



CONTENTS

Notice of Annual General Meeting.....01

Directors' Report.....04

Auditor's Report - Standalone Financial Statements.....18

Standalone Financial Statements.....22

Auditor's Report - Consolidated Financial Statements.....39

Consolidated Financial Statements.....42

Financial Statements of Subsidiary Company.....58



LUDHIANA STOCK AND CAPITAL LIMITED

(Formerly Ludhiana Stock Exchange Limited)

CIN : U67120PB1981PLC004696

Regd. Office : Feroze Gandhi Market, Ludhiana

Tel.: 0161-2405756, 4612317 Fax : 0161-2404748

Website : www.lse.co.in, E-mail : lse_cs@rediffmail.com

NOTICE

Notice is hereby given that the 34th Annual General Meeting of the shareholders of Ludhiana Stock and Capital Limited (Formerly Ludhiana Stock Exchange Limited) will be held on 30th September, 2016, Friday at 04:00 p.m. at registered office situated at 1st floor, LSE Building, Feroze Gandhi Market, Ludhiana to transact the following ORDINARY businesses :-

1. **To receive, consider and adopt the:-**
 - a) **Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2016 and the Report of the Board of Directors and auditors thereon ; and**
 - b) **Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2016 and Reports of 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 Sh. Jagmohan Krishan, Shareholder Director, (DIN: 01127557) who retires by rotation and being eligible, offers himself for re-appointment.**
4. **To appoint a Director in place of Sh. Ashok Kumar, Shareholder Director, (DIN: 01971376) who retires by rotation and being eligible, offers himself for re-appointment.**
5. **To ratify the appointment of the Statutory 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, 142 and all other applicable provisions of the Companies Act, 2013 (the "Act") if any, 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. S.C. Vasudeva & Co., Chartered Accountants (Firm Registration No. 000235N) as the Statutory Auditors of the Company be and is hereby ratified to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as may be fixed by the Board of Directors of the Company."

For and on behalf of the Board of Directors
of Ludhiana Stock and Capital Limited
(Formerly Ludhiana Stock Exchange Limited)

Sd/-
Jagmohan Krishan
Chairperson
(DIN -01127557)

Registered office :
Feroze Gandhi Market, Ludhiana
CIN: U67120PB1981PLC004696
Email: lse_cs@rediffmail.com

PLACE : LUDHIANA
DATED : 27-08-2016



IMPORTANT NOTES

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a Poll instead of himself / herself and the proxy need not be a member of the Company.

A proxy in order to be valid and effective should be deposited at the Registered office of the Company duly stamped, completed and signed not less than 48 hours before the commencement of the meeting. A Blank Proxy form is enclosed with notice.

A proxy so appointed shall not have any right to speak at the meeting.
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent 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 member.
3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a duly certified copy of Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. The Company's share transfer books and the Register of Members will remain closed from 23-09-2016 (Friday) to 28-09-2016 (Wednesday) (both days inclusive).
5. All relevant documents referred to in the accompanying Notice are open for inspection by members at the Registered Office of the Company on all working days between 11:00 a.m. and 1:00 p.m. prior to the date of the Meeting.
6. The Board of Directors of the company had declared an interim dividend of Rs. 325 per share i.e., at the rate of 3250% on face value of Rs. 10/- each during the year 2015-16. The said interim dividend is to be confirmed at the ensuing AGM.
7. **Members are requested to write to the Company at least 10 Days before Annual General Meeting for obtaining any information as regards to Accounts/ Queries on Annual Report, so that the same could be compiled with in advance.**
8. For convenience of the members and for proper conduct of the meeting, entry to the place of meeting will be regulated by the attendance slip, which is annexed to the Proxy Form. Members/Proxies should bring attendance slips dully filled in and signed for attending the meeting and handover the same at the entrance of the venue of the meeting.
9. **REQUEST TO SHAREHOLDERS**
 - a. All correspondence regarding Shares of the Company should be addressed to the Company's Registrar and Transfer Agent (RTA), M/s Beetal Financial & Computer Services Pvt. Limited, Beetal House, 99, Madangir, B/H Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi 110 061.
 - b. Members who hold shares in the physical form and wish to make/ change nomination in respect to their shareholding in the Company, as permitted under section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014, may submit the prescribed form SH 13 to the company.
 - c. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in Securities Market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ Registrar & Transfer Agents of the Company i.e. Beetal Financial Computer Services Pvt. Ltd.
 - d. Members who have not registered their e-mail addresses so far are requested to register/ update their e-mail addresses for receiving all communications including Annual Report, Notices, Circulars etc. In respect of shares held in demat mode, e-mail addresses can be registered

NOTICE OF ANNUAL GENERAL MEETING



with depository and members who hold shares in physical form are requested to register their e-mail addresses with Beetal Financial Computer Services Pvt. Ltd., Registrar & Share Transfer Agents of the Company.

- e. The Company has been registered with Central Depository Services (India) Limited (CDSL). The members can avail the Depository Services of CDSL. The ISIN of the company is INE562H01024.
- f. Members / Beneficial Owners are requested to quote their full name as per Company's record, Folio No. /DP and Client ID Nos., as the case may be, in all correspondence with the Company.
- g. Please note that copies of the Annual report will not be distributed at the venue of the meeting. Shareholders/ Proxy holders/ Authorized representatives are, therefore, requested to bring their copies of the Annual Report to the meeting.
- h. Members are requested to quote their e-mail IDs, telephone/ fax nos. for prompt reply to their communications.
- i. Members who have not yet encashed their dividend warrants for financial year 2009-10, 2010-11, 2011-12, 2014-15 & 2015-16 are requested to make their claims to the Company without delay.

For and on behalf of the Board of Directors
of Ludhiana Stock and Capital Limited
(Formerly Ludhiana Stock Exchange Limited)

Sd/-
Jagmohan Krishan
Chairperson
(DIN -01127557)

PLACE : LUDHIANA
DATED : 27-08-2016





To

The Members,
Ludhiana Stock and Capital Limited
(Formerly Ludhiana Stock Exchange Limited)
(CIN No. U67120PB1981PLC004696)
Ludhiana.

Your Directors present the 34th Annual Report of your company together with the Audited Financial Statement and the Auditor's Report for the Financial Year ended 31st March, 2016. The summarized financial results for the Financial Year are as under:

Financial Summary (Standalone)

(Amount in lacs)

PARTICULARS	31-03-2016	31-03-2015
Profits Before Depreciation, Interest, Tax and Exceptional Items	264.18	294.48
Depreciation	12.15	22.84
Exceptional Item	--	--
Interest	--	--
Profit Before Tax	252.03	271.64
Provision for Taxation	47.31	40.99
Profit after tax	204.72	230.65
Add : Balance brought forward from previous years	114.60	305.39
Balance Available for appropriations	319.32	536.04
Appropriations		
a. Transferred to Reserve for Investor Services Fund	--	1.12
b. Interim Dividend on Equity Shares	192.40	355.20
c. Proposed Dividend on Equity Shares	--	--
d. Corporate Dividend Tax thereon	31.03	55.03
e. Transfer to General Reserve	--	10.00
Balance carried to Balance Sheet	95.89	114.60

Financial Summary (Consolidated)

Following Consolidated Financial Summary represent those of Ludhiana Stock and Capital Limited & its Subsidiary i.e L.S.E. Securities Limited having CIN No. U67120CH2000PLC023244:

(Amount in lacs)

PARTICULARS	31-03-2016	31-03-2015
Profits Before Depreciation, Interest, Tax and Exceptional Items	335.85	402.27
Depreciation	20.03	23.99
Exceptional Item	0	0
Interest	2.85	4.88
Profit Before Tax & Minority Interest	312.97	373.40
Provision for Taxation	77.88	97.77
Profit after tax & before Minority Interest	235.09	275.63
Minority's Interest	33.97	58.29
Profit after tax and Minority Interest	201.12	217.34
Add : Transferred from Minority Interest	44.56	43.38
Add : Balance brought forward from previous years	284.68	500.73
Balance Available for appropriations	530.36	761.45
Appropriations		
a. Transferred to Reserve for Investor Services Fund	0	1.21
b. Dividend on Equity Shares	192.40	392.53
c. Corporate Dividend Tax thereon	39.39	70.00
d. Transfer to General Reserve	1.76	13.02
Balance carried to Balance Sheet	296.81	284.69



Results of Operations and the State of Company's affairs

Total Revenue during the financial year 2016 was Rs. 481.89 lacs against previous year's figure of Rs. 571.67 lacs showing a decrease of 16 % mainly due to lower interest rates resulting into decline in income from investments and deposits. The pre-tax profit of Rs.252.03 lacs during the financial year 2015-16 was lower by 7% as compared to previous year's figure of Rs. 271.64 lacs. It was made possible by economizing in expenses which stood at Rs. 239.86 lacs against Rs.300.03 lacs during previous year.

On consolidated basis for the year 2015-16, your company recorded a lower profit (before tax) of Rs. 312.97 Lacs as against Rs. 373.40 lacs for the year 2014-15. The net profit after tax is Rs.201.12 Lacs as against previous year's profit of Rs. 217.34 lacs.

Present Business & Future Outlook

Presently the company is pursuing its object of performing functions of a holding company by coordinating the policy and administration of existing subsidiary apart from providing infrastructure and related services to its members and contributing to the society by providing Summer training to the students of various streams like M.B.A, M.Com., M.C.A and B.B.A etc. Faculties among the members of the Company cover the theoretical and practical aspects of Capital Market. The Company has state-of-the art training and infrastructure facilities including fully equipped class room. The Company has been receiving encouraging response from students. Industrial visits by students of various schools are also being undertaken.

As stated last year, the Business Development Committee constituted by Board is engaged in the process of exploring the new business avenues for the company. The Board hopes to come up before you with some viable option in due course of time.

Claim of CMC and Counter Claim of the Company

As stated in last year report, the Arbitrator had awarded a sum of Rs. 10,461,190/- and cost of litigation to CMC Limited. The Company had contested the award of Arbitration, u/s 34 of Arbitration & Conciliation Act in the District court. The case proceedings are still under progress.

Taxation-Appeal on Income Tax Cases

Appeals have been filed by the Company:

1. before Commissioner of Income Tax (Appeals) [CIT (A)] for the assessment years 2012-13 & 2013-14 for seeking relief for disallowance made under section 14A of the Income Tax Act, 1961.
2. before Income Tax Appellate Tribunal (ITAT) for the assessment year 2005-06 against the order of CIT (A) for seeking relief under sections 11 & 13 of the Income Tax Act, 1961.

For the assessment year 2001-02, 2003-04 & 2004-05, the Department has filed appeals with Hon'ble Punjab and Haryana High Court, Chandigarh against the order of Appellate Tribunal and the Company is contesting the matter

Customer Protection Fund (CPF)

As reported earlier, the Company has been pursuing the matter with Central Board of Direct Taxes (CBDT) for notification of fund under the provisions of section 10(23EA) of the Income Tax Act. For the purpose, the Company has engaged a professional in Delhi who is taking up the matter with CBDT and the notification is expected.

Material Changes and commitments, if any, affecting the financial position of the company

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and the date of this report.

Dividend & Reserves

Your Company paid an interim Dividend of Rs. 325.00 per Equity Share (3250%) of the face value of Rs. 10/- each, aggregating to Rs. 223.43 lacs (inclusive of tax on dividend of Rs. 31.03 lacs) for the financial year ended on March 31, 2016. The Directors are pleased to recommend confirmation of the said interim Dividend to be the Final Dividend for the Financial Year 2015-16.

During the year under review, it is proposed to transfer Rs. Nil (previous year Rs. 10.00 lacs) to General Reserve. An amount of Rs. 95.89 lacs is proposed to be retained as surplus in the Statement of Profit & Loss.

The dividend payout for the year has been formulated in accordance with the company's policy to pay sustainable dividend and accordingly it has been decided to conserve and retain the earnings.

Consolidated Financial Statement

The audited consolidated financial statement is provided in the Annual Report in accordance with the Companies Act, 2013 and Accounting Standard (AS) – 21 on Consolidated Financial Statements issued by The Institute of Chartered Accountants of India.

Subsidiary / Joint Ventures / Associate Companies

Ludhiana Stock and Capital Limited has only one subsidiary named L.S.E. Securities Limited. No other company became or ceased as subsidiary, joint venture or associate during the year.

A statement containing salient features of financial statements of L.S.E. Securities Ltd., in the prescribed format AOC-1, is appended as "Annexure A" to the Board's report. The statement provides the detail of performance and financial position of the Subsidiary.



Performance of Subsidiary:

L.S.E. Securities Limited is registered as Stockbroker at Bombay Stock Exchange (BSE), National Stock Exchange (NSE) and Metropolitan Stock Exchange of India Limited (MSEI). During the year under review, the Company recorded a business volume of Rs. 5048.27 Crores (Previous year Rs. 6550.53 Crores) and Rs. 2076.73 crores (Previous year Rs. 2441.86 Crores) in Capital Market Segment of NSE Limited and BSE Limited, Mumbai respectively. It also recorded a business volume of Rs. 80416.88 crores (Previous year Rs. 87982.29 Crores) in the Future and Options segment of NSE Limited. The business volume in Currency Derivatives was 615.67 crores (Previous year Rs. 932.55 Crores) in NSE. There was no business (Previous year Rs. 2.45 Crores) in MSEI during the year.

The business of Depository Participant (DP) is increasing day by day. During the year under review, your Subsidiary Company has opened 1200 (Previous year 1580) new accounts in CDSL and 312 (Previous year 56) accounts in NSDL in addition to 1447 (Previous year 1823) Trading Accounts.

Director`s Responsibility Statement

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

- In the preparation of the annual accounts, the applicable accounting standards have been followed with proper explanation relating to material departures, if any;
- 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;
- 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
- They have prepared the annual accounts for the year ended 31st March, 2016 on a 'going concern' basis; and
- 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 Contracts or arrangements with related parties:

All the transactions with related parties during the financial year were on arm`s length basis and in the ordinary course of business. There are no materially significant related party transactions made by the Company with Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Hence no particulars are required to be given in prescribed Form AOC-2.

Related party disclosures as per AS-18 have been provided in Note - 33 to the financial statements.

Corporate Social Responsibility

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the provisions of Section 135 of the Companies Act, 2013 are not applicable.

Risk Management

The Board of Directors, from time to time, review the risks faced by the company and the corresponding risk mitigation plans deployed. However, Company has not come across any element of risk which may threaten the existence of the Company.

Internal Financial Controls

The Company has clear delegation of authority along with set policies and procedures. These are reviewed periodically by the Board of Directors. These measures help in ensuring adequacy of internal financial controls commensurate with the nature and scale of operations of the Company.

Directors & Key Managerial Personnel:

In accordance with the provisions of the Companies Act, 2013, Mr. Jagmohan Krishan (DIN 01127557) and Mr. Ashok Kumar (DIN 01971376) retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

Mr. Anup Kumar Jain (DIN 01859016) Professional Director of the Company ceased to be Director w.e.f. 7th April, 2016 due to his death. The Directors place on record their deep appreciation for his valuable guidance and assistance received during the tenure as a Director and Member / Chairman of various committees.

Auditors and Auditors` Report

Statutory Auditors

At the Annual General Meeting held on 30th December, 2015 M/s. S.C. Vasudeva & Co., Chartered Accountants, (**Firm Registration Number: 000235N**) were appointed as the Statutory Auditors of the company to hold office till the conclusion of sixth consecutive Annual General Meeting subject to ratification by shareholders at every Annual General Meeting. Accordingly the appointment of M/S. S.C. Vasudeva & Co., Chartered Accountants, as Statutory Auditors of the Company, will be placed for ratification by the Shareholders. In this regard, the Company has received a certificate from the Auditors to the effect that if their appointment is ratified, it would be in accordance with the provisions of Section 141 of the



Companies Act, 2013.

The Notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

Secretarial Auditor

The provisions of Section 204 of the Companies Act, 2013 relating to submission of Secretarial Audit Report is not applicable to the Company.

Disclosure of composition of Audit Committee and providing Vigil Mechanism

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 is not applicable to the Company. Hence, disclosure pursuant to Section 177 (8) & (9) of the Companies Act, 2013 is not required.

Board Meetings

During the financial year 2015-16, nine (9) Meeting of the Board of Directors were held on 15-04-2015, 27-06-2015, 11-08-2015, 11-09-2015, 07-10-2015, 28-10-2015, 23-11-2015, 20-02-2016 & 19-03-2016.

Particulars of Loans, Guarantees or Investments 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.

Conservation of energy, technology absorption and foreign exchange earning & outgo:

The company is not engaged in any activity pertaining to manufacturing and as such furnishing of details regarding conservation of energy is not applicable.

Particulars required under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of technology absorption and foreign exchange earning and outgo are Nil.

Extract of Annual Return

The extract of Annual Return as on March 31, 2016 in the prescribed Form No. MGT-9, pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is attached as "Annexure B" to this report.

Information pursuant to Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

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

The statement showing the names of top ten employees in terms of remuneration drawn pursuant to Rule 5(2) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is attached as Annexure C to this report.

Public Deposits

During the financial year under review, the Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on date of the Balance Sheet.

Significant and Material Orders

There are no significant and material orders passed by the Regulators or courts or tribunals impacting the going concern status and Company's operations in future.

Nomination and Remuneration Policy

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

Declaration of Independent Directors

The provisions of Section 149 pertaining to the appointment of Independent Directors do not apply to our Company.

Other Disclosures

- During the year under review, the company has not issued shares with differential voting right nor has granted any stock options or sweat equity. Further the Company neither bought back any of its own shares nor has given any loan to the employees (including KMPs) of the Company for the purchase of the Company shares.
- The Company has in place a Policy on Prevention of Sexual Harassment in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. No complaint has been received under this Policy during the year 2015-16.
- The Auditors have not reported any fraud to the Board under subsection (12) of Section 143 of the Companies Act, 2013.



- There were no amounts which remained unpaid or unclaimed in dividend accounts for a period of seven years requiring transfer to the Investor Education and Protection Fund.

Acknowledgment

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

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

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

For and on behalf of the Board of Directors
of Ludhiana Stock and Capital Limited
(Formerly Ludhiana Stock Exchange Limited)

PLACE : LUDHIANA
DATED : 27-08-2016

Sd/-
Jagmohan Krishan
Chairperson
(DIN -01127557)



FORM AOC-1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures
(Pursuant to first provision to sub-section (3) of section 129 read with rules 5 of Companies (Accounts) Rules, 2014)

Part "A" : Subsidiaries

Sr. No.	Rs. in Lacs
Name of the subsidiary	L.S.E. Securities Ltd.
The date since when subsidiary was acquired	07-01-2000
Reporting period for the subsidiary concerned if different from the holding Company's reporting period	N.A.
Reporting currency and Exchange rate as on the last of the relevant Financial year in the case of foreign subsidiary	N.A.
Share capital	644.18
Reserves & surplus	956.35
Total assets	2993.01
Total Liabilities	1383.48*
Investments	67.64
Turnover	426.56**
Profit before taxation	100.91
Provision for taxation (Net)	30.57
Profit after taxation	70.34
Proposed Dividend***	93.47
% of shareholding	51.71%
Names of the subsidiaries which are yet to commence operations	N.A.
Names of subsidiaries which have been liquidated or sold during the year	N.A.

*Excluding Share Capital and Reserve & Surplus

**Figures given are of total Revenue earned

***Interim dividend paid during the year including dividend distribution tax thereon.

**Part "B" : Associate Companies and Joint Ventures
NIL**

For and on behalf of the Board of Directors
of Ludhiana Stock and Capital Limited
(Formerly Ludhiana Stock Exchange Limited)

PLACE : LUDHIANA
DATED : 27-08-2016

Sd/-
jagmohan Krishan
Chairperson
(DIN -01127557)



FORM MGT-9

Extract of Annual Return as on Financial Year ended on 31-03-2016

[Pursuant to Section 93(3) of the Companies Act, 2013 and

Rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

1. REGISTRATION & OTHER DETAILS :										
1.	CIN	U67120PB1981PLC004696								
2.	Registration Date	17-10-1981								
3.	Name of the Company	Ludhiana Stock and Capital Limited (Formerly Ludhiana Stock Exchange Limited)								
4.	Category / Sub-category of the Company	Company Limited by Shares								
5.	Address of the Registered Office & Contact details	Feroze Gandhi Market Ludhiana Ph. No. 0161-405756, 4612317, Fax No.: 0161-2404748 E-mail : lse_cs@rediffmail.com, Website : www.lse.co.in								
6.	Whether listed company	No.								
7.	Name, Address & Contact details of the Registrar & Transfer Agent if any,	Beetal Financial & Computer Services Pvt. Ltd. Beetal House, 3rd Floor, 99, Madangir Behind Local Shopping Centre, Near Dada Harsukh Das Mandir, New Delhi-110062. Ph. No.: 011-29961281, 29961282, Fax : 011-29961284								
2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10% or more of the total turnover of the company shall be stated)										
S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company							
1.	To Co-Ordinate the policy and administration of Subsidiary company and provide Financial/advisory services related thereto	642-Activities of holding companies								
3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES										
S. No.	Name and address of the company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares held	Applicable Section					
1.	L.S.E. Securities Limited SCO 50, 1st Floor, Sector 34-A, Chandigarh.	U67120CH2000PLC023244	Subsidiary	51.71	2(87)					
4. SHAREHOLDING PATTERN (Equity share capital breakup as percentage of Total Equity)										
i. Category-wise Shareholding										
Category of Shareholders	No. of Shares held at the beginning of the year (As on 31st March 2015)				No. of Shares held at the end of the year (As on 31st March 2016)				% Change during the year	
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Share		
A. Promoters										
(1) Indian										
a) Individual/HUF	-	500	500	0.84%	230	200	430	0.73%	-0.12%	
b) Central Govt.	-	-	-	-	-	-	-	-	-	
c) State Govt(s)	-	-	-	-	-	-	-	-	-	
d) Bodies Corp.	-	-	-	-	-	-	-	-	-	
e) Banks /FI	-	-	-	-	-	-	-	-	-	
f) Any other	-	-	-	-	-	-	-	-	-	
Sub Total (A) (1)	-	500	500	0.84%	230	200	430	0.73%	-0.12%	



(2) Foreign									
a) NRI Individual	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
Total (A)	-	500	500	0.84%	230	200	430	0.73%	-0.12%
(B) Public Shareholding									
1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Bank/FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FII's	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Fund	-	-	-	-	-	-	-	-	-
(i) Other (Specify)	-	-	-	-	-	-	-	-	-
Sub Total (B) (1)	-	-	-	-	-	-	-	-	-
(2) Non Institutions									
a) Bodies Corp.									
i) Indian	2785	6132	8917	15.06%	2887	5912	8799	14.86%	-0.20%
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	18497	31286	49783	84.09%	23567	26404	49971	84.41%	0.32%
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c) Other (specify)									
Non Residents Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies-DR	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	21282	37418	58700	99.16%	26454	32316	58770	99.27%	0.12%
Total Public (B)	21282	37418	58700	99.16%	26454	32316	58770	99.27%	0.12%%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C+D)	21282	37918	59200	100%	26684	32516	59200	100%	-



ii. Shareholding of promoter								
S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of Shares	% of total shares of the company	% of Shares pledge/encumbered to total shares	No. of Shares	% of total shares of the company	% of Shares pledge/encumbered to total shares	
1.	Mr. Raghubir Chand Singal	300	0.51%	-	190	0.32%	-	-0.19%
2.	Mr. Sat Pal Kanwar	200	0.34%	-	240	0.41%	-	0.07%
3.	Mr. B.K. Arora	-	-	-	-	-	-	-
4.	Mr. Shri Paul Jain	-	-	-	-	-	-	-
5.	Mr. Rajinder Nath	-	-	-	-	-	-	-
6.	Mr. Ram Dass Khanna	-	-	-	-	-	-	-
7.	Mr. Subhash Chander Jain	-	-	-	-	-	-	-

iii. Change in Promoters Shareholding (Please specify if there is no change)

S. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1.	At the beginning of the year	01-04-2015		500	0.84%	500	0.84%
2.	Changes during the year	13-04-2015	Transfer	110	0.19%	390	0.66%
		07-11-2015	Transfer	40	0.07%	430	0.73%
3.	At the end of the year	31-03-2016		430	0.73%	430	0.73%

iv. Shareholding pattern of top ten shareholders

(Other than Directors and Holders of GDRs and ADRs) :

S. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1.	Gala Finance & Investment Ltd.						
	At the beginning of the year	01-04-2015		579	0.98%	579	0.98%
	Changes during the year			-	-	-	-
	At the end of the year	31-03-2016		579	0.98%	579	0.98%
2.	Awatar Singh						
	At the beginning of the year	01-04-2015		480	0.81%	480	0.81%
	Changes during the year			-	-	-	-
	At the end of the year	31-03-2016		480	0.81%	480	0.81%
3.	Gopal Das Gupta						
	At the beginning of the year	01-04-2015		400	0.68%	400	0.68%
	Changes during the year			-	-	-	-
	At the end of the year	31-03-2016		400	0.68%	400	0.68%
4.	Rakesh Gupta						
	At the beginning of the year	01-04-2015		-	-	-	-
	Changes during the year	03-09-2015	Transfer	10	0.02%	10	0.02%
		30-09-2015	Transfer	190	0.32%	200	0.34%
		12-10-2015	Transfer	200	0.34%	400	0.68%
	At the end of the year	31-03-2016		400	0.68%	400	0.68%



S. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
5.	Aruna Mehta						
	At the beginning of the year	01-04-2015		398	0.67%	398	0.67%
	Changes during the year			-	-	-	-
	At the end of the year	31-03-2016		398	0.67%	398	0.67%
6.	Babita Sharma						
	At the beginning of the year	01-04-2015		390	0.66%	390	0.66%
	Changes during the year			-	-	-	-
	At the end of the year	31-03-2016		390	0.66%	390	0.66%
7.	Rajiv Arora						
	At the beginning of the year	01-04-2015		390	0.66%	390	0.66%
	Changes during the year	13-04-2015	Transfer	10	0.02%	380	0.64%
	At the end of the year	31-03-2016		380	0.64%	380	0.64%
8.	Chanda Kalra						
	At the beginning of the year	01-04-2015		380	0.64%	380	0.64%
	Changes during the year			-	-	-	-
	At the end of the year	31-03-2016		380	0.64%	380	0.64%
9.	Peer Investments Pvt. Ltd.						
	At the beginning of the year	01-04-2015		380	0.64%	380	0.64%
	Changes during the year			-	-	-	-
	At the end of the year	31-03-2016		380	0.64%	380	0.64%
10.	Simmi Uppal						
	At the beginning of the year	01-04-2015		380	0.64%	380	0.64%
	Changes during the year			-	-	-	-
	At the end of the year	31-03-2016		380	0.64%	380	0.64%
v. Shareholding of Directors and key managerial personnel							
S. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1.	Sh. Jagmohan Krishan						
	At the beginning of the year	01-04-2015		200	0.34%	200	0.34%
	Changes during the year			-	-	-	-
	At the end of the year	31-03-2016		200	0.34%	200	0.34%
2.	Sh. Jaspal Singh						
	At the beginning of the year	01-04-2015		10	0.02%	10	0.02%
	Changes during the year			-	-	-	-
	At the end of the year	31-03-2016		10	0.02%	10	0.02%
3.	Sh. Vikas Batra						
	At the beginning of the year	01-04-2015		195	0.33%	195	0.33%
	Changes during the year			-	-	-	-
	At the end of the year	31-03-2016		195	0.33%	195	0.33%



S. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
4.	Sh. Ashok Kumar						
	At the beginning of the year	01-04-2015		560	0.95%	560	0.95%
	Changes during the year			-	-	-	-
	At the end of the year	31-03-2016		560	0.95%	560	0.95%
5.	Sh. Anup Kumar Jain						
	At the beginning of the year	01-04-2015		10	0.02%	10	0.02%
	Changes during the year			-	-	-	-
	At the end of the year	31-03-2016		10	0.02%	10	0.02%
6.	Sh. Prem Thapar						
	At the beginning of the year	01-04-2015		10	0.02%	10	0.02%
	Changes during the year			-	-	-	-
	At the end of the year	31-03-2016		10	0.02%	10	0.02%
7.	Sh. Kanwalpreet Singh Walia						
	At the beginning of the year	01-04-2015		-	-	-	-
	Changes during the year	12-08-2015	Transfer	10	0.02%	10	0.02%
	At the end of the year	31-03-2016		10	0.02%	10	0.02%
8.	Sh. Ved Parkash Gaur						
	At the beginning of the year	01-04-2015		-	-	-	-
	Changes during the year			-	-	-	-
	At the end of the year	31-03-2016		-	-	-	-

5. Indebtedness

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

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



6. Remuneration of Directors and key Managerial Personal					
A) Remuneration to Managing Director, Whole Time Director and /or Manager					
SR	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (Rs/Lacs)	
	Name				
	Designation				
1.	Gross Salary				
	a) Salary as per provision contained in section 17 (1) of the Income Tax Act, 1961	-	-	-	
	b) value of u/s 17(2) Income Tax Act 1961	-	-	-	
	c) profits in lieu of Salary u/s17(3) Income Tax Act, 1961	-	-	-	
2.	Stock option	-	-	-	
3.	Sweat Equity	-	-	-	
4.	Commission	-	-	-	
	- as % of profit	-	-	-	
	- Other, Specify	-	-	-	
5.	others (bonus)	-	-	-	
	Total (A)	-	-	-	
	Ceiling as per the Act	-	-	-	
B) Remuneration to Directors					
SR	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (Rs/Lacs)	
		Sh. Ved Parkash Gaur	Sh. Anup Kumar Jain		
1.	Independent Directors				
	Fee for attending board committee meetings	28000	24500	52500	
	Commission	-	-	-	
	Others, please specify	-	-	-	
	Total (1)	28000	24500	52500	
2.	Other Non Executive Directors				
	Fee for attending board committee meetings	-	-	-	
	Commission	-	-	-	
	Others, please specify	-	-	-	
	Total (2)	-	-	-	
	Total (B)=(1+2)	28000	24500	52500	
	Total Managerial Remuneration	-	-	52500	
	Overall ceiling as per the Act	-	-	-	
C) Remuneration to Key Managerial Personnel other than MD/Manager /WTD					
SR	Particulars of Remuneration	Name of Key Magerial Personnel			Total Amount (Rs/Lacs)
		Name			
	Designation	CEO	CFO	CS	
1.	Gross Salary				
	a) Salary as per provision contained in section 17 (1) of the Income Tax Act, 1961	-	-	-	-
	b) value of u/s 17(2) Income Tax Act 1961	-	-	-	-
	c) profits in lieu of Salary u/s17(3) Income Tax Act, 1961	-	-	-	-
2.	Stock option	-	-	-	-



SR	Particulars of Remuneration	Name of Key Magerial Personnel			Total Amount (Rs/Lacs)
		Name	CEO	CFO	
	Designation	CEO	CFO	CS	
2.	Stock option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- Other, Specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	-	-	-	-

7. Penalty/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. Direcotrs					
Penalty				None	
Punishment					
Compounding					
C. Other officers in default					
Penalty				None	
Punishment					
Compounding					

For and on behalf of the Board of Directors
of Ludhiana Stock and Capital Limited
(Formerly Ludhiana Stock Exchange Limited)

PLACE : LUDHIANA
DATED : 27-08-2016

Sd/-
Jagmohan Krishan
Chairperson
(DIN -01127557)

DIRECTORS' REPORT (ANNEXURE-C)



Annexure `C`
Statement of Employee under Rules 5 (2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Name	Designation	Remuneration (Rs)	Qualification	Experience (Years)	Date of Commencement of Employment	Age (Year)	Last employment held
1	Gian Chand	Manager	398,000	B.A	35	01.01.2015	59	Hero Steels Ltd.
2	Des Raj	(Accounts)	319,328	I.T.I Dip.	24	01.09.1992	51	Oriental Textile Processing Co. Pvt. Ltd.
3	Manjit Singh	Jr. Engineer	292,027	National Trade Cert.	21	24.08.1995	54	Arihant Textile Industries
4	Balbir Singh	Jr. Engineer	264,263	Matric with Fire Fighting Course	22	01.12.1993	57	Home Guard
5	Narayan Das	Jr. Engineer	248,120	B.A	22	30.11.1993	44	First Employment
6	Dhirender Negi	Jr. Executive	245,543	Under Matric	25	03.02.1990	52	First Employment
7	Ramesh Kumar	Sr. Technician	241,548	Under Matric	23	16.12.1992	52	PNB
8	Ram Pujan	Lift Operator	226,317	Under Matric	24	01.05.1992	47	Amber Electerionics
9	Geeta Goel	Electerician	225,809	B.A	12	01.06.2004	42	First Employment
10	Atul Chikersal	Sr. Officer Executive	220,545	B.Sc	15	25.09.2008	46	Neva Garments

- Notes: (1) The nature of employment in all cases is contractual.
(2) None of the employees mentioned above is relative of any Director of the Company.
(3) None of the employees mentioned above is holding any shares in the Company.

For and on behalf of the Board of Directors
of Ludhiana Stock and Capital Limited
(Formerly Ludhiana Stock Exchange Limited)

Sd/-
Jagmohan Krishan
Chairperson
(DIN -01127557)

PLACE : LUDHIANA
DATED : 27-08-2016



To the Members,
Ludhiana Stock and Capital Limited
(Formerly Ludhiana Stock Exchange Limited)

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Ludhiana Stock and Capital Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. 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 and presentation 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 these standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. 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 thereunder.
5. 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.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone 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.
7. 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

8. 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 31st March, 2016 and its profits and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") 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, which forms part of this report, a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss and the cash flow statements 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 31st March 2016 taken on record by the Board of Directors, none



of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of sub-section (2) of section 164 of the Act;

- f. With respect to 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" ;and
- 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 explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Ludhiana
Date: 27.08.2016

For S.C. Vasudeva & Co.
Chartered Accountants
(Reg. No.000235N)

(Sanjiv Mohan)
Partner
M. No.086066



Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2016

We report that

- (i)
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) According to the information and explanations given to us, the Company has physically verified the assets during the year. No discrepancies were noticed on such physical verification.
 - c) According to information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
- (ii) The Company has not held any inventory during the year. Therefore the provisions of the paragraph 3(ii) are not applicable to the Company.
- (iii) According to the information and explanations given to us, we report that the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore the provisions of paragraph 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has not granted loans to directors or any other person in whom director is interested and also has not made loans, guarantees or provided security in connection *with* loan to any person or other body corporate and has not acquired securities of any other body corporate during the financial year. Therefore, the provisions of section 185 and section 186 of the Companies Act, 2013 are not applicable to the Company. Thus paragraph 3(iv) of the Order is not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted deposits covered under the provisions of sections 73 to 76, other relevant provisions of the Companies Act, 2013 and the rules framed thereunder. According to the information and explanations given to us, the order under the aforesaid sections has not been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company.
- (vi) The provisions of paragraph 3(vi) of the Order regarding the maintenance of cost records are not applicable to the Company.
- (vii)
 - (a) According to the information and explanations given to us and on the basis of the records of the Company examined by us, in our opinion, the Company has been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts in respect of statutory dues payable were outstanding as on the last day of the financial year concerned for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, there are no dues of income tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us, and based on our examination of the records of the company, the Company has not defaulted in repayment of loan from banks or financial institutions and has also not issued any debentures during the previous year or in the preceding year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not taken any term loan during the year. The Company has not raised money by way of public offer (including debt instruments) during the year. Therefore the provisions of paragraph 3(ix) are not applicable to the Company.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanation given to us, the Company has not paid managerial remuneration during the year. Therefore the provisions of paragraph 3(xi) of the Order are not applicable.
- (xii) According to the information and explanation given to us, the company is not a Nidhi Company. Therefore the provisions of paragraph 3(xii) of the Order are not applicable.
- (xiii) According to the information and explanations given to us, and based on our examination of the records of the company, there are no transactions with the related parties pursuant to section 188 read with section 177 of the Act during the financial year and the details of the transactions as required by the applicable accounting standards, have been disclosed in the financial statements by the Company.
- (xiv) According to the information and explanations given to us, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Thus the provisions of paragraph 3(xiv) of the Order are not applicable.
- (xv) According to information and explanations given to us, and based on our examination of the records of the company, the company has not entered into non-cash transactions with director or person connected with him. Accordingly, provisions of paragraph 3 (xv) of the Order are not applicable.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For S.C. Vasudeva & Co.
Chartered Accountants
(Reg. No.000235N)

(Sanjiv Mohan)
Partner
M. No.086066

Place: Ludhiana
Date: 27.08.2016



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

Report on Internal Financial Controls

1. We have audited the internal financial controls over financial reporting of Ludhiana Stock and Capital Limited ("the Company") as of 31st March 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

2. 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). 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

3. 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 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.
4. 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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

6. 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

7. 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

8. 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 31st March 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 S.C. Vasudeva & Co.
Chartered Accountants
(Reg. No.000235N)

(Sanjiv Mohan)
Partner
M. No.086066

Place: Ludhiana
Date: 27.08.2016

BALANCE SHEET

AS AT 31ST MARCH 2016



LUDHIANA STOCK AND CAPITAL LIMITED
(Formerly Ludhiana Stock Exchange Limited)

(Amount in `)

PARTICULARS	Note No.	AS AT 31-03-2016	AS AT 31-03-2015
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
a) Share capital	3	602,000	602,000
b) Reserves and surplus	4	199,072,403	200,942,902
		<u>199,674,403</u>	<u>201,544,902</u>
2 Non-current liabilities			
a) Deferred tax liabilities	5	-	8,827
b) Other long term liabilities	6	28,851,197	27,961,095
c) Long-term provisions	7	221,853	-
		<u>290,73,050</u>	<u>27,969,922</u>
3 Current liabilities			
a) Trade payables	8	579,221	139,964
b) Other current liabilities	9	17,890,359	25,271,813
c) Short-term provisions	10	97,325	157,649
		<u>18,566,905</u>	<u>25,569,426</u>
TOTAL		<u>247,314,358</u>	<u>255,084,251</u>
II ASSETS			
1 Non-current assets			
a) Fixed assets	11		
i) Tangible assets		82,987,345	827,96,861
ii) Intangible assets		38,936	58,404
		<u>83,026,281</u>	<u>82,855,265</u>
b) Non-current investments	12	34,517,625	34,517,625
c) Long-term loans and advances	13	11,031,389	10,073,238
d) Other non-current assets	14	44,977,444	59,312,482
		<u>173,552,739</u>	<u>186,758,609</u>
2 Current assets			
a) Current investments	15	13,111,994	-
c) Trade receivables	16	1,445,148	4,843,111
d) Cash and bank balances	17	53,663,163	54,520,828
e) Short-term loans and advances	18	5,218,366	6,001,062
f) Other current assets	19	322,946	2,960,641
		<u>73,761,618</u>	<u>68,325,641</u>
TOTAL		<u>247,314,358</u>	<u>255,084,251</u>

See accompanying notes to the financial statements

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

(Sanjiv Mohan)
Partner
M. No. 086066

PLACE : LUDHIANA
DATED : 27-08-2016

For and on behalf of the Board of Directors
of Ludhiana Stock and Capital Limited
(Formerly Ludhiana Stock Exchange Limited)

Sd/-
(Jagmohan Krishan)
Chairperson
(DIN - 01127557)

Sd/-
(Ashok Kumar)
Director
(DIN - 01971376)

Sd/-
(Vikas Batra)
Director
(DIN - 01964260)

Sd/-
(Ashwani Kumar)
Corporate Advisor
(PAN - ACBPK0351M)

Sd/-
(Gian Chand)
Manager Accounts
(PAN - ADOPC7725M)

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH 2016



LUDHIANA STOCK AND CAPITAL LIMITED
(Formerly Ludhiana Stock Exchange Limited)

(Amount in `)

PARTICULARS	Note No.	For the year ended 31-03-2016	For the year ended 31-03-2015
i Revenue from operations	20	980,790	1,418,470
ii Income from investments and deposits	21	12,844,988	19,803,013
iii Other income	22	35,363,372	35,945,259
iv Total revenue (i + ii + iii)		49,189,150	57,166,741
v Expenses :			
Employee benefits expense	23	5,417,352	6,271,176
Depreciation and amortization expense		1,215,385	2,283,564
Other expenses	24	17,353,004	21,448,048
Total expenses		23,985,741	30,002,788
vi Profit before tax (iv - v)		25,203,409	27,163,953
vii Tax expense :			
- Current tax		5,000,000	4,200,000
- Tax expenses relating to prior years		(260,322)	14,234
- Deferred tax		(8,827)	(115,403)
viii Profit for the year (vi-vii)		20,472,558	23,065,122
Earnings per share (of ` 10/- each)			
- Basic		345.82	389.61
- Diluted		345.82	389.61

See accompanying notes to the financial statements

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

(Sanjiv Mohan)
Partner
M. No. 086066

PLACE : LUDHIANA
DATED : 27-08-2016

For and on behalf of the Board of Directors
of Ludhiana Stock and Capital Limited
(Formerly Ludhiana Stock Exchange Limited)

Sd/-
(Jagmohan Krishan)
Chairperson
(DIN - 01127557)

Sd/-
(Ashok Kumar)
Director
(DIN - 01971376)

Sd/-
(Vikas Batra)
Director
(DIN - 01964260)

Sd/-
(Ashwani Kumar)
Corporate Advisor
(PAN - ACBPK0351M)

Sd/-
(Gian Chand)
Manager Accounts
(PAN - ADOPC7725M)

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2016



LUDHIANA STOCK AND CAPITAL LIMITED
(Formerly Ludhiana Stock Exchange Limited)

(Amount in `)

PARTICULARS	2015-16	2014-15
1. CASH FLOW FROM OPERATING ACTIVITY		
Net Profit before Tax & Extra Ordinary Item	25,203,409	27,163,953
Non-Cash & Non-Operating adjustments for :		
Depreciation and amortisation	1,215,385	2,283,564
Interest Income	(8,735,704)	(11,808,433)
Dividend Income	(4,109,284)	(7,994,580)
Net gain on sale of fixed assets	(236,692)	-
Operating Profit Before Working Capital Changes	13,337,114	9,644,504
<u>(Increase)/Decrease in Current Assets:</u>		
Current Investments	(13,111,994)	-
Trade receivables	3,397,963	1,465,601
Inventory	-	84,749
Short Term loans & advances	782,696	7,018,761
Other Current Assets	2,656,520	51,161,509
<u>(Increase)/Decrease in Non-Current Assets:</u>		
Long Term loans & advances	(1,022,431)	188,793
Other non-current assets	14,335,038	(6,936,825)
<u>(Increase)/Decrease in Current Liabilities:</u>		
Trade Payables	439,257	(638,258)
Short Term Provisions	(60,324)	108,294
Short Term Borrowings	-	-
Other Current Liabilities	(7,362,629)	(3,990,771)
<u>(Increase)/Decrease in Non-Current Liabilities:</u>		
Other long term liabilities	890,102	(22,550,199)
Long-term provisions	221,853	(177,707)
Cash Generated From Operation	14,503,165	35,378,451
Direct Tax expenses	(4,675,397)	(5,443,177)
Cash Flow Before Extra-Ordinary Items	9,827,768	29,935,274
Less : Item of exceptional nature		
Payments made on account of ISF	-	(181,032)
Payments made on account of SGF:	-	(1,355,000)
Net Cash Flow From Operating Activity (A)	9,827,768	28,399,242
2. CASH FLOW FROM INVESTING ACTIVITY		
Sale Proceeds of Fixed Assets	543,122	-
Interest Received	8,735,704	11,808,433
Dividend Received	4,109,284	7,994,580
Purchase of Fixed Assets	(1,692,834)	(69,045)
Earmarked Deposits	(6,200,000)	-
Investment in bank deposits with maturity > 3 months.	12,870,973	(3,589,378)
Net Cash Flow From Investing Activity (B)	18,366,249	16,144,590

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2016



LUDHIANA STOCK AND CAPITAL LIMITED
(Formerly Ludhiana Stock Exchange Limited)

(Amount in `)

PARTICULARS	2015-16	2014-15
3. CASH FLOW FROM FINANCING ACTIVITY		
Dividend Paid	(19,258,825)	(33,579,800)
Dividend Distribution Tax	(3,103,058)	(5,503,480)
Net Cash Flow From Financing Activity (C)	(22,361,883)	(39,083,280)
4. NET INC./DEC. IN CASH & CASH EQUIVALENTS (A)+(B)+(C)	5,832,134	5,460,552
5. OPENING BALANCE OF CASH & CASH EQUIVALENTS	11,933,965	6,473,413
6. CLOSING BALANCE OF CASH & CASH EQUIVALENTS (4)+(5)	17,766,099	11,933,965
CASH AND CASH EQUIVALENTS :		
Cash on hand	30,977	22,106
Cheques issued but not cleared	-	7,500
Balance with Banks :		
In current accounts	641,119	764,235
Deposits with maturity period less than 3 months	17,094,003	11,140,124
	17,766,099	11,933,965

Notes :

(1) The figures in brackets represent outflows/adjustments.

(2) Previous period's figures have been regrouped / reclassified, wherever necessary, to conform to current year presentation.

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

(Sanjiv Mohan)
Partner
M. No. 086066

PLACE : LUDHIANA
DATED : 27-08-2016

For and on behalf of the Board of Directors
of Ludhiana Stock and Capital Limited
(Formerly Ludhiana Stock Exchange Limited)

Sd/-
(Jagmohan Krishan)
Chairperson
(DIN - 01127557)

Sd/-
(Ashok Kumar)
Director
(DIN - 01971376)

Sd/-
(Vikas Batra)
Director
(DIN - 01964260)

Sd/-
(Ashwani Kumar)
Corporate Advisor
(PAN - ACBPK0351M)

Sd/-
(Gian Chand)
Manager Accounts
(PAN - ADOPC7725M)



1. CORPORATE INFORMATION

Ludhiana Stock and Capital Limited (Formerly Ludhiana Stock Exchange Limited) (The Company) is a public company incorporated under the provisions of the Companies Act, 1956 on 17.10.1981.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparations of Financial Statements

The accounts are prepared in accordance with generally accepted accounting principles under the historical cost convention on accrual basis in accordance with the applicable accounting standards prescribed under section 133 of Companies Act, 2013 read with rule 7 of The Companies (Accounts) rules, 2014.

b) Use of Estimates

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

c) Revenue Recognition

- I. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- II. Dividend from investment in share & mutual fund is recognized when right to receive payment is established.

d) Fixed Assets

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

e) Intangible Assets

Intangibles are stated at cost less accumulated amount of amortization.

f) Depreciation

- i) Depreciation on tangible fixed assets is provided on Written Down Value method in accordance with and in the manner specified in Schedule II to the Companies Act, 2013.
- ii) Depreciation on assets costing Rs. 5000/- or below is charged @ 100% per annum on proportionate basis.

g) Amortization

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

h) Retirement Benefits:

1) Short Term Employee Benefits:

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

2) Post Employment Benefits:

i) Defined Contribution Plans:

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

ii) Defined Benefit Plans:

Gratuity: The liability for gratuity is provided on the basis of actuarial valuation carried out by an independent actuary at the balance sheet date using projected unit credit method. The present value of the company's obligation is determined on the basis of actuarial valuation at the year end and the fair value of plan assets is reduced from the gross obligations under the gratuity scheme to recognize the obligation on a net basis.

Actuarial gain or loss is recognized immediately in the statement of profit and loss.

i) Investments

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

Current investments are carried at lower of cost and fair value.

j) Borrowing Costs

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



k) Impairment of Assets

At each balance sheet date, an assessment is made whether any indication exists that an asset has been impaired. If any indication exists, an impairment loss i.e. the amount by which the carrying amount of an asset exceeds its recoverable amount is provided in the books of account.

l) Accounting for Taxes on Income

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

m) Earnings per share

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

For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

n) Cash flow statement

The cash flow statement has been in accordance with the Accounting Standard (AS) – 3 on “Cash flow statements” prescribed in Companies (Accounts) rules, 2014.

o) Provisions and Contingent Liabilities

- i) Provision is recognized (for liabilities that can be measured by using a substantial degree of estimation) when:
 - a) the company has a present obligation as a result of a past event;
 - b) a probable outflow of resources embodying economic benefits is expected to settle the obligation; and
 - c) the amount of the obligation can be reliably estimated
- ii) Contingent liability is disclosed in case there is :
 - a) (i) possible obligation that arises from past events and existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise; or
 - (ii) a reliable estimate of the amount of the obligation cannot be made.
 - b) a present obligation arising from past events but is not recognised
 - (i) when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) a reliable estimate of the amount of the obligation cannot be made.

NOTES TO FINANCIAL STATEMENTS



3 Share Capital

PARTICULARS	AS AT 31-03-2016		AS AT 31-03-2015	
	Number	₹	Number	₹
Authorised :				
Equity shares of ₹ 10/- each (par value)	5,000,000	50,000,000	5,000,000	50,000,000
Total	5,000,000	50,000,000	5,000,000	50,000,000
Issued :				
Equity shares of ₹ 10/- each	70,000	700,000	70,000	700,000
Total	70,000	700,000	70,000	700,000
Subscribed :				
Equity shares of ₹ 10/- each	60,200	602,000	60,200	602,000
Total	60,200	602,000	60,200	602,000
Paid up :				
Equity shares of ₹ 10/- each	60,200	602,000	60,200	602,000
Less: Forfeited 1,000 equity shares of ₹ 10/-each		10,000		10,000
	60,200	592,000	60,200	592,000
Add : Forfeited shares (amount originally paid up)		10,000		10,000
Total	60,200	602,000	60,200	602,000

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

Equity Shares	AS AT 31-03-2016		AS AT 31-03-2015	
	Number	₹	Number	₹
At the beginning of the reporting period	60,200	6,02,000.	60,200	602,000
Add : Issued during the period	-	-	-	-
Outstanding at the end of the reporting period	60,200	602,000	60,200	602,000

b. Rights, preferences and restrictions attached to equity shares

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

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

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

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

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

4 Reserves and surplus

PARTICULARS	AS AT 31-03-2016	AS AT 31-03-2015
	₹	₹
Capital reserve		
Balance as per last financial statements	152,721,795	117,751,541
Add : Transferred from settlement guarantee fund	-	34,970,254
	152,721,795	152,721,795
Other reserves :		
General reserve		
Balance as per last financial statements	36,761,315	3,951,100
Add : Transferred from settlement guarantee fund	-	31,810,215
Add : Transferred from surplus in settlement of profit & loss	-	1,000,000
	36,761,315	36,761,315



PARTICULARS	AS AT 31-03-2016 ₹	AS AT 31-03-2015 ₹
Investor Services Fund		
Balance as per last financial statements	-	59,695
Add : Transferred from surplus in statement of profit and loss	-	121,337
Less: Utilised during the year	-	180,580
Less: Payment made to SEBI	-	452
Closing Balance	<u>-</u>	<u>-</u>
Settlement guarantee fund		
Balance as per last financial statements	-	68,135,469
Less : Transferred to Capital Reserve	-	34,970,254
Less : Transferred to General Reserve	-	31,810,215
Less : Transferred to Members Account	-	1,355,000
Closing Balance	<u>-</u>	<u>-</u>
Surplus i.e. balance in statement of profit and loss		
Balance as per the last financial statements	11,459,793	30,539,487
Add : Profit for the year transferred from statement of profit and loss	20,472,558	23,065,122
	<u>31,932,351</u>	<u>53,604,609</u>
Less : Appropriations :		
Appropriation to investor services fund	-	121,337
Dividend paid (interim)	19,240,000	35,520,000
Corporate Dividend Tax	3,103,058	5,503,480
Transferred to General Reserve	-	1,000,000
Closing Balance	<u>9,589,293</u>	<u>11,459,793</u>
Total	<u>199,072,403</u>	<u>200,942,902</u>

5 Deferred tax liabilities

PARTICULARS	AS AT 31-03-2016 ₹	AS AT 31-03-2015 ₹
Deferred tax liabilities		
Impact of difference between book balance and tax balance of fixed assets (Being deferred tax asset ignored) (Refer Note-27)	(59,582)	8,827
	<u>-</u>	<u>8,827</u>

6 Other long-term liabilities

PARTICULARS	AS AT 31-03-2016 ₹	AS AT 31-03-2015 ₹
Others :		
Retention money	3,435,054	3,435,054
Security from members	14,182,539	13,299,141
Security from others	11,233,604	11,226,900
	<u>28,851,197</u>	<u>27,961,095</u>



7 Long-term provisions

PARTICULARS	AS AT 31-03-2016 ₹	AS AT 31-03-2015 ₹
Provision for employee benefits : Gratuity (Net) (Refer Note-36)	221,853	-
	<u>221,853</u>	<u>-</u>

8 Trade payables

PARTICULARS	AS AT 31-03-2016 ₹	AS AT 31-03-2015 ₹
Trade payable Other than acceptances	579,221	139,964
	<u>579,221</u>	<u>139,964</u>

9 Other current liabilities

PARTICULARS	AS AT 31-03-2016 ₹	AS AT 31-03-2015 ₹
Income received in advance	10,300	35,000
Unpaid dividend	2,267,305	2,286,130
Due to members	1,355,000	1,355,000
Other payables		
- Statutory remittances**	106,449	183,528
- Due to employees	732,221	337,614
- Due to ex-members	253,140	253,140
- Expense payable	5,539,171	5,140,360
- Earnest money for membership	25,000	25,000
- Advances from members	3,422,387	3,500,594
- Security from members	3,814,317	8,638,832
- Cheques issued but not yet presented	-	3,046,006
- Other payables	365,069	470,609
	<u>17,890,359</u>	<u>25,271,813</u>

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

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

10 Short-term provisions

PARTICULARS	AS AT 31-03-2016 ₹	AS AT 31-03-2015 ₹
Provision for employee benefits : Leave encashment	97,325	157,649
	<u>97,325</u>	<u>157,649</u>

NOTES TO FINANCIAL STATEMENTS



11 FIXED ASSETS

(Amount in ₹)

PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION				NET BLOCK	
	Balance as at 1st April, 2015	Additions	Disposal	Balance as at 31st March, 2016	Balance as at 1st April, 2015	Depreciation/ amortisation expenses during the year	Eliminated on disposal of assets	Balance as at 31st March, 2016	Balance as at 31st March, 2015
a) Tangible Assets									
Freehold Land	65,742,904	-	-	65,742,904	-	-	-	65,742,904	65,742,904
Buildings	38,654,596	1,615,584	1,77,764	39,092,416	25,024,807	678,491	873,618	14,262,736	13,629,790
Plant and Equipments	27,593,316	-	-	27,893,316	25,188,484	340,654	-	2,364,177	2,704,832
Office Equipments	8,283,292	72,500	-	8,355,792	7,700,962	134,875	-	519,954	582,330
Furniture and Fixtures	533,740	4,750	-	543,490	499,370	8,175	-	35,946	39,371
Vehicles	637,923	-	40,663	597,260	540,289	33,721	38,377	61,627	97,634
Total (a)	141,750,772	1,692,834	1,218,427	142,225,178	58,963,912	1,195,917	911,995	82,987,345	82,796,861
b) Intangible Assets									
Computer Software	295,500	-	-	295,500	237,096	19,468	-	38,936	58,404
Total (b)	295,500	-	-	295,500	237,096	19,468	-	38,936	58,404
Grand Total (a + b)	142,046,272	1,692,834	1,218,427	142,520,678	59,191,008	1,215,385	911,995	83,026,281	82,855,265
Previous year	141,977,226	69,045	-	142,046,272	56,907,442	2,283,564	-	82,855,265	-

Notes :- Intangible assets are not internally generated.

NOTES TO FINANCIAL STATEMENTS



12 Non current investments

PARTICULARS	AS AT 31-03-2016 ₹	AS AT 31-03-2015 ₹
Long term investments Unquoted (Valued at cost unless stated otherwise)		
Trade (cost)		
Investment in equity instruments of subsidiary company 3331075 (previous year 3331075) equity shares of ₹ 10/- fully paid up of L.S.E. Securities Limited	34,517,625	34,517,625
	<u>34,517,625</u>	<u>34,517,625</u>
Aggregate amount of unquoted investment	34,517,625	34,517,625

13 Long-term loans and advances

PARTICULARS	AS AT 31-03-2016 ₹	AS AT 31-03-2015 ₹
(Unsecured considered good)		
Security deposits	1,585,352	562,921
Advance income tax (net of provision for tax ₹ 9,200,000/- (Previous year ₹ 18,656,500))	9,446,036	9,510,317
	<u>11,031,389</u>	<u>10,073,238</u>

14 Other non-current assets

PARTICULARS	AS AT 31-03-2016 ₹	AS AT 31-03-2015 ₹
(Unsecured considered good)		
Others :		
Members security :		
- Held as fixed deposits	13,495,239	12,494,841
- Held as members investment	1,463,967	812,781
Security received from others (held as fixed deposits)	334,219	327,515
Non current bank balances (refer note no. 17)	26,541,546	43,404,309
Recoverable from customer protection fund	165,925	125,844
Less : Allowances for doubtful advances	<u>165,925</u>	<u>-</u>
Interest accrued on fixed deposits	3,142,473	2,147,191
	<u>44,977,444</u>	<u>59,312,482</u>

16 Current Investments

PARTICULARS	AS AT 31-03-2016 ₹	AS AT 31-03-2015 ₹
(Valued at lower of cost and fair value, unless stated otherwise) :		
Unquoted Mutual Fund		
5537.993 (Previous Year - Nil) units of face value of Rs. 1000/- each fully paid up of UTI-Treasury Advantage Fund-Institutional Plan - Direct Plan Daily Dividend Reinvestment	5,551,029	-
7414.019 (Previous Year - Nil) units of face value of Rs. 1000/- each fully paid up of HDFC - Liquid Fund - Direct Plan Daily Dividend Reinvestment	7,560,965	-
	<u>13,111,994</u>	<u>-</u>
Aggregate amount of unquoted investments	13,111,994	-

NOTES TO FINANCIAL STATEMENTS



16 Trade receivables

PARTICULARS	AS AT 31-03-2016 ₹	AS AT 31-03-2015 ₹
Trade receivables outstanding for a period exceeding six months from the date they are due for payment :		
- Secured, considered good	511,088	2,365,670
- Unsecured, considered good	<u>24,818</u>	<u>21,170</u>
	535,906	2,386,840
Other trade receivables		
- Secured, considered good	897,798	1,809,350
- Unsecured, considered good	<u>11,445</u>	<u>646,921</u>
	<u>1,445,148</u>	<u>4,843,111</u>

17 Cash and bank balances

PARTICULARS	AS AT 31-03-2016 ₹	AS AT 31-03-2015 ₹
Cash and cash equivalents		
a) Balances with banks		
- In current accounts	641,119	764,235
- Deposits with maturity of less than three months	17,094,003	11,140,124
b) Cash in hand	30,977	22,106
c) Cheques deposited but not cleared	-	7,500
Other Bank Balances :		
a) Earmarked balances with banks :		
- Dividend account	2,267,305	2,286,130
- FDR Pledged with HDFC Bank against O/D facility (refer note 37)	6,200,000	-
b) Deposits with maturity more than three months but less than twelve months	27,429,768	40,300,733
c) Deposits with more than twelve months maturity but less than thirty six months	25,066,546	41,929,309
d) Deposits with more than thirty six months	<u>1,475,000</u>	<u>1,475,000</u>
	80,204,710	97,925,137
Less: Amounts disclosed as other non current assets (refer note 14)	26,541,546	43,404,309
	<u>53,663,163</u>	<u>54,520,828</u>

18 Short-term loans and advances

PARTICULARS	AS AT 31-03-2016 ₹	AS AT 31-03-2015 ₹
(Unsecured considered good)		
Loans and advances to related parties (refer note-33)	9,303	300,832
Others:		
Advance to suppliers	300,000	473
Loans and advances to employees	128,250	280,387
Prepaid expenses	144,949	130,872
Interest accrued on fixed deposits :		
- Own funds	4,539,021	4,766,820
Fair value of plan assets (net) (refer note-36)	-	101,167
Other recoverables :		
- Considered good	96,843	420,511
- Considered doubtful	<u>1,425,654</u>	<u>1,425,654</u>
	1,522,497	1,846,165
Less: Allowances for Doubtful Advances	<u>1,425,654</u>	<u>1,425,654</u>
	96,843	420,511
	<u>5,218,366</u>	<u>6,001,062</u>

NOTES TO FINANCIAL STATEMENTS



19 Other Current Assets

PARTICULARS	For the year ended 31-03-2016 ₹	For the year ended 31-03-2015 ₹
Members security - Held as fixed deposits	322,946	2,960,641
	322,946	2,960,641

20 Revenue from operations

PARTICULARS	For the year ended 31-03-2016 ₹	For the year ended 31-03-2015 ₹
Other operating revenues :		
- Membership fee	306,000	263,439
- Listing fee	-	651,873
- Transfer fee received	150,860	17,250
- Income from training and education cell (net of expenses)	523,930	454,108
- Miscellaneous	-	31,800
Revenue from operations	980,790	1,418,470

21 Income from investments and deposits

PARTICULARS	For the year ended 31-03-2016 ₹	For the year ended 31-03-2015 ₹
Interest received (Gross) :		
- From banks (Gross) {TDS ` 801,649/- (previous year ` 1,073,443/-)}	8,663,522	11,694,798
- From others	72,182	113,635
Dividend income from long term trade investments		
- Subsidiary	3,997,290	7,994,580
Dividend income from current investments		
- Mutual Funds	111,994	-
	12,844,988	19,803,013

22 Other Income

PARTICULARS	For the year ended 31-03-2016 ₹	For the year ended 31-03-2015 ₹
Rent Received	27,855,897	27,044,915
Bad debts recovered	-	158,328
Gain on sale of fixed assets (Net of Loss on sale Rs. 134,015/-)	236,692	-
Miscellaneous receipts	7,262,705	8,740,816
Previous Year Income	8,078	1,200
	35,363,372	35,945,259

23 Employee benefits expenses

PARTICULARS	For the year ended 31-03-2016 ₹	For the year ended 31-03-2015 ₹
Salaries and wages	4,313,607	5,263,547
Contribution to provident and other funds	897,230	717,074
Staff welfare	206,515	290,556
	5,417,352	6,271,176

NOTES TO FINANCIAL STATEMENTS



24 Other Expenses

PARTICULARS	For the year ended	For the year ended
	31-03-2016	31-03-2015
	₹	₹
Contribution to customer protection fund	-	9,711
Fee to SEBI	-	11,830,800
Contribution to SEBI towards IPEF	-	2,000,000
Electricity and water	8,401,204	8,820,457
Repairs and maintenance - Plant and machinery	780,221	399,724
Repairs and maintenance - Buildings	255,658	62,086
Insurance	244,242	239,497
Rates and taxes	212,167	225,714
Legal and professional	1,084,194	386,508
Travelling and conveyance :		
- Directors	-	132,509
- Others	33,542	80,512
Printing and stationery	139,921	271,270
Auditors' Remuneration :		
- Audit fee	80,000	80,000
- Tax audit	15,000	15,000
- Income tax matters	15,000	15,000
- In other capacity	10,000	10,000
- Reimbursement of expenses	24,198	23,142
Internal Auditors' Remuneration :		
- Audit fee	40,000	40,000
- Reimbursement of expenses	26,000	26,000
Meeting expenses	82,548	62,416
Directors' sitting fee	61,500	194,500
Communication expenses	385,434	473,797
Allowance for Doubtful Advances	165,925	-
Prior period expenses	6,137	163,198
Balances written off	61,040	2,631,465
Less: Excess provision written back	<u>-</u>	<u>287,785</u>
Security charges	4,120,093	3,865,867
Service Tax under VCES	-	108,008
Miscellaneous	1,108,981	1,281,144
	<u>17,353,004</u>	<u>21,488,048</u>

NOTES TO FINANCIAL STATEMENTS



25. Contingent Liabilities in respect of (to the extent not provided for):
(No outflow is expected in view of the past history relating to these items)
- Claims not acknowledged as debts : Rs. Nil (previous year Rs. Nil).
26. The company is no longer in the business of promotion of securities. On account of exit of the company as Stock Exchange, listing fee is no longer income of the company.
27. Deferred Tax Asset amounting to Rs.59,582/- on account of difference between book balance and tax balance of Fixed Assets has not been created in the absence of virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred assets can be realized.
28. The company is a single segment company. Therefore segment information as per Accounting Standard (AS) – 17 "Segment Reporting" is not required to be disclosed.
29. i) The company had received scrips of various companies from members as security against the performance of the contracts, deposited towards Base Minimum Capital (BMC), Additional Base Minimum Capital and other margins etc. Such scrips are lying in the company have been recorded in the memoranda records maintained by the company. No accounting entries passed in the books of accounts.
- ii) In case of defaulters and suspended members the company got the scrips transferred in its name accounting entries for such scrips are made in respect of defaulting members and suspended members by crediting "Members' security (in kind) account" and debiting "Members' investment account." The scrips in such cases have been valued at the quoted price prevailing on the day of tendering of transfer deeds.
30. The intangible asset which comprises of software have been amortized @ 20% on straight line basis as the useful life thereof has been estimated to be not more than five years.
31. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.

(Amount in `)

Sr. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
1	Principal amount remaining unpaid to any supplier as at the end of accounting period	-	-
2	Interest due on remaining unpaid to any supplier as at the end of the accounting period	-	-
3	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
4	The amount of interest due and payable for the year	-	-
5	The amount of interest accrued and remaining unpaid at the end of accounting year	-	-
6	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

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

32. The company has contested the award of Arbitration made for the dispute between the company and its software supplier M/s. CMC Limited. As per the award a sum of Rs. 1,07,89,990/- including interest (calculated up to 30th November, 2014) and cost of litigation, has been awarded to CMC Limited .

No provision has been made for the aforesaid liability in the books of account as the company is confident to get the desired relief.

33. Related Party Disclosure:

- a) Disclosure of Related Parties and relation between the parties.
1. Subsidiary L.S.E. Securities Limited
 2. Key Management Personnel Mrs. Pooja M. Kohli, upto 31st March,2015
 3. Entities under control Stock Exchange Customer Protection fund
- b) The following transactions were carried out with related parties in the ordinary course of business:

PARTICULARS	Key Management Personnel (KMP)		Subsidiary	
	2015-16	2014-15	2015-16	2014-15
Rent received including maintenance charges	-	-	4,382,056	4,323,060
Reimbursement of Expenses	-	-	38,773	48,147
Dividend received	-	-	3,997,290	7,994,580
Payment to KMP as Remuneration	-	847,364	Nil	Nil
Due from subsidiary	-	-	9,303	300,831

NOTES TO FINANCIAL STATEMENTS



The following transactions were carried out with the entities under control

Particulars	2015-16	2014-15
Contribution to C.P.F. (a proportionate amount of Listing Fee Received)	Nil	9,711
Allocation of Interest to C.P.F.	Nil	Nil

d) The related party relationship is as identified by the company and relied upon by the auditors.

34. EARNING PER SHARE

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

Sr. No.	Particulars	2015-16	2014-15
1	Average Number of equity shares of Rs. 10/- each outstanding (No.)	59,200	59,200
2	Profit/(loss) for the year attributable to equity shareholders (Rs.)	20,472,558	23,065,122
3	Earnings per share (Basic)	345.82	389.61
4	Earnings per share (Diluted)	345.82	389.61
5	Nominal Value of Per Equity Share (Rs.)	10.0	10.0

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

36. Employee Benefits:

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

a) Changes in the present value of obligations:

Particulars	(Amount in `)	
	2015-16	2014-15
Present Value obligation as at beginning of the year.	2,256,515	1,962,214
Interest Cost.	150,251	153,025
Current Service Cost.	19,018	20,930
Benefits Paid.	(684,987)	(25,697)
Actuarial Loss/(Gain) on obligation's.	467,040	146,043
Present value obligation as at close of the year.#	2,207,837	2,256,515

#Includes short term gratuity liability of Rs. 25,304/- (previous year Rs. 26,698/-)

b) Changes in the Present Value of Plan Asset :

Particulars	(Amount in `)	
	2015-16	2014-15
Fair value of Plan Assets as at beginning of the year	2,357,682	1,988,305
Expected return on Plan Assets	166,827	181,713
Contributions	158,059	215,983
Withdrawals/Benefits paid	(702,760)	(39,156)
Actuarial Loss/(Gain) on Plan Assets	6,176	10,837
Fair value of Plan Assets as at close of year	1,985,984	2,357,682

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

NOTES TO FINANCIAL STATEMENTS



c) Amount recognized in Balance Sheet :

(Amount in `)

Particulars	Gratuity (Funded)	
	2015-16	2014-15
Present value obligation as at close of the year	2,207,837	2,256,515
Fair value of Plan Assets as at close of the year	1,985,894	2,357,682
Funded Status	(221,853)	101,167
Net Assets/ (Liability) recognized in Balance Sheet	(221,853)	101,167

d) Expenses Recognized in Statement of Profit and Loss :

(Amount in `)

Particulars	Gratuity (Funded)	
	2015-16	2014-15
Current service cost	19,018	20,930
Interest cost	150,251	153,025
Expected return on Plan Assets	(166,827)	(181,713)
Net Actuarial Loss/(gain) recognized in the year	460,864	135,206
Expenses recognized in Statement of profit and loss	436,306	127,448

e) Principal actuarial assumptions :

(Amount in `)

Particulars	Gratuity (Funded)	
	2015-16	2014-15
Discount Rate (per annum)	7.85%	7.85%
Rate of increase in compensation levels (per annum)	1.00%	1.00%
Rate of return on plan assets (per annum)	8.00%	8.75%
Expected Average remaining working lives of employees (years)	14.32	14.29
Method Used	Projected Unit Credit Method	

- f) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employee market.
- g) During the year, the company has recognized an expense of Rs.3,06,601 (previous year Rs.4,14,952/-) in respect of Contribution to Employees Provident Fund.
- h) The plan assets are maintained with Life Insurance Corporation of India (LIC). The details of Investments maintained by LIC have not been furnished to the company. The same have therefore not been disclosed.
37. The HDFC bank has sanctioned a overdraft limit of Rs. 4.5 crores and this facility is secured by way of pledge of fixed deposits of Rs. 5 crores. However the company has pledged a fixed deposit of Rs. 62 lacs with the bank. The said amount is shown under the head other bank balances as FDR pledged with HDFC Bank (Refer note no. 17 Cash and bank balances). The company has not availed any sum out of the said limit as on the date of close of financial Year.
38. Figures in brackets indicate deductions. The amount has been rounded off to the nearest rupee.
39. Previous year's figures have been recast/regrouped wherever necessary, to make these comparable with current year's figures.
40. The information required by the paragraph 5 of general instructions for preparation of the statement of profit and loss as per Schedule III of the Companies Act, 2013 is not applicable to the company.

See accompanying notes to the financial statements

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

(Sanjiv Mohan)
Partner
M. No. 086066

PLACE : LUDHIANA
DATED : 27-08-2016

For and on behalf of the Board of Directors
of Ludhiana Stock and Capital Limited
(Formerly Ludhiana Stock Exchange Limited)

Sd/-
(Jagmohan Krishan)
Chairperson
(DIN - 01127557)

Sd/-
(Ashok Kumar)
Director
(DIN - 01971376)

Sd/-
(Vikas Batra)
Director
(DIN - 01964260)

Sd/-
(Ashwani Kumar)
Corporate Advisor
(PAN - ACBPK0351M)

Sd/-
(Gian Chand)
Manager Accounts
(PAN - ADOPC7725M)



**CONSOLIDATED
FINANCIAL
STATEMENTS**



TO THE MEMBERS,
Ludhiana Stock and Capital Limited
(Formerly Ludhiana Stock Exchange Limited)

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Ludhiana Stock and Capital Limited ("the holding company") and its subsidiary (hereinafter collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

2. The holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 hereinafter referred to as ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group 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. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. While conducting the 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.
4. 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 Consolidated Financial Statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the group as at March 31, 2016 and its consolidated profit and its consolidated cash flows for the year ended on that date.

Other Matters

8. We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of Rs. 299.30 crore as at 31st March, 2016, total revenues of Rs. 4.27 crore and net cash flows amounting to Rs. 1.06 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.
9. Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.



Report on Other Legal and Regulatory Requirements

10. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.
 - (c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated 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 the written representations received from the directors of the holding company as on 31st March, 2016 taken on record by the Board of Directors of the holding company and the reports of the statutory auditor of its subsidiary company, none of the directors of the Group companies is disqualified as on 31st March, 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 and the operating effectiveness of such controls, refer to our report in "Annexure A", which is based on the Auditors' Reports of the Company and its subsidiary company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Company and its subsidiary company.
 - (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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us as well as based on the report of statutory auditor of subsidiary company:
 - (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the holding company and subsidiary company.
 - (ii) The Holding company and its subsidiary company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund, by the holding Company and its subsidiary company.

**For S.C. Vasudeva & Co.,
Chartered Accountants
Firm Reg No. 000235N**

(SANJIV MOHAN)
Partner
M. No. 086066

PLACE: Ludhiana
DATED: 27.08.2016

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH 2016



LUDHIANA STOCK AND CAPITAL LIMITED
(Formerly Ludhiana Stock Exchange Limited)

Particulars	Note no.	As at 31-03-2016	As at 31-03-2015
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
a) Share capital	2	602,000	602,000
b) Reserves and surplus	3	229,072,317	227,683,686
		<u>229,674,317</u>	<u>228,285,686</u>
2 Minority Interest			
a) Share capital		31,107,000	31,107,000
b) Reserves and surplus		64,428,672	70,001,697
		<u>95,535,672</u>	<u>101,108,697</u>
3 Non-current liabilities			
a) Deferred tax liabilities (net)	4	15,000	90,827
b) Other long term liabilities	5	56,748,782	55,606,430
		<u>56,763,782</u>	<u>55,697,257</u>
4 Current liabilities			
a) Trade payables	6	188,022,877	207,018,435
b) Other current liabilities	7	2,635,017,308	2,678,850,269
c) Short-term provisions	8	557,842	517,669
		<u>2,823,598,027</u>	<u>2,886,386,373</u>
TOTAL		<u>3,205,571,799</u>	<u>3,271,478,013</u>
II ASSETS			
1 Non-current assets			
a) Fixed assets	9		
i) Tangible assets		84,584,037	84,162,100
ii) Intangible assets		1,654,759	525,174
		<u>86,238,796</u>	<u>84,687,275</u>
b) Non-current investments	10	6,764,000	6,764,000
c) Long-term loans and advances	11	66,984,853	54,959,442
d) Other non-current assets	12	77,493,550	119,550,844
		<u>237,481,200</u>	<u>265,961,561</u>
2 Current assets			
a) Current investments	13	13,111,994	-
b) Inventories	14	11,926	28,907
c) Trade receivables	15	152,618,976	171,952,826
d) Cash and bank balances	16	250,598,920	255,279,264
e) Short-term loans and advances	17	18,316,579	19,326,478
f) Other current assets	18	2,533,432,203	2,558,928,977
		<u>2,968,090,599</u>	<u>3,005,516,452</u>
TOTAL		<u>3,205,571,799</u>	<u>3,271,478,013</u>

See accompanying notes to the financial statements

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

(Sanjiv Mohan)
Partner
M. No. 086066

PLACE : LUDHIANA
DATED : 27-08-2016

For and on behalf of the Board of Directors
of Ludhiana Stock and Capital Limited
(Formerly Ludhiana Stock Exchange Limited)

Sd/-
(Jagmohan Krishan)
Chairperson
(DIN - 01127557)

Sd/-
(Ashok Kumar)
Director
(DIN - 01971376)

Sd/-
(Vikas Batra)
Director
(DIN - 01964260)

Sd/-
(Ashwani Kumar)
Corporate Advisor
(PAN - ACBPK0351M)

CONSOLIDATE STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED 31ST MARCH 2016



Particulars	Note no.	For the year ended 31-03-2016	For the year ended 31-03-2015
i Revenue from operations	19	22,860,269	24,285,819
ii Income from investment & deposits	20	29,109,614	36,741,677
iii Other income	21	32,030,962	32,899,483
	22		
iv Total revenue (i+ii)		84,000,845	93,926,978
v Expenses :			
Employee benefits expense		19,379,227	19,892,744
Finance costs	23	284,861	488,390
Depreciation and amortization expense	24	2,003,275	2,399,047
Other expenses		31,036,792	33,807,074
	25		
Total expenses		52,704,155	56,587,255
vi Profit before tax and minority interest (iv-v)		31,296,690	37,339,723
vii Tax expense :			
- Current tax		8,035,000	10,085,000
- Tax expense relating to prior years		(171,504)	(82,058)
- Deferred tax		(75,827)	(226,403)
viii Profit after tax but before minority interest (vi-vii)		23,509,021	27,563,185
ix Minority interest		3,396,564	5,829,596
x Profit after tax and minority interest (viii-ix)		20,112,456	21,733,589
Earnings per share (of 10/- each)			
- Basic		339.74	367.12
- Diluted		339.74	367.12

See accompanying notes to the financial statements

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

(Sanjiv Mohan)
Partner
M. No. 086066

PLACE : LUDHIANA
DATED : 27-08-2016

For and on behalf of the Board of Directors
of Ludhiana Stock and Capital Limited
(Formerly Ludhiana Stock Exchange Limited)

Sd/-
(Jagmohan Krishan)
Chairperson
(DIN - 01127557)

Sd/-
(Ashok Kumar)
Director
(DIN - 01971376)

Sd/-
(Vikas Batra)
Director
(DIN - 01964260)

Sd/-
(Ashwani Kumar)
Corporate Advisor
(PAN - ACBPK0351M)

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2016



LUDHIANA STOCK AND CAPITAL LIMITED
(Formerly Ludhiana Stock Exchange Limited)

(Amount in `)

PARTICULARS	2015-16	2014-15
1. Cash Flow from Operating Activity		
Net Profit Before Tax excluding Minority Interest	31,296,690	37,339,723
Non-Cash & Non-Operating adjustments for :		
Depreciation and amortisation	2,003,275	2,399,047
Interest Income	(27,892,620)	(36,221,677)
Finance Cost	284,861	488,390
Dividend Income	(1,216,994)	(520,000)
Net gain/Loss on sale of fixed assets	(248,115)	(8,614)
Bad Debts W/o recovered	(31,479)	(393,748)
Operating Profit Before W.C. changes	4,195,618	3,083,121
<u>(Increase)/Decrease in Current Assets:</u>		
Trade receivables	19,365,329	(63,168,760)
Inventory	16,981	63,246
Short Terms Loans & Advances	1,009,899	5,314,349
Current Investments	(13,111,994)	-
Other Current Assets	33,695,599	(869,742,892)
<u>(Increase)/Decrease in Non-Current Assets:</u>		
Long Term loans & advances	(11,100,912)	(379,231)
Other non-current assets	42,057,294	(34,418,012)
<u>Increase/(Decrease) in Current Liabilities:</u>		
Trade Payables	(18,995,558)	47,081,710
Short Term Provisions	40,173	(4,813,125)]
Other Current Liabilities	(43,859,136)	771,233,815
<u>Increase/(Decrease) in Non-Current Liabilities</u>		
Other long term liabilities	1,142,352	(33,793,923)
Long-term provisions	-	(177,707)
Cash Generated From Operation	14,455,645	(179,717,409)
Direct Tax expenses	(8,787,995)	(11,999,561)
Cash Flow Before Extra-Ordinary Items	5,667,650	(191,716,970)
Less : Item of exceptional nature		
Payments made on account of ISF	-	(181,032)
Payments made on account of SGF:	-	(1,355,000)
Net Cash Flor Operating Activity (A)	5,667,650	(193,253,002)

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2016



LUDHIANA STOCK AND CAPITAL LIMITED
(Formerly Ludhiana Stock Exchange Limited)

(Amount in `)

PARTICULARS	2015-16	2014-15
2. Cash Flow from Investing Activity		
Sale Proceeds of Fixed Asset	567,625	31,850
Interest Recd.	27,892,620	36,221,677
Dividend Recd.	1,216,994	520,000
Purchase of Fixed Assets	(3,874,306)	(479,397)
Investment in bank deposits with maturity more than three months	12,870,973	180,410,621
Net Cash flow from Investing Activity (B)	38,673,906	216,704,751
3. Cash Flow From Financing Activity		
Finance Cost	(284,861)	(488,390)
Dividend Paid	(22,946,665)	(37,225,840)
Dividend Distribution Tax	(4,720,575)	(7,000,326)
Net Cash Flow From Financing Activity (C)	(27,952,101)	(44,714,556)
4. Net Inc./Dec. in Cash & Cash Equivalents (A)+(B)+(C)	16,389,455	(21,262,807)
5. Opening Balance of Cash & Cash Equivalents	34,205,601	55,468,408
6. Closing Balance of Cash & Cash Equivalents (4)+(5)	50,595,056	34,205,601
Cash and Cash Equivalents :	105,403	91,151
Cash on hand	-	7,500
Cheques issued but not cleared		
Balances with Banks :	23,395,650	22,966,826
In current accounts	27,094,003	11,140,124
Deposits with maturity period less than 3 months	50,595,056	34,205,601

Notes :

(1) The figures in brackets represent outflows/adjustments.

(2) Previous period's figures have been regrouped/reclassified, wherever necessary to conform to current year presentation.

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

(Sanjiv Mohan)
Partner
M. No. 086066

PLACE : LUDHIANA
DATED : 27-08-2016

For and on behalf of the Board of Directors
of Ludhiana Stock and Capital Limited
(Formerly Ludhiana Stock Exchange Limited)

Sd/-
(Jagmohan Krishan)
Chairperson
(DIN - 01127557)

Sd/-
(Vikas Batra)
Director
(DIN - 01964260)

Sd/-
(Ashok Kumar)
Director
(DIN - 01971376)

Sd/-
(Ashwani Kumar)
Corporate Advisor
(PAN - ACBPK0351M)



1. SIGNIFICANT ACCOUNTING POLICIES

a) Accounting Convention

The consolidated financial statements are prepared in accordance with generally accepted accounting principles under the historical cost convention on accrual basis in accordance with the applicable accounting standards prescribed under section 133 of Companies Act, 2013 read with rule 7 of The Companies (Accounts) rules, 2014.

b) Use of Estimates:

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

c) Revenue Recognition

- Brokerage income on securities and commodities broking business is recognised as per contracted rates at the execution of transactions on behalf of customers on the trade date and is reflected net of related brokerage expenses and service tax.
- Income in respect of zero holding depository accounts is accounted for at the time of reasonable certainty of its collection.
- Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- Dividend is recognized as income when the right to receive the payment is established.

d) Fixed Assets

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

e) Intangible Assets

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

f) Depreciation

- Depreciation on tangible fixed assets is provided on Written Down Value method in accordance with and in the manner specified in Schedule II to the Companies Act, 2013.
- Depreciation on assets costing Rs. 5,000/- or less has been provided @100% on proportionate basis.

g) Amortisation

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

h) Inventories

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

i) Retirement Benefits:

I) Short Term Employee Benefits:

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

II) Post Employment Benefits:

(a) Defined Contribution Plans:

Provident Fund:

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

(b) Defined Benefit Plans:

(i) Gratuity:

The liability for gratuity is provided on the basis of actuarial valuation carried out by an independent actuary at the balance sheet date using projected unit credit method. The present value of the company's obligation is determined on the basis of actuarial valuation at the year end and the fair value of plan assets is reduced from the gross obligations under the gratuity scheme to recognize the obligation on a net basis.

Actuarial gain or loss is recognized immediately in the statement of profit and loss.



(ii) Leave with wages:

The liability for leave encashment is recognized on the basis of actuarial valuation carried out by an independent actuary at the balance sheet date by using projected unit credit method.

j) Investments.

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

Current investments are carried at lower of cost and fair value

k) Borrowing Costs

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

l) Impairment of Assets

At each balance sheet an assessment is made whether any indication exists that an assets has been impaired. If any such indication exists, an impairment loss i.e. the amount by which the carrying amount of an asset exceeds its recoverable amount is provided in the books of account.

m) Accounting for Taxes on Income

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

n) Earning per Share

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

ii) Diluted earning per share is computed by taking into account weighted average number of equity shares outstanding during the period and the weighted average number of equity shares which would be issued on conversion of all the dilutive potential equity shares into equity shares.

o) Provisions and Contingent Liabilities

i) Provision is recognized (for liabilities that can be measured by using a substantial degree of estimation) when:

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

ii) Contingent liability is disclosed in case there is :

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



2 Share Capital

Particulars	As at 31-03-2016		As at 31-03-2015	
	Number	₹	Number	₹
Authorised :				
Equity shares of ₹ 10/- each (par value)	5,000,000	50,000,000	5,000,000	50,000,000
Total	5,000,000	50,000,000	5,000,000	50,000,000
Issued :				
Equity shares of ₹ 10/- each	70,000	700,000	70,000	700,000
Total	70,000	700,000	70,000	700,000
Subscribed :				
Equity shares of ₹ 10/- each	60,200	602,000	60,200	602,000
Total	60,200	602,000	60,200	602,000
Paid up :				
Equity shares of ₹ 10/- each	60,200	602,000	60,200	602,000
Less : Forfeited 1,000 equity shares of ₹ 10/- each		10,000		10,000
Add : Forfeited shares	60,200	592,000	60,200	592,000
(Amount originally paid up)		10,000		10,000
Total	60,200	602,000	60,200	602,000

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

Particulars	As at 31-03-2016		As at 31-03-2015	
	Number	₹	Number	₹
Equity Shares				
At the beginning of the reporting period	60,200	602,000	60,200	602,000
Add : Issued during the period	-	-	-	-
Outstanding at the end of the reporting period	60,200	602,000	60,200	602,000

b. Rights, preferences and restrictions attached to equity shares

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

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

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

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

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

3 Reserves and surplus

Particulars	As at 31-03-2016	As at 31-03-2015
Capital reserve		
Balance as per last financial statements	15,396,678	118,996,533
Add: Transferred from settlement Guarantee fund	-	34,970,254
	15,396,678	153,966,787
Capital IR redemption reserve		
Balance as per last financial statements	790,460	790,460
	790,460	790,460



3 Reserves and surplus

Particulars	As at 31-03-2016	As at 31-03-2015
Other reserves :		
General reserve		
Balance as per last financial statements	41,595,748	8,483,728
Add: Transferred from surplus in statement of profit and loss	175,844	1,301,805
Add: transferred from Settlement Guarantee fund	-	31,810,215
Closing Balance	<u>41,771,592</u>	<u>41,595,748</u>
Share premium		
Balance as per last financial statements	2,862,000	2,862,000
Investor services fund		
Balance as per last financial statements	-	59,695
Add: Transferred from statement of profit and loss	-	121,337
Less: Utilised during the year	-	180,580
Less: Payment made to SEBI	-	452
Closing Balance	<u>-</u>	<u>-</u>
Settlement guarantee fund		
Balance as per last financial statements	-	68,135,469
Less; transferred to Capital Reserve	-	34,970,254
Less: transferred to General reserve	-	31,810,215
Less Transferred to Member Account	-	1,355,000
Closing Balance	<u>-</u>	<u>-</u>
Surplus i.e. balance in statement of profit and loss		
Balance as per the last financial statements	28,468,692	50,073,011
Add : Profit for the year transferred from statement of profit and loss	20,112,456	21,733,589
Transferred from Minority Interest	4,455,659	4,338,400
Less : Appropriations :		
Appropriation to investor services fund	-	121,337
Interim dividend on equity shares	19,240,000	39,252,840
Tax on dividend	3,939,484	7,000,326
Transferred to general reserve	175,844	1,301,805
Closing Balance	<u>29,681,479</u>	<u>28,468,692</u>
Total	<u>229,072,317</u>	<u>227,683,686</u>

4 Deferred tax liabilities (net)

Particulars	As at 31-03-2016	As at 31-03-2015
Deferred tax liabilities		
Impact of difference between book balance and tax balance of fixed assets	74,000	129,827
On account of excess allowance in the Income Tax Act, 1961	99,000	85,000
Deferred tax assets		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	158,000	124,000
Net deferred tax	<u>15,000</u>	<u>90,827</u>



5 Other long-term liabilities

Particulars	As at 31-03-2016	As at 31-03-2015
Others :		
Retention money	3,435,054	3,435,054
Security from members	42,080,124	40,944,476
Security from others	11,233,604	11,226,900
	56,748,782	55,606,430

6 Trade payables

Particulars	As at 31-03-2016	As at 31-03-2015
Trade payables		
Other than acceptances	188,022,877	207,018,435
	188,022,877	207,018,435

7 Other current liabilities

Particulars	As at 31-03-2016	As at 31-03-2015
Income received in advance	1,042,238	829,346
Unpaid dividend	2,399,105	2,372,930
Due to Members	1,355,000	1,355,000
Other payables		
- Statutory remittances**	1,552,688	1,911,348
- Due to employees	732,221	880,396
- Due to ex-members	253,140	253,140
- Expense payable	8,820,731	7,966,147
- Cheques issued but not presented	4,992,539	14,248,906
- Earnest money for membership	25,000	25,000
- Advances from members	3,422,387	3,500,594
- Security from members	2,605,870,241	2,644,099,051
- Other payables	4,552,019	1,373,145
- Leave encashment	-	35,266
	2,635,017,308	2,678,850,269

** Statutory remittance includes contribution to provident fund, ESIC, tax at source, stamp duty and service tax etc. Unpaid dividend do not include any amount due and outstanding required to be credited to Investors' Education and Protection Fund.

8 Short-term provisions

Particulars	As at 31-03-2016	As at 31-03-2015
Provision for employee benefits :		
Leave encashment	557,842	517,669
	557,842	517,669



(Amount in ₹)

9 FIXED ASSETS

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	Balance as at 1 st April, 2015	Additions	Disposal	Balance as at 31 st March, 2016	Balance as at 1 st April, 2015	Depreciation/ amortisation expenses during the year	Eliminated on disposal of assets	Balance as at 31 st March, 2016	Balance as at 31 st March, 2015	Balance as at 31 st March, 2016
a) Tangible Assets										
Freehold Land	65,742,904	-	-	65,742,904	-	-	-	65,742,904	65,742,904	
Buildings	38,654,596	1,615,584	1,177,764	39,092,416	25,024,806	678,491	873,618	14,262,737	13,629,791	
Plant and Equipments	27,893,316	-	-	27,893,316	25,188,486	340,654	-	2,364,175	270,4830	
Office Equipments	29,196,921	638,278	261,539	29,573,660	27,373,533	440,638	248,462	2,007,951	1,823,388	
Furniture and Fixtures	2,000,746	12,529	-	2,013,275	1,837,486	31,440	-	144,349	163,260	
Vehicles	643,788	-	40,663	603,125	545,860	33,721	38,377	61,921	97,928	
Total (a)	164,132,272	2,266,391	1,479,966	164,918,697	79,970,172	1,524,945	1,160,457	84,584,037	84,162,100	
b) Intangible Assets										
Computer Software	6,432,232	1,607,915	-	8,040,147	5,907,057	478,330	-	1,654,759	525,174	
Total (b)	6,432,232	1,607,915	-	8,040,147	5,907,057	478,330	-	1,654,759	525,174	
Grand Total (a + b)	170,564,504	3,874,306	1,479,966	172,958,844	85,877,230	2,003,275	1,160,457	86,238,796	84,687,275	
Previous year	170,191,877	479,397	106,770	170,564,504	83,561,716	2,399,047	83,534	84,687,275	-	

Notes :- Intangible assets are not internally generated.



10. Non-Current Investments

PARTICULARS	As At 31-03-2016 ₹	As At 31-03-2015 ₹
Long Term Investments		
Trade Investment (at cost)		
Investment in equity instruments (unquoted)	6,764,000	6,764,000
1,30,000 (previous year 1,30,000) Equity Shares of ₹ 1/- each of Bombay Stock Exchange Limited (Fully paid)	<u>6,764,000</u>	<u>6,764,000</u>

11. Long Term Loans and Advances

PARTICULARS	As At 31-03-2016 ₹	As At 31-03-2015 ₹
(Unsecured, Considered Good)		
Security Deposits	51,862,327	40,839,896
Loans & Advances to Employees	293,414	214,933
Advance income tax (net of provision for tax ₹ 25,416,053/- (Previous year ₹ 33,528,025/-)	<u>14,829,112</u>	<u>13,904,613</u>
	<u>66,984,853</u>	<u>54,959,442</u>

12. Other Non-Current Assets

PARTICULARS	As At 31.03.2016 ₹	As At 31.03.2015 ₹
(Unsecured, Considered Good)		
Others :		
Members Security :		
- Held as fixed deposits	13,495,239	12,494,841
- Held as members investment	1463,967	812,781
Security received from others (as fixed deposits)	334,219	327,515
Non current bank balance (refer note 16)	57,541,546	102,904,309
Recoverable from customer Protection fund	165,925	125,844
Less: Allowances for doubtful debts	<u>165,925</u>	<u>-</u>
Interest accrued on fixed deposits (own funds)	4,658,579	2,885,554
	<u>77,493,550</u>	<u>119,550,844</u>

**Include FDR pledged with HDFC Bank and Major stock exchange of Rs. 30,000,000/- (Previous year Rs. 42,300,000/- and Rs. 1000000/- (Previous year Rs. 17,200,000/- respectively.

13. Current Inventories

PARTICULARS	As At 31-03-2016 ₹	As At 31-03-2015 ₹
(Valued at lower of cost and fair value, unless stated otherwise):		
Unquoted Mutual Funds		
5537.993 (Previous Year-Nil) units of face value of Rs. 1000/- each fully paid up of UTI-Treasury Advantage Fund-Institutional Plan-Direct Plan Daily Dividend Reinvestment	5,551,029	-
7414.019 (Previous Year-Nil) units of face value of RS. 1000/- each fully paid up of HDFC-Liquid Fund-Direct Plan Daily Dividend	7,560,965	-
	<u>13,111,994</u>	<u>-</u>
Aggregate amount of unquoted investments	13,111,994	-



14. Inventories

Particulars	As At 31-03-2016 ₹	As At 31-03-2015 ₹
Inventories (at cost or net realisable value, whichever is lower):		
Stationery stock	11,926	28,907
	<u>11,926</u>	<u>28,907</u>

15 Trade Receivable

Particulars	As at 31-03-2016	As at 31-03-2015
Trade receivables outstanding for a period exceeding six months from the date they are due for payment :		
- Secured, considered good	26,529,719	19,650,963
- Unsecured, considered good	<u>18,625,699</u>	<u>15,226,042</u>
	45,155,418	34,877,005
Other trade receivables		
- Secured, considered good	103,318,173	131,626,273
- Unsecured, considered good	<u>4,145,386</u>	<u>5,449,548</u>
	107,463,559	137,075,821
	<u>152,618,976</u>	<u>171,952,826</u>

16 Cash and bank balances

Particulars	As at 31-03-2016	As at 31-03-2015
Cash and cash equivalents		
a) Balances with banks		
- In current accounts	23,395,650	22,966,826
- Deposits with maturity of less than three months	27,094,003	11,140,124
b) Cash in hand	105,403	91,151
c) Cheques deposited but not cleared	-	7,500
Other Bank Balances :		
a) Earmarked balances with banks :		
- Dividend account	2,399,105	2,372,930
- FDR pledged with HDFC Bank against O/D facility and bank guarantee	50,500,000	42,000,000
- FDR pledged with major stock exchange against margin	119,675,000	136,400,000
b) Deposits with maturity more than three months but less than twelve months	27,429,760	40,300,433
c) Deposits with more than twelve months maturity	<u>57,541,546</u>	<u>102,904,309</u>
	308,140,467	358,183,573
Less: Amounts disclosed as other non current assets (refer note 12)	57,541,546	102,904,309
	<u>250,598,920</u>	<u>255,279,264</u>

17 Short-term loans and advances

Particulars	As at 31-03-2016	As at 31-03-2015
(Unsecured considered good)		
Others:		
Advance to suppliers	300,000	473
Loans and advances to employees'	691,288	625,065
Prepaid expenses	1,242,144	1,353,110
Interest accrued on fixed deposits	13,815,035	14,581,536
Excess of fair value of plan assets over present value of obligation (Gratuity)	78,790	363,738
Other recoverables :		
- Considered good	2,189,322	2402556
- Considered doubtful	<u>1,425,654</u>	<u>1425654</u>
Less : Allowances for Doubtful Advances	<u>3,614,976</u>	<u>3828210</u>
	1,425,654	2,402,556
	<u>18,316,579</u>	<u>19,326,478</u>



18 Other current assets

Particulars	As at 31-03-2016	As at 31-03-2015
(Unsecured considered good)		
Accrued interest on deposits with IL & FS	683,135	314,244
Margins collected by IL & FS	15,700,000	6,200,000
Members FDR kept as margin	535,987,931	539,366,148
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
	2,533,432,203	2,558,928,977

19 Revenue from operations

Particulars	For the year ended 31-03-2016	For the year ended 31-03-2015
Sale of services :		
- Turnover charges (net)	11,602,187	12,271,422
- Depository income	10,088,213	10,462,170
Other operating revenues :		
- Membership fee	306,000	263,439
- Listing fee	-	651,873
- Transfer fee received	150,860	17,250
- Income from training and education cell (net of expenses)	523,930	454,108
- Recovery from members (BSE)	109,120	73,500
- Recovery from members (NSE)	79,959	60,257
- Miscellaneous	-	31,800
Revenue from operations	22,860,269	24,285,819

20 Income from Investments and deposits

Particulars	For the year ended 31-03-2016	For the year ended 31-03-2015
Interest received :		
- From banks (Gross) {TDS ` 2,625,730/- (previous year ` 3,342,544/-)}	26,912,079	34,396,361
- From others	980,541	1,825,316
Dividend income from long term trade investments	1,105,000	520,000
Dividend income from current investments	111,994	-
	29,109,614	36,741,677

21 Other income

Particulars	For the year ended 31-03-2016	For the year ended 31-03-2015
Rent received	24,715,814	23,890,138
Bad debts recovered	31,479	393,748
Net gain on sale of fixed assets	248,115	8,614
Previous year Income	8,078	1200
Miscellaneous	7,027,476	8,605,781
	32,030,962	32,899,483



22 Employee benefit expenses

Particulars	For the year ended 31-03-2016	For the year ended 31-03-2015
Salaries and wages	16,237,648	16,475,223
Contribution to provident and other funds	2,655,176	2,709,261
Staff welfare expenses	486,403	708,260
	19,379,227	19,892,744

23 Finance costs

Particulars	For the year ended 31-03-2016	For the year ended 31-03-2015
Interest expense on :		
- Borrowings	37,301	27,710
Other borrowing costs	247,559	460,680
	284,861	488,390

24 Other expenses

Particulars	For the year ended 31-03-2014	For the year ended 31-03-2013
Advertisement	27,725	-
Contribution to customer protection fund	-	9,711
Fee to SEBI	-	118,308
Contribution to SEBI towards IPEF	-	2,000,000
Electricity and water	8,502,934	8,913,611
Repairs and maintenance - Plant and machinery	780,221	399,724
Repairs and maintenance - Buildings	255,658	62,086
Insurance	694,051	589,304
Rent	490,050	526,847
Rates and taxes	539,401	890,684
Legal and professional	1,275,644	638,393
Travelling and conveyance :		
- Directors	6,782	143,309
- Others	117,820	181,864
Printing and stationery	4,301,865	4,115,676
Auditors' Remuneration :		
- Audit fee	150,000	150,000
- Tax audit	15,000	15,000
- Income tax matters	15,000	15,000
- In other capacity	10,000	10,000
- Reimbursement of expenses	35,524	34,679
Internal Auditors' Remuneration :		
- Audit fee	267,050	273,200
- Reimbursement of expenses	43,727	56,053
Meeting Expenses	96,181	76,073
Directors' sitting fee	68,996	316,365
Communication expenses	2,163,896	2,030,760
Allowances for doubtful advances	165,925	-
Prior period items	29,789	163,198
Balances written off	61,040	2,343,680
Security charges	4,120,093	3,865,867
Service Tax under VCES	-	108,008
Turnover fee to stock exchange	1,265,645	1,019,937
Depository and other charges	1,703,839	1,715,091
Miscellaneous	3,832,936	3,024,647
	31,036,792	33,807,074



25. Consolidation Information :

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

26. Principles of Consolidation

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

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

- i) The rent received by the holding company amounting to Rs. 31,40,083/- (previous year Rs. 31,54,777/-) from its subsidiary company included in the note no. 22 "Other Income" in its individual balance sheet has been eliminated on consolidation.
- ii) The maintenance charges received by the holding company amounting to Rs.7,07,417/- (previous year Rs.6,92,723/-) respectively from its subsidiary company included in the note no. 22 "Other Income" in its individual balance sheet has been eliminated on consolidation.
- iii) The dividend received by the holding company amounting to Rs. 39,97,290/- (previous year Rs. 79,94,580/-) from its subsidiary company included in note no. 21 "Income from Investments and Deposits" in its individual balance sheet has been eliminated on consolidation.
- iv) The parent's portion of the dividend amounting to Rs. 39,97,290/- (previous year Rs. 39,97,290/-) has been reduced from the aggregate of the interim dividend as reflected in the financial statement of the subsidiary company, as a result of which the profit carried to the consolidated balance sheet stands increased to that extent.

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

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

- (i) Claims not acknowledge as debts:

A demand for Service Tax of Rs. 1,02,918/- (Previous Year Rs. 2,25,942/-) has been raised against the company and the company has filed an appeal against this order with the Service Tax Commissioner(Appeals)

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

Membership Entrance Fee With NSE/BSE:

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

- 29. The company is no longer in the business of promotion of securities. On account of exit of the company as Stock Exchange, listing fee is no longer income of the company.
- 30. The intangible assets which comprises of software and licences have been amortized @ 20% on straight line basis as the useful life thereof has been estimated to be not more than five years.
- 31. Related Party Disclosure:
 - i) Disclosure of Related Parties and relation between the parties.
 - a) Key Management Personnel
 - Mrs. Pooja M. Kohli upto 31st March, 2015
 - Mr. Pritpal singh
 - Miss Pallavi Seth
 - Mr. Rajiv Dhiman
 - b) Entities under control
 - Stock Exchange Customer Protection fund
 - ii) The following transactions were carried out with related parties in the ordinary course of business:



Particulars	Key Management Personnel (KMP)	
	2015-16	2014-15
Payment to KMP as remuneration	1,092,973	1,878,396

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

Particulars	2015-16	2014-15
Contribution to C.P.F. (a proportionate amount of Listing Fee Received)	Nil	9,711
Allocation of Interest to C.P.F.	Nil	Nil

b) The related party relationship is as identified by the company and relied upon by the auditors.

32. In accordance with the Accounting Standard (AS-28) on "Impairment of Assets" the company has assessed as on balance sheet date, whether there are any indications (as listed in paragraphs 8 to 10 of the standard) with regards to the impairment of any of the assets. Based on such assessment it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly no impairment loss has been provided in the books of account.
33. The company is no longer in the business of promotion of securities. On account of exit of the company as Stock Exchange, listing fee is no longer income of the company.
34. The company has contested the award of Arbitration made for the dispute between the company and its software supplier M/s. CMC Limited. As per the award a sum Rs. 1,07,89,990/- including interest (calculated up to 30th November, 2014) and cost of litigation, has been awarded to CMC Limited. No provision has been made for the aforesaid liability in the books of account as the company is confident to get the desired relief.
35. Earnings Per Share:
The calculation of earning per share (EPS) as disclosed has been made in accordance Accounting Standard (AS) 20 on "Earnings Per Share" notified by Companies (Accounting Standards) Rules, 2006 :

S. No.	Particulars	2015-16	2014-15
1.	Average Number of Equity Shares of ₹ 10/- each (no.)	59,200	59,200
2.	Net Profit after tax & minority interest attributable to equity shareholders (₹)	20,112,456	2,17,33,589
3.	Earnings per share (Basic)	339.74	367.12
4.	Earnings per share (Diluted)	339.74	367.12
5.	Nominal Value of per Equity Share (₹)	10/-	10/-

36. The company and its subsidiary are "Small & Medium Size Company" (SMC) as per clause 2(f) as defined in The Companies (Accounting Standards) Rules, 2006. Therefore Accounting Standard (AS) – 17 "Segment Reporting" is not applicable to the company.
37. The accounting policy in respect of Provision for Earned Leave:
- i) In Respect of Holding Company:
The Holding company has made provisions for the leave earned by employees during the year on accrual basis.
- ii) In Respect of Subsidiary Company:
The Subsidiary company has policy of accumulation of earned leaves and has made provision at the year end based on independent actuarial valuation.
38. The company is a single segment company. Therefore segment information as per Accounting Standard (AS) – 17 "Segment Reporting" is not required to be disclosed.
39. Figures pertaining to the subsidiary company has been regrouped/recast, wherever necessary to bring these in line with the parent company's financial statements.
40. Figures in brackets indicate deductions. The amount has been rounded off to the nearest rupees.
41. Previous year's figures have been regrouped/restated wherever necessary to confirm to its classification of the current year.

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

(Sanjiv Mohan)
Partner
M. No. 086066

**PLACE : LUDHIANA
DATED : 27-08-2016**

**For and on behalf of the Board of Directors
of Ludhiana Stock and Capital Limited
(Formerly Ludhiana Stock Exchange Limited)**

**Sd/-
(Jagmohan Krishan)**
Chairperson
(DIN - 01127557)

**Sd/-
(Ashok Kumar)**
Director
(DIN - 01971376)

**Sd/-
(Vikas Batra)**
Director
(DIN - 01964260)

**Sd/-
(Ashwani Kumar)**
Corporate Advisor
(PAN - ACBPK0351M)



**Financial Statements of
Subsidiary Company
L.S.E. Securities Limited**



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 Chowk, 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, Dist. Una (H.P.)-174303
Ph.: 01975-224245

Website : www.lse.co.in

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

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@lssel.com

Place : LUDHIANA

Date : 11.08.2016



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.

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@ltsel.com

Place : LUDHIANA

Date : 11.08.2016





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. Your 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

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



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 in share holding during the year
		No. of Shares	% of total shares of the company	% of shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the company	% of shares Pledged / encumbered to total shares	
1.	Tribhawan Singh Thapar	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



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



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



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)	-	-	-	-



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	



B. Remuneration to other Directs :

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Mr. Ajay Chadhaury	Mr. Ashish Aggarwal	
	1. Independent Directors	-	-	-
	● Fee for attending board / committee meetings			
	● Commission			
	● Others, please specify			
	Total (1)	-	-	-
	2. Other Non-Executive Directors	-	-	-
	● Fee for attending board / committee meetings			
	● Commission			
	● Others, please specify			
	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	1,90,484	60,733	
	(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			
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

Place : LUDHIANA
Date : 11.08.2016

Sd/-
ANOOP KUMAR
(Partner)
Membership No. : 096966



“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

- 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 SHEET

AS 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 and on behalf of the Board of Directors

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

Sd/-
Jaspal Singh
Chairman
DIN : 00458451

Sd/-
Pritpal Singh
CGM Cum WTD
DIN : 01219436

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

Sd/-
Rajiv Dhiman
Company Secretary
PAN : ALDPD5625Q

Sd/-
Rajesh Gupta
Sr. Manager - Accounts
PAN : APHPG2853B

Place : LUDHIANA
Date : 11.08.2016



L.S.E. SECURITIES LIMITED

PROFIT AND LOSS

AS AT 31ST MARCH 2016

PARTICULARS	NOTE	Amount in (₹)	
		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/-
Jaspal Singh
Chairman
DIN : 00458451

Sd/-
Pritpal Singh
CGM Cum WTD
DIN : 01219436

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

Sd/-
Rajiv Dhiman
Company Secretary
PAN : ALDPD5625Q

Sd/-
Rajesh Gupta
Sr. Manager - Accounts
PAN : APHPG2853B

Place : LUDHIANA
Date : 11.08.2016



L.S.E. SECURITIES LIMITED

CASH FLOW STATEMENT

AS 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		(11243724)	(19800790)
Cash Generated from Operations		15131267		(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 : APHPG2853B



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		
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



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		
Deposits from sub brokers (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 31-03-2015	
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	21098824	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	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	



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 Non Current Investments		
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 Long Term Loans and Advances		
<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 Other Non-Current Assets		
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 INVENTORY		
Others:- Saleable Stationery	11,926	28,907
TOTAL	11,926	28,907
13 Trade Receivables		
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 Cash and Bank Balances		
Cash and Cash Equivalents		
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

FINANCIAL STATEMENTS OF SUBSIDIARY COMPANY



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
<p>Note : The term deposits in other bank balances represent lien marked deposits against margin with major stock exchanges, bank guarantee, bank overdraft limits.</p>		
15 Short Term Loans and Advances		
Unsecured, Considered Good		
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		
Income from services rendered		
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



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
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

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

• Earning Per Share

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

• Impairment of Assets

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

• Margin Money in the Form of FDR,s

The Company has a procedure of receiving FDRs from its Sub-Brokers/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 :

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



(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



- **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</u> (Figures in Rs.)
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	8,418,119	1,092,973	9,511,092

- **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 : APHPG2853B



LUDHIANA STOCK AND CAPITAL LIMITED

(Formerly Ludhiana Stock Exchange Limited)

CIN : U67120PB1981PLC004696

Regd Office: Feroze Gandhi Market, Ludhiana-141001

PROXY FORM

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

Name of the member (s) :

Registered address :

E-mail Id:

Folio No :

I/We, being the member (s) of _____ shares of the above named company, hereby appoint

- 1) Name : Address :
E-mail Id : Signature : or failing him/her
- 2) Name : Address :
E-mail Id : Signature : or failing him/her
- 3) Name : Address :
E-mail Id : Signature : or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th Annual General Meeting of the company, to be held on Friday, the 30th day of September, 2016 at 4:00 pm at the Registered Office of the Company at 1st Floor, LSE Building, Feroze Gandhi Market, Ludhiana - 141001, and at any adjournment thereof in respect of such resolutions as are indicated below.

Resolution No. :

1. _____
2. _____
3. _____
4. _____
5. _____



Signature of shareholder

Signed this..... day of..... 2016

Signature of first Proxy holder

Signature of second Proxy holder

Signature of third Proxy holder

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A proxy need not be a member of the Company.
3. 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 proxy for any other person or shareholder.
4. Appointing a proxy does not prevent a member from attending the meeting in person, if he so wishes.



LUDHIANA STOCK AND CAPITAL LIMITED

(Formerly Ludhiana Stock Exchange Limited)

CIN : U67120PB1981PLC004696

Regd Office: Feroze Gandhi Market, Ludhiana-141001

ATTENDANCE SLIP

34th Annual General Meeting, Friday, 30th September, 2016 at 4:00 pm.

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 34th Annual General meeting of the Company being held on Friday, 30th September, 2016 at 4:00 pm at 1st Floor, LSE Building, Feroze Gandhi Market, Ludhiana.

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.

