

13th

Annual Report

2011-12



LSE Securities Limited

Regd. Off. : SCO 50-51, 1st Floor, Sector 34-A, Chandigarh-160022.

Corp. Off. : 1st Floor, Ludhiana Stock Exchange Bldg., Feroze Gandhi Market, Ludhiana-141001.

Board of Directors



Mr. Vishal Goomber
Chairman



Mr. Vijay Singhania
Vice Chairman



Mr. Munish Sood
Member



Mr. Lalit Kishore
Member



Mr. Sukhjiwan Rai
Member



Mr. Ajay Chaudhry
Public Representative Director



Dr. Rakesh Kumar Gupta
Public Representative Director



Mr. Vinesh Kumar
Public Representative Director



Mr. Ashish Aggarwal
Public Representative Director



Dr. Prem Kumar
Public Representative Director



Ms. Pooja M. Kohli
LSE Representative

CONTENTS

CONTENTS

1.	Company Details	2
2.	Notice	3
3.	Directors' Report	5
4.	Auditors' Report	10
5.	Annexure to Auditors' Report	11
6.	Balance Sheet	13
7.	Profit & Loss Account	14
8.	Notes Forming Part of Balance Sheet	15
9.	Notes to Financial Statements	20
10.	Proxy	31
▲		▲

Venue

13th Annual General Meeting

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

COMPANY DETAILS

BOARD OF DIRECTORS

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

LEADERSHIP TEAM

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

Registered Office :

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

Statutory Auditors :

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

Trading cum Clearing Member :

National Stock Exchange of India Limited
Bombay Stock Exchange Limited

Trading Member :

MCX-SX Stock Exchange

Corporate Office :

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

Internal Auditors :

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

Depository Participants :

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

Bankers

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

DP BRANCHES

Amritsar

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

Chandigarh

SCO 50-51, 1st Floor, Sector 34-A,
Adj. Mukat Hospital,
Chandigarh- 160 022
Ph. : 0172-501255, 5065459-60

Jalandhar

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

Ferozpur

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

Sangrur

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

Una

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

Website : www.lse.co.in

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

LSE SECURITIES LIMITED

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

NOTICE

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

AS ORDINARY BUSINESS:

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

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE VALID AND EFFECTIVE, MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY SO APPOINTED SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING.
2. Corporate Members are requested to send a duly certified copy of the Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorizing their representative to attend and vote at the Annual General Meeting.
3. The shares of the Company are held in physical form. Any member who transfers his shares to any person has to seek approval from the Board of the LSE Securities Limited subject to prior approval from BSE, NSE and MCX-SX Stock Exchanges.
4. The dividend declared, if any, will be paid to those Share-Holders whose names appear in the Register of Members after affecting the valid transfer requests lodged and affected by the Company on or before up to 08.09.2012 (Saturday) upto 05:30 P.M. subject to approval of NSE, BSE, MCX Stock Exchanges.
5. The Register of Members and the Share Transfer Book of the Company will remain closed from 10.09.2012 (Monday) to 14.09.2012 (Friday) for ascertaining the names of the Shareholders to whom the dividend which if any declared at the Annual General Meeting is payable.
6. Members are requested to write to the Company at least ten days before the meeting for obtaining any information as regards to accounts and operations of the Company so that the same could be complied in advance.
7. Members are requested to bring their copy of Annual Report along with them to the Annual General Meeting.

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

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

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

DIRECTORS' REPORT

Dear Shareholders,

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

1. REVIEW OF OPERATIONS

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

(Amount in ₹Lacs)

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

2. OPERATING RESULTS

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

Profitability

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

Turnover

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

3. DIVIDEND

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

4. MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT**a) Trading at NSE and BSE in Capital Market Segment**

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

b) F&O Segment of NSE

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

c) Currency Segment

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

d) Depository Participant Services

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

e) Client Registration Department

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

f) Future Outlook

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

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

5. COMPOSITION AND CATEGORY OF THE DIRECTORS

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

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

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

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

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

6. CORPORATE GOVERNANCE**AUDIT COMMITTEE**

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

COMPUTER COMMITTEE

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

HUMAN RESOURCE MANAGEMENT COMMITTEE

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

TRADING BUSINESS DEVELOPMENT COMMITTEE

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

RISK MANAGEMENT COMMITTEE

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

SHARE TRANSFER COMMITTEE

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

DEPOSITORY BUSINESS COMMITTEE

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

7. CONSERVATION OF ENERGY

The Company is engaged in stock broking, depository activities and has no activity pertaining to manufacturing and as such furnishing of details as required under Section 217(1) (e) of the Companies Act, 1956 regarding conservation of energy is not applicable.

8. TECHNOLOGY ABSORPTION

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

9. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

10. PARTICULARS OF EMPLOYEES

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

11. DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

12. COMPLIANCE TO ACCOUNTING STANDARDS

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

13. AUDITORS'

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

14. AUDITORS' REPORT

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

15. PERSONNEL

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

16. ACKNOWLEDGEMENT

The Board wishes to place on record its gratitude for the kind co-operation, assistance and continued support to the Company by the office-bearers, Sub-Brokers, Members and officials of the Ludhiana Stock Exchange Limited, the Ministry of Finance, Central Government, the Securities and Exchange Board of India (SEBI), the Government of Punjab, Local Administration, the National Stock Exchange of India Limited (NSEIL), the Bombay Stock Exchange Limited, Mumbai (BSE), MCX Stock Exchange and other Stock Exchanges and their Subsidiary Companies, the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and other business associates. Your Company is deeply grateful to the Shareholders of the Company who has shown their confidence and faith towards the Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PLACE: LUDHIANA
DATE: AUGUST 14, 2012

-Sd/-
VISHAL GOOMBER
CHAIRMAN

AUDITORS' REPORT

**The Members,
LSE Securities Limited**

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

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

PLACE: LUDHIANA
DATE : AUGUST 14, 2012

Anoop Kumar (Partner)
Membership Number : 096966

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 3)

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

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

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

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

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

LSE SECURITIES LIMITED
BALANCE SHEET

AS AT 31ST MARCH 2012

Amount In (₹)

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

Significant Accounting Policies 1.1

See Accompanying Notes to the Financial Statements

As per our report of even date attached

For and on Behalf of The Board of Directors

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

Vishal Goomber
Chairman

Vijay Singhania
Vice Chairman

(ANOOP KUMAR)
PARTNER
MEMBERSHIP NO. 096966

Pritpal Singh
Chief General Manager

Amanpreet Kaur
Asst. General Manager - Finance

PLACE : LUDHIANA
DATE : AUGUST 14, 2012

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

Amount In (₹)

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

Significant Accounting Policies

1.1

See Accompanying Notes to the Financial Statements

As per our report of even date attached

For and on Behalf of The Board of Directors

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

(ANOOP KUMAR)
PARTNER
MEMBERSHIP NO. 096966

PLACE : LUDHIANA
DATE : AUGUST 14, 2012

Vishal Goomber
Chairman

Pritpal Singh
Chief General Manager

Vijay Singhania
Vice Chairman

Amanpreet Kaur
Asst. General Manager - Finance

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

1. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

1.1 SIGNIFICANT ACCOUNTING POLICIES

• **Accounting Convention**

The accompanying financial statements are prepared and presented under the historical cost convention, on the basis of accounting principles and comply with the Accounting Standard prescribed by Companies (Accounting Standards) Rules 2006, the relevant provisions of the Companies Act, 1956 and the Revised Schedule VI to the Act, which has become effective from the current year. Figures of the previous year have been redrawn to conform to the Revised Schedule VI classification.

• **Revenue Recognition**

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

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

c) Interest Income is recognised using time proportion method.

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

• **Fixed Assets**

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

• **Intangible Assets and Amortization**

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

• **Depreciation**

Depreciation is provided on written down value method as per the rates prescribed in schedule XIV of The Companies Act, 1956 on all the assets of the Company. In respect of assets sold, depreciation is provided upto the date of disposal.

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

• **Inventories**

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

- **Employee Benefits**

- **DEFINED CONTRIBUTION PLAN**

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

- **DEFINED BENEFIT PLAN**

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

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

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

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

- **Investment**

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

- **Taxation**

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

- **Earning Per Share**

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

- **Impairment of Assets**

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

- **Margin Money In the Form of FDRs**

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

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

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be outflow of resources. Contingent Liabilities are not recognised, but are disclosed in the notes.

Contingent assets are neither recognised nor disclosed in the financial statements.

1.2 NOTES TO ACCOUNTS

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

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

- **Secured Debtors**

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

- **Employee Benefits :**

- i) **Defined Contribution Plan :**

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

- ii) **Defined Benefit Obligation :**

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

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

(b) Expenses during the year

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

(c) Principal Actuarial Assumptions

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

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

- Earnings Per Share**

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

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

- Contingent Liability**

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

- Investments**

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

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

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

(a) List of related parties and description of relationship

I. Holding company

- Ludhiana Stock Exchange Ltd.

II. Key managerial personnel

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

(a) Related Party Transaction

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

- **Capital Commitment**

Capital Commitment (Net of Advances) Rs. 9.40 Lacs (Previous Year NIL.)

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

Figures have been rounded off to the nearest rupee value.

LSE SECURITIES LIMITED
NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2012

Amount In (₹)

PARTICULARS	As At 31.03.2012	As At 31.03.2011
2. SHARE CAPITAL		
AUTHORISED		
130,00,000 Equity Shares (Previous Year 1,30,00,000 Shares) of Rs 10/- each (Par Value)	130,000,000	130,000,000
20,00,000 8% Cumulative Redeemable Preference Shares of Rs 10/-each (Par Value)	20,000,000	20,000,000
	150,000,000	150,000,000
ISSUED, SUBSCRIBED AND PAID UP		
6441775 Equity Shares of Rs.10/- each Fully Paid Up (Previous Year 6441775 Equity Shares of Rs.10 each)	64,417,750	64,417,750
79046, 8% Cumulative Redeemable Preference Shares of Rs 10/-each	790,460	790,460
TOTAL	65,208,210	65,208,210

Reconciliation of number of shares outstanding

	a) Equity Shares			
	No. of Shares	Amount	No. of Shares	Amount
Outstanding at the beginning of the year	6441775	64417750	6351275	63512750
Issued during the year	0	0	90500	90500
Outstanding at the end of the year	6441775	64417750	6441775	64417750
b) Preference Shares				
	No. of Shares	Amount	No. of Shares	Amount
Outstanding at the beginning of the year	79046	790460	79046	790460
Outstanding at the end of the year	79046	790460	79046	790460

Details of Preference Shares

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

Terms / Rights attached to Equity Shares

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

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

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

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

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

10. FIXED ASSETS

Amount In (₹)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	AS AT 01-04-2011	ADDITIONS	SALE/ ADJUST- MENT	AS AT 31-03-2012	AS AT 01-04-2011	FOR THE PERIOD	REVERSED DURING THE PERIOD	AS AT 31-03-2012	AS AT 31-03-2012	AS AT 31-03-2011	
A) TANGIBLE ASSETS											
FURNITURE & FIXTURES	1464589	58701	68992	1454298	1041957	76394	48242	1070109	384189	422632	
VEHICLES	5865	0	0	5865	5865	0	0	5865	0	0	
OFFICE EQUIPMENT	27983	0	0	27983	19099	1239	0	20338	7645	8884	
AIR CONDITIONER	224215	21900	0	246115	115169	17689	0	132858	113257	109046	
COOLERS	6330	0	0	6330	4068	316	0	4384	1946	2262	
ELECTRONIC EQUIPMENTS	193108	0	0	193108	98783	13157	0	111940	81168	94325	
FANS & ELECTRICAL FITTINGS	49691	7020	0	56711	41238	8199	0	49437	7274	8453	
FIRE FIGHTING EQUIPMENT	49805	0	0	49805	30142	2743	0	32885	16920	19663	
GENERATOR	77497	0	0	77497	50540	3760	0	54300	23197	26957	
GLOW SIGN BOARD	59454	0	0	59454	41557	2496	0	44053	15401	17897	
REFRIGERATOR	7180	0	0	7180	4622	357	0	4979	2201	2558	
TELEPHONE & TELEX	244075	20920	0	264995	161448	12672	0	174120	90875	82627	
VSAT SKYEDGE	78000	0	0	78000	41115	5145	0	46260	31740	36885	
COMPUTERS	19536369	284792	0	19821161	16918025	1114500	0	18032525	1788636	2618344	
TOTAL - A	22024161	393333	68992	22348502	18573628	1258667	48242	19784053	2564449	3450533	
B) INTANGIBLE ASSETS											
COMPUTER SOFTWARE & LICENSES	5460335	0	10000	5450335	4883619	247266	9898	5120987	329348	576716	
TOTAL - B	5460335	0	10,000	5450335	4883619	247266	9,898	5120987	329348	576716	
TOTAL CURRENT YEAR	27484496	393333	78992	27798837	23457247	1505933	58140	24905040	2893797	4027249	
TOTAL PREVIOUS YEAR	25590576	1893920	0	27484496	2142788	2029859	0	23457247	4027249		

*It represents software written off being no more usable.

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

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

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

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

NOTES



LSE SECURITIES LIMITED

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



I/We _____ of
 _____ in the district of
 _____ being a Member/ Members of M/s. LSE Securities Limited, hereby
 appoint Mr./Ms. _____
 of _____ of _____ in the district of _____
 or failing him, Mr. _____ of _____ in the district
 of _____ of _____ as my /our proxy to attend & vote for me /us
 on my/our behalf at the 13th Annual General Meeting of the Company, to be held on Saturday, 15th day of September,
 2012 at 12:30 P.M. at Hotel Park View, Sector 24, Near Indira Holiday Home, Chandigarh and at any adjournment
 thereof.

Signed this _____ day of _____ 2012

Reference Folio No.

No. of shares

Signature _____

Affix 15 paise/- Revenue Stamp

Notes:

1. The proxy, to be effective, should be deposited at the Registered Office of the Company, SCO 50, 1ST Floor, Sector 34-A, Chandigarh 160 022 at least FORTY-EIGHT HOURS before the commencement of the Annual General Meeting.
2. A Proxy need not be a Member of the Company.

Leadership Team



Mr. Pritpal Singh
Chief General Manager



Ms. Ashima Arora
Company Secretary



Mr. Madhur Gupta
HOD - IT



Mr. Vinay Mahajan
HOD - DP



Ms. Amanpreet Kaur
HOD - Accounts - I



Mr. Vipen Goyal
HOD - Clearing & Sett.



Mr. Ravinder S. Saini
HOD - Accounts - II



Ms. Sonia Makkar
HOD - KYC



Mr. Rajinder Pal Singh
HOD - Margin



Mr. Pawan Bhardwaj
HOD - Membership



Ms. Paramjeet Kaur
HOD - Surveillance & HR



LSE Securities Limited

Regd. Off. : SCO 50-51, 1st Floor, Sector 34-A, Chandigarh-160022.

Corp. Off. : 1st Floor, Ludhiana Stock Exchange Bldg., Feroze Gandhi Market, Ludhiana-141001.