prescribed under Schedule II. However the useful life of computer software and licences has been estimated by the management and taken to be five years and being amortised accordingly.

- **Inventories**

Inventories are valued at cost or net realizable value whichever is lower and cost for the same is determined on the basis of FIFO Method.

- **Employee Benefits**

##### **DEFINED CONTRIBUTION PLAN**

Contributions to Provident Fund and Employees State Insurance are recognized in the accounts as per the statutory requirements under the relevant Act.

##### **DEFINED BENEFIT PLAN**

a. **Gratuity:** The Company makes contribution to a scheme administered by the Life Insurance Corporation of India (LIC) to discharge gratuity liabilities to the employees. The Company accounts its liability for future gratuity benefits based on independent actuarial valuation as at the balance sheet date, using Projected Unit Credit Method.

b. **Leave Encashment:** The eligible employees are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. Company also provides for the encashment of leave subject to rules. The liability is provided on the number of days of unutilised leave at each balance sheet date, based on actuarial valuation.

- **Investment**

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current Investments are stated at lower of cost and fair value. Long term investments are stated at cost of acquisition. Provision for diminution is made when such diminution is considered other than temporary in nature. Valuation is determined on the basis of each category of investments.

- **Taxation**

a. Current tax is determined on the profit for the year in accordance with the provisions of the Income tax Act, 1961.

b. Deferred tax is calculated at the rates and laws that have been enacted or substantively enacted as of the Balance Sheet date and is recognized on timing difference that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, subject to consideration of prudence, are recognized and carried forward only to the extent that they can be realized.

- **Earning Per Share**

The company reports basic and diluted earning per share (EPS) in accordance with accounting standard 20 on "Earnings Per Share". Basic EPS

is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

- **Impairment of Assets**

At each Balance Sheet an assessment is made whether any indication exists that an asset has been impaired. If any such indication exists, an impairment loss i.e. the amount by which the carrying amount of an asset exceeds its recoverable amount is provided in the books of account. The recoverable amount of assets exceeds carrying amount of assets and as such there is no impairment of assets.

- **Margin Money In the Form of FDR,s**

The Company has a procedure of receiving FDRs from its Sub-Brokers/ Clients as margins. Such Fixed Deposits are issued by the Bank in favour of NSCCL A/c LSE Securities Limited in case of NSE and Bombay Stock Exchange Limited A/c LSE Securities Limited in case of BSE. The Company deposits these FDRs with the concerned Stock Exchange as Additional Capital/ Margin Money. The issuing bank credits the Interest earned/accrued on such FDRs after deduction of TDS to the account of the concerned Sub-Brokers/ Clients. As such, the interest on such FDRs has not been accrued to the Company's account

- **Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be outflow of resources. Contingent Liabilities are not recognised, but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

## 23.2 NOTES TO ACCOUNTS

The Company has deposited FDRs in its name with National Stock Exchange of India Ltd amounting to Rs. 145500000 (Prev. Year Rs.132600000) and with Bombay Stock Exchange Ltd amounting to Rs. 6000000 (Prev. Year Rs 6000000) for Base Minimum/Additional Capital and are shown under the head Fixed Deposit with scheduled banks & FDRs amounting to Rs. 800000 (Previous Year Rs.800000) have been kept as Membership Security with NSE for FC Segment and Rs.13 Lacs (Previous Year- Nil) FDRs have been kept for the same purpose with MCX Stock Exchange Ltd. in FC Segment.

FDR's of Rs. 69300000 (Prev. Year Rs.69300000) have been pledged with HDFC Bank to secured overdraft facilities to the tune of Rs. 5.98 Cr (P/Y 5.98 Cr)

- **Secured Debtors:**

The Sundry Debtors relating to the Clients Trading in Securities through the Company are secured against their securities lying with the Company and under the Clause 15 of the Tripartite Agreement between LSE Securities Limited and its Sub-Brokers and Clients.

- **Employee Benefits:**

- Defined Contribution Plan:  
Company contribution to provident fund Rs.1012205 (Previous Year Rs.934108)
- Defined Benefit Obligation:

(a) **Liability/Asset recognized in the balance sheet**

	Defined Benefit Plan Gratuity Funded as on 31.03.2015	Defined Benefit Plan Gratuity Funded as on 31.03.2014
Present value of obligation, beginning of	2476088	2535967
Interest cost	198087	228237
Current service cost	280645	225632
Benefits paid	(568504)	(81444)
Actuarial loss on obligations	501600	(432304)
<b>Present value of obligation, end of</b>	<b>2887916</b>	<b>2476088</b>
Fair value of plan assets, beginning of the	3210292	2842783
Expected return on plan assets	287099	255807
Contributions	221600	193146
Benefits paid	(568504)	(81444)
Actuarial gain / (loss) on plan assets		0
<b>Fair value of plan asset at the end of the year (B)</b>	<b>3150487</b>	<b>3210292</b>
<b>Amount recognized in balance sheet (A-B)</b>	<b>262571</b>	<b>(734204)</b>

(b) **Expenses during the year**

Current service cost	280645	225632
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Interest cost	198087	228237
Expected return on plan assets	(287099)	(255807)
Net actuarial (gain)/loss recognized in the year	501600	(432304)
Expenses recognized in statement of profit & loss	693233	(234242)

(c) Principal Actuarial Assumptions

	As on 31.03.2015	As on 31.03.2014
Discount Rate	8%	9%
Salary Escalation	7%	7%

The leave with wages outstanding as on balance sheet date are expected to be availed in next 12 months, therefore it has been treated as Short-term employee benefits as per AS-15.

The amount of contribution to Gratuity increased by risk premium Rs.23887 (P.Y) Rs 20377 which does not contribute to the assets of company.

Earnings Per Share

In accordance with Accounting Standard 20- Earnings Per Share prescribed by Companies (Accounting Standards) Rules 2006, the computation

	31-03-2015	31-03-2014
a) Face Value per Share	10.00	10.00
b) Net Profit after Tax	12,072,185	13,515,860
c) Weighted Average No. of shares	6,441,775	6,441,775
d) Earnings per share (Basic and Diluted)	1.87	2.10

Contingent Liability

The Company has issued a Bank Guarantee to the extent of Rs. 1.00 Cr (Previous Year 1.00 Cr) in favour of Bombay Stock Exchange Limited and Rs 2 Cr (Previous Year-Nil) in favour of National stock exchange Ltd against which Fdr's amounting to Rs 50 Lacs and 1 Cr respectively as 50% margin, have been pledged with HDFC Bank.

The Company has issued a Bank Guarantee to the extent of Rs. 1.61 Cr in favour of NSCCL A/c LSE SECURITIE LTD (F&O SEGMENT) against which FDRs received from members amounting to Rs. 1.61 Cr have been pledged with Oriental Bank of Commerce.

Claims against the company not acknowledged as Debts:

- Advances recoverable include a sum of Rs.1803481 on account of amount paid for Purchase of 1935 equity shares of HDFC Bank Limited. The said shares have been transferred into the Beneficiary Account of Rajinder Kaur in compliance to the order dated 19.12.2014 passed by The High Court of Punjab and Haryana at Chandigarh in the case titled LSE Securities Limited vs Rajinder Kaur regarding alleged unauthorised transfer of 5000 shares of Bank of Punjab from the account of Rajinder Kaur on 02.12.2004. The Board of directors has decided not to provide for this liability as appeal filed by the Company in this regard is pending with the High Court of Punjab and Haryana and the Hon'ble Court has restrained the further transfer of these shares by Rajinder Kaur.

- A demand for Service Tax of Rs.225942 has been raised against the company and the company has filed an appeal against this order with the Service Tax Commissioner(Appeals)

The company is contesting the demands/orders and the management believes that its position will likely to be upheld in the appellate process. No liability has been accrued in the financial statements in respect of the above. The management believes that the ultimate outcome of the same will not have a material adverse effect on the company's financial position and results of operations.

- Membership Entrance Fee With NSE/BSE**

As resolved by the Board of Directors, the Membership Fee paid to BSE for acquiring trading rights at the Exchange has been shown under the head Non-current Investments as BSE has allotted shares against the same which was shown in previous years under the head Security Deposits in Non-Current Loans & Advances.

- Professional charges include Rs. Nil (Prev. Year - 10700) paid to the statutory auditors for rendering other services.
- All rent/lease agreements are cancellable on the instance of both lessor and lessee hence disclosure of information as per the provisions of AS-19 is not applicable.
- Related Party Disclosures - As identified by the management and relied upon by the auditors**

(a) List of related parties and description of relationship

1. Holding company

- Ludhiana Stock & Capital Ltd.

## II. Key managerial personnel

Pritpal Singh                      Chief General Manager  
Pallavi Sethi                      Company Secretary  
Varun Madaan                      AGM cum CS

### (a) Related party transaction

	<u>Holding Company</u>	<u>Key Managerial Personnel</u>	<u>Total</u> (Figures in Rs.)
Dividend	3,997,290	-	3,997,290
Rent (Incl. of Taxes)	4,323,060	-	4,323,060
Photo Copy Charges	48,147	-	48,147
Remuneration	-	1,031,032	1,031,032
<b>Total</b>	<b>8,368,497</b>	<b>1,031,032</b>	<b>9,399,529</b>

### • Capital Commitment

Capital Commitment (Net of Advances) NIL (Previous Year NIL.)

• Figures of the previous year have been regrouped/rearranged/reclassified to make them comparable with the current year's figures, wherever considered necessary.

Figures have been rounded off to the nearest rupee value.

### Signatures to Note No. 1 to 22

For and on behalf of the Board of Directors

For Anoop K.Goel & Co.  
Chartered Accountants  
(Firm Registration No. 016327N)

(ANOOP KUMAR)  
PARTNER  
MEMBERSHIP NO. 096966

Place : LUDHIANA  
Date : 07.08.2015

Jaspal Singh  
Chairman  
DIN: 00458451

Pallavi Sethi  
Company Secretary  
PAN:CYZPS1438F

Pritpal Singh  
CGM Cum WTD  
DIN: 01219436

Rajesh Gupta  
Sr. Manager-Accounts  
PAN:APHPG2853B

## PROXY FORM

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

### LSE SECURITIES LIMITED

CIN: U67120CH2000PLC023244  
Registered Office : SCO 50, 1st Floor, Sector 34-A  
Chandigarh 160 022.

Name of the member (s) :	E-mail Id :
Registered address :	Folio No. :

I/We, being the member(s) of shares of LSE Securities Limited, hereby appoint :

- Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_ Signature \_\_\_\_\_, or failing him
- Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_ Signature \_\_\_\_\_, or failing him
- Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_ Signature \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 16th Annual General Meeting of the Company, to be held on Saturday, September 05, 2015 at 12:00 Noon at Hotel Park View, Sector 24, Near Indira Holiday Home, Chandigarh and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No. :

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

Affix  
Revenue  
Stamp

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015

\_\_\_\_\_  
Signature of Shareholder

\_\_\_\_\_  
Signature of Proxy holder(s)

#### Notes:

- The proxy, to be effective, should be duly completed and deposited at the Registered office of the Company, SCO 50, First Floor, Sector 34-A, Chandigarh 160 022 at least FORTY-EIGHT HOURS before the commencement of the Annual General Meeting.**
- A Proxy need not be a Member of the Company.**
- A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.







## **LSE Securities Limited**

Regd. Off. : SCO 50, 1st Floor, Sector 34-A,  
Chandigarh-160022.

Corp. Off. : 1st Floor, LSE Building,  
Feroze Gandhi Market, Ludhiana-141001.