

L.S.E. Securities Limited

CIN NO U67120CH2000PLC023244

Regd .Office:

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

Corp. Off:

1st Floor, LSE Building, Feroze Gandhi Market, Ludhiana.

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VENUE

17th 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. Tribhawan Singh Thapar	Director
• Mr. Rakesh Gupta	Director
• Mr. Nagesh Chander	Director
• Mr. Rajesh Kumar Sharma	Director
• Mr. Parmod Kumar Goyal	Director
• Mr. Ashwani Kumar	Nominee Director
• Mr. Ashok Kumar	Nominee Director

LEADERSHIP TEAM

• Mr. Pritpal Singh	CGM cum WTD
• Mr. Rajiv Dhiman	Company Secretary
• Mr. Vipen Goyal	AGM
• Mr. Madhur Gupta	AGM
• Mr. Rajesh Gupta	HOD - Accounts
• Mr. Rajinder Pal Singh	HOD - Margin
• Mr. Pawan Bhardwaj	HOD - Membership
• Ms. Paramjeet Kaur	HOD - HR
• Mr. Ravinder S. Saini	HOD - Accounts - II
• Mr. Shiv Ram Mishra	Compliance Officer
• Mr. Jaswinder Singh	HOD - DP
• Mr. Sandhir Chadha	HOD - KYC

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

Corporate Office :

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

Internal Auditors :

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

Depository Participants :

National Securities Depository Limited
Central Depository Services (India) Limited

Bankers

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

DP BRANCHES

Amritsar 35-36, 2nd Floor, Deep Complex, Opp. HDFC Bank, Court Road, Amritsar – 143001 Ph.: 0183-2402212, 5018601	Chandigarh SCO 50, First Floor, Sector 34-A, Chandigarh – 160 022 Tele No.: 0172-5065459-60	Jalandhar 1st Floor, Milbertan Building, Opp. Govt. Girls Higher Secondary School, PNB Chownk, Jalandhar-144 001 Ph.: 0181-5073480
Sangrur Near Main Post Office, Banasar Bagh Road, Sangrur – 148 001 Ph.: 01672-503281	Una Chaudhary Ram Saran Saini Complex, Opp. Bus Stand, Distt. Una (H.P.)-174303 Ph.: 01975-224245	

Website : www.lse.co.in

E-mail: igc@lsesl.com (for investors), admin@lsesl.com, cgm@lsesl.com

L.S.E. Securities Limited

CIN NO U67120CH2000PLC023244

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

NOTICE

Notice is hereby given that the **SEVENTEENTH ANNUAL GENERAL MEETING** of the Members of **L.S.E. SECURITIES LIMITED** will be held on Saturday, the 24th September, 2016 at 12.00 Noon at Hotel Park View, Sector-24, Near Indira holiday Home, Chandigarh to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, and adopt the Audited Financial Statements for the year ended 31st March, 2016 together with the Reports of the Board of Directors and Auditors thereon.
2. To confirm the declaration of interim dividend as the final dividend on Equity Shares.
3. To appoint a Director in place of Mr. Jaspal Singh (DIN: 00458451), who retires by rotation and being eligible, offers himself for the re-appointment.
4. To ratify appointment of Auditors and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

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

SPECIAL BUSINESS:

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

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

6. To consider and approve the Change in name of the Company

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

“RESOLVED THAT pursuant to the provisions of Section 4 read with section 13(2) and other applicable provisions of the Companies Act, 2013, and rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the approval of Central Government and / or any other regulatory authorities as may be necessary, consent of the Members be and is hereby given for change in the name of the Company from L.S.E. Securities Limited (CIN NO U67120CH2000PLC023244) to LSC Securities Limited.

RESOLVED FURTHER THAT the name clause being clause I in the Memorandum of Association of the Company be altered accordingly.

RESOLVED FURTHER THAT in terms of Section 14 of the Companies Act 2013, the Articles of Association of the Company be altered by deleting the existing name of the Company wherever appearing and substituting it with the new name of the Company.

RESOLVED FURTHER THAT Mr. Pritpal Singh , Whole Time Director and Mr. Rajiv Dhiman , Company Secretary be and are hereby severally authorised to do all such acts, deeds and things including intimation to SEBI, NSE, BSE, MSEI, NSDL, CDSL and /or any other relevant authority which are necessary for the purpose of giving effect to this resolution.”

Place : LUDHIANA

Date : 11.08.2016

**By order of the Board
FOR L.S.E. SECURITIES LIMITED
(CIN: U67120CH2000PLC023244)**

**Sd/-
RAJIV DHIMAN
COMPANY SECRETARY
ACS-42139**

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

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

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE VALID AND EFFECTIVE, MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY SO APPOINTED SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING.
2. Corporate Members are requested to send a duly certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representative to attend and vote at the Annual General Meeting.
3. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
4. The shares of the Company are held in physical form. Any member who transfers his shares to any person has to seek approval from the Board/Committee of the L.S.E. 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 remain closed from 21.09.2016 (Wednesday) to 22.09.2016 (Thursday) for the purpose of the Annual General Meeting.
6. Members are requested to write to the Company at least ten days before the meeting for obtaining any information as regards to accounts and operations of the Company so that the same could be complied in advance.
7. Members are requested to bring their copy of Annual Report along with them to the Annual General Meeting.

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

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

Item No. 5

To appoint Member Director

Mr. Rajesh Kumar Sharma having DIN No-02830766 was appointed as Director to fill casual vacancy caused by the resignation of Mr. Dharam Pal Gandhi having DIN No-00842613 by the Board of Directors in its meeting held on 12.03.2015. Pursuant to Section 161(4) of the Companies Act, 2013, Mr. Rajesh Kumar Sharma holds office up to the date which the original Director Mr. Dharam Pal Gandhi would have held office if it had not been vacated. Accordingly, Mr. Rajesh Kumar Sharma holds office till the date of ensuing Annual General Meeting of the Company.

In the view of the above, your Company is required to fill this vacancy of Member Director at the ensuing Annual General Meeting.

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

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

Item No. 6

Change in Name of the Company

Your Company, L.S.E. Securities Limited was incorporated as a subsidiary of erstwhile Ludhiana Stock Exchange Limited in the year 2000 to carry on the business of Stock-Broking.

In accordance with the SEBI letter no MRD/OW/P/2016/15187 dated 26.05.2016 and clause 6.3 of exit policy of SEBI the Board in its meeting held on 14.07.2016 decided to change the name of the Company from L.S.E. Securities Limited to LSC Securities Limited subject to approval of the Share Holders, Central Government and any other Relevant Authority.

As per the provisions of section 13 of the Companies Act, 2013, approval of the shareholders is required to be accorded for changing the name of the Company by way of passing a Special Resolution. Hence, the resolution is put up for shareholders approval.

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

The Board recommends the Special Resolutions set out at Item No. 6 of the Notice for approval by the shareholders.

Place : LUDHIANA

Date : 11.08.2016

**By order of the Board
FOR L.S.E. SECURITIES LIMITED
(CIN: U67120CH2000PLC023244)**

**Sd/-
RAJIV DHIMAN
COMPANY SECRETARY
ACS-42139**

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

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



DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the Seventeenth Annual Report on the business and operations of the Company along with the Audited Financial Statements for the financial year ended 31st March, 2016.

FINANCIAL PERFORMANCE

The Company's Financial Performance for the financial year ended 31st March, 2016 under review along with previous year's figures is given hereunder:

(Amount in ₹ Lacs)

Sr. No.	PARTICULARS	31.03.2016	31.03.2015
1.	Profit Before Depreciation, Interest and Tax (PBDIT)	109.15	183.13
2.	Depreciation	(7.87)	(5.36)
3.	Interest	(0.37)	(0.27)
4.	Profit Before Tax (PBT)	100.91	177.50
5.	Provision for Taxation		
	a. Current	(30.35)	(58.85)
	b. Deferred	0.67	1.11
	c. Earlier Years	(0.89)	0.96
6.	Profit After Tax (PAT)	70.34	120.72
7.	Balance brought forward from previous years	870.62	840.98
8.	Adjustments to P & L Account on account of Depreciation due to change in useful life of Fixed Assets	--	4.21
9.	Profit available for appropriation	940.96	965.91
10.	Appropriations		
	a. Transfer to Capital Redemption reserve	--	-
	b. Transfer to General Reserve	(1.75)	(3.02)
	c. Proposed Dividend		
	i) Interim Dividend	(77.30)	(77.30)
	ii) Dividend on Equity Shares	--	-
	d. Corporate Dividend Tax	(16.17)	(14.97)
11.	Surplus carried to Balance Sheet	845.74	870.62
12.	Earning Per Share (EPS)		
	a. Basic	1.09	1.87
	b. Diluted	1.09	1.87

BUSINESS OVERVIEW

a) Trading at NSE and BSE in Capital Market Segment

During the year under review, your company has recorded a business volume of ₹5048.27 Crores (Previous year ₹6550.53 Crores) and ₹2076.73 Crores (Previous year ₹2441.86 Crores) in Capital Market Segment of NSE and BSE respectively.

b) F&O Segment of NSE

During the year under review, your company has recorded a business volume of ₹80416.88 Crores (Previous year ₹87982.29 Crores) in the Futures & Options Segment of NSE.

c) Currency Segment

During the year under review, the business volume in Currency Derivatives was ₹615.67 Crores (Previous year ₹932.55 Crores) in NSE, Nil (Previous year ₹2.45 Crores) in MSEI.

d) Depository Participant Services

During the year under review, your Company has opened 1200 new accounts(previous year 1580 accounts opened) in CDSL and 312 accounts (previous year 56 accounts opened) in NSDL.

e) Client Registration Department

During the year under review, your Company has opened 1447 Trading Accounts (previous year 1823 accounts opened).

DIVIDEND AND RESERVES

The Board of Directors in its meeting held on 26.10.2015 had approved payment of interim dividend of ₹1.20 per equity share of ₹10 each, absorbing a sum of ₹77,30,130(Rupees seventy seven lakhs thirty thousand and one hundred thirty) excluding dividend distribution tax. ₹16,17,517(Rupees sixteen lakhs seventeen thousand and five hundred seventeen). The Directors are pleased to recommend confirmation of the said Interim Dividend to be the Final Dividend for the Financial Year 2015-2016. The Dividend, if approved by the Members at the Annual General Meeting, shall be the Final Dividend for the Financial Year 2015-2016.

A sum of ₹1.75 Lacs (previous year ₹3.02 Lacs) has been transferred to General Reserve of the Company.

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.

STATUTORY AUDITORS

M/s. Anoop Goel & Co. Chartered Accountants (Registration No. 016327N) were appointed as the Statutory Auditors of the company at the 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. Accordingly, the Board recommends their appointment to be ratified at the ensuing Annual General Meeting. They have given their eligibility & consent for the proposed ratification.

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

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

SECRETARIAL AUDIT REPORT

The Company is not required to get the Secretarial Audit conducted 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.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Jaspal Singh having DIN No-00458451 is liable to retire by rotation in the ensuing Annual General Meeting and being eligible offers himself for the re-appointment.

Further, Mr. Rajesh Kumar Sharma having DIN No-02830766 was appointed as Director in casual vacancy caused by the resignation of Mr. Dharam Pal Gandhi having DIN No-00842613 by the Board of Directors in its meeting held on 12.03.2015. Pursuant to Section 161(4) of the Companies Act, 2013, Mr. Rajesh Kumar Sharma holds office up to the date which the original Director Mr. Dharam Pal Gandhi would have held office if it had not been vacated. Accordingly, Mr. Rajesh Kumar Sharma holds office till the date of ensuing Annual General Meeting of the Company. Yours Directors place on record the appreciation for sincere, dedicated and valuable services rendered by the Mr. Rajesh Kumar Sharma, Director to the Company.

In the view of the above, your Company is required to fill this vacancy of Member Director at the ensuing Annual General Meeting.

Further, Mr. Rajiv Dhiman was appointed as Company Secretary of the Company w.e.f 01.01.2016 in place of Ms. Pallavi Sethi who left the organization w.e.f 31.12.2015.

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. Rajesh Kumar Sharma	Non-Executive Director	Member-Director
Mr. Parmod Kumar Goyal	Non-Executive Director	Member-Director
Mr. Ashok Kumar (w.e.f 08.06.2015)	Non-Executive Director	Nominee Director
Mr. Ashwani Kumar (w.e.f 08.06.2015)	Non-Executive Director	Nominee Director
Mr. Nagesh Chander (w.e.f 05.09.2015)	Non-Executive Director	Member-Director
Mr. Rakesh Gupta (w.e.f 05.09.2015)	Non-Executive Director	Member-Director

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.

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

During the Financial Year 2015-16, attendance of Directors is as follows:

NAME OF THE DIRECTOR	No. of Board Meeting Held	No. of Board Meeting Attended	Whether Attended the 16th Annual General Meeting
Mr. Jaspal Singh (Chairman and Non -Executive Director)	10	10	No
Mr. Pritpal Singh (Executive Director)	10	10	Yes
Mr. Tribhawan Singh Thapar (Non- Executive Director)	10	08	No
Mr. Rajesh Kumar Sharma (Non- Executive Director)	10	08	Yes
Mr. Parmod Kumar Goyal (Non- Executive Director)	10	09	Yes
Mr. Ashok Kumar (Non- Executive Director) (w.e.f 08.06.2015)	10	09	No
Mr. Ashwani Kumar (Non- Executive Director) (w.e.f 08.06.2015)	10	09	No
Mr. Nagesh Chander (w.e.f 05.09.2015) (Non- Executive Director)	10	07	Appointed in 16th AGM
Mr. Rakesh Gupta (w.e.f 05.09.2015) (Non- Executive Director)	10	08	Appointed in 16th AGM

Meetings of the Board of Directors were held on 08.06.2015, 07.08.2015, 30.09.2015, 05.10.2015, 12.10.2015, 26.10.2015, 5.11.2015, 21.12.2015, 30.12.2015 and 12.01.2016

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.

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 Rs. 1.20 Crore or more for entire financial year or Rs. 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 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.

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, 2016 and of its Profit/Loss for the year ended on that date;
- c. They have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d. They have prepared the annual accounts for the year ended 31st March, 2016 on a 'going concern' basis; and
- e. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

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.

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 has occurred between the end of the financial year to which the Financial Statements relates and the date of the Directors Report.

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

The Company is engaged in Stock Broking and 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 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.

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

In terms of 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.

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.

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

All contracts/ arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis. Related party disclosures as per AS-18 have been provided in notes on accounts annexed to Financial Statement.

There are no materially significant related party transactions made by the Company with Directors, Key Managerial Personal 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.

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.

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.

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 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.

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, Authorised Persons, Members and officials of the Ludhiana Stock and Capital Limited, Ministry of Finance, Central Government, Securities and Exchange Board of India (SEBI), Government of Punjab, Local Administration, National Stock Exchange of India Limited (NSEIL), BSE Limited (BSE), Metropolitan Stock Exchange of India Limited (MSEI), National Securities Depository Limited (NSDL) and 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: 11.08.2016.

**JASPAL SINGH
CHAIRMAN
DIN No-00458451**

ANNEXURE - A

The detail 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 (Rs.)	Other terms & Conditions	Qualification	Total Experience (in years)	Date of Commencement	Age (In Years)	Last Employment held	% of equity shares held as on 31.03.2016
*Mr. PRITPAL SINGH	WHOLE TIME DIRECTOR	915577	N.A.	B.Com	33	01/11/2013	55	Metro Politan Stock Exchange of India Limited	Nil
Mr. MADHUR GUPTA	AGM	464622.03	N.A.	MCA, MSC (IT), NCFM Capital Market, NISM VIII Module	13	31/05/2006	35	Competent Finman Pvt. Ltd.	Nil
Mr. RAJESH GUPTA	SR. MANAGER	441138.03	N.A.	C.A.	10	14/05/2014	42	Marvel Dyers & Processors Pvt. Limited	Nil
Mr. VIPAN GOYAL	AGM	428513.03	N.A.	Graduation (Passed NISM, CM, F&O, Depository, NSE, BSE-CM)	25	13/03/1991	47	N.A.	Nil
Mr. PAWAN KUMAR	MANAGER	358008.03	N.A.	B.A.	29	01/04/1989	53	Punjab Agriculture University	Nil
Mr. RAVINDER SINGH	MANAGER	314627.03	N.A.	Graduation	22	18/02/1994	46	N.A.	Nil
Mr. VARINDER KUMAR	MANAGER	312667.03	N.A.	Graduation, NCFM in Cash Market	25	29/08/1991	47	N.A.	Nil
Ms. PARAMJEET KAUR	MANAGER	308941.03	N.A.	10+2, One Year Diploma in Computer Science	23	23/07/1993	44	N.A.	Nil
Mr. GURDEEP SINGH	EXECUTIVE	306423.03	N.A.	Graduation in Commerce, Pursuing Master Degree in Finance, NCFM in CM & F&O	15	11/07/2001	40	Bharat Vikas Parishad Charitable Trust Ludhiana	Nil
Mr. RAJINDER PAL SINGH	MANAGER	306272.03	N.A.	Matric	28	02/06/1988	44	N.A.	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 Directors' Report for the year ended 31st March, 2016
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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, 2016
of
L.S.E. SECURITIES LIMITED**

I. REGISTRATION AND OTHER DETAILS:

- i) CIN U67120CH2000PLC023244
- ii) Registration Date 07/01/2000
- iii) Name of the Company 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, 1st Floor, Sector 34 A, Chandigarh. Phone No. 0172-5065459, Fax No. 0172-5065460, Email Id: cs@lsesl.com, Website: www.lse.co.in
- vi) Whether listed company : No
- vii) Name, Address and contact details of Registrar & Transfer Agents (RTA), if any : Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

IV. 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	-	52900	52900	0.821	-	52800	52800	0.821	-0.002
(b) Central Govt.	-	-	-	-	-	-	-	-	-
(c) State Govt. (s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	-	3331075	3331075	51.71	-	3331075	3331075	51.71	NIL
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1) :-	-	3383975	3383975	52.531	-	3383875	3383875	52.531	-0.002
(2) Foreign									
(a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
(b) Other-Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2) :-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	-	3383975	3383975	52.531	-	3383875	3383875	52.531	-0.002

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A. Public Shareholding									
1. Institution									
(a) Mutual Funds	-	-	-	-	-	-	-	-	-
(b) Banks / FI	-	-	-	-	-	-	-	-	-
(c) Central Govt.	-	-	-	-	-	-	-	-	-
(d) State Govt.(s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FIIS	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
(a) Bodies Corp.									
(i) Indian	-	943500	943500	14.64	-	917000	917000	14.23	0.41
(ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals									
(i) Individual Shareholders holding nominal share capital upto Rs. 1 lakh	-	799100	799100	12.40	-	543200	543200	8.43	-3.96
(ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 lakh	-	1315200	1315200	20.41	-	1597700	1597700	24.80	-4.39
(c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2):-									
Total Public Shareholding (B)=(B) (1)+(B) (2)	-	3057800	3057800	47.458	-	3057900	3057900	47.46	0.002
C. Share held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	6441775	6441775	100	-	6441775	6441775	100	-

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change is share holding during the year
		No. of Shares	% of total shares of the company	% of shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the company	% of shares Pledged / encumbered to total shares	
1.	Tribhawan Singh Thapar	26500	0.411	-	26400	0.411	-	0.002
2.	Tarvinder Dhingra	8100	0.13	-	8100	0.13	-	
3.	Raghubir Singal	100	0.00	-	100	0.00	-	
4.	Rajiv Kalra	18100	0.28	-	18100	0.28	-	
5.	Harjit Singh Sidhu	100	0.00	-	100	0.00	-	
6.	Ludhiana Stock and Capital Limited	3331075	51.71	-	3331075	51.71	-	
	TOTAL	3383975	52.531	-	3383875	52.531	-	-0.002

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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	Tribhawan Singh Thapar	26500	0.411					26500	0.411
				13.08.2015	Transfer of Shares	100	0.002	26400	0.409
				31.03.2016	At the end of the year	26400	0.409	26400	0.409

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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	Mr. Sanjeev Kumar Gupta	38000	0.59					38000	0.59
				10.12.2015	Transfer of shares	10000	0.15	10000	0.15
				31.03.2016	At the end of the year	28000	0.43	28000	0.43
2.	Arora Stock Brokers Ltd.	28500	0.44					28500	0.44
				-	No Change	-	-	-	-
				31.03.2016	At the end of the year	-	-	28500	0.44
3.	Bajaj GDS Share Shoppe Pvt. Ltd.	28500	0.44					28500	0.44
				-	No Change	-	-	-	-
				31.03.2016	At the end of the year	-	-	28500	0.44
4.	AL Share Brokers P. Ltd.	28000	0.43					28000	0.43
				05.11.2015	Transfer of shares	6500	0.15	6500	0.15
				31.03.2016	At the end of the year	21500	0.33	21500	0.33

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5.	Corporate Scrips Pvt. Ltd.	26500	0.41					26500	0.41
				-	No Change	-	-	-	-
				31.03. .2016	At the end of the year	-	-	26500	0.41
6.	Krishan Chand Gupta	20000	0.31					20000	0.31
				-	No Change	-	-	-	-
				31.03. .2016	At the end of the year	-	-	20000	0.31
7.	Mr. Toshi Bansal	20000	0.31					20000	0.31
				-	No Change	-	-	-	-
				31.03. .2016	At the end of the year	-	-	20000	0.31
8.	Super Finvest Services Private Ltd.	20000	0.31					20000	0.31
				-	No Change	-	-	-	-
				31.03. .2016	At the end of the year	-	-	-	-
9.	Mr. Neeraj Gupta	20000	0.31					20000	0.31
				-	No Change	-	-	-	-
				31.03. .2016	At the end of the year	-	-	-	-
10.	Mr. Sanjay Anand	20000	0.31					20000	0.31
				-	No Change	-	-	-	-
				31.03. .2016	At the end of the year	-	-	20000	0.31

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

Sl. No.	Name of Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	Mr. Jaspal Singh	20000	0.31					20000	0.31
				-	No Change	-	-	-	-
				31.03. .2016	At the end of the year	-	-	20000	0.31
2.	Mr. Tribhawan Singh Thapar	26500	0.41					26500	0.41
				13.08. .2015	Transfer of Shares	100	0.002	100	0.002
				31.03. .2016	At the end of the year	26400	0.409	26400	0.409
3.	Mr. Rajesh Kumar Sharma	1000	0.02					1000	0.02
				-	No Change	-	-	-	-
				31.03. .2016	At the end of the year	1000	0.02	1000	0.02
4.	Mr. Parmod Kumar Goyal	100	0.002					100	0.002
				-	No Change	-	-	-	-
				31.03. .2016	At the end of the year	100	0.002	100	0.002

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5.	Mr. Ashok Kumar (w.e.f. 08.06.2015)	-	-					-	-
				-	No Change	-	-	-	-
				31.03. .2016	At the end of the year	-	-	-	-
6.	Mr. Ashwani Kumar (w.e.f. 08.06.2015)	-	-					-	-
				-	No Change	-	-	-	-
				31.03. .2016	At the end of the year	-	-	-	-
7.	Mr. Rakesh Gupta (w.e.f. 05.09.2015)	8000	0.124					8000	0.124
				-	No Change	-	-	-	-
				31.03. .2016	At the end of the year	8000	0.124	8000	0.124
8.	Mr. Nagesh Chander (w.e.f. 05.09.2015)	100	0.002					-	-
				-	No Change	-	-	-	-
				31.03. .2016	At the end of the year	100	0.002	100	0.002
9.	Mr. Pritpal Singh	-	-					-	-
				-	No Change	-	-	-	-
				31.03. .2016	At the end of the year	-	-	-	-
10.	Mr. Rajiv Dhiman (w.e.f. 01.01.2016)	-	-					-	-
				-	No Change	-	-	-	-
				31.03. .2016	At the end of the year	-	-	-	-

Shareholding of Directors and Key Managerial Personnel (Past) :

Sl. No.	Name of Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	Mr. Jaspal Singh	20000	0.31					20000	0.31
				-	No Change	-	-	-	-
				31.03.2016	At the end of the year	-	-	20000	0.31
2.	Mr. Tribhawan Singh Thapar	26500	0.41					26500	0.41
				13.08.2015	Transfer of Shares	100	0.002	100	0.002
				31.03.2016	At the end of the year	26400	0.409	26400	0.409
3.	Mr. Rajesh Kumar Sharma	1000	0.02					1000	0.02
				-	No Change	-	-	-	-
				31.03.2016	At the end of the year	1000	0.02	1000	0.02
4.	Mr. Parmod Kumar Goyal	100	0.002					100	0.002
				-	No Change	-	-	-	-
				31.03.2016	At the end of the year	100	0.002	100	0.002

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5.	Mr. Ashok Kumar (w.e.f. 08.06.2015)	-	-					-	-
				-	No Change	-	-	-	-
				31.03. .2016	At the end of the year	-	-	-	-
6.	Mr. Ashwani Kumar (w.e.f. 08.06.2015)	-	-					-	-
				-	No Change	-	-	-	-
				31.03. .2016	At the end of the year	-	-	-	-
7.	Mr. Pritpal Singh	-	-					-	-
				-	No Change	-	-	-	-
				31.03. .2016	At the end of the year	-	-	-	-
8.	Ms. Pallavi Sethi (upto 31.12.2015)	-	-					-	-
				-	No Change	-	-	-	-
				31.03. .2016	At the end of the year	-	-	-	-

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
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)	-	-	-	-

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Change in Indebtedness during the financial year				
o Addition	-	-	-	-
o 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 Directors and / or Manager :

(Amount in ₹)

Sl. 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	9,15,577	
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-
	(c) Profits in lieu of salary under	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- as % of profit	-	-
	- others, specify	-	-
5.	Others, please specify	-	-
	Total (A)	9,15,577	9,15,577
	Ceiling as per the Act	As per schedule - V of the Companies Act, 2013	

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B. Remuneration to other Directors :

(Amount in ₹)

Sl. 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 ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel (Company Secretary)		
		Ms. Pallavi Sethi	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	1,90,484	60,733	
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others, please specify	-	-	-
	Total	251217		

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 AUDITORS' REPORT

**To the Members of
L.S.E. SECURITIES LIMITED**

Report on the Financial Statements

We have audited the accompanying standalone financial statements of L.S.E. SECURITIES LIMITED ("the Company") which comprise the Balance Sheet as at March 31, 2016, 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, 2016, 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 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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
Sd/-
ANOOP KUMAR
(Partner)
Membership No. : 096966

Place : LUDHIANA
Date : 11.08.2016

“Annexure A” to the Independent Auditors' Report

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, 2016:

- 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 31-03-2016, 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. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable.
 (b) According to the records of the company, the dues outstanding for taxes on account of dispute are as follows:

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amount related	Forum where dispute is pending
Service Tax Act, 1994	Service Tax and Penalty	102,918	2005-06	Customs, Excise & Service Tax Appellate Tribunal

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- 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

Sd/-
ANOOP KUMAR
(Partner)

Membership No. : 096966

Place : LUDHIANA
Date : 11.08.2016

“Annexure B” to the Independent Auditor's Report of even date on the Standalone Financial Statements of L.S.E. 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 L.S.E. SECURITIES LIMITED (“the Company”) as of March 31, 2016 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, 2016, 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.

For ANOOP K. GOEL & Co.
Chartered Accountants
FRN : 016327N
Sd/-
ANOOP KUMAR
(Partner)
Membership No. : 096966

Place : LUDHIANA
Date : 11.08.2016

L.S.E. SECURITIES LIMITED

BALANCE SHEETAS AT 31ST MARCH 2016

Amount in (₹)

PARTICULARS	NOTE	As At 31.03.2016	As At 31.03.2015
I EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	1	64,417,750	64,417,750
(b) Reserves and Surplus	2	95,635,467	97,949,359
(2) Non-Current Liabilities	3	27,897,585	27,645,335
(a) Other Long Term Liabilities	4	15,000	82,000
(b) Deferred Tax Liability			
(3) Current Liabilities			
(a) Trade Payables	5	187,443,656	206,878,471
(b) Other Current Liabilities	6	2,617,136,252	2,653,879,288
(c) Short Term provisions	7	460,517	360,020
TOTAL		2,993,006,227	3,051,212,223
II ASSETS			
(1) Non Current Assets			
(a) Fixed Assets	8		
Tangible Assets		1,596,696	1,365,243
Intangible Assets		1,615,823	466,770
(b) Non Current Investments	9	6,764,000	6,764,000
(c) Long term loans and advances	10	50,570,389	40,491,908
(d) Other Non Current Assets	11	1,816,749	1,000,933
(2) Current Assets			
(a) Inventory	12	11,926	28,907
(b) Trade Receivables	13	151,173,828	167,109,716
(c) Cash and bank balances	14	227,935,757	260,258,436
(d) Short term Loans and advances	15	6,809,541	5,980,900
(e) Other Current Assets	16	2,544,711,518	2,567,745,410
TOTAL		2,993,006,227	3,051,212,223

Significant Accounting Policies 23

See Accompanying Notes to the Financial Statements

As per our report of even date attached

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

Sd/-
(ANOOP KUMAR)
PARTNER
MEMBERSHIP NO. 096966

Place : LUDHIANA
Date : 11.08.2016

For and on behalf of the Board of Directors

Sd/-
Jaspal Singh
Chairman
DIN : 00458451

Sd/-
Rajiv Dhiman
Company Secretary
PAN : ALDPD5625Q

Sd/-
Pritpal Singh
CGM Cum WTD
DIN : 01219436

Sd/-
Rajesh Gupta
Sr. Manager - Accounts
PAN : AHPHG2853B

L.S.E. SECURITIES LIMITED

PROFIT AND LOSSAS AT 31ST MARCH 2016

Amount in (₹)

PARTICULARS	NOTE	For the year ended 31.03.2016	For the year ended 31.03.2015
I Revenue from operations	17	21,879,479	22,867,349
II Other Income	18	20,777,008	25,734,967
III Total Revenue		42,656,487	48,602,316
IV Expenses			
Operating Expenses	19	2,969,485	2,735,028
Employee Benefit expenses	20	13,961,875	13,621,568
Finance Cost	21	284,860	488,390
Depreciation and amortization expenses		787,890	535,939
Other expenses	22	14,561,803	13,471,498
Total Expenses		32,565,913	30,852,423
V Profit before Tax (III-IV)		10,090,574	17,749,893
VI Tax Expense :			
1) Current Tax		3,035,000	5,885,000
2) Tax Adjustment of an Earlier Year		88,819	(96,292)
3) Deferred Tax		(67,000)	(111,000)
VII Profit for the year (V-VI)		7,033,755	12,072,185
VIII Earning per Share (Nominal Value of Share of Rs. 10 each) Basic & Diluted		1.09	1.87

Significant Accounting Policies 23

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/-
(ANOOP KUMAR)
PARTNER
MEMBERSHIP NO. 096966

Place : LUDHIANA
Date : 11.08.2016

Sd/-
Jaspal Singh
Chairman
DIN : 00458451

Sd/-
Rajiv Dhiman
Company Secretary
PAN : ALDPD5625Q

Sd/-
Pritpal Singh
CGM Cum WTD
DIN : 01219436

Sd/-
Rajesh Gupta
Sr. Manager - Accounts
PAN : AHPHG2853B

L.S.E. SECURITIES LIMITED

CASH FLOW STATEMENTAS AT 31ST MARCH 2016

Amount in (₹)

PARTICULARS	AS AT 31.03.2016		AS AT 31.03.2015	
	AMOUNT	TOTAL	AMOUNT	TOTAL
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit Before Tax		10090574		17749893
Non-Cash & Non-Operating Adjustments for :				
Depreciation & Amortisation	787890		535939	
Fringe Benefit Refund W/o	540		0	
Finance Cost	284860		488390	
Dividend Received	(1105000)		(520000)	
Bad Debts W/o/(Recovered)	(31479)		(235420)	
Profit on sale of Assets	(11423)		(8614)	
Provision for Leave encashment	207711		181104	
		133099		441399
Operating Profit before Working Capital changes		10223673		18191292
Adjustments for :				
(Increase)/Decrease in Inventories	16981		(21503)	
(Increase)/Decrease in Trade & Other Receivable	15967367		(64792690)	
(Increase)/Decrease in Other Bank Balances	42880000		(22986800)	
(Increase)/Decrease in Short-Term Loan & Advances	(203752)		(1692981)	
(Increase)/Decrease in Long-Term Loan & Advances	(10078481)		(568023)	
(Increase)/Decrease in other Current Assets	23397781		(742847288)	
(Increase)/Decrease in Non-Current Assets	(815816)		1490445	
Increase/(Decrease) in Trade Payables	(19434815)		47719968	
Increase/(Decrease) in other Current Liabilities	(36743035)		775257469	
Increase/(Decrease) in Short term Provisions	(107214)		(115662)	
Increase/(Decrease) in Other Long-Term Liabilities	252250	15131267	(11243724)	(19800790)
Cash Generated from Operations		25354939		(1609498)
Income Tax Expense	(4113139)	(4113139)	(6555844)	(6555844)
NET CASH FROM OPERATING ACTIVITIES		21241801		(8165342)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(2181472)		(410352)	
Proceeds From Sale of Fixed Assets	24500		31850	
Dividend Received	1105000		520000	
NET CASH USED IN INVESTING ACTIVITIES		(1051972)		141498
C. CASH FLOW FROM FINANCING ACTIVITIES				
Dividend Paid Including Dividend Distribution Tax	(9347647)		(18211125)	
Finance Cost	(284860)		(488390)	
NET CASH USED IN FINANCING ACTIVITIES		(9632507)		(18699516)
NET INCREASE IN CASH & CASH EQUIVALENTS		10557321		(26723359)
CASH AND CASH EQUIVALENTS at the Beginning of the Period		22271636		48994995
CASH AND CASH EQUIVALENTS at the End of the Period		32828957		22271636

Significant Accounting Policies 23

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/-
(ANOOP KUMAR)
PARTNER
MEMBERSHIP NO. 096966

Place : LUDHIANA
Date : 11.08.2016

Sd/-
Jaspal Singh
Chairman
DIN : 00458451

Sd/-
Rajiv Dhiman
Company Secretary
PAN : ALDPD5625Q

Sd/-
Pritpal Singh
CGM Cum WTD
DIN : 01219436

Sd/-
Rajesh Gupta
Sr. Manager - Accounts
PAN : AHPHG2853B

L.S.E. SECURITIES LIMITED

NOTES TO FINANCIAL STATEMENTSFOR THE YEAR ENDED 31ST MARCH 2016

Amount in (₹)

	As At 31.03.2016	As At 31.03.2015
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	Number of shares
LUDHIANA STOCK & CAPITAL LTD	3331075	3331075

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	6,027,541	5,725,736
Amount Transferred During The Year	175,844	301,805
	6,203,385	6,027,541
Surplus in statement of Profit & Loss Account	11,062,720	10,886,876
Opening Balance	87,062,483	84,098,623
Add Adjustments as per Schedule II of the Companies Act, 2013	-	420,456
Add: Profit for the year	7,033,755	12,072,185
Amount available for appropriation	94,096,238	96,591,264
: Trf to General Reserve	175,844	301,805
Less: Appropriations:		
Interim/ Proposed Dividend on equity shares	7,730,130	7,730,130
Distribution Dividend Tax	1,617,517	1,496,846
Closing Balance	84,572,747	87,062,483
TOTAL	95,635,467	97,949,359

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L.S.E. SECURITIES LIMITED

Notes to Financial Statements For the Year Ended 31st, March 2016

Amount in (₹)

	As At 31.03.2016	As At 31.03.2015
3 Other Long Term Liabilities		
Deposits from sub brokers	27,897,585	27,645,335
TOTAL	27,897,585	27,645,335
4 Deferred Tax Liability (NET)		
a) Deferred Tax Liability		
- On account of depreciation of Fixed Assets	74,000	121,000
- On account of Excess Allowance U/S 40 A(7) of The Income Tax Act 1961	99,000	85,000
	173,000	206,000
b) Deferred Tax Asset		
- On account of Disallowance U/S 43B of The Income Tax Act 1961	(158,000)	(124,000)
TOTAL	15,000	82,000
5 Trade Payables		
Sundry Creditors	187,443,656	206,878,471
TOTAL	187,443,656	206,878,471
6 Other Current Liabilities		
<u>Deposits from sub brokers</u> (Kept with the Principal Stock Exchanges as margins)		
(A) BSE Limited	45,343,817	50,323,179
In form of FDRs	45,343,817	47,362,337
In form of Funds	-	2,960,842
(B) The National Stock Exchange of India Ltd (NSE)	570,817,701	568,003,247
In form of FDRs	474,159,500	468,743,170
In form of Funds	96,658,201	99,260,077
(C) IL&FS	4,721,269	3,973,209
In form of FDRs	3,861,669	3,100,000
In form of Funds	859,600	873,209
(D) Scrips held on behalf of Clients	1,780,217,669	1,847,658,901
(E) Deposit from DP clients	112,000	112,000
(F) Value of Members Scrips kept As Margin	200,843,468	165,389,684
(G) Dp Charges Received in Advance	1,031,938	794,346
(H) Unpaid Dividend	131,800	86,800
TOTAL	2,603,219,662	2,636,341,365
Other Payables		
Payable to Holding Company (Ludhiana Stock & Capital Ltd)	9,303	266,063
Cheques issued but not presented	4,992,539	11,202,900
Expenses Payable	3,281,559	2,860,556
Statutory Liabilities(including Stamp Duty, Tax Deducted at Source, Bonus, Service Tax, ESI & EPF)	1,446,239	2,305,868
Other Liabilities	4,186,950	902,536
TOTAL	13,916,590	17,537,923
GRAND TOTAL	2,617,136,252	2,653,879,288
7 Short Term Provisions		
Provision for employee benefits		
Leave Encashment	460,517	360,020
TOTAL	460,517	360,020

L.S.E. Securities Limited

8. Fixed Assets

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	AS AT 01-04-2015	ADDITIONS	SALE/ ADJUSTMENT	AS AT 31-03-2016	AS AT 01-04-2015	FOR THE PERIOD	REVERSED DURING THE PERIOD	OTHER ADJUSTMENTS	AS AT 31-03-2016	AS AT 31-03-2016	AS AT 31-03-2016	AS AT 31-03-2015
A) TANGIBLE ASSETS												
FURNITURE & FIXTURES	1397787	6329	0	1404116	1281364	23265	0	0	1304629	99487	116423	
VEHICLES	5865	0	0	5865	5571	0	0	0	5571	294	294	
OFFICE EQUIPMENT	27983	0	0	27983	26583	0	0	0	26583	1400	1400	
AIR CONDITIONER	224215	0	0	224215	213004	0	0	0	213004	11211	11211	
COOLERS	6330	0	0	6330	6013	0	0	0	6013	317	317	
ELECTRONIC EQUIPMENTS	193108	0	0	193108	164056	13113	0	0	177169	15939	29052	
FANS & ELECTRICAL FITTINGS	64219	1450	0	65669	58106	0	0	0	58106	7563	6113	
FIRE FIGHTING EQUIPMENT	49805	0	0	49805	47316	0	0	0	47316	2489	2489	
GENERATOR	77497	0	0	77497	73622	0	0	0	73622	3875	3875	
GLOW SIGN BOARD	59454	0	0	59454	56480	0	0	0	56480	2974	2974	
REFRIGERATOR	7180	0	0	7180	6821	0	0	0	6821	359	359	
TELEPHONE & TELEX	295895	5000	0	300895	264269	11223	0	0	275492	25403	31626	
VSAT SKYEDGE	78000	0	0	78000	74101	0	0	0	74101	3899	3899	
COMPUTERS	19894164	560778	261539	20193403	18738952	281427	248462	0	18771917	1421486	1155212	
TOTAL - A	22381502	573557	261539	22693520	21016258	329028	248462	0	21096824	1596696	1365243	
PREVIOUS YEAR	22352591	135681	106770	22381502	21150990	369259	83534	420456	21016259	1365243		
B) INTANGIBLE ASSETS												
COMPUTER SOFTWARE & LICENSES	6136732	1607915	0	7744647	5669961	458862	0	0	6128824	1615823	466770	
TOTAL - B	6136732	1607915	0	7744647	5669961	458862	0	0	6128824	1615823	466770	
PREVIOUS YEAR	5862061	274671	0	6136732	5503282	166679	0		5669961	466770		
GRAND TOTAL CURRENT YEAR	28518234	2181472	261539	30438167	26686219	787890	248462	0	27225648	3212519	1832013	
GRAND TOTAL PREVIOUS YEAR	28214652	410352	106770	28518234	26654272	535938	83534	420456	26686220	1832013		

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L.S.E. SECURITIES LIMITED

Notes to Financial Statements For the Year Ended 31st, March 2016

Amount in (₹)

	As At 31.03.2016	As At 31.03.2015
9 <u>Non Current Investments</u>		
Trade Unquoted 130000 Equity Shares (P/Y 130000 Equity Shares) of Rs. 1 Each of Bombay Stock Exchange Limited	6,764,000	6,764,000
TOTAL	6,764,000	6,764,000
10 <u>Long Term Loans and Advances</u>		
<u>Unsecured, Considered Good</u>		
Security Deposits	50,276,975	40,276,975
Advances to Employees other than Current Maturities	268,070	201,410
Accrued interest on loan to employees other than current maturities	25,344	13,523
TOTAL	50,570,389	40,491,908
11 <u>Other Non-Current Assets</u>		
Planned Gratuity Assets (Net of Gratuity Obligation)	300,643	262,571
Accrued interest on term deposits having remaining maturity more than one year	1,516,106	738,362
TOTAL	1,816,749	1,000,933
12 <u>INVENTORY</u>		
Others:- Saleable Stationery	11,926	28,907
TOTAL	11,926	28,907
13 <u>Trade Receivables</u>		
Outstanding for a period exceeding six months from the due date of payment		
-Secured, Considered Good	26,018,631	17,285,293
-Unsecured , Considered Good	18,600,881	15,204,872
TOTAL	44,619,512	32,490,165
Others		
-Secured , Considered Good	102,420,375	129,816,924
-Unsecured , Considered Good	4,133,941	4,802,627
TOTAL	106,554,316	134,619,551
GRAND TOTAL	151,173,828	167,109,716
14 <u>Cash and Bank Balances</u>		
<u>Cash and Cash Equivalents</u>		
Cash in hand	74,426	69,046
Bank Balances in Current Accounts	22,754,531	22,202,590
Term deposits having remaining maturity of less than 3 months	10,000,000	-
TOTAL	32,828,957	22,271,636

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L.S.E. SECURITIES LIMITED

Notes to Financial Statements For the Year Ended 31st, March 2016

Amount in (₹)

	As At 31.03.2016	As At 31.03.2015
Other Bank Balances		
Earmarked Balance with bank for Unpaid Dividend	131,800	86,800
- Term Deposits having remaining maturity of more than one year.(See Note Below)	31,000,000	59,500,000
- Term Deposits having remaining maturity not more than one year.(See Note Below)	163,975,000	178,400,000
	195,106,800	237,986,800
GRAND TOTAL	227,935,757	260,258,436
Note : The term deposits in other bank balances represent lien marked deposits against margin with major stock exchanges, bank guarantee, bank overdraft limits.		
15 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	2,092,479	1,982,045
Accrued interest on current maturities of loan to employees	26,758	27,574
Current Maturity of Advances to employees	536,280	317,104
Prepaid Expenses	1,097,195	1,222,238
Advance Income Tax(Net of Provision for Tax)	3,056,829	2,431,939
TOTAL	6,809,541	5,980,900
16 Other Current Assets		
Accrued interest on deposits with IL & FS	683,135	314,244
Accrued interest on term deposits having remaining maturity less than one year	9,276,014	9,814,716
Income Tax Refund Receivable	2,326,247	1,962,358
Margins Collected by IL & FS	15,700,000	6,200,000
Members FDR kept as Margin	535,664,985	536,405,507
Members Scrips kept as Margin	200,843,468	165,389,684
Scrips held on behalf of clients	1,780,217,669	1,847,658,901
TOTAL	2,544,711,518	2,567,745,410
17 Revenue From Operations		
<u>Income from services rendered</u>		
Turnover Charges	11,602,187	12,271,422
Depository Income	10,088,213	10,462,170
Other operating revenue		
- Relating to BSE Limited	109,120	73,500
- Relating to National Stock Exchange of India Limited, Mumbai	79,959	60,257
TOTAL	21,879,479	22,867,349
18 Other Income		
Dividend on Non current Investment	1,105,000	520,000
Interest Income	19,156,916	24,072,663
Bad Debts Recovered	31,479	235,420
Interest on Service tax Refund	-	340,582
Profit on sale of Fixed Assets	11,423	8,614
Miscellaneous Income	472,190	557,688
TOTAL	20,777,008	25,734,967

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Notes to Financial Statements For the Year Ended 31st, March 2016

Amount in (₹)

	As At 31.03.2016	As At 31.03.2015
19 Operating Expenses		
- Relating to BSE Limited	285,166	326,105
- Relating to National Stock Exchange Limited, Mumbai	890,763	629,464
- Relating to MSEI Limited	89,717	64,368
- Depository Expenses	1,703,839	1,715,091
TOTAL	2,969,485	2,735,028
20 Employee Benefit Expenses		
Salaries, Bonus and Allowances	11,924,041	11,298,577
Contribution to provident and other funds	1,367,231	1,275,067
Staff Welfare Expenses	279,888	330,804
Contribution/ (Adjustment) to Gratuity Fund	390,715	717,120
TOTAL	13,961,875	13,621,568
21 Finance Cost		
Interest Expenses	37,301	27,710
Other Borrowing Costs	247,559	460,680
TOTAL	284,860	488,390
22 Other Expenses		
Advertisement	27,725	6,440
Auditors' Remuneration		
- Statutory Audit Fee	70,000	70,000
- Out of Pocket Expenses	11,326	11,537
Internal Auditors' Remuneration- Audit Fees	227,050	233,200
Internal Auditors' (Out of Pocket) Expenses	17,727	30,053
System Audit	37,500	22,500
Prior Period Expenses	23,652	-
Special audit fee	-	375,000
Audit fee inspection	-	5,000
Board/Committee Meeting Expenses	13,633	13,657
Cable TV Expenses	229,134	219,448
Computer Maintenance expenses	3,351,854	3,278,059
Compensation Paid to Cleints	1,853,481	282,433
Electricity Charges	101,730	93,154
Festival Expenses	307,400	500,265
Filing Fees	305	4,460
General Expenses	168,674	219,638
Insurance	449,809	349,807
Legal and Professional Charges	191,450	251,885
Newspapers and periodicals	6,450	8,464
Office expenses	291,101	320,976
Postage and Courier	877,293	597,149
Printing and stationery	810,091	521,320
Rates and Taxes	327,234	664,970
Rent	4,337,550	4,374,347
Repairs and Maintenance	59,044	43,354
Sitting Fees to Public Representatives	7,496	121,865
Telephone & Communication Charges	672,034	740,365
Travelling and Conveyance-Directors	6,782	10,800
Travelling and Conveyance-others	84,278	101,352
TOTAL	14,561,803	13,471,498

L.S.E. SECURITIES LIMITED

Notes to Financial Statements For the Year Ended 31st, March 2016

23 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

23.1 SIGNIFICANT ACCOUNTING POLICIES

• **Accounting Convention**

The accompanying financial statements are prepared and presented under the historical cost convention, on the basis of accounting principles and comply with the Accounting Standards prescribed by Companies (Accounting Standards) Rules 2006, the relevant provisions of the Companies Act, 2013 and the 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 securities 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 expenses for Turnover Charges and service tax.
- c) Interest Income is recognised using time proportion method.
- d) Dividend income is recognised when the right to receive payment is established.

• **Fixed Assets**

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

• **Intangible Assets and Amortization**

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

• **Depreciation**

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

• **Inventories**

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

• **Employee Benefits**

DEFINED CONTRIBUTION PLAN

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

DEFINED BENEFIT PLAN

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

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

- **Investment**

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

- **Taxation**

- Current tax is determined on the profit for the year in accordance with the provisions of the Income tax Act, 1961.
- 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/Authorised Persons/Clients as margins. Such Fixed Deposits are issued by the Bank in favour of NSCCL A/c L.S.E. Securities Limited in case of NSE and Bombay Stock Exchange Limited A/c L.S.E. 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/Authorised Persons/Clients. As such, the interest on such FDRs has not been accrued to the Company's account

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

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

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

23.2 NOTES TO ACCOUNTS

FDR's of Rs. 74300000 (Prev. Year Rs.69300000) have been pledged with HDFC Bank to secure overdraft facilities to the tune of Rs. 6.43 Cr (P/Y 5.98 Cr)

The Company has deposited FDRs in its name with National Stock Exchange of India Ltd amounting to Rs. 111200000 (Prev. Year Rs.145500000) and with Bombay Stock Exchange Ltd amounting to Rs. 7375000 (Prev. Year Rs 6000000) for Base Minimum/Additional Capital and are shown under the head Fixed Deposit with scheduled banks & FDRs amounting to Rs. 800000 (Previous Year Rs.800000) have been kept as Membership Security with NSE for FC Segment and Rs.13 Lacs (Previous Year- Nil) FDRs have been kept for the same purpose with Metropolitan Stock Exchange of India Limited in FC 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 L.S.E. Securities Limited and its Sub-Brokers/Authorised Persons and Clients.

Employee Benefits :

- Defined Contribution Plan:
Company contribution to provident fund Rs.1084900 (Previous Year Rs.1012205)
- Defined Benefit Obligation :

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(a) Liability/Asset recognized in the balance sheet

	Defined Benefit Plan Gratuity Funded as on 31.03.2016	Defined Benefit Plan Gratuity Funded as on 31.03.2015
Present value of obligation, beginning of the Year	2887916	2476088
Interest cost	231033	198087
Current service cost	316582	280645
Benefits paid	(102481)	(568504)
Actuarial loss on obligations	108003	501600
Present value of obligation, end of the Year (A)	3441053	2887916
Fair value of plan assets, beginning of the year	3150487	3210292
Expected return on plan assets	275687	287099
Contributions	390454	221600
Benefits paid	(102481)	(568504)
Actuarial gain / (loss) on plan assets	27549	-
Fair value of plan asset at the end of the year (B)	3741696	3150487
Amount recognized in balance sheet (A-B)	300643	262571

(b) Expenses during the year

Current service cost	316582	280645
Interest cost	231033	198087
Expected return on plan assets	(275687)	(287099)
Net actuarial (gain)/loss recognized in the year	80454	501600
Expenses recognized in statement of profit & loss	352382	693233

(c) Principal Actuarial Assumptions

	As on 31.03.2016	As on 31.03.2015
Discount Rate	8%	8%
Salary Escalation	7%	7%

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

The amount of contribution to Gratuity increased by risk premium Rs. 38333 (P.Y) Rs 23887 which does not contribute to the assets of company.

Earnings Per Share

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

	31.03.2016	31.03.2015
a) Face Value per Share	10.00	10.00
b) Net Profit after Tax	7,033,755	12,072,185
c) Weighted Average No. of shares	6,441,775	6,441,775
d) Earnings per share (Basic and Diluted)	1.09	1.87

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● **Contingent Liability**

Claims against the company not acknowledged as Debts:

- A demand for Service Tax of Rs.102918 (Previous year 225942) has been raised against the company by the Commissioner (Appeals) and the company has filed an appeal against this order with the CESTAT.

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

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

As resolved by the Board of Directors, the Membership Fee paid to BSE for acquiring trading rights at the Exchange has been shown under the head Non-current Investments as BSE has allotted shares against the same.

- 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 & Capital Ltd.

II. **Key managerial personnel**

Pritpal Singh	Chief General Manager
Pallavi Sethi	Company Secretary
Rajiv Dhiman	Company Secretary

(a) **Related Party Transaction**

	<u>Holding Company</u>	<u>Key Managerial Personnel</u>	<u>Total (Figures in Rs.)</u>
Dividend	3,997,290	-	3,997,290
Rent (Incl. of Taxes)	4,382,056	-	4,382,056
Photo Copy Charges	27,773	-	27,773
AMC of CCTV	11,000	-	11,000
Remuneration	-	1,092,973	1,092,973
Total	<u>8,418,119</u>	<u>1,092,973</u>	<u>9,511,092</u>

● **Capital Commitment**

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

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

Figures have been rounded off to the nearest rupee value.

Signature to Note No. 1 to 23

For Anoop K.Goel & Co.
Chartered Accountants
(Firm Registration No. 016327N)
Sd/-
(ANOOP KUMAR)
PARTNER
MEMBERSHIP NO. 096966

Place : LUDHIANA
Date : 11.08.2016

For and on behalf of the Board of Directors

Sd/-
Jaspal Singh
Chairman
DIN : 00458451

Sd/-
Rajiv Dhiman
Company Secretary
PAN : ALDPD5625Q

Sd/-
Pritpal Singh
CGM Cum WTD
DIN : 01219436

Sd/-
Rajesh Gupta
Sr. Manager - Accounts
PAN : AHPHG2853B

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L.S.E. SECURITIES LIMITED

CIN: U67120CH2000PLC023244

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

ATTENDANCE SLIP

17th Annual General Meeting, Saturday, 24th September, 2016 at 12.00 Noon.

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 17th (Seventeenth) Annual General meeting of the Company being held on Saturday, 24th September, 2016 at 12.00 Noon at Hotel Park View, Sector-24, Near Indira holiday Home, Chandigarh -160 022

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]

L.S.E. SECURITIES LIMITED

CIN: U67120CH2000PLC023244

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

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

I/We, being the member(s) of shares of L.S.E. Securities Limited, hereby appoint :

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 17th Annual General Meeting of the Company, to be held on Saturday, 24th September 2016 at 12.00 Noon at Hotel Park View, Sector-24, Near Indira holiday Home, Chandigarh and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No. :

Ordinary Business

- To receive, consider, and adopt the Audited Financial Statements for the year ended 31st March, 2016 together with the Reports of the Board of Directors and Auditors thereon.
- To confirm the declaration of interim dividend as the final dividend on Equity Shares.
- To appoint a Director in place of Mr. Jaspal Singh DIN: 00458451, who retires by rotation and being eligible, offers himself for the re-appointment.
- To ratify appointment of Auditors M/s. Anoop Goel & Co. Chartered Accountants (Registration No. 016327N) as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) to the conclusion of the Eighteenth Annual General Meeting of the Company on such remuneration and on such terms and conditions as may be mutually agreed upon between the Board of Directors of the Company and the Auditors.



Special Business

- To appoint Member Director.
- To consider and approve Change in name of the Company

Signed this _____ day of _____ 2016.

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.

