

LSC SECURITIES LIMITED

(FORMERLY: L.S.E. SECURITIES LIMITED)

CIN: U67120CH2000PLC023244

Regd. Office: SCO-50, First Floor, Sector-34-A
Chandigarh-160022.

Corp. Off: First Floor, LSE Building, Feroze Gandhi Market, Ludhiana.

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Venue for Annual General Meeting

19th Annual General Meeting

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

COMPANY DETAILS

BOARD OF DIRECTORS

| | |
|--------------------|---------------------|
| Mr. Jaspal Singh | Chairman |
| Mr. Pritpal Singh | Whole Time Director |
| Mr. T. S. Thapar | Director |
| Mr. Rakesh Gupta | Director |
| Mr. Nagesh Chander | Director |
| Mr. Parmod Goyal | Director |
| Mr. Bhavesh Makkar | Director |
| Mr. Ashwani Kumar | Nominee Director |
| Mr. Ashok Kumar | Nominee Director |

LEADERSHIP TEAM

| | |
|------------------------|-----------------------------|
| Mr. Pritpal Singh | CGM cum WTD |
| Mr. Shiv Ram Mishra | CS Cum Compliance Officer |
| Mr. Rajesh Gupta | Sr. AGM-Finance |
| Mr. Madhur Gupta | Sr. AGM-ISD |
| Mr. Vipen Goyal | AGM-Clearing Section |
| Mr. Ravinder S. Saini | Sr. Manager – Accounts – II |
| Mr. Rajinder Pal Singh | Manager - Margin |
| Mr. Pawan Bhardwaj | Manager - Membership |
| Ms. Paramjeet Kaur | Manager-Human Resource |
| Mr. Jaswinder Singh | Manager- DP |
| Mr. Sadhir Kumar | Executive – KYC |
| Mrs. Sonia Sehgal | Compliance Officer- DP |

Registered Office:

SCO 50, First 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
BSE Limited

Trading Member:

Metropolitan Stock Exchange of India Limited

Bankers

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

Corporate Office:

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

Internal Auditors:

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

Depository Participants:

National Securities Depository Limited
Central Depository Services (India) Limited

ADVISORS

LEGAL

Sh. Rajesh K. Battish
Sr. Advocate,
Room No. 500, 5th floor, Distt. Courts,
Ludhiana

SECRETARIAL MATTERS

Sh. P.S. Dua
Company Secretary,
P.S. Dua & Associates
5, Sant Isher Singh Nagar
Pakhawal Raod, Ludhiana

DP BRANCHES

Amritsar

35-36, 2nd Floor, Deep Complex
Opp. HDFC Bank,
Court Road, Amritsar – 143001
Ph.: 0183- 5018601

Chandigarh

SCO 50, First Floor, Sector 34-A,
Adj. Mukat Hospital,
Chandigarh – 160 022
Ph: 0172- 5065459

Sangrur

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

Jalandhar

First Floor, Milbertan Building,
Opp. Govt. Girls Higher Secondary School, PNB Chowk,
Jalandhar-144 001
Ph.: 0181-5073480

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Corp. Off: First Floor, LSE Building, Feroze Gandhi Market, Ludhiana.

NOTICE

Notice is hereby given that the **NINETEENTH ANNUAL GENERAL MEETING** of the Members of **LSC SECURITIES LIMITED (Formerly: L.S.E. Securities Limited)** will be held on Saturday, the 15th September, 2018 at 12:30 P.M. at Hotel Park View, Sector-24, Near Indira Holiday Home, Chandigarh-160022 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, and adopt the Audited Financial Statements for the year ended 31st March, 2018 together with the Reports of the Board of Directors and Auditors thereon.
2. To consider the declaration of dividend on Equity Shares.
3. To appoint a Director in place of Mr. Tribhawan Singh Thapar (DIN: 00494576), who retires by rotation and being eligible, offers himself for the re-appointment.
4. To appoint a Director in place of Mr. Nagesh Chander (DIN: 01944798), who retires by rotation and being eligible, offers himself for the re-appointment.

SPECIAL BUSINESS:

5. To approve Related Party Transaction(s):

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), consent and approval of the Members of the Company be and is hereby accorded to the Board of Directors to enter into Agreement(s)/Contract(s)/Transaction(s)/ Licence Deed(s)/Lease Deed(s)/Memorandum of Understanding(s) including amendment or renewal of any existing Agreement(s)/Contract(s)/Transaction(s)/Licence Deed(s)/Lease Deed(s)/Memorandum of Understanding(s) with its Related Party i.e. Ludhiana Stock and Capital Limited (Holding Company) to continue the lease agreement or to take on lease the portion of the Building of the Holding Company and/or/alongwith other infrastructure or facilities on behalf of the Company.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as Board) or a Committee thereof be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion consider necessary or expedient to give effect to the aforesaid resolution.”

By order of the Board
FOR LSC SECURITIES LIMITED

Place: Ludhiana
Date: 13.08.2018

Sd/-
SHIV RAM MISHRA
COMPANY SECRETARY
ACS-53641
Registered Office:
SCO 50, First Floor,
Sector 34 A,
Chandigarh-160022

Corporate Office:
First Floor, LSE Bldg.,
Feroze Gandhi Mkt., Ludhiana
CIN: U67120CH2000PLC023244
E-mail: cs@lssel.com

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE VALID AND EFFECTIVE, MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY SO APPOINTED SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING.
2. Corporate Members are requested to send a duly certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorising their representative to attend and vote at the Annual General Meeting.
3. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
4. The shares of the Company are held in physical form. Any member who transfers his shares to any person has to seek approval from the Board of the LSC Securities Ltd subject to prior approval from BSE, NSE and MSEI.
5. The Register of Members and the Share Transfer Book of the Company will be closed from 13.09.2018 (Thursday) to 15.09.2018 (Saturday), both days inclusive, for the payment of dividend, if any, declared/approved, at Annual General Meeting.
6. Members are requested to write to the Company at least ten days before the meeting for obtaining any information as regards to accounts and operations of the Company so that the same could be complied in advance.
7. Members are requested to bring their copy of Annual Report along with them to the Annual General Meeting.

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

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

Item No. 5

To approve Related Party Transactions:

All the related party transaction(s) specified under Section 188(1), the value/consideration of which is in excess of the respective limits prescribed under Rule 15(3) of the Companies (Meetings of Board and its Powers) Rule, 2014, has to be approved by the members in the General Meeting, whereas the third proviso to section 188(1) also states that nothing in section 188(1) will apply to any transaction entered into by the company in its ordinary course of business and at Arm's Length Basis.

The Company has taken part of the Building of Ludhiana Stock and Capital Limited on lease for its office use vide Memorandum of Understanding dated 01.12.2008 (as extended from time to time). The same is to be renewed on Arm's Length Basis.

Taking into account the statutory provisions, the Board of Directors, as an abundant precautionary measures, intends to seek prior approval of members to continue the lease of portion of Building of the Holding Company i.e. Ludhiana Stock and Capital Limited.

The Relevant Information are as under:

| Particulars | Details |
|---|--|
| Name of the related party | Ludhiana Stock & Capital Limited |
| Name of Director or KMP who is related | NIL |
| Nature of relationship | Holding Company |
| Monetary value | As may be determined by the Board of Directors on Arm's Length |
| Nature, material items and particulars of arrangement | To continue the lease agreement or to take on lease the portion of the Building of the Holding Company and/or/ alongwith other infrastructure or facilities on behalf of the Company. However, such transactions would at all times be on arm's length basis and in ordinary course of the Company's business. |

Mr. Jaspal Singh, Mr. Tribhawan Singh Thapar and Mr. Ashok Kumar Directors are also on the Board of the Holding Company i.e Ludhiana Stock and Capital Limited hence they may deem to be interested in the above resolution. Except that, none of the other Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the resolution as set out at item no. 5 of the Notice for approval by the Members of the Company.

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

**Place: Ludhiana
Date: 13.08.2018**

Sd/-
SHIV RAM MISHRA
COMPANY SECRETARY
ACS-53641
Registered Office:
SCO 50, First Floor,
Sector 34 A,
Chandigarh-160022

Corporate Office:
First Floor, LSE Bldg.,
Feroze Gandhi Mkt., Ludhiana
CIN: U67120CH2000PLC023244
E-mail: cs@lsesl.com

DIRECTOR'S REPORT

Dear Shareholders,

Your directors are pleased to present the Nineteenth Annual Report on the business and operations of the Company along with the Audited Financial Statements for the financial year ended 31st March, 2018.

FINANCIAL PERFORMANCE

The Company's financial Performance for the financial year ended 31st March, 2018 under review along with previous year's figures is given hereunder:

(₹ in Lakhs except earnings per share)

| Sr. No. | Particulars | 2017-2018 | 2016-2017 |
|---------|--|----------------|---------------|
| 1. | Profit Before Depreciation, Interest and Tax (PBDIT) | 592.29 | 154.75 |
| 2. | Depreciation | (10.59) | (10.47) |
| 3. | Interest | (0.66) | (0.60) |
| 4. | Profit Before Tax (PBT) | 581.04 | 143.68 |
| 5. | Provision for Taxation | | |
| | a. Current | (115.42) | (45.62) |
| | b. Deferred | (0.84) | 0.86 |
| | c. Earlier Years | (0.41) | 1.87 |
| | d. Minimum Alternate Tax (Credit) Entitlement | 97.32 | — |
| 6. | Profit After Tax (PAT) | 561.69 | 100.79 |
| 7. | Balance brought forward from previous years | 884.48 | 845.72 |
| 8. | Adjustments to P & L Account on account of Depreciation due to change in useful life of Fixed Assets | - | -- |
| 9. | Profit available for appropriation | 1446.17 | 946.51 |
| 10. | Appropriations | | |
| | a. Transfer to Capital Redemption reserve | -- | -- |
| | b. Transfer to General Reserve | -- | -- |
| | c. Proposed Dividend | | |
| | i) Interim Dividend | (51.53) | (51.53) |
| | ii) Dividend on Equity Shares | -- | -- |
| | d. Corporate Dividend Tax | (10.49) | (10.50) |
| 11. | Surplus carried to Balance Sheet | 1384.15 | 884.48 |
| 12. | Earning Per Share (EPS) | | |
| | a. Basic | 8.72 | 1.56 |
| | b. Diluted | 8.72 | 1.56 |

BUSINESS OVERVIEW AND STATE OF THE COMPANY'S AFFAIRS

a) Trading at NSE and BSE in Capital Market Segment

During the year under review, your Company has recorded a business volume of ₹8456.38 Crores (Previous year ₹6183.81 Crores) and ₹2102.26 Crores (Previous year ₹2066.92 Crores) in Capital Market Segment of the NSE and the BSE respectively.

b) F&O Segment of NSE

During the year under review, your Company has recorded a business volume of ₹160711.26 Crores (Previous year ₹111503.60 Crores) in the Futures & Options Segment of NSE Limited.

c) Currency Segment

During the year under review, the business volume in Currency Derivatives was ₹363.28 Crores (Previous year ₹306.02 Crores) in NSE.

d) Depository Participant Services

During the year under review, your Company has opened 12 new accounts (previous year 774 accounts opened) in CDSL and 3129 accounts (previous year 1114 accounts opened) in NSDL.

e) Stock Broking Services

During the year under review, your Company has opened 2478 Trading Accounts (previous year 1444 accounts opened).

f) Sale of shares of BSE Limited

During the year under review, your Company has sold 65000 shares of BSE Limited @₹875.77 per share.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

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

STATUTORY AUDITORS

M/s. Anoop Goel & Co. Chartered Accountants (Registration No. 016327N) were appointed as the Statutory Auditors of the Company pursuant to section 139 and 141 of the Companies Act, 2013 at Fifteenth Annual General Meeting of the Company held on 27th day of September, 2014, for five consecutive years, subject to ratification at every Annual General Meeting.

In accordance with the Companies (Amendment) Act, 2017 enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors are not required to be ratified at every Annual General Meeting.

The report given by Statutory Auditors on the Financial Statements of the Company forms part of this report.

There is no qualification/adverse remarks/reservations/disclaimers given by the Statutory Auditors.

SECRETARIAL AUDIT REPORT

The Company is not required to get the Secretarial Audit Report from Practising Company Secretary pursuant to section 204 of the Companies Act 2013 read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

ANNUAL RETURN

The extract of Annual Return in form MGT-9 pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in “Annexure B” and forms part of this report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Tribhawan Singh Thapar having DIN No- 00494576 is liable to retire by rotation in the ensuing Annual General Meeting and being eligible offers himself for the re-appointment.

Mr. Nagesh Chander having DIN No- 01944798 is also liable to retire by rotation in the ensuing Annual General Meeting and being eligible offers himself for the re-appointment.

Further, Mr. Shiv Ram Mishra was appointed as Company Secretary of the Company w.e.f. 01.03.2018 in place of Mr. Rajiv Dhiman who left the organisation on 28.02.2018.

COMPOSITION OF THE BOARD OF DIRECTORS OF THE COMPANY

| NAME OF THE DIRECTOR | CATEGORY | DESIGNATION |
|-----------------------------|------------------------|---------------------|
| Mr. Jaspal Singh | Non-Executive Director | Chairman |
| Mr. Pritpal Singh | Executive Director | Whole Time Director |
| Mr. Tribhawan Singh Thapar | Non-Executive Director | Member-Director |
| Mr. Parmod Kumar Goyal | Non-Executive Director | Member-Director |
| Mr. Nagesh Chander | Non-Executive Director | Member-Director |
| Mr. Rakesh Gupta | Non-Executive Director | Member-Director |
| Mr. Ashok Kumar | Non-Executive Director | Nominee Director |
| Mr. Ashwani Kumar | Non-Executive Director | Nominee Director |
| Mr. Bhavesh Makkar | Non-Executive Director | Member-Director |

BOARD MEETINGS AND ATTENDANCE OF DIRECTORS AT BOARD MEETINGS AND ANNUAL GENERAL MEETING

During the Financial Year 2017-18, five Meetings of Board of Directors of the Company were held on 22.06.2017, 25.08.2017, 13.10.2017, 26.10.2017, and 19.01.2018 and attendance of Directors are as follows:

| NAME OF THE DIRECTOR | NO. OF BOARD MEETING HELD | NO. OF BOARD MEETING ATTENDED | WHETHER ATTENDED THE 18TH ANNUAL GENERAL MEETING |
|---|----------------------------------|--------------------------------------|--|
| Mr. Jaspal Singh (Chairman and Non –Executive Director) | 5 | 5 | Yes |
| Mr. Pritpal Singh (Executive Director) | 5 | 5 | Yes |
| Mr. Tribhawan Singh Thapar (Non-Executive Director) | 5 | 5 | No |
| Mr. Parmod Kumar Goyal (Non-Executive Director) | 5 | 5 | No |
| Mr. Ashok Kumar (Non - Executive Director) | 5 | 4 | Yes |
| Mr. Ashwani Kumar (Non - Executive Director) | 5 | 5 | No |
| Mr. Nagesh Chander (Non- Executive Director) | 5 | 2 | No |
| Mr. Rakesh Gupta (Non- Executive Director) | 5 | 5 | Yes |
| Mr. Bhavesh Makkar (Non- Executive Director) | 5 | 2 | No |

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a. In the preparation of the Annual Accounts, the applicable accounting standards have been followed with proper explanation relating to material departures, if any;
- b. They have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 and of its **Profit/Loss** for the year ended on that date;
- c. They have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. They have prepared the Annual Accounts for the year ended 31st March, 2018 on a 'going concern' basis;
- e. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DECLARATION OF INDEPENDENT DIRECTORS

Your Company is not presently covered under the provisions of Section 149 of the Companies Act, 2013. Hence, no disclosure is required in this regard.

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

The provisions of Section 178(1) of the Companies Act, 2013 relating to constitution of Nomination and Remuneration Committee are presently not applicable to the Company as the Company does not fall under the criteria as mentioned in the Companies Act, 2013.

INFORMATION PURSUANT TO RULE 5 (2) OF COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016

There is no employee of the Company who draws the salary of ₹1.20 Crore or more for entire financial year or ₹8.50 Lac or more per month in case employed in part of financial year. The detail of the Top Ten Employees of the Company in terms of remuneration pursuant to rule 5 (2) and 5 (3) of Companies (Appointment & Remuneration of Managerial Personnel) Amendment rules, 2016 is furnished in "ANNEXURE-A"

DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE, NOMINATION AND REMUNERATION COMMITTEE AND PROVIDING VIGIL MECHANISM

The provisions of Section 177 and 178 of the Companies Act, 2013 read with rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 are not applicable to the Company by virtue of criteria mentioned thereunder. Hence, above disclosures are not required to be made.

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

There are no qualifications or observations or remarks made by the Auditors in their reports.

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

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

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

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis. Related party disclosures as per AS-18 have been provided in notes on accounts annexed to Financial Statements. There are no materially significant related party transactions made by the Company with Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the company at large. Hence no particulars are required to be given in prescribed form AOC-2.

DIVIDEND AND RESERVES

The Board of Directors in its meeting held on 13.10.2017 had approved payment of interim dividend of ₹0.80 per Equity Share of the face value of ₹ 10 each, absorbing a sum of ₹5153420 (rupees fifty one lacs fifty three thousand and four hundred twenty) excluding dividend distribution tax ₹1049115 (rupees ten lacs forty nine thousand and one hundred fifteen). Further the Board of Directors has recommended payment of final dividend of ₹4 per Equity Share of the face value of ₹10 each for the financial year 2017-2018. Total dividend

outgo including interim dividend and tax thereon will be ₹37266138 as against ₹6203934 in the corresponding previous year. The Dividend, if approved by the Members at the Annual General Meeting, shall be the Final Dividend for the Financial Year 2017-2018.

MATERIAL CHANGES AND COMMITMENTS

In terms of the information required under Sub-section (3)(i) of Section 134 of the Companies Act, 2013, there are no instances of material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which the Financial Statements relate and the date of the Director's Report.

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

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

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

STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

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

CORPORATE SOCIAL RESPONSIBILITY

During the period under review, the Company does not come under the criteria prescribed under section 135 of the Companies Act 2013. Hence, there is no stipulation for the Company to constitute CSR Committee and to spend any amount on the account of the Corporate Social Responsibility Policy.

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

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

CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of the business of the company.

PUBLIC DEPOSITS

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

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

In terms of Section 134 of the Companies Act, 2013 and Rule 8 of Companies (Accounts) Rules, 2014, there are no significant material orders passed by the Regulators / Courts / Tribunal which would impact the going

concern status of the Company and the Company's operations in future.

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

Your Company has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures commensurate with the size of its business operations and the same are reviewed by the Company from time to time.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

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

FRAUD REPORTING

There are no instances of fraud during the year and consequently, the Auditors have not reported any fraud to the Board under Section 143 (12) of the Companies Act, 2013.

SHARE CAPITAL AND PROVISION OF MONEY BY COMPANY FOR PURCHASE OF ITS OWN SHARES BY TRUSTEES OR EMPLOYEES FOR THE BENEFIT OF EMPLOYEES

Your Company has not issued any equity shares with differential rights, sweat equity shares, employee stock options and made any provision of money for purchase of its own shares by trustees or employees for the benefit of employees.

MAINTENANCE OF COST RECORDS AS SPECIFIED BY THE CENTRAL GOVERNMENT UNDER SUB-SECTION (1) OF SECTION 148 OF THE COMPANIES ACT, 2013.

Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not required by the Company.

ACKNOWLEDGEMENTS

The Board wishes to place on record its gratitude for the kind co-operation, assistance and continued support to the Company by the office-bearers, Sub-Brokers, Members and Officials of the Ludhiana Stock and Capital Limited, the Ministry of Finance, Central Government, the Securities and Exchange Board of India (SEBI), the Government of Punjab, Local Administration, the National Stock Exchange of India Limited (NSEIL), BSE Limited (BSE), Metropolitan Stock Exchange of India Limited (MSEI), the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and other business associates. The relations between the management and the staff were cordial during the period under review. The Company also wishes to put on record the appreciation of the work done by the staff. Your Directors appreciate and value the trust imposed upon them by the Members of the Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**PLACE: LUDHIANA
Date: 13.08.2018**

**Sd/-
JASPAL SINGH
CHAIRMAN
DIN NO- 00458451**

ANNEXURE-A

The details of the Top Ten Employees of the Company in terms of remuneration drawn pursuant to rule 5 (2) and 5(3) of Companies (Appointment & Remuneration of Managerial Personnel) Amendment rules, 2016 as under;

| Employee Name | Designation | Remuneration Drawn (in Rs.) | Other terms & Conditions | Qualification | Total Experience (in years) | Date of Commencement | Age (in Years) | Last Employment held | % of equity shares held as on 31.03.2018 |
|--------------------|---------------------|-----------------------------|--------------------------|---|-----------------------------|----------------------|----------------|---|--|
| *Mr. Pritpal Singh | Whole Time Director | 1010160 | N.A. | B.Com | 34 | 01/11/2013 | 57 | Metro Politan Stock Exchange of India Limited | Nil |
| Mr. Madhur Gupta. | Sr. AGM | 508511 | N.A. | MCA, MSC (IT), NCFM Capital Market, NISM VIII Module | 15 | 31/05/2006 | 37 | Competent Finman Pvt. Ltd. | Nil |
| Mr. Rajesh Gupta | Sr. AGM | 463770 | N.A. | C.A. | 12 | 14/05/2014 | 44 | Marvel Dyers & Processors Pvt. Limited | Nil |
| Mr. Vipin Goyal | AGM | 422143 | N.A. | B.COM,(Passed NISM, CM, F&O, Depository, NSE, BSE-CM) | 26 | 13/03/1991 | 49 | N.A. | Nil |
| Mr. Pawan kumar | Manager | 348250 | N.A. | B.A. | 31 | 01/04/1989 | 55 | Punjab Agriculture University | Nil |
| Mr. Ravinder Singh | Sr. Manager | 338361 | N.A. | B.A. | 24 | 18/02/1994 | 49 | N.A. | Nil |
| Ms. Paramjeet Kaur | Manager | 306766 | N.A. | 10+2, One year Diploma in Computer Science | 25 | 23/07/1993 | 46 | N.A. | Nil |
| Mr. Rajiv Dhiman | Company Secretary | 304353 | N.A. | C.S., M.B.A. | 10 | 01/01/2016 | 33 | Majestic Scrips Pvt Ltd. | Nil |
| Mr. Sandeep Dogra | Manager | 302798 | N.A. | B.A. | 14 | 29/09/2005 | 35 | Gupta Enterprises | Nil |
| Mr. Gurdeep Singh | Sr. Executive | 295423 | N.A. | B.Com, M.B.A | 17 | 11/07/2001 | 42 | Bharat Vikas Parishad Charitable Trust Ludhiana | Nil |

Notes: a) None of the employees mentioned above is a relative of any Director or Manager of the Company.

b) The nature of employment in all cases is contractual except the employee marked * who is governed by individual service contract.

Annexure to Director's Report for the year ended 31st March, 2018

Annexure “B” - Form No. MGT-9

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

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2018
of

LSC SECURITIES LIMITED
(FORMERLY: L.S.E. SECURITIES LIMITED)

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| Sr. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the Company |
|----------------|---|---|---|
| 1. | Stock Broking and Depository Activities | 661- Activities auxiliary to financial service activities, except insurance and pension funding | 100 |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

| Sr. No. | NAME AND ADDRESS OF THE COMPANY | CIN/GLN | HOLDING/ SUBSIDIARY/ ASSOCIATE | % of shares held | Applicable Section |
|---------|------------------------------------|-----------------------|--------------------------------|------------------|--------------------|
| 1. | Ludhiana Stock and Capital Limited | U67120PB1981PLC004696 | Holding | 51.71 | 2 (46) |

IV SHAREHOLDING PATTERN (Equity Share Capital Break up as % to total Equity)

(i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % change during the year |
|---|---|----------|---------|-------------------|---|----------|---------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/HUF | | 52800 | 52800 | 0.82% | | 52800 | 52800 | 0.82% | - |
| b) Central Govt.or State Govt. | | | | | | | | | |
| c) Bodies Corporates | | 3331075 | 3331075 | 51.71% | | 3331075 | 3331075 | 51.71% | - |
| d) Bank/FI | | | | | | | | | |
| e) Any other | | | | | | | | | |
| SUB TOTAL:(A) (1) | | 3383875 | 3383875 | 52.53% | | 3383875 | 3383875 | 52.53% | - |
| (2) Foreign | | | | | | | | | |
| a) NRI- Individuals | | | | | | | | | |
| b) Other Individuals | | | | | | | | | |
| c) Bodies Corp. | | | | | | | | | |
| d) Banks/FI | | | | | | | | | |
| e) Any other. | | | | | | | | | |
| SUB TOTAL (A) (2) | | | | | | | | | |
| Total Shareholding of Promoters (A)= (A)(1)+(A)(2) | | 3383875 | 3383875 | 52.53% | | 3383875 | 3383875 | 52.53% | - |

| | | | | | | | | | |
|--|---------|---------|--------|--|---------|---------|--------|-------|--|
| B. PUBLIC SHAREHOLDING | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| a) Mutual Funds | | | | | | | | | |
| b) Banks/FI | | | | | | | | | |
| c) Central Govt | | | | | | | | | |
| d) State Govt. | | | | | | | | | |
| e) Venture Capital Fund | | | | | | | | | |
| f) Insurance Companies | | | | | | | | | |
| g) FIIs | | | | | | | | | |
| h) Foreign Venture Capital Funds | | | | | | | | | |
| i) Others (specify) | | | | | | | | | |
| SUB TOTAL (B)(1): | | | | | | | | | |
| (2) Non Institutions | | | | | | | | | |
| a) Bodies corporates | | | | | | | | | |
| i) Indian | 870000 | 870000 | 13.51% | | 870000 | 870000 | 13.51% | - | |
| ii) Overseas | | | | | | | | | |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs.1 lakhs | 878700 | 878700 | 13.64% | | 868700 | 868700 | 13.48% | -0.16 | |
| ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakhs | 1309200 | 1309200 | 20.32% | | 1319200 | 1319200 | 20.48% | 0.16 | |
| c) Others (specify) | | | | | | | | | |
| SUB TOTAL(B)(2): | 3057900 | 3057900 | 47.47% | | 3057900 | 3057900 | 47.47% | - | |
| Total Public Shareholding (B)= (B)(1)+(B)(2) | | | | | | | | | |
| C. Shares held by Custodian for GDRs & ADRs | | | | | | | | | |
| Grand Total (A+B+C) | 6441775 | 6441775 | 100% | | 6441775 | 6441775 | 100% | - | |

(ii) Shareholding of Promoters

| Sr. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in share holding during the year |
|---------|------------------------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|---|
| | | No. of Shares | % of total Shares of the Company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the Company | % of Shares Pledged / encumbered to total shares | |
| 1. | Tribhawan Singh Thapar | 26400 | 0.41 | - | 26400 | 0.41 | - | - |
| 2. | Tarvinder Dhingra | 8100 | 0.13 | - | 8100 | 0.13 | - | - |
| 3. | Raghubir Singal | 100 | 0.00 | - | 100 | 0.00 | - | - |
| 4. | Dr. Rajiv Kalra | 18100 | 0.28 | - | 18100 | 0.28 | - | - |
| 5. | Harjit Singh Sidhu | 100 | 0.00 | - | 100 | 0.00 | - | - |
| 6. | Ludhiana Stock and Capital Limited | 3331075 | 51.71 | - | 3331075 | 51.71 | - | - |
| | TOTAL | 3383875 | 52.53 | | 3383875 | 52.53 | - | - |

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

| Sr. No. | Particulars | Date | Reason | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|------------------------------|------------|-----------|---|----------------------------------|---|----------------------------------|
| | | | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1. | At the beginning of the year | 01.04.2017 | - | 3383875 | 52.53 | 3383875 | 52.53 |
| 2. | Changes during the year | - | No Change | - | - | - | - |
| 3. | At the end of the year | 31.03.2018 | - | 3383875 | 52.53 | 3383875 | 52.53 |

(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

| Sr. No. | Name of Shareholder | Shareholding at the beginning of the year | | Date | Reason | Increase/Decrease in Shareholding | | Cumulative Shareholding during the year | |
|---------|----------------------------|---|----------------------------------|------------|------------------------|-----------------------------------|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the Company | | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 1 | Arora Stock Brokers Ltd. | 28500 | 0.44 | | | - | - | 28500 | 0.44 |
| | | | | - | No Change | - | - | - | - |
| | | | | 31.03.2018 | At the end of the year | - | - | 28500 | 0.44 |
| 2 | Sanjeev Kumar Gupta | 18000 | 0.28 | | | - | - | 18000 | 0.28 |
| | | | | 12.06.2017 | Transfer of Shares | 10000 | 0.15 | 10000 | 0.15 |
| | | | | 31.03.2018 | At the end of the year | - | - | 28000 | 0.43 |
| 3 | Corporate Scrips Pvt. Ltd. | 26500 | 0.41 | | | - | - | 26500 | 0.41 |
| | | | | - | No Change | - | - | - | - |
| | | | | 31.03.2018 | At the end of the year | - | - | 26500 | 0.41 |
| 4 | Krishan Chand Gupta | 20000 | 0.31 | | | - | - | 20000 | 0.31 |
| | | | | - | No Change | - | - | - | - |
| | | | | 31.03.2018 | At the end of the year | - | - | 20000 | 0.31 |

| | | | | | | | | | |
|----|--|-------|------|------------|------------------------|---|---|-------|------|
| 5 | Ms. Toshi Bansal | 20000 | 0.31 | | | - | - | 20000 | 0.31 |
| | | | | - | No Change | - | - | | |
| | | | | 31.03.2018 | At the end of the year | - | - | 20000 | 0.31 |
| 6 | Super Finvest Services Private Ltd. | 20000 | 0.31 | | | - | - | 20000 | 0.31 |
| | | | | - | No Change | - | - | - | - |
| | | | | 31.03.2018 | At the end of the year | - | - | 20000 | 0.31 |
| 7 | Neeraj Gupta | 20000 | 0.31 | | | - | - | 20000 | 0.31 |
| | | | | - | No Change | - | - | - | - |
| | | | | 31.03.2018 | At the end of the year | - | - | 20000 | 0.31 |
| 8 | Sanjay Anand | 20000 | 0.31 | | | - | - | 20000 | 0.31 |
| | | | | - | No Change | - | - | - | - |
| | | | | 31.03.2018 | At the end of the year | - | - | 20000 | 0.31 |
| 9 | Marwaha Financial Services Private Limited | 20000 | 0.31 | | | - | - | 20000 | 0.31 |
| | | | | - | No Change | - | - | - | - |
| | | | | 31.03.2018 | At the end of the year | - | - | 20000 | 0.31 |
| 10 | K. K. Capsec Private Limited | 20000 | 0.31 | | | - | - | 20000 | 0.31 |
| | | | | - | No Change | - | - | - | - |
| | | | | 31.03.2018 | At the end of the year | - | - | 20000 | 0.31 |

(v) Shareholding of Directors and Key Managerial Personnel:

| Sr. No. | Name of Directors and Key Managerial Personnel | Shareholding at the beginning of the year | | Date | Reason | Increase/Decrease in Shareholding | | Cumulative Shareholding during the year | |
|---------|--|---|----------------------------------|------------|------------------------|-----------------------------------|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the Company | | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 1 | Mr. Jaspal Singh | 20000 | 0.31 | | | - | - | 20000 | 0.31 |
| | | | | - | No change | - | - | - | - |
| | | | | 31.03.2018 | At the end of the year | - | - | 20000 | 0.31 |
| 2 | Mr. Tribhawan Singh Thapar | 26400 | 0.41 | | | - | - | 26400 | 0.41 |
| | | | | - | No change | - | - | - | - |
| | | | | 31.03.2018 | At the end of the year | - | - | 26400 | 0.41 |
| 3 | Mr. Bhavesh Makkar | 100 | 0.002 | | | - | - | 100 | 0.002 |
| | | | | - | No Change | - | - | - | - |
| | | | | 31.03.2018 | At the end of the year | - | - | 100 | 0.002 |
| 4 | Mr. Parmod Kumar Goyal | 100 | 0.002 | | | - | - | 100 | 0.002 |
| | | | | - | No Change | - | - | - | - |
| | | | | 31.03.2018 | At the end of the year | - | - | 100 | 0.002 |

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| | | | | | | | | | |
|----|----------------------|-------|-------|------------|------------------------|---|---|-------|-------|
| 5 | Mr. Rakesh Gupta | 11500 | 0.18 | | | - | - | 11500 | 0.18 |
| | | | | - | No change | - | - | - | - |
| | | | | 31.03.2018 | At the end of the year | - | - | 11500 | 0.18 |
| 6 | Mr. Nagesh Chander | 100 | 0.002 | | | - | - | 100 | 0.002 |
| | | | | - | No change | - | - | - | - |
| | | | | 31.03.2018 | At the end of the year | - | - | 100 | 0.002 |
| 7 | Mr. Ashok Kumar | - | - | | | - | - | - | - |
| | | | | - | No change | - | - | - | - |
| | | | | 31.03.2018 | At the end of the year | - | - | - | - |
| 8 | Mr. Ashwani Kumar | - | - | | | - | - | - | - |
| | | | | - | No change | - | - | - | - |
| | | | | 31.03.2018 | At the end of the year | - | - | - | - |
| 9 | Mr. Pritpal Singh | - | - | | | - | - | - | - |
| | | | | - | No change | - | - | - | - |
| | | | | 31.03.2018 | At the end of the year | - | - | - | - |
| 10 | *Mr. Rajiv Dhiman | - | - | | | - | - | - | - |
| | | | | - | No change | - | - | - | - |
| | | | | 31.03.2018 | At the end of the year | - | - | - | - |
| 11 | *Mr. Shiv Ram Mishra | - | - | | | - | - | - | - |
| | | | | - | No change | - | - | - | - |
| | | | | 31.03.2018 | At the end of the year | - | - | - | - |

*Mr. Shiv Ram Mishra was appointed as Company Secretary of the Company w.e.f. 01.3.2018 in place of Mr. Rajiv Dhiman who left the organisation on 28.02.2018.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Director and/or Manager:

(Amount in Rs.)

| Sr. No. | Particulars of Remuneration | Name of MD/WTD/Manager | Total Amount |
|---------|--|---|--------------|
| | | Mr. Pritpal Singh | |
| 1. | Gross salary | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under u/s 17(3) Income-Tax Act, 1961 | 1010160 | 1010160 |
| 2. | Stock Option | - | - |
| 3. | Sweat Equity | - | - |
| 4. | . Commission - as % of profit - others, specify. | - | - |
| 5. | Others, please specify | - | - |
| | Total (A) | 1010160 | 1010160 |
| | Ceiling as per the Act | As per schedule-V of the Companies Act,2013 | |

B. Remuneration to other directors:

(Amount in Rs.)

| Sr. No. | Particulars of Remuneration | Name of Directors | | Total Amount |
|---------|--|-------------------|-----|--------------|
| | 1. Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify | NIL | NIL | NIL |
| | Total (1) | | | - |
| | 2. Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify | NIL | NIL | NIL |
| | Total (2) | - | - | - |
| | Total (B)=(1+2) | - | - | - |
| | Total Managerial Remuneration | - | - | - |
| | Overall Ceiling as per the Act | - | | |

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

(Amount in Rs.)

| Sr. No. | Particulars of Remuneration | Key Managerial Personnel (Company Secretary) | |
|---------|--|---|--------|
| | | *Mr. Rajiv Dhiman | Total |
| 1 | Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | 304353 | 304353 |
| | | *Mr. Shiv Ram Mishra | Total |
| 2 | Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | 31515 | 31515 |
| 2 | Stock Option | - | - |
| 3 | Sweat Equity | - | - |
| 4 | Commission - as % of profit - others, specify... | - | - |
| 5 | Others, please specify | - | - |
| | Total | 335868 | |

* Mr. Shiv Ram Mishra was appointed as Company Secretary of the Company w.e.f. 01.3.2018 in place of Mr. Rajiv Dhiman who left the organisation on 28.02.2018.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Independent Auditor's Report

To
The Members of
LSC SECURITIES LIMITED
Report on the Financial Statements

We have audited the accompanying standalone financial statements of **LSC SECURITIES LIMITED** ("**the Company**") which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid

Standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its Profit and its Cash Flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report, to the extent applicable that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d. in our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

**Place : LUDHIANA
Date : 13/08/2018**

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

“Annexure A” to the Independent Auditors' Report

Statement referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2018:

- 1)
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of information available.
 - (b) As explained to us, fixed assets have been physically verified by the management reasonable intervals; no material discrepancies were noticed on such verification.
 - (c) The company does not own any immovable properties, therefore this clause is not applicable.
- 2) The Company's nature of operations does not require it to hold inventories. Consequently provisions of clause ii of the Order is not applicable. However, the company held stock of saleable stationery as on 31-03-2018, valued at cost or net realizable value, whichever is lower.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7)
 - (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues were in arrears as at March 31, 2018 for a period of more than six months from the date on when they become payable.
 - (c) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Value Added Tax, Excise Duty, Custom Duty, any cess or any other taxes which have not been deposited as on 31st March, 2018 on account of disputes.
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from

financial institutions or from the government and has not issued any debentures.

- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

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

Place : LUDHIANA
Date : 13/08/2018

ANOOP KUMAR
(Partner)
Membership No. : 096966

“Annexure B” to the Independent Auditor's Report of even date on the Standalone Financial Statements of LSC SECURITIES LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **LSC SECURITIES LIMITED** (“the Company”) as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. However, internal financial controls in relation to margins need to be strengthened further.

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

**Place : LUDHIANA
Date : 13/08/2018**

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

LSC SECURITIES LIMITED
(FORMERLY L.S.E. SECURITIES LIMITED)
BALANCE SHEET
AS AT 31st MARCH 2018

| Particulars | NOTE | As at 31 March,2018 | As at 31 March,2017 |
|------------------------------------|------|----------------------|----------------------|
| I EQUITY AND LIABILITIES | | | |
| (1) Shareholders' funds | | | |
| (a) Share capital | 1 | 64,417,750 | 64,417,750 |
| (b) Reserves and Surplus | 2 | 149,477,516 | 99,510,712 |
| (2) Non-Current Liabilities | | | |
| (a) Other Long Term Liabilities | 3 | 28,512,163 | 27,733,238 |
| (b) Deferred Tax Liability | 4 | 13,000 | (71,000) |
| (3) Current Liabilities | | | |
| (a) Short-Term Borrowings | 5 | - | 17,542,956 |
| (b) Trade Payables | 6 | 199,815,869 | 223,996,142 |
| (c) Other Current Liabilities | 7 | 1,989,181,657 | 2,093,568,291 |
| (d) Short Term provisions | 8 | 6,758,601 | 533,721 |
| TOTAL | | 2,438,176,556 | 2,527,231,810 |
| II ASSETS | | | |
| (1) Non Current Assets | | | |
| (a) Fixed Assets | 9 | | |
| Tangible Assets | | 1,790,439 | 1,938,341 |
| Intangible Assets | | 735,366 | 1,156,961 |
| (b) Non Current Investments | 10 | - | 6,764,000 |
| (c) Long term loans and advances | 11 | 50,448,450 | 40,649,229 |
| (d) Other Non Current Assets | 12 | 528,178 | 172,086 |
| (2) Current Assets | | | |
| (a) Inventory | 13 | 13,518 | 7,349 |
| (b) Current Investments | 14 | 10,000,000 | 5,000,000 |
| (c) Trade Receivables | 15 | 128,412,009 | 143,911,004 |
| (d) Cash and bank balances | 16 | 376,016,257 | 366,213,341 |
| (e) Short term Loans and advances | 17 | 6,153,861 | 4,552,196 |
| (f) Other Current Assets | 18 | 1,864,078,478 | 1,956,867,303 |
| TOTAL | | 2,438,176,556 | 2,527,231,810 |

Significant Accounting Policies 25

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 and on behalf of the Board of Directors

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

Sd/-
Jaspal Singh
Chairman
DIN: 00458451

Sd/-
Pritpal Singh
CGM Cum WTD
DIN: 01219436

(ANOOP KUMAR)
PARTNER
MEMBERSHIP NO. 096966

Sd/-
Shiv Ram Mishra
Company Secretary
PAN: ARJPM5735C

Sd/-
Rajesh Gupta
Sr.AGM
PAN:APHPG2853B

Place : LUDHIANA
Date : 13/08/2018

LSC SECURITIES LIMITED
(FORMERLY L.S.E. SECURITIES LIMITED)
STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH 2018

| Particulars | NOTE | For the year ended 31.03.2018 | For the year ended 31.03.2017 |
|--|------|----------------------------------|----------------------------------|
| I Revenue from operations | 19 | 18,669,313 | 22,539,472 |
| II Other Income | 20 | 73,089,457 | 24,025,748 |
| III Total Revenue | | 91,758,770 | 46,565,220 |
| IV Expenses | | | |
| Operating Expenses | 21 | 3,808,120 | 3,576,095 |
| Employee Benefit expenses | 22 | 15,157,467 | 14,907,229 |
| Finance Cost | 23 | 68,958 | 65,191 |
| Depreciation and amortization expenses | | 1,059,775 | 1,047,428 |
| Other expenses | 24 | 13,560,614 | 12,602,015 |
| Total Expenses | | 33,654,934 | 32,197,958 |
| V Profit before Tax (III-IV) | | 58,103,836 | 14,367,262 |
| VI Tax Expense : | | | |
| 1) Current Tax | | 11,541,891 | 4,562,000 |
| 2) Deferred Tax Charged/(Credit) | | 84,000 | (86,000) |
| 3) Tax Adjustment of an Earlier Year | | 40,961 | (187,916) |
| 4) Minimum Alternate Tax (Credit) Entitlement | | (9,732,356) | - |
| VII Profit for the year (V-VI) | | 56,169,340 | 10,079,178 |
| VIII Earning per Share (Nominal Value of Share Rs. 10 each) | | | |
| Basic and Diluted | | 8.72 | 1.56 |

Significant Accounting Policies 25

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

Place : LUDHIANA
Date : 13/08/2018

Sd/-
Jaspal Singh
Chairman
DIN: 00458451

Sd/-
Shiv Ram Mishra
Company Secretary
PAN: ARJPM5735C

Sd/-
Pritpal Singh
CGM Cum WTD
DIN: 01219436

Sd/-
Rajesh Gupta
Sr.AGM
PAN:APHPG2853B

LSC SECURITIES LIMITED
(FORMERLY L.S.E. SECURITIES LIMITED)
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2018

| PARTICULARS | AS AT 31.03.2018 | | AS AT 31.03.2017 | |
|---|------------------|-------------------|------------------|------------------|
| | AMOUNT | TOTAL | AMOUNT | TOTAL |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Profit Before Tax | | 58103836 | | 14367262 |
| Non-Cash & Non-Operating Adjustments for : | | | | |
| Depreciation & Amortisation | 1059775 | | 1047428 | |
| Finance Cost | 68958 | | 65191 | |
| Dividend Received | (1495000) | | (845000) | |
| Interest on Income tax Refund | - | | (124860) | |
| Bad Debts W/o/(Recovered) | 321719 | | (321977) | |
| Profit/Loss on sale of Assets | 66399 | | - | |
| Gain on Sale of Shares | (50104218) | | | |
| Provision for Leave encashment | 211967 | | 183513 | |
| | | (49870400) | | 4295 |
| Operating Profit before Working Capital changes | | 8233436 | | 14371557 |
| Adjustments for : | | | | |
| (Increase)/Decrease in Inventories | (6169) | | 4577 | |
| (Increase)/Decrease in Trade & Other Receivable | 15177276 | | 7584801 | |
| (Increase)/Decrease in Short-Term Loan & Advances | (2573322) | | 172173 | |
| (Increase)/Decrease in Long-Term Loan & Advances | (9799221) | | 9921160 | |
| (Increase)/Decrease in other Current Assets | 91252650 | | 588089425 | |
| (Increase)/Decrease in Non-Current Assets | (356092) | | 1644663 | |
| Increase/(Decrease) in Trade Payables | (24180273) | | 36552486 | |
| Increase/(Decrease) in other Current Liabilities | (104386634) | | (523567961) | |
| Increase/(Decrease) in Short term Provisions | (167506) | | (110309) | |
| Increase/(Decrease) in Short term Borrowings | (17542956) | | - | |
| Increase/(Decrease) in Other Long-Term Liabilities | 778925 | (51803322) | (164347) | 120126668 |
| Cash Generated from Operations | | (43569886) | | 134498225 |
| Income Tax Expense | 6837754 | 6837754 | (2534121) | (2534121) |
| NET CASH FROM OPERATING ACTIVITIES | | (36732132) | | 131964103 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Purchase of Fixed Assets | (597677) | | (930212) | |
| Proceeds From Sale of Fixed Assets | 41000 | | - | |
| Proceeds From Sale of Equity Shares | 56868218 | | - | |
| Interest on Income tax Refund | - | | 124860 | |
| Investment in Mutual Funds | (5000000) | | (5000000) | |
| Dividend Received | 1495000 | | 845000 | |
| NET CASH USED IN INVESTING ACTIVITIES | | 52806542 | | (4960352) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Dividend Paid Including Dividend Distribution Tax | (6202535) | | (6203934) | |
| Finance Cost | (68958) | | (65191) | |
| Proceeds from Short-Term Borrowings | - | | 17542956 | |
| NET CASH USED IN FINANCING ACTIVITIES | | (6271493) | | 11273831 |
| NET INCREASE IN CASH & CASH EQUIVALENTS | | 9802916 | | 138277584 |
| CASH AND CASH EQUIVALENTS at the Beginning of the Period | | 366213341 | | 227935757 |
| CASH AND CASH EQUIVALENTS at the End of the Period | | 376016257 | | 366213341 |

Significant Accounting Policies

25

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)

Sd/-
Jaspal Singh
Chairman
DIN: 00458451

Sd/-
Pritpal Singh
CGM Cum WTD
DIN: 01219436

(ANOOP KUMAR)
PARTNER
MEMBERSHIP NO. 096966

Sd/-
Shiv Ram Mishra
Company Secretary
PAN: ARJPM5735C

Sd/-
Rajesh Gupta
Sr.AGM
PAN:APHGP2853B

Place : LUDHIANA
Date : 13/08/2018

LSC SECURITIES LIMITED
(FORMERLY L.S.E. SECURITIES LIMITED)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018

| | AS AT 31.03.2018 | AS AT 31.03.2017 |
|---|--------------------|--------------------|
| 1 SHARE CAPITAL | | |
| AUTHORISED | | |
| 130,00,000 Equity Shares of Rs 10/- each (Par Value) | 130,000,000 | 130,000,000 |
| 20,00,000 8% Cumulative Redeemable Preference Shares of Rs 10/-each (Par Value) | 20,000,000 | 20,000,000 |
| | 150,000,000 | 150,000,000 |
| ISSUED, SUBSCRIBED AND PAID UP | | |
| 6441775 Equity Shares of Rs.10/- each Fully Paid Up | 64,417,750 | 64,417,750 |
| TOTAL | 64,417,750 | 64,417,750 |

Reconciliation of number of shares outstanding
a) Equity Shares

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

Terms / Rights attached to Equity Shares

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

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

| | Number of shares 3331075 | Number of shares 3331075 |
|------------------------------|-----------------------------|-----------------------------|
| LUDHIANA STOCK & CAPITAL LTD | | |

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

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

2 RESERVES & SURPLUS

| | | |
|---|--------------------|-------------------|
| Securities Premium - As Per Last Year Balance Sheet | 4,068,875 | 4,068,875 |
| Capital Redemption Reserve - As Per Last Year Balance Sheet | 790,460 | 790,460 |
| General Reserve - As Per Last Year Balance Sheet | 6,203,385 | 6,203,385 |
| | 6,203,385 | 6,203,385 |
| | 11,062,720 | 11,062,720 |
| Surplus in statement of Profit & Loss Account | | |
| Opening Balance | 88,447,991 | 84,572,747 |
| Add: Profit for the year | 56,169,340 | 10,079,178 |
| Amount available for appropriation | 144,617,331 | 94,651,926 |
| Less: Appropriations: | | |
| Interim Dividend on equity shares | 5,153,420 | 5,153,420 |
| Dividend Distribution tax | 1,049,115 | 1,050,514 |
| Closing Balance | 138,414,796 | 88,447,992 |
| TOTAL | 149,477,516 | 99,510,712 |

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| | | | |
|----------|---|----------------------|----------------------|
| 3 | <u>Other Long Term Liabilities</u> | | |
| | Deposits from sub brokers | 28,512,163 | 27,733,238 |
| | TOTAL | 28,512,163 | 27,733,238 |
| 4 | <u>Deferred Tax Liability</u> | | |
| | a) Deferred Tax Liability | | |
| | - On account of depreciation of Fixed Assets | 126,000 | 106,000 |
| | - On account of Excess Allowance U/S 40 A(7) of The Income Tax Act 1961 | 51,000 | 5,000 |
| | | 177,000 | 111,000 |
| | b) Deferred Tax Asset | | |
| | - On account of Disallowance U/S 43B of The Income Tax Act 1961 | (164,000) | (182,000) |
| | TOTAL | 13,000 | (71,000) |
| 5 | <u>Short-Term Borrowings</u> | | |
| | Secured | | |
| | Loans repayable on demand | | |
| | - From Bank | | |
| | Overdraft Facility | - | 17,542,956 |
| | TOTAL | - | 17,542,956 |
| | The above Overdraft facility is secured by pledge of Fixed Deposits Of Rs. 280 Lakhs and the same carries Interest @ 9.66% per annum as at March 31, 2017 | | |
| 6 | <u>Trade Payables</u> | | |
| | Sundry Creditors | 199,815,869 | 223,996,142 |
| | TOTAL | 199,815,869 | 223,996,142 |
| 7 | <u>Other Current Liabilities</u> | | |
| | <u>Deposits from sub brokers</u> | | |
| | <u>(Kept with the Principal Stock Exchanges as margins)</u> | | |
| | (A) BSE Limited | 47,105,467 | 42,878,963 |
| | (B) The National Stock Exchange of India Ltd (NSE) | 621,387,592 | 709,563,306 |
| | In form of FDRs | 466,545,141 | 555,449,171 |
| | In form of Funds | 154,842,451 | 154,114,135 |
| | (C) IL&FS | 5,276,090 | 3,177,594 |
| | In form of FDRs | 3,100,000 | 2,100,000 |
| | In form of Funds | 2,176,090 | 1,077,594 |
| | (D) Scrips held on behalf of Clients | 897,675,186 | 980,141,108 |
| | (E) Deposit from DP clients | 100,000 | 100,000 |
| | (F) Value of Members Scrips kept As Margin | 402,732,056 | 330,317,438 |
| | (G) Dp Charges Received in Advance | 1,767,783 | 1,318,023 |
| | (H) Investor Education & Protection Fund Shall be Credited by the Following Amount When Due: | | |
| | - Unclaimed Dividends | 97,600 | 97,600 |
| | TOTAL | 1,976,141,774 | 2,067,594,032 |
| | Other Payables | | |
| | Cheques issued but not presented | 4,109,211 | 10,924,783 |
| | Expenses Payable | 4,966,280 | 10,298,939 |
| | Statutory Liabilities | 1,644,884 | 1,882,195 |
| | Other Liabilities | 2,319,508 | 2,868,342 |
| | TOTAL | 13,039,883 | 25,974,259 |
| | GRAND TOTAL | 1,989,181,657 | 2,093,568,291 |
| 8 | <u>Short Term Provisions</u> | | |
| | Provision for employee benefits | | |
| | Leave Encashment | 578,182 | 533,721 |
| | Provision for Income Tax (Net of Advance Income Tax) | 6,180,419 | - |
| | TOTAL | 6,758,601 | 533,721 |

9. Fixed Assets

| PARTICULARS | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | | | |
|----------------------------------|---------------------|---------------|---------------------|---------------------|---------------------|-------------------|----------------------------------|--------------------------|---------------------|---------------------|
| | AS AT 01-04-2017 | ADDITIONS | SALE/ ADJUSTMENT | AS AT 31-03-2018 | AS AT 01-04-2017 | FOR THE PERIOD | REVERSED DURING THE PERIOD | OTHER ADJUSTM ENTS | AS AT 31-03-2018 | AS AT 31-03-2017 |
| A) TANGIBLE ASSETS | | | | | | | | | | |
| FURNITURE & FIXTURES | 1421989 | 0 | 0 | 1421989 | 1318891 | 11079 | 0 | 0 | 1329970 | 92019 |
| VEHICLES | 5865 | 0 | 0 | 5865 | 5571 | 0 | 0 | 0 | 5571 | 294 |
| OFFICE EQUIPMENT | 27983 | 0 | 0 | 27983 | 26583 | 0 | 0 | 0 | 26583 | 1400 |
| AIR CONDITIONER | 224215 | 0 | 0 | 224215 | 213004 | 0 | 0 | 0 | 213004 | 11211 |
| COOLERS | 6330 | 0 | 0 | 6330 | 6013 | 0 | 0 | 0 | 6013 | 317 |
| ELECTRONIC EQUIPMENTS | 193108 | 0 | 0 | 193108 | 181636 | 972 | 0 | 0 | 182608 | 10500 |
| FANS & ELECTRICAL FITTINGS | 67059 | 0 | 0 | 67059 | 59794 | 1139 | 0 | 0 | 60933 | 6126 |
| FIRE FIGHTING EQUIPMENT | 49805 | 0 | 0 | 49805 | 47316 | 0 | 0 | 0 | 47316 | 2489 |
| GENERATOR | 77497 | 0 | 0 | 77497 | 73622 | 0 | 0 | 0 | 73622 | 3875 |
| GLOW SIGN BOARD | 59454 | 0 | 0 | 59454 | 56480 | 0 | 0 | 0 | 56480 | 2974 |
| REFRIGERATOR | 7180 | 0 | 0 | 7180 | 6821 | 0 | 0 | 0 | 6821 | 359 |
| TELEPHONE & TELEX | 307175 | 2558 | 135398 | 174335 | 281904 | 5913 | 128625 | 0 | 159192 | 15143 |
| VSAT SKYEDGE | 78000 | 0 | 0 | 78000 | 74101 | 0 | 0 | 0 | 74101 | 3899 |
| COMPUTERS | 21098072 | 548535 | 2012519 | 19634088 | 19333654 | 572493 | 1911893 | 0 | 17994254 | 1639834 |
| TOTAL - A | 23623732 | 551093 | 2147917 | 22026908 | 21685390 | 591596 | 2040518 | 0 | 20236468 | 1790439 |
| PREVIOUS YEAR | 22693520 | 930212 | 0 | 23623732 | 21096824 | 588566 | 0 | 0 | 21685391 | 1938342 |
| B) INTANGIBLE ASSETS | | | | | | | | | | |
| COMPUTER SOFTWARE & LICENSES | 7744647 | 46584 | 0 | 7791231 | 6587686 | 468179 | 0 | 0 | 7055865 | 735366 |
| TOTAL - B | 7744647 | 46584 | 0 | 7791231 | 6587686 | 468179 | 0 | 0 | 7055865 | 735366 |
| PREVIOUS YEAR | 7744647 | 0 | 0 | 7744647 | 6128824 | 458862 | 0 | 0 | 6587686 | 1156961 |
| GRAND TOTAL CURRENT YEAR | 31368379 | 597677 | 2147917 | 29818138 | 28273076 | 1059775 | 2040518 | 0 | 27292333 | 2525806 |
| GRAND TOTAL PREVIOUS YEAR | 30438167 | 930212 | 0 | 31368379 | 27225648 | 1047428 | 0 | 0 | 28273077 | 3095302 |

| | | | |
|-----------|--|--------------------|--------------------|
| 10 | <u>Non Current Investments</u> | | |
| | Trade Quoted | | |
| | NIL Equity Shares (Previous Year 65000 Equity Shares of Rs.2 Each) of Rs. 2 Each of BSE Limited | - | 6,764,000 |
| | TOTAL | - | 6,764,000 |
| 11 | <u>Long Term Loans and Advances</u> | | |
| | <u>Unsecured, Considered Good</u> | | |
| | Security Deposits | 40,383,036 | 40,262,975 |
| | Advances to Employees other than Current Maturities | 299,200 | 349,840 |
| | Accrued interest on loan to employees other than current maturities | 33,858 | 36,414 |
| | MAT Credit Entitlement | 9,732,356 | - |
| | TOTAL | 50,448,450 | 40,649,229 |
| 12 | <u>Other Non-Current Assets</u> | | |
| | Planned Gratuity Assets (Net of Gratuity Obligation) | 183,442 | 14,083 |
| | Accrued interest on term deposits having remaining maturity more than one year | 344,736 | 158,003 |
| | TOTAL | 528,178 | 172,086 |
| 13 | <u>INVENTORY</u> | | |
| | Others:- | | |
| | Saleable Stationery | 13,518 | 7,349 |
| | TOTAL | 13,518 | 7,349 |
| 14 | <u>Current Investments</u> | | |
| | 20842.817 Units (Previous Year 20842.817) of Rs. 10 Each of ICICI Prudential Mutual fund Liquid Direct Growth (The NAV as on 31.03.2018 - Rs. 5359449) | 5,000,000 | 5,000,000 |
| | 1551.223 Units (Previous Year Nil) of Rs. 10 Each of HDFC Mutual Fund Liquid Direct Growth (The NAV as on 31.03.2018 - Rs. 5311200) | 5,000,000 | - |
| | TOTAL | 10,000,000 | 5,000,000 |
| 15 | <u>Trade Receivables</u> | | |
| | Outstanding for a period exceeding six months from the due date of payment | | |
| | -Secured, Considered Good | 11,487,019 | 18,220,155 |
| | -Unsecured , Considered Good | 24,697,164 | 20,205,814 |
| | TOTAL | 36,184,183 | 38,425,969 |
| | Others | | |
| | -Secured , Considered Good | 87,951,917 | 95,694,005 |
| | -Unsecured , Considered Good | 4,275,909 | 9,791,030 |
| | TOTAL | 92,227,826 | 105,485,035 |
| | GRAND TOTAL | 128,412,009 | 143,911,004 |
| 16 | <u>Cash and Bank Balances</u> | | |
| | <u>Cash and Cash Equivalents</u> | | |
| | Balances With Banks | 27,817,418 | 16,159,891 |
| | Cheques in Hand | - | 1,310,000 |
| | Cash in hand | 58,549 | 71,380 |
| | TOTAL | 27,875,967 | 17,541,271 |

Earmarked Bank Balances

| | | |
|---|-------------|-------------|
| Balances With Banks for Unclaimed Dividends | 97,600 | 97,600 |
| - Term Deposits having remaining maturity of more than one year.(See Note Below) | 36,300,000 | 59,700,000 |
| - Term Deposits having remaining maturity not more than one year.(See Note Below) | 304,542,690 | 288,874,470 |

Other Bank Balances

| | | |
|--|-----------|---|
| - Term Deposits having remaining maturity not more than 12 Months. | 7,200,000 | - |
|--|-----------|---|

348,140,290 348,672,070

GRAND TOTAL

376,016,257 366,213,341

Note : The term deposits in Earmarked bank balances represent lien marked deposits against margin with major stock exchanges, bank guarantee, bank overdraft limits.

17 Short Term Loans and Advances

Unsecured, Considered Good

| | | |
|--|-----------|-----------|
| Advances Recoverable in Cash or in kind or for value to be received- Considered Good | 1,750,112 | 1,571,051 |
| GST Input Credit Receivable | 1,714,455 | - |
| Accrued interest on current maturities of loan to employees | 30,634 | 18,289 |
| Current Maturity of Advances to employees | 485,804 | 709,410 |
| Prepaid Expenses | 2,172,856 | 1,281,790 |
| Advance Income Tax(Net of Provision for Tax) | - | 971,656 |

TOTAL

6,153,861 4,552,196

18 Other Current Assets

| | | |
|--|-------------|-------------|
| Accrued interest on deposits with IL & FS | 479,682 | 646,226 |
| Accrued interest on term deposits having remaining maturity less than one year | 10,388,308 | 10,180,353 |
| Income Tax Refund Receivable | 1,035,282 | 2,571,457 |
| Margins Collected by IL & FS | 15,700,000 | 15,700,000 |
| Margins Collected by BSE | 100,000 | 100,000 |
| Members fdr kept as Margin | 535,967,964 | 617,210,721 |
| Members Scrips kept as Margin | 402,732,056 | 330,317,438 |
| Scrips held on behalf of clients | 897,675,186 | 980,141,108 |

TOTAL

1,864,078,478 1,956,867,303

19 Revenue From Operations

Income from services rendered

| | | |
|--|------------|------------|
| Turnover Charges | 10,118,828 | 12,912,713 |
| Depository Income | 8,373,092 | 9,409,115 |
| Other operating revenue | | |
| - Relating to BSE Limited | 54,000 | 101,200 |
| - Relating to National Stock Exchange of India Limited, Mumbai | 123,393 | 116,444 |

TOTAL

18,669,313 22,539,472

20 Other Income

| | | |
|------------------------------------|------------|------------|
| Dividend on Non current Investment | 1,495,000 | 845,000 |
| Interest Income | 20,799,106 | 22,268,002 |
| Bad Debts Recovered | - | 321,977 |
| Miscellaneous Income | 691,133 | 590,769 |
| Gain on Sale of Equity Shares | 50,104,218 | - |

TOTAL

73,089,457 24,025,748

21 Operating Expenses

| | | |
|---|-----------|-----------|
| - Relating to BSE Limited | 459,058 | 310,286 |
| - Relating to National Stock Exchange Limited, Mumbai | 802,266 | 803,648 |
| - Relating to MSEI Limited | 14,164 | 6,500 |
| - Depository Expenses | 2,532,632 | 2,455,661 |

TOTAL

3,808,120 3,576,095

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| | | | |
|-----------|---|-------------------|-------------------|
| 22 | <u>Employee Benefit Expenses</u> | | |
| | Salaries, Bonus and Allowances | 13,043,383 | 12,715,208 |
| | Contribution to provident and other funds | 1,514,329 | 1,437,489 |
| | Staff Welfare Expenses | 319,825 | 307,556 |
| | Contribution/ (Adjustment) to Gratuity Fund | 279,930 | 446,976 |
| | TOTAL | 15,157,467 | 14,907,229 |
| 23 | <u>Finance Cost</u> | | |
| | Interest Expenses | 65,839 | 60,761 |
| | Other Borrowing Costs | 3,119 | 4,430 |
| | TOTAL | 68,958 | 65,191 |
| 24 | <u>Other Expenses</u> | | |
| | Advertisement | 33,635 | - |
| | Auditors' Remuneration | | |
| | - Statutory Audit Fee | 80,000 | 80,000 |
| | - Out of Pocket Expenses | 9,429 | 10,975 |
| | Internal Auditors' Remuneration- Audit Fees | 225,000 | 225,000 |
| | Internal Auditors' (Out of Pocket) Expenses | 1,274 | 8,253 |
| | System Audit | 34,500 | 30,000 |
| | Bad Debts | 321,719 | - |
| | Prior Period Expenses | 19,655 | 8,424 |
| | Board/Committee Meeting Expenses | 21,295 | 4,218 |
| | Cable TV Expenses | 236,331 | 209,954 |
| | Computer Maintenance expenses | 3,272,804 | 3,396,908 |
| | Electricity Charges | 505,544 | 109,300 |
| | Festival Expenses | 358,827 | 361,500 |
| | Filing Fees | 9,084 | 3,079 |
| | General Expenses | 72,744 | 104,903 |
| | Loss on Sale of Fixed Assets | 66,399 | - |
| | Insurance | 525,718 | 447,281 |
| | Legal and Professional Charges | 222,450 | 311,891 |
| | Newspapers and periodicals | 2,970 | 4,780 |
| | Office expenses | 258,763 | 273,977 |
| | Postage and Courier | 679,817 | 748,115 |
| | Printing and stationery | 555,164 | 625,827 |
| | Rates and Taxes | 330,389 | 420,755 |
| | Rent | 4,255,954 | 4,367,945 |
| | Repairs and Maintenance | 767,263 | 85,034 |
| | Telephone & Communication Charges | 623,607 | 678,054 |
| | Travelling and Conveyance-others | 70,279 | 85,843 |
| | TOTAL | 13,560,614 | 12,602,015 |

LSC SECURITIES LIMITED**NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2018****25 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS****25.1 SIGNIFICANT ACCOUNTING POLICIES**

- **Accounting Convention**

The accompanying financial statements are prepared and presented under the historical cost convention, on the basis of accounting principles and comply with the Accounting Standards prescribed by Companies (Accounting Standards) Rules 2006 as amended by Companies (Accounting Standards) Amendment Rules 2016, the relevant provisions of the Companies Act, 2013 and the Schedule III to the Act.

- **Revenue Recognition**

- a) The Company follows accrual system of accounting in accordance with the normally accepted accounting principles. Income in respect of zero holding depository accounts is accounted for at the time of reasonable certainty of its collection.
- b) Income from Turnover Charges on Stock Broking business is recognized as per contracted rates at the execution of transactions on behalf of customers on the trade date and is reflected net of expenses for Turnover Charges and service tax.
- c) Interest Income is recognized using time proportion method.
- d) Dividend income is recognized 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 licenses are amortized on straight line basis over a period of 5 years, being the useful life as estimated by the management, beginning with the year in which the said assets are put to use.

- **Depreciation**

Depreciation is provided on written down value method as per the requirements prescribed in schedule II to The Companies Act, 2013 on all the assets of the Company. In respect of assets sold, depreciation is provided upto the date of disposal. The useful life of fixed assets has been taken to be the life as prescribed under Schedule II. However the useful life of computer software and licences has been estimated by the management and taken to be five years and being amortised over the said period on straight line basis. The residual value and useful life of the Fixed Assets of the company have been reviewed at the end of Financial Year and there is no difference of expectations from the previous estimates and the same i.e. the residual value and useful life of Fixed assets, as estimated as per Schedule II to the Companies Act, 2013, is in accordance with AS-5 prescribed by the Companies (Accounting Standards) Rules 2006 as amended by Companies (Accounting Standards) Amendment Rules 2016.

- **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 unutilized leave at each balance sheet date, based on actuarial valuation.

- **Investment**

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

- **Taxation**

- a. Current tax is determined on the profit for the year in accordance with the provisions of the Income tax Act, 1961.
- b. Deferred tax is calculated at the rates and laws that have been enacted or substantively enacted as of the Balance Sheet date and is recognized on timing difference that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, subject to consideration of prudence, are recognized and carried forward only to the extent that they can be realized.

- **Earning Per Share**

The company reports basic and diluted earning per share (EPS) in accordance with accounting standard 20 on "Earnings Per Share". Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

- **Impairment of Assets**

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

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

The Company has a procedure of receiving FDRs from its Sub-Brokers/ Clients as margins. Such Fixed Deposits are issued by the Bank in favour of NSCCL A/c LSC Securities Limited in case of NSE and BSE Limited A/c LSC 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.

25.2 NOTES TO ACCOUNTS

FDR's of Rs. 74300000 (Prev. Year Rs.74300000) have been pledged with HDFC Bank to secured overdraft facilities to the tune of Rs. 6.43 Cr (P/Y 6.43 Cr)

The Company has deposited FDRs in its name with National Stock Exchange of India Ltd amounting to Rs. 262067690 (Prev. Year Rs. 269799470) and with BSE Limited amounting to Rs. 2375000 (Prev. Year Rs 2375000) for Base Minimum/Additional Capital and are shown under the head Fixed Deposit with scheduled banks & FDRs amounting to Rs. 800000 (Previous Year Rs.800000) have been kept as Membership Security with NSE for CD Segment and Rs.13 Lacs (Previous Year- 1300000) FDRs have been kept for the same purpose with MSEI Stock Exchange Ltd. in CD Segment.

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 LSC Securities Limited and its Sub-Brokers and Clients.

- **Legal & Professional charges also include Rs 5000 paid to Statutory Auditor for rendering other Services.**

- **Employee Benefits:**

- i) Defined Contribution Plan:
Company contribution to provident fund Rs. 1151904 (Previous Year Rs. 1122539)
- ii) Defined Benefit Obligation:

(a) Liability/Asset recognized in the Balance Sheet

| | Defined Benefit Plan Gratuity Funded as on 31.03.2018 | Defined Benefit Plan Gratuity Funded as on 31.03.2017 |
|--|--|--|
| Present value of obligation, beginning of the Year | 3741668 | 3441053 |
| Interest cost | 289979 | 258079 |
| Current service cost | 373179 | 348334 |
| Benefits paid | (228897) | (458288) |
| Actuarial loss on obligations | (69687) | 152490 |
| Present value of obligation, end of the Year (A) | 4106242 | 3741668 |
| Fair value of plan assets, beginning of the year | 3755751 | 3741696 |
| Expected return on plan assets | 291071 | 280627 |
| Contributions | 449289 | 160416 |
| Benefits paid | (228897) | (458288) |
| Actuarial gain / (loss) on plan assets | 22470 | 31300 |
| Fair value of plan asset at the end of the year (B) | 4289684 | 3755751 |
| Amount recognized in balance sheet (A-B) | 183442 | 14083 |

(b) Expenses during the year

| | | |
|---|----------|----------|
| Current service cost | 373179 | 348334 |
| Interest cost | 289979 | 258079 |
| Expected return on plan assets | (291071) | (280627) |
| Net actuarial (gain)/loss recognized in the year | (92157) | 121190 |
| Expenses recognized in statement of profit & loss | 279930 | 446976 |

(c) Principal Actuarial Assumptions

| | As on 31.03.2018 | As on 31.03.2017 |
|-------------------|------------------|------------------|
| Discount Rate | 7.75% | 7.50% |
| Salary Escalation | 7% | 7% |

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

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:

| | 31-03-2018 | 31-03-2017 |
|---|------------|------------|
| a) Face Value per Share | 10 | 10 |
| b) Net Profit after Tax | 56169340 | 10079178 |
| c) Weighted Average No. of shares | 6,441,775 | 6,441,775 |
| d) Earnings per share (Basic and Diluted) | 8.72 | 1.56 |

Contingent Liability

Claims against the company not acknowledged as Debts:

- Nil

Events Occurring after the balance sheet Date:

Board of Director in the meeting held on 13th Aug 2018 Proposed the final dividend of Rs.4 per share (40%) for the year ended 31st March, 2018 subject to the approval of shareholders at the 19th AGM. If approved, the final dividend will result in cash flow of Rs.31063603 including dividend distribution tax amounting to Rs.5296503

- All rent/lease agreements are cancellable on the instance of both lessor and lessee hence disclosure of information as per the provisions of AS-19 is not applicable.

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

- (a) List of related parties and description of relationship

I. Holding company

- Ludhiana Stock and Capital Ltd.

II. Key Managerial Personnel

| | |
|---------------------|-------------------------------------|
| Mr. Pritpal Singh | Chief General Manager |
| Mr. Rajiv Dhiman | Company Secretary (upto 28.02.2018) |
| Mr. Shiv Ram Mishra | Company Secretary |

- (a) **Related Party Transactions**

| | Holding Company | Key Managerial Personnel | Total (Figures in Rs.) |
|-----------------------------|------------------------|---------------------------------|-------------------------------|
| <u>CURRENT YEAR</u> | | | |
| Dividend | 2664860 | | 2664860 |
| Rent | 3847500 | | 3847500 |
| Photo Copy Charges | 44914 | | 44914 |
| Maintenance Charges | 672750 | | 672750 |
| Remuneration | - | 1346028 | 1346028 |
| Total | 7230024 | 1346028 | 8576052 |
| <u>PREVIOUS YEAR</u> | | | |
| Dividend | 2,664,860 | - | 2,664,860 |
| Rent | 3847500 | - | 3847500 |
| Photo Copy Charges | 47944 | - | 47944 |
| AMC of CCTV | 11,650 | - | 11,650 |
| Remuneration | - | 1,183,705 | 1,183,705 |
| Total | 6571954 | 1,183,705 | 775659 |

Capital Commitment

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

- Any other Information required to be reported is Nil
- **Figures of the previous year have been regrouped/rearranged/reclassified to make them comparable with the current year's figures, wherever considered necessary.**

Figures have been rounded off to the nearest rupee value.

Signatures to Note No. 1 to 25

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

Place : LUDHIANA
Date : 13/08/2018

Sd/-
Jaspal Singh
Chairman
DIN: 00458451

Sd/-
Shiv Ram Mishra
Company Secretary
PAN: ARJPM5735C

Sd/-
Pritpal Singh
CGM Cum WTD
DIN: 01219436

Sd/-
Rajesh Gupta
Sr.AGM
PAN:APHPG2853B

LSC SECURITIES LIMITED

(Formerly Known as L.S.E. SECURITIES LIMITED)

CIN: U67120CH2000PLC023244

Regd. Off.: SCO 50, First Floor, Sector 34-A, Chandigarh-160 022

ATTENDANCE SLIP

19th Annual General Meeting, Saturday, 15th September, 2018 at 12.30 P.M.

Name and Address of the Shareholder : _____

Name of the Joint Shareholder(s) if any : _____

Regd. Folio No : _____

No. of shares held : _____

Name of the Proxy/Representative, if any : _____

I /We hereby record my/our presence at 19th (Nineteenth) Annual General meeting of the Company being held on Saturday, 15th September, 2018 at 12.30 P.M. at Hotel Park View, Sector-24, Near Indira Holiday Home, Chandigarh-160022

Member's/Proxy's name in Block Letters

Member's/Proxy's Signature

Note: Please fill this attendance slip and hand it over at the entrance of the hall.

PROXY FORM

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

LSC SECURITIES LIMITED

CIN: U67120CH2000PLC023244

REGISTERED OFFICE: SCO 50, First Floor, Sector 34-A, Chandigarh 160 022.

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 19th Annual General Meeting of the Company, to be held on Saturday, September 15, 2018 at 12:30 P.M at Hotel Park View, Sector-24, Near Indira Holiday Home, Chandigarh-160022 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.:

Ordinary Business:

- To receive, consider, and adopt the Audited Financial Statements for the year ended 31st March, 2018 together with the Reports of the Board of Directors and Auditors thereon.
- To consider the declaration of dividend on Equity Shares.
- To appoint a Director in place of Mr. Tribhawan Singh Thapar (DIN: 00494576), who retires by rotation and being eligible, offers himself for the re-appointment.
- To appoint a Director in place of Mr. Nagesh Chander (DIN: 01944798), who retires by rotation and being eligible, offers himself for the re-appointment.



Special Business:

5 To approve Related Party Transaction(s):

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:\

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), consent and approval of the Members of the Company be and is hereby accorded to the Board of Directors to enter into Agreement(s)/Contract(s)/Transaction(s)/ Licence Deed(s)/Lease Deed(s)/Memorandum of Understanding(s) including amendment or renewal of any existing Agreement(s)/Contract(s)/Transaction(s)/Licence Deed(s)/Lease Deed(s)/Memorandum of Understanding(s) with its Related Party i.e. Ludhiana Stock and Capital Limited (Holding Company) to continue the lease agreement or to take on lease the portion of the Building of the Holding Company and/or/alongwith other infrastructure or facilities on behalf of the Company.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as Board) or a Committee thereof be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion consider necessary or expedient to give effect to the aforesaid resolution."

Signed this _____ day of _____ 2018.

Signature of Shareholder

Signature of Proxy holder(s)

Notes:

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

