



Contents

Notice of Annual General Meeting	2
Directors' Report	21
Report on Corporate Governance	34
Auditors' Report	41
Balance Sheet	44
Statement of Profit & Loss	45
Notes Forming Part of Financial Statements	46
Consolidated Financial Statements	60
Annual Accounts of Subsidiary Company	78

DAY : TUESDAY
DATE : 18th September, 2012
TIME : 04:30 P.M.
VENUE : 1st FLOOR, LSE BUILDING,
FEROZE GANDHI MARKET, LUDHIANA.

NOTICE OF 30th ANNUAL GENERAL MEETING

Notice is hereby given that the 30th Annual General Meeting of the shareholders of Ludhiana Stock Exchange Limited will be held on 18th September 2012, Tuesday at 4:30 p.m. at 1st floor, LSE Building, Feroze Gandhi Market, Ludhiana to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet, Statement of Profit and Loss alongwith the reports of the Board of Directors and Auditors' Report thereon for the Financial Year ended 31st March, 2012.
2. To appoint a Director in place of Sh. Joginder Kumar, Shareholder Director, who retires by rotation and does not offer himself for re-appointment, subject to prior approval of SEBI.
3. To appoint a Director in place of Sh. Satish Nagpal, Shareholder Director, who retires by rotation and being eligible, offers himself for re-appointment, subject to prior approval of SEBI.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at a remuneration to be mutually decided between them and the Board of Directors. M/s. S.C. Vasudeva & Co., Chartered Accountants, the retiring Auditors, being eligible, offer themselves for re-appointment.

SPECIAL BUSINESS:

ALTERATION IN ARTICLES OF ASSOCIATION

5. To consider and if thought fit, to pass with or without modification (s), if any, the following Resolution as "Special resolution":

"RESOLVED THAT pursuant to Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 as notified by Securities and Exchange Board of India in the Gazette of India on 20th June, 2012 and Section 31 & other applicable provisions of the Companies Act, 1956 and other applicable provisions (if any), subject to the approval of SEBI (as may be required under aforesaid Regulations) and any other Regulatory Authorities (if any), the amendment in the existing Articles of Association of Exchange (as annexure A) be and is hereby approved."

**By order of the Board of Directors
FOR LUDHIANA STOCK EXCHANGE LIMITED**

**PLACE : LUDHIANA
DATED : 18.08.2012**

**Sd/-
(POOJA M. KOHLI)
Sr. General Manager Cum Company Secretary**

NOTES :

1. APPOINTMENT OF PROXY

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 Exchange. The proxies in order to be valid and effective must be delivered at the Registered office of the Exchange at least 48 hours before the commencement of the meeting. The office will remain open for collection of proxies on Sunday upto 4:30 p.m. Blank Proxy form is enclosed.

A proxy so appointed shall not have any right to speak at the meeting.

2. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 is annexed to the notice and forms part of the notice.

3. CLOSURE OF REGISTER OF MEMBERS

Register of Members and Share Transfer books will remain closed from 15.09.2012 to 18.09.2012 (both days inclusive) for the purpose of determining the eligibility of shareholders to attend the Annual General Meeting.

4. PAYMENT OF DIVIDEND

The Exchange had already paid Interim Dividend of Rs. 50/- (i.e. 500%) per equity share of Rs. 10/- each to shareholders whose name appeared on Register of Members of the Exchange as on 20.03.2012 i.e. the Record date.

5. ATTENDANCE SLIP

For convenience of the members and for proper conduct of the meeting, entry to the place of meeting will be regulated by the attendance slip, which is annexed to the Proxy Form. Members are requested to sign at the place provided on the attendance slip and hand it over at the entrance of the meeting.

Corporate Members are requested to send a duly certified copy of the Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorizing their representative to attend and vote at the Annual General Meeting.

6. REQUEST TO SHAREHOLDERS

- a) All correspondence regarding Shares of the Company should be addressed to the Company's Registrar and Transfer Agent (RTA), M/s Beetal Financial & Computer Services Pvt. Limited, Beetal House, 99, Madangir, B/H Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi 110 061.
- b) Members who hold shares in the physical form and wish to make/ change nomination in respect of their shareholding in the Company, as permitted under Section 109(A) of the Companies Act, 1956, may submit the prescribed form 2B to the company.
- c) The Company has been registered with Central Depository Services (India) Limited (CDSL). The members can avail the Depository Services of CDSL. The ISIN of the company is INE562H01024.
- d) Members / Beneficial Owners are requested to quote their full name as per Company's record, Folio No. /DP and Client ID Nos., as the case may be, in all correspondence with the Company.
- e) Members who hold shares in dematerialized form are requested to bring their Demat account number for identification.
- f) Please note that copies of the Annual report will not be distributed at the venue of the meeting. Shareholders/ Proxy holders/ Authorized representatives are, therefore, requested to bring their copies of the Annual Report to the meeting.

7. INSPECTION/ QUERIES

- a) Members are requested to write to the Company at least 10 Days before Annual General Meeting for obtaining any information as regards to Accounts / Query on Annual Report, so that the same could be compiled in advance.
- b) Members are requested to quote their e-mail ids, telephone/ fax no. for prompt reply to their communications.

ANNEXURE TO THE NOTICE

ITEM NO. 2 & 3

Members are informed that as per **Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012**, the appointment and re-appointment of all Shareholder Directors on the Governing Board of Exchange shall be with the prior approval of SEBI. Therefore, the names of Shareholder Directors as elected by the Shareholders in Annual General Meeting would be sent to SEBI for prior approval.

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

ITEM NO. 5

Members are informed that SEBI has notified new Regulations namely "Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012" on 20th June, 2012 in Gazette of India. These regulations widely cover the issues regarding:

1. Recognition of stock exchanges;
2. Minimum networth requirement of stock exchanges;
3. Ownership of Stock exchanges viz.
 - (i) Conditions for holding shares;
 - (ii) Eligibility for acquiring shares;
 - (iii) Record keeping;
 - (iv) Disclosure of shareholding;
4. Governance of Stock Exchanges, which inter alia includes:
 - (i) Composition of Governing Board of Exchange;
 - (ii) Regulations pertaining to appointment of Shareholder Director, Public Interest Director, Managing Director & Chairperson.
 - (iii) Code of Conduct and Code of Ethics for the Directors and Key management personnel ;
 - (iv) Formation of committees such as:
 - a) Advisory Committee for advising the Governing Board on non-regulatory and operational matters including product design, technology, charges and levies.
 - b) Oversight Committee for addressing the conflicts of interest in respect of membership regulation, listing functions and trading and surveillance function
 - (v) Appointment of compliance officer;
 - (vi) Transfer of profits to the funds specified in the regulations maintained by clearing corporation for clearing and settlement of trades executed in Stock Exchanges
 - (vii) Transfer of penalties to Investor Protection Fund or fund as specified in Chapter VI of Regulations.

Apart from above these guidelines cover other related issues such as maintenance of Books, listing of Securities etc.

These guidelines are effective from 20th June, 2012, except in case of few regulations for which particular time has been specified, e.g. for Management restructuring wherein guidelines have to be complied with three months from the commencement of these regulations.

Members are further informed that, at present the Governing Board consists of 13 members. The Present Composition of Board and Proposed Composition of Board is as under :

Present Composition of Board	Proposed Composition of Board
1. Trading Member Directors shall constitute a maximum of one-fourth of the total strength of the Governing Board. 2. Public interest Directors shall constitute one-fourth of the total strength of Governing Board. 3. Shareholder Directors shall constitute the balance of Governing Board. 4. One Chief Executive Officer/ Managing Director/ Executive Director, as the case may be	Governing Board of Exchange shall include a) Shareholder Directors - 6 (six) b) Public Interest Directors - 6 (six) c) Managing Director - 1 (one)

Apart from change in composition of Governing Board, the important Regulations in respect to Governance of Exchange are detailed here under :-

- Public Interest Directors shall not be lesser than the number of Shareholder Directors.
- Public Interest Directors on the Governing Board shall be nominated by SEBI
- Public Interest Director shall be nominated for a fixed term of three years or for such extended period as may be approved by SEBI.
- The appointment and re-appointment of all Shareholder Directors on the Board shall be with the prior approval of SEBI.
- Managing Director who shall be an ex-officio Director on the Board and shall not be included in either the category of Public Interest directors or Shareholder Directors and shall be appointed by the Exchange after approval of SEBI.
- No trading member or clearing member, or their associates and agents, shall be on the governing board of any recognised stock exchange or recognised clearing corporation.
- No foreign institutional investor shall have any representation in the Board.
- Any employee may be nominated on the Board in addition to the Managing director and such Director shall be deemed to be a Shareholder Director.
- Chairperson shall be elected by the Board from amongst the Public Interest Directors subject to prior approval of SEBI.
- At least one Public Interest Director shall be present in the Board meeting to constitute the quorum.
- Public Interest Director may be re-nominated by the Exchange after cooling-off period of one year or such as SEBI may deem fit in the interest of Securities market.
- Public Interest Directors shall be paid only sitting fees as specified in the Companies Act, 1956.

Henceforth, in order to comply with these regulations, Exchange is under compulsion to amend the Articles of Associations of the Exchange before 20.09.2012. The proposed amendments are annexed as Annexure 'A'.

Your Directors recommend the passing of the resolution as Special Resolution.

None of the Directors are concerned or interested in this resolution except to the extent of their shareholding.

ANNEXURE 'A'

Existing Sr. No. of AoA	Existing Article of Association	Proposed Sr. No. of AoA	Proposed Article of Association
1(xxiv)	<p>"Chief Executive" means and shall include Executive Director /Managing Director / Chief Executive officer, as the case may be.</p>	1(xxiv)	<p>"M.D." means "Managing Director" and he shall be an ex-officio director on the Board and shall not be included in either the category of "Public Interest Directors" or "Shareholder Directors"</p>
1(xxviii)	<p>Shareholder" means a person who holds any equity share(s) of Exchange on or after due date. Clarifications:</p> <ul style="list-style-type: none"> (i) A shareholder may or may not be a trading member. (ii) The shares in respect of a defaulter member/ expelled member, vested with the defaults committee of Exchange, shall be dealt with as forfeited shares under the Companies Act, 1956. 	1(xxviii)	<p>"Shareholder" means a person who is "Fit & Proper" as per Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 and holds any equity share(s) of Exchange.</p>
1(xxix)	<p>"Trading Member" means a stock broker of the Exchange and registered with SEBI as such under the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992. Clarification:</p> <ul style="list-style-type: none"> (i) A Member, who is registered as a stock broker on the day preceding the Due Date, shall become a Trading Member on the Due Date. (ii) A member, who is not registered as a stock broker on the day preceding the due date, shall become a trading member on being registered as a stock broker under the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992. <p>Provided that his application for registration is submitted to SEBI within 3 months from the Due Date.</p> <p>(iii) Trading member may or may not be a shareholder.</p>	1(xxix)	<p>"Trading member" means a person a person having trading rights in any recognized stock exchange and includes a stock broker.</p>
1(xxx)	<p>New Definitions to be inserted</p>	1(xxx)	<p>"Fit And Proper" means any person who complies with the conditions laid down by SEBI in Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 as amended from time to time.</p>
1(xxxi)	<p>New Definitions to be inserted</p>	1(xxxi)	<p>"Shareholder Director" means a director who represents the interest of shareholders, and elected or nominated by such shareholders who are not trading members or clearing members, as the case may be, or their associates and agents.</p>
1(xxxii)	<p>New Definitions to be inserted</p>	1(xxxii)	<p>"Public Interest Director" means an independent director, representing the interests of investors in securities market and who is not having any association, directly or indirectly, which in the opinion of the SEBI, is in conflict with his role.</p>

1(xxxiii)	New Definitions to be inserted	1(xxxiii)	"Networth of Stock Exchange" means aggregate value of paid up equity share capital plus free reserves (excluding statutory funds, benefit funds and reserves created out of revaluation) reduced by the investments in businesses, whether related or unrelated, aggregate value of accumulated losses and deferred expenditure not written off, including miscellaneous expenses not written off and in accordance with the requirements as laid down in the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 and as prescribed by SEBI, from time to time.
1(xxxiv)	New Definitions to be inserted	1(xxxiv)	"Control" shall have the same meaning as assigned to it under clause (e) of sub regulation (1) of regulation 2 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 or any modification thereof.
1(xxxv)	New Definitions to be inserted	1(xxxv)	"Key Management Personnel" means a person serving as head of any department or in such senior executive position that stands higher in hierarchy to the head(s) of department(s) in the Exchange or in any other position as declared so by such stock Exchange .
1(xxxvi)	New Definitions to be inserted	1(xxxvi)	"Persons Acting In Concert" in the context of acquisition or holding of shares or voting rights or control shall <i>mutatis mutandis</i> have the same meaning as assigned to it in clause (q) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 or any modification thereof.
1(xxxvii)	New Definitions to be inserted	1(xxxvii)	"Public" includes any member or section of the public but does not include any trading member or clearing member or their associates and agents. Provided that a public sector bank, public financial institution, an insurance company, mutual fund and alternative investment fund in public sector, that has associate(s) as trading members or clearing members, shall be deemed as public for the purposes of the regulations Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012.
1(xxxviii)	New Definitions to be inserted	1(xxxviii)	"Regulatory Department" means a department of the Exchange which is entrusted with regulatory powers and duties and includes such department as may be specified by SEBI.
1(xxxix)	New Definitions to be inserted	1(xxxix)	"Code of Conduct" means code of conduct specified in Part A of Schedule II of Securities Contracts (Regulation) (Stock Exchanges And Clearing Corporations) Regulations, 2012.
1(xl)	New Definitions to be inserted	1(xl)	"Code of Ethics" means code of ethics specified in Part B of Schedule II of Securities Contracts (Regulation) (Stock Exchanges And Clearing Corporations) Regulations, 2012.

1(xli)	New Definitions to be inserted	1(xli)	<p>"Associate" in relation to a person shall include another person:</p> <ul style="list-style-type: none"> (i) who, directly or indirectly, by himself, or in combination with other persons, exercises control over the first person; (ii) who holds fifteen percent or more shares in the paid up equity capital of the first person; (iii) whose director or partner is also a director of the first person or its subsidiary or holding company, or partner of the first person, as the case may be; (iv) who is a holding company or a subsidiary company of the first person or a company under the same management as of the first person; (v) who is a relative of the first person; (vi) who is a member of a Hindu Undivided Family wherein the first person is also a member;
1(xlii)	New Definitions to be inserted	1(xlii)	<p>"Company Secretary" means a person appointed as Company Secretary of Exchange.</p>
1(xliii)	New Definitions to be inserted	1(xliii)	<p>"Compliance Officer" means an Official of the Exchange appointed by the Governing Board for monitoring the compliance of the Securities Contracts (Regulations) Act 1956, Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, Companies Act 1956, SEBI Act, 1992, Rules and Regulations, or directions issued there under or any amendments thereof and for the redressal of the Investors' grievances and shall, immediately and independently, report to SEBI in case of non-compliance observed by him.</p>
1(xliv)	New Definitions to be inserted	1(xliv)	<p>"Strategic Partner" means any Individual, Corporate, All India Financial Institutions and Banks – All India Financial Institutions means Central and State Government Financial Institutions and Industrial Development Corporations promoted by Central and State Governments. Banks include Scheduled Commercial Banks and Foreign Banks as are licensed and permitted to operate by the Reserve Bank of India.</p>
1(xlv)	New Definitions to be inserted	1(xlv)	<p>"Clearing Corporation" means an entity that is established to undertake the activity of clearing and settlement of trades in securities or other instruments or products that are dealt with or traded on a recognized stock exchange and includes a clearing house.</p>
1(xlvi)	New Definitions to be inserted	1(xlvi)	<p>"Clearing Member" means a person having clearing and settlement rights in any recognised clearing corporation.</p> <p>Provided that any person who, on the date of commencement of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, is acting as clearing member of a clearing house or a clearing corporation shall be deemed to be clearing member, till his request for registration, if any, is refused by SEBI or till cessation of his membership with clearing corporation, whichever is earlier.</p>

INTERPRETATIONS

2 (A)	Words and expressions used and not defined in the Scheme of Demutualisation as approved and notified by SEBI, but defined in the Securities and Exchange Board of India Act, 1992, the Depositories Act, 1996, the Securities Contract Regulations Act, 1956 the Companies Act, 1956, the rules and regulations made under these Acts, the Memorandum and Articles of Association, Rules, Bye-Laws and Regulations of Exchange, shall have the same meaning respectively assigned to them in the above mentioned Acts, memorandum and articles, rules, bye-laws and regulations.	2 (A)	Words and expressions used and not defined in Memorandum & Articles of Association but defined in the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992, the Depositories Act, 1996, the Securities Contract Regulation Act, 1956 or any rules or regulations made there under shall have the same meanings respectively assigned to them in the above mentioned Acts, rules , Bye-Laws and Regulations made there under or any statutory modification or re-enactment thereto, as the case may be. In case there is any contradiction in the Articles ,the provisions notified by SEBI in Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 shall prevail.
27 (d)	New Articles to be inserted	27 (d)	The Exchange can not distribute the profits in any manner to its shareholders until the Network specified under Sub-Regulations 14(1) and 14(3) of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 notified on 20th June, 2012, as the case may be, is achieved.
94 (d)	The Exchange shall ensure that atleast 51% of its equity shares of Exchange are held by public other than shareholders having trading rights in the manner and within 12 months from the date of publication of the order under Securities Contract Regulations Act, 1956.	94 (d)	The Exchange shall ensure that atleast 51% of the paid up equity share capital of Exchange shall be held by public.
94 (e)	On and from the Appointed Date, public other than shareholders having trading rights shall continuously hold at least 51% of equity shares.	94 (e)	The eligibility criteria and other condition of holding shares of Exchange will be in accordance with Chapter IV i.e. Ownership of Stock Exchanges and Clearing Corporations of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 and as amended from time to time.
95 (A)	The overall management of the affairs of the Exchange shall be vested with 13 members and Governing Board composition will be as follows: (i) Board composition on and from Due Date till appointed date. On and from Due Date, the composition of the governing Board shall be as under: a) Trading Member Directors shall constitute a maximum of one-fourth of total strength of the Governing Board. b) Public interest Directors shall constitute the balance of the Governing Board. (ii) On and from Appointed date a) Trading Member Directors shall constitute a maximum of one-fourth of the total strength of the Governing Board. b) Public interest Directors shall constitute one-fourth of the total strength of Governing Board.	95 (A)	The overall management of the affairs of the Exchange shall be vested with Governing Board of Exchange consisting of 13 members : (i) The Governing Board of Stock Exchange shall include : (a) Shareholder Directors - 6 (six) (b) Public Interest Directors - 6 (six) (c) Managing Director - 1 (one) (ii) The number of Public Interest Directors shall not be less than the number of shareholder directors in the Exchange. (iii) Any employee may be appointed on the Board in addition to the Managing Director, and such director shall be deemed to be a shareholder director. (iv) No Trading Member or their associates and agents, shall be on the Board. (v) No Foreign Institutional Investor shall have any representation in the Board.

	<p>c) Shareholder Directors shall constitute the balance of Governing Board.</p> <p>d) One Chief Executive Officer / Managing Director / Executive Director, as the case may be.</p>		<p>(vi) The appointment and re-appointment of all Shareholder Directors on the Board shall be with the prior approval of SEBI.</p> <p>(vii) Code of Conduct for Directors of the Exchange and Code of Ethics for the Directors and Key Management Personnel shall be in accordance with the Schedule II of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 and as amended from time to time.</p>
96	<p>(i) SEBI may nominate Directors on the Governing Board as and when deemed fit. Such members shall enjoy same status and powers as other members of the Board of Directors. The members appointed by the SEBI shall not be subject to retirement by rotation or otherwise and shall continue to hold office at the pleasure of the SEBI. The SEBI may at any time require such a nominee to relinquish his office and appoint another person in his place.</p> <p>(ii) No approval of SEBI shall be required for appointment of any / Director except for the Chief Executive , as the case may be.</p> <p>(iii) The manner of election, appointment, tenure, resignation, vacation etc. of Directors (except the Chief Executive, as the case may be) shall be governed by the Companies Act, 1956 save as otherwise specifically provided under or in accordance with the Securities Contracts (Regulations) Act, 1956.</p>	96	<p>(i) Deleted</p> <p>(ii) Deleted</p> <p>(ii) Deleted</p>
97	<p>(i) Public Interest Directors' shall be the non-executive Directors and be selected by Governing Board from amongst the persons in the SEBI constituted panel. A person shall not act as 'Public Interest Director' on or more than one Stock Exchange simultaneously.</p> <p>(ii) The Stakeholders for public interest Directors shall be investors, listed companies, society etc.</p> <p>(iii) Deleted</p>	97	<p>(i) The Public Interest Directors on the Board shall be nominated by SEBI.</p> <p>(ii) Public interest directors shall be nominated for a fixed term of three years, or for such extended period, as may be approved by SEBI.</p> <p>(iii) If any issue arises as to whether an assignment or position of a Public Interest Director is in conflict with his role, the decision of SEBI, shall be final.</p> <p>(iv) A Public Interest Director may be re-nominated after a cooling-off period of one year or such period as SEBI may deem fit in the interest of the securities market.</p> <p>(v) Public Interest Directors shall be paid only sitting fees as specified in the Companies Act, 1956.</p> <p>(vi) At least one Public Interest Director shall be present in the meeting of the Board to constitute the quorum.</p> <p>(vii) Public Interest Directors of the Exchange shall, endeavor to attend all the Board meetings and they shall be liable to vacate office if they remain absent for three consecutive meetings of the Board or do not attend seventy five per cent of the total meetings of the Board in a calendar year.</p> <p>(viii) Public Interest Directors shall meet separately, at least once in six months to exchange views on critical issues.</p>

<p>98</p>	<p>(i) The Board of Directors shall subject to the previous approval of SEBI appoint a whole time Chief Executive Officer / Managing Director / Executive Director or a person, as the case may be, who shall also be an ex-officio Member on the Governing Board and a Member of every committee or sub-committee constituted by the Board of Directors and he shall not be liable to retire by rotation. While recommending the names to SEBI, the Exchange shall submit an undertaking that the necessary due diligence has been carried out by them with respect to the verification of antecedents, credentials and experience of the proposed persons. No approval of SEBI will be required for selection Committee for the appointment of Chief Executive, as the case may be.</p> <p>(ii) The terms and conditions of appointment of the Chief Executive Officer/ Managing Director/ Executive Director, as the case may be and renewal of such appointment shall be subject to the prior approval of SEBI.</p> <p>(iii) The Chief Executive Officer/ Managing Director / Executive Director, as the case may be so appointed shall not engage himself in any business directly or indirectly during the period he holds the office and if a Member of the Exchange is so appointed he shall resign his membership thereof forthwith.</p> <p>(iv) The Chief Executive Officer/ Managing Director / Executive Director, as the case may be, shall not be liable to dismissal or removal from office except with the prior approval of SEBI.</p> <p>(v) It shall be the duty of the Chief Executive Officer/ Managing Director / Executive Director, as the case may be to give effect to the directives, guidelines and orders issued by the Central Government/SEBI and to implement the provisions of law, rules, regulations as also the rules or the Articles of Association, regulations and Bye-laws of the Stock Exchange.</p> <p>(vi) Any failure or breach on the part of the Chief Executive Officer/ Managing Director/ Executive Director, as the case may be to comply with any of the conditions set out in clause (i) to (v) in this regard shall make him liable for removal or termination of service by the Stock Exchange with the prior approval from SEBI or, on receipt of a direction to that effect from SEBI, subject to the concerned Chief Executive Officer / Managing Director / Executive Director being given an opportunity of being heard against such termination or removal.</p>	<p>98</p>	<p>Appointment of Managing Director.</p> <p>(i) The appointment, renewal of appointment and termination of service of the Managing Director of the Exchange shall be subject to prior approval of SEBI.</p> <p>(ii) The Exchange shall, subject to the guidelines issued by SEBI from time to time, determine the qualification, manner of appointment, terms and conditions of appointment and other procedural formalities associated with the selection/ appointment of the Managing Director.</p> <p>(iii) The appointment of the Managing Director shall be for tenure not less than three years and not exceeding five years.</p> <p>(iv) The Managing Director of the Exchange shall not—</p> <ol style="list-style-type: none"> be a shareholder or an associate of shareholder of the Exchange or shareholder of an associate of the Exchange. be a trading member or a clearing member, or his associate and agent, or shareholder of a trading member or clearing member or shareholder of an associate and agent of a trading member or a clearing member; or hold any position concurrently in the subsidiary of the Exchange or in any other entity associated with Exchange; <p>Provided that the Managing Director of the Exchange may be appointed on the Board, but not as managing director, of the subsidiary of the Exchange.</p> <p>(v) The Managing Director shall be liable for removal or termination of services by the Board with the prior approval of SEBI for failure to give effect to the directions, guidelines and other orders issued by SEBI, or the rules, the Articles of Association, bye-laws and regulations of the Exchange.</p> <p>(vi) SEBI may <i>suo motu</i> remove or terminate the appointment of the Managing Director if deemed fit in the interest of securities market:</p> <p>Provided that no Managing Director shall be removed unless he has been given a reasonable opportunity of being heard.</p>
-----------	--	-----------	---

99	<p>(i) The Executive Director/ Managing Director/ Chief Executive Officer shall be vested with the Executive powers of the Exchange to run the day to day administration and to enforce the Articles, Rules, Bye-laws and Regulations of the Exchange and shall exercise such powers etc. as are provided hereunder and he may be delegated or entrusted to him by the Board of Directors from time to time.</p> <p>(ii) He shall represent the Exchange officially in any public matters under the directions of the Board of Directors.</p> <p>(iii) In the absence of the Executive Director/ Managing Director/ Chief Executive Officer or on his inability to act his function and powers shall be exercised by the senior available officer of the Exchange under the directions of the Board of Directors.</p>	99	<p>(i) The Managing Director shall be vested with the Executive powers of the Exchange to run the day to day administration and to enforce the Articles, Rules, Bye-laws and Regulations of the Exchange and shall exercise such powers etc. as are provided hereunder and he may be delegated or entrusted to him by the Board from time to time.</p> <p>(ii) He shall represent the Exchange officially in any public matters under the directions of the Board.</p> <p>(iii) In the absence of the Managing Director or on his inability to act his function and powers shall be exercised by the senior available officer of the Exchange under the directions of the Board of Directors.</p>
100	The Executive Director/ Managing Director/ Chief Executive Officer shall be vested with powers, rights, duties and functions of the Chairman as provided in the Rules, Bye-laws and Regulations of the Exchange save and except those contained in Articles 93 and these shall be deemed to be the powers, duties and function of the Executive Director/ Managing Director/ Chief Executive Officer.	100	Deleted
101	Subject to the control of Board of Directors the Executive Director/ Managing Director/ Chief Executive Officer shall have powers in matters which concern disciplining of trading and the members activities under the Rules, Bye-laws and Regulations of the Exchange, including the power to impose penalty not exceeding Rs. 500/- and/or suspension of Trading Member or members from doing business for a period not exceeding seven days in case of violation of any Rules, Bye-laws and Regulations of the Exchange.	101	Subject to the control of the Board of Directors ,the Managing Director shall have powers in matters which concern disciplining of trading and the members activities under the Rules, Bye-laws and Regulations of the Exchange, including the power to impose penalty not exceeding Rs. 500/- and/or suspension of Trading Member or members from doing business for a period not exceeding seven days in case of violation of any Rules, Bye-laws and Regulations of the Exchange.
107	<p>a) At every Annual General Meeting of the Exchange one-third of the Directors elected to the Board of Directors shall retire from the Office of if their number is not three or a multiple of three, then the number nearest to one-third, shall retire by rotation but the retiring Directors shall be eligible for re-election.</p> <p>b) The members of the Board of Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became directors on the same day, those who are to retire shall, in default of and subject to any agreement amongst themselves, be determined by lot. Provided that at the first two Annual General Meeting of the Exchange to be held after incorporation of this Articles one-third of the Directors to retire each shall be those who have been on the Board of Directors for the longest</p>	107	<p>a) At every Annual General Meeting of the Exchange one-third of the shareholder Directors elected to the Governing Board of Exchange shall retire from the Office of if their number is not three or a multiple of three, then the number nearest to one-third, shall retire by rotation but the retiring Directors shall be eligible for re-election.</p> <p>b) The members of the Board to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became directors on the same day, those who are to retire shall, in default of and subject to any agreement amongst themselves, be determined by lot.</p>

	<p>number of years elected from year to year consecutively but as between persons who are on the Board of Directors for equal number of years, those who are to retire shall in default of and subject to any agreement among themselves, be determined by lot.</p> <p>c) No Director shall hold office for more than two consecutive terms. Provided that such restriction would apply for a period of two years commencing from the end of the term of office so held, wherein after the concerned member would be free to offer himself for election again.</p>		<p>c) No Director shall hold office for more than two consecutive terms. Provided that such restriction would apply for a period of two years commencing from the end of the term of office so held, wherein after the concerned member would be free to offer himself for election again.</p>
107 (d)	<p>1. The Directors, except the Chief Executive, such as CEO, ED or MD, as the case may be and Public Interest Directors shall be elected by the shareholders.</p> <p>2. Trading Member Directors' shall be elected from amongst the Trading Members'.</p> <p>3. Shareholder Directors' shall be elected from amongst the Persons, who are not Trading Members or Associates or Trading Members.</p> <p>'Associate' in relation to a Trading Member, individual body corporate or firm , shall include a person.</p> <p>(i) who, directly or indirectly, by himself , or in combination with other persons, exercises control over the Trading Member, whether individual, body corporate or firm or holds substantial share of not less than 15% in the capital of such entities, or</p> <p>(ii) in respect of whom the Trading Member, individual or body corporate firm, directly or indirectly , by itself or in combination with other persons, exercises control, or</p> <p>(iii) whose Director or partner is also Director or partner of the Trading Member, body corporate or the firm , as the case may be.</p> <p>The expression 'control' shall have the same meaning as defined under clause(c) of Regulation 2 of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.</p>	107 (d)	Deleted
108	<p>a) IN CASE OF INDIVIDUAL MEMBERS :</p> <p>No Trading Member shall be eligible to be elected as a Trading Member of the Board of Directors, if:</p> <p>i. he is not a citizen of India;</p> <p>ii. he has been Trading Member for less than three years standing on the last day for submission of proposals by candidates for election;</p> <p>iii. he has at any time been declared a defaulter or failed to meet his liabilities in Ordinary course or compounded with his creditors;</p> <p>iv. he is a partner of a Trading Member of the Exchange who is already a Trading Member of the Board of Directors.</p> <p>b) IN CASE OF A CORPORATE MEMBER</p> <p>One of its whole time Directors, who holds</p>	108	<p>a) Deleted</p> <p>b) Deleted</p>

	<p>atleast 51% of the paid-up capital of such corporate member, (hereinafter referred to as designated director) subject to the fulfillment of the following conditions in addition to the above mentioned conditions for individual members, would be eligible to be elected as a Trading Member of the Board of Directors :</p> <p>i. In case the Director resigns/retires from the Board of the Company, or is removed from the Board of the company, the post on the Board of Directors will fall vacant. The vacancy will be filled as per the rules of the Exchange and corporate members will not have right to replace the member.</p> <p>ii. In case of conversion of individual member /partnership firm into a corporate member, and the individual/partner(s) are whole time Director(s) of the corporate Trading Member then the previous experience of such member(s) would be considered for meeting eligibility norms to become Trading Member of the Board of Directors</p> <p>Further, an individual Trading Member or partner of a partnership firm, elected as Trading Member on the Board, shall continue to be Trading Member of the Board for the full term even after conversion of individual member/ partnership firm into a corporate member, provided the individual/partner(s) are whole time Director(s) of the corporate Trading Member and hold at least 51% of the paid-up capital of the corporate Trading Member subject to the following conditions :</p> <p>i. The said designated director shall be nominated by the corporate entity for election/ nomination to the Board of Directors.</p> <p>ii. The said corporate entity and its directors or the partners shall be subject to the same limitations for re-election to the Board of Directors as that of individual members.</p> <p>iii. The tenure of the said director as an individual Trading Member of the Board of Directors previous to conversion of the corporate entity of which he is director shall be taken into consideration for the purpose of reckoning the cooling period of two years for the purpose of re-election to the Board of Directors.</p> <p>iv. A corporate Trading Member shall not be eligible to nominate any other director of the company during the period of non-eligibility of any of its director i.e. a corporate Trading Member can nominate only one director at a time for the purpose of election to the Board of Directors of the Exchange and the said corporate Trading Member can not nominate any of its directors, if any of its directors has been elected as Trading Member of the Board of Directors for a consecutive period of two terms. The said corporate Trading Member can nominate a whole time director only after a lapse of two years.</p>		
--	--	--	--

	<p>v. The said director upon conversion of a membership from individual to corporate Trading Member can be allowed to continue to act as a director on the Board of the Stock Exchange pending receipt of SEBI Registration as corporate member.</p> <p>Provided, however that in case of widely held Public Limited Companies, the whole time director who holds 10% of the paid-up capital of the company shall also be eligible for election as a Director of the Exchange.</p> <p>Provided that in the event of suspension of trading, suspension of registration as stock broker, because of any disciplinary action taken against the Trading Member by the Exchange or by the Securities and Exchange Board of India (SEBI), the Trading Member shall not be eligible to continue on the Board of Directors and shall also not be eligible to be elected to the Board of Directors for a period of two years from the date of expiry of such suspension of trading or suspension of registration, as the case may be.</p> <p>A Trading Member whose registration has been cancelled would not be allowed to continue on the Board of Directors or be eligible to be elected to the Board of Directors.</p> <p style="text-align: center;">AND</p> <p>The persons falling in the category of Notified persons as per the special courts (Trial of Offences Relating to Transactions in Securities) Act, 1992 shall not continue on the Board of Directors, and shall not be eligible to be elected to the Board of Directors for a period of two years from the date the person is denotified under the said Act.</p>		
109	<p>The following shall be the procedure of election of Directors.</p> <p>a) (1) Unless otherwise provided in the articles, the trading member directors / shareholder directors shall be elected by the company in general meeting.</p> <p>a) (2) If the number of Candidates for the office of director in the category of trading member directors / shareholder directors does not exceed the number of vacancies in that category then the motions for appointment of the candidates shall be put to vote as ordinary resolutions, and each such resolution shall be considered as having been passed if the votes cast (whether on a show of hands or on a poll, as the case may be) in favour of the resolution(s) by Shareholders who, being entitled so to do, vote in person or by proxy, exceed the votes, if any, cast against the resolution by Shareholders so entitled and voting.</p> <p>a) (3) If the number of candidates for the office of Director in the category of Trading Member Directors, exceeds the number of vacancies in that category then the motions for appointment</p>	109	<p>Procedure of election of shareholder Directors would be in accordance with the Companies Act, 1956.</p> <p>The appointment and re-appointment of Shareholder Directors on the Governing Board shall be with the prior approval of SEBI.</p>

	<p>of the candidates shall be put to vote in the following manner: The motion with respect to each candidates in the order in which the motions appear in the agenda, shall first be moved separately and the votes recorded. The voting on each such motion shall be by poll.</p> <p>b) Any individual Trading Member of the Exchange or any person who though being a Trading Member of the firm, is a Trading Member of the Exchange shall be eligible for the election to the Board provided always that not more than one Trading Member of any such firm shall be a Trading Member of the Board at any one time. Provided that any such person, who is not a retiring Director, shall be eligible for appointment to the office of Directors only if he or same Trading Member intending to propose him has not less than 14 days before the meeting, left at the office of the Exchange a notice in writing under his hand signifying his candidature for the office or the intention of such Trading Member to propose him as candidate for that office as the case may be. Provided further that any person (other than a person who has left at the office of the Exchange a notice under section 257 of Companies Act, 1956 signifying his candidature for the office of a Director) proposed as a candidate for the office of a director shall sign and file with the Exchange, his consent in writing to act as director, if appointed.</p> <p>c) For the purpose of filling up the vacancies thus caused all the retiring directors, except those who have intimated their intention not to contest the election by a letter in writing delivered at the office of the Exchange at least 7 days before the Annual General Meeting and all other persons, otherwise qualified to be a director, in respect of whom the provisions of leaving a notice at the office of the Exchange as mentioned in para(b) above have been complied with, shall form a panel from whom alone the candidates for election can be proposed and seconded at the Annual General Meeting for election as directors. Their names shall be notified by the Exchange by posting notices to all the members of the Exchange and on the notice Board not less than seven days before the meeting. Provided that it shall not be necessary for the Exchange to serve individual notice upon the members as aforesaid if the Exchange advertises such names not less than seven days before the meeting in atleast two news papers circulating in the State of Punjab of which one is published in English Language and other in Hindi Language.</p> <p>d) At the Annual General Meeting the names of the candidates shall be proposed and seconded by the members of the Exchange individually out of the aforesaid panel of names only.</p>		
--	--	--	--

	<p>e) If the total number of candidates thus only proposed and seconded is not more than the vacancies to be filled up, such candidates shall be declared "elected" without any election or ballot taking place.</p> <p>f) Deleted</p> <p>g) The election shall take place immediately in the General Meeting or at such other time as may be fixed by the Chairman in the Annual General Meeting in which case the Annual General Meeting shall stand adjourned to such time after the election as may be fixed by the Chairman.</p> <p>h) The Board shall appoint a sub-committee consisting of two or more members of the Exchange to conduct the election and to act as scrutinizers and to report the result of their examination and the election to the Annual General Meeting.</p> <p>i) Every shareholder of the Exchange present in person and desiring to vote shall be given at the time and place of voting a ballot paper on which the names of all such candidates as may be contesting the election shall have been printed or typed in Hindi and in English languages. Each shareholder shall have a right to cast votes in proportion to the capital held by them.</p> <p>j) Each voting Trading Member at the time and place fixed for voting after making the requisite Cross Mark (x) on the ballot paper against the candidate(s) of his choice for election, shall deposit the same immediately thereafter in a ballot box provided for the purpose.</p> <p>k) The scrutineer appointed above shall than after the expiry of the time for the voting, examine the voting cards and Count the number of valid votes cast in favour of each candidates and report their result to the Annual General Meeting.</p> <p>l) After the voting in respect of each of the candidates has been recorded, such number of the motions as is equal to the number of vacancies in support of which the largest number of votes were cast, shall be declared as passed and the candidates to which such motions relate shall be considered as appointed; provided that no motion shall be considered as having been passed unless the votes cast in favour thereof by Shareholders who, being entitled so to do, vote in person or by proxy, exceed the votes, if any, cast here against by Shareholders so entitled and voting; And provided further that in the case of an equality of votes cast to fill the last open vacancy the election shall be decided by the Scrutineers by drawing lots.</p>		
110	<p>The Board of Directors may at the first meeting after its election in general meeting elect from amongst themselves its Chairman and Vice Chairman. Such meeting of the Board of Directors shall be called within 10 days after the conclusion of the General Meeting. However, no broker-member would be an office bearer</p>	110	<p>a) Board Meeting should be convened after the Annual General Meeting as early as possible, after receiving prior approval of Shareholder Directors and Public Interest Directors from SEBI for appointment of chairperson.</p>

	<p>of the Exchange i.e. hold the position of Chairman, Vice Chairman.</p> <p>Provided that the Chairman, and Vice Chairman so elected would not be eligible for any remuneration for the post(s) so held.</p>		<p>b) However the chairperson shall be elected by the Governing Board from amongst the Public Interest Directors, subject to prior approval of SEBI.</p> <p>Provided that the Chairperson so elected would not be eligible for any remuneration for the post(s) so held.</p>
113	<p>(a) The office of a member mentioned in Section 283(1) of the Companies Act and in addition thereto:-</p> <p>(i) If he suspends payment.</p> <p>(ii) If he ceases to be a member of the Exchange.</p> <p>(iii) If he resigns, by notice in writing addressed to the Board of Directors and such resignation is accepted by the Board of Directors.</p> <p>(b) The Board of Directors may appoint any Trading Member of the Exchange to act as a Director in the Vacancy caused under clause (a) above until the next Annual General Meeting.</p>	113	<p>a) Deleted</p> <p>a) Deleted</p>
114	<p>The Chairman of the company shall be entitled to preside at every General Meeting or if there is no Chairman, or if he is not present within 15 minutes after the time appointed for the holding of the meeting or is unwilling to act as Chairman of the Meeting, the shareholders present shall elect another Director present to preside over that meeting.</p> <p>The meeting of the Governing Board shall be chaired by a Director from amongst the non-executive, non-trading Member Directors.</p>	114	<p>The Chairperson of the company shall be entitled to preside at every General Meeting or if there is no Chairperson, or if he is not present within 15 minutes after the time appointed for the holding of the meeting or is unwilling to act as Chairperson of the Meeting, the shareholders present shall elect another Director present to preside over that meeting.</p>
116	<p>The Directors may meet together for dispatch of business, adjourn and otherwise regulate their meeting as they think fit and may determine the quorum necessary for the transaction of business and until otherwise determined one-third of the total number of Directors (any fraction contained in that one third being rounded off as one) shall form the quorum.</p>	116	<p>The Directors may meet together for dispatch of business, adjourn and otherwise regulate their meeting as they think fit and may determine the quorum necessary for the transaction of business and until otherwise determined one-third of the total number of Directors (any fraction contained in that one third being rounded off as one) shall form the quorum.</p> <p>Further atleast one public interest director shall be present in the meetings of the Board to constitute the quorum.</p>
118	<p>a) The Board shall cause minutes to be duly, entered in book or books provided for the purpose:</p> <p>i) of the names of the Directors present at each meeting of the Directors; and of any committee of Directors as the case may be; and</p> <p>ii) of all resolutions and proceedings of general meetings and meetings of the Directors and Committees.</p> <p>b) The record of any meeting of the Director or of any committee purporting to be signed by the Chairman of such meeting or by the Chairman of the next succeeding meeting after confirmation thereof shall be received as prima facie evidence of the matters stated in such minutes.</p>	118	<p>a) The Board shall cause minutes to be duly, entered in book or books provided for the purpose:</p> <p>i) of the names of the Directors present at each meeting of the Directors; and of any committee of Directors as the case may be; and</p> <p>ii) of all resolutions and proceedings of general meetings and meetings of the Directors and Committees.</p> <p>b) The record of any meeting of the Director or of any committee purporting to be signed by the Chairperson of such meeting or by the Chairperson of the next succeeding meeting or other Director authorized by the Board after confirmation thereof shall be received as prima facie evidence of the matters stated in such minutes.</p>

119	The agenda of the meeting will include such items as may be put in by the Secretary of the Exchange. The agenda may also include such other items as may be suggested in writing by a Director of the Exchange or by any other Member of the Exchange if so approved by the Chairman.	119	The agenda of the meeting will include such items as may be put in by the Company Secretary/ Compliance officer of the Exchange. The agenda may also include such other items as may be suggested in writing by a Director of the Exchange or by any other Member of the Exchange, if so approved by the Chairperson. Further, recommendations of Advisory Committee shall be discussed in ensuing Board meeting.
120	<p>CHAIRMAN AND VICE CHAIRMAN</p> <p>a) The Chairman shall be an Ex-officio Member of any committee appointed by the Board of Directors from time to time or as provided in the Rules, Bye-laws and Regulations of the Exchange.</p> <p>b) The Chairman may assume and exercise all such powers and perform all such duties as may be delegated to him by the Board of Directors from time to time or as provided in the Rules, Bye-laws and Regulations of the Exchange.</p> <p>c) In the absence of the Chairman or on his inability to act, the Vice- Chairman shall assume all the functions and exercise all the powers and discharge all the duties of the Chairman.</p>	120	<p>CHAIRPERSON</p> <p>a) The Chairperson shall be elected by the Governing Board from amongst the Public Interest Directors, subject to prior approval of SEBI.</p> <p>b) The Chairperson may assume and exercise all such powers and perform all such duties as may be delegated to him by the Board from time to time or as provided in the Rules, Bye-laws and Regulations of the Exchange.</p> <p>c) The Chairperson shall not interfere in the day to day functioning of the Exchange and shall limit their role to decision making on policy issues and to issues as the Board may decide.</p> <p>d) The Chairperson shall abstain from influencing the employees of the Exchange in conducting their day to day activities.</p> <p>e) The Chairperson shall not be directly involved in the function of appointment and promotion of employees unless specifically so decided by the Board .</p> <p>f) In the absence of the Chairperson or on his inability to act, the Vice- Chairperson (if appointed) shall assume all the functions and exercise all the powers and discharge all the duties of the Chairperson.</p>
123	<p>STATUTORY COMMITTEES</p> <p>(a) In addition to the committees of the Board of Directors if any, referred to in above Articles, the Board of Directors, shall every year and as early as convenient after every annual general meeting appoint following Committees, namely:-</p> <p>i) Arbitration Committee</p> <p>ii) Defaults Committee</p> <p>iii) Disciplinary Committee</p> <p>iv) Investor Services Committee</p> <p>(b) The exchange shall ensure that not more than twenty percent of the members of arbitration committee, disciplinary committee, defaults committee and investor grievances Redressal committee shall be trading member. However, the arbitration committee in case of dispute between a trading member and non trading member shall not have representation of the trading members. The appointment of members of these committees shall not require SEBI approval.</p>	123	<p>STATUTORY COMMITTEES</p> <p>(a) The Governing Board of Exchange shall every year and as early as convenient after every Annual General Meeting appoint following Statutory Committees, namely:-</p> <p>i) Arbitration Committee</p> <p>ii) Defaults Committee</p> <p>iii) Disciplinary Committee</p> <p>iv) Investor Grievances Redressal Committee.</p> <p>v) Ethics Committee</p> <p>vi) Compensation Committee</p> <p>vii) Oversight Committee</p> <p>viii) Advisory Committee</p> <p>b) Advisory Committee shall comprise of Trading Members and Chairperson of Governing Board shall be the head of the Advisory Committee and the Managing Director shall be a permanent invitee to every meeting of the Advisory Committee.</p>

			<p>c) Except the Advisory Committee, the Trading Member shall not be part of any other committee.</p> <p>d) Apart from above, the Governing Board of Exchange can appoint other committees for assisting the Governing Board and such committee, shall act in accordance with the powers delegated by the Board.</p> <p>e) The constitution, scope, quorum, frequency of meetings and other rules thereto shall be in accordance with Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 and SEBI directives issued from time to time.</p>
129 (A)	<p>The Stock Exchange shall maintain and preserve the following books of accounts and documents for a period of five years.</p> <ol style="list-style-type: none"> 1. Minute Books of the meetings of <ol style="list-style-type: none"> a) Members b) Board of Directors c) Any standing committee or committees of the Board of Directors or of the General Body of the members. 2. Register of members showing there full names and address. Where any Trading Member of the Stock Exchange is a firm, full address of all partners shall be shown. 3. Register of authorized clerks. 4. Register of remisier of authorized assistants. 5. Record of security deposits 6. Margin deposits book 7. Ledgers 8. Journals 9. Cash Book. 10. Bank Pass Book 	129 (A)	<p>The Stock Exchange shall maintain and preserve the following books of accounts and documents for a period of five years.</p> <ol style="list-style-type: none"> 1. Minute books of the meetings of: <ol style="list-style-type: none"> a) Governing Board of Exchange b) Members c) Any standing committee or committees of the Board or of the General Body of the members. 2. Register of members showing there full names and address. Where any Trading Member of the Stock Exchange is a firm, full address of all partners shall be shown. 3. Register of authorized clerks. 4. Register of remisier of authorized assistants. 5. Record of security deposits. 6. Margin deposits book. 7. Transaction records 8. Client margin collection details 9. Ledgers 10. Journals 11. Cash book 12. Bank account statement 13. Bank Pass Book 14. Such other books of accounts and documents as may be specified by the SEBI from time to time.

DIRECTORS' REPORT

Dear Shareholders,

The Directors of your company have pleasure in presenting their 30th Annual Report on the affairs of the company along with the audited financial accounts for the year ended March 31, 2012.

1. (a) FINANCIAL PERFORMANCE

The Financial highlights of the Stock Exchange for the year under review as compared to the previous year are summarized below:

(Amount in lacs)

PARTICULARS	31.03.2012	31.03.2011
Profit Before Depreciation, Interest, Tax and Exceptional Items	223.48	185.60
Depreciation	19.44	20.83
Exceptional Items	10.94	--
Interest	--	--
Profit Before Tax	193.11	164.77
Provision for Taxation	36.00	27.13
Profit after Tax	157.10	137.64
Add :- Corporate Dividend Tax written back	1.62	2.01
Add :- Balance brought forward from previous years	67.88	17.11
Balance Available for appropriation	226.60	156.76
Appropriations		
a. Income of SGF transferred to Fund Account	26.80	24.96
b. Transferred to Reserve for Investor Services Fund	9.98	11.57
c. Interim Dividend on Equity shares	29.60	17.76
d. Proposed Dividend on Equity Shares	--	17.76
e. Corporate Dividend Tax thereon	2.10	3.06
f. Transfer to General Reserve	15.72	13.77
Balance carried to Balance Sheet	142.41	67.88

(b) CONSOLIDATED FINANCIAL PERFORMANCE

(Amount in lacs)

PARTICULARS	31.03.2012	31.03.2011
Profit Before Depreciation, Interest, Tax, Exceptional Items and minority interest.	446.38	427.37
Depreciation	34.49	41.13
Exceptional Items	10.94	-
Interest	--	-
Profit Before Tax & Minority Interest	400.94	386.24
Provision for Taxation	106.28	108.51
Profit after tax and before minority interest	294.66	277.73
Minority's Interest	84.40	79.26
Profit after tax and Minority Interest	210.25	198.47
Add :- Corporate Dividend Tax written back	1.62	2.01
Add :- Balance brought forward from previous years	293.64	215.98
Balance available for appropriation	505.52	416.46
Appropriations		
a. Interim Dividend on Equity Shares	45.15	33.18
b. Proposed Dividend on Equity Shares	12.44	27.01
c. Dividend on Preferences Shares	0.63	0.63
d. Corporate Dividend Tax thereon	11.61	11.69
e. Income of SGF transferred to Fund Account	26.80	24.96
f. Transferred to Reserve for Investor Services Fund	9.98	11.58
g. Transfer to General Reserve	15.72	13.77
Balance carried to Balance Sheet	383.20	293.64

2. ECONOMY: REVIEW AND OUTLOOK

The prevailing economic and political headwinds are constantly posing a great challenge to growth. The world economy is facing challenges on two fronts, Most emerging market economies like China and India are battling how to avoid overheating of the economy in the face of increased domestic demands and higher capital flows. The Indian economy growth rate in 2011-12 has slipped to a nine years low of 6.5% as compared to 8.4% in the fiscal year 2010-11.

3. CAPITAL MARKET

During the year under review, the Securities and Exchange Board of India has initiated a series of new regulations/reforms which inter-alia includes:

- a) Limited Liability Partnership can be admitted as member of stock Exchange.
- b) Guidelines have been issued regarding provisions of SMS and E-Mail alert in order to facilitate the investors by the end of trading day. Stock brokers are provided with a platform to upload the details of its clients and Stock Exchanges after verifying such details shall send details of transaction generated based on PAN of investors directly to them.
- c) SEBI has launched centralized web based complaints redress system (SCORES) i.e. SEBI Complaint Redress System in which all the listed firms will have to register themselves to this system by September 14, 2012, after which the companies would be required to resolve all grievances within 30 days of their receipt.
- d) SEBI has decided that Arbitration Committee/ Investor Grievance Redressal Committee shall not be comprised of any trading member.
- e) SEBI vide its circular dated 30th May 2012, has issued detailed guidelines in respect to the "Exit policy for De-recognized/ Non-operational Stock Exchanges" which is in the continuation to the SEBI circular dated December 29, 2008 already issued regarding Exit option to Stock Exchanges. These two circulars convey the process of de-recognition and exit along with the guidelines regarding assets distribution of De-recognised Exchange.
- f) SEBI has notified the new regulations namely Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 which deals with Recognition of Stock Exchanges, Networth of Stock Exchanges, Ownership of Stock Exchanges, Governance of Stock Exchanges and listing of Securities etc.

4. DIVIDEND

Your Directors are glad to share that an interim dividend of 500% (i.e ₹ 50/- per share) was paid to equity shareholders whose name appeared on Register of members of the Exchange as on 20.03.2012 i.e. "Record" date. The total cash outflow on account of dividend for the year including dividend tax for the year 2011-12, was ₹ 31.70 lacs (approx). The dividend payout ratio for the current year is 18.84%.

The Board of Directors were keen to recommend the final dividend but it was contradictory to the point no. 14(4) of the Chapter-III regarding "Networth of Stock Exchange and Clearing Corporation" under "Securities Contracts (Regulation) (Stock Exchange and Clearing Corporations) Regulations, 2012" which reads as under:-

A recognized Stock Exchange or a recognized Clearing Corporation shall not distribute profits in any manner to its shareholders until the Networth as specified under Regulations notified by SEBI is achieved.

Exchange has already sought clarification from SEBI, for declaration of dividends to the shareholders out of the post demutualization profits, for which response is awaited.

5. BUSINESS & OPERATIONAL PERFORMANCE

Your Directors are pleased to give below the business performance and operational review of your Exchange during the financial year 2011-12.

a) FINANCIAL RESULTS

The Stock Exchange recorded profit (before tax) of ₹193.11 lacs during the financial year 2011-12 as against previous year's profit of ₹164.77 lacs. However, its profit (before charging depreciation, interest, Tax, Exceptional items and before contribution to CPF), during the year, is ₹232.72 lacs as against ₹194.48 lacs during the previous year. The net profit of Exchange for the current year is ₹142.41 lacs as against previous year's profit of ₹67.88 lacs.

On consolidated basis for the year 2011-12, the Stock Exchange recorded profit (before tax) of ₹400.94 lacs as against profit of ₹386.24 lacs for the year 2010-11. However, its profit (before charging depreciation, interest, Exceptional Items, before contribution to CPF and minority interest), during the year, is ₹455.62 lacs as against ₹436.25 lacs during the previous year. The net profit of Exchange for the current year is ₹383.20 lacs as against previous year's profit of ₹293.64 lacs.

b) CLAIM OF CMC AND COUNTER CLAIM OF THE EXCHANGE

M/s CMC Ltd. has filed a claim of ₹1,25,89,100 against Ludhiana Stock Exchange Ltd. through arbitration under the Arbitration & Conciliation Act, 1996 in November, 2005. The Exchange has not recognized the amount of ₹1,25,89,100 as claimed by M/s CMC Ltd. as liability and decided to contest the matter through arbitration. The Exchange has also lodged a counter claim of ₹3,83,17,000 in February, 2006. The arbitral proceedings are on final arguments.

c) TAXATION- APPEAL ON INCOME TAX CASES

The Exchange has received Appeal order from CIT (A) for the A.Y. 2007-08, where the appeal is partly allowed. Refund of ₹63,233 including interest of ₹4,964 has been received against the amount deposited ₹75,444 at the time of appeal. For A.Y. 2008-09, the case is pending before CIT (A).

An appeal had been filed by the Exchange before the Income Tax Appellate Tribunal against the order of CIT (A) for relief under section 11 & 13 of Income Tax Act, 1961 for the A.Y. 2005-06. The proceedings are yet to be pending before ITAT.

The Income Tax Department has filed an appeal with the Hon'ble Punjab & Haryana High Court at Chandigarh against the order of Appellate Tribunal in respect of assessment of Income Tax for the assessment years 2001-2002, 2002-2003 and 2004-05 and the Exchange is contesting the matter before Hon'ble Punjab & Haryana High Court at Chandigarh. The case has been admitted by the court.

d) LISTING AND POST LISTING COMPLIANCES

During the year, no Company came out with Initial Public Offer under the jurisdiction of Ludhiana Stock Exchange Ltd. There were however, listings on the Exchange on account of Amalgamation/ Scheme of arrangement, Preferential Issues etc.

As on 31st March, 2012, there were 324 companies listed with the Exchange, 211 being Regional and 113 being Non-Regional. The Exchange has been monitoring the compliance of post- listing companies on continuous basis. Many Companies have defaulted in complying with various provisions of the Listing Agreement including non-payment of Listing Fees. The Exchange has been regularly sending reminders, show cause notices to all such companies.

The trading in the scrips of 243 companies has so far been suspended on account of non- compliance to various provisions of the Listing Agreement. However, the Exchange has revoked the suspension of two companies during the year, as these companies have complied with pending post listing compliances with the Exchange.

e) DELISTING

After introduction of SEBI (Delisting of Equity Shares) Regulations, 2009, No Company has got its shares delisted from the Exchange during the year under review.

f) FUTURE OF LUDHIANA STOCK EXCHANGE

Members are informed that SEBI vide its circular CIR/MRD/DSA/14/2012 dated May 30,2012 has issued guidelines for "Exit Policy for De-recognized/ Non-operational Stock Exchanges." The main issues in aforesaid circular are as under:

The Stock Exchanges where the annual trading turnover on its own platform is less than ₹1000 Crore can apply to SEBI for voluntary surrender of recognition and exit, at any time before the expiry of two years from the date of issuance of aforesaid SEBI Circular. If the stock exchange is not able to achieve the prescribed turnover of ₹1000 Crores on

continuous basis or does not apply for voluntary surrender of recognition and exit before the expiry of two years from the date of this Circular i.e. 30th May, 2012, SEBI shall proceed with compulsory de-recognition and exit of such stock exchanges, in terms of the conditions as may be specified by SEBI.

SEBI had also notified the detailed guidelines/regulations in Gazette of India on 20th June 2012 as "Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012", wherein drastic changes have been made in respect to Recognition of stock Exchanges, Ownership and Governance in Stock Exchanges, Networth, Code of Conduct and Code of Ethics for Directors and KMP, Formation of Advisory Committee, Oversight Committee and related matters thereto.

Both these guidelines are of great concern for members for existence of Stock Exchange.

It is further informed that your Exchange has to renew its recognition on yearly basis and the current recognition is valid till 27th April, 2013 and now your Exchange has to take decision based on the above said guidelines to keep its recognition continued.

6. STATUS & FUTURE OF SUBSIDIARY

The consolidated Financial Statements presented by the company include the financial results of its subsidiary company.

a) GENERAL OVERVIEW

Your Subsidiary Company is registered as stock Broker at Bombay Stock Exchange (BSE), National Stock Exchange (NSE), MCX Stock Exchange (MCX-sx). Your Subsidiary Company i.e. LSE Securities Limited has performed good during the year 2011-12.

b) TRADING AT NSE AND BSE IN CAPITAL MARKET SEGMENT

During the year under review, your subsidiary company has recorded a turnover of ₹4716.23 crores and ₹2280.98 crores in Capital Market segment of the National Stock Exchange of India Limited and the Bombay Stock Exchange, Mumbai respectively. As on 31.03.2012, there have been total 170 SEBI registered sub-brokers of the subsidiary company in NSE and 126 SEBI registered sub-brokers in BSE.

c) F & O SEGMENT OF NSE

During the year under review, your subsidiary company has recorded a turnover of ₹ 89920.47 crores in the Future & Options segment of National Stock Exchange of India Limited.

d) CURRENCY SEGMENT

During the year, your subsidiary company got good response in Currency Derivatives Segments. The turnover in Currency Derivatives was ₹503.46 Crores in NSE and ₹81.92 Crores in MCX-Sx Stock Exchange during the year.

e) DEPOSITORY PARTICIPANT SERVICES

The business of the Depository Participant (DP) is increasing day by day. Your subsidiary company has opened during the year 1102 new accounts in CDSL, 37 accounts in NSDL and 81 accounts in newly started commodities segment business.

f) CLIENT REGISTRATION DEPARTMENT

During the year under review, your subsidiary company has registered 996 clients and successfully implemented all compliances as framed by SEBI, NSE, BSE and MCX-sx Stock Exchanges.

g) STATEMENT REGARDING SUBSIDIARY COMPANY

Statement pursuant to Section 212 of the Companies Act, 1956 relating to aforesaid subsidiary is given as per annexure 'B'.

h) FUTURE OF SUBSIDIARY

The subsidiary of your Exchange has been growing and future of this company holds a lot of opportunities for growth and expansion. The Company under the visionary leadership of its Governing Board has become the leading subsidiary amongst of all Regional Stock Exchanges.

The subsidiary of your Exchange has applied for the membership of BSE Derivative Segment and the same is under process with SEBI. After approval of SEBI regarding commencement of trading in BSE Derivative Segment, the business of the subsidiary of your Exchange is expected to grow.

The subsidiary of your Exchange has also got empanelled with NCDEX for opening of Demat accounts with respect to Agri based Commodities for which it has been receiving good response.

7. EDUCATION & TRAINING INITIATIVES

Education & Training wing of Stock Exchange set up to impart education and training in the field of Securities Market, conduct courses relevant to the Capital Market and the Financial Sector including intensive regular courses and short term courses. The curriculum of programme endeavor to cater the participants who wishes to learn about the functioning of the securities market and wants to improve their understanding of how the stock market works.

a) TRAINING

Exchange has been providing basic intricacies of Capital Market to the students. Faculties from each department of the Exchange covers the theoretical and practical aspects on Capital Market along with its instruments, Derivative segment, Depository participant and its operational Processes, Margin in securities, status and role of Clearing Corporation, Membership, KYC Norms. Initial Public offer process, Listing requirements and its benefits. Exchange has state-of-the-art training and infrastructure facilities which includes fully equipped classrooms, Audio-Visual presentations, study material, spacious library with financial dailies and journals on the capital market and the faculty from the various departments of the Exchange and its subsidiary to guide students undertaking projects related to the Capital Market.

The summer trainees highly appreciated the training line-up blend of theory with the practical aspects. The Exchange has been receiving encouraging response from students regarding giving participants hands on knowledge of the market. This year more than 250 students have got successful training. Exchange will continue its efforts toward this noble endeavor in future also.

b) SECURITIES MARKET AWARENESS CAMPAIGN

Investor Awareness & Education has been adopted as the Corporate Social Responsibility by your Exchange. Your Exchange lays stress on the importance of Investor education during the year. Continuing with the momentum of organizing Investor workshops, the Exchange organized 93 Investor Awareness workshops under the aegis of Securities Market Awareness Campaign in various parts of Punjab, Himachal Pradesh and Union Territory of Chandigarh during the financial year 2011-12. Investors cherished the role of Exchange in these workshops. Details of the workshops organized by our stock Exchange during the financial year, 2011-12 is annexed as Annexure 'C'.

8. INVESTOR SERVICE CELL

To cater to the needs of investors and to provide value added services to investors, your Exchange has established its Investor Services Cell at Ludhiana. Empowerment of investors through education and protection of interest of investors is one of the primary objectives of your Exchange. To achieve its objective, your Exchange publishes the advertisement regarding investor's right and obligations on the continuous basis in the new papers and magazines.

The Exchange is providing following services to its valued investors through its service centre:-

1. Terminal for live trading of BSE and NSE.
2. Depository Services.
3. Supply of Investor Education Study Material.
4. Books, periodicals on Securities Market.
5. Leading daily Financial Newspapers.
6. Annual reports of the companies

9. COMPOSITION AND CATEGORIES OF DIRECTORS

Present Governing Board of your Exchange consists of following Directors:

NAME OF DIRECTOR	CATEGORY
Sh. Joginder Kumar	Shareholder Director Chairman (w.e.f. 18.08.2012) Vice Chairman (upto 18.08.2012)
Prof. Padam Parkash Kansal	Shareholder Director Chairman (upto 18.08.2012)
Dr. Raj Singh, RoC	Public Interest Director
Sh. Ashwani Kumar	Public Interest Director
Prof. V.P. Gaur	Public Interest Director
Sh. Sunil Gupta	Trading Member Director
Sh. Sanjay Anand	Trading Member Director
Sh. Jaspal Singh	Trading Member Director
Sh. Satish Nagpal	Shareholder Director
Sh. Vikas Batra	Shareholder Director
Sh. Rajinder Mohan Singla	Shareholder Director
Sh. Ashok Kumar	Shareholder Director

Sh. Joginder Kumar, Director and Sh. Satish Nagpal would be retiring in accordance with the Articles of Exchange. Sh. Joginder Kumar, does not offer himself for re-appointment, whereas Sh. Satish Nagpal being eligible, offers himself for re-appointment.

In accordance with the "Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012" notified by SEBI on 20th June, 2012, there will be no Trading Member directors and the number of Public Interest Director(s) should not be less than the Shareholder Directors.

Accordingly, the Trading broker members on the Governing Board i.e. Sh. Jaspal Singh, Sh. Sanjay Anand and Sh. Sunil Gupta will cease to be Director from the date of amendment in Articles of Association in ensuing Annual General Meeting.

Similarly, after the amendment of Articles of Exchange, the vacancy for the appointment of Public Interest Director (s) will automatically arise from the vacancy caused in place of Trading Members Directors. The shareholder Director (s) and Public Interest Director (s) appointment would be subject to the prior approval of the SEBI.

Your Directors place on record their appreciation for sincere and dedicated services rendered by these gentlemen as Directors on the Board of Directors and the Exchange stood immensely benefited by their vast experiences.

10. COMMITTEE OPERATIONS

The Board has constituted different Committees in the previous year under the various heads, have been classified under three heads:

- (a) Statutory Committees
- (b) Non Statutory Committees
- (c) SEBI Directed Committees

The Committees are re-constituted every year after Annual General Meeting. The details of these committees have been given under the head Corporate Governance.

11. PARTICULARS OF EMPLOYEES

Pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended, none of the employees is in receipt of remuneration, which requires disclosure under the said section.

12. AUDITORS

M/s S.C. Vasudeva & Co., Chartered Accountants, the Statutory Auditors of the Exchange, will hold office upto the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment.

13. FIXED DEPOSIT

The Exchange has not accepted fixed deposits from the public and is therefore, not required to furnish information in respect of outstanding deposits under the Non banking, Non financial companies (Reserve Bank) Directions, 1996 and Companies (Acceptance of Deposits) Rules, 1975.

14. AUDITORS' REPORT

The Auditors' Report to the Shareholders on the accounts of the Exchange for the year under review is self explanatory and does not call for any further explanation.

15. CORPORATE GOVERNANCE

Your Company is committed to focus the highest standards of corporate governance. The company has implemented several corporate practices over the years and lays strong emphasis on preserving core values and ensuring fairness, transparency in all dealings through ethical business conducts of the management and the Board. The report on Corporate Governance is put up as Annexure "D".

16. HUMAN RESOURCES

A company's robust workforce drives productivity, maintains a company's competitive status, and ensures a company's long-term goals are met. They are pillars on which the strong foundation of your Exchange has been established. We appreciate the services rendered by Staff for the benefit of the Exchange.

17. CONSERVATION OF ENERGY

The company is engaged in providing infrastructure for sale and purchase of securities and has no activity pertaining to manufacturing and as such furnishing of details regarding conservation of energy is not applicable.

18. TECHNOLOGY ABSORPTION

The particulars as prescribed under Section 217(1)(e) of the Companies Act 1956, read with the companies (Disclosure of particulars in the report of Board of Directors) Rules, 1998, in respect to technology absorption is not applicable.

19. FOREIGN EXCHANGE EARNING AND OUTGO

The particulars as prescribed under Section 217(1)(e) of the Companies Act 1956, read with the companies (Disclosure of particulars in the report of Board of Directors) Rules ,1998, in respect to foreign exchange earnings and outgo are Nil .

20. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

- a) Followed in the preparation of the annual accounts, the applicable Accounting Standard with proper explanation relating to material departures;
- b) Selected an appropriate accounting policies and applied them consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Exchange at the end of the financial year and of the Income and Expenditure Account of the Exchange for that period;
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Exchange and for preventing and detecting fraud and other irregularities; and
- d) The annual accounts have been prepared on going concern basis.

21. ACKNOWLEDGEMENT

Your Directors would like to express grateful appreciation for the continued assistance, co-operation and guidance received from the Central Government, Registrar of Companies (RoC), Officials of the Ministry of Finance, the Securities and Exchange Board of India (SEBI) , Reserve Bank of India (RBI), the Government of Punjab, local administration, the National Stock Exchange of India Limited (NSE), Bombay Stock Exchange Limited (BSE) and other Regional Stock Exchanges, Centre for Industry Institute Partnership Programme (C.I.I.P.P.), Punjab University, Chandigarh, the National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL), the Federation of Indian Stock Exchanges and other business partners.

The Directors express their deep sense of appreciation for the devoted services of all the executives and staff of the Exchange whose outstanding professionalism, commitment and initiative has made the organization's growth and look forward to their services with zeal and dedication in the years ahead.

The Directors also take this opportunity to thank all Investors, clients, vendors, banks, members and other stakeholders and place on record their deep sense of appreciation for their continued support.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**PLACE : LUDHIANA
DATED : 18.08.2012**

**JOGINDER KUMAR
(CHAIRMAN)**

**SANJAY ANAND
(CHAIRMAN, AUDIT COMMITTEE)**

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE 'B'

Statement pursuant to Section 212 of the Companies Act, 1956 relating to subsidiary company.

Name of Subsidiary Company	Financial year of which Accounts relate	Holding Companies' Interest as at close of Financial year of Subsidiary company		Net aggregate amount of Subsidiary Companies' Profits after deducting its losses or vice-versa, so far as it concerns Members of Holding Company which are not dealt within the Company's Account (Rupees in lacs)	Net aggregate amount of subsidiary Company's Profits after deducting its losses or vice-versa dealt within the Company's Account	Holding Company's interest as at 31.03.2012 incorporating changes since close of Financial Year / period of Subsidiary Company
		i) Share Holding	ii) Extent of Share holding			
LSE Securities Limited	31.03.2012	33,31,075 equity shares of ₹ 10 each	51.71%	93.52	NIL	N.A.

INVESTOR AWARENESS WORKSHOPS

S. No.	Name of College	Faculty Name	Date of Workshop	Audience	Venue	No. of Audience
1	Barkley College Patiala	Mr. Atul Chikersal, Ms. Surinder Kaur, Ms. Pooja M. Kohli.	04.04.2011	MBA II & IV Students	LSE	30
2	Sacret Heart Convent School, Ludhiana	Mr. Atul Chikersal, Ms. Surinder Kaur, Ms. Pooja M. Kohli.	07.04.2011	XII Commerce Students	LSE	120
3	Doraha Institute of Mgmt. & Tech, Doraha	Mr. D.P Gandhi, Sh. Vikas Batra & Sh. Atul Chikersal	09.04.2011	MCA, BBA Students	College Campus	174
4	Ludhiana Stock Exchange in Association with Ludhiana Retail Investor Association	Ms. Pooja M. Kohli., Mr. J R Jagga, Ms. Satwant Kaur	09.04.2011	Investors & General Public	LSE	66
5	Ludhiana College of Engineering & Technology. Ludhiana	Mr. Atul Chikersal, Ms. Surinder Kaur,	20.04.2011	MBA I & II Students	LSE	28
6	Ludhiana Stock Exchange in Association with Citizen Awaareness Group Chandigarh	Sh. P. P.Kansal, Mr. Praveen Trivedi (SEBI NRO), Mr. Suryakant Sharma, (AGM SEBI), Ms. Pooja M. Kohli, (E.D Offtg.),Mr.Surinder Verma (CAG)	22.04.2011	Investors & General Public	Press Club Chandigarh	76
7	Investor Awareness Workshop held at Amritsar	Mr. Praveen Trivedi (SEBI NRO), Mr. Suryakant Sharma, (AGM SEBI), Mr. D.P Gandhi, Ms. Pooja M. Kohli.	23.04.2011	Investors & General Public	Hotel Mohan International	200
8	DPS School, Ludhiana	Ms. Pooja M. Kohli, Mr. Atul Chikersal, Ms. Surinder Kaur	26.04.2011	XII Students	LSE	26
9	BCM School, Ludhiana	Ms. Pooja M. Kohli ,Mr. Atul Chikersal, Ms. Surinder Kaur	06.05.2011	XII Students	LSE	56
10	BCM School, Ludhiana	Ms. Pooja M. Kohli ,Mr. Atul Chikersal, Ms. Surinder Kaur	09.05.2011	XII Students	LSE	48
11	GGNIVS	Ms. Pooja M. Kohli ,Mr. Atul Chikersal, Ms. Surinder Kaur,	12.05.2011	XII Students	LSE	76
12	Investor Awareness Workshop held at Jalandhar	Mr P.P Kansal, Mr. D.P Gandhi, Ms. Pooja M. Kohli.	16.05.2011	C.S Jalandhar & Teachers	DAV College, Jalandhar	150
13	U.S.P.C Jain School, Ludhiana	Mr. D.P Gandhi, Mr. Vikas Batra	21.05.2011	XII COMM. Stu.	USPC Jain School	158
14	Investor Awareness Workshop in Asso. Ludhiana Retail Investors Association at Punjab Police Pensioner's Bhawan, Ldh.	Mr. D.P Gandhi, Ms. Pooja M. Kohli, Mr. Brihaspati Tripathi, Mr. T. S. Gill, Ms. Satwant Kaur	04.07.2011	Retired Pb. Police Pensioners	Pensioner Bhawan	66
15	UBS , Punjab University Business School Ludhiana	Ms. Pooja M. Kohli. Mr. Sadhu Ram	12.07.2011	MBA I Students	LSE	70
16	BCM School, Ludhiana	Mr. Atul Chikersal, Ms. Surinder Kaur,	18.07.2011	XII Students	LSE	61
17	PCTE, Ludhiana	Mr. Atul Chikersal, Ms. Surinder Kaur,	09.08.2011	MBA Students	LSE	40
18	PCTE, Ludhiana	Mr. Atul Chikersal, Ms. Surinder Kaur,	11.08.2011	MBA Students	LSE	53
19	Global Institute , Amritsar	Mr. Atul Chikersal, Ms. Surinder Kaur,	20.08.2011	MBA I Students	LSE	46
20	Global Institute , Amritsar	Mr. Atul Chikersal, Ms. Surinder Kaur,	27.08.2011	MBA I Students	LSE	51
21	BVM School Kitchlu Nagar, Ludhiana	Mr. Atul Chikersal, Ms. Surinder Kaur,	02.09.2011	XII Students	LSE	85
22	Shree Ram Mulkh College Raipur Rani Naraingarh	Sh. D.P Gandhi, Sh. Rakesh Gupta	03.09.2011	MBA I Students	LSE	158
23	Baba Farid College, Bhatinda	Ms. Pooja M. Kohli., Sh. Sadhu Ram	08.09.2011	MBA I Students	LSE	65
24	S.A. Jain College, Ambala	Sh. D.P Gandhi, Sh. Sadhu Ram	12.09.2011	M.COM, B.COM Students	LSE	52

S. No.	Name of College	Faculty Name	Date of Workshop	Audience	Venue	No. of Audience
25	Gurukul Vidyapeeth, Banur Rajpura (Patiala)	Ms. Pooja M. Kohli, Mr. Sadhu Ram	16.09.2011	MBA I,II,III Students	LSE	105
26	Guru Nanak Girls College Model Town, Ludhiana	Ms. Pooja M. Kohli., Sh. Sadhu Ram	19.09.2011	M.COM Students	LSE	67
27	Ferozpur Group of College	Sh. Rakesh Gupta, Sh. Sadhu Ram	23.09.2011	MBA Students	LSE	25
28	Surya School of Business Management	Ms. Pooja M Kohli,Sh. Sadhu Ram	26.09.2011	MBA Students	LSE	20
29	Regional Institute of cooperative Management Chandigarh	Ms. Pooja M Kohli,Sh. Sadhu Ram	29.09.2011	MBA Students	LSE	22
30	Gian Jyoti Institute of Management & Technology , Mohali	Mr. Atul Chikersal, Mr. Sadhu Ram	03.10.2011	MBA Students	LSE	59
31	RPIIT, Karnal	Ms. Pooja M Kohli,Sh. Sadhu Ram	07.10.2011	MBA Students	LSE	51
32	GNA-IMT	Prof. P.P.Kansal,Ms. Pooja M Kohli, Sh. Sadhu Ram	10.10.2011	MBA Students	LSE	55
33	Kamla Lohtia S.D.College, Ludhiana	Prof. P.P.Kansal,Ms. Pooja M Kohli, Sh. Sadhu Ram	13.10.2011	MBA,BBA Students	LSE	46
34	Baddi University of Emerging Science & Tech. Baddi (H.P)	Ms. Pooja M Kohli,Sh. Sadhu Ram	14.10.2011	MBA Students	LSE	92
35	KCL Institute of Management & Tech. Jalandhar	Ms. Pooja M Kohli,Sh. Sadhu Ram	21.10.2011	MBA Students	LSE	39
36	Indus International University (H.P)	Ms. Pooja M Kohli,Sh. Sadhu Ram	24.10.2011	MBA Students	LSE	19
37	Desh Bhagat Institute of Computer Science , Mandi Gobindgarh	Sh. Atul Chikersal, Sh. Sadhu Ram	28.10.2011	MBA, BBA	LSE	50
38	Ludhiana Stock Exchange in Association with Ludhiana Retail Investor Association	Dr. M.A Zahir, Ms Pooja M Kohli, Sh.Brihaspati Tripathi, Col. J.R.Jagga	29.10.2011	BBA, MBA Students	GGNIMT, Ldh.	57
39	Ludhiana Stock Exchange in Association with Ludhiana Retail Investor Association	Prof. P.P.Kansal, Ms Pooja M Kohli Sh. Brihaspati Tripathi, Col. J.R.Jagga	30.10.2011	Businessman	Army Officer Inst. Ldh.	38
40	Nankana Sahib Public School Samrala	Prof. P.P.Kansal,Ms. Pooja M Kohli, Sh. Sadhu Ram	31.10.2011	+2 Commerce Students	LSE	49
41	Guru Nanak Public School, Mullanpur	Ms. Pooja M Kohli,Sh. Sadhu Ram	04.11.2011	+2 Commerce Students	LSE	41
42	Desh Bhagat Institute of Computer Science , Mandi Gobindgarh	Ms. Pooja M Kohli,Sh. Sadhu Ram	08.11.2011	MBA Students	LSE	64
43	Rayat-Bahra Institute of Managemant	Prof. P.P.Kansal,Ms. Pooja M Kohli, Sh. Sadhu Ram	11.11.2011	MBA Students	LSE	30
44	Apeejay College Jalandhar	Prof. P.P.Kansal,Ms. Pooja M Kohli, Sh. Atul Chikersal	15.11.2011	MBA Students	LSE	50
45	Mata Ganga Khalsa College Doraha	Prof. P.P.Kansal,Ms. Pooja M Kohli, Sh. Sadhu Ram	17.11.2011	MBA Students	LSE	30
46	Shaheed Bhagat Singh College of Engg. & Tech. Ferozpur	Prof. P.P.Kansal,Sh. Sadhu Ram	18.11.2011	MBA Students	LSE	17
47	BCM School, Ludhiana	Prof. P.P.Kansal, Ms. Pooja M Kohli, Sh. Vinay Mahajan, S.Jaswinder Singh	19.11.2011	+1 FMM Students	LSE	47
48	Nankana Sahib Public School, Ludhiana	Prof. P.P.Kansal, Ms. Pooja M Kohli, Sh. Sadhu Ram	23.11.2011	+2 Commerce Students	LSE	46

S. No.	Name of College	Faculty Name	Date of Workshop	Audience	Venue	No. of Audience
49	DAV Public School , Ludhiana	Prof. P.P.Kansal,Ms. Pooja M Kohli, Sh. Sadhu Ram	25.11.2011	+1 & +2 Com. Students	LSE	43
50	BCM School, Ludhiana	Sh. Sadhu Ram, Ms. Surinder Kaur	26.11.2011	+1&+2 Com.Stu.	LSE	38
51	Master Tara Singh Memorial College for Women	Prof. P.P.Kansal,Ms. Pooja M Kohli, Sh. Sadhu Ram	28.11.2011	MBA Stu. 1st & 2nd Year Stu.	LSE	65
52	Guru Nanak Dev Engg. College, Ludhiana	Ms. Pooja M Kohli, Mr. Sadhu Ram	03.12.2011	All Teachers of GNE	Seminar Room of GNE	45
53	Guru Nanak Dev Engg. College, Ludhiana	Prof. P.P.Kansal,Ms. Pooja M Kohli, Sh. Sadhu Ram	08.12.2011	All Teachers of GNE	LSE	45
54	Master Tara Singh Memorial College for Women	Prof. P.P.Kansal, Ms. Pooja M Kohli,	15.12.2011	B.com, BCA Students	Seminar Room of MTS College	65
55	Guru Nanak Dev Engg. College, Ludhiana	Prof. P.P.Kansal, Ms. Pooja M Kohli,	16.12.2011	All Teachers of GNE	Seminar Room of GNE	45
56	Greenland Sr. Sec. School, Ludhiana	Ms. Pooja M Kohli, Sh. Sadhu Ram	04.01.2012	+1 FMM Students	LSE	22
57	Govt. Sr. Sec. School, Tahli Sahib, Ldh.	Ms. Pooja M Kohli, Sh. Sadhu Ram	06.01.2012	+1 FMM Students	LSE	26
58	Lovely Professional University, Phagwara	Prof. P.P.Kansal,Ms. Pooja M Kohli, Sh. Sadhu Ram	13.01.2012	MBA Students	LSE	61
59	GNA-IMT	Prof. P.P.Kansal,Sh. Sadhu Ram	16.01.2012	BBA Students	LSE	50
60	Guru Nanak Institute of Mgmt. & Technology, Ludhiana	Ms. Pooja M Kohli, Mr. Sadhu Ram	17.01.2012	MBA Students	College Campus	36
61	Lovely Professional University, Phagwara	Prof. P.P.Kansal, Sh. Sadhu Ram	19.01.2012	MBA Students	LSE	65
62	Guru Nanak Khalsa College for Women, Ludhiana	Prof. P.P.Kansal, Ms. Pooja M Kohli, Sh. Sadhu Ram	20.01.2012	BBA Students	LSE	42
63	Swami Vivekanand Engg. & Technology, Banur (Patiala)	Prof. P.P.Kansal, Ms. Pooja M Kohli, Sh. Atul Chikersal Sh.Sadhu Ram	23.01.2012	BBA Students	LSE	42
64	North West Institutes of Engg. & Tech. Dhudike (Moga)	Prof. P.P.Kansal, Ms. Pooja M Kohli, Sh. Atul Chikersal Sh.Sadhu Ram	24.01.2012	BBA Students	LSE	70
65	Lovely Professional University, Phagwara	Prof. P.P.Kansal, Sh. Atul Chikersal, Sh. Sadhu Ram	25.01.2012	MBA Students	LSE	65
66	Doraha Institutes of Mgmt. & Tech. Doraha	Ms. Pooja M Kohli, Sh.Sadhu Ram, Ms. Surinder Kaur	01.02.2012	MBA Students BBA students	LSE	41
67	Sinesoft Institute, Bhatinda	Sh.Sadhu Ram, Ms. Silvi Malhotra	02.02.2012	MBA Students BBA students	LSE	29
68	A.S Group	Ms. Pooja M Kohli,Sh.Sadhu Ram	07.02.2012	MBA Students	College Campus	56
69	Aryabhata Group of Colleges	Prof. P.P.Kansal, Sh. Atul Chikersal, Sh. Sadhu Ram	08.02.2012	MBA Students	LSE	29
70	CT Institute of Mgmt. Maqsudan campus	Ms. Pooja M Kohli,Sh.Sadhu Ram,	10.02.2012	MBA Students	College Campus	68
71	CT Institute of Mgmt. Sahpur Campus	Sh. Atul Chikersal, Mr. Sadhu Ram	10.02.2012	MBA Students	College Campus	40
72	Bhaini Bringa School Ludhiana	Sh.Sadhu Ram, Ms. Surinder Kaur	16.02.2012	+1 FMM Stu.	LSE	15
73	SDIMT, Jagadhari	Sh. Atul Chikersal, Mr. Sadhu Ram	17.02.2012	MBA,BBA Stu.	College Campus	186
74	DAV College, Jagadhari	Sh.Sadhu Ram, Sh. Atul Chikersal	17.02.2012	M.com,B.com Stu.	College Campus	136
75	Guru Nanak College Phagwara	Ms. Pooja M Kohli,Sh.Sadhu Ram,	21.02.2012	B.com, M.com Stu.	LSE	51
76	LPU	Sh.Sadhu Ram, Ms. Surinder Kaur	22.02.2012	MBA Students	LSE	38
77	Guru Nanak College Girls College, Ldh.	Ms. Pooja M Kohli, Sh. Atul Chikersal	23.02.2012	MBA Students	LSE	52
78	Mata Gujri College Fatehgarh Sahib	Sh. Atul Chikersal,Sh. Sadhu Ram	24.02.2012	MBA Students	LSE	53
79	Doraha Institutes of Mgmt. & Tech. Doraha	Ms. Pooja M Kohli, Sh. Atul Chikersal	24.02.2012	MBA Students	College Campus	30
80	HMV College Jalandhar	Sh. Atul Chikersal, Ms. Surinder Kaur	27.02.2012	B.com, M.com Stu.	LSE	36

S. No.	Name of College	Faculty Name	Date of Workshop	Audience	Venue	No. of Audience
81	Khalsa Institute of Mgmt. Ludhiana	Ms. Pooja M Kohli, Sh. Atul Chikersal, Sh. Jaswinder S., Ms. Surinder Kaur	28.02.2012	MBA Students BBA students	LSE	50
82	Mata Gujri College Fatehgarh Sahib	Ms. Pooja M Kohli, Sh. Sadhu Ram	07.03..2012	MBA Students	LSE	55
83	Lala Lajpat Rai Memorial Institute of Mgmt.. & Tech. Dhudike (Moga)	Sh.Sadhu Ram, Ms. Surinder Kaur	12.03.2012	MBA Students	LSE	16
84	SAS Group of Institutes, Mohali	Sh. Atul Chikersal, Sh. Sudesh Kumar	13.03.2012	MBA Students + Faculty	LSE	28
85	Punjab Collge of Technical Education, Baddowal, Ludhiana	Ms. Pooja M Kohli, Sh. Sadhu Ram	14.03.2012	MBA, PGDMB, Students	College Campus PCTE	150
86	SAS Group of Institutes, Mohali	Sh.Sadhu Ram, Ms. Silvi Malhotra	16.03.2012	MBA Students + Faculty	LSE	21
87	Lala Lajpat Rai Memorial Institute of Mgmt.. & Tech. Dhudike (Moga)	Sh.Sadhu Ram, Ms. Silvi Malhotra	19.03.2012	MBA Students + Faculty	LSE	41
88	Geeta Institute of mgmt. & Tech Kanipla Kurukshetra (HR)	Sh. Atul Chikersal, Ms. Surinder Kaur	20.03.2012	MBA Students + Faculty	LSE	37
89	Bhutta College of Engineering & Technology , Bhutta	Sh. Atul Chikersal, Mr. Sudesh Kumar	22.03.2012	BBA, MBA Stu. + Faculty	LSE	31
90	Investor Awareness Workshop in Association Ludhiana Retail	Prof. P.P.Kansal, Ms. Pooja M Kohli, Sh. Sadhu Ram, Sh. T.S.Gill, MS. Satwant Kaur	23.03.2012	Students of Famous Comp. Centre Ldh.	LSE	38
91	Investors Association Investor Awareness Workshop in Association Ludhiana Retail	Prof. P.P.Kansal, Ms. Pooja M Kohli, Sh. Harish Nagpal, Sh. T.S.Gill	24.03.2012	Sr. Citizen Welfare Assn. Ludhiana .	LSE	42
92	Investors Association Lajpat Rai DAV College, Jagraon, Ludhiana	Ms. Pooja M Kohli, Sh. Sadhu Ram, Ms Silvi	26.03.2012	Students of M.com, M.A (Economics)	LSE	23
93	University Business School, Talwandi Sabo	Sh. Atul Chikersal, Ms. Surinder Kaur	27.03.2012	MBA Students + Faculty	LSE	49

REPORT ON CORPORATE GOVERNANCE

Corporate governance is the acceptance by management of the absolute rights of shareholders as the true owners of the corporation and of their own role as trustees on behalf of the shareholders. It is about commitment to values, about ethical business conduct and about making a distinction between personal and corporate funds in the management of a company.

1. CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance for the Exchange means achieving high level of accountability efficiency, responsibility and fairness in all areas of operation. Sound principles of Corporate Governance are key to success as they enhance the ability to secure the confidence of its stakeholders. A company's Governance framework enjoins the highest standards of ethical & responsible conduct of business to create value for the stakeholders.

2. BOARD COMPOSITION

At present, Board consists of twelve directors out of which six are Shareholder Directors, three are Trading Member Directors and three are Public Interest Directors.

PROFILE OF BOARD OF DIRECTORS

CHAIRMAN			
NAME OF DIRECTOR	CATEGORY	DATE OF APPOINTMENT	BRIEF PROFILE
Sh. Joginder Kumar DIN 01233611	Shareholder Director	08.12.2007	He has vast experience of 49 years in Corporate policy matters, administration & is a successful industrialist. He was earlier on the Board of Exchange as PR Director from Nov' 1994 to Sep'1995. He has been President of United Cycle Parts Association, Ludhiana. He has been member of National Board of MSME & Task Force for MSME & member of Advisory Board, NCEUS from Sep'2004 to Apr'2010. He has been Vice Chairman of the Exchange upto 18.08.2012 and elected as Chairman of Exchange w.e.f. 18.08.2012. He is a member of Governing Body/Executive Member/ Term Member of CMC Hospital & C.E.O. of Ludhiana Effluent Treatment Society for Electroplating.

PUBLIC INTEREST DIRECTOR			
Dr. Raj Singh, RoC DIN 02395342	Public Interest Director	25.07.2008	He is presently holding office of Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh at Chandigarh. He has rich experience of more than 22 years in various capacities such as Assistant Director (Inspection), MCA, Kanpur, Deputy Director (Capital Market), MCA, New Delhi & Registrar of Companies for the States of Madhya Pradesh & Chhatisgarh. He has got published about 50 papers on Income Tax, Management, Capital Market & Company Law.
Sh. Ashwani Kumar DIN 00030307	Public Interest Director	10.12.2009	He is practicing Chartered Accountant. He has rich experience of more than 32 years in the field of Accounts, Finance, Taxation and Audit. He was also on the Governing Board of Ludhiana Stock Exchange as Public Representative Director for the years 1996 to 1998 and on the Board of LSE Securities Limited for the years 2004 to 2007. He has been working as President of Income Tax Bar Association, Income Tax Appellate Tribunal, Chandigarh Bench, Chandigarh. He has also been acting as Independent Director on Board of different companies and member/trustee of various institutions.
Prof. V.P. Gaur DIN 02439897	Public Interest Director	11.06.2010	He has been Principal of Govt. College for boys and has vast experience of more than 42 years in the field of academics. He has written number of books in Income Tax, Wealth Tax and Sales Tax. He is founder member of Punjab Commerce & Management Association and member of Ludhiana Management Association and other reputed colleges.
TRADING MEMBER DIRECTOR			
Sh. Sunil Gupta DIN 00123658	Trading Member Director	30.09.2008	He has been member of Ludhiana Stock Exchange since 1993 and having rich experience in Capital Market operations including Primary Market, Secondary Market and Commodities Market.
Sh. Sanjay Anand DIN 01383717	Trading Member Director	29.09.2009	He is a Chartered Accountant and has been associated with Ludhiana Stock Exchange since 1990 and having vast experience in the field of Capital Market and has an attitude towards management and business acumen.
Sh. Jaspal Singh DIN 00458451	Trading Member Director	29.09.2010	He has been member of Ludhiana Stock Exchange since 1989 having rich experience in Capital Market. He was earlier on the Board of Ludhiana Stock Exchange Limited for the period 30.09.1992 to 26.09.1998 and 30.09.2000 to 12.12.2005. He also remained President of Ludhiana Stock Exchange Limited for the period 23.12.1993 to 05.10.1995, 01.10.1996 to 29.09.1998 and 06.10.2001 to 01.07.2002. He has always been in forefront for the upliftment of Institution.

SHAREHOLDER DIRECTOR			
Prof. Padam Parkash Kansal DIN 02368904	Shareholder Director	30.09.2008	He has served as professor in various reputed colleges including Govt. College, Ludhiana for more than 29 years. He has been Senator of Punjabi University, Patiala. He has vast experience in Academics and Financial Fields. He has been Chairman of the Exchange upto 18.08.2012.
Sh. Satish Nagpal DIN 02604110	Shareholder Director	29.09.2009	He is having vast experience in Capital Market and is leading Investment advisor of Ludhiana.
Sh. Rajinder Mohan Singla DIN 00962515	Shareholder Director	29.09.2010	He is Practicing Chartered Accountant and Financial Consultant.
Sh. Vikas Batra DIN 01964260	Shareholder Director	29.09.2010	He was also on the Board of Directors of the Ludhiana Stock Exchange Limited for the period 08.12.2007 to 05.07.2008. He has rich knowledge of Capital Market.
Sh. Ashok Kumar DIN 01971376	Shareholder Director	30.09.2011	He is having a good experience of Capital Market. He was also on the Governing Board of Ludhiana Stock Exchange from 08.12.2007 to 29.09.2010.

3. RESPONSIBILITIES

The Directors bring to the Board a wide range of experience and skills. The Board of Directors represent the interests of the Corporate stakeholders in optimizing long-term value by providing the management with guidance and strategic direction on their behalf. The Board's mandate is to oversee the Company's strategic direction, review corporate performance, authorize and monitor strategic investments, ensure regulatory compliance and safeguard interest of all stakeholders.

4. NUMBER OF BOARD MEETINGS AND DATES

No. of Meeting	Date of Meeting
343	14 th May, 2011
344	29 th August, 2011
345	04 th October, 2011
346	18 th November, 2011
347	11 th February, 2012
348	03 rd March, 2012

5. ATTENDANCE OF DIRECTORS AT BOARD MEETINGS DURING THE YEAR 2011-12.

Sr. No.	Name of Director	Category	Date of Appointment	Date of Cessation	No. of Meetings held during his tenure	No. of Meetings attended
1	Sh. Joginder Kumar	Shareholder Director	08.12.2007 (re-appointed on 29.09.2009)	On Board	06	06
2	Dr. Raj Singh, RoC	Public Interest Director	25.07.2008	On Board	06	02
3	Sh. Ashwani Kumar	Public Interest Director	10.12.2009	On Board	06	03

4	Sh. V.P. Gaur	Public Interest Director	11.06.2010	On Board	06	04
5	Prof. Padam Parkash Kansal	Shareholder Director	30.09.2008	On Board	06	06
6	Sh. Rajinder Mohan Singla	Shareholder Director	29.09.2010	On Board	06	05
7	Sh. Ashok Kumar	Shareholder Director	30.09.2011	On Board	04	03
8	Sh. Satish Nagpal	Shareholder Director	29.09.2009	On Board	06	03
9	Sh. Vikas Batra	Shareholder Director	29.09.2010	On Board	06	05
10	Sh. Sunil Gupta	Trading Member Director	30.09.2008	On Board	06	05
11	Sh. Sanjay Anand	Trading Member Director	29.09.2009	On Board	06	05
12	Sh. Jaspal Singh	Trading Member Director	29.09.2010	On Board	06	05
13	Sh. Varun Chhabra	Shareholder Director	30.09.2008	30.09.2011	02	NIL

6. FOLLOWING COMMITTEES HAVE BEEN FORMED TO ASSIST THE GOVERNING BOARD AND THE ADMINISTRATION OF THE EXCHANGE IN CARRYING OUT ITS FUNCTIONS *

STATUTORY COMMITTEES				
Sr. No.	Name of Committee	Committee Functioning	Composition of the Committee	No. of Meeting during the financial year
1	Arbitration Committee	All disputes between members or between members and non-members from time to time or with reference to anything incidental thereto are decided by Arbitration Committee of the Exchange.	Sh. P. P. Kansal (C), Sh. Ashok Kumar, Sh. Vikas Batra, Sh. Satish Nagpal	NIL
2	Disciplinary Committee	To consider cases, recommend/initiate action and/or impose penalties against the members not complying with the Bye-laws, rules and regulations of the Exchange and/or decisions, directions, observations of the Board.	Sh. Sanjay Anand (C), Sh. Joginder Kumar, Sh. P.P. Kansal, Sh. Satish Nagpal, Sh. V.P. Gaur, Sh. Vikas Batra	1

3	Investor Grievance Services Committee (IGRC)	The Investors Grievance Redressal Committee (IGRC) has been formed with the objective to scrutinize, investigate and attempt to conciliate or decide the grievance received by the Exchange from any investor against any member broker/ sub-broker.	Sh. P. P. Kansal (C), Sh. Satish Nagpal, Sh. Joginder Kumar, Sh. Ashok Kumar, Sh. Rajinder Mohan Singla, Sh. Vikas Batra, Sh. V.P. Gaur.	1
4	Defaults Committee	The Defaults Committee looks after the claims of investors/ members against the members and recommend to the Board of Directors for declaration of a defaulter member	Sh. Sunil Gupta (C), Sh. Rajinder Mohan Singla, Sh. Joginder Kumar, Sh. P. P Kansal, Sh. V.P. Gaur	NIL
SEBI DIRECTED COMMITTEES				
5	Ethics Committee	To oversee implementation of code of ethics by the Exchange for its directors and functionaries.	Sh. Joginder Kumar (C), Sh. P. P. Kansal, Sh. Satish Nagpal, Sh. Ashok Kumar, Sh. Davinder Pal Singh	4
6	Listing/ De-listing Committee	To consider application of the companies for listing of further issue of securities and decide delisting of securities of the companies listed with the Stock Exchange as per the procedure and guidelines laid down by SEBI under SEBI (Delisting of Equity Shares) guidelines, 2009.	Sh. P.P Kansal (C), Sh. Jaspal Singh, Secy. ICSI, Ldh. Chapter, Dr. Raj Singh, RoC, Sh. R.P. Singh, Sh. Sanjay Anand, Sh. Sunil Gupta, Sh. P.S. Dua.	6
7	Sub-committee for Compliance of SEBI Inspection Report	To review the actions taken by the Exchange to implement the Suggestions/Observations of SEBI inspection reports.	Sh. P. P. Kansal (C), Sh. Joginder Kumar, Sh. Satish Nagpal, Sh. V.P. Gaur, Sh. Jaspal Singh.	4
NON STATUTORY COMMITTEES				
8	HRM Committee	To look into the matters related to employees, their remuneration, confirmation, relieving promotion etc.	Sh. P. P. Kansal (C), Sh. Jaspal Singh, Sh. Sanjay Anand, Sh. Sunil Gupta, Sh. Vikas Batra, Sh. V.P. Gaur	2
9	Facilities Management Committee	To approve requirements with respect to additions/ amendments in construction/ maintenance of the building .	Sh. Sanjay Anand (C), Sh. Jaspal Singh, Sh. Dhiraj Ghai, Sh. Pankaj Kumar, Sh. Rajiv Kalra, Sh. Ajay Batra, Sh. Ashok Kumar.	7
10	Computer Committee	To approve the process of purchase through quotations or otherwise from the suppliers/ vendor for hardware/ networking equipments, and website development other accessories incidental thereto.	Sh. Joginder Kumar (C), Sh. Jaspal Singh, Sh. R Jain, Sh. Sanjeev Gupta, Sh. Satish Nagpal, Sh. Vineet Suri, Sh. Tarvinder Dhingra, Sh. T.S. Thapar.	1
11	Audit Committee	To discuss with the auditors periodically about internal control systems, the scope of audit including the observations of the auditors and review the periodical financial statements and also to ensure compliance of internal control systems	Sh. Sanjay Anand (C), Sh. Jaspal Singh, Sh. R.P. Singh, Sh. Ashwani Kumar, Sh. Rajinder Mohan Singla, Sh. V.P. Gaur	4

12	Management Sub-Committee	Management Sub-Committee assists Board in day to day affairs of the Exchange.	Sh. P. P Kansal (C), Sh. Joginder Kumar, Sh. Satish Nagpal, Sh. V.P. Gaur, Sh. Vikas Batra	5
13	Academic Committee	To consider launching of training Programme in securities market and review, monitor the progress of the same.	Sh. P. P. Kansal (C), Sh. D.P. Gandhi, Sh. Harish Nagpal, Sh. Rakesh Gupta, Sh. Vikas Batra.	6
14	Trading Membership Cum Room Transfer Committee	To approve the application for transfer for trading membership and rooms, to approve applications for new trading membership of the Exchange.	Sh. Jaspal Singh (C), Sh. Ajay Batra, Sh. Anil Jindal, Sh. Anil Aggarwal, Sh. Rajiv Kalra, Sh. Sanjay Anand, Sh. Sunil Gupta, Sh. T. S. Thapar.	8
15	Share Transfer Committee	To approve the shares transfers in accordance with provisions of Securities Contracts (Regulations) Manner of increasing and maintaining Public shareholding in Recognized Stock Exchanges, regulations, 2006	Sh. Jaspal Singh (C) Sh. Sunil Gupta, Sh. J. K. Jain, Sh. T.S. Thapar.	6
16	Capital Growth And Development Committee	To explore various opportunities for growth and development of the exchange through creating value of equity of shares of the Exchange.	Sh. P. P. Kansal (C), Sh. Ajay Batra, Sh. Anil Aggarwal, Sh. Arjan Goyal, Sh. Ashwani Aggarwal, Sh. Chaitanya Parkash, Sh. Gopal Dass, Sh. Gurloveleen Singh, Sh. Harjit Singh Arora, Sh. Jagmohan Krishan, Sh. Jaspal Singh, Sh. Mahesh Makker, Sh. Manoj Sarna, Sh. P. C. Bansal, Sh. Parmod Goyal, Sh. Rajnish Garg, Sh. Ashwani Kumar Aggarwal, Sh. R Jain, Sh. R.C. Singal, Sh. R.P. Singh, Sh. Rakesh Uppal, Sh. Ravi Gupta, Sh. Romesh Bansal Sh. S.K. Sharma, Sh. Sanjay Anand, Sh. Sanjeev Gupta, Sh. Satish Bansal, Sh. Sudhir Gupta, Sh. V.K. Dhir, Sh. Vinod Bansal, Sh. Shridhar Mallawat, Sh. Tarvinder Dhingra, Sh. T.S. Thapar.	NIL

* Committee composition as on 31st March, 2012

7. SITTING FEE PAID TO THE DIRECTORS FOR ATTENDING THE MEETINGS OF THE BOARD AND COMMITTEE DURING THE FINANCIAL YEAR ENDING 31ST MARCH 2012 IS GIVEN BELOW.

(a) Board and Committee meetings:

Sr. No.	NAME OF DIRECTOR	AMOUNT (in ₹)
1.	Sh. Ashwani Kumar	12,500/-
2.	Sh. V.P. Gaur	24,000/-
	TOTAL	36,500/-

b) Committee Meeting : (Quarterly meeting with PR's of LSESL)

Sr. No.	NAME OF DIRECTOR	AMOUNT (in ₹)
1.	Sh. Ajay Chaudhary PR, LSESL	1000/-
2.	Sh. Ashish Aggarwal PR, LSESL	1000/-
3.	Dr. Rakesh K. Gupta PR, LSESL	1000/-
	TOTAL	3000/-

8. GENERAL BODY MEETINGS :

Location and time, where last three AGMs were held.

FOR THE YEAR	2008-09	2009-010	2010-11
AGM	27th	28th	29th
Date & Time	29.09.2009	29.09.2010	30.09.2011
Venue	Trading Hall, Ludhiana Stock Exchange Limited	Trading Hall, Ludhiana Stock Exchange Limited	Trading Hall, Ludhiana Stock Exchange Limited

9. GENERAL SHAREHOLDERS INFORMATION:

a) Forthcoming AGM Date, Time and Venue:

The 30th Annual General Meeting of the company is scheduled to be held on Tuesday, 18th September, 2012 at 4:30 p.m. at Trading Hall, 1st Floor, LSE Building, Ludhiana.

b) Financial Year:

The financial year of the company is from 1st April, 2011 to 31st March, 2012.

c) Registrar and share transfer agent:

Beetal Financial & Computer Service (P) Ltd.
Beetal House, 3rd Floor,
99, Madangir, Behind Local Shopping Centre,
Near Dada Harsukhdas Mandir,
New Delhi- 110062

d) Share Transfer:

The Share of the Exchange are held both physical as well as dematerialized form. Any member, who wishes to transfer his /her share to any person / entity, has to seek prior approval of the Share Transfer Committee formed by the Board of Exchange.

e) Address for Correspondence:

Shareholders are requested to intimate all changes pertaining to their, change of address etc. only to their depository participants, if they are holding shares in dematerialized form and to the Exchange, If they are holding shares in physical form.

Any query on the annual report may be addressed to Office atleast ten days before AGM at the following address:

Ludhiana Stock Exchange Limited
Feroze Gandhi Market.
Ludhiana 141001.
Ph. 0161-2772309, 2412318
Fax No. : 2401645, 2404748
E- mail: lse_cs@rediffmail. com
Website: www.lse.co.in

FOR AND ON BEHALF OF BOARD OF DIRECTORS

PLACE : LUDHIANA
DATED : 18.08.2012

Joginder Kumar
(Chairman)

Sanjay Anand
(Chairman Audit Committee)

AUDITORS' REPORT

The Members
Ludhiana Stock Exchange Limited.

1. We have audited the attached Balance Sheet of Ludhiana Stock Exchange Limited as at 31st March, 2012 and also the Statement of Profit and Loss for the year ended on that date annexed thereto. These financial statements are responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act 1956, we enclosed in the annexure a statement on the matters specified in paragraphs 4 of the said Order.
4. Further to our comments in the annexure referred to in paragraph 3 above we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - c. The balance sheet and statement of profit and loss dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the financial statement dealt with by the report comply with accounting standards referred to in sub section 3C of section 211 of the Companies Act, 1956.
 - e. On the basis of written representations received from the Directors as on 31st March 2012, and taken on record by the Board of directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;
 - f. In our opinion and to best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 and in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India.
 - i. in the case of balance sheet, of the state of affairs of the company as at 31st March, 2012; and
 - ii. in case of statement of profit and loss, of the profit for the year ended on that date.

For S.C. VASUDEVA & CO.
Chartered Accountants
Firm Regn. No. 000235N

Place: LUDHIANA
Dated: 18.08.2012

(Sanjiv Mohan)
Partner
M.No. 86066

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 3)

- i) a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) According to the information and explanations given to us, the fixed assets have been physically verified by the management during the year. The discrepancies noticed on such physical verification which were not material have been properly dealt in the books of account. In our opinion the frequency of physical verification of fixed assets is reasonable having regard to the size of the company and nature of its business.
- c) According to information and explanations given to us, the company has not disposed off substantial part of its fixed assets during the year and the going concern status of the company is not affected.
- ii) a) According to the information and explanations given to us, the inventory of stationery has been physically verified by the management at the close of the year.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory of stationery followed by the management as evidenced by the written procedures and instructions are reasonable and adequate in relation to the size of the company and nature of its business.
- c) The company is maintaining proper records of inventory. As explained to us, no discrepancies were noticed on physical verification between physical stocks and book records.
- iii) a) According to the information and explanations given to us, the company has not granted secured or unsecured loans to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- b) According to the information and explanations given to us, the company has not taken secured or unsecured loans from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for purchase of fixed assets and for the receipt of listing fee, membership fee, Interest and rent. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.
- v) According to the information and explanations given to us, we are of the opinion that there are no contracts or arrangements nor any transaction in pursuance thereof which need to be entered into the register maintained under section 301 of the Companies Act, 1956.
- vi) According to the information and explanations given to us, the company has not accepted deposits from public during the year covered under the provisions of section 58A or 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- viii) The provisions of clause 4(viii) of the above said order are not applicable to the company.
- ix) a) According to the records of the company, undisputed statutory dues including Provident Fund, Income tax, Service tax and other statutory dues applicable to the company, if any, have been regularly deposited with appropriate authorities and according to information and explanations given to us, no undisputed amounts payable in respect of aforesaid statutory dues were in arrears as at 31st March 2012 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us there are no disputed statutory dues that have not been deposited on account of matters pending before the appellate authorities.
- (x) According to the information and explanations given to us, there are no accumulated losses at the end of financial year. Further the company has not incurred cash losses during the financial year covered under audit and in the immediately preceding financial year.
- xi) The provisions of clause 4 (xi) of the above said order are not applicable to the company.
- xii) According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause 4(xii) of the order are not applicable to the company.
- xiii) The company deals in the promotion of trade in stock and shares, therefore the provisions of clause 4(xiii) of the above said order are not applicable to the company.
- xiv) According to the information and explanations given to us, the company has not dealt or traded in shares, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) of the above said order are not applicable to the company.
- xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank and financial institutions. Accordingly, the provisions of paragraph 4(xv) of the order are not applicable to the company.
- xvi) In our opinion and according to the information and explanations given to us, the company has not taken term loans during the year, the provisions of clause 4(xvi) of the above said order are not applicable to the company.
- xvii) According to information and explanations given to us and on an overall examination of the balance sheet, the company has not raised short-term funds during the year, therefore the provisions of clause 4(xvii) of the above said order are not applicable to the company.
- xviii) According to the information and explanations given to us, the company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix) According to the information and explanations given to us, the company has not issued debentures during the year. Accordingly, the provisions of clause 4(xix) of the order are not applicable to the company.
- xx) According to the information and explanations given to us, the company has not raised any money by way of public issue during the year. Accordingly the provisions of clause 4 (xx) of the above said order are not applicable to the company.
- xxi) 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 S.C. VASUDEVA & CO.
Chartered Accountants
Firm Regn. No. 000235N

Place: LUDHIANA
Dated: 18.08.2012

(Sanjiv Mohan)
Partner
M.No. 86066

Balance Sheet As At 31st March 2012

(Amount in ₹)

PARTICULARS	Note No.	AS AT 31-03-2012	AS AT 31-03-2011
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
a) Share capital	3	602,000	602,000
b) Reserves and surplus	4	203,305,825	190,223,096
		203,907,825	190,825,096
2 Non-current liabilities			
a) Long-term borrowings		-	-
b) Deferred tax liabilities (net)	5	45,870	45,618
c) Other long term liabilities	6	48,219,906	45,946,239
d) Long-term provisions	7	141,059	146,853
		48,406,835	46,138,710
3 Current liabilities			
a) Short-term borrowings		-	-
b) Trade payables	8	4,413,262	4,774,993
c) Other current liabilities	9	39,424,485	35,953,360
d) Short-term provisions	10	44,952	3,902,814
		43,882,699	44,631,167
TOTAL		296,197,359	281,594,973
II ASSETS			
1 Non-current assets			
a) Fixed assets	11		
i) Tangible assets		87,319,207	89,520,303
ii) Intangible assets		44,000	66,000
		87,363,207	89,586,303
b) Non-current investments	12	34,517,625	34,517,625
c) Long-term loans and advances	13	15,636,957	17,771,369
d) Other non-current assets	14	41,493,822	44,319,751
		179,011,611	186,195,048
2 Current assets			
a) Current investments		-	-
b) Inventories	15	82,644	65,074
c) Trade receivables	16	3,573,277	3,320,002
d) Cash and bank balances	17	103,201,493	84,255,386
e) Short-term loans and advances	18	10,328,334	7,759,463
f) Other current assets		-	-
		117,185,748	95,399,925
TOTAL		296,197,359	281,594,973

See accompanying notes to the financial statements

As per our report of even date
For S.C. Vasudeva & Co.,
Chartered Accountants
Firm Regn. No. 000235N

(Sanjiv Mohan)
Partner
M. No. 86066

PLACE : LUDHIANA
DATED : 18.08.2012

For and on behalf of the Board of Directors
of Ludhiana Stock Exchange Limited

(Joginder Kumar)
Chairman

(Pooja M. Kohli)
Sr. General Manager
cum Company Secretary

(Sanjay Anand)
Chairman, Audit Committee

(Snehjeet Kaur)
Manager Accounts

Statement of Profit And Loss For Year Ended 31st March 2012

(Amount in ₹)

PARTICULARS	Note No.	For the year ended 31st March 2012	For the year ended 31st March 2011
i Revenue from operations	19	7,246,097	8,100,235
ii Other income	20	37,786,019	31,714,077
iii Total revenue (i + ii)		45,032,116	39,814,312
iv Expenses :			
Employee benefits expense	21	4,835,151	4,621,529
Depreciation and amortization expense		1,943,546	2,082,908
Other expenses	22	17,848,531	16,632,563
Total expenses		24,627,228	23,337,000
v Profit before exceptional items and tax (iii - iv)		20,404,888	16,477,312
Exceptional items (refer note 36)		1,094,258	-
vi Profit before tax (iii - iv)		19,310,630	16,477,312
vii Tax expense :			
- Current tax expense for current year		3,409,600	2,792,000
- Current tax expense relating to prior years		190,449	(109,149)
- Deferred tax		252	30,194
viii Profit for the year (vi-vii)		15,710,329	13,764,267
Earnings per share (of ₹10/- each)			
- Basic		265.38	232.50
- Diluted		265.38	232.50

See accompanying notes to the financial statements

As per our report of even date
For S.C. Vasudeva & Co.,
Chartered Accountants
Firm Regn. No. 000235N

(Sanjiv Mohan)
Partner
M. No. 86066

PLACE : LUDHIANA
DATED : 18.08.2012

For and on behalf of the Board of Directors
of Ludhiana Stock Exchange Limited

(Joginder Kumar)
Chairman

(Pooja M. Kohli)
Sr. General Manager
cum Company Secretary

(Sanjay Anand)
Chairman, Audit Committee

(Snehjeet Kaur)
Manager Accounts

NOTES FORMING PART OF FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Ludhiana Stock Exchange Limited (The Company) is a public company incorporated under the provisions of the Companies Act, 1956 on 17.10.1981. The company is engaged in promotion and regulation of trade of stocks and shares.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Accounting Convention

The accounts are prepared on accrual basis under the historical cost convention in accordance with the accounting standards referred to in sub section (3C) of Section 211 and other relevant provisions of the Companies Act 1956.

b) Use of Estimates:

The preparation of financial statements, in conformity with the generally accepted accounting principles, require estimates and assumptions to be made that affect the reported amount of assets and liabilities as of to date of the financial statements and the reported amount of revenues and expenses during the reported period. Difference between the actual results and estimates are recognized in the period in which the results materialise.

c) Revenue Recognition

- i) Listing fee is recognised in respect of those companies, where it is reasonably certain that the ultimate collection will be made.
- ii) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- iii) Dividend from investment in share is recognized when right to receive payment is established.

d) Fixed Assets

- i) Fixed Assets are stated at historical cost less accumulated amount of depreciation.
- ii) Cost of fixed assets comprises purchase price and any attributable expenditure (both direct and indirect) for bringing an asset to its working condition for its intended use.

e) Intangible Assets

Intangible assets are stated at cost less accumulated amount of amortization.

f) Depreciation

- a. Depreciation is provided on written down value method in accordance with and in the manner specified in schedule XIV to the Companies Act, 1956.
- b. Depreciation on assets costing ₹5000/- or less is provided @100%.

g) Amortisation

Intangible assets are amortised on straight line method. These assets are amortised over their estimated useful life.

h) Inventories

Stock of stationery is valued at cost or net realisable value whichever is lower. The cost in respect of inventory is computed on FIFO basis.

i) Retirement Benefits:

1) Short Term Employee Benefits:

Short Term Employee Benefits are recognized as an expense on an undiscounted basis in the statement of profit and loss of the year in which the related service is rendered.

2) Post Employment Benefits :

i) Defined Contribution Plans:

Provident Fund:

Contribution to Provident Fund is made in accordance with the provisions of the Employees Provident Fund and Miscellaneous Provisions Act, 1952. and charged to statement of profit and loss.

ii) Defined Benefit Plans:

Gratuity :

Provision for Gratuity liability to employees is made on the basis of actuarial valuation as at close of the year.

Leave with wages:

Provision for leave with wages is made on the basis of actuarial valuation as at close of the year.

3) The actuarial gain/loss is recognized in the statement of profit and loss.

j) Investments.

Long term investments are carried at cost, less provisions, if any, for diminution in value which is other than temporary.

k) Borrowing Costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, are capitalised as part of the cost of the asset. Other borrowing costs, if any, are recognised as an expense in the period in which they are incurred.

l) Impairment of Assets

At each balance sheet date, an assessment is made whether any indication exists that an asset has been impaired. If any 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.

m) Accounting for Taxes on Income

The accounting treatment followed for taxes on income is to provide for current tax and deferred tax. Current tax is the aggregate amount of income tax determined to be payable in respect of taxable income for a period. Deferred tax is the tax effect of timing difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period.

n) Earning per share

Basic earning per share is computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

o) Provisions and Contingent Liabilities

a. Provisions are recognised for liabilities that can be measured by using a substantial degree of estimation, if :

- i) the company has a present obligation as a result of a past event ;
- ii) a probable outflow of resources embodying economic benefits is expected to settle the obligation ; and
- iii) the amount of the obligation can be reliably estimated.

b. Contingent liability is disclosed in the case of :

- i) a present obligation arising from a past event when it is not probable that an outflow of resources embodying economic benefit will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made or
- ii) a possible obligation that arises from past event and the existence of which will be confirmed only by occurrence or non occurrence of one or more uncertain future events not wholly within the control of the enterprise.

Notes to Financial Statements

Notes to Financial Statements for the year ended March 31st, 2012

(Amount in ₹)

3 Share Capital

PARTICULARS	AS AT 31-03-2012		AS AT 31-03-2011	
	Number	₹	Number	₹
Authorised :				
Equity shares of ₹10/- each (par value)	5,000,000	50,000,000	5,000,000	50,000,000
Total	5,000,000	50,000,000	5,000,000	50,000,000
Issued :				
Equity shares of ₹10/- each	70,000	700,000	70,000	700,000
Total	70,000	700,000	70,000	700,000
Subscribed :				
Equity shares of ₹10/- each	60,200	602,000	60,200	602,000
Total	60,200	602,000	60,200	602,000
Paid up :				
Equity shares of ₹10/- each	60,200	602,000	60,200	602,000
Less : Forfeited equity shares of ₹10/- each		10,000		10,000
	60,200	592,000	60,200	592,000
Add : Forfeited shares (amount originally paid up)		10,000		10,000
Total	60,200	602,000	60,200	602,000

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Equity Shares	AS AT 31-03-2012		AS AT 31-03-2011	
	Number	₹	Number	₹
At the beginning of the reporting period	60,200	602,000.	60,200	602,000
Add : Issued during the period	-	-	-	-
Outstanding at the end of the reporting period	60,200	602,000	60,200	602,000

b. Rights, preferences and restrictions attached to equity shares

The company has one class of shares referred to as equity shares having a par value of ₹10/- each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of directors is subject to the approval of the shareholders in the ensuing annual general meeting and then equity shareholder is entitled for dividend.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

c. Details of shares held by holding company / ultimate holding company their subsidiaries and associates

There is no holding or ultimate holding company of the company.

d. Aggregate number and class of shares allotted (a) as fully paid up pursuant to contract(s) without payment being received in cash, (b) as fully paid up by way of bonus shares and (c) aggregate number and class of shares bought back (d) forfeited shares (amount originally paid up) during the period of five years immediately preceding the balance sheet date:

	AS AT 31-03-2012 Number	AS AT 31-03-2011 Number
- Equity shares allotted as fully paid up pursuant to contract (s) without payment being received in cash	-	-
- Equity shares allotted as fully paid up by way of bonus shares	-	-
- Equity shares bought back by the company	-	-
- Forfeited shares (amount originally paid up)	1000 (₹10,000/-)	1000 (₹10,000/-)

e. Details of shares held by each shareholder holding more than 5% shares : Nil

4 Reserves and surplus

(Amount in ₹)

PARTICULARS	AS AT 31-03-2012 ₹	AS AT 31-03-2011 ₹
Capital reserve	117,751,540	117,751,540
Other reserves :		
General reserve		
Balance as per last financial statements	2,379,600	1,003,100
Add: Transferred from surplus in statement of profit and loss	15,71,500	1,376,500
Closing Balance	3,951,100	2,379,600
Investor services fund		
Balance as per last financial statements	14,509,480	14,168,577
Add : Transferred from statement of profit and loss (refer note 36)	1,094,258	-
: Transferred from surplus in statement of profit and loss	997,583	1,157,669
Less: Utilised during the year	713,978	816,766
Closing Balance	15,887,343	14,509,480
Settlement guarantee fund		
Balance as per last financial statements	48,794,669	46,298,451
Add: Transferred from surplus in statement of profit and loss	2,679,771	2,496,218
Closing Balance	51,474,440	48,794,669
Surplus i.e. balance in statement of profit and loss		
Balance as per the last financial statements	6,787,807	1,710,738
Add : Profit for the year transferred from statement of profit and loss	15,710,329	13,764,267
Add : Corporate dividend tax written back	162,115	201,221
Less : Income transferred to funds :		
a) Settlement guarantee fund {refer note 28(c)}	2,679,771	2,496,218
b) Investor services fund	819,876	765,821
Less : Appropriations :		
Appropriation to investor services fund	177,707	391,848
Interim dividend on equity shares	2,960,000	1,776,000
Proposed dividend on equity shares	-	1,776,000
Tax on dividend	209,995	306,032
Transferred to general reserve	15,71,500	1,376,500
Closing Balance	14,241,402	6,787,807
Total	203,305,825	190,223,096

5 Deferred tax liabilities (net)

PARTICULARS	AS AT 31-03-2012 ₹	AS AT 31-03-2011 ₹
Deferred tax liabilities		
Impact of difference between book balance and tax balance of fixed assets	45,870	45,618
Deferred tax Assets		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	-	-
Net deferred tax	45,870	45,618

6 Other long-term liabilities

PARTICULARS	AS AT 31-03-2012 ₹	AS AT 31-03-2011 ₹
Others :		
Security from members	40,600,324	39,049,013
Security from others	7,619,582	6,897,226
	48,219,906	45,946,239

7 Long-term provisions

(Amount in ₹)

PARTICULARS	AS AT 31-03-2012 ₹	AS AT 31-03-2011 ₹
Provision for employee benefits : Leave encashment	141,059	146,853
	<u>141,059</u>	<u>146,853</u>

8 Trade payables

PARTICULARS	AS AT 31-03-2012 ₹	AS AT 31-03-2011 ₹
Trade payable Other than acceptances	4,413,262	4,774,993
	<u>4,413,262</u>	<u>4,774,993</u>

9 Other current liabilities

PARTICULARS	AS AT 31-03-2012 ₹	AS AT 31-03-2011 ₹
Income received in advance	204,011	296,513
Unpaid dividend	3,124,640	208,480
Other payables		
- Statutory remittances**	80,679	81,591
- Due to employees	270,496	277,697
- Due to ex-members	1,990,683	1,983,696
- Expense payable #	7,221,408	5,921,140
- Earnest money for membership	25,000	25,000
- Advances from members	6,347,898	7,059,664
- Security from members	8,387,307	8,947,290
- Customer protection fund	1,495,088	875,014
- Deposits from companies against listing	10,277,275	10,277,275
	<u>39,424,485</u>	<u>35,953,360</u>

** Statutory remittance includes contribution to provident fund, ESIC, tax at source and service tax etc.

Includes ₹12,000/- (previous year ₹ nil) due to directors of the company.

Unpaid dividend do not include any amount due and outstanding required to be credited to Investors' Education and Protection Fund.

10 Short-term provisions

PARTICULARS	AS AT 31-03-2012 ₹	AS AT 31-03-2011 ₹
Provision for employee benefits : Leave encashment	44,952	44,782
Other provisions :		
Provision for interim dividend on equity shares	-	1,776,000
Provision for proposed dividend on equity shares	-	1,776,000
Provision for tax on dividend	-	306,032
	<u>44,952</u>	<u>3,902,814</u>

11 FIXED ASSETS

(Amount in ₹)

PARTICULARS	GROSS BLOCK						ACCUMULATED DEPRECIATION						NET BLOCK	
	Balance as at 1st April, 2011	Additions	Disposal	Other Adjustments	Balance as at 31st March, 2012	Balance as at 1st April, 2011	Depreciation/ amortisation expenses during the year	Eliminated on disposal of assets	Other adjustments	Balance as at 31st March, 2012	Balance as at 31st March, 2012	Balance as at 31st March, 2011	Balance as at 31st March, 2011	
a) Tangible Assets														
Freehold Land	65,742,904	-	-	-	65,742,904	-	-	-	-	-	-	65,742,904	65,742,904	
Buildings	40,772,330	-	736,216	-	40,036,114	24,331,288	787,306	453,368	-	24,665,226	15,370,888	16,441,042	16,441,042	
Plant and Equipments	28,631,153	-	654,831	-	27,976,322	23,257,564	740,825	594,284	-	23,404,105	4,572,217	5,373,589	5,373,589	
Office Equipments	8,145,155	68,468	-	117,690	8,095,933	6,579,269	286,618	-	105,857	6,760,030	1,335,903	1,565,886	1,565,886	
Furniture and Fixtures	552,827	7,210	-	-	560,037	529,436	10,100	-	-	539,536	20,501	23,391	23,391	
Vehicles	637,923	-	-	-	637,923	264,432	96,697	-	-	361,129	276,794	373,491	373,491	
Total (a)	144,482,292	75,678	1,391,047	117,690	143,049,233	54,961,989	1,921,546	1,047,652	105,857	55,730,026	87,319,207	89,520,303	89,520,303	
b) Intangible Assets														
Computer Software	198,160	-	-	-	198,160	132,160	22,000	-	-	154,160	44,000	66,000	66,000	
Total (b)	198,160	-	-	-	198,160	132,160	22,000	-	-	154,160	44,000	66,000	66,000	
Grand Total (a + b)	144,680,452	75,678	1,391,047	117,690	143,247,393	55,094,149	1,943,546	1,047,652	105,857	55,884,186	87,363,207	89,586,303	89,586,303	
Previous year	141,294,010	3,507,661	121,219		144,880,452	53,125,828	2,082,908	114,587	-	55,094,149	89,586,303	-	-	

Notes :- Intangible assets are not internally generated.

12 Non current investments

(Amount in ₹)

PARTICULARS	AS AT 31-03-2012 ₹	AS AT 31-03-2011 ₹
Long term investments		
Trade investment (at cost)		
Investment in equity instruments of subsidiary company 3331075 (previous year 3331075) equity shares of ₹ 10/- fully paid up of LSE Securities Limited	34,517,625	34,517,625
	<u>34,517,625</u>	<u>34,517,625</u>

13 Long-term loans and advances

PARTICULARS	AS AT 31-03-2012 ₹	AS AT 31-03-2011 ₹
(Unsecured considered good)		
Security deposits	559,546	530,845
Prepaid expenses	4,570	-
Advance income tax {net of provision for tax ₹1,25,77,600/- (Previous year ₹1,03,96,000/-)}	15,072,841	17,240,524
	<u>15,636,957</u>	<u>17,771,369</u>

14 Other non-current assets

PARTICULARS	AS AT 31-03-2012 ₹	AS AT 31-03-2011 ₹
(Unsecured considered good)		
Others :		
Members security :		
- Held as fixed deposits	24,387,543	22,886,232
- Held as members investment	812,781	812,781
Non current bank balances (refer note no. 17)	15,802,950	19,371,497
Interest accrued on fixed deposits	490,548	1,249,241
	<u>41,493,822</u>	<u>44,319,751</u>

15 Inventories

PARTICULARS	AS AT 31-03-2012 ₹	AS AT 31-03-2011 ₹
(At cost or net realisable value, whichever is lower) :		
Stationery stock	82,644	65,074
	<u>82,644</u>	<u>65,074</u>

(Amount in ₹)

16 Trade receivables

PARTICULARS	AS AT 31-03-2012 ₹	AS AT 31-03-2011 ₹
Trade receivables outstanding for a period exceeding six months from the date they are due for payment :		
- Secured, considered good	822,791	772,182
- Unsecured, considered good	44,085	478,282
- Unsecured, considered doubtful	287,785	-
	<u>1,154,661</u>	<u>1,250,464</u>
Less : Allowances for doubtful trade receivables	<u>287,785</u>	866,876
		<u>-</u>
		1,250,464
Other trade receivables		
- Secured, considered good	2,407,615	2,063,626
- Unsecured, considered good	<u>298,786</u>	2,706,401
		<u>5,912</u>
	<u>3,573,277</u>	<u>3,320,002</u>

17 Cash and bank balances

PARTICULARS	AS AT 31-03-2012 ₹	AS AT 31-03-2011 ₹
Cash and cash equivalents		
a) Balances with banks		
- In current accounts	3,630,562	484,124
- Deposits with maturity of less than three months	13,996,000	-
b) Cash in hand	6,520	21,715
Other Bank Balances :		
a) Earmarked balances with banks :		
- Dividend account	3,124,640	208,480
b) Deposits with maturity more than three months but less than twelve months	18,537,361	23,904,210
c) Deposits with more than twelve months maturity	15,802,950	19,371,497
Others :		
Earmarked fixed deposits with banks :		
- Settlement Guarantee Fund (SGF)	48,564,635	45,046,130
- Investor Services Fund (ISF)	15,341,775	14,590,727
	<u>119,004,443</u>	<u>103,626,883</u>
Less: Amounts disclosed as other non current assets (refer note 14)	15,802,950	19,371,497
	<u>103,201,493</u>	<u>84,255,386</u>

18 Short-term loans and advances

(Amount in ₹)

PARTICULARS	AS AT 31-03-2012 ₹	AS AT 31-03-2011 ₹
(Unsecured considered good)		
Loans and advances to related parties (refer note 33)	258,981	82,915
Others:		
Advances to supplier's	-	15,625
Loans and advances to employees' #	393,541	402,228
Prepaid expenses	138,486	143,784
Interest accrued on fixed deposits **	8,612,777	6,399,261
Other recoverables :		
- Considered good	924,549	715,650
- Considered doubtful	1,425,654	1,425,654
	2,350,203	2,141,304
Less: Allowances for Doubtful Advances	1,425,654	715,650
	10,328,334	7,759,463

Includes ₹27,550/- (previous year ₹72,849/-) due from officer of the company.

** Includes ₹42,17,498/- and ₹10,75,157/- (previous year ₹42,55,781/- and ₹7,51,615) pertaining to Settlement Guarantee Fund and Investor Services Fund respectively.

19 Revenue from operations

PARTICULARS	For the year ended 31-03-2012 ₹	For the year ended 31-03-2011 ₹
Other operating revenues :		
- Membership fee	301,000	304,000
- Listing fee	1,111,139	2,276,983
- Maintenance charges	5,676,118	5,471,996
- Miscellaneous	157,840	47,256
Revenue from operations	7,246,097	8,100,235

20 Other Income

PARTICULARS	For the year ended 31-03-2012 ₹	For the year ended 31-03-2011 ₹
Interest received :		
- From banks (Gross) {TDS ₹9,43,709/- (previous year ₹8,40,100/-)}	9,374,573	8,421,523
- From others	397,229	695,888
Dividend income from long term trade investments		
- Subsidiary	4,330,398	2,478,638
Claims received (net of expenses)	15,500	-
Rent received	22,201,314	18,468,560
Transfer fee received	171,400	316,400
Training and education cell (net of expenses)	347,236	328,898
Bad debts recovered	209,700	559,100
Prior period items	-	1,250
Net gain on sale of fixed assets	453,394	-
Miscellaneous	285,275	443,820
	37,786,019	31,714,077

21 Employee benefits expenses

PARTICULARS	For the year ended 31-03-2012 ₹	For the year ended 31-03-2011 ₹
Salaries and wages	4,097,575	3,933,566
Contribution to provident and other funds	518,132	476,225
Staff welfare expenses	219,444	211,738
	<u>4,835,151</u>	<u>4,621,529</u>

22 Other Expenses

PARTICULARS	For the year ended 31-03-2012 ₹	For the year ended 31-03-2011 ₹
Contribution to customer protection fund	923,645	887,983
Contribution to FISE	-	50,000
Fee to SEBI	100,000	100,000
Electricity and water	8,890,023	8,603,102
Repairs and maintenance - Plant and machinery	264,443	440,450
Repairs and maintenance - Buildings	390,424	75,521
Insurance	197,065	202,766
Rates and taxes	102,218	417,781
Legal and professional	330,113	1,080,822
Travelling and conveyance :		
- Directors	124,337	108,537
- Others	30,949	85,821
Printing and stationery	324,757	264,528
Auditors' Remuneration :		
- Audit fee	75,000	75,000
- Tax audit	15,000	15,000
- Income tax matters	15,000	15,000
- In other capacity	10,000	25,000
- Reimbursement of expenses	13,426	7,413
Internal Auditors' Remuneration :		
- Audit fee	40,000	40,000
- Reimbursement of expenses	26,000	26,000
Board and committee meetings	86,580	52,018
General meetings of members	103,495	45,900
Directors' sitting fee	24,500	32,000
Communication expenses	626,271	481,261
Allowances for doubtful trade receivables	287,785	-
Net loss on sale/discard of fixed assets	11,833	4,231
Prior period items (net)	53,550	-
Bad debts written off	10,748	263,110
Security charges	2,510,437	2,263,798
Interest on members security	1,180,000	-
Miscellaneous	1,080,932	969,521
	<u>17,848,531</u>	<u>16,632,563</u>

23. **Contingent Liabilities in respect of** (to the extent not provided for):
(No outflow is expected in view of the past history relating to these items)
- Claims not acknowledged as debts ₹9,80,220/- (previous year Nil).
24. In accordance with the accounting policy of the Company, the income in respect of listing fee is recognised when it is reasonably certain that ultimate collection thereof will be made. In view of uncertainty relating to the recovery of listing fee for the year amounting to ₹42,13,000/- due from various companies, the recognition of such fee has been postponed. The same will be recognized as and when ultimate collection thereof is reasonably certain.
25. The company has received fixed deposits receipts in its name as security from members aggregating ₹2,43,87,543/- (previous year ₹2,28,86,232/-) in lieu of shares and securities. Such fixed deposits receipts are shown under other non- current assets.
26. The listing fee received from various companies is shown net of ₹1,28,587/- (previous year ₹2,83,537/-) being the contribution made to SEBI. The gross amount of Listing Fee accrued during the year is ₹12,39,726/- (previous year ₹25,76,035/-).
27. As per SEBI directives, the Company has contributed ₹12,859/- (previous year ₹28,354/-) @ 1% of the Listing Fee received during the year to Customer Protection Fund (CPF) and ₹9,10,786 /- (previous year ₹8,59,629/-) the amount of interest earned on security deposits received from companies against listing.
28. a) The Company has received interest of ₹38,78,106/- (previous year ₹36,12,471/-) on the deposits made out of funds contributed towards Settlement Guarantee Fund.
- b) The Company has received interest of ₹11,86,506/- (previous year ₹11,08,279/-) on the deposits made out of funds for investor services and also contributed 20% of the listing fees received amounting to ₹2,57,173/- (previous year ₹5,67,074/-) towards funds for Investor Services as per SEBI directives.
- c) The interest received as stated in para a and b above has been recognized as income in the statement of profit and loss of the year. Thereafter the net amount of interest (i.e. income credited to statement of profit and loss less applicable rate of income tax to the company) of ₹26,79,771/- and ₹8,19,876/- has been appropriated to Settlement Guarantee Fund and Investor Services Fund respectively.
29. i) The company had received scrips of various companies from members as security against the performance of the contracts, deposited towards Base Minimum Capital(BMC), Additional Base Minimum Capital and other margins etc. Such scrips record are lying in the company have been recorded in the memoranda records maintained by the company. No accounting entries passed in the books of accounts.
- ii) In case of defaulters and suspended members the company has got the scrips transferred in its name accounting entries for such scrips are made in respect of defaulting members and suspended members by crediting "Members' security (in kind) account" and debiting "Members' investment account." The scrips in such cases have been valued at the quoted price prevailing on the day of tendering of transfer deeds.
30. The company has utilized ₹7,13,978 /- (previous year ₹8,16,766/-) out of the Investor Services Fund. The details of the expenses incurred are as under: -

(Amount in ₹)

No.	PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
1.	Bulletin & News Papers, Books & Periodicals	26270	48490
2.	Investor's Meetings & Seminars	275772	138523
3.	Salaries & Allowance	221093	208627
4.	Travelling & Conveyance	32555	14224
5.	Refreshment Charges	58239	20378
6.	Library Maintenance Charges	-	8500
7.	Investor Awareness Publication Expenses	100049	177774
8.	Website Maintenance Charges	-	200000
9.	Miscellaneous Expenses	-	250
	TOTAL	713978	816766

31. The intangible asset which comprises of software have been amortized @20% on straight line basis as the useful life thereof has been estimated to be not more than five years.

32 . Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

(Amount in ₹)

Sr.	Particulars	As at 31st March 2012	As at 31st March 2011
1	Principal amount remaining unpaid to any supplier as at the end of accounting period	458,674	3,314
2	Interest due on remaining unpaid to any supplier as at the end of the accounting period	-	-
3	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
4	The amount of interest due and payable for the year	-	-
5	The amount of interest accrued and remaining unpaid at the end of accounting year	-	-
6	The amount of further interest due and payable even in the succeeding year, until such date when the interest above are actually paid	-	-

The above stated information has been determined on the basis of data available with the management. This has been relied upon by the auditors.

33. Related Party Disclosure :

a) Disclosure of Related Parties and relation between the parties.

1. Subsidiary LSE Securities Limited
2. Key Management Personnel Mrs. Pooja M. Kohli,

i) The following transactions were carried out with related parties in the ordinary course of business :

PARTICULARS	KEY MANAGEMENT PERSONNEL (KMP)		SUBSIDIARY	
	2011-12	2010-11	2011-12	2010-11
Rent Received	-	-	39,06,047	29,19,204
Dividend Received	-	-	43,30,399	24,78,638
Payment to KMP :				
- As Remuneration	6,77,972	6,54,005	-	-
- Advances to subsidiary	-	-	2,58,981	82,915

b) Entities under control

- Stock Exchange Customer Protection Fund

i) The following transactions were carried out with the entities under control

PARTICULARS	2011-12	2010-11
Contribution to CPF (a proportionate amount of Listing Fee Received)	12,859	28,354
Interest paid to CPF	9,10,786	8,59,629

34. EARNING PER SHARE

The calculation of earning per share (EPS) as disclosed in the statement of profit and loss has been made in accordance with Accounting Standard (AS-20) on "Earnings Per Share" notified by Companies (Accounting Standards) Rules, 2006.

SR.No.	PARTICULARS	2011-12	2010-11
1.	Average Number of Equity Shares of ₹10/- each outstanding (No.)	59200	59200
2.	Profit/(loss) for the year attributable to equity shareholders (₹)	1,57,10,329	1,37,64,267
3.	Earnings per share (Basic)	265.38	232.50
4.	Earnings per share (Diluted)	265.38	232.50
5.	Nominal Value per Equity Share	₹ 10	₹ 10

35. In accordance with the Accounting Standard (AS)- 28 on "Impairment of Assets" the company has assessed as on balance sheet date, whether there are any indications (as listed in paragraphs 8 to 10 of the standard) with regards to the impairment of any of the assets. Based on such assessment it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly no impairment loss has been provided in the books of account.

36. SEBI in its inspection report pointed out that the company cannot utilize amount lying in investor services fund for website development and maintenance charges. The company has been advised by SEBI to reverse these expenses incurred during the year and in the preceding years out of investor services fund. Accordingly a sum of ₹ 10,94,258 pertaining to earlier years has been debited to statement of profit and loss as an exceptional item corresponding credit to investor services fund.

37. The provision for tax on distributed profit in the previous year was net of amount exempted under sub section 1A of section 115-O of the Income Tax Act, 1961.

38. Employee Benefits:

The summarized position of post-employment benefits and long term employee benefits recognized in the statement of profit and loss and balance sheet as required in accordance with Accounting Standard-15 Employee Benefits are as under :-

(a) Changes in the present value of obligations:

(Amount in ₹)

PARTICULARS	GRATUITY (FUNDED)		LEAVE ENCASHMENT (UNFUNDED)	
	2011-12	2010-11	2011-12	2010-11
Present value obligations as at beginning of the year	1111165	1005099	146853	174041
Interest cost	97227	85433	8290	9049
Current service cost	76272	73693	119018	119036
Benefit paid	-	-	(104216)	(135170)
Actuarial loss/(gain) on obligations	(21721)	(53060)	(28886)	(20103)
Present value of obligation as at close of year	1262943	1111165	141059	146853

(b) Changes in the present value of plan asset :

(Amount in ₹)

PARTICULARS	GRATUITY (FUNDED)		LEAVE ENCASHMENT (UNFUNDED)	
	2011-12	2010-11	2011-12	2010-11
Fair value of plan assets as at beginning of the year	1244880	1101188	-	-
Expected return on plan assets	114759	101016	-	-
Contributions	60441	42430	-	-
Withdrawals/benefits paid	-	-	(104216)	(135170)
Actuarial loss/(gain) on plan assets	728	246	-	-
Fair value of plan assets as at close of year	1420808	1244880	-	-

The disclosure of change in present value of Plan Assets in respected of leave encashment is not required being unfunded.

(c) Amount recognized in balance sheet :

(Amount in ₹)

PARTICULARS	GRATUITY (FUNDED)		LEAVE ENCASHMENT (UNFUNDED)	
	2011-12	2010-11	2011-12	2010-11
Present value obligation as at close of the year	1262943	1111165	141059	146853
Fair value of plan assets as at close of the year	1420808	1244880	-	-
Funded status	157865	133715	(141059)	(146853)
Net assets / (liability) recognized in balance sheet	(157865)	(133715)	141059	146853

(d) Expense recognized in statement of profit and loss :**(Amount in ₹)**

PARTICULARS	GRATUITY (FUNDED)		LEAVE ENCASHMENT (UNFUNDED)	
	2011-12	2010-11	2011-12	2010-11
Current service cost	76272	73693	119018	119036
Interest cost	97227	85433	8290	9049
Expected return on plan assets	(114759)	(101016)	-	-
Net actuarial loss / (gain) recognized in the year	(22449)	(53306)	(28886)	(20103)
Expenses recognized in statement of profit and loss	36291	4804	98422	107982

(e) Principle actuarial assumptions :**(Amount in ₹)**

PARTICULARS	GRATUITY (FUNDED)		LEAVE ENCASHMENT (UNFUNDED)	
	2011-12	2010-11	2011-12	2010-11
Discount rate (per annum)	8.75%	8.5%	8.75%	8.5%
Rate of increase in compensation levels (per annum)	5%	5%	5%	5%
Rate of return on plan assets (per annum)	9%	9%	N.A.	N.A.
Expected average remaining working lives of employees (years)	17.69	18.50	17.69	18.50
Method used	Projected Unit Credit Method		Projected Unit Credit Method	

- (f) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employee market.
- (g) During the year ,the company has recognized an expense of ₹44952/- (previous year ₹44782/-) as short term leave liability
- (h) During the year, the company has recognized an expense of ₹2,99,890/- (previous year ₹2,85,481/-) in respect of Contribution to Employees Provident Fund .
- (i) The plan assets are maintained with Life Insurance Corporation of India (LIC). The details of Investments maintained by LIC have not been furnished to the company. The same have therefore not been disclosed.

39. Figures in brackets indicate deductions. The amount has been rounded off to the nearest rupee.

40. The financial statements for the year ended 31st March , 2012 has been prepared as per Revised Schedule VI to the Companies Act, 1956. Accordingly the previous year figures have been reclassified to confirm to this year's classification.

41. The information required by the paragraph 5 of general instructions for preparation of the statement of profit and loss as per Revised Schedule VI of the Companies Act, 1956 is not applicable to the company.

**For and on behalf of the Board of Directors
of Ludhiana Stock Exchange Limited**

(Joginder Kumar)
Chairman

(Sanjay Anand)
Chairman, Audit Committee

PLACE : LUDHIANA
DATED : 18.08.2012

(Pooja M. Kohli)
Sr. General Manager
cum Company Secretary

(Snehjeet Kaur)
Manager Accounts



**CONSOLIDATED
FINANCIAL
STATEMENTS**

AUDITORS' REPORT

To

The Board of Directors

Ludhiana Stock Exchange Limited

1. We have examined the attached Consolidated Balance Sheet of Ludhiana Stock Exchange Limited ("the Company") and its subsidiary as at 31st March, 2012 and also the consolidated statement of profit and loss for the year ended on that date annexed thereto. These consolidated financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of all material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of the subsidiary whose financial statements reflect total assets of Rs. 22534.54 lacs as at 31st March, 2012 and total revenue of Rs. 546.62 lacs. The financial statements and other financial information have been audited by another auditor whose report have been furnished to us, and our opinion is based solely on the report of other auditor.
4. We report that the consolidated financial statements have been prepared by the company's management in accordance with the requirements of Accounting Standard (AS) 21, "Consolidated Financial Statement" as notified by the Companies (Accounting Standards) Rules, 2006 and on the basis of the separate audited financial statements of the company and its subsidiary included in the consolidated financial statements.
5. On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the company and its subsidiary, we are of the opinion that the consolidated financial statements read together with the notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India;
 - (a) in the case of the consolidated balance sheet, of the consolidated state of affairs of the company and its subsidiary as at 31st March, 2012; and
 - (b) in the case of the consolidated statement of profit and loss, of the consolidated results of operations of the company and its subsidiary for the year then ended.

For S.C. VASUDEVA & CO.
Chartered Accountants,
Firm Redg. No. 000235N

(Sanjiv Mohan)
Partner
M. No. 86066

PLACE: LUDHIANA
DATED: 18.08.2012

Consolidated Results of Ludhiana Stock Exchange Limited

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2012

(Amount in ₹)

PARTICULARS	Note No.	AS AT 31-03-2012	AS AT 31-03-2011
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
a) Share capital	3	602,000	602,000
b) Reserves and surplus	4	235,436,157	220,851,974
		<u>236,038,157</u>	<u>221,453,974</u>
2 Minority Interest			
a) Share capital		31,897,460	31,897,460
b) Reserves and surplus		57,176,718	48,736,381
		<u>89,074,178</u>	<u>80,633,841</u>
3 Non-current liabilities			
a) Long-term borrowings		-	-
b) Deferred tax liabilities (net)	5	269,870	381,618
c) Other long term liabilities	6	88,944,906	92,881,239
d) Long-term provisions	7	559,911	615,357
		<u>89,774,687</u>	<u>93,878,214</u>
4 Current liabilities			
a) Short-term borrowings		-	-
b) Trade payables	8	175,237,852	195,276,261
c) Other current liabilities	9	1,922,968,648	2,297,098,334
d) Short-term provisions	10	1,780,800	7,296,317
		<u>2,099,987,300</u>	<u>2,499,670,912</u>
TOTAL		<u>2,514,874,322</u>	<u>2,895,636,941</u>
II ASSETS			
1 Non-current assets			
a) Fixed assets	11		
i) Tangible assets		89,883,656	92,970,836
ii) Intangible assets		373,348	642,716
		<u>90,257,004</u>	<u>93,613,552</u>
b) Non-current investments	12	10,000	2,010,000
c) Long-term loans and advances	13	70,399,113	70,218,762
d) Other non-current assets	14	135,089,684	46,017,867
		<u>295,755,801</u>	<u>211,860,181</u>
2 Current assets			
a) Current investments	15	3,500,000	19,500,000
b) Inventories	16	102,864	486,915
c) Trade receivables	17	126,821,812	125,551,983
d) Cash and bank balances	18	266,798,375	434,229,055
e) Short-term loans and advances	19	19,356,779	15,692,820
f) Other current assets	20	1,802,538,691	2,088,315,987
		<u>2,219,118,521</u>	<u>2,683,776,760</u>
TOTAL		<u>2,514,874,322</u>	<u>2,895,636,941</u>

See accompanying notes to the financial statements

As per our report of even date
For S.C. Vasudeva & Co.,
Chartered Accountants
Firm Regn. No. 000235N

For and on behalf of the Board of Directors
of Ludhiana Stock Exchange Limited

(Sanjiv Mohan)
Partner
M. No. 86066

(Joginder Kumar)
Chairman

(Sanjay Anand)
Chairman, Audit Committee

PLACE : LUDHIANA
DATED : 18.08.2012

(Pooja M. Kohli)
Sr. General Manager
cum Company Secretary

(Snehjeet Kaur)
Manager Accounts

Consolidated Results of Ludhiana Stock Exchange Limited
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2012

(Amount in ₹)

PARTICULARS	Note No.	For the year ended 31-03-2012	For the year ended 31-03-2011
i Revenue from operations	21	36,872,745	41,030,855
ii Other income	22	54,949,827	48,789,043
iii Total revenue (i+ii)		91,822,572	89,819,898
iv Expenses :			
Employee benefits expense	23	17,306,253	17,171,197
Finance costs	24	135,743	288,503
Depreciation and amortization expense		3,449,479	4,112,767
Other expenses	25	29,742,560	29,623,473
Total expenses		50,634,035	51,195,940
v Profit before exceptional items, tax and minority interest (iii-iv)		41,188,537	38,623,958
vi Exceptional items (refer note 36)		1,094,258	-
vii Profit before tax and minority interest (v-vi)		40,094,279	38,623,958
viii Tax expense :			
- Current tax expense for current year		10,851,600	10,992,000
- Current tax expense relating to prior years		(111,400)	(91,536)
- Deferred tax		(111,748)	(49,806)
ix Profit after tax but before minority interest (vii-viii)		29,465,827	27,773,300
x Minority interest		8,440,337	7,926,309
xi Profit after tax and minority interest (ix-x)		21,025,490	19,846,991
Earnings per share (of ₹10/- each)			
- Basic		355.16	335.25
- Diluted		355.16	335.25

See accompanying notes to the financial statements

As per our report of even date
For S.C. Vasudeva & Co.,
Chartered Accountants
Firm Regn. No. 000235N

For and on behalf of the Board of Directors
of Ludhiana Stock Exchange Limited

(Sanjiv Mohan)
Partner
M. No. 86066

(Joginder Kumar)
Chairman

(Sanjay Anand)
Chairman, Audit Committee

PLACE : LUDHIANA
DATED : 18.08.2012

(Pooja M. Kohli)
Sr. General Manager
cum Company Secretary

(Snehjeet Kaur)
Manager Accounts

NOTES FORMING PART OF FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Ludhiana Stock Exchange Limited (The Company) is a public company incorporated under the provisions of the Companies Act, 1956 on 17.10.1981. The company is engaged in promotion and regulation of trade of stocks and shares.

2. SIGNIFICANT ACCOUNTING POLICIES

(A) Accounting Convention

The accounts are prepared on accrual basis under the historical cost convention in accordance with the accounting standards referred to in sub section (3C) of Section 211 and other relevant provisions of the Companies Act 1956.

(B) Use of Estimates:

The preparation of financial statements, in conformity with the generally accepted accounting principles, require estimates and assumptions to be made that affect the reported amount of assets and liabilities as of to date of the financial statements and the reported amount of revenues and expenses during the reported period. Difference between the actual results and estimates are recognized in the period in which the results materialize.

(C) Revenue Recognition

- i) Listing fee is recognised in respect of those companies, where it is reasonably certain that the ultimate collection will be made.
- ii) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- iii) Dividend from investment in share is recognized when right to receive payment is established.
- iv) Income in respect of zero holding depository accounts is accounted for at the time of reasonable certainty of its collection.

(D) Fixed Assets

- i) Fixed Assets are stated at historical cost less accumulated amount of depreciation.
- ii) Cost of fixed assets comprises purchase price and any attributable expenditure (both direct and indirect) for bringing an asset to its working condition for its intended use.

(E) Intangible Assets

Intangible assets are stated at cost less accumulated amount of amortization.

(F) Depreciation

- i) Depreciation is provided on written down value method in accordance with and in the manner specified in schedule XIV to the Companies Act, 1956.
- ii) Depreciation on assets costing ₹ 5,000/- or less has been provided @100%.

(G) Amortisation

Intangible assets are amortised on straight line method. These assets are amortised over their estimated useful life.

(H) Inventories

Stock of stationery and stores and spares are valued at cost or net realisable value whichever is lower. The cost in respect of inventory is computed on FIFO basis.

(I) Retirement Benefits:

i) Short Term Employee Benefits:

Short Term Employee Benefits are recognized as an expense on an undiscounted basis in the statement of profit and loss of the year in which the related service is rendered.

ii) Post Employment Benefits:

(a) Defined Contribution Plans:

(i) Provident Fund:

Contribution to Provident Fund is made in accordance with the provisions of the Employees Provident Fund and Miscellaneous Provisions Act, 1952. and charged to statement of profit and loss.

(b) Defined Benefit Plans:

(i) Gratuity:

Provision for Gratuity liability to employees is made on the basis of actuarial valuation as at close of the year.

(ii) Leave with wages:

Provision for leave with wages is made on the basis of actuarial valuation as at close of the year.

(iii) The actuarial gain/loss is recognized in the statement of profit and loss.

(J) Investments.

Long-term investments are carried at cost, less provisions, if any, for diminution in value which is other than temporary.

(K) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the asset. Other borrowing costs, if any, are recognised as an expense in the period in which they are incurred.

(L) Impairment of Assets

At each balance sheet date 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.

(M) Accounting for Taxes on Income

The accounting treatment followed for taxes on income are to be provided for current tax and deferred tax. Current tax is the aggregate amount of income tax determined to be payable in respect of taxable income for a period. Deferred tax is the tax effect of timing difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period.

(N) Earning per Share

Basic earning per share is computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

(O) Provisions and Contingent Liabilities

a. Provisions are recognised for liabilities that can be measured by using a substantial degree of estimation, if:

- i) The company has a present obligation as a result of a past event;
- ii) A probable outflow of resources embodying economic benefits is expected to settle the obligation; and
- iii) The amount of the obligation can be reliably estimated.

b. Contingent liability is disclosed in the case of:

- i) a present obligation arising from a past event when it is not probable that an outflow of resources embodying economic benefit will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made or
- ii) a possible obligation that arises from past event and the existence of which will be confirmed only by occurrence or non occurrence of one or more uncertain future events not wholly within the control of the enterprise.

Consolidated Results of Ludhiana Stock Exchange Limited

Notes to Financial Statements for the year ended March 31st 2012

3 Share Capital

(Amount in ₹)

PARTICULARS	AS AT 31-03-2012		AS AT 31-03-2011	
	Number	₹	Number	₹
Authorised :				
Equity shares of ₹10/- each (par value)	5,000,000	50,000,000	5,000,000	50,000,000
Total	5,000,000	50,000,000	5,000,000	50,000,000
Issued :				
Equity shares of ₹10/- each	70,000	700,000	70,000	700,000
Total	70,000	700,000	70,000	700,000
Subscribed :				
Equity shares of ₹10/- each	60,200	602,000	60,200	602,000
Total	60,200	602,000	60,200	602,000
Paid up :				
Equity shares of ₹10/- each	60,200	602,000	60,200	602,000
Less : Forfeited 1,000 equity shares of ₹10/- each		10,000		10,000
	60,200	592,000	60,200	592,000
Add : Forfeited shares (amount originally paid up)		10,000		10,000
Total	60,200	602,000	60,200	602,000

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Equity Shares	AS AT 31-03-2012		AS AT 31-03-2011	
	Number	₹	Number	₹
At the beginning of the reporting period	60,200	602,000	60,200	602,000
Add : Issued during the period	-	-	-	-
Outstanding at the end of the reporting period	60,200	602,000	60,200	602,000

b. Rights, preferences and restrictions attached to equity shares

The company has one class of shares referred to as equity shares having a par value of ₹10/- each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of directors is subject to the approval of the shareholders in the ensuing annual general meeting and then equity shareholder is entitled for dividend.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

c. Details of shares held by holding company / ultimate holding company their subsidiaries and associates

There is no holding or ultimate holding company of the company.

d. Aggregate number and class of shares allotted (a) as fully paid up pursuant to contract(s) without payment being received in cash, (b) as fully paid up by way of bonus shares and (c) aggregate number and class of shares bought back (d) forfeited shares (amount originally paid up) during the period of five years immediately preceding the balance sheet date:

	AS AT 31-03-2012	AS AT 31-03-2011
	Number	Number
- Equity shares allotted as fully paid up pursuant to contract (s) without payment being received in cash	-	-
- Equity shares allotted as fully paid up by way of bonus shares	-	-
- Equity shares bought back by the company	-	-
- Forfeited shares (amount originally paid up)	1000 (₹10,000/-)	1000 (₹10,000/-)

e. Details of shares held by each shareholder holding more than 5% shares : Nil

4 Reserves and surplus

(Amount in ₹)

PARTICULARS	AS AT 31-03-2012 ₹	AS AT 31-03-2011 ₹
Capital reserve	118,996,533	118,996,533
Other reserves :		
General reserve		
Balance as per last financial statements	6,324,822	4,948,322
Add: Transferred from surplus in statement of profit and loss	1,571,500	1,376,500
Closing Balance	7,896,322	6,324,822
Share premium		
Balance as per last financial statements	2,862,000	2,202,000
Add: Addition during the year	-	660,000
	2,862,000	2,862,000
Investor services fund		
Balance as per last financial statements	14,509,480	14,168,577
Add: Transferred from statement of profit and loss (refer note 36)	1,094,258	-
: Transferred from surplus in statement of profit and loss	997,583	1,157,669
Less: Utilised during the year	713,978	816,766
Closing Balance	15,887,343	14,509,480
Settlement guarantee fund		
Balance as per last financial statements	48,794,669	46,298,451
Add: Transferred from surplus in statement of profit and loss	2,679,771	2,496,218
Closing Balance	51,474,440	48,794,669
Surplus i.e. balance in statement of profit and loss		
Balance as per the last financial statements	29,364,470	21,598,180
Add : Profit for the year transferred from statement of profit and loss	21,025,490	19,846,991
Add : Corporate dividend tax written back	162,115	201,221
Less : Income transferred to funds :		
a) Settlement guarantee fund	2,679,771	2,496,218
b) Investor services fund	819,876	765,821
Less : Appropriations :		
Appropriation to investor services fund	177,707	391,848
Interim dividend on equity shares	4,515,350	3,318,098
Proposed dividend on equity shares	1,244,280	2,701,259
Dividend on preference shares	63,237	63,237
Tax on dividend	1,160,835	1,168,941
Transferred to general reserve	1,571,500	1,376,500
Closing Balance	38,319,519	29,364,470
Total	235,436,157	220,851,974

5 Deferred tax liabilities (net)

PARTICULARS	AS AT 31-03-2012 ₹	AS AT 31-03-2011 ₹
Deferred tax liabilities		
Impact of difference between book balance and tax balance of fixed assets	337,870	443,618
Deferred tax Assets		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	68,000	62,000
Net deferred tax	269,870	381,618

6 Other long-term liabilities

PARTICULARS	AS AT 31-03-2012 ₹	AS AT 31-03-2011 ₹
Others :		
Security from members	80,025,324	84,634,013
Security from others	8,919,582	8,247,226
	88,944,906	92,881,239

7 Long-term provisions

(Amount in ₹)

PARTICULARS	AS AT 31-03-2012 ₹	AS AT 31-03-2011 ₹
Provision for employee benefits : Leave encashment	559,911	615,357
	559,911	615,357

8 Trade payables

PARTICULARS	AS AT 31-03-2012 ₹	AS AT 31-03-2011 ₹
Trade payables Other than acceptances	175,237,852	195,276,261
	175,237,852	195,276,261

9 Other current liabilities

PARTICULARS	AS AT 31-03-2012 ₹	AS AT 31-03-2011 ₹
Income received in advance	986,799	1,488,960
Unpaid dividend	3,124,640	208,480
Other payables		
- Statutory remittances**	906,926	1,036,126
- Due to employees	1,208,191	1,817,901
- Due to ex-members	1,990,683	1,983,696
- Expense payable #	19,966,097	43,659,291
- Earnest money for membership	25,000	25,000
- Advances from members	6,347,898	7,059,664
- Security from members	1,876,640,051	2,228,666,926
- Customer protection fund	1,495,088	875,015
- Deposits from companies against listing	10,277,275	10,277,275
	1,922,968,648	2,297,098,334

** Statutory remittance includes contribution to provident fund, ESIC, tax at source, stamp duty and service tax etc.

Includes ₹12,000/- (previous year ₹ nil) due to directors of the company.

Unpaid dividend do not include any amount due and outstanding required to be credited to Investors' Education and Protection Fund.

10 Short-term provisions

PARTICULARS	AS AT 31-03-2012 ₹	AS AT 31-03-2011 ₹
Provision for employee benefits : Leave encashment	44,952	44,782
Other provisions :		
Provision for interim dividend on equity shares	-	3,318,098
Provision for proposed dividend on equity shares	1,244,280	2,701,259
Provision for proposed dividend on preference shares	63,237	63,237
Provision for tax on dividend	428,331	1,168,941
	1,780,800	7,296,317

11 FIXED ASSETS

(Amount in ₹)

PARTICULARS	GROSS BLOCK						ACCUMULATED DEPRECIATION						NET BLOCK	
	Balance as at 1 st April, 2011	Additions	Disposal	Other Adjustments	Balance as at 31 st March, 2012	Balance as at 1 st April, 2011	Depreciation/ amortisation expenses during the year	Eliminated on disposal of assets	Other adjustments	Balance as at 31 st March, 2012	Balance as at 31 st March, 2012	Balance as at 31 st March, 2011		
a) Tangible Assets														
Freehold Land	65,742,904	-	-	-	65,742,904	-	-	-	-	-	65,742,904	65,742,904		
Buildings	40,772,330	-	736,216	-	40,036,114	24,331,288	787,306	453,368	-	24,665,226	15,370,888	16,441,042		
Plant and Equipments	28,631,153	-	654,831	-	27,976,322	23,257,564	740,825	594,284	-	23,404,105	4,572,217	5,373,589		
Office Equipments	28,649,171	396,080	-	117,690	28,927,561	24,063,837	1,460,692	-	105,857	25,418,672	3,508,889	4,585,334		
Furniture and Fixtures	2,067,107	72,931	68,992	-	2,071,046	1,612,631	94,693	48,242	-	1,659,082	411,964	454,476		
Vehicles	643,788	-	-	-	643,788	270,297	96,697	-	-	366,994	276,794	373,491		
Total (a)	166,506,453	469,011	1,460,039	117,690	165,397,735	73,535,617	3,180,213	1,095,894	105,857	75,514,079	89,883,656	92,970,836		
b) Intangible Assets														
Computer Software and licenses	5,658,495	-	-	10,000	5,648,495	5,015,779	269,266	-	9,898	5,275,147	373,348	642,716		
Total (b)	5,658,495	-	-	10,000	5,648,495	5,015,779	269,266	-	9,898	5,275,147	373,348	642,716		
Grand Total (a + b)	172,164,948	469,011	1,460,039	127,690	171,046,230	78,551,396	3,449,479	1,095,894	115,755	80,789,226	90,257,004	93,613,552		
Previous year	166,884,585	5,401,582	121,219	-	172,164,948	74,553,217	4,112,767	114,588	-	78,551,396	93,613,552	-		

Notes :- Intangible assets are not internally generated.

12 Non current investments

(Amount in ₹)

PARTICULARS	AS AT 31-03-2012 ₹	AS AT 31-03-2011 ₹
Long term investments		
Trade Investments (at cost)		
a) Investment in Equity Instruments (unquoted)		
1,30,000 (Previous year 1,30,000) Equity shares of ₹1/- each of Bombay Stock Exchange Limited (fully paid)	10,000	10,000
b) Investment in mutual funds (quoted)		
Fixed maturity plans		
Nil (previous year 2,00,000) Units @ ₹10/- each of UTI		
Fixed maturity plan 03/11- Growth plan	-	2,000,000
	<u>10,000</u>	<u>2,010,000</u>

13 Long-term loans and advances

PARTICULARS	AS AT 31-03-2012 ₹	AS AT 31-03-2011 ₹
(Unsecured considered good)		
Capital advances	1,000,000	1,000,000
Security deposits	49,199,971	47,840,895
Loans and advances to employees'	302,544	441,985
Prepaid expenses	4,570	-
Advance income tax {net of provision for tax ₹2,79,17,751/- (Previous year ₹3,62,21,021/-)}	19,892,028	20,935,882
	<u>70,399,113</u>	<u>70,218,762</u>

14 Other non-current assets

PARTICULARS	AS AT 31-03-2012 ₹	AS AT 31-03-2011 ₹
(Unsecured considered good)		
Others :		
Members security :		
- Held as fixed deposits	24,387,543	22,886,232
- Held as members investment	812,781	812,781
Non current bank balances (refer note no. 18)	105,990,911	19,371,497
Interest accrued on fixed deposits	3,898,449	2,947,357
	<u>135,089,684</u>	<u>46,017,867</u>

15 Current investments

(Amount in ₹)

PARTICULARS	AS AT 31-03-2012 ₹	AS AT 31-03-2011 ₹
Current investments (valued at lower of cost and fair value)		
Investment in mutual funds (Unquoted)		
2,00,000 (previous year Nil) Units of ₹10/- each of UTI FMP 03/11 Growth	2,000,000	-
788.661 (previous year 788.661) Units of ₹901.9570 of UTI money market fund	1,500,000	1,500,000
Nil (previous year 1,00,000) Units of ₹10/- each of Axis Bank fixed term plan-series 13	-	1,000,000
Nil (previous 2,00,000) Units of ₹10/- each of ICICI Pru FMP Series 56	-	2,000,000
Nil (previous 2,00,000) Units of ₹10/- each of IDFC FMP- yearly Series 41 Growth	-	2,000,000
Nil (previous 2,00,000) Units of ₹10/- each of Kotak FMP 35 series- Growth	-	2,000,000
Nil (previous year 2,00,000) Units of ₹10/- each of Birla Sun Life Fixed term plan series CU Growth	-	2,000,000
Nil (previous year 2,50,000) Units of ₹10/- each of Reliance Fixed Horizon fund -XVII series	-	2,500,000
Nil (previous year 1,50,000) Units of ₹10/- each of Reliance Fixed Horizon fund -XIX series	-	1,500,000
Nil (previous year 1,00,000) Units of ₹10/- each of Reliance Fixed Horizon fund -XIX series	-	1,000,000
Nil (previous year 4,00,000) Units of ₹10/- each of Reliance Fixed Horizon fund -XVII Series	-	4,000,000
	3,500,000	19,500,000

16 Inventories

PARTICULARS	AS AT 31-03-2012 ₹	AS AT 31-03-2011 ₹
(At cost or net realisable value, whichever is lower) :		
Stationery stock	102,864	162,839
Stores and spares	-	324,076
	102,864	486,915

17 Trade receivables

PARTICULARS	AS AT 31-03-2012 ₹	AS AT 31-03-2011 ₹
Trade receivables outstanding for a period exceeding six months from the date they are due for payment :		
- Secured, considered good	16,811,006	11,826,702
- Unsecured, considered good	10,852,625	8,699,077
- Unsecured, considered doubtful	287,785	-
	<u>27,951,416</u>	<u>20,525,779</u>
Less : Allowances for doubtful trade receivables	<u>287,785</u>	<u>-</u>
	27,663,631	20,525,779
Other trade receivables		
- Secured, considered good	98,734,034	104,829,394
- Unsecured, considered good	<u>424,147</u>	<u>196,810</u>
	126,821,812	125,551,983

18 Cash and bank balances

(Amount in ₹)

PARTICULARS	AS AT 31-03-2012 ₹	AS AT 31-03-2011 ₹
Cash and cash equivalents		
a) Balances with banks		
- In current accounts	31,683,064	27,167,580
- Deposits with maturity of less than three months	13,996,000	-
b) Cash in hand	38,861	97,327
Other Bank Balances :		
a) Earmarked balances with banks :		
- Dividend account	3,124,640	208,480
b) Deposits with maturity more than three months but less than twelve months	154,049,400	218,718,811
c) Deposits with more than twelve months maturity	105,990,911	147,771,497
Others :		
Earmarked fixed deposits with banks :		
- Settlement Guarantee Fund (SGF)	48,564,635	45,046,130
- Investor Service Fund (ISF)	15,341,775	14,590,727
	372,789,286	453,600,552
Less: Amounts disclosed as other non current assets (refer note 14)	105,990,911	19,371,497
	266,798,375	434,229,055

19 Short-term loans and advances

PARTICULARS	AS AT 31-03-2012 ₹	AS AT 31-03-2011 ₹
(Unsecured considered good)		
Others:		
Advances to supplier's	-	15,625
Loans and advances to employees' #	890,865	503,998
Prepaid expenses	655,719	542,979
Interest accrued on fixed deposits **	16,400,622	13,607,171
Other recoverables :		
- Considered good	1,409,573	1,023,047
- Considered doubtful	1,425,654	1,425,654
	2,835,227	2,448,701
Less : Allowances for Doubtful Advances	1,425,654	1,425,654
	19,356,779	15,692,820

Includes ₹27,550/- (previous year ₹72,849/-) due from officer of the company.

** Includes ₹42,17,498/- and ₹10,75,157/- (previous year ₹42,55,781/- and ₹7,51,615) pertaining to Settlement Guarantee Fund and Investor Services Fund respectively.

20 Other current assets

(Amount in ₹)

PARTICULARS	AS AT 31-03-2012 ₹	AS AT 31-03-2011 ₹
(Unsecured considered good)		
Accrued interest on deposits with IL & FS	583,015	291,424
Margins collected by IL & FS	14,040,000	7,340,000
Members FDR kept as margin	372,908,762	390,431,339
Members scrips kept as margin	114,253,539	113,736,858
Rental deposits	-	218,600
Scrips held on behalf of clients	1,300,753,375	1,576,297,766
	1,802,538,691	2,088,315,987

21 Revenue from operations

PARTICULARS	For the year ended 31-03-2012 ₹	For the year ended 31-03-2011 ₹
Sale of services :		
- Turnover charges (net)	15,827,970	17,915,738
- Depository income	12,806,101	13,502,810
Other operating revenues :		
- Membership fee	301,000	304,000
- Listing fee	1,111,139	2,276,983
- Maintenance charges	5,366,312	5,229,472
- Recovery from members (BSE)	226,600	288,900
- Recovery from members (NSE)	1,075,783	1,465,696
- Miscellaneous	157,840	47,256
Revenue from operations	36,872,745	41,030,855

22 Other income

PARTICULARS	For the year ended 31-03-2012 ₹	For the year ended 31-03-2011 ₹
Interest received :		
- From banks (Gross) {TDS ₹32,08,721/- (previous year ₹28,43,844/-)}	30,902,445	29,236,220
- From others (Gross) {TDS ₹ 82,763/- (previous year ₹41,691/-)}	1,224,850	1,112,789
Dividend income from long term trade investments	520,000	520,000
Dividend income from current investments	1,850,192	206,082
Claims received (net of expenses)	15,500	-
Rent received	18,969,835	16,064,484
Transfer fee received	171,400	316,400
Training and education cell (net of expenses)	347,236	328,898
Bad debts recovered	209,700	559,100
Prior period items	-	1,250
Net gain on sale of fixed assets	453,394	-
Miscellaneous	285,275	443,820
	54,949,827	48,789,043

23 Employee benefits expenses

(Amount in ₹)

PARTICULARS	For the year ended 31-03-2012 ₹	For the year ended 31-03-2011 ₹
Salaries and wages	14,677,897	14,474,992
Contribution to provident and other funds	1,970,155	1,905,148
Staff welfare expenses	658,201	791,057
	17,306,253	17,171,197

24 Finance costs

PARTICULARS	For the year ended 31-03-2012 ₹	For the year ended 31-03-2011 ₹
Interest expense on :		
- Borrowings	25,643	899
Other borrowing costs	110,100	287,604
	135,743	288,503

25 Other expenses

PARTICULARS	For the year ended 31-03-2012 ₹	For the year ended 31-03-2011 ₹
Contribution to customer protection fund	923,645	887,983
Contribution to FISE	-	50,000
Fee to SEBI	100,000	100,000
Electricity and water	8,991,224	8,710,942
Repairs and maintenance - Plant and machinery	264,443	440,450
Repairs and maintenance - Buildings	390,424	75,521
Insurance	392,338	247,397
Rent	646,232	682,347
Rates and taxes	103,713	428,667
Legal and professional	696,102	1,286,819
Travelling and conveyance :		
- Directors	145,437	130,637
- Others	143,427	153,818
Printing and stationery	3,847,207	4,280,915
Auditors' Remuneration :		
- Audit fee	135,000	130,000
- Tax audit	15,000	15,000
- Income tax matters	15,000	15,000
- In other capacity	10,000	25,000
- Reimbursement of expenses	23,181	18,530
Internal Auditors' Remuneration :		
- Audit fee	273,200	267,900
- Reimbursement of expenses	37,400	50,267
Board and committee meetings	129,892	73,710
General meetings of members	103,495	45,900
Directors' sitting fee	89,500	89,500
Communication expenses	2,100,610	2,125,625
Allowances for doubtful trade receivables	287,785	-
Net loss on sale/discard of fixed assets	11,833	4,231
Prior period items (net)	53,550	-
Bad debts written off	20,748	263,110
Security charges	2,510,437	2,263,798
Interest on members security	1,180,000	-
Turnover fee to stock exchange	1,423,332	1,975,626
Depository and other charges	1,510,682	2,732,187
Miscellaneous	3,167,723	2,052,593
	29,742,560	29,623,473

26. Consolidation information :

- i) The consolidated financial statements present the consolidated accounts of Ludhiana Stock Exchange Limited (The Company) with its subsidiary i.e. LSE Securities Limited
- ii) The holding company holds 51.71 % share in the Subsidiary Company.

27. Principles of Consolidation

- i) The consolidated financial statements of the company and its subsidiary company are combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) -21 'Consolidated Financial Statements'.
- ii) The consolidated financial statements are prepared using uniform accounting policies for the transactions and other events in similar circumstances and are presented in the same manner as the company's separate financial statements.
- iii) The difference between the cost of investments and parent's portion of equity in the subsidiary company as on the date of holding-subsidiary relationship coming into existence and at any time thereafter is recognised as goodwill/capital reserves as the case may be.
- iv) Investments made by the parent company in the subsidiary company on and subsequent to the holding subsidiary relationship coming into existence are eliminated while preparing the consolidated financial statements.
- v) Minority interest's share of net profit of its subsidiary for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to the shareholders of the company.
- vi) Minority interest's share of net assets of its subsidiary is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the company's shareholders.

28. Consolidated financial statements have been prepared after making the following adjustments:-

- i) The rent received by the holding company amounting to ₹32,31,479/- (previous year ₹24,04,076/-) from its subsidiary company included in the note no. 20 "Other Income" in its individual balance sheet has been eliminated on consolidation.
- ii) The maintenance charges received by the holding company amounting to ₹3,09,806/- (previous year ₹2,42,524/-) respectively from its subsidiary company included in the note no. 19 "Revenue from operations" in its individual balance sheet has been eliminated on consolidation.
- iii) The dividend received by the holding company amounting to ₹43,30,399/- (previous year ₹24,78,638/-) from its subsidiary company included in note no. 20 "Other Income" in its individual balance sheet has been eliminated on consolidation.
- iv) The parent's portion of the proposed dividend amounting to ₹13,32,430/- (previous year ₹9,99,327/-) has been reduced from the aggregate of the proposed dividend as reflected in the financial statement of the subsidiary company, as a result of which the profit carried to the consolidated balance sheet stands increased to that extent.
- v) The parent's portion of the interim dividend amounting to ₹16,65,538/- (previous year ₹16,65,538/-) has been reduced from the aggregate of the interim dividend as reflected in the financial statement of the subsidiary company, as a result of which the profit carried to the consolidated balance sheet stands increased to that extent.

29. Contingent liabilities in respect of (to the extent not provided for) :

(No outflow is expected in view of the past history relating to these items)

- i) Claims not acknowledge as debts ₹9,80,220/- (previous year ₹nil).
- ii) FDR's of ₹6,64,93,000/- (previous year ₹7,09,53,042/-) have been pledged with HDFC Bank to secured overdraft facilities to the tune of ₹5.98 crore (previous year ₹6.40 crore).
- iii) The company has issued a bank guarantee to the extent of ₹1 Crore (previous year ₹1 crore) in favour of Bombay Stock Exchange Limited against which FDR's amounting to ₹50 lacs (previous year ₹60 lacs) as 50% (previous year 60%) margin, have been pledged with HDFC bank.

30. The Company has deposited FDR's in its name with National Stock Exchange of India amounting to ₹11,04,00,000/- (previous year ₹21,02,61,559/-) and with Bombay Stock Exchange of India amounting to ₹4,10,00,000/- (previous year ₹3,60,00,000/-) for Base Minimum / Additional Capital and are shown in note no. 18 "Cash and bank balances".

31. The intangible assets which comprises of software have been amortized @ 20% on straight line basis as the useful life thereof has been estimated to be not more than five years..

32. Related Party Disclosure:

i) Disclosure of Related Parties and relation between the parties.

- a) Key Management Personnel
 - Mrs. Pooja M. Kohli
 - Mr. Rajesh Kumar Sharma (upto 06.06.2011)
 - Mrs. Kajal Rai (upto 09.11.2011)
 - Mr. Pritpal Singh (from 02.09.2011)

The following transactions were carried out with related parties in the ordinary course of business:

PARTICULARS	KEY MANAGEMENT PERSONNEL (KMP)	
	2011-12 (₹)	2010-11 (₹)
Remuneration	14,11,501	18,69,885

b) **Entities under control**

- Stock Exchange Customer Protection fund

i) The following transactions were carried out with the entities under control

PARTICULARS	2011-12 (₹)	2010-11 (₹)
Contribution to CPF (a proportionate amount of Listing Fee Received)	12,859	28,354
Interest paid to CPF	9,10,786	8,59,629

33 In accordance with the Accounting Standard (AS-28) on "Impairment of Assets" the company has assessed as on balance sheet date, whether there are any indications (as listed in paragraphs 8 to 10 of the standard) with regards to the impairment of any of the assets. Based on such assessment it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly no impairment loss has been provided in the books of account.

34. The listing fee received from various Companies is shown net of ₹1,28,587/- (Previous Year ₹2,83,537/-) contribution to SEBI. The gross amount of Listing Fee accrued during the year is ₹12,39,726/- (Previous year ₹25,76,035/-).

35. Earnings Per Share:

The calculation of earning per share (EPS) as disclosed has been made in accordance Accounting Standard (AS) 20 on "Earnings Per Share" notified by Companies (Accounting Standards) Rules, 2006 :

SR. NO.	PARTICULARS	2011-12	2010-11
1.	Average Number of Equity Shares of ₹10/- each (no.)	59200	59200
2.	Net Profit after tax & minority interest attributable to equity shareholders (₹)	21025491	19846994
3.	Earnings per share (Basic)	355.16	335.25
4.	Earnings per share (Diluted)	355.16	335.25
5.	Nominal Value of per Equity Share (₹)	10/-	10/-

36. SEBI in its inspection report pointed out that the company cannot utilize amount lying in investor services fund for website development and maintenance charges. The company has been advised by SEBI to reverse these expenses incurred during the year and in the preceding years out of investor services fund . Accordingly a sum of ₹ 10,94,258 pertaining to earlier years has been debited to statement of profit and loss as an exceptional item corresponding credit to investor services fund.
37. The interest income arising on the deposit out of Settlement Guarantee Fund and Investor Services Fund is being recognized as income in the statement of profit and loss of the year. Thereafter the net amount of interest (i.e. income credited to statement of profit and loss less applicable rate of income tax to the company) of ₹ 26,79,771/- and ₹8,19,876/- has been appropriated to Settlement Guarantee Fund and Investor Services Fund respectively.
38. Figures pertaining to the subsidiary company has been regrouped/recast, wherever necessary to bring these in line with the parent company's financial statements.
39. Figures in brackets indicate deductions. The amount has been rounded off to the nearest rupees.
40. The financial statements for the year ended 31st March, 2012 has been prepared as per Revised Schedule VI to the Companies Act, 1956. Accordingly the previous year figures have been reclassified to confirm to this year's classification.

**For and on behalf of the Board of Directors
of Ludhiana Stock Exchange Limited**

(Joginder Kumar)
Chairman

(Sanjay Anand)
Chairman, Audit Committee

PLACE : LUDHIANA
DATED : 18.08.2012

(Pooja M. Kohli)
Sr. General Manager
cum Company Secretary

(Snehjeet Kaur)
Manager Accounts



**Annual Report of
Subsidiary Company
LSE Securities Limited**

COMPANY DETAILS

BOARD OF DIRECTORS

• Mr. Vishal Goomber	Chairman
• Mr. Vijay Singhanian	Vice Chairman
• Mr. Munish Sood	Member
• Mr. Lalit Kishore	Member
• Mr. Sukhjiwan Rai	Member
• Mr. Ajay Chaudhry	Public Representative Director
• Dr. Rakesh Kumar Gupta	Public Representative Director
• Mr. Vinesh Kumar	Public Representative Director
• Mr. Ashish Aggarwal	Public Representative Director
• Dr. Prem Kumar	Public Representative Director
• Mrs. Pooja M. Kohli	LSE Representative Director

LEADERSHIP TEAM

• Mr. Pritpal Singh	Chief General Manager
• Ms. Ashima Arora	Company Secretary
• Mr. Madhur Gupta	HOD - IT
• Mr. Vinay Mahajan	HOD - DP
• Ms. Amanpreet Kaur	HOD - Accounts - I
• Mr. Vipen Goyal	HOD - Clearing & Sett.
• Mr. Ravinder S. Saini	HOD - Accounts - II
• Ms. Sonia Makkar	HOD - KYC
• Mr. Rajinder Pal Singh	HOD - Margin
• Mr. Pawan Bhardwaj	HOD - Membership
• Ms. Paramjeet Kaur	HOD - Surveillance & HR

Registered Office :

SCO-50-51, 1st Floor, Sector 34-A,
Chandigarh-160 022
Tele No. : 0172-3258091

Statutory Auditors :

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

Trading cum Clearing Member :

National Stock Exchange of India Limited
Bombay Stock Exchange Limited

Trading Member :

MCX-SX Stock Exchange

Corporate Office :

1st Floor, Ludhiana Stock Exchange Bldg.,
Feroze Gandhi Market, Ludhiana-141 001
Tele No. : 0161-3011158, 5021018

Internal Auditors :

M/s. R.K. Deepak & Co.
527-R, 2nd Floor, Citi Tower,
Model Town, Ludhiana-141 002

Depository Participants :

National Securities Depository Ltd.
Central Depository Services (India) Ltd.

Bankers

HDFC Bank, Oriental Bank of Commerce, IndusInd Bank,
ICICI Bank, Yes Bank, Axis Bank, State Bank of India

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, 1st Floor, Sector 34-A,
Adj. Mukat Hospital,
Chandigarh- 160 022
Ph. : 0172-501255, 5065459-60

Jalandhar

1st Floor, Milbertan Building,
Opp. Govt. Girls Higher Secondary School,
PNB Chowk, Jalandhar-144001.
Ph. : 0181-5012689

Ferozpur

Shop No. 39, Housing Board
Colony, Commercial Area,
Ferozpur City-152002
Ph. : 01632-503438

Sangrur

Near Main Post Office
Banasar Bagh Road,
Sangrur - 148001
Ph. : 01672-503281

Una

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

Website : www.lse.co.in

E-mail : igc@lssl.com (for investors), admin@lssl.com, cs@lssl.com

LSE SECURITIES LIMITED

Registered Office : SCO 50-51, 1st Floor, Sector 34-A, Chandigarh-160022.

NOTICE

Notice is hereby given that the THIRTEENTH ANNUAL GENERAL MEETING of the Members of LSE SECURITIES LIMITED will be held on Saturday, the 15th day of September, 2012 at 12:30 P.M. at Hotel Park View, Sector 24, Near Indira Holiday Home, Chandigarh to transact the following business :

AS ORDINARY BUSINESS:

1. To receive, consider, and adopt the Audited Profit and Loss Account for the year ended 31st March, 2012 the Balance Sheet as at that date together with the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. Vijay Singhania, who retire by rotation in terms of Article 81(a) of Articles of Association of the Company and does not offer himself for the re-appointment.
4. To appoint a Director in place of Mr. Munish Sood, who retire by rotation in terms of Article 81(a) of Articles of Association of the Company and does not offer himself for the re-appointment.
5. To appoint Mr. Ajay Chaudhry, Public Representative Director, who retires at the conclusion of the Annual General Meeting. However, he shall continue in terms of Article 81(g) of Articles of Association of the Company till the new Public Representative is appointed in his place.
6. To appoint Mr. Ashish Aggarwal, Public Representative Director, who retires at the conclusion of the Annual General Meeting. However, he shall continue in terms of Article 81(g) of Articles of Association of the Company till the new Public Representative is appointed in his place.
7. To appoint Dr. Prem Kumar, Public Representative Director, who retires at the conclusion of the Annual General Meeting. However, he shall continue in terms of Article 81(g) of Articles of Association of the Company till the new Public Representative is appointed in his place.
8. To appoint Dr. Rakesh Kumar Gupta, Public Representative Director, who retires at the conclusion of the Annual General Meeting. However, he shall continue in terms of Article 81(g) of Articles of Association of the Company till the new Public Representative is appointed in his place.
9. To appoint Mr. Vinesh Kumar, Public Representative Director, who retires at the conclusion of the Annual General Meeting. However, he shall continue in terms of Article 81(g) of Articles of Association of the Company till the new Public Representative is appointed in his place.
10. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorize the Board of Directors of the Company to fix their remuneration. M/s. Anoop Goel & Co. Chartered Accountants, the retiring Auditors are eligible for re-appointment as Statutory Auditors of the Company.

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 187 of the Companies Act, 1956, authorizing their representative to attend and vote at the Annual General Meeting.
3. 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 Limited subject to prior approval from BSE, NSE and MCX-SX Stock Exchanges.
4. The dividend declared, if any, will be paid to those Share-Holders whose names appear in the Register of Members after affecting the valid transfer requests lodged and affected by the Company on or before up to 08.09.2012 (Saturday) upto 05:30 P.M. subject to approval of NSE, BSE, MCX Stock Exchanges.
5. The Register of Members and the Share Transfer Book of the Company will remain closed from 10.09.2012 (Monday) to 14.09.2012 (Friday) for ascertaining the names of the Shareholders to whom the dividend which if any declared at the Annual General Meeting is payable.
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 compiled in advance.
7. Members are requested to bring their copy of Annual Report along with them to the Annual General Meeting.

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

**-Sd/-
ASHIMA ARORA
COMPANY SECRETARY**

**PLACE : LUDHIANA
DATE : AUGUST 14, 2012**

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have great pleasure in submitting the Thirteenth Annual Report along with the Audited Accounts of the Company for the year ended 31st March, 2012.

1. REVIEW OF OPERATIONS

Your Company's performance during the year as compared with that during the previous year is summarized below.

(Amount in ₹ Lacs)

Sr.No.	PARTICULARS	31.03.2012	31.03.2011
1.	Profit Before Depreciation, Interest and Tax (PBDIT)	266.20	266.55
2.	Depreciation	(15.06)	(20.30)
3.	Interest	NIL	Nil
4.	Profit Before Tax (PBT)	251.14	246.25
5.	Provision for Taxation		
	a. Current	(74.42)	(82.00)
	b. Deferred	1.12	0.80
	c. Earlier Years	3.02	(0.18)
6.	Profit After Tax (PAT)	180.86	164.87
7.	Balance brought forward from previous years	687.00	582.71
	Planned Gratuity Assets belonging to F. Y.	0	0
8.	Profit available for appropriation	867.86	747.58
9.	Appropriations		
	a. Proposed Dividend		
	i) Interim Dividend	(32.21)	(32.08)
	ii) Dividend on Equity Shares	(25.77)	(19.24)
	iii) Dividend on Preference Shares	(0.63)	(0.63)
	b. Corporate Dividend Tax	(9.51)	(8.63)
10.	Surplus carried to Balance Sheet	799.74	687.00
11.	Earning Per Share (EPS)		
	a. Basic	2.81	2.57
	b. Diluted	2.81	2.57

2. OPERATING RESULTS

During the year under review, the Company has earned Profit before Depreciation, Interest and Tax (PBDIT) of ₹ 266.20 Lacs and earned Gross income of ₹ 546.62 Lacs in the current year.

Profitability

Your Company's net profits after tax is ₹ 180.86 Lacs. Your Company's accumulated profits available for appropriation are ₹ 867.86 Lacs as compared to ₹ 747.58 Lacs in the corresponding previous year. Similarly, the net worth of the Company as on 31.03.2012 stood at ₹ 1535.99 Lacs as compared to ₹ 1423.25 Lacs during the corresponding previous year.

Turnover

During the year under review, your Company has been able to achieve an average daily turnover of ₹18.94 Crores in "Capital Market" (CM) & ₹361.12 Crores in Futures & Options" (F&O) Segments of National Stock Exchange of India Limited and ₹9.16 Crores in "Capital Market (CM) Segment of the Bombay Stock Exchange Limited, Mumbai. Further Depository Income as on 31.03.2012 is ₹128.06 Lacs.

3. DIVIDEND

Your Directors' feel glad to share that an interim dividend @ 5% was paid to the Equity shareholder of the Company amounting to ₹32.21 Lacs. Further, the Board of Directors has recommended payment of final dividend @ 4% on Equity Shares for the financial year ended 31.03.2012. The total dividend outgo including interim dividend, preference dividend and tax thereon will be ₹68.12 Lacs as against ₹60.58 Lacs in the corresponding previous year.

4. MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

a) Trading at NSE and BSE in Capital Market Segment

During the year under review, your Company has recorded a turnover of ₹4716.23 Crores and ₹2280.98 Crores in Capital Market Segment of the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited, Mumbai respectively. As on 31.03.2012, there have been total 170 SEBI Registered Sub-Brokers of the Company in NSE and 126 SEBI Registered Sub-Brokers in BSE.

b) F&O Segment of NSE

During the year under review, your Company has recorded a turnover of ₹89920.47 Crores in the Futures & Options Segment of National Stock Exchange of India Limited.

c) Currency Segment

The turnover in Currency Derivatives was ₹503.46 Crores in NSE and ₹81.92 Crores in MCX Stock Exchange Limited during the year.

d) Depository Participant Services

The business of the Depository Participant (DP) is increasing day by day. During the year under review, your Company has opened 1102 new accounts in CDSL, 37 accounts in NSDL and 81 accounts in Commodities.

e) Client Registration Department

During the year under review, your Company has registered 996 clients and successfully implemented all compliances as framed by SEBI, NSE, BSE and MCX Stock Exchanges.

f) Future Outlook

Your Company has applied for the membership of BSE Derivative Segment and the same is under process with SEBI. The Company is expected to receive the approval from SEBI very soon and after commencement of trading by the Company in BSE Derivative Segment the business of the Company is expected to grow.

Your Company has also got empaneled with NCDEX for opening of Demat Accounts with respect to Agri-Based Commodities through CDSL for which company has been receiving good response.

5. COMPOSITION AND CATEGORY OF THE DIRECTORS

NAME OF THE DIRECTOR	CATEGORY	DESIGNATION
Mr. Vishal Goomber	Non-Executive Director	Chairman
Mr. Vijay Singhania	Non-Executive Director	Vice-Chairman
Mr. Munish Sood	Non-Executive Director	Member-Director
Mr. Lalit Kishore	Non-Executive Director	Member-Director
Mr. Sukhjiwan Rai	Non-Executive Director	Member-Director
Mr. Ajay Chaudhry	Independent and Non-Executive Director	Public Representative Director
Dr. Rakesh Kumar Gupta	Independent and Non-Executive Director	Public Representative Director
Mr. Vinesh Kumar	Independent and Non-Executive Director	Public Representative Director
Mr. Ashish Aggarwal	Independent and Non-Executive Director	Public Representative Director
Dr. Prem Kumar	Independent and Non-Executive Director	Public Representative Director
Mrs. Pooja M. Kohli	Non-Executive Director	LSE Representative Director

At present, Mr. Vishal Goomber, Mr. Vijay Singhania, Mr. Munish Sood, Mr. Sukhjiwan Rai and Mr. Lalit Kishore are the Member-Directors on the Board of the Company and in accordance with Article 81(a) of the Articles of Association of the Company. Mr. Vijay Singhania and Mr. Munish Sood being longest in the office liable to retire by rotation at the ensuing Annual General Meeting and does not offer themselves for the re-appointment. Such elected Director on the Board of the Company shall have a gap of at least one year after a consecutive period of two years before their re-appointment on the Board of Directors.

Therefore, there are two vacancies of Directorship which are to be filled among Member-Directors in the ensuing Annual General Meeting of the Company.

Presently, Dr. Prem Kumar, Mr. Ajay Chaudhry, Mr. Ashish Aggarwal, Dr. Rakesh Kumar Gupta and Mr. Vinesh Kumar are the Public Representative Directors on the Board of the Company and shall continue to hold the office of the Board of the Company in terms of Article 81(g) of the Articles of Association.

Your Directors place on record the appreciation for sincere, dedicated and valuable services rendered to the Company by Mr. Vijay Singhania and Mr. Munish Sood during their tenure.

6. CORPORATE GOVERNANCE

AUDIT COMMITTEE

The Audit Committee of your Company comprises of Mr. Ajay Chaudhry as Chairman followed by Mr. Vinesh Kumar, Mr. Satish K. Bansal, Mr. Rajiv Gupta, Mr. Ashish Aggarwal, Mr. Vishal Goomber, Mr. Sanjay Anand, Mr. Sudhir Kumar and Mr. Jaspal Singh as Members of the Committee. The Audit Committee has reviewed the Final Accounts of the Company before these were submitted for the consideration of the Board.

COMPUTER COMMITTEE

The Computer Committee of your Company comprises of Mr. Munish Sood as Chairman followed by Mr. Jatinder Garg, Mr. Vineet Suri, Mr. Sukhjiwan Rai, Mr. Rakesh Gupta, Mr. Jaspal Singh, Mr. Vishal Goomber, Mr. Rakesh Jain and Mr. Harish Nagpal as Members of the Committee.

HUMAN RESOURCE MANAGEMENT COMMITTEE

The Human Resource Management Committee of your Company comprises of Mr. Jaspal Singh as Chairman followed by Mr. Vishal Goomber, Dr. Rakesh Kumar Gupta, Mr. Ajay Chaudhry, Mr. Tarvinder Dhingra, Dr. Prem Kumar, Mr. T.S Thapar, Mr. Vijay Singhania, Mr. Munish Sood, Mr. Sukhjiwan Rai and Mr. Ashwani Kumar Aggarwal as Members of the Committee.

TRADING BUSINESS DEVELOPMENT COMMITTEE

The Trading Business Development Committee of your Company comprises of Mr. Vishal Goomber as Chairman followed by Mr. Harish Nagpal, Mr. Anil Aggarwal, Mr. Munish Sood, Mr. Dheeraj Ghai, Mr. Lalit Kishore, Mr. Vijay Singhania, Mr. Harish Chander Kohli, Mr. Ashish Aggarwal and Mr. Chanpreet Singh as Members of the Committee.

RISK MANAGEMENT COMMITTEE

The Risk Management Committee of your Company comprises of Mr. Vishal Goomber as Chairman followed by Mr. Jaspal Singh, Mr. Vinesh Kumar, Mr. Sudhir Kumar, Mr. Ashish Aggarwal, Mr. Ashwani Aggarwal, Mr. Sanjay Anand, Mr. Rakesh Gupta, Mr. Anil Aggarwal, Dr. Prem Kumar, Mr. Vijay Singhania, Mr. Munish Sood, Mr. Vijay Vinod, Mr. Sridhar Mallawat, Mr. Ajay Batra, Dr. Rakesh Kumar Gupta, Mr. Pramod Goyal, Mr. Harikrishan Punni and Mr. Sudhir Sharma as Members of the Committee.

SHARE TRANSFER COMMITTEE

The Share Transfer Committee of your Company comprises of Mr. Sukhjiwan Rai as Chairman followed by Mr. Munish Sood, Mr. Lalit Kishore and Mr. Ashish Aggarwal as Members of the Committee.

DEPOSITORY BUSINESS COMMITTEE

The Depository Business Committee of your Company comprises of Mr. Vijay Singhania as Chairman followed by Mr. Munish Sood, Mr. Vishal Goomber, Mr. Sukhjiwan Rai, Mr. Vikas Batra, Mr. Pankaj Kumar, Mr. Mukesh Jain, Mr. Ravi Gupta, Mr. Dheeraj Ghai, Dr. Rakesh Kumar Gupta and Mr. Sudhir Sharma as Members of the Committee.

7. CONSERVATION OF ENERGY

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 217(1) (e) of the Companies Act, 1956 regarding conservation of energy is not applicable.

8. TECHNOLOGY ABSORPTION

The particulars as prescribed under Section 217 (1)(e) of the Companies Act, 1956, read with the Companies (Disclosures of Particulars In The Report of Board of Directors) Rules, 1988, in respect to technology absorption are nil.

9. FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as prescribed under section 217 (1) (e) of the Companies Act 1956, read with the Companies (Disclosure of Particulars In The Report of Board of Directors) Rules, 1988, in respect to foreign exchange earnings and outgo are nil.

10. PARTICULARS OF EMPLOYEES

Pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended, none of the employees of the company is in receipt of remuneration, which requires disclosure under the said Section.

11. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to provisions of Section 217(2AA) of the Companies (Amendment) Act, 2000, the Directors based on the representation received from the operating management, confirm that:

1. The annual accounts presented to the members have been prepared on going concern basis and applicable accounting standards have been followed.
2. In case of any material departures from the applicable accounting standards, proper explanations have been provided.

3. In order to provide a true and fair view of the state of affairs of the Company for the year ended 31.03.2012, and profits for the year ended on that date reasonable and prudent judgments and estimates have been made and generally accepted accounting policies have been selected and consistently applied.
4. For safeguarding the assets of the Company and for preventing and detecting any material fraud and irregularities, proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956.

12. COMPLIANCE TO ACCOUNTING STANDARDS

The Company during the year has complied with Accounting Standards issued by the Institute of Chartered Accountants of India as applicable to the Company.

13. AUDITORS'

M/s Anoop K. Goel & Co., Chartered Accountants, the Statutory Auditors of the Company, shall retire at the conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

14. AUDITORS' REPORT

The Auditors' Report read with Notes on Accounts is self-explanatory and does not call for further comments, as there are no adverse remarks in the Auditors' Report.

15. PERSONNEL

Your Directors place on record the heartiest appreciation for the sincere, devoted and dedicated services rendered by the staff for the smooth functioning of the Company, its growth and implementation of new systems necessitated by the structural changes brought in the Capital Market by SEBI, NSE, BSE and MCX Stock Exchanges from time to time.

16. ACKNOWLEDGEMENT

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 Exchange 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 Bombay Stock Exchange Limited, Mumbai (BSE), MCX Stock Exchange and other Stock Exchanges and their Subsidiary Companies, the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and other business associates. Your Company is deeply grateful to the Shareholders of the Company who has shown their confidence and faith towards the Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PLACE: LUDHIANA
DATE: AUGUST 14, 2012

-Sd/-
VISHAL GOOMBER
CHAIRMAN

AUDITORS' REPORT

**The Members,
LSE Securities Limited**

1. We have audited the attached Balance Sheet of LSE Securities Limited as at 31st March, 2012 and the related Profit & Loss Account of the Company for the year ended on that date annexed thereto which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - ii. 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 ;
 - iii. The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
 - iv. In our opinion, these accounts have been prepared in compliance with the applicable accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - v. On the basis of written representations received from the Directors, as on 31st March 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2012 from being appointed as a Director in terms of Clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto and statement on significant accounting policies given in the prescribed manner, the information required by the Act, and also 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 31st March 2012; and
 - b. in the case of the Profit & Loss Account of the net profit for the year ended on that date;

**For ANOOP K. GOEL & CO.
Chartered Accountants,
(Firm Registration No. 016327N)**

**PLACE: LUDHIANA
DATE : AUGUST 14, 2012**

**Anoop Kumar (Partner)
Membership Number : 096966**

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 3)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us the fixed assets have been physically verified by the management during the year. No material discrepancies were noticed on such physical verification. In our opinion, the frequency of physical verification of fixed assets is reasonable with regard to the size of the Company and nature of its business.
- (c) According to the information and explanations given to us, the Company has not disposed off substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
- (ii) The Company's nature of operations does not require it to hold inventories. Accordingly, clause 4(ii) of the Companies (Auditors' Report) Order, 2003 ('the Order') is not applicable. However the Company held stock of saleable stationery as at 31-03-2012, valued at cost or net realisable value, whichever is lower.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured, from companies, firms or other parties listed in the Register maintained under Section 301 of the Act, paragraphs 3(b), 3(c), 3(d), 3(f) and 3(g) of the Order, are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and the sale of services. The activities of the Company do not involve purchase of inventory and the sale of goods. We have not observed any major weakness in the Internal Control System during the course of the Audit.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transaction made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public and consequently, the directives issued by Reserve Bank of India, the provisions of Sections 58A and 58AA of the Companies Act, 1956 and the rules framed there under are not applicable.
- (vii) In our opinion, the Company has an Internal Audit System commensurate with the size and nature of its business.
- (viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 in respect of services carried out by the Company.
- (ix) (a) According to the information and explanations given to us, and on the basis of our examination of the books of accounts, the Company has been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, customs duty, investor education and protection fund, wealth tax and any other material statutory dues applicable to it.
- (b) According to the information and explanation given to us there is no undisputed amounts payable in respect of Income Tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31.03.2012 for a period of more than six month from the date they became payable.

- (c) According to the information and explanation given to us, there are no dues of sale tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited in account of any dispute.
- (x) The Company has neither accumulated losses as at March 31, 2012, nor it has incurred any cash losses during the financial year ended on that date and the immediately preceding financial year.
- (xi) Based on our audit procedures and on the information and explanations given by the management, in our opinion, the Company has not defaulted in repayment of dues to any financial institution or bank as at the balance sheet date.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4 (xii) of the order is not applicable.
- (xiii) The company is not a chit fund, nidhi, mutual benefit fund or a society. Accordingly, clause 4 (xiii) of the order is not applicable.
- (xiv) The Company is not dealing or trading in shares, securities, debentures and other investments in its own name, but it is a member of BSE, NSE and MCX-SX Stock Exchanges and trading & dealing in shares, securities, debentures and other investment through its sub-brokers only, therefore, clause (xiv) is not applicable on it.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or financial institutions. Accordingly, clause (xv) of the order is not applicable.
- (xvi) The Company has not obtained any term loan, accordingly clause (xvi) of the order is not applicable.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the no funds raised on short term basis have been used for long term investment.
- (xviii) According to the information and explanations given to us, the Company has not made preferential allotment of shares to the parties covered in the register maintained under Section 301 of the Act and the price at which such shares have been allotted, is not detrimental to the interest of the company.
- (xix) According to the information and explanations given to us, during the period covered by our audit report, the company had not issued any debentures accordingly clause (xix) of the order is not applicable.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, clause 4(xx) of the order is not applicable.
- (xxi) 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,
(Firm Registration No. 016327N)**

**PLACE: LUDHIANA
DATE : AUGUST 14, 2012**

**Anoop Kumar (Partner)
Membership Number : 096966**

LSE SECURITIES LIMITED
BALANCE SHEET

AS AT 31ST MARCH 2012

Amount In (₹)

PARTICULARS	NOTE	As At 31.03.2012	As At 31.03.2011
I EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	2	65,208,210	65,208,210
(b) Reserves and Surplus	3	89,181,496	77,907,275
(2) Non-Current Liabilities			
(a) Other Long Term Liabilities	4	40,725,000	46,935,000
(b) Long term provisions	5	418,852	468,504
(c) Deferred Tax Liability	6	224,000	336,000
(3) Current Liabilities			
(a) Trade Payables	7	170,824,590	190,501,267
(b) Other Current Liabilities	8	1,883,803,144	2,261,227,888
(c) Short Term provisions	9	3,068,278	6,058,364
TOTAL		2,253,453,570	2,648,642,508
II ASSETS			
(1) Non Current Assets			
(a) Fixed Assets	10		
Tangible Assets		2,564,449	3,450,533
Intangible Assets		329,348	576,716
(b) Non Current Investments	11	10,000	2,010,000
(c) Long term loans and advances	12	49,903,374	48,723,784
(d) Other Non Current Assets	13	3,704,693	1,872,248
(2) Current Assets			
(a) Current Investments	14	3,500,000	19,500,000
(b) Inventory	15	20,220	97,765
(c) Trade Receivables	16	123,248,535	122,231,981
(d) Cash and bank balances	17	253,784,843	349,973,669
(e) Short term Loans and advances	18	2,700,444	1,121,379
(f) Other Current Assets	19	1,813,687,664	2,099,084,433
TOTAL		2,253,453,570	2,648,642,508

Significant Accounting Policies 1.1

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)

Vishal Goomber
Chairman

Vijay Singhania
Vice Chairman

(ANOOP KUMAR)
PARTNER
MEMBERSHIP NO. 096966

Pritpal Singh
Chief General Manager

Amanpreet Kaur
Asst. General Manager - Finance

PLACE : LUDHIANA
DATE : AUGUST 14, 2012

LSE SECURITIES LIMITED
PROFIT AND LOSS
 FOR THE YEAR ENDED 31ST MARCH 2012

Amount In (₹)

PARTICULARS	NOTE	For the year ended 31.03.2012	For the year ended 31.03.2011
I Revenue from operations	20	29,936,454	33,173,144
II Other Income	21	24,725,685	21,957,680
III Total Revenue		54,662,139	55,130,824
IV Expenses			
Operating Expenses	22	2,934,014	4,707,813
Employee Benefit expenses	23	12,220,889	12,291,893
Finance Cost	24	135,743	288,502
Depreciation and amortization expenses		1,505,933	2,029,859
Other expenses	25	12,751,513	11,187,472
Total Expenses		29,548,092	30,505,539
V Profit before Tax (III-IV)		25,114,047	24,625,285
VI Tax Expense :			
1) Current Tax Expense for Current Year		7,442,000	8,200,000
2) Tax relating to prior years		(301,849)	17,613
3) Deferred Tax		(112,000)	(80,000)
VII Profit for the year (V-VI)		18,085,896	16,487,672
VIII Earning per Share (of Rs. 10 each)			
Basic		2.81	2.57
Diluted		2.81	2.57

Significant Accounting Policies

1.1

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)
 (ANOOP KUMAR)
 PARTNER
 MEMBERSHIP NO. 096966

Vishal Goomber
 Chairman

Vijay Singhania
 Vice Chairman

Pritpal Singh
 Chief General Manager

Amanpreet Kaur
 Asst. General Manager - Finance

PLACE : LUDHIANA
 DATE : AUGUST 14, 2012

LSE SECURITIES LIMITED
NOTES FORMING PART OF BALANCE SHEET
AS AT 31st MARCH 2012

1. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

1.1 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 Standard prescribed by Companies (Accounting Standards) Rules 2006, the relevant provisions of the Companies Act, 1956 and the Revised Schedule VI to the Act, which has become effective from the current year. Figures of the previous year have been redrawn to conform to the Revised Schedule VI classification.

• **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 rates prescribed in schedule XIV of The Companies Act, 1956 on all the assets of the Company. In respect of assets sold, depreciation is provided upto the date of disposal.

All fixed assets individually costing less than Rs 5000 are fully depreciated in the year of installation.

• **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.

- **Membership Entrance Fee With NSE/BSE**

- The Membership Fee paid to NSE/BSE for acquiring trading rights at these Exchanges has been shown under the head Security Deposits in Non-Current Loans & Advances.

- **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 FDRs**

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.

1.2 NOTES TO ACCOUNTS

The Company has deposited FDRs in its name with National Stock Exchange of India amounting to Rs. 110400000 (Prev. Year Rs. 210261559) and with Bombay Stock Exchange of India amounting to Rs. 41000000 (Prev. Year Rs 36000000) for Base Minimum/Additional Capital and are shown under the head Fixed Deposit with scheduled banks.

FDRs of Rs. 66493000 (Prev. Year Rs. 70953041.74) have been pledged with HDFC Bank to secured overdraft facilities to the tune of Rs. 5.98 Cr (P/Y 6.40 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 :**

- i) **Defined Contribution Plan :**

Company contribution to provident fund Rs. 912077 (Previous Year Rs. 884593)

- ii) **Defined Benefit Obligation :**

(a) Liability/Asset recognized in the balance sheet

	Defined Benefit Plan Gratuity Funded as on 31.03.2012	Defined Benefit Plan Gratuity Funded as on 31.03.2011
Present value of obligation, beginning of the Year	2016491	1629458
Interest cost	161319	126962
Current service cost	258942	201397
Benefits paid	(337180)	0
Actuarial loss on obligations	129446	101101
Present value of obligation, end of the Year (A)	2229018	2058918
Fair value of plan assets, beginning of the year	2257081	1698553
Expected return on plan assets	204785	171684
Contributions	361528	334562
Benefits paid	-337180	0
Actuarial gain / (loss) on plan assets	0	0
Fair value of plan asset at the end of the year (B)	2486214	2204799
Amount recognized in balance sheet (A-B)	(257196)	(145881)

(b) Expenses during the year

Current service cost	258942	201397
Interest cost	161319	126962
Expected return on plan assets	(204785)	(171684)
Net actuarial (gain)/loss recognized in the year	129446	101101
Expenses recognized in statement of profit & loss	344922	257776

(c) Principal Actuarial Assumptions

	As on 31.03.2012	As on 31.03.2011
Discount Rate	8%	8%
Salary Escalation	7%	7%

There is a difference of Rs. 52282 and Rs. 42427 between opening balance of current year and closing balance of previous year in Planned Gratuity assets and Gratuity Obligation respectively, as per the certificate obtained from LIC. The total difference of Rs. 94709 has been adjusted in the gratuity expenditure debited to Profit & Loss Account.

- Earnings Per Share**

In accordance with Accounting Standard 20- Earnings Per Share prescribed by Companies (Accounting Standards) Rules 2006, the computation of earnings per share is set out below :

	As on 31.03.2012	As on 31.03.2011
a) Face Value per Share	10.00	10.00
b) Net Profit after Tax	18,085,896.00	16,487,672.00
c) Weighted Average No. of Shares	6,441,775.00	6,415,272.00
d) Earnings per share (Basic and Diluted)	2.81	2.57

- Contingent Liability**

The Company has issued a Bank Guarantee to the extent of Rs. 1 Cr in favour of Bombay Stock Exchange Limited against which FDRs amounting to Rs 50 Lacs, as 50% margin, have been pledged with HDFC Bank.

- Investments**

	As on 31.03.2012	As on 31.03.2011
Aggregate Amount of Investment in Unquoted Mutual Fund		
<u>Non Current</u>		
Cost	0	2,000,000
Market Value	0	2,001,395
<u>Current</u>		
Cost	3,500,000	19,500,000
Market Value	3,764,948	19,770,317

Market Value of Investment in unquoted mutual fund represents the repurchase price of the units issued by the respective Asset Management Company at the NAV declared and applicable for 31st March.

- **Related Party Disclosures - As identified by the management and relied upon by the auditors**

(a) List of related parties and description of relationship

I. Holding company

- Ludhiana Stock Exchange Ltd.

II. Key managerial personnel

- Rajesh Sharma - Chief Executive Officer
- Kajal Rai - AGM cum CS
- Pritpal Singh - Chief General Manager

(a) Related Party Transaction

	Holding	Key Managerial Personnel	Total (Figures in ₹)
Rent (Incl. of Taxes)	3906047	-	3906047
Interim Dividend	1665538	-	1665538
Remuneration	0	733529	733529
Total	<u>5571585</u>	<u>733529</u>	<u>6305114</u>

- **Capital Commitment**

Capital Commitment (Net of Advances) Rs. 9.40 Lacs (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.

LSE SECURITIES LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2012

Amount In (₹)

PARTICULARS	As At 31.03.2012	As At 31.03.2011
2. SHARE CAPITAL		
<u>AUTHORISED</u>		
130,00,000 Equity Shares (Previous Year 1,30,00,000 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
<u>ISSUED, SUBSCRIBED AND PAID UP</u>		
6441775 Equity Shares of Rs.10/- each Fully Paid Up (Previous Year 6441775 Equity Shares of Rs.10 each)	64,417,750	64,417,750
79046, 8% Cumulative Redeemable Preference Shares of Rs 10/-each	790,460	790,460
TOTAL	65,208,210	65,208,210

Reconciliation of number of shares outstanding

a) Equity Shares

	No. of Shares	Amount	No. of Shares	Amount
Outstanding at the beginning of the year	6441775	64417750	6351275	63512750
Issued during the year	0	0	90500	90500
Outstanding at the end of the year	6441775	64417750	6441775	64417750

b) Preference Shares

	No. of Shares	Amount	No. of Shares	Amount
Outstanding at the beginning of the year	79046	790460	79046	790460
Outstanding at the end of the year	79046	790460	79046	790460

Details of Preference Shares

8% Cumulative Preference Shares are redeemable at par on expiry of six years from the date of allotment i.e August 7,2006.

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.

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

	No. of Shares	Percentage	No. of Shares	Percentage
LUDHIANA STOCK EXCHANGE LTD. (Holding Company)	3331075	51.71	3331075	51.71

PARTICULARS	Amount In (₹)	
	As At 31.03.2012	As At 31.03.2011
3. RESERVES & SURPLUS		
General Reserve - As Per Last Year Balance Sheet	5,138,330	5,138,330
Securities Premium - As Per Last Year Balance Sheet	4,068,875	3,408,875
Addition during the year	0	660,000
Total	4,068,875	4,068,875
Surplus in statement of Profit & Loss Account		
Opening Balance	68,700,070	58,270,762
Add: Profit for the year	18,085,896	16,487,672
Amount available for appropriation	86,785,966	74,758,434
Less: Appropriations :		
Interim Dividend	3,220,888	3,207,636
Proposed Dividend on equity shares	2,576,710	1,924,582
Dividend on preference shares	63,237	63,237
Distribution Dividend Tax	950,840	862,909
Closing Balance	79,974,291	68,700,070
Total	89,181,496	77,907,275
4. Other Long Term Liabilities		
Deposits from Sub-Brokers	39,425,000	45,585,000
Deposits with IL&FS for Future Currency	1,300,000	1,350,000
	40,725,000	46,935,000
5. Long Term Provisions		
Provision for employee benefits	418,852	468,504
Leave Encashment		
	418,852	468,504
6. Deferred Tax Liability (NET)		
a) Deferred Tax Liability		
- On account of depreciation of Fixed Assets	292,000	398,000
- On account of Disallowance U/S 40 A(7) of The Income Tax Act 1961	84,000	48,000
	376,000	446,000
b) Deferred Tax Asset		
- On account of Disallowance U/S 43B of The Income Tax Act	(152,000)	(110,000)
	224,000	336,000
7. Trade Payables		
Sundry Creditors NSE	866,666	1,119,936
Sundry Creditors NSE FC	228,718	372,183
Sundry Creditors Broking Clients	169,189,199	188,469,141
Sundry Creditors Other	540,007	540,007
	170,824,590	190,501,268

PARTICULARS	Amount In (₹)	
	As At 31.03.2012	As At 31.03.2011
8. Other Current Liabilities		
<u>Deposits from Sub-Brokers</u> <u>(Kept with the principal Stock Exchanges as margins)</u>		
<u>(A) Bombay Stock Exchange Limited, Mumbai (BSE)</u>		
In form of FDRs	41,195,873	62,265,659
In form of Funds	6,346,970	4,834,138
 <u>(B) The National Stock Exchange of India Limited (NSE)</u>		
In form of FDRs	322,062,864	323,590,680
In form of Funds	80,540,980	133,053,244
In form of Scrips	114,253,539	113,646,858
 <u>(C) IL&FS</u>		
In form of FDRs	1,900,000	1,500,000
In form of Funds	1,103,143	4,475,291
 <u>(D) Security Deposit from Members</u>		
Scrips held on behalf of Clients	1,300,753,375	1,576,297,766
Deposit from DP clients	96,000	56,000
 DP Charges Received in Advance	782,788	1,192,447
	1,869,035,532	2,220,912,083
 Other Payables		
Payable to Holding Company (Ludhiana Stock Exchange Limited)	258,981	82,915
Accrued salaries and benefits	270,486	891,193
Cheques issued but not presented	9,747,066	34,641,484
Expenses Payable	1,555,288	1,650,649
Statutory Liabilities(including Stamp Duty, Tax Deducted at source, Bonus, ESI & EPF)	1,493,456	1,603,546
Other Liabilities	1,442,335	1,446,018
	14,767,612	40,315,805
 9. Short Term Provisions		
Dividend on Equity Shares (Interim)	0	3,207,636
Proposed Dividend on Equity Shares	2,576,710	1,924,582
Dividend on Preference Shares	63,237	63,237
Dividend Distribution Tax	428,331	862,909
	3,068,278	6,058,364
 11. Non Current Investments		
a) Trade Unquoted		
130000 Equity Shares (P/Y 130000 Equity Shares) of Rs. 1 Each of Bombay Stock Exchange Limited	10,000	10,000
b) Non Trade Unquoted		
Units of Mutual Funds		
- Nil (P/Y 200000 Units@Rs10 Each of UTI FMP 03/11- Growth)	0	2,000,000
	10,000	2,010,000

10. FIXED ASSETS

Amount In (₹)

PARTICULARS	GROSS BLOCK					DEPRECIATION					NET BLOCK		
	AS AT 01-04-2011	ADDITIONS	SALE/ ADJUST- MENT	AS AT 31-03-2012	AS AT 01-04-2011	FOR THE PERIOD	REVERSED DURING THE PERIOD	AS AT 31-03-2012	AS AT 31-03-2012	AS AT 31-03-2011			
A) TANGIBLE ASSETS													
FURNITURE & FIXTURES	1464589	58701	68992	1454298	1041957	76394	48242	1070109	384189	422632			
VEHICLES	5865	0	0	5865	5865	0	0	5865	0	0			
OFFICE EQUIPMENT	27983	0	0	27983	19099	1239	0	20338	7645	8884			
AIR CONDITIONER	224215	21900	0	246115	115169	17689	0	132858	113257	109046			
COOLERS	6330	0	0	6330	4068	316	0	4384	1946	2262			
ELECTRONIC EQUIPMENTS	193108	0	0	193108	98783	13157	0	111940	81168	94325			
FANS & ELECTRICAL FITTINGS	49691	7020	0	56711	41238	8199	0	49437	7274	8453			
FIRE FIGHTING EQUIPMENT	49805	0	0	49805	30142	2743	0	32885	16920	19663			
GENERATOR	77497	0	0	77497	50540	3760	0	54300	23197	26957			
GLOW SIGN BOARD	59454	0	0	59454	41557	2496	0	44053	15401	17897			
REFRIGERATOR	7180	0	0	7180	4622	357	0	4979	2201	2558			
TELEPHONE & TELEX	244075	20920	0	264995	161448	12672	0	174120	90875	82627			
VSAT SKYEDGE	78000	0	0	78000	41115	5145	0	46260	31740	36885			
COMPUTERS	19536369	284792	0	19821161	16918025	1114500	0	18032525	1788636	2618344			
TOTAL - A	22024161	393333	68992	22348502	18573628	1258667	48242	19784053	2564449	3450533			
B) INTANGIBLE ASSETS													
COMPUTER SOFTWARE & LICENSES	5460335	0	10000	5450335	4883619	247266	9898	5120987	329348	576716			
TOTAL - B	5460335	0	10,000	5450335	4883619	247266	9,898	5120987	329348	576716			
TOTAL CURRENT YEAR	27484496	393333	78992	27798837	23457247	1505933	58140	24905040	2893797	4027249			
TOTAL PREVIOUS YEAR	25590576	1893920	0	27484496	21427388	2029859	0	23457247	4027249				

*It represents software written off being no more usable.

PARTICULARS	Amount In (₹)	
	As At 31.03.2012	As At 31.03.2011
12. Long Term Loans and Advances		
<u>Unsecured. Considered Good</u>		
Security Deposits	48,640,425	47,310,050
Advances to Employees other than Current Maturities	262,949	413,734
Capital Advances	1,000,000	1,000,000
	49,903,374	48,723,784
13. Other Non-Current Assets		
Planned Gratuity Assets (Net of Gratuity Obligation)	257,196	145,881
Accrued interest on loan to employees other than current maturities	39,596	28,251
Accrued interest on term deposits having remaining maturity more than one year	3,407,901	1,698,116
	3,704,693	1,872,248
14. Current investments		
a) Non Trade Unquoted		
Units of Mutual Funds		
- 200000 Units of Rs.10 Each of UTI FMP 03/11-Growth	2,000,000	0
- 788.661 Units of Rs. 1901.9570 of UTI Money Market Fund	1,500,000	1,500,000
- 100000 Units of Rs.10 Each of Axis Bank Fixed Term Plan -Series 13	0	1,000,000
- 200000 Units of Rs.10 Each of ICICI Pru FMP Series 56	0	2,000,000
- 200000 Units of Rs.10 Each of IDFC FMP- Yearly Series 41 Growth	0	2,000,000
- 200000 Units of Rs.10 Each of Kotak FMP 35 Series- Growth	0	2,000,000
- 200000 Units of Rs.10 Each of Birla Sun Life Fixed Term Plan Series CU Growth	0	2,000,000
- 250000 Units of Rs.10 Each of Reliance Fixed Horizon Fund -XVII Series	0	2,500,000
- 150000 Units of Rs.10 Each of Reliance Fixed Horizon Fund -XIX Series	0	1,500,000
- 100000 Units of Rs.10 Each of Reliance Fixed Horizon Fund -XIX Series	0	1,000,000
- 400000 Units of Rs.10 Each of Reliance Fixed Horizon Fund -XVII Series	0	4,000,000
	3,500,000	19,500,000
15. INVENTORY		
Others :-		
Saleable Stationery	20,220	97,765
	20,220	97,765

PARTICULARS	Amount In (₹)	
	As At 31.03.2012	As At 31.03.2011
16. Trade Receivables		
Outstanding for a period exceeding six months from the due date of payment		
- Secured, Considered Good	15,988,215	11,054,520
- Unsecured , Considered Good	10,808,540	8,220,795
	26,796,755	19,275,315
Others		
-Secured, Considered Good	96,326,419	102,765,768
-Unsecured, Considered Good	125,361	190,898
	96,451,780	102,956,666
Grand Total	123,248,535	122,231,981
17. Cash and Bank Balances		
Cash and Cash Equivalents		
Cash in hand	32,341	75,612
Bank Balances in Current Accounts	28,052,502	26,683,456
	28,084,843	26,759,068
Other Bank Balances		
Non Current		
- Term Deposits having remaining maturity of more than one year.	90,187,961	128,400,000
Current		
- Term Deposits having remaining maturity not more than one year.	135,512,039	194,814,601
	225,700,000	323,214,601
GRAND TOTAL	253,784,843	349,973,669
18. Short Term Loans and Advances		
Unsecured, Considered Good		
Advances Recoverable in Cash or in kind or for value to be received-Considered Good	227,828	161,516
Accrued interest on current maturities of loan to employees	21,260	27,242
Current Maturity of Advances to employees	476,064	74,528
Prepaid Expenses	517,233	399,195
Advance Income Tax(net of Provision for Tax)	1,458,059	458,898
	2,700,444	1,121,379

PARTICULARS	Amount In (₹)	
	As At 31.03.2012	As At 31.03.2011
19. Other Current Assets		
Accrued interest on deposits with IL & FS	583,015	291,424
Accrued interest on term deposits having remaining maturity less than one year	7,787,845	7,207,910
Income Tax Refund Receivable	3,361,128	3,236,460
Work in progress	0	324,076
Margins Collected by IL & FS	14,040,000	7,340,000
Members FDRs kept as Margin	372,908,762	390,431,339
Members Scrips kept as Margin	114,253,539	113,736,858
Rental Deposits	0	218,600
Scrips held on behalf of clients	1,300,753,375	1,576,297,766
	1,813,687,664	2,099,084,433
20. Revenue From Operations		
<u>Income from Services rendered</u>		
Turnover Charges (Net)	15,827,970	17,915,738
Depository Income	12,806,101	13,502,810
Other operating revenue		
- Relating to Bombay Stock Exchange Limited, Mumbai	226,600	288,900
- Relating to National Stock Exchange Limited, Mumbai	1,075,783	1,465,696
	29,936,454	33,173,144
21. Other Income		
Dividend on Non current Investment	520,000	520,000
Dividend on current Investment	1,850,192	206,082
Interest Income	22,355,493	21,231,598
(Gross of TDS Rs. 2347775.44 (Previous Year Rs. 2045434.52))		
	24,725,685	21,957,680
22. Operating Expenses		
<u>STOCK EXCHANGE EXPENSES</u>		
- Relating to Bombay Stock Exchange Limited, Mumbai	438,497	1,043,109
- Relating to National Stock Exchange Limited, Mumbai	969,077	927,012
- Relating to Multi Commodity Stock Exchange Limited	15,758	5,505
- Depository Expenses	1,510,682	2,720,187
- Others	0	12,000
	2,934,014	4,707,813

PARTICULARS	Amount In (₹)	
	As At 31.03.2012	As At 31.03.2011
23. Employee Benefit Expenses		
Salaries and Wages	10,456,119	10,048,076
Contribution to provident and other funds	1,201,810	1,171,148
Staff Welfare Expenses	438,757	579,319
Leave Travel Concession	124,203	493,350
	12,220,889	12,291,893
24. Finance Cost		
Interest Expenses	25,643	899
Other Borrowing Costs	110,100	287,604
	135,743	288,502
25. Other Expenses		
Advertisement	33,654	5,210
Auditors' Remuneration		
- Statutory Audit Fee	60,000	55,000
- Out of Pocket Expenses	9,755	11,117
Internal Auditors' Remuneration- Audit Fees	233,200	227,900
Internal Auditors' (Out of Pocket) Expenses	11,400	24,267
System Audit	15,000	15,000
Board Meeting Expenses	25,312	9,692
Bad Debts	10,000	0
Cable TV Expenses	231,300	231,300
Committee meeting expenses	18,000	12,000
Computer Media Charges	25,750	41,188
Computer Hardware / Software and other expenses	3,080,832	3,433,602
Cont to Gratuity Fund	250,213	257,776
Electricity Charges	101,201	107,840
Festival Expenses	442,360	317,824
Filing Fees	14,375	4,100
General Expenses	171,657	62,314
Insurance	195,273	44,631
Lease Line charges	64,800	64,800
Legal and Professional Charges	350,989	190,997
Newspapers and periodicals	6,695	2,098
Office expenses	603,256	528,951
Postage and Courier	438,663	559,397
Printing and stationery	441,616	582,785
Rates and Taxes	1,495	10,886
Rent	4,187,517	3,328,947
Repairs and Maintenance	814,796	162,574
Sitting Fees to Public Representatives	65,000	57,500
Telephone & Telex Charges	713,826	747,679
Travelling and Conveyance-Directors	21,100	22,100
Travelling and Conveyance-others	112,478	67,997
	12,751,513	11,187,472