

INDEPENDENT AUDITOR'S REPORT

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, 2017, 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, 2017 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;

INDEPENDENT AUDITOR'S REPORT

- e. On the basis of written representations received from the directors as on 31st March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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.
 - (iv) the Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of account maintained by the Company (Refer Note No. 37 of financial statements).

FOR S.C. VASUDEVA & CO.
Chartered Accountants
(Reg. No.000235N)

Place: Ludhiana
Date: 28.08.2017

Sd/-
(Sanjiv Mohan)
Partner
M. No.086066

INDEPENDENT AUDITOR'S REPORT ANNEXURE - A

Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2017

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)

Place: Ludhiana
Date: 28.08.2017

Sd/-
(Sanjiv Mohan)
Partner
M. No.086066

INDEPENDENT AUDITOR'S REPORT ANNEXURE - B

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 2017 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;
 - (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
 - (b) 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
 - (c) 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 2017, 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)

Place: Ludhiana
Date: 28.08.2017

Sd/-
(Sanjiv Mohan)
Partner
M. No.086066

BALANCE SHEET AS AT 31ST MARCH 2017

(Amount in ₹)

| PARTICULARS | Note No. | AS AT 31-03-2017 | AS AT 31-03-2016 |
|----------------------------------|----------|--------------------|--------------------|
| I EQUITY AND LIABILITIES | | | |
| 1 Shareholders' Funds | | | |
| a) Share capital | 3 | 602,000 | 602,000 |
| b) Reserves and surplus | 4 | 198,622,224 | 199,072,403 |
| | | 199,224,224 | 199,674,403 |
| 2 Non-current liabilities | | | |
| a) Deferred tax liabilities | 5 | - | - |
| b) Other long term liabilities | 6 | 23,677,145 | 28,851,197 |
| c) Long-term provisions | 7 | 49,770 | 221,853 |
| | | 23,726,915 | 29,073,050 |
| 3 Current liabilities | | | |
| a) Trade payables | 8 | 510,229 | 579,221 |
| b) Other current liabilities | 9 | 16,167,271 | 17,890,359 |
| c) Short-term provisions | 10 | 81,882 | 97,325 |
| | | 16,759,382 | 18,566,905 |
| TOTAL | | 239,710,520 | 247,314,358 |
| II ASSETS | | | |
| 1 Non-current assets | | | |
| a) Property, Plant and Equipment | 11 | | |
| i) Tangible assets | | 81,922,322 | 82,987,345 |
| ii) Intangible assets | | 19,468 | 38,936 |
| | | 81,941,790 | 83,026,281 |
| b) Non-current investments | 12 | 34,517,625 | 34,517,625 |
| c) Long-term loans and advances | 13 | 8,621,623 | 11,031,389 |
| d) Other non-current assets | 14 | 16,076,375 | 44,977,444 |
| | | 141,157,413 | 173,552,739 |
| 2 Current assets | | | |
| a) Current investments | 15 | 54,798,750 | 13,111,994 |
| c) Trade receivables | 16 | 581,223 | 1,445,148 |
| d) Cash and cash equivalents | 17 | 36,807,087 | 53,663,163 |
| e) Short-term loans and advances | 18 | 6,093,102 | 5,218,366 |
| f) Other current assets | 19 | 272,946 | 322,946 |
| | | 98,553,107 | 73,761,618 |
| TOTAL | | 239,710,520 | 247,314,358 |

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 :28-08-2017

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

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

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

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

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

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

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in ₹)

| PARTICULARS | Note No. | For the year ended 31-03-2017 | For the year ended 31-03-2016 |
|---|----------|----------------------------------|----------------------------------|
| i Revenue from operations | 20 | 1,148,381 | 1,048,601 |
| ii Income from investments and deposits | 21 | 9,559,585 | 12,844,988 |
| iii Other income | 22 | 33,171,937 | 35,363,372 |
| iv Total revenue (i + ii + iii) | | 43,879,903 | 49,256,961 |
| v Expenses : | | | |
| Employee benefits expense | 23 | 4,677,784 | 5,417,352 |
| Depreciation and amortization expense | | 1,061,849 | 1,215,385 |
| Other expenses | 24 | 17,607,534 | 17,420,815 |
| Total expenses | | 23,347,167 | 24,053,552 |
| vi Profit before tax (iv - v) | | 20,532,736 | 25,203,409 |
| vii Tax expense : | | | |
| - Current tax | | 4,000,000 | 5,000,000 |
| - Tax expenses relating to prior years | | (1,000,031) | (260,322) |
| - Deferred tax | | - | (8,827) |
| viii Profit for the year (vi-vii) | | 17,532,767 | 20,472,558 |
| Earnings per share (of ₹ 10/- each) | | | |
| - Basic | | 296.16 | 345.82 |
| - Diluted | | 296.16 | 345.82 |

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 :28-08-2017

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, 2017

(Amount in ₹)

| PARTICULARS | 2016-17 | 2015-16 |
|---|--------------------|--------------------|
| 1. CASH FLOW FROM OPERATING ACTIVITY | | |
| Net Profit Before Tax & Extra Ordinary Item | 20,532,736 | 25,203,409 |
| Non-Cash & Non-Operating adjustments for : | | |
| Depreciation and amortisation | 1,061,849 | 1,215,385 |
| Allowances for doubtful advances | 6,000 | 165,925 |
| Interest Income | (5,565,259) | (8,735,704) |
| Dividend Income | (2,704,053) | (4,109,284) |
| Net gain on sale of current investments | (1,290,274) | - |
| Gain on sale of fixed assets | (43,858) | (236,692) |
| Operating Profit Before Working Capital Changes | 11,997,141 | 13,503,039 |
| <u>(Increase)/Decrease in Current Assets:</u> | | |
| Current Investments | (41,686,756) | (13,111,994) |
| Trade receivables | 863,925 | 3,397,963 |
| Inventory | - | - |
| Short Term loans & advances | (880,736) | 616,771 |
| Other Current Assets | 106,145 | 2,656,520 |
| <u>(Increase)/Decrease in Non-Current Assets:</u> | | |
| Long Term loans & advances | 2,617 | (1,022,431) |
| Other non-current assets | 28,901,069 | 14,335,038 |
| <u>(Increase)/Decrease in Current Liabilities:</u> | | |
| Trade Payables | (68,992) | 439,257 |
| Short Term Provisions | (15,443) | (60,324) |
| Short Term Borrowings | - | - |
| Other Current Liabilities | (1,666,942) | (7,362,629) |
| <u>(Increase)/Decrease in Non-Current Liabilities:</u> | | |
| Other long term liabilities | (5,174,052) | 890,102 |
| Long-term provisions | (172,083) | 221,853 |
| Cash Generated From Operation | (7,794,107) | 14,503,165 |
| Direct Tax expenses | (592,819) | (4,675,397) |
| Cash Flow Before Extra-Ordinary Items | (8,386,926) | 9,827,768 |
| Less : Item of exceptional nature | | |
| Payments made on account of ISF | - | - |
| Payments made on account of SGF: | - | - |
| Net Cash Flow From Operating Activity (A) | 8,386,926 | 9,827,768 |
| 2. CASH FLOW FROM INVESTING ACTIVITY | | |
| Sale Proceeds of Fixed Assets | 66,500 | 543,122 |
| Interest Received | 5,565,259 | 8,735,704 |
| Dividend Received | 2,704,053 | 4,109,284 |
| Gain on sale of current investments | 1,290,274 | - |
| Purchase of Fixed Assets | - | (1,692,834) |

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in ₹)

| PARTICULARS | 2016-17 | 2015-16 |
|--|---------------------|---------------------|
| Earmarked Deposits | 6,200,000 | (6,200,000) |
| Investment in bank deposits with maturity > 3 months. | 2,256,094 | 12,870,973 |
| Net Cash Flow From Investing Activity (B) | 18,082,180 | 18,366,249 |
| 3. CASH FLOW FROM FINANCING ACTIVITY | | |
| Dividend Paid | (15,448,145) | (19,258,825) |
| Dividend Distribution Tax | (2,590,947) | (3,103,058) |
| Net Cash Flow From Financing Activity (C) | (18,039,092) | (22,361,883) |
| 4. NET INC./DEC. IN CASH & CASH EQUIVALENTS (A)+(B)+(C) | (8,343,838) | 5,832,134 |
| 5. OPENING BALANCE OF CASH & CASH EQUIVALENTS | 17,766,099 | 11,933,965 |
| 6. CLOSING BALANCE OF CASH & CASH EQUIVALENTS (4)+(5) | 9,422,261 | 17,766,099 |
| CASH AND CASH EQUIVALENTS : | | |
| Cash on hand | 37,981 | 30,977 |
| Cheques issued but not cleared | 25,396 | - |
| Balance with Banks : | | |
| In current accounts | 678,798 | 641,119 |
| Deposits with maturity period less than 3 months | 8,680,086 | 17,094,003 |
| | 9,422,261 | 17,766,099 |

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 : 28-08-2017

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

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

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

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

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

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

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

c) Revenue Recognition

Interest

i. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend

ii. Dividend from investment in share & mutual fund is recognized when right to receive payment is established.

d) Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation. The Cost of an item of Property, Plant and Equipment comprises:

- i. its purchase price and any attributable expenditure (directly or indirectly) for bringing the asset to its working condition for its intended use.
- ii. expenditure incurred on renovation/modernisation of the existing fixed assets is added to the book value of these assets where such renovation/modernisation increases the future benefit from them beyond their previously assessed standard of performance.

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. 5000/- or below is charged @ 100% per annum on proportionate basis.

e) Intangible Assets

Intangibles are stated at cost less accumulated amount of amortization.

f) Amortization

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

g) Employee 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: The Employee's Contribution to provident fund is made in accordance with the provisions of the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and is recognized as an expense in the statement of profit and loss.

ii) Defined Benefit Plans:

Gratuity: The Group Gratuity Scheme managed by Life Insurance Corporation of India is a defined benefit plan. The liability for gratuity is provided on the basis of actuarial valuation carried out by an independent actuary as at the balance sheet date. The present value of the company's obligation is determined on the basis of actuarial valuation at the year end using the projected unit credit method 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.

iii) The Actuarial Gain or Loss:

Actuarial gain or loss is recognized in the statement of profit and loss in the period in which they occur.

h) Investments

Long term investments are carried at cost, less provisions, if any, for diminution in the value of such investment which is other than temporary. Current investments are carried at lower of cost and fair value.

NOTES FORMING PART OF FINANCIAL STATEMENTS

i) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as a part of cost of such asset. Qualifying asset is one that takes substantial period of time to get ready for its intended use. All other borrowing costs are recognised as expenditure in the period in which these are incurred.

j) 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.

k) Accounting for Taxes on Income

Provision for taxation for the year comprises of 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.

l) 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.

m) Cash flow statement

The cash flow statement has been prepared using the indirect method in accordance with the Accounting Standard (AS) – 3 "Cash flow statements" prescribed in Companies (Accounts) Rules, 2014.

n) Cash and cash equivalent

The Cash and cash equivalent in the Balance Sheet comprises cash on hand and balance at bank including demand deposits which are subject to an insignificant risk of change in value and are neither earmarked nor subject to any commitment.

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 FORMING PART OF FINANCIAL STATEMENTS

3 Share Capital

| PARTICULARS | AS AT 31-03-2017 | | AS AT 31-03-2016 | |
|---|------------------|-------------------|------------------|-------------------|
| | 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 31-03-2017 | | AS AT 31-03-2016 | |
|---|------------------|----------------|------------------|----------------|
| | 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 31-03-2017 | AS AT 31-03-2016 |
|--|--------------------|--------------------|
| | ₹ | ₹ |
| Capital reserve | | |
| Balance as per last financial statements | 152,721,795 | 152,721,795 |
| | <u>152,721,795</u> | <u>152,721,795</u> |
| Other reserves : | | |
| General reserve | | |
| Balance as per last financial statements | 36,761,316 | 36,761,315 |
| | <u>36,761,316</u> | <u>36,761,315</u> |

NOTES FORMING PART OF FINANCIAL STATEMENTS

| PARTICULARS | AS AT 31-03-2017 ₹ | AS AT 31-03-2016 ₹ |
|---|-----------------------|-----------------------|
| Surplus i.e. balance in statement of profit and loss | | |
| Balance as per the last financial statements | 9,589,293 | 11,459,793 |
| Add : Profit for the year transferred from statement of profit and loss | 17,532,767 | 20,472,558 |
| | 27,122,060 | 31,932,351 |
| Less : Appropriations : | | |
| Dividend paid (interim) | 15,392,000 | 19,240,000 |
| Corporate Dividend Tax | 2,590,947 | 3,103,058 |
| Closing Balance | 9,139,113 | 9,589,293 |
| Total | 198,622,224 | 199,072,403 |

5 Deferred tax liabilities

| PARTICULARS | AS AT 31-03-2017 ₹ | AS AT 31-03-2016 ₹ |
|---|-----------------------|-----------------------|
| Deferred tax liabilities | | |
| Impact of difference between book balance and tax balance of fixed assets (Being deferred tax asset ignored) (Refer Note-26) | - | - |
| | - | - |

6 Other long-term liabilities

| PARTICULARS | AS AT 31-03-2017 ₹ | AS AT 31-03-2016 ₹ |
|-----------------------|-----------------------|-----------------------|
| Others : | | |
| Retention money | 3,435,054 | 3,435,054 |
| Security from members | 13,748,903 | 14,182,539 |
| Security from others | 6,493,188 | 11,233,604 |
| | 23,677,145 | 28,851,197 |

7 Long-term provisions

| PARTICULARS | AS AT 31-03-2017 ₹ | AS AT 31-03-2016 ₹ |
|---|-----------------------|-----------------------|
| Provision for employee benefits : Gratuity (Net) (Refer Note-35) | 49,770 | 221,853 |
| | 49,770 | 221,853 |

8 Trade payables

| PARTICULARS | AS AT 31-03-2017 ₹ | AS AT 31-03-2016 ₹ |
|---|-----------------------|-----------------------|
| Trade payable Other than acceptances | 510,229 | 579,221 |
| | 510,229 | 579,221 |

NOTES FORMING PART OF FINANCIAL STATEMENTS

9 Other current liabilities

| PARTICULARS | AS AT 31-03-2017 ₹ | AS AT 31-03-2016 ₹ |
|--|-----------------------|-----------------------|
| Income received in advance | 18,852 | 10,300 |
| Unpaid dividend* | 2,211,160 | 2,267,305 |
| Due to members | 425,000 | 1,355,000 |
| Other payables | | |
| - Statutory remittances** | 158,122 | 106,449 |
| - Due to employees | 689,876 | 732,221 |
| - Due to ex-members | 253,140 | 253,140 |
| - Expense payable | 5,632,598 | 5,539,171 |
| - Earnest money for membership | 25,000 | 25,000 |
| - Advances from members | 3,523,095 | 3,422,387 |
| - Security from members | 2,770,357 | 3,814,317 |
| - Cheques issued but not yet presented | 8,824 | - |
| - Other payables | 451,247 | 365,069 |
| | 16,167,271 | 17,890,359 |

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

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

10 Short-term provisions

| PARTICULARS | AS AT 31-03-2017 ₹ | AS AT 31-03-2016 ₹ |
|-----------------------------------|-----------------------|-----------------------|
| Provision for employee benefits : | | |
| Leave encashment | 81,882 | 97,325 |
| | 81,882 | 97,325 |

NOTES FORMING PART OF FINANCIAL STATEMENTS

11 Property, Plant and Equipment

(Amount in ₹)

| PARTICULARS | GROSS BLOCK | | | ACCUMULATED DEPRECIATION | | | | NET BLOCK | |
|-----------------------------|-------------------------------|-----------|---------------|--------------------------------|-------------------------------|---|----------------------------------|--------------------------------|--------------------------------|
| | Balance as at 1st April, 2016 | Additions | Disposal | Balance as at 31st March, 2016 | Balance as at 1st April, 2016 | Depreciation/ amortisation expenses during the year | Eliminated on disposal of assets | Balance as at 31st March, 2017 | Balance as at 31st March, 2016 |
| a) Tangible Assets | | | | | | | | | |
| Freehold Land | 65,742,904 | - | - | 65,742,904 | - | - | - | 65,742,904 | 65,742,904 |
| Buildings | 39,092,416 | - | 66,500 | 39,092,416 | 24,829,680 | 688,026 | 43,858 | 13,552,067 | 14,262,736 |
| Plant and Equipments | 27,893,316 | - | - | 27,893,316 | 25,529,138 | 258,393 | - | 2,105,784 | 2,364,177 |
| Office Equipments | 8,355,792 | - | - | 8,355,792 | 7,835,838 | 69,492 | - | 450,462 | 519,954 |
| Furniture and Fixtures | 543,490 | - | - | 543,490 | 507,545 | 5,711 | - | 30,234 | 35,946 |
| Vehicles | 597,260 | - | - | 597,260 | 535,633 | 20,758 | - | 40,869 | 61,627 |
| Total (a) | 142,225,178 | - | 66,500 | 142,158,678 | 59,237,834 | 1,042,381 | 43,858 | 81,972,372 | 82,987,345 |
| b) Intangible Assets | | | | | | | | | |
| Computer Software | 295,500 | - | - | 295,500 | 256,564 | 19,468 | - | 19,468 | 38,936 |
| Total (b) | 295,500 | - | - | 295,500 | 256,564 | 19,468 | - | 19,468 | 38,936 |
| Grand Total (a + b) | 142,520,678 | - | 66,500 | 142,454,178 | 59,494,398 | 1,061,849 | 43,858 | 81,941,790 | 83,026,281 |
| Previous year | 142,046,272 | 1,692,834 | 1,218,427 | 142,520,678 | 59,191,008 | 1,215,385 | 911,995 | 83,026,281 | |

Notes :- Intangible assets are not internally generated.

NOTES FORMING PART OF FINANCIAL STATEMENTS

12 Non current investments

| PARTICULARS | AS AT 31-03-2017 ₹ | AS AT 31-03-2016 ₹ |
|---|-----------------------|-----------------------|
| Long term investments Unquoted (Valued at cost unless stated otherwise) | | |
| Trade (cost) | | |
| Investment in equity instruments of subsidiary company 3,331,075 (previous year 3,331,075) equity shares of ₹ 10/- fully paid up of LSC Securities Limited(Formerly L.S.E.Securities Limited) | 34,517,625 | 34,517,625 |
| | 34,517,625 | 34,517,625 |
| Aggregate amount of unquoted investment | 34,517,625 | 34,517,625 |

13 Long-term loans and advances

| PARTICULARS | AS AT 31-03-2017 ₹ | AS AT 31-03-2016 ₹ |
|--|-----------------------|-----------------------|
| (Unsecured considered good) | | |
| Security deposits | 1,582,736 | 1,585,352 |
| Advance income tax {net of provision for tax ₹ 4,000,000/- (Previous year ₹ 9,200,000)} | 7,038,886 | 9,446,036 |
| | 8,621,623 | 11,031,389 |

14 Other non-current assets

| PARTICULARS | AS AT 31-03-2017 ₹ | AS AT 31-03-2016 ₹ |
|--|-----------------------|-----------------------|
| (Unsecured considered good) | | |
| Others : | | |
| Members security : | | |
| - Held as fixed deposits | 12,940,603 | 13,495,239 |
| - Held as members investment | 694,571 | 1,463,967 |
| Security received from others (held as fixed deposits) | 300,498 | 334,219 |
| Non current bank balances (refer note no. 17) | 1,475,000 | 26,541,546 |
| Recoverable from Customer Protection Fund | 171,925 | 165,925 |
| Less : Allowances for doubtful advances | 171,925 | 165,925 |
| Interest accrued on fixed deposits | 665,703 | 3,142,473 |
| | 16,076,375 | 44,977,444 |

15 Current Investments

| PARTICULARS | AS AT 31-03-2017 ₹ | AS AT 31-03-2016 ₹ |
|---|-----------------------|-----------------------|
| Investment in Mutual fund (Unquoted) | | |
| Nil (Previous year-5,537.993) units of face value of Rs. 1,000/- each fully paid up of UTI - Treasury Advantage Fund - Institutional Plan - Direct plan Daily Dividend Reinvestment | - | 5,551,029 |
| Nil (Previous Year-7,414.019) Units of face value of Rs. 1,000/- each fully paid up of HDFC - Liquid Fund - Direct Plan daily dividend Reinvestment | - | 7,560,965 |
| 17,287.709 (Previous Year - Nil) units of face value of Rs. 1,000/- each fully paid up of UTI - Treasury Advantage Fund - Institutional Plan - Direct Plan growth | 37,167,278 | - |

NOTES FORMING PART OF FINANCIAL STATEMENTS

| PARTICULARS | AS AT 31-03-2017 ₹ | AS AT 31-03-2016 ₹ |
|---|-----------------------|-----------------------|
| 46,544,498 (Previous Year - Nil) units of face value of Rs. 1000/- each fully paid up of ICICI- Prudential Liquid - Direct Plan- Growth | 11,192,518 | - |
| Investment in Bonds (Quoted) | | |
| 199 (previous year - Nil) bond face value of Rs. 5000/- each of National housing Bank | 1,188,402 | - |
| 999 (Previous year - Nil) bonds face value of Rs. 1000/- each of national Highway Authority of India | 1,067,869 | - |
| 150 (Previous Year - Nil) bonds face of Rs. 1000/- each of National Highway Authority of India | 173,725 | - |
| 999 (Previous Year- Nil) bonds face value of Rs. 1000/- each of national Bank of Agriculture and Rural Development | 1,059,632 | - |
| 1299 (Previous Year - Nil) bonds face value of Rs. 1000/- each of Housing Urban Development corporation | 1,383,316 | - |
| 999 (Previous Year - Nil) Bonds face value of Rs. 1000/- each of Indian Railway Finance corporation Limited | 1,058,572 | - |
| 300 (Previous Year - Nil) Bonds face value of Rs. 1000/- each of National Highway authority of India | 317,707 | - |
| 100 (Previous Year - Nil) Bonds face value of Rs. 1000/- each of National Highway of India | 106,447 | - |
| 78 (Previous year - Nil Bonds face value of Rs. 1000/- each of Power Finance corporation | 83,283 | - |
| | 54,798,750 | 13,111,994 |
| Aggregate amount of unquoted investments | 48,359,796 | 13,111,994 |
| Aggregate amount of quoted investments | 6,438,953 | - |
| Aggregate Market Value of quoted investments | 6,889,312 | - |
| Aggregate provision for diminution in value of other current Investment | - | - |

16 Trade receivables

| PARTICULARS | AS AT 31-03-2017 ₹ | AS AT 31-03-2016 ₹ |
|--|-----------------------|-----------------------|
| Trade receivables outstanding for a period exceeding six months from the date they are due for payment : | | |
| - Secured, considered good | 178,657 | 511,088 |
| - Unsecured, considered good | 44,570 | 24,818 |
| | 223,227 | 535,906 |
| Other trade receivables | | |
| - Secured, considered good | 214,484 | 897,798 |
| - Unsecured, considered good | 143,512 | 11,445 |
| | 357,996 | 909,243 |
| | 581,223 | 1,445,148 |

NOTES FORMING PART OF FINANCIAL STATEMENTS

17 Cash and Cash Equivalents

| PARTICULARS | AS AT 31-03-2017 ₹ | AS AT 31-03-2016 ₹ |
|---|-----------------------|-----------------------|
| Cash and cash equivalents | | |
| a) Balances with banks | | |
| - In current accounts | 678,798 | 641,119 |
| - In deposit accounts | | |
| - with maturity less than three months | 8,680,086 | 17,094,003 |
| - with maturity more than three months but less than twelve months | 25,173,666 | 27,429,760 |
| - with maturity more than twelve months | 1,475,000 | 26,541,546 |
| b) Cheques on hand | 25,396 | - |
| c) Cash on hand | 37,981 | 30,977 |
| Other Bank Balances : | | |
| a) Earmarked balances with banks : | | |
| - Dividend account | 2,211,160 | 2,267,305 |
| - FDR Pledged with HDFC Bank against O/D facility | - | 6,200,000 |
| | 38,282,087 | 80,204,710 |
| Less: Amounts disclosed as other non current assets (refer note 14) | 1,475,000 | 26,541,546 |
| | 36,807,087 | 53,663,163 |

18 Short-term loans and advances

| PARTICULARS | AS AT 31-03-2017 ₹ | AS AT 31-03-2016 ₹ |
|---|-----------------------|-----------------------|
| (Unsecured considered good) | | |
| Loans and advances to related parties (refer note-32) | 15,702 | 9,303 |
| Others: | | |
| Advance to suppliers | 104 | 300,000 |
| Loans and advances to employees | 51,624 | 128,250 |
| Prepaid expenses | 130,232 | 144,949 |
| Interest accrued on : | | |
| - fixed deposits | 5,571,603 | 4,539,021 |
| - bonds | 152,166 | - |
| Other recoverables : | | |
| - Considered good | 171,671 | 96,843 |
| - Considered doubtful | 1,425,654 | 1,425,654 |
| | 1,597,325 | 1,522,497 |
| Less: Allowances for Doubtful Advances | 1,425,654 | 1,425,654 |
| | 6,093,102 | 5,218,366 |

19 Other Current Assets

| PARTICULARS | For the year ended 31-03-2017 ₹ | For the year ended 31-03-2016 ₹ |
|--------------------------|---------------------------------------|---------------------------------------|
| Members security | | |
| - Held as fixed deposits | 272,946 | 322,946 |
| | 272,946 | 322,946 |

NOTES FORMING PART OF FINANCIAL STATEMENTS

20 Revenue from operations

| PARTICULARS | For the year ended 31-03-2017 ₹ | For the year ended 31-03-2016 ₹ |
|-------------------------------|---------------------------------------|---------------------------------------|
| Other operating revenues : | | |
| - Membership fee | 304,000 | 306,000 |
| - Transfer fee received | 122,097 | 150,860 |
| - Training and Education Cell | 722,284 | 591,741 |
| Revenue from operations | 1,148,381 | 1,048,601 |

21 Income from investments and deposits

| PARTICULARS | For the year ended 31-03-2017 ₹ | For the year ended 31-03-2016 ₹ |
|--|---------------------------------------|---------------------------------------|
| Interest received (Gross) : | | |
| - From banks {TDS ₹480,892/- (previous year ₹801,649/-)} | 4,815,952 | 8,663,522 |
| - From investment in bonds | 400,005 | - |
| - From others | 349,302 | 72,182 |
| Dividend income from Long Term Investments | | |
| - Subsidiary | 2,664,860 | 3,997,290 |
| Dividend income from Current Investments | | |
| - Mutual Funds | 39,192 | 111,994 |
| Gain on sale of Current Investments | | |
| - Mutual Funds | 1,290,274 | - |
| | 9,559,585 | 12,844,988 |

22 Other Income

| PARTICULARS | For the year ended 31-03-2017 ₹ | For the year ended 31-03-2016 ₹ |
|---|---------------------------------------|---------------------------------------|
| Rent Received | 25,492,131 | 27,855,897 |
| Gain on sale of fixed assets {Net of Loss on sale Rs.Nil (Previous Year Rs. 134015/-)} | 43,857 | 236,692 |
| Miscellaneous receipts | 7,635,950 | 7,262,705 |
| Previous Year Income | - | 8,078 |
| | 33,171,937 | 35,363,372 |

23 Employee benefits expenses

| PARTICULARS | For the year ended 31-03-2017 ₹ | For the year ended 31-03-2016 ₹ |
|---|---------------------------------------|---------------------------------------|
| Salaries and wages | 4,028,884 | 4,313,607 |
| Contribution to provident and other funds | 424,986 | 897,230 |
| Staff welfare | 223,914 | 206,515 |
| | 4,677,784 | 5,417,352 |

NOTES FORMING PART OF FINANCIAL STATEMENTS

24 Other Expenses

| PARTICULARS | For the year ended 31-03-2017 ₹ | For the year ended 31-03-2016 ₹ |
|---|---------------------------------------|---------------------------------------|
| Electricity and water | 8,510,774 | 8,401,204 |
| Repairs and maintenance - Plant and machinery | 1,224,368 | 780,221 |
| Repairs and maintenance - Buildings | 181,633 | 255,658 |
| Insurance | 189,641 | 244,242 |
| Rates and taxes | 115,018 | 212,167 |
| Legal and professional | 1,298,505 | 1,084,194 |
| Travelling and conveyance : | | |
| - Others | 38,470 | 33,542 |
| Printing and stationery | 92,192 | 139,921 |
| Auditors' Remuneration : | | |
| - Audit fee | 80,000 | 80,000 |
| - Tax audit fee | 15,000 | 15,000 |
| - Income tax matters | 15,000 | 15,000 |
| - In other capacity | 17,500 | 10,000 |
| - Reimbursement of expenses | 20,479 | 24,198 |
| Internal Auditors' Remuneration : | | |
| - Audit fee | - | 40,000 |
| - Reimbursement of expenses | - | 26,000 |
| Meeting expenses | 40,674 | 82,548 |
| Directors' sitting fee | 24,500 | 61,500 |
| Communication expenses | 363,372 | 385,434 |
| Allowance for Doubtful Advances | 6,000 | 165,925 |
| Prior period expenses | - | 6,137 |
| Balances written off | - | 61,040 |
| Security charges | 4,260,399 | 4,120,093 |
| Training and Education Cell Expenses | 92,233 | 67,811 |
| Miscellaneous | 1,021,776 | 1,108,981 |
| | 17,607,534 | 17,420,815 |

NOTES FORMING PART OF 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. Deferred Tax Asset amounting to Rs. 25,839/- (previous year 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.
27. The company is a single segment company. Therefore segment information as per Accounting Standard (AS) – 17 "Segment Reporting" is not required to be disclosed.
28. 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 account.
- 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.
29. 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.
30. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.
The above stated information has been determined on the basis of data available with the management. This has been relied upon by the auditors.
31. 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.

32. **Related Party Disclosure:**

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

Subsidiary: LSC Securities Limited (formerly L.S.E. Securities Limited)

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

| Particulars | Subsidiary | |
|---|------------|-----------|
| | 2016-2017 | 2015-2016 |
| Rent received including Maintenance charges | 4,421,444 | 4,382,056 |
| Reimbursement of Expenses received | 66,786 | 38,773 |
| Dividend received | 2,664,860 | 3,997,290 |
| D.P. charges paid | 3,978 | Nil |
| Due from Subsidiary | 15,702 | 9,303 |

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

33. **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 | 2016-17 | 2015-16 |
|---------|--|------------|------------|
| 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.) | 17,532,767 | 20,472,558 |
| 3 | Earnings per share (Basic) | 296.16 | 345.82 |
| 4 | Earnings per share (Diluted) | 296.16 | 345.82 |
| 5 | Nominal Value of Per Equity Share (Rs.) | 10.0 | 10.0 |

34. 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.

NOTES FORMING PART OF FINANCIAL STATEMENTS

35 Employee Benefits:

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

a) Changes in the present value of obligations:

(Amount in ₹)

| Particulars | Gratuity (Funded) | |
|---|-------------------|-----------|
| | 2016-17 | 2015-16 |
| Present Value obligation as at beginning of the year. | 2,207,837 | 2,256,515 |
| Interest Cost. | 148,207 | 150,251 |
| Current Service Cost. | 14,069 | 19,018 |
| Benefits Paid. | (240,826) | (684,987) |
| Actuarial Loss/(Gain) on obligation's. | (174,734) | 467,040 |
| Present value obligation as at close of the year.# | 1,954,553 | 2,207,837 |

#Includes short term gratuity liability of Rs. 20,186/- (previous year Rs. 25,304/-)

b) Changes in the Present Value of Plan Asset :

(Amount in ₹)

| Particulars | Gratuity (Funded) | |
|---|-------------------|-----------|
| | 2016-17 | 2015-16 |
| Fair value of Plan Assets as at beginning of the year | 1,985,984 | 2,357,682 |
| Expected return on Plan Assets | 153,094 | 166,827 |
| Contributions | 15,928 | 158,059 |
| Withdrawals/Benefits paid | (258,444) | (702,760) |
| Actuarial Loss/(Gain) on Plan Assets | 8,221 | 6,176 |
| Fair value of Plan Assets as at close of year | 1,904,783 | 1,985,984 |

c) Amount recognized in Balance Sheet :

(Amount in ₹)

| Particulars | Gratuity (Funded) | |
|---|-------------------|-----------|
| | 2016-17 | 2015-16 |
| Present value obligation as at close of the year | 1,954,553 | 2,207,837 |
| Fair value of Plan Assets as at close of the year | 1,904,783 | 1,985,894 |
| Funded Status | (49,770) | (221,853) |
| Net Assets/ (Liability) recognized in Balance Sheet | (49,770) | (221,853) |

d) Expenses Recognized in Statement of Profit and Loss :

(Amount in ₹)

| Particulars | Gratuity (Funded) | |
|---|-------------------|-----------|
| | 2016-17 | 2015-16 |
| Current service cost | 14,069 | 19,018 |
| Interest cost | 148,207 | 150,251 |
| Expected return on Plan Assets | (153,094) | (166,827) |
| Net Actuarial Loss/(gain) recognized in the year | (182,955) | 460,864 |
| Expenses recognized in Statement of profit and loss | (173,773) | 436,306 |

e) Principal actuarial assumptions :

(Amount in ₹)

| Particulars | Gratuity (Funded) | |
|---|------------------------------|---------|
| | 2016-17 | 2015-16 |
| Discount Rate (per annum) | 7.10% | 7.85% |
| Rate of increase in compensation levels (per annum) | 1.00% | 1.00% |
| Rate of return on plan assets (per annum) | 8.21% | 8.00% |
| Expected Average remaining working lives of employees (years) | 12.44 | 14.32 |
| Method Used | Projected Unit Credit Method | |

NOTES FORMING PART OF FINANCIAL STATEMENTS

- 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.3,02,533/- (previous year Rs.3,06,601/-) 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.

36. Amounts of defined benefits for the current and previous four years are as follows:

| | 2016-2017 | 2015-2016 | 2014-2015 | 2013-2014 | 2012-2013 |
|--|-----------|-----------|-----------|-----------|-----------|
| Experience adjustment | | | | | |
| On plan liabilities loss/(gain) | (254,845) | 467,040 | (117,681) | 203,685 | 67,563 |
| On plan assets gain | 80,111 | - | 263,724 | 208,263 | 5,394 |
| Present value of defined benefit obligations as at the end of the year | 1,954,553 | 2,207,837 | 2,256,515 | 1,962,214 | 1,421,240 |
| Fair value of plan assets as at the end of the year | 1,904,783 | 1,985,984 | 2,357,682 | 1,988,305 | 1,623,595 |
| Excess / (deficit) of plan assets over obligations | (49,770) | (221,853) | 101,167 | 26,091 | 202,355 |

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

38. As required vide Notification No G.S.R 308 (E) dated 30th March 2017 issued by Ministry of Company Affairs, the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 is provided in the table below:-

| Particulars | SBN | Other denomination notes | Total |
|--|--------|--------------------------|----------|
| Closing cash in hand as on 08.11.2016 | 32,000 | 6,118 | 38,118 |
| (+) Permitted receipts | - | 1,60,968 | 1,60,968 |
| (-) Permitted payments | - | 1,10,083 | 1,10,083 |
| (-) Amount deposited in banks | 32,000 | - | 32,000 |
| Closing cash in hand as on 30.12.2016 | - | 57,003 | 57,003 |

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 : 28-08-2017**

**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***

CONSOLIDATED INDEPENDENT AUDITOR'S REPORT

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, 2017, 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, 2017 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. 252.73 crore as at 31st March, 2017, total revenues of Rs.4.66 crore and net cash flows amounting to Rs. 13.82 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.

CONSOLIDATED INDEPENDENT AUDITOR'S REPORT

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, 2017 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, 2017 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.
- (iv) The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of account maintained by the Company (Refer Note No. 41 of financial statements).

**FOR S.C. VASUDEVA & CO.,
Chartered Accountants
Firm Reg No. 000235N**

**Sd/-
(SANJIV MOHAN)
Partner
M. No. 086066**

PLACE: Ludhiana
DATED: 28.08.2017

CONSOLIDATED INDEPENDENT AUDITOR'S REPORT

ANNEXURE-A

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of Ludhiana Stock and Capital Limited ("the Holding Company") and its subsidiary company which is company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the holding Company and its subsidiary company which are companies incorporated in India, are 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 ("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

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") issued by ICAI 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 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 judgment, 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 authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 holding company and its subsidiary company which is a company incorporated in India, have, 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 31 March 2017, 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 ICAI.

Other Matter

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to subsidiary company which is company incorporated in India, is based on the corresponding report of the auditor of the said company incorporated in India.

FOR S.C. VASUDEVA & CO.,
Chartered Accountants
Firm Reg No. 000235N

Sd/-
(SANJIV MOHAN)
Partner
M. No. 086066

PLACE: Ludhiana
DATED: 28.08.2017

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2017

| Particulars | Note no. | As at 31-03-2017 ₹ | As at 31-03-2016 ₹ |
|-----------------------------------|-------------|-----------------------|-----------------------|
| I EQUITY AND LIABILITIES | | | |
| 1 Shareholders' Funds | | | |
| a) Share capital | 2 | 602,000 | 602,000 |
| b) Reserves and surplus | 3 | 230,559,834 | 229,072,317 |
| | | 231,161,834 | 229,674,317 |
| 2 Minority Interest | | | |
| a) Share capital | | 31,107,000 | 31,107,000 |
| b) Reserves and surplus | | 66,366,224 | 64,428,672 |
| | | 97,473,224 | 95,535,672 |
| 3 Non-current liabilities | | | |
| a) Long term borrowings | | - | - |
| b) Deferred tax liabilities (net) | 4 | - | 15,000 |
| c) Other long term liabilities | 5 | 51,410,383 | 56,748,782 |
| d) Long term provisions | | - | - |
| | | 51,410,383 | 56,763,782 |
| 4 Current liabilities | | | |
| a) Short term borrowings | 6 | 17,542,956 | - |
| b) Trade payables | 7 | 224,506,371 | 188,022,877 |
| c) Other current liabilities | 8 | 2,109,735,562 | 2,635,017,308 |
| d) Short-term provisions | 9 | 651,290 | 557,842 |
| | | 2,352,436,179 | 2,823,598,027 |
| TOTAL | | 2,732,481,620 | 3,205,571,799 |
| II ASSETS | | | |
| 1 Non-current assets | | | |
| a) Fixed assets | 10 | | |
| i) Tangible assets | | 83,860,662 | 84,584,037 |
| ii) Intangible assets | | 1,176,429 | 1,654,759 |
| | | 85,037,091 | 86,238,796 |
| b) Non-current investments | 11 | 6,764,000 | 6,764,000 |
| c) Long-term loans and advances | 12 | 52,813,965 | 66,984,853 |
| d) Other non-current assets | 13 | 75,934,378 | 77,493,550 |
| | | 220,549,433 | 237,481,200 |
| 2 Current assets | | | |
| a) Current investments | 14 | 559,798,749 | 13,111,994 |
| b) Inventories | 15 | 7,349 | 11,926 |
| c) Trade receivables | 16 | 144,492,227 | 152,618,976 |
| d) Cash and bank balances | 17 | 343,320,428 | 250,598,920 |
| e) Short-term loans and advances | 18 | 19,853,995 | 18,316,579 |
| f) Other current assets | 19 | 1,944,388,439 | 2,533,432,203 |
| g) Deferred tax asset (Net) | 20 | 71,000 | - |
| | | 2,511,932,187 | 2,968,090,598 |
| TOTAL | | 2,732,481,620 | 3,205,571,799 |

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 : 28-08-2017

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 STATEMENT OF PROFIT & LOSS

AS AT 31ST MARCH 2017

| Particulars | Note no. | For the year ended 31-03-2017 ₹ | For the year ended 31-03-2016 ₹ |
|---|-------------|------------------------------------|------------------------------------|
| i Revenue from operations | 21 | 23,687,853 | 22,860,269 |
| ii Income from investment & deposits | 22 | 30,007,727 | 29,109,614 |
| iii Other income | 23 | 30,237,184 | 32,030,962 |
| iv Total revenue (i+ii) | | 83,932,764 | 84,000,845 |
| v Expenses : | | | |
| Employee benefits expense | 24 | 19,587,013 | 19,379,227 |
| Finance costs | 25 | 65,191 | 284,861 |
| Depreciation and amortization expense | | 2,109,277 | 2,003,275 |
| Other expenses | 26 | 29,938,141 | 31,036,792 |
| Total expenses | | 51,697,622 | 52,704,155 |
| vi Profit before tax and minority interest (iv-v) | | 32,235,142 | 31,296,690 |
| vii Tax expense : | | | |
| - Current tax expenses for current year | | 8,562,000 | 8,035,000 |
| - Current tax expense relating to prior years | | (1,187,947) | (171,504) |
| - Deferred tax | | (86,000) | (75,827) |
| viii Profit after tax but before minority interest (vi-vii) | | 24,947,089 | 23,509,021 |
| ix Minority interest | | 4,867,183 | 3,396,564 |
| x Profit after tax and minority interest (viii-ix) | | 20,079,906 | 20,112,456 |
| Earnings per share (of Rs. 10/- each) | | | |
| - Basic | | 339.19 | 339.74 |
| - Diluted | | 339.19 | 339.74 |

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 : 28-08-2017

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 2017

(Amount in ₹)

| PARTICULARS | 2016-17 | 2015-16 |
|--|--------------------|--------------------|
| 1. Cash Flow from Operating Activity | | |
| Net Profit Before Tax excluding Minority Interest | 32,235,142 | 31,296,690 |
| Non-Cash & Non-Operating adjustments for : | | |
| Depreciation and amortisation | 2,109,277 | 2,003,275 |
| Interest Income | (27,833,256) | (27,892,620) |
| Finance Cost | 65,191 | 284,861 |
| Dividend Income | (884,192) | (1,216,994) |
| Net gain on sale of current investments | (1,290,274) | - |
| Net gain/Loss on sale of fixed assets | (43,858) | (248,115) |
| Bad Debts W/o recovered | (321,977) | (31,479) |
| Allowances for Doubtful debts | 6,000 | 165,925 |
| Operating Profit Before W.C. changes | 4,042,053 | 4,361,543 |
| <u>(Increase)/Decrease in Current Assets:</u> | | |
| Trade receivables | 8,448,726 | 19,365,329 |
| Inventory | 4,577 | 16,981 |
| Short Terms Loans & Advances | (1,537,416) | 1,009,899 |
| Current Investments | (46,686,755) | (13,111,994) |
| Other Current Assets | 759,309,109 | 33,695,599 |
| <u>(Increase)/Decrease in Non-Current Assets:</u> | | |
| Long Term loans & advances | 9,923,775 | (11,100,912) |
| Other non-current assets | 1,553,172 | 41,891,369 |
| <u>Increase/(Decrease) in Current Liabilities:</u> | | |
| Trade Payables | 36,483,494 | (18,995,558) |
| Short Term Provisions | 93,448 | 40,173 |
| Other Current Liabilities | (525,191,401) | (43,859,136) |
| Short Term Borrowings | 17,542,956 | - |
| Other long term liabilities | (5,338,399) | 1,142,352 |
| Long-term provisions | - | - |
| Cash Generated From Operation | 258,647,339 | 14,455,645 |
| Direct Tax expenses | (3,126,940) | (8,787,995) |
| Cash Flow Before Extra-Ordinary Items | 255,520,399 | 5,667,650 |
| Less : Item of exceptional nature | | |
| Payments made on account of ISF | - | - |
| Payments made on account of SGF: | - | - |
| Net Cash Flor Operating Activity (A) | 255,520,399 | 5,667,650 |

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

(Amount in ₹)

| PARTICULARS | 2016-17 | 2015-16 |
|--|----------------------|---------------------|
| 2. Cash Flow from Investing Activity | | |
| Sale Proceeds of Fixed Asset | 66,500 | 567,625 |
| Interest Recd. | 27,833,256 | 27,892,620 |
| Dividend Recd. | 884,192 | 1,216,994 |
| Net gain on sale of Current Investments | 1,290,274 | - |
| Purchase of Fixed Assets | (930,212) | (3,874,306) |
| Investment in bank deposits with maturity more than three months | (286,618,376) | 12,870,973 |
| Net Cash flow from Investing Activity (B) | (257,474,366) | 38,673,906 |
| 3. Cash Flow From Financing Activity | | |
| Finance Cost | (65,191) | (284,861) |
| Dividend Paid | (17,970,905) | (22,946,665) |
| Dividend Distribution Tax | (3,641,461) | (4,720,575) |
| Net Cash Flow From Financing Activity (C) | (21,677,557) | (27,952,101) |
| 4. Net Inc./Dec. in Cash & Cash Equivalents (A)+(B)+(C) | (23,631,524) | 16,389,455 |
| 5. Opening Balance of Cash & Cash Equivalents | 50,595,056 | 34,205,601 |
| 6. Closing Balance of Cash & Cash Equivalents (4)+(5) | 26,963,532 | 50,595,056 |
| Cash and Cash Equivalents : | | |
| Cash on hand | 109,361 | 105,403 |
| Cheques issued but not cleared | 25,396 | - |
| Balances with Banks : | | |
| In current accounts | 18,148,689 | 23,395,650 |
| Deposits with maturity period less than 3 months | 8,680,086 | 27,094,003 |
| | 26,963,532 | 50,595,056 |

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 : 28-08-2017

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

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

- a. 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.
- b. Income in respect of zero holding depository accounts is accounted for at the time of reasonable certainty of its collection.
- c. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- d. Dividend is recognized as income when the right to receive the payment is established.

d) Fixed Assets

- a. Fixed Assets are stated at historical cost less depreciation.
- b. 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

- a. 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.
- b. 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 encashment:

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 (Refer Note 37).

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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

2 Share Capital

| Particulars | As at 31-03-2017 | | As at 31-03-2016 | |
|---|------------------|-------------------|------------------|-------------------|
| | Number | ₹ | Number | ₹ |
| Authorised : | | | | |
| Equity shares of ₹ 10/- each (par value) | 5,000,000 | 50,000,000 | 5,000,000 | 50,000,000 |
| Total | <u>5,000,000</u> | <u>50,000,000</u> | <u>5,000,000</u> | <u>50,000,000</u> |
| Issued : | | | | |
| Equity shares of ₹ 10/- each | 70,000 | 700,000 | 70,000 | 700,000 |
| Total | <u>70,000</u> | <u>700,000</u> | <u>70,000</u> | <u>700,000</u> |
| Subscribed : | | | | |
| Equity shares of ₹ 10/- each | 60,200 | 602,000 | 60,200 | 602,000 |
| Total | <u>60,200</u> | <u>602,000</u> | <u>60,200</u> | <u>602,000</u> |
| 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 | <u>60,200</u> | <u>602,000</u> | <u>60,200</u> | <u>602,000</u> |

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

| Particulars | As at 31-03-2017 | | As at 31-03-2016 | |
|--|------------------|----------------|------------------|----------------|
| | 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 | <u>60,200</u> | <u>602,000</u> | <u>60,200</u> | <u>602,000</u> |

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 31-03-2017 | | As at 31-03-2016 | |
|--|--------------------|--|--------------------|--|
| | ₹ | | ₹ | |
| Capital reserve | | | | |
| Balance as per last financial statements | 153,966,787 | | 153,966,787 | |
| | <u>153,966,787</u> | | <u>153,966,787</u> | |
| Capital Redemption reserve | | | | |
| Balance as per last financial statements | 790,460 | | 790,460 | |
| | <u>790,460</u> | | <u>790,460</u> | |

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

| Particulars | As at 31-03-2017 ₹ | As at 31-03-2016 ₹ |
|---|-----------------------|-----------------------|
| Other reserves : | | |
| General reserve | | |
| Balance as per last financial statements | 41,771,592 | 41,595,748 |
| Add: Transferred from surplus in statement of profit and loss | - | 175,844 |
| Closing Balance | 41,771,592 | 41,771,592 |
| Share premium | | |
| Balance as per last financial statements | 2,862,000 | 2,862,000 |
| Surplus i.e. balance in statement of profit and loss | | |
| Balance as per the last financial statements | 29,681,479 | 28,468,692 |
| Add : Profit for the year transferred from statement of profit and loss | 20,079,906 | 20,112,456 |
| Transferred from Minority Interest | - | 4,455,659 |
| Less : Appropriations : | | |
| Interim dividend on equity shares | 15,392,000 | 19,240,000 |
| Tax on dividend | 3,200,390 | 3,939,484 |
| Transferred to general reserve | - | 175,844 |
| Closing Balance | 31,168,995 | 29,681,479 |
| Total | 230,559,834 | 229,072,317 |

4 Deferred tax liabilities (net)

| Particulars | As at 31-03-2017 ₹ | As at 31-03-2016 ₹ |
|---|-----------------------|-----------------------|
| Deferred tax liabilities | | |
| Impact of difference between book balance and tax balance of fixed assets | - | 74,000 |
| On account of excess allowance in the Income Tax Act, 1961 | - | 99,000 |
| 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 |
| Net deferred tax | - | 15,000 |

5 Other long-term liabilities

| Particulars | As at 31-03-2017 ₹ | As at 31-03-2016 ₹ |
|-----------------------|-----------------------|-----------------------|
| Others : | | |
| Retention money | 3,435,054 | 3,435,054 |
| Security from members | 41,482,141 | 42,080,124 |
| Security from others | 6,493,188 | 11,233,604 |
| | 51,410,383 | 56,748,782 |

6 Short term borrowing

| Particulars | As at 31-03-2017 ₹ | As at 31-03-2016 ₹ |
|----------------------------------|-----------------------|-----------------------|
| Secured loan repayable on demand | 17,542,956 | - |
| From bank overdraft facility | 17,542,956 | - |

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

7. Trade payables

| Particulars | As at 31-03-2017 ₹ | As at 31-03-2016 ₹ |
|------------------------|-----------------------|-----------------------|
| Trade payables | | |
| Other than acceptances | 224,506,371 | 188,022,877 |
| | 224,506,371 | 188,022,877 |

8. Other current liabilities

| Particulars | As at 31-03-2017 ₹ | As at 31-03-2016 ₹ |
|------------------------------------|-----------------------|-----------------------|
| Income received in advance | 1,336,875 | 1,042,238 |
| Unpaid dividend | 2,308,760 | 2,399,105 |
| Due to Members | 425,000 | 1,355,000 |
| Other payables | | |
| - Statutory remittances** | 2,040,317 | 1,552,688 |
| - Due to employees | 689,876 | 732,221 |
| - Due to ex-members | 253,140 | 253,140 |
| - Expense payable | 15,931,537 | 8,820,731 |
| - Cheques issued but not presented | 10,933,607 | 4,992,539 |
| - Earnest money for membership | 25,000 | 25,000 |
| - Advances from members | 3,523,095 | 3,422,387 |
| - Security from members | 2,068,948,766 | 2,605,870,241 |
| - Other payables | 3,319,589 | 4,552,019 |
| | 2,109,735,562 | 2,635,017,308 |

** 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.

9. Short-term provisions

| Particulars | As at 31-03-2017 ₹ | As at 31-03-2016 ₹ |
|---|-----------------------|-----------------------|
| Provision for employee benefits : | | |
| Leave encashment | 615,603 | 557,842 |
| Excess of present value of obligation over fair value of plan asset | 35,687 | - |
| | 651,290 | 557,842 |

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

10 PROPERTY, PLANT AND EQUIPMENT (Amount in ₹)

| PARTICULARS | GROSS BLOCK | | | | ACCUMULATED DEPRECIATION | | | | NET BLOCK | |
|-----------------------------|-------------------------------|----------------|---------------|--------------------------------|-------------------------------|---|----------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | Balance as at 1st April, 2016 | Additions | Disposal | Balance as at 31st March, 2017 | Balance as at 1st April, 2016 | Depreciation/ amortisation expenses during the year | Eliminated on disposal of assets | Balance as at 31st March, 2017 | Balance as at 31st March, 2016 | Balance as at 31st March, 2017 |
| a) Tangible Assets | | | | | | | | | | |
| Freehold Land | 65,742,904 | - | - | 65,742,904 | - | - | - | - | - | 65,742,904 |
| Buildings | 39,092,416 | - | 66,500 | 39,025,916 | 24,829,679 | 688,026 | 43,858 | 25,473,847 | 14,262,737 | 13,552,069 |
| Plant and Equipments | 27,893,316 | - | - | 27,893,316 | 25,529,140 | 258,393 | - | 25,787,533 | 2,364,175 | 2,105,782 |
| Office Equipments | 29,573,660 | 910,949 | - | 30,484,609 | 27,565,709 | 642,109 | - | 28,207,818 | 2,007,951 | 2,276,791 |
| Furniture and Fixtures | 2,013,275 | 19,263 | - | 2,032,538 | 1,868,927 | 21,660 | - | 1,890,587 | 144,348 | 141,951 |
| Vehicles | 603,125 | - | - | 603,125 | 541,204 | 20,758 | - | 561,962 | 61,921 | 41,163 |
| Total (a) | 164,918,696 | 930,212 | 66,500 | 165,782,408 | 80,334,659 | 1,630,947 | 43,858 | 81,921,748 | 84,584,037 | 83,860,662 |
| b) Intangible Assets | | | | | | | | | | |
| Computer Software | 8,040,147 | - | - | 8,040,147 | 6,385,388 | 478,330 | - | 6,863,718 | 1,654,759 | 1,176,429 |
| Total (b) | 8,040,147 | - | - | 8,040,147 | 6,385,388 | 478,330 | - | 6,863,718 | 1,654,759 | 1,176,429 |
| Grand Total (a + b) | 172,958,843 | 930,212 | 66,500 | 173,822,555 | 86,720,047 | 2,109,277 | 43,858 | 88,785,465 | 86,238,796 | 85,037,091 |
| Previous year | 170,564,504 | 3,874,306 | 1,479,966 | 172,958,844 | 85,877,230 | 2,003,275 | 1,160,457 | 86,720,047 | 86,238,796 | 86,238,796 |

Notes :- Intangible assets are not internally generated.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

11. Non-Current Investments

| PARTICULARS | As At 31-03-2017 ₹ | As At 31-03-2016 ₹ |
|--|-----------------------|-----------------------|
| Long Term Investments | | |
| Trade Investment (at cost) | | |
| Investment in equity instruments (unquoted) | 6,764,000 | 6,764,000 |
| 65,00 (previous year 1,30,000) Equity Shares of ₹ 1/- each of Rs 2 each of Bombay Stock Exchange Limited (Fully paid) | 6,764,000 | 6,764,000 |

12. Long Term Loans and Advances

| PARTICULARS | As At 31-03-2017 ₹ | As At 31-03-2016 ₹ |
|---|-----------------------|-----------------------|
| (Unsecured, Considered Good) | | |
| Security Deposits | 41,845,711 | 51,862,327 |
| Loans & Advances to Employees | 386,254 | 293,414 |
| Advance income tax (net of provision for tax ₹ 4,000,000/- (Previous year ₹ 9,200,000/-) | 10,581,999 | 14,829,112 |
| | 52,813,965 | 66,984,853 |

13. Other Non-Current Assets

| PARTICULARS | As At 31.03.2017 ₹ | As At 31.03.2016 ₹ |
|---|-----------------------|-----------------------|
| (Unsecured, Considered Good) | | |
| Others : | | |
| Members Security : | | |
| - Held as fixed deposits | 12,940,603 | 13,495,239 |
| - Held as members investment | 694,571 | 1463,967 |
| Security received from others (as fixed deposits) | 300,498 | 334,219 |
| Non current bank balance (refer note 16) | 61,175,000 | 57,541,546 |
| Recoverable from customer Protection fund | 171,925 | - |
| Less: Allowances for doubtful debts | 171,925 | 165,925 |
| Interest accrued on fixed deposits (own funds) | 823,706 | 4,658,579 |
| | 75,934,378 | 77,493,550 |

14 Current Investments

| PARTICULARS | AS AT 31-03-2017 ₹ | AS AT 31-03-2016 ₹ |
|---|-----------------------|-----------------------|
| Investment in Mutual fund (Unquoted) | | |
| Nil (Previous year-5,537.993) units of face value of Rs. 1,000/- each fully paid up of UTI - Treasury Advantage Fund - Institutional Plan - Direct plan Daily Dividend Reinvestment | - | 5,551,029 |
| Nil (Previous Year-7,414.019) Units of face value of Rs. 1,000/- each fully paid up of HDFC - Liquid Fund - Direct Plan daily dividend Reinvestment | - | 7,560,965 |
| 17,287.709 (Previous Year - Nil) units of face value of Rs. 1,000/- each fully paid up of UTI - Treasury Advantage Fund - Institutional Plan - Direct Plan growth | 37,167,278 | - |
| 46,544,498 (Previous Year - Nil) units of face value of Rs. 1000/- each fully paid up of ICICI- Prudential Liquid - Direct Plan- Growth | 11,192,518 | - |

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

| PARTICULARS | AS AT 31-03-2017 ₹ | AS AT 31-03-2016 ₹ |
|--|-----------------------|-----------------------|
| Investment in Bonds (Quoted) | | |
| 20842,817 unit (previous year- Nil) of Rs. 10/- each of ICICI Prudential Mutual Fund Liquid Direct Growth | 5,000,000 | - |
| 199 (previous year - Nil) bond face value of Rs. 5000/- each of National housing Bank | 1,188,402 | - |
| 999 (Previous year - Nil) bonds face value of Rs. 1000/- each of national Highway Authority of India | 1,067,869 | - |
| 150 (Previous Year - Nil) bonds face of Rs. 1000/- each of National Highway Authority of India | 173,725 | - |
| 999 (Previous Year- Nil) bonds face value of Rs. 1000/- each of national Bank of Agriculture and Rural Development | 1,059,632 | - |
| 1299 (Previous Year - Nil) bonds face value of Rs. 1000/- each of Housing Urban Development corporation | 1,383,316 | - |
| 999 (Previous Year - Nil) Bonds face value of Rs. 1000/- each of Indian Railway Finance corporation Limited | 1,058,572 | - |
| 300 (Previous Year - Nil) Bonds face value of Rs. 1000/- each of National Highway authority of India | 317,707 | - |
| 100 (Previous Year - Nil) Bonds face value of Rs. 1000/- each of National Highway of India | 106,447 | - |
| 78 (Previous year - Nil Bonds face value of Rs. 1000/- each of Power Finance corporation | 83,283 | - |
| | 59,798,749 | 13,111,994 |
| Aggregate amount of unquoted investments | 48,359,796 | 13,111,994 |
| Aggregate amount of quoted investments | 11,438,953 | - |
| Aggregate Market Value of quoted investments | 11,906,539 | - |

15. Inventories

| Particulars | As At 31-03-2017 ₹ | As At 31-03-2016 ₹ |
|--|-----------------------|-----------------------|
| Inventories (at cost or net realisable value, whichever is lower): | | |
| Stationery stock | 7,349 | 11,926 |
| | 7,349 | 11,926 |

16. Trade Receivable

| Particulars | As at 31-03-2017 ₹ | As at 31-03-2016 ₹ |
|--|-----------------------|-----------------------|
| Trade receivables outstanding for a period exceeding six months from the date they are due for payment : | | |
| - Secured, considered good | 18,398,812 | 26,529,719 |
| - Unsecured, considered good | 20,250,384 | 18,625,699 |
| | 38,649,196 | 45,155,418 |
| Other trade receivables | | |
| - Secured, considered good | 95,908,489 | 103,318,173 |
| - Unsecured, considered good | 9,934,542 | 4,145,386 |
| | 105,843,031 | 107,463,559 |
| | 144,492,227 | 152,618,977 |

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

17. Cash and bank balances

| Particulars | As at 31-03-2017 ₹ | As at 31-03-2016 ₹ |
|--|-----------------------|-----------------------|
| Cash and cash equivalents | | |
| a) Balances with banks | | |
| - In current accounts | 18,148,689 | 23,395,650 |
| - Deposits with maturity of less than three months | 8,680,086 | 27,094,003 |
| b) Cash in hand | 109,361 | 105,403 |
| c) Cheques deposited but not cleared | 25,396 | - |
| Other Bank Balances : | | |
| a) Earmarked balances with banks : | | |
| - Dividend account | 2,308,760 | 2,399,105 |
| - FDR pledged with HDFC Bank against O/D facility and bank guarantee | - | 50,500,000 |
| - FDR pledged with major stock exchange against margin | - | 119,675,000 |
| b) Deposits with maturity more than three months but less than twelve months | 314,048,136 | 27,429,760 |
| c) Deposits with more than twelve months maturity | 61,175,000 | 57,541,546 |
| | 404,495,428 | 308,140,467 |
| Less: Amounts disclosed as other non current assets (refer note 13) | 61,175,000 | 57,541,546 |
| | 343,320,428 | 250,598,921 |

18. Short-term loans and advances

| Particulars | As at 31-03-2017 ₹ | As at 31-03-2016 ₹ |
|---|-----------------------|-----------------------|
| (Unsecured considered good) | | |
| Others: | | |
| Loans and advances to related parties | 15,702 | - |
| Advance to suppliers | 104 | 300,000 |
| Loans and advances to employees' | 779,323 | 691,288 |
| Prepaid expenses | 1,412,022 | 1,242,144 |
| Interest accrued on fixed deposits | 15,904,122 | 13,815,035 |
| Excess of fair value of plan assets over present value of obligation (Gratuity) | | |
| | | 78,790 |
| Other recoverables : | | |
| - Considered good | 1,742,722 | 2,189,322 |
| - Considered doubtful | 1,425,654 | 1,425,654 |
| Less : Allowances for Doubtful Advances | 3,168,376 | 3,614,976 |
| | 1,425,654 | 2,189,322 |
| | 19,853,995 | 18,316,579 |

19. Other current assets

| Particulars | As at 31-03-2017 ₹ | As at 31-03-2016 ₹ |
|---|-----------------------|-----------------------|
| (Unsecured considered good) | | |
| Accrued interest on deposits with IL & FS | 646,226 | 683,135 |
| Margins collected by IL & FS | 15,700,000 | 15,700,000 |
| Margins collected by BSE | 100,000 | - |
| Members FDR kept as margin | 617,483,667 | 535,987,931 |
| Members scrips kept as margin | 330,317,438 | 200,843,468 |
| Scrips held on behalf of clients | 980,141,108 | 1,780,217,669 |
| | 1,944,388,439 | 2,533,432,203 |

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

20. Deferred tax asset (Net)

| Particulars | For the year ended 31-03-2017 ₹ | For the year ended 31-03-2016 ₹ |
|---|---------------------------------------|---------------------------------------|
| Deferred tax liabilities | | |
| Impact of difference between book balance and tax balance of fixed assets | 106,000 | - |
| On account of excess allowance in The Income Tax Act, 1961 | 5,000 | - |
| 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 | 182,000 | - |
| | <u>71,000</u> | <u>-</u> |

21. Revenue from operations

| Particulars | For the year ended 31-03-2017 ₹ | For the year ended 31-03-2016 ₹ |
|---|---------------------------------------|---------------------------------------|
| Sale of services : | | |
| - Turnover charges (net) | 12,912,713 | 11,602,187 |
| - Depository income | 9,409,115 | 10,088,213 |
| Other operating revenues : | | |
| - Membership fee | 304,000 | 306,000 |
| - Transfer fee received | 122,097 | 150,860 |
| - Income from training and education cell (net of expenses) | 722,284 | 523,930 |
| - Recovery from members (BSE) | 101,200 | 109,120 |
| - Recovery from members (NSE) | 116,444 | 79,959 |
| Revenue from operations | <u>23,687,853</u> | <u>22,860,269</u> |

22. Income from Investments and deposits

| Particulars | For the year ended 31-03-2017 ₹ | For the year ended 31-03-2016 ₹ |
|--|---------------------------------------|---------------------------------------|
| Interest received : | | |
| - From banks (Gross) {TDS ₹ 3,342,544/- (previous year ₹ 3,361,025/-)} | 27,083,954 | 26,912,079 |
| - From investment in tax free bonds | 400,005 | - |
| - From others | 349,302 | 980,541 |
| Dividend income from long term trade investments | 845,000 | 1,105,000 |
| Dividend income from current investments | 39,192 | 111,994 |
| Gain on sale of mutual fund | 1,290,274 | - |
| | <u>30,007,727</u> | <u>29,109,614</u> |

23. Other income

| Particulars | For the year ended 31-03-2017 ₹ | For the year ended 31-03-2016 ₹ |
|----------------------------------|---------------------------------------|---------------------------------------|
| Rent received | 22,352,048 | 24,715,814 |
| Bad debts recovered | 321,977 | 31,479 |
| Net gain on sale of fixed assets | 43,857 | 248,115 |
| Previous year Income | - | 8,078 |
| Miscellaneous | 7,519,302 | 7,027,476 |
| | <u>30,237,184</u> | <u>32,030,962</u> |

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

24. Employee benefit expenses

| Particulars | For the year ended 31-03-2017 ₹ | For the year ended 31-03-2016 ₹ |
|---|---------------------------------------|---------------------------------------|
| Salaries and wages | 16,744,092 | 16,237,648 |
| Contribution to provident and other funds | 2,309,451 | 2,655,176 |
| Staff welfare expenses | 531,470 | 486,403 |
| | 19,585,013 | 19,379,227 |

25. Finance costs

| Particulars | For the year ended 31-03-2017 ₹ | For the year ended 31-03-2016 ₹ |
|-----------------------|---------------------------------------|---------------------------------------|
| Interest expense on : | | |
| - Borrowings | 60,761 | 37,301 |
| Other borrowing costs | 4,430 | 247,559 |
| | 65,191 | 284,861 |

26. Other expenses

| Particulars | For the year ended 31-03-2017 ₹ | For the year ended 31-03-2016 ₹ |
|---|---------------------------------------|---------------------------------------|
| Advertisement | - | 27,725 |
| Electricity and water | 8,620,074 | 8,502,934 |
| Repairs and maintenance - Plant and machinery | 1,224,368 | 780,221 |
| Repairs and maintenance - Buildings | 181,633 | 255,658 |
| Insurance | 636,922 | 694,051 |
| Rent | 520,445 | 490,050 |
| Rates and taxes | 535,773 | 539,401 |
| Legal and professional | 1,610,396 | 1,275,644 |
| Travelling and conveyance : | | |
| - Directors | - | 6,782 |
| - Others | 124,313 | 117,820 |
| Printing and stationery | 4,114,927 | 4,301,865 |
| Auditors' Remuneration : | | |
| - Audit fee | 160,000 | 150,000 |
| - Tax audit | 15,000 | 15,000 |
| - Income tax matters | 15,000 | 15,000 |
| - In other capacity | 17,500 | 10,000 |
| - Reimbursement of expenses | 31,454 | 35,524 |
| Internal Auditors' Remuneration : | | |
| - Audit fee | 225,000 | 267,050 |
| - Reimbursement of expenses | 8,253 | 43,727 |
| Board and Committee Meeting | 44,892 | 96,181 |
| Directors' sitting fee | 24,500 | 68,996 |
| Communication expenses | 1,999,495 | 2,163,896 |
| Allowances for doubtful trade receivable and advances | 6,000 | 165,925 |
| Prior period items (net) | 8,424 | 29,789 |
| Balances written off | - | 61,040 |
| Security charges | 4,260,399 | 4,120,093 |
| Training & Education Cell Expenses | 92,233 | - |
| Turnover fee to stock exchange | 1,120,434 | 1,265,645 |
| Depository and other charges | 2,389,444 | 1,703,839 |
| Miscellaneous | 1,951,259 | 3,832,936 |
| | 29,938,151 | 31,036,792 |

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

27. 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.

28. 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.

29. 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. 31,40,083/-) 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.7,07,417/-) 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. 26,64,860/- (previous year Rs. 39,97,290/-) 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. 26,64,860/- (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.

30. 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. 1,02,918/-) 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.

31. 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.

32. Related Party Disclosure:

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

- a) Key Management Personnel
 - Mr. Pritpal singh
 - Mr. Rajiv Dhiman

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

| Particulars | Key Management Personnel (KMP) | |
|--------------------------------|--------------------------------|-----------|
| | 2016 -2017 | 2015-2016 |
| Payment to KMP as remuneration | 11,83,705 | 10,92,973 |

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

| Sr. No. | PARTICULAR | 2016-17 | 2015-16 |
|---------|--|-------------|-------------|
| 1. | Average Number of Equity Shares of ₹ 10/- each (no.) | 59200 | 59200 |
| 2. | Net Profit after tax & minority interest attributable to equity shareholders (₹) | 2,00,79,906 | 2,01,12,456 |
| 3. | Earnings per share (Basic) | 339.19 | 339.74 |
| 4. | Earnings per share (Diluted) | 339.19 | 339.74 |
| 5. | Nominal Value of per Equity Share (₹) | 10/- | 10/- |

36. The holding 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 Leave with encashment:
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. As required vide Notification No G.S.R 308 (E) dated 30th March 2017 issued by Ministry of Company Affairs, the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 is provided in the table below:-

| Sr. No. | PARTICULAR | SBN | Other denomination notes | Total |
|---------|--|----------|--------------------------|---------------|
| 1. | Closing cash in hand as on 08.11.2016 | 1,43,000 | 6,795 | 1,49,795 |
| 2. | (+) Permitted receipts | - | 3,95,229 | 3,95,229 |
| 3. | (-) Permitted payments | - | 1,82,139 | 1,82,139 |
| 4. | (-) Amount deposited in banks | 1,43,000 | 1,32,351 | 2,75,351 |
| 5. | Closing cash in hand as on 30.12.2016 | - | 87,534 | 87,534 |

42. 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 : 28-08-2017**

**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)