



LUDHIANA STOCK AND CAPITAL LIMITED

(FORMERLY LUDHIANA STOCK EXCHANGE LIMITED)

CIN : U67120PB1981PLC004696

Registered Office : Feroze Gandhi Market, Ludhiana - 141001, Punjab

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

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

NOTICE

Notice is hereby given that the 33rd Annual General Meeting of the shareholders of Ludhiana Stock and Capital Limited (Formerly Ludhiana Stock Exchange Limited) will be held on 10th September, 2015, Thursday at 04:00 p.m. at registered office situated at 1st Floor, LSE Building, Feroze Gandhi Market, Ludhiana to transact the following ORDINARY businesses :-

1. To receive, consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2015 together with the Report of the Board of Directors and the Auditors thereon and the consolidated audited financial statement of the Company for the financial year ended March 31, 2015.
2. To confirm the declaration of interim dividend as the final dividend on Equity Shares.
3. To appoint a Director in place of Sh. Vikas Batra, Shareholder Director, (DIN-01964260) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Sh. Anup Kumar Jain, Shareholder Director, (DIN- 01859016) who retires by rotation and does not offer himself for re-appointment.
5. To ratify appointment of the Auditors and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013 (the "Act") if any, read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the appointment of M/s. S.C. Vasudeva & Co., Chartered Accountants (Firm Registration No. 000235N) as the Statutory Auditors of the Company be and is hereby ratified to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the next AGM to be held in the calendar year 2016 at such remuneration as may be fixed by the Board of Directors of the Company."

By order of the Board of Directors
FOR LUDHIANA STOCK AND CAPITAL LIMITED
(FORMERLY LUDHIANA STOCK EXCHANGE LIMITED)

Sd/-
JAGMOHAN KRISHAN
CHAIRPERSON
(DIN-01127557)

Place: Ludhiana
Dated: 11.08.2015

Registered Office:
Feroze Gandhi Market, Ludhiana.
CIN : U67120PB1981PLC004696
E-mail : lse_cs@rediffmail.com

IMPORTANT NOTES

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

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

A proxy so appointed shall not have any right to speak at the meeting.

2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.
3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a duly certified copy of Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. The Company's share transfer books and the Register of Members will remain closed from 04-09-2015 (Friday) to 08-09-2015 (Tuesday) (both days inclusive).
5. All relevant documents referred to in the accompanying Notice are open for inspection by members at the Registered Office of the Company on all working days between 11:00 a.m. and 1:00 p.m. prior to the date of the Meeting.
6. The Board of Directors of the company had declared an interim dividend of Rs. 600.00 per share i.e., at the rate of 6000% on face value of Rs. 10/- each during the financial year 2014-15. The said interim dividend is to be confirmed at the ensuing AGM.
7. **Members are requested to write to the Company at least 10 Days before Annual General Meeting for obtaining any information as regards to Accounts/ Queries on Annual Report, so that the same could be compiled with in advance.**
8. For convenience of the members and for proper conduct of the meeting, entry to the place of meeting will be regulated by the attendance slip, which is annexed to the Proxy Form. Members/Proxies should bring attendance slips dully filled in and signed for attending the meeting and handover the same at the entrance of the venue of the meeting.

9. REQUEST TO SHAREHOLDERS

- a. All correspondence regarding Shares of the Company should be addressed to the Company's Registrar and Transfer Agent (RTA), M/s Beetal Financial & Computer Services Pvt. Limited, Beetal House, 99, Madangir, B/H Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi 110 061.
- b. Members who hold shares in the physical form and wish to make/ change nomination in respect to their shareholding in the Company, as permitted under section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014, may submit the prescribed form SH 13 to the company.
- c. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in Securities Market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the

Company/ Registrar & Transfer Agents of the Company i.e. Beetal Financial Computer Services Pvt. Ltd.

- d. Members who have not registered their e-mail addresses so far are requested to register/ update their e-mail addresses for receiving all communications (electronically) including Annual Report, Notices, Circulars etc. In respect of shares held in demat mode, e-mail addresses can be registered with depository and members who hold shares in physical form are requested to register their e-mail addresses with Beetal Financial Computer Services Pvt. Ltd., Registrar & Share Transfer Agents of the Company.
- e. The Company has been registered with Central Depository Services (India) Limited (CDSL). The members can avail the Depository Services of CDSL. The ISIN of the company is INE562H01024.
- f. Members / Beneficial Owners are requested to quote their full name as per Company's record, Folio No. /DP and Client ID Nos., as the case may be, in all correspondence with the Company.
- g. Please note that copies of the Annual report will not be distributed at the venue of the meeting. Shareholders/ Proxy holders/ Authorized representatives are, therefore, requested to bring their copies of the Annual Report to the meeting.
- h. Members are requested to quote their e-mail IDs, telephone/ fax nos. for prompt reply to their communications.
- i. Members who have not yet encashed their dividend warrants for financial year 2009-10, 2010-11, 2011-12 & 2014-15 are requested to make their claims to the Company without delay.

**By order of the Board of Directors
FOR LUDHIANA STOCK AND CAPITAL LIMITED
(FORMERLY LUDHIANA STOCK EXCHANGE LIMITED)**

**Sd/-
JAGMOHAN KRISHAN
CHAIRPERSON
DIN-01127557**

Registered Office:
Feroze Gandhi Market, Ludhiana.
CIN : U67120PB1981PLC004696
E-mail : lse_cs@rediffmail.com

Place: Ludhiana
Dated: 11.08.2015

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors present the 33rd Annual Report of your company together with the Audited Statement of Accounts and the Auditors' Report for the Financial Year ended 31st March, 2015. The summarized financial results for the Financial Year are as under:

Financial Summary (Standalone)

The Company's financial performance for the year ended March 31, 2015 is summarized below:

(Amount in lacs)		
PARTICULARS	31.03.2015	31.03.2014
Profits Before Depreciation, Interest, Tax and Exceptional Items	294.48	230.80
Depreciation	22.84	15.89
Exceptional Item	0	---
Interest	0	--
Profit Before Tax	271.64	214.91
Provision for Taxation	40.99	37.09
Profit after tax	230.65	177.82
Add:- Corporate Dividend Tax written back	0	--
Add:- Balance brought forward from previous years	305.39	227.25
Balance Available for appropriations	536.04	405.07
Appropriations		
a. Income of SGF transferred to Fund Account	--	86.63
b. Transferred to Reserve for Investor Services Fund	1.21	13.05
c. Interim Dividend on Equity Shares	355.20	--
d. Proposed Dividend on Equity Shares	--	--
e. Corporate Dividend Tax thereon	55.03	--
f. Transfer to General Reserve	10.00	--
Balance carried to Balance Sheet	114.60	305.39

Financial Summary (Consolidated)

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

(Amount in lacs)

PARTICULARS	31.03.2015	31.03.2014
Profits Before Depreciation, Interest, Tax and Minority Interest	402.27	397.37
Depreciation	23.99	23.14
Interest	4.88	2.24
Profit Before Tax & Minority Interest	373.40	371.99
Provision for Taxation	97.77	98.99

Profit after tax & before minority Interest	275.63	273.00
Minority's Interest	60.33	65.26
Profit after tax and Minority interest	217.34	207.74
Add:- Balance brought forward from previous years	500.73	445.91
Add: Transferred from Minority Interest	43.38	--
Balance available for appropriation	761.45	653.65
Appropriations		
a. Dividend on Equity Shares	392.53	37.33
b. Corporate Dividend Tax	70.00	12.54
c. Income of SGF transferred to Fund Account	0	86.63
d. Transferred to Reserve for Investor Services Fund	1.21	13.05
e. Transfer to General Reserve	13.02	3.38
Balance carried to Balance Sheet	284.69	500.73

Results of Operations and the State of Company's affairs

Total Revenue during the financial year 2015 was Rs. 571.67 lacs against previous year's figure of Rs. 537.37 lacs showing a marginal increase of 6 % in spite of decrease in Listing Fee .The pre-tax profit of Rs.271.64 lacs during the financial year 2014-15 was higher by 26% as compared to previous year's figure of Rs. 214.91 lacs. It was made possible by economizing in expenses which stood at Rs. 300.03 lacs against Rs.322.46 lacs during previous year.

On consolidated basis for the year 2014-15, your company recorded a slightly increased profit (before tax) of Rs. 373.40 Lacs as against Rs. 371.99 lacs for the year 2013-14 However. the net profit after tax is Rs.215.31 Lacs as against previous year's profit of Rs. 207.74 lacs.

Exit Order and Change of Name of the Company

As stated in the of last year's report, the Company's request to Securities and Exchange Board of India (SEBI) for its exit as stock exchange was under process. After substantially complying with the conditions of SEBI Exit Policy, the Company finally got the Exit Order No. WTM / RKA / MRD / 166 /2014 dated December 30th, 2014 from SEBI.

In terms of the Exit Order, the name of the Company was changed from "Ludhiana Stock Exchange Limited" to "**Ludhiana Stock and Capital Limited**". The change of name was approved by the members in the Annual General Meeting of the Company held on 30th December, 2014. The Registrar of Companies, Chandigarh has, on 11th February, 2015, issued the new certificate of incorporation pursuant to change of name of the Company. After losing the status of a Stock Exchange, the Company is continuing as a corporate entity under the Companies Act, 2013 with the changed name. However, all the trading members are having trading opportunity to trade on Stock Exchanges having nationwide terminals through Subsidiary Company viz. LSE Securities Ltd. which is functioning as a normal broking entity. During the year, the Company adopted new set of Articles of Association incorporating the changes as required by the Exit Order & provisions of the Companies Act, 2013.

Present Business & Future Outlook

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

The Board has been actively engaged in the process of development of establishment of alternate business of the Company. It has also constituted a Committee of a few eminent members titled as 'Business Development Committee' in order to explore the new business avenues for the company and place it before the Board.

Claim of CMC Ltd. and Counter Claim of the Company

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

Taxation-Appeal on Income Tax Cases

The case for the assessment year 2013-14 has been selected for scrutiny under section 143(3) of the Income Tax Act, 1961 and the assessment proceedings are in progress.

For the assessment year 2012-13 the appeal has been filed before Commissioner of Income Tax (Appeals) [CIT (A)].

Appeals have been filed by the Company before Income Tax Appellate Tribunal (ITAT) :

1. for the assessment year 2008-09 against the order of CIT (A) for seeking relief for disallowance made under section 14A of the Income Tax Act, 1961. The appeal is pending before ITAT.
2. for the assessment year 2005-06 against the order of CIT (A) for seeking relief under sections 11 & 13 of the Income Tax Act, 1961. The appeal is pending before ITAT.

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

Customer Protection Fund (CPF)

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

As per the SEBI exit guidelines, The amount lying to the credit of Customer Protection Fund (CPF) was required to be transferred to SEBI, but due to pending income tax cases and pending notification by the CBDT, the Company took up the matter with SEBI and as finally agreed, entire corpus of CPF Trust was transferred to the "Escrow Account" and all the FDRs forming part of CPF Corpus with various commercial banks were marked as "Lien" in favor of SEBI in terms of 'Escrow Agreement' and the 'Escrow Bank' shall hold the money in 'Escrow Account' in trust for SEBI till the grant of NOC by the Income Tax Department for transfer to SEBI IPEF after finalization and settlement of all the pending assessments/appeals relating matters.

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

There were no material changes or commitments occurring after March 31, 2015 till date which affect the financial position of the Company or require disclosure.

Dividend & Reserves

Your Company paid an interim Dividend of Rs. 600.00 per Equity Share (6000%) of the face value of Rs. 10/- each, aggregating to Rs. 410.23 lacs (inclusive of tax on dividend of Rs. 55.03 lacs) for the financial year ended on March 31, 2015. The Directors are pleased to recommend confirmation of the said interim Dividend to be the Final Dividend for the Financial Year 2014-15.

During the year under review, it is proposed to transfer Rs. 10.00 lacs (previous year Nil) to General Reserves. An amount of Rs. 114.60 lacs is proposed to be retained as surplus in the Statement of Profit & Loss.

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

Consolidated Financial Statement

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

Accountants of India.

Subsidiary / Joint Ventures / Associate Companies

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

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

Performance & Future of Subsidiary

LSE Securities Limited is registered as Stockbroker at Bombay Stock Exchange (BSE), National Stock Exchange (NSE) and Metropolitan Stock Exchange of India Limited (MCX-SX). During the year under review, the Company recorded a business volume of Rs. 6550.53 Crores and Rs. 2441.86 crores in Capital Market Segment of NSE and BSE respectively. It also recorded a business volume of Rs. 87982.29 crores in the Future and Options segment of NSE. The business volume in Currency Derivatives was 932.55 crores in NSE and Rs. 2.45 crores in MCX-SX.

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

As reported last year, your Subsidiary Company had got the membership of BSE Derivative Segments. The Company has already commenced the trading in that segment and the volumes on BSE Derivatives segment are expected to grow in future.

Director's Responsibility Statement

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

- a. In the preparation of the annual accounts, the applicable accounting standards have been followed with proper explanation relating to material departures, if any;
- b. They have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2015 and of its **Profit/Loss** for the year ended on that date;
- c. They have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d. They have prepared the annual accounts for the year ended 31st March, 2015 on a 'going concern' basis; and
- e. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Particulars of Contracts or arrangements with related parties

All the transactions with related parties during the financial year were on arm's length basis and in the ordinary course of business. Related party disclosures as per AS-18 have been provided in Note - 38 to the financial statement.

There are no materially significant related party transactions made by the Company with Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Hence no particulars are required to be given in prescribed Form AOC-2.

Corporate Social Responsibility

The provisions of Section 135 of the Companies Act, 2013 are not applicable

Risk Management

The Board of Directors, from time to time, review the risks faced by the company and the corresponding risk mitigation

plans deployed. However, Company has not come across any element of risk which may threaten the existence of the Company.

Internal Financial Controls

The Company has an adequate Internal financial control system, commensurate with the size of its business operations.

Directors & Key Managerial Personnel

Consequent upon the Exit Order dated 30.12.2014 and in terms of the provisions of the amended Articles of Association of the Company, all the Public Interest Directors viz. Dr. Raj Singh (DIN 02395342), CA. Ashwani Kumar (00030307), Dr. R.L. Behl (DIN 06443747), CA Jasminder Singh (DIN 06443752) and Dr. Vijay Asdhir (DIN 06671174) ceased to be Directors of the Company.

Mr. Ashok Kumar (DIN 01971376) was reappointed and Mr. Sanjay Aggarwal (DIN 06744853) & Mr. Prem Thapar (DIN 070449831) were appointed as Shareholder directors, liable to retire by rotation, at the last Annual General Meeting. Subsequently, Mr. Sanjay Aggarwal tendered his resignation effective from 09.01.2015 due to personal reasons and ceased to be a director of the Company.

Prof. Padam Parkash Kansal (DIN 02368904), a Shareholder Director of the Company did not seek reappointment and retired as a Director at the conclusion of the Annual General Meeting of the Company held on 30.12.2014.

The Board of Directors at its meeting held on 09.01.2015 :

- (i) Re-designated Prof. V.P. Gaur (DIN 02439897) as Professional Director in accordance with provisions of Articles of Association of the Company and whose tenure will be up to next Annual General Meeting. Consequently, Mr. V.P. Gaur ceased to be Chairperson of the Company.
- (ii) Appointed Mr. Jaspal Singh (DIN 00458451) as a Shareholder Director pursuant to Article 62 of the Articles of Association, effective from 09.01.2015, to fill the casual vacancy caused by resignation of Mr. Sanjay Aggarwal.
- (iii) Appointed CA. Kanwal Preet Singh Walia (DIN 00266474) as Professional Director effective from 09.01.2015 in accordance with the provisions of Articles of association of the Company and who holds office up to the date of next Annual General Meeting.
- (iv) Appointed Mr. Jagmohan Krishan (DIN 01127557) and Mr. Jaspal Singh as Chairperson and Vice - Chairperson of the Company respectively in accordance with Article 59 of the Articles of association of the Company.

Mr. Anup Kumar Jain (DIN 01859016) and Mr. Vikas Batra (DIN 01964260) Directors retire by rotation at the ensuing Annual General Meeting and are eligible for reappointment.

Ms. Pooja M Kohli, Senior General Manager Cum Company Secretary tendered resignation from services of the Company.

The Director(s) place on record their appreciation for the valuable contribution made by Dr. Raj Singh, CA. Ashwani Kumar, Dr. R. L. Behl, CA Jasminder Singh, Dr. Vijay Asdhir, Mr. Sanjay Aggarwal and Prof. Padam Parkash Kansal. The Director(s) also place on record their appreciation for the valuable contribution made by Mr. V.P. Gaur during his tenure as Chairperson of the Company.

The Director(s) also wish to place on record their appreciation for valuable services rendered by Ms. Pooja M. Kohli during her long association with the Company.

Auditors and Auditors Report**Statutory Auditors**

At the Annual General Meeting held on 30th December, 2015, M/s. S.C. Vasudeva & Co., Chartered Accountants, (Firm Registration Number: 000235N) were appointed as the Statutory Auditors of the Company to hold office till the

conclusion of sixth consecutive Annual General Meeting subject to ratification by Shareholders at every Annual General Meeting. Accordingly the appointment of M/s. S.C. Vasudeva & Co., Chartered Accountants, as Statutory Auditors of the Company, will be placed for ratification by the Shareholders. In this regard, the Company has received a certificate from the Auditors to the effect that if their appointment is ratified, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

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

Secretarial Auditor

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

Disclosure of composition of Audit Committee and providing Vigil Mechanism

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

Board Meetings

During the financial year 2014-15, eight (8) Meeting of the Board were held.

Particulars of Loans, Guarantees or Investments under section 186 of the Companies Act, 2013

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

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

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

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

Extract of Annual Return

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in Form MGT-9 as “**Annexure B**” to this report.

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

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

Deposits

The Company has not accepted deposits under Chapter V of the Companies Act, 2013 during the year.

Significant and Material Orders

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

Nomination and Remuneration Policy

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

Declaration of Independent Directors

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

Other Disclosures

- During the year under review, the company has not issued shares with differential voting right nor has granted any stock options or sweat equity. Further the Company neither bought its own shares nor has given any loan to the employees (including KMPs) of the Company for the purchase of the Company shares.
- The Company has formulated a Policy to prevent Sexual Harassment of women at Workplace in terms of provisions of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

The following is a summary of sexual harassment complaints received and disposed off during the year 2014-15:

No of complaints received: Nil

No of complaints disposed off: Nil

- The Auditors have not reported any fraud to the Board under subsection (12) of Section 143 of the Companies Act, 2013.
- There were no amounts which remained unpaid or unclaimed in dividend accounts for a period of seven years requiring transfer to the Investor Education and Protection Fund.

Acknowledgment

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

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

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

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Place: Ludhiana
Dated: 11.08.2015

**Sd/-
JAGMOHAN KRISHAN
CHAIRPERSON
DIN-01127557**

Annexure to Directors' Report for the year ended 31st March, 2015

ANNEXURE "A" - Form AOC - 1

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

Part "A": Subsidiary Company

Rs. In Lacs

Name of the subsidiary	LSE Securities Ltd.
Reporting period for the subsidiary concerned if different from the holding Company's reporting period	N.A
Reporting currency and Exchange rate as on the last of the relevant Financial year in the case of foreign subsidiaries.	N.A
Share capital	644.18
Reserves & surplus	979.49
Total assets	3051.21
Total Liabilities	1427.54*
Investments	67.64
Turnover	486.02**
Profit before taxation	177.50
Provision for taxation (Net)	56.78
Profit after taxation	120.72
Proposed Dividend***	92.27
% of shareholding	51.71%
Names of the subsidiaries which are yet to commence operations	N.A
Names of subsidiaries which have been liquidated or sold during the year.	N.A

* Excluding Share Capital and Reserve & Surplus

** Figures given are of total Revenue earned

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

Part "B": Associates and Joint Ventures

NIL

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Place: Ludhiana
Dated: 11.08.2015

Sd/-
JAGMOHAN KRISHAN
CHAIRPERSON
DIN-01127557

Annexure to Directors' Report for the year ended 31st March, 2015

ANNEXURE "B" - Form No. MGT - 9

Extract of Annual Return [Pursuant to Section 92(3) of the Companies Act, 2013 and rule12(1) of the Companies (Management and Administration) Rules, 2014]

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2015**I. REGISTRATION AND OTHER DETAILS:**

i.	CIN	U67120PB1981PLC004696
ii.	Registration date	17-Oct-1981
iii.	Name of the company	Ludhiana Stock and Capital Limited (Formerly Ludhiana Stock Exchange Limited)
iv.	Category/sub-category of the company	Company limited by shares
v.	Address of the registered office and contact details	Feroze Gandhi Market, Ludhiana, Ph. No. : 0161-2405756,4612317, fax:2404748, email: lse_cs@rediffmail.com , website: lse.co.in
vi.	Whether listed company	No
vii.	Name, address and contact details of registrar and transfer agent, if any	Beetal Financial & Computer Services Pvt. Ltd Beetal House,3rd Floor 99, Madangir Behind Local Shopping Centre Near Dada Harsukh Das Mandir New Delhi - 110062 Phone: 011-29961281, 29961282, Fax: 011-29961284

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr.No	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	To co-ordinate the policy and administration of subsidiary company and provide financial / advisory services related thereto.	642- Activities of holding companies	

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	%of shares held	Applicable Section
1.	L S E Securities Limited SCO 50 1st Floor, Sector 34 A, Chandigarh	U67120CH2000PLC023 244	Subsidiary	51.71%	2(87)

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IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) <i>Indian</i>									
a) Individual/ HUF	0	10	10	0.02	0	500	500	0.84	0.82
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A)(1):-	0	10	10	0.02	0	500	500	0.84	0.82
2) <i>Foreign</i>									
a) NRIs-Individuals	0	0	0	0	0	0	0	0	0
b) Other-Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A)(2):-	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	0	10	10	0.02	0	500	500	0.84	0.82
B. Public Shareholding									
1. <i>Institutions</i>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	0	0	0	0	0	0	0	0	0
2. <i>Non Institutions</i>									
a) Bodies Corp. (i) Indian (ii) Overseas	2805	7202	10007	16.90	2785	6132	8917	15.06	- 1.84
b) Individuals (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh (ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	17455	31538	48993	82.76	18497	31286	49783	84.09	1.33

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a) Others (HUF)	0	190	190	0.32	0	0	0	0	-0.32
Sub-total(B)(2)	20260	38930	59190	99.98	21282	37418	58700	99.16	-0.82
Total Public Shareholding (B)=(B)(1)+ (B)(2)	20260	38930	59190	99.98	21282	37418	58700	99.16	-0.82
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	
Grand Total (A+B+C)	20260	38940	59200	100	21282	37918	59200	100	

ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Mr. R.C Singal	0	0	-	300	0.51	-	0.51
2.	Mr. B.K. Arora	-	-	-	-	-	-	-
3.	Mr. Shri Paul Jain	-	-	-	-	-	-	-
4.	Mr. S.P. Kanwar	10	0.02	-	200	0.34	-	0.32
5.	Mr. Rajinder Nath	-	-	-	-	-	-	-
6.	Mr. Ram Dass Khanna	-	-	-	-	-	-	-
7.	Mr. Subhash Chander Jain	-	-	-	-	-	-	-
	Total	10	0.02	-	500	0.84	-	0.82

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

Sr. No.	Particulars	Shareholding at the beginning of the year		Date	Reason	Increase/decrease in shareholding		Cumulative Shareholding during the year	
1	R.C. Singal	0	0	31.12.2014	Transfer of shares (Purchase)	680	1.48	680	1.48
				23.01.2015	Transfer of shares (Sale)	300	0.50	300	0.50
				31.03.2015	At the end of the year			300	0.50
2	S.P. Kanwar	10	0.01	23.01.2015	Transfer of shares (Purchase)	190	0.32	200	0.33
				31.03.2015	At the end of the year			200	0.33

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

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Date	Reason	Increase/decrease in shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Gala Finance & Investment Limited	959	1.62	02.01.2015	Transfer of shares (Sale)	190	0.32	769	1.29
				27.01.15	Transfer of Shares (Sale)	190	0.32	579	0.97
				31.03.2015	At the end of the year			579	0.97
2	Nidhi Bhandari	660	1.11	29.01.2015	Transfer of shares (Sale)	100	0.16		
				31.03.2015	At the end of the year			560	0.94
3	Surinder Arora	570	0.96		No Change				
				31.03.2015	At the end of the year			570	0.96
4	Ashok Kumar	560	0.95		No change				
				31.03.2015	At the end of the year			560	0.95
5	Awatar Singh	490	0.82	14.01.2015	Transfer of shares (Sale)	10	0.01		
				31.03.2015	At the end of the year			480	0.81
6	Gopal Dass Gupta	90	0.15	04.07.2014,	Transfer of shares (Purchase)	110	0.18		
				16.01.2015	Transfer of shares (Purchase)	200	0.33		
				31.03.2015	At the end of the year			400	0.67
7	Aruna Mehra	398	0.67		No Change				
				31.03.2015	At the end of the year			398	0.67
8	Rajiv Arora	390	0.65		No Change				
				31.03.2015	At the end of the year			390	0.65
9	Chanda Kalra	0	0	31.12.2014	Transfer of shares (Purchase)	380	0.64		
				31.03.2015	At the end of the year			380	0.64
10	Peer Investments Private Limited	760	1.28	19.09.2014	Transfer of Shares (Sale)	190	0.32	570	0.96
				31.12.2014	Transfer of Shares (Sale)	190	0.32	380	0.64
				31.03.2015	At the end of the year			380	0.64

v. Shareholding of Directors and key Managerial Personnel: (Present)

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Date	Reason	Increase/decrease in shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Sh.Jagmohan Krishan	190	0.32	30.01.2015	Transfer of Shares	10	0.01		
				31.03.2015	At the end of the year			200	0.33
2	Sh.Jaspal Singh	10	0.01		No Change				
				31.03.2015	At the end of the year			10	0.01
3	Sh.Vikas Batra	195	0.33		No Change				
				31.03.2015	At the end of the year			195	0.33
4	Sh.Ashok Kumar	560	0.95		No change				
				31.03.2015	At the end of the year			560	0.95

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5	Sh.Anup Kumar Jain	10	0.01		No change				
				31.03.2015	At the end of the year			10	0.01
6	Sh.Prem Thapar	190	0.32	31.12.2014	Transfer of share (Sale)	180	0.32		
				31.03.2015	At the end of the year			10	0.01
7	* Sh.Ved Parkash Gaur	NIL	NII	31.03.2015	At the end of the year	NII	NII	NII	NII
8	* Sh.Kanwal Preet Singh Walia	NII	NII	31.03.2015	At the end of the year	NII	NII	NII	NII

*Professional Directors have no holding in the Company

vi) Shareholding of Directors and key Managerial Personnel: (Past)

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Date	Reason	Increase/decrease in shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
PUBLIC INTEREST DIRECTORS									
1	Sh. Jasminder Singh	NII	NII	31.03.2015	At the end of the year	NII	NII	NII	
2	Dr. R.L. Behl	NII	NII	31.03.2015	At the end of the year	NII	NII	NII	
3	Dr. Vijay Asdhir	NII	NII	31.03.2015	At the end of the year	NII	NII	NII	
4	Sh. Ashwani Kumar	NII	NII	31.03.2015	At the end of the year	NII	NII	NII	
5	*Dr. Raj Singh	NII	NII	31.03.2015	At the end of the year	NII	NII	NII	
SHAREHOLDER DIRECTORS									
6	Sh. Padam Parkash Kansal	100	0.16		No change				
				31.03.2015	At the end of the year			100	0.16
7	Sh. Sanjay Aggarwal	240	0.40	31.12.2014	Transfer of Shares (Sale)	190	0.32		
				31.03.2015	At the end of the year			50	0.08
KEY MANAGERIAL PERSONNEL									
8	Mrs. Pooja M. Kohli	NII	NII		No change				
				31.03.2015	At the end of the year	NII	NII	NII	NII

* Nominated by SEBI in the category of Public Interest Director.

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	-	-	-	-
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total(i+ii+iii)	-	-	-	-

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Change in Indebtedness during the financial year	-	-	-	-
- Addition				
- Reduction				
Net Change	-	-	-	-
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount				
ii) Interest due but not paid (iii) Interest accrued but not due				
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0	0
2.	Stock Option	0	0	0	0	0
3.	Sweat Equity	0	0	0	0	0
4.	Commission - as % of profit - others, specify...	0	0	0	0	0
5.	Others, please specify	0	0	0	0	0
	Total(A)	0	0	0	0	0
	Ceiling as per the Act	0	0	0	0	0

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors									Total Amount
		Sh. V.P. Gaur	Sh. Ashwani Kumar	Sh. Jasminder Singh	Dr. R.L. Behl	Dr. Vijay Asdhir	Sh. P.P. Kansal	Sh. Anup Kumar Jain	Sh. Ashwani Bhalla	Sh. Rajinder Mohan Singla	
	1. Independent Directors · Fee for attending board committee meetings · Commission · Others, please specify	43500	14000	29000	22500	20500	19500	45500	1500	1500	197500
	Total (1)										

	<u>2. Other Non-Executive Directors</u> · Fee for attending board committee meetings · Commission · Others, please specify										
	Total (2)	43500	14000	29000	22500	20500	19500	45500	1500	1500	197500
	Total(B)=(1+2)	43500	14000	29000	22500	20500	19500	45500	1500	1500	197500
	Total Managerial Remuneration	43500	14000	29000	22500	20500	19500	45500	1500	1500	197500
	Overall Ceiling as per the Act										

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

Sl no.	Particulars of Remuneration	Key Managerial Personnel (Company Secretary)	
		Ms. Pooja M. Kohli	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	847364/-	847364
2.	Stock Option	0	0
3.	Sweat Equity	0	0
4.	Commission - as % of profit - others, specify...	0	0
5.	Others, please specify	0	0
6.	Total	847364/-	847364/-

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD /NCLT/Court]	Appeal made. If any (give details)
A. Company					
Penalty			None		
Punishment					
Compounding					

B. Directors	
Penalty	None
Punishment	
Compounding	
A. Other Officers In Default	
Penalty	None
Punishment	
Compounding	

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Place: Ludhiana
Dated: 11.08.2015

**Sd/-
JAGMOHAN KRISHAN
CHAIRPERSON
DIN-01127557**

INDEPENDENT AUDITOR'S REPORT

To
The Members
Ludhiana Stock and Capital Limited
(Formerly Ludhiana Stock Exchange Limited)

Report on the Financial Statements

We have audited the accompanying financial statements of Ludhiana Stock and Capital Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2015, 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 Financial Statements

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

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls 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 but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting 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 Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and

fair view in conformity with the accounting principles generally accepted in India:

- a. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b. In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("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, which forms part of this report, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 Financial Statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of written representations received from the directors as on 31st March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of sub-section (2) of section 164 of the Act; and
 - f. 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, we have to state that 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.

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

(Sanjiv Mohan)
Partner
M. No. 86066

Place: Ludhiana
Date : 11-08-2015

Annexure to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of even date)

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) According to information and explanations given to us, the fixed assets have been physically verified by the management during the year. No material discrepancies were noticed on such physical verification. In our opinion, the frequency of physical verification is reasonable having regard to the size of the company and the nature of its business.
- (ii) The provisions of clause 4(ii) of the above said order are not applicable to the company.
- (iii) According to the information and explanations given to us and based on such tests which we considered necessary, we report that the Company has not granted any loans, secured or unsecured to firms, companies, or other parties covered in the register maintained under section 189 of the Act. Therefore the provisions of paragraph 4 (iii) (a) and (b) of the above said order are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system, considered adequate, commensurate with the size of the Company and the nature of its business, for purchase of fixed assets and for the receipt of listing fee, membership fee, interest and rent. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from public during the year covered under the provisions of sections 73 to 76, other relevant provisions of the Companies Act, 2013 and the rules framed there under.
- According to the information and explanations given to us, no order under the aforesaid sections has been passed by the Company Law Board or the Reserve Bank of India or any Court or any other Tribunal on the Company.
- (vi) The provisions of clause 4(vi) of the above said order 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, service tax, cess and other applicable 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 at 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 disputed statutory dues that have not been deposited on account of matters pending before the appellate authorities.
- (c) According to the information and explanations given to us, there was no amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, **1956 (1 of 1956)** and rules made there under.
- (viii) In our opinion and according to the information and explanations given to us, the Company does not have accumulated losses and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

- (ix) The provisions of clause 4(ix) of the above said order are not applicable to the company.
- (x) In accordance with the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) The provisions of clause 4(xi) of the above said order are not applicable to the company.
- (xii) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

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

(Sanjiv Mohan)
Partner
M. No. 86066

Place: Ludhiana
Date : 11-08-2015

LUDHIANA STOCK AND CAPITAL LIMITED

(formerly Ludhiana Stock Exchange Limited)

Balance Sheet As At 31st March 2015

(Amount in ₹)

PARTICULARS	Note No.	AS AT 31-03-2015	AS AT 31-03-2014
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
a) Share capital	3	602,000	602,000
b) Reserves and surplus	4	200,942,902	220,437,291
		<u>201,544,902</u>	<u>221,039,291</u>
2 Non-current liabilities			
a) Long-term borrowings		-	-
b) Deferred tax liabilities	5	8,827	124,230
c) Other long term liabilities	6	27,961,095	50,511,294
d) Long-term provisions	7	-	177,707
		<u>27,969,922</u>	<u>50,813,231</u>
3 Current liabilities			
a) Short-term borrowings		-	-
b) Trade payables	8	139,964	778,222
c) Other current liabilities	9	25,271,813	27,322,384
d) Short-term provisions	10	157,649	49,355
		<u>25,569,426</u>	<u>28,149,961</u>
TOTAL		<u>255,084,251</u>	<u>300,002,483</u>
II ASSETS			
1 Non-current assets			
a) Fixed assets	11		
i) Tangible assets		82,796,861	84,991,912
ii) Intangible assets		58,404	77,872
		<u>82,855,265</u>	<u>85,069,784</u>
b) Non-current investments	12	34,517,625	34,517,625
c) Long-term loans and advances	13	10,073,238	9,033,087
d) Other non-current assets	14	59,312,482	52,375,657
		<u>186,758,609</u>	<u>180,996,153</u>
2 Current assets			
a) Current investments		-	-
b) Inventories	15	-	84,749
c) Trade receivables	16	4,843,111	6,308,712
d) Cash and bank balances	17	54,520,828	99,593,046
e) Short-term loans and advances	18	6,001,062	13,019,823
f) Other current assets	19	2,960,641	-
		<u>68,325,641</u>	<u>119,006,330</u>
TOTAL		<u>255,084,251</u>	<u>300,002,483</u>

See accompanying notes to the financial statements

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

(Sanjiv Mohan)
Partner
M. No. 086066

For and on behalf of the Board of Directors
of LUDHIANA STOCK AND CAPITAL LIMITED
(formerly Ludhiana Stock Exchange Limited)

(Jagmohan Krishan)
Chairperson
DIN-01127557

(Anup Kumar Jain)
Director
DIN-01859016

PLACE : LUDHIANA
DATED : 11-08-2015

(Ashwani Kumar)
Corporate Advisor
PAN-ACBPK0351M

LUDHIANA STOCK AND CAPITAL LIMITED

(formerly Ludhiana Stock Exchange Limited)

Statement of Profit And Loss For Year Ended 31st March 2015

(Amount in ₹)

PARTICULARS	Note No.	For the year ended 31-03-2015	For the year ended 31-03-2014
i Revenue from operations	20	964,362	2,380,685
ii Income from investments and deposits	21	19,803,013	18,058,514
iii Other income	22	36,399,367	33,298,078
iv Total revenue (i + ii + iii)		<u>57,166,741</u>	<u>53,737,277</u>
v Expenses :			
Employee benefits expense	23	6,284,635	6,131,576
Depreciation and amortization expense		2,283,564	1,589,185
Other expenses	24	21,434,589	24,525,149
Total expenses		<u>30,002,788</u>	<u>32,245,910</u>
vi Profit before tax (iv - v)		27,163,953	21,491,367
vii Tax expense :			
- Current tax expense for current year		4,200,000	3,726,000
- Current tax expense relating to prior years		14,234	(62,103)
- Deferred tax		(115,403)	45,189
viii Profit for the year (vi-vii)		<u>23,065,122</u>	<u>17,782,281</u>
Earnings per share (of ₹ 10/- each)			
- Basic		389.61	300.38
- Diluted		389.61	300.38

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

For and on behalf of the Board of Directors
of LUDHIANA STOCK AND CAPITAL LIMITED
(formerly Ludhiana Stock Exchange Limited)

(Jagmohan Krishan)
Chairperson
DIN-01127557

(Anup Kumar Jain)
Director
DIN-01859016

PLACE : LUDHIANA
DATED : 11-08-2015

(Ashwani Kumar)
Corporate Advisor
PAN-ACBPK0351M

LUDHIANA STOCK AND CAPITAL LIMITED

(Formerly Ludhiana Stock Exchange Limited)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2015

(Amount in Rs.)

	PARTICULARS	2014-15	2013-14
1.	Cash Flow from Operating Activity		
	Net Profit Before Tax & Extra Ordinary Item	27,163,953	21,491,367
	Non-Cash & Non-Operating adjustments for:		
	Depreciaton and amortisation	2,283,564	1,589,185
	Interest Income	(11,808,433)	(14,061,224)
	Dividend Income	(7,994,580)	(3,997,290)
	Net gain on sale of fixed assets	-	(107,830)
	Bad debts w/o recovered	-	(461,764)
	Operating Profit Before W.C. changes	9,644,504	4,452,444
	<u>(Increase)/Decrease in Current Assets:</u>		
	Trade receivables	1,465,601	(1,082,773)
	Inventory	84,749	(1,082)
	Short Term Loans & Advances	7,018,761	(5,156,496)
	Other Current Assets	51,161,509	14,994,177
	<u>(Increase)/Decrease in Non-Current Assets:</u>		
	Long Term loans & advances	188,793	(76,851)
	Other non-current assets	(6,936,825)	25,451,600
	<u>Increase/(Decrease) in Current Liabilities:</u>		
	Trade Payables	(638,258)	(744,247)
	Short Term Provisions	108,294	(191)
	Short Term Borrowings	-	-
	Other Current Liabilities	(3,990,771)	(14,744,215)
	<u>Increase/(Decrease) in Non- Current Liabilities:</u>		
	Other long term liabilities	(22,550,199)	622,118
	Long-term provisions	(177,707)	20,364
	Cash Generated From Operation	35,378,451	23,734,848
	Direct Tax expenses	(5,443,177)	(1,277,617)
	Cash Flow Before Extra-Ordinary Items	29,935,274	22,457,231
	Less: Item of exceptional nature		
	Payments made on account of ISF	(181,032)	(18,008,737)
	Payments made on account of SGF:	(1,355,000)	-
	Net Cash Flow From Operating Activity (A)	28,399,242	4,448,494

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2.	Cash Flow From Investing Activity		
	Sale Proceeds of Fixed Assets	-	189,333
	Interest Recd.	11,808,433	14,061,224
	Dividend Recd from Subsidiary	7,994,580	3,997,290
	Purchase of Fixed Assets	(69,045)	(475,709)
	Investment in bank deposits with maturity more than three months	(3,589,378)	(21,994,254)
	Net Cash Flow From Investing Activity (B)	16,144,590	(4,222,116)
3.	Cash Flow From Financing Activity		
	Dividend Paid	(33,579,800)	-
	Dividend Distribution Tax	(5,503,480)	-
	Net Cash Flow From Financing Activity (C)	(39,083,280)	-
4.	Net Inc./Dec. in Cash & Cash Equivalents (A)+(B)+(C)	5,460,552	226,378
5.	Opening Balance of Cash & Cash Equivalents	6,473,413	6,247,035
6.	Closing Balance of Cash & Cash Equivalents (4)+(5)	11,933,965	6,473,413

Cash and Cash Equivalents:

Cash on hand	22106	36649
Cheques issued but not cleared	7500	0
Balances with Banks:		
In current accounts	764235	451296
Deposits with maturity period less than 3 months	11140124	5985468
	11933965	6473413

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.

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 : 11-08-2015

For and on behalf of the Board of Directors
of LUDHIANA STOCK AND CAPITAL LIMITED
(formerly Ludhiana Stock Exchange Limited)

(Jagmohan Krishan)
Chairperson
DIN-01127557

(Anup Kumar Jain)
Director
DIN-01859016

(Ashwani Kumar)
Corporate Advisor
PAN-ACBPK0351M

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

1. CORPORATE INFORMATION

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

2. SIGNIFICANT ACCOUNTING POLICIES

a) Accounting Convention

The accounts are prepared on accrual basis under the historical cost convention 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

- I. Listing fee is recognized in respect of those companies, where it is reasonably certain that the ultimate collection will be made.
- II. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- III. Dividend from investment in share is recognized when right to receive payment is establishe

d) Fixed Assets

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

e) Intangible Assets

Intangibles are stated at cost less accumulated amount of amortization.

f) Depreciation

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

g) Amortization

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

h) Inventories

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

i) Retirement Benefits:

1) Short Term Employee Benefits:

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

2) Post Employment Benefits:

i) Defined Contribution Plans:

Provident Fund:

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

ii) Defined Benefit Plans:

Gratuity:

Provision for Gratuity liability to employees is made on the basis of actuarial valuation as at close of the year.

3) The actuarial gain/loss is recognized in the statement of profit and loss.

j) Investments.

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

k) Borrowing Costs.

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

l) 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.

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 difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period.

n) 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.

o) Provisions and Contingent Liabilities

a. Provisions are recognized for liabilities that can be measured by using a substantial degree of estimation, if :

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

b. Contingent liability is disclosed in the case of :

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

3 Share Capital

PARTICULARS	AS AT 31-03-2015		AS AT 31-03-2014	
	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
	60,200	592,000	60,200	592,000
Add : Forfeited shares (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

Equity Shares	AS AT 31-03-2015		AS AT 31-03-2014	
	Number	₹	Number	₹
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. Aggregate number and class of shares allotted (a) as fully paid up pursuant to contract(s) without payment being received in cash, (b) as fully paid up by way of bonus shares and (c) aggregate number and class of shares bought back (d) forfeited shares (amount originally paid up) during the period of five years immediately preceding the balance sheet date:

	AS AT 31-03-2015	AS AT 31-03-2014
	Number	Number
- Equity shares allotted as fully paid up pursuant to contract(s) without payment being received in cash	-	-
- Equity shares allotted as fully paid up by way of bonus shares	-	-
- Equity shares bought back by the company	-	-
- Forfeited shares (amount originally paid up)	1000 (₹10,000/-)	1000 (₹10,000/-)

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

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4 Reserves and surplus

PARTICULARS	AS AT 31-03-2015 ₹	AS AT 31-03-2014 ₹
Capital reserve		
Balance as per last financial statements	117,751,541	117,751,540
Add : Transferred from Settlement Guarantee Fund	34,970,254	-
	<u>152,721,795</u>	<u>117,751,540</u>
Other reserves :		
General reserve		
Balance as per last financial statements	3,951,100	3,951,100
Add : Transferred from Settlement Guarantee Fund	31,810,215	-
Add : Transferred from surplus in statement of profit and loss	1,000,000	-
	<u>36,761,315</u>	<u>3,951,100</u>
Investor services fund		
Balance as per last financial statements	59,695	16,763,422
Add : Transferred from surplus in statement of profit and loss	121,337	1,305,010
Less: Utilised during the year	180,580	457,434
Less: Payment made to SEBI {Refer note no.37}	452	17,551,303
Closing Balance	<u>0</u>	<u>59,695</u>
Settlement guarantee fund		
Balance as per last financial statements	68,135,469	59,472,399
Add: Transferred from surplus in statement of profit and loss	-	8,663,070
Less : Transferred to Capital Reserve {Refer note no. 36}	34,970,254	-
Less : Transferred to General Reserve	31,810,215	-
Less : Transferred to Members Account	-	-
Closing Balance	<u>1,355,000</u>	<u>68,135,469</u>
Surplus i.e. balance in statement of profit and loss		
Balance as per the last financial statements	30,539,487	22,725,286
Add : Profit for the year transferred from statement of profit and loss	23,065,122	17,782,281
	<u>53,604,609</u>	<u>40,507,567</u>
Less : Income transferred to funds :		
a) Settlement guarantee fund {refer note 28(d)}	-	4,217,500
b) Investor services fund {refer note 28(d)}	-	958,709
Less : Appropriations :		
Appropriation to investor services fund {refer note 30(c)}	121,337	346,301
Transferred to settlement guarantee fund	-	4,445,570
Dividend Paid (Interim)	35,520,000	-
Corporate Dividend Tax	5,503,480	-
Transferred to General Reserve	1,000,000	-
Closing Balance	<u>11,459,793</u>	<u>30,539,487</u>
Total	<u>200,942,902</u>	<u>220,437,291</u>

5 Deferred tax liabilities

PARTICULARS	AS AT 31-03-2015 ₹	AS AT 31-03-2014 ₹
Deferred tax liabilities		
Impact of difference between book balance and tax balance of fixed assets	8,827	124,230
	<u>8,827</u>	<u>124,230</u>

6 Other long-term liabilities

PARTICULARS	AS AT 31-03-2015 ₹	AS AT 31-03-2014 ₹
Others :		
Retention money	3,435,054	3,435,054
Security from members	13,299,141	36,126,855
Security from others	11,226,900	10,949,385
	<u>27,961,095</u>	<u>50,511,294</u>

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7 Long-term provisions

PARTICULARS	AS AT 31-03-2015 ₹	AS AT 31-03-2014 ₹
Provision for employee benefits :		
Leave encashment	-	177,707
	<u>-</u>	<u>177,707</u>

8 Trade payables

PARTICULARS	AS AT 31-03-2015 ₹	AS AT 31-03-2014 ₹
Trade payable		
Other than acceptances	139,964	778,222
	<u>139,964</u>	<u>778,222</u>

9 Other current liabilities

PARTICULARS	AS AT 31-03-2015 ₹	AS AT 31-03-2014 ₹
Income received in advance	35,000	155,299
Unpaid dividend	2,286,130	345,930
Due to Members	1,355,000	-
Other payables		
- Statutory remittances**	183,528	116,234
- Due to employees	337,614	267,062
- Due to ex-members	253,140	1,343,654
- Expense payable #	5,140,360	7,181,011
- Earnest money for membership	25,000	25,000
- Advances from members	3,500,594	3,588,140
- Payables on purchase of fixed assets	-	18,000
- Security from members	8,638,832	13,197,985
- Customer protection fund	-	238,264
- Cheques issued but not yet presented	3,046,006	479,736
- Other payables	470,609	366,069
	<u>25,271,813</u>	<u>27,322,384</u>

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

Includes ₹nil (previous year ₹nil) due to directors of the company.

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

10 Short-term provisions

PARTICULARS	AS AT 31-03-2015 ₹	AS AT 31-03-2014 ₹
Provision for employee benefits :		
Leave encashment	157,649	49,355
	<u>157,649</u>	<u>49,355</u>

11 FIXED ASSETS

(Amount in ₹)

PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION				NET BLOCK	
	Balance as at 1st April, 2014	Additions	Disposal as at 31st March, 2015	Balance as at 1st April, 2014	Depreciation/ amortisation expenses during the year	Eliminated on disposal of assets	Balance as at 31st March, 2015	Balance as at 31st March, 2014	
a) Tangible Assets									
Freehold Land	65,742,904	-	-	-	-	-	65,742,904	65,742,904	
Buildings	38,654,596	-	-	24,298,489	726,317	-	13,629,790	14,356,107	
Plant and Equipments	27,893,316	-	-	24,486,695	701,789	-	2,704,832	3,406,621	
Office Equipments	8,240,342	42,950	-	6,922,637	778,325	-	582,330	1,317,705	
Furniture and Fixtures	512,645	26,095	-	496,094	3,275	-	39,371	16,551	
Vehicles	637,923	-	-	485,899	54,390	-	97,634	152,024	
Total (a)	141,681,726	69,045	-	56,689,814	2,264,096	-	82,796,861	84,991,912	
b) Intangible Assets									
Computer Software	295,500	-	-	217,628	19,468	-	58,404	77,872	
Total (b)	295,500	-	-	217,628	19,468	-	58,404	77,872	
Grand Total (a + b)	141,977,226	69,045	-	56,907,442	2,283,564	-	82,855,265	85,069,784	
Previous year	142,057,525	475,709	556,008	55,792,758	1,589,185	474,501	85,069,784	-	

Notes :- Intangible assets are not internally generated.

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12 Non current investments

PARTICULARS	AS AT 31-03-2015 ₹	AS AT 31-03-2014 ₹
Long term investments		
Trade (cost)		
Investment in equity instruments of subsidiary company 3331075 (previous year 3331075) equity shares of ₹10/- fully paid up of LSE Securities Limited	34,517,625	34,517,625
	<u>34,517,625</u>	<u>34,517,625</u>

13 Long-term loans and advances

PARTICULARS	AS AT 31-03-2015 ₹	AS AT 31-03-2014 ₹
(Unsecured considered good)		
Security deposits	562,921	562,921
Prepaid expenses	-	1,152
Loans and advances to employees #	-	187,640
Advance income tax {net of provision for tax ₹1,86,56,500/- (Previous year ₹1,78,66,100/-)}	9,510,317	8,281,374
	<u>10,073,238</u>	<u>9,033,087</u>

14 Other non-current assets

PARTICULARS	AS AT 31-03-2015 ₹	AS AT 31-03-2014 ₹
(Unsecured considered good)		
Others :		
Members security :		
- Held as fixed deposits	12,494,841	27,613,433
- Held as members investment	812,781	812,781
Security received from others (as fixed deposits)	327,515	327,515
Non current bank balances (refer note no. 17)	43,404,309	22,092,202
Recoverable from Customer Protection Fund	125,844	-
Interest accrued on fixed deposits	2,147,191	1,529,726
	<u>59,312,482</u>	<u>52,375,657</u>

15 Inventories

PARTICULARS	AS AT 31-03-2015 ₹	AS AT 31-03-2014 ₹
(At cost or net realisable value, whichever is lower) :		
Stationery stock	-	84,749
	<u>-</u>	<u>84,749</u>

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16 Trade receivables

PARTICULARS	AS AT 31-03-2015 ₹	AS AT 31-03-2014 ₹
Trade receivables outstanding for a period exceeding six months from the date they are due for payment :		
- Secured, considered good	2,365,670	2,877,086
- Unsecured, considered good	21,170	486,392
- Unsecured, considered doubtful	-	287,785
	2,386,840	3,651,263
Less : Allowances for doubtful trade receivables	-	287,785
	2,386,840	3,363,478
Other trade receivables		
- Secured, considered good	1,809,350	2,852,751
- Unsecured, considered good	646,921	92,483
	2,456,271	2,945,234
	4,843,111	6,308,712

17 Cash and bank balances

PARTICULARS	AS AT 31-03-2015 ₹	AS AT 31-03-2014 ₹
Cash and cash equivalents		
a) Balances with banks		
- In current accounts	764,235	451,296
- Deposits with maturity of less than three months	11,140,124	5,985,468
b) Cash in hand	22,106	36,649
c) Cheques deposited but not cleared	7,500	-
Other Bank Balances :		
a) Earmarked balances with banks :		
- Dividend account	2,286,130	345,930
b) Deposits with maturity more than three months but less than twelve months	40,300,733	36,711,354
c) Deposits with more than twelve months maturity but less than thirty six months	41,929,309	22,092,202
d) Deposits with more than thirty six months	1,475,000	-
Others :		
Earmarked fixed deposits with banks :		
- Settlement Guarantee Fund (SGF)	-	56,062,349
	97,925,137	121,685,248
Less: Amounts disclosed as other non current assets (refer note 14)	43,404,309	22,092,202
	54,520,828	99,593,046

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18 Short-term loans and advances

PARTICULARS	AS AT 31-03-2015 ₹	AS AT 31-03-2014 ₹
(Unsecured considered good)		
Loans and advances to related parties (refer note 38)	300,832	364,952
Others:		
Advance to suppliers	473	69,221
Loans and advances to employees' #	280,387	290,752
Prepaid expenses	130,872	112,181
Interest accrued on fixed deposits :		
- Own funds	4,766,820	5,131,167
- Earmarked funds**	-	6,296,021
Other recoverables :		
- Considered good	521,678	755,529,
- Considered doubtful	1,425,654	1,425,654
	1,947,332	2,181,183
Less: Allowances for Doubtful Advances	1,425,654	1,425,654
	<u>6,001,062</u>	<u>13,019,823</u>

19 Other Current Assets :

PARTICULARS	For the year ended 31-03-2015 ₹	For the year ended 31-03-2014 ₹
Members Security		
- Held as fixed deposits	2,960,641	-
	<u>2,960,641</u>	<u>-</u>

20 Revenue from operations

PARTICULARS	For the year ended 31-03-2015 ₹	For the year ended 31-03-2014 ₹
Other operating revenues :		
- Membership fee	263,439	297,000
- Listing fee	651,873	1,883,485
- Transfer fee received	17,250	46,100
- Miscellaneous	31,800	154,100
Revenue from operations	<u>964,362</u>	<u>2,380,685</u>

21 Income from investments and deposits

PARTICULARS	For the year ended 31-03-2015 ₹	For the year ended 31-03-2014 ₹
Interest received :		
- From banks (Gross) {TDS ₹10,73,443/- (previous year ₹13,37,899/-)}	11,694,798	13,224,319
- From others	113,635	836,905
Dividend income from long term trade investments		
- Subsidiary	7,994,580	3,997,290
	<u>19,803,013</u>	<u>18,058,514</u>

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22 Other Income

PARTICULARS	For the year ended 31-03-2015 ₹	For the year ended 31-03-2014 ₹
Rent Received	27,044,915	25,075,752
Income from training and education cell (net of expenses)	454,108	407,218
Bad debts recovered	158,328	461,764
Net gain on sale of fixed assets	-	107,830
Miscellaneous receipts	8,740,816	7,245,514
Previous year Income	1,200	-
	<u>36,399,367</u>	<u>33,298,078</u>

23 Employee benefits expenses

PARTICULARS	For the year ended 31-03-2015 ₹	For the year ended 31-03-2014 ₹
Salaries and wages	5,263,547	4,903,127
Contribution to provident and other funds	730,533	998,709
Staff welfare expenses	290,556	229,740
	<u>6,284,635</u>	<u>6,131,576</u>

24 Other Expenses

PARTICULARS	For the year ended 31-03-2015 ₹	For the year ended 31-03-2014 ₹
Contribution to customer protection fund	9,711	808,299
Fee to SEBI	118,308	100,000
Contribution to SEBI towards IPEF {Refer note 37}	2,000,000	-
Electricity and water	8,820,457	9,146,463
Repairs and maintenance - Plant and machinery	399,724	388,193,
Repairs and maintenance - Buildings	62,086	289,289
Insurance	239,497	186,388
Rates and taxes	225,714	3,190,374
Legal and professional	386,508	776,372
Travelling and conveyance :		
- Directors	132,509	130,747
- Others	80,512	87,825
Printing and stationery	271,270	433,383
Auditors' Remuneration :		
- Audit fee	80,000	90,000
- Tax audit	15,000	15,000
- Income tax matters	15,000	15,000
- In other capacity	10,000	11,250
- Reimbursement of expenses	23,142	14,099
Internal Auditors' Remuneration :		
- Audit fee	40,000	40,000
- Reimbursement of expenses	26,000	26,000
Board and committee meetings expenses	46,633	88,202
General meetings of members	15,786	138,377
Directors' sitting fee	194,500	521,500
Communication expenses	473,797	494,058
Prior period items	163,198	35,368
Balance written off	2,631,465	
Less : Excess provision written back	<u>287,785</u>	
Security charges	3,865,867	3,373,099
Interest on members security	-	520,000
Service Tax under VCES	108,008	2,608,308
Miscellaneous	1,267,685	997,555
	<u>21,434,589</u>	<u>24,525,149</u>

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. a) In view of exit of the company as Stock Exchange , the Company has not made provision for income in respect of listing fee from Companies. However, Company has received Rs. 7,49,010/- towards listing fee during the year, the recognition of which was postponed in earlier years in accordance with the accounting policy adopted by the Company for recognition of revenue in respect of listing fee.
- b) The listing fee received from various Companies is shown net of Rs. 97,137/-(previous year Rs. 2,65,731/-) being the contribution made to SEBI.
27. As per SEBI directives, the Company has contributed Rs. 9,711/- (previous year Rs. 25,631/-) being 1% of the Listing Fee received during the year and Rs. Nil (previous year Rs. 7,82,668/-) the amount of interest earned on security deposits received from companies against listing to Customer Protection Fund (CPF).
28. a) The Company has received interest of Rs. NIL (previous year Rs. 55,62,104/-) on the deposits made out of funds contributed towards Settlement Guarantee Fund.
- b) The Company has also received interest of Rs. NIL (previous year Rs. 14,19,154/-) on the deposits made out of funds for investor services.
- c) The company has also contributed 20% of the Listing Fee received amounting to Rs. 1,21,337/-- (previous year Rs. 3,46,301/-) (net of income tax at applicable rate) towards funds for Investor Services as per SEBI directives.
- d) The interest received as stated in para (a) and (b) above has been recognized as income in the statement of profit and loss of the year. Thereafter the net amount of interest (i.e. income credited to statement of profit and loss less applicable rate of income tax to the company) of Rs. Nil (previous year Rs. 42,17,500/-) and Rs. Nil (previous year Rs. 9,58,709/-) has been appropriated to Settlement Guarantee Fund and Investor Service Fund respectively.
29. The company is a single segment company. Therefore segment information as per Accounting Standard (AS) – 17 "Segment Reporting" is not required to be disclosed.
30. i) The company had received scrips of various companies from members as security against the performance of the contracts, deposited towards Base Minimum Capital (BMC), Additional Base Minimum Capital and other margins etc. Such scrips are lying in the company have been recorded in the memoranda records maintained by the company. No accounting entries passed in the books of accounts.
- ii) In case of defaulters and suspended members the company has 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.
31. 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.
32. The company has utilized Rs. 1,80,580/- (previous year Rs. 4,57,434/-) out of the Investor Services Fund. The details of the expenses incurred are as under: -

(Amount in Rs.)			
S. No.	Particulars	2014-15	2013-14
1.	Bulletin & News Papers , Books & Periodicals	33,036	28,718
2.	Investor's Meetings & Seminars	13,503	1,120
3.	Salaries & Allowance	62,348	3,14,376
4.	Refreshment Charges	13,646	22,564
5.	Investor Awareness Publication Expenses.	14,140	89,251
6.	Certification Fees	-	1,405
7.	House Keeping	25,746	-
8.	Others	18,161	-
	TOTAL	1,80,580	4,57,434

33. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

(Amount in ₹)

Sr. No.	Particulars	As at 31st March, 2015	As at 31st March, 2014
1	Principal amount remaining unpaid to any supplier as at the end of accounting period	-	-
2	Interest due on remaining unpaid to any supplier as at the end of the accounting period	-	-
3	The amount of interest paid along with the amounts of the the payment made to the supplier beyond the appointed day	-	-
4	The amount of interest due and payable for the year	-	-
5	The amount of interest accrued and remaining unpaid at the end of accounting year	-	-
6	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

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

34. The shareholders of the company in its Extraordinary General Meeting held on July 5, 2013 passed the resolution and approved the voluntary surrender of Recognition of status of Stock Exchange in accordance with the exit policy for "Derecognized/ Non operational Stock exchanges" and the SEBI in its order dated 30 December 2014 has allowed the exit of company as a Stock Exchange.

The Management is of the view that mere allowing the exit of the company as a Stock exchange is not the event covered under the provisions of Accounting Standard 24 "Discontinuing Operations". Therefore the disclosures requirement in paragraph 20, 23 and 26 of the said Accounting Standard are not applicable.

Further the Management has no intention to liquidate the company or to ceases its present operations. The Management is also in the process of development or establishment of alternative business of the company. The Management is also of the opinion that mere Exit of company as Stock Exchange does not affect the going concern assumption in the preparation and presentation of the financial statements of the company. Therefore, the financial statements for the year have been prepared on going concern basis.

35. 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.

36. The Company had created a Settlement Guarantee Fund as per the directive of SEBI vide notification No. SMD/Policy/SGF/CIR-13/97 dated 09th June 1997. The Company and its members had contributed an initial contribution of Rs. 1,00,00,000/- and Rs. 13,55,000/- respectively. The Company has been maintaining a separate set of books of account for the said fund and had made certain earmarked investments out of the fund so created.

The company had contributed interest earned on these earmarked investments and also appropriated certain sum to the fund as per SEBI directive besides annual contribution by the members.

Now with the Exit Order of SEBI, the Settlement Guarantee Fund is no longer necessary to be retained and the company has decided to transfer a sum of Rs. 3,49,70,254/- being the amount contributed upto the date of demutualization (i.e. the date on which company is converted from not for profit to for profit entity) to Capital Reserve.

The initial contribution of Rs. 13,55,000/- from its members is being refunded as per the directions of SEBI.

The balance amount of Rs. 3,18,10,215/- contributed by the company to the fund after demutualization has been transferred to General Reserve.

37. The company has transferred Rs. 452/- (Previous year 1,75,51,303/-) being the balance outstanding in the Investor Services Fund and further contributed Rs. 20,00,000/- to Investor Protection and Education Fund of the SEBI.

38. Related Party Disclosure:

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

- | | |
|-----------------------------|---|
| 1. Subsidiary | LSE Securities Limited |
| 2. Key Management Personnel | Mrs. Pooja M. Kohli, upto 31st March,2015 |
| 3. Entities under control | Stock Exchange Customer Protection fund |

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

Particulars	Key Management Personnel (KMP)		Subsidiary	
	2014-15	2013-14	2014-15	2013-14
Rent received including maintenance charges	-	-	43,23,060	43,23,060
Dividend received	-	-	79,94,580	39,97,290
Payment to KMP As Remuneration	8,47,364	7,89,807	-	-
Due from subsidiary	-	-	3,00,831	3,64,952

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

Particulars	2014-15	2013-14
Contribution to CPF (a proportionate amount of Listing Fee Received)	9,711	25,361
Allocation of Interest to CPF	-	7,82,668

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

39. 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.

S. No.	Particulars	2014-15	2013-14
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 (₹)	2,30,65,122	1,77,82,281
3.	Earnings per share (Basic)	389.61	300.38
4.	Earnings per share (Diluted)	389.61	300.38
5.	Nominal Value of Per Equity Share (₹)	10	10

40. 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.

41. Depreciation for the year has been provided on Written Down Value Method on the basis of useful lives specified in the Schedule-II to the Companies Act, 2013 as against the amount of depreciation calculated on the basis of rates of depreciation in respect of various tangible fixed assets contained in Schedule XIV to the Companies Act 1956 upto last year.

In view of this change, carrying amounts after retaining residual value of various tangible assets where the useful life is nil as on 1st April, 2014 has been charged to profit and loss.

In other cases, the carrying amounts as at 1st April, 2014 have been depreciated over the revised remaining useful life of the asset as per Schedule II. The depreciation for the year is higher by Rs. 7,55,826/- on account of this change and accordingly the profit for the year is lower by this extent.

42. The Company has decided not to accumulate leaves earned by the employees and accordingly paid the entire accumulated leaves to the various employees during the year. The Company has made provisions of Rs. 1,57,640/- for the leave earned by employees during the year on accrual basis.

43. 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)		Leave Encashment (Unfunded)	
	2014-15	2013-14	2014-15	2013-14
Present value obligation as at beginning of the year	19,62,214	14,21,240	-	1,57,343
Interest cost	1,53,025	1,28,073	-	7,706
Current service cost	20,930	28,642	-	1,67,969
Benefits paid	(25,697)	(27,689)	-	1,45,334
Actuarial Loss/(gain) on obligations	1,46,043	4,11,948	-	9,977
Present value of obligation as at close of year #	22,56,515	19,62,214	-	1,77,707

Includes short term gratuity liability of ₹ 26,698/- (previous year ₹ 27,710/-)

(b) Changes in the Present Value of Plan Asset:

(Amount in ₹)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2014-15	2013-14	2014-15	2013-14
Fair value of Plan Assets as at beginning of the year	19,88,305	16,23,595	-	-
Expected return on Plan Assets	1,81,713	1,51,688	-	-
Contributions	2,15,983	2,47,664	-	-
Withdrawals/ Benefits paid	(39,156)	(27,689)	-	(1,45,334)
Actuarial Loss/(gain) on Plan Assets	10,837	(6,953)	-	-
Fair value of Plan Assets as at close of year	23,57,682	19,88,305	-	-

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

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(c) Amount recognized in Balance Sheet :

(Amount in ₹)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2014-15	2013-14	2014-15	2013-14
Present value obligation as at close of the year	22,56,515	19,62,214	-	1,77,707
Fair value of Plan Assets as at close of the year	23,57,682	19,88,305	-	-
Funded Status	1,01,167	26,091	-	(1,77,707)
Net Assets/ (Liability) recognized in Balance Sheet	(1,01,167)	(26,091)	-	1,77,707

(d) Expense Recognized in Statement of Profit and Loss:

(Amount in ₹)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2014-15	2013-14	2014-15	2013-14
Current service cost	20,930	28,642	-	1,67,969
Interest cost	1,53,025	1,28,073	-	7,706
Expected return on Plan Assets	(1,81,713)	(1,51,688)	-	-
Net Actuarial Loss/(gain) recognized in the year	1,35,206	4,18,901	-	(9,977)
Expenses recognized in Statement of profit and loss	1,27,448	4,23,928	-	1,65,698

(e) Principle actuarial assumptions:

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2014-15	2013-14	2014-15	2013-14
Discount Rate (per annum)	7.85%	9.10 %	-	9.10%
Rate of increase in compensation levels (per annum)	1.00%	1.00%	-	1.00%
Rate of return on plan assets (per annum)	8.75%	8.75%	N.A.	N.A.
Expected Average remaining working lives of employees (years)	14.29	15.73	-	15.73
Method Used	IAL 2006-2008 Ultimate		Projected Unit Credit Method	

- f) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employee market.
- g) During the year, the company has recognized an expense of Rs. 4,14,952/- (previous year Rs. 3,56,717/-) 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.
- i) The leave encashment is no longer Post Employment Benefit.(Refer Note No. 42)
44. Figures in brackets indicate deductions. The amount has been rounded off to the nearest rupee.
45. Previous year's figures have been regrouped/restated wherever necessary to confirm to its classification of the current year.
46. The information required by the paragraph 5 of general instructions for preparation of the statement of profit and loss as per Revised Schedule VI of the Companies Act, 1956 is not applicable to the company.

**For and on behalf of the Board of Directors
of LUDHIANA STOCK AND CAPITAL LIMITED
(formerly Ludhiana Stock Exchange Limited)**

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

**(Anup Kumar Jain)
Director
DIN-01859016**

PLACE : LUDHIANA
DATED : 11-08-2015

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



**CONSOLIDATED
FINANCIAL
STATEMENTS**

INDEPENDENT AUDITOR'S REPORT

To
The Members
Ludhiana Stock and Capital Limited
(Formerly Ludhiana Stock Exchange Limited)

Report on the Consolidated Financial Statements

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, 2015, 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.

Management's Responsibility for the Consolidated Financial Statements

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

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.

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.

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.

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

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:

- a. In the case of the consolidated balance sheet, of the state of affairs of the Group as at 31st March, 2015;
- b. In the case of the consolidated statement of profit and loss, of the profit for the year ended on that date; and
- c. In the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of Rs. 305.12 crore as at 31st March, 2015, total revenues of Rs.4.86 crore and net cash flows amounting to Rs.(0.38) 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 these subsidiaries 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.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the holding company and its subsidiary company, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 reports of the other auditors.
 - (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, 2015 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 companies is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) 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 foreseeable losses on long term contracts including derivative contracts.
 - (iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund, by the holding Company and its subsidiary company.

For S.C. VASUDEVA & CO.
Chartered Accountants,
Firm Regn. No. 000235N

(Sanjiv Mohan)
Partner
M. No. 86066

PLACE: LUDHIANA
DATED: 11-08-2015

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of even date)

- (i) In respect of the fixed assets of the holding company and subsidiary company:
- (a) The respective companies have maintained proper records showing full particulars including quantitative details and the situation of fixed assets.
- (b) According to the information and explanations given to us and other auditors, the management of the respective companies has adopted a phased program of physical verification of the fixed assets which, in our opinion and opinion of other auditors, is reasonable. Discrepancies noticed on such physical verification were not material and have been properly dealt with in the books of account of respective companies.
- (ii) The provisions of clause 4(ii) of the above said order are not applicable to the company. However, the subsidiary company held stock of saleable stationery as on 31st of March, 2015, valued at cost or net realizable value, whichever is lower.
- (iii) The holding company and subsidiary company have not granted any secured or unsecured loans to the parties covered in the register maintained under section 189 of the Companies Act. Accordingly, the provisions of clauses iii(a) and iii(b) of the order are not applicable.
- (iv) In our opinion and opinion of other auditors and according to the information and explanations given to us and other auditors, there are adequate internal control systems commensurate with the size of the holding company and subsidiary company and the nature of their business for the purchase of fixed assets and for the receipt of listing fee, membership fee, interest, rent and other services. During the course of our audit and other auditors' audit, we and other auditors have not observed any continuing failure to correct major weaknesses in internal control systems.
- (v) According to the information and explanations given to us and other auditors, the holding company and subsidiary company have not accepted deposits from public during the year covered under the provisions of section 73 or 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules 2014. According to the information and explanation given to us, no order under its aforesaid sections has been passed by the Company Law Board or the Reserve Bank of India or any Court or any other Tribunal on the Company.
- (vi) The provisions of clause 4(vi) of the above said order are not applicable to the company.
- (vii) According to the information and explanations given to us and other auditors and records of the holding company and subsidiary company examined by us and other auditor:
- (a) The respective companies have been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of custom, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts in respect of statutory dues payable were outstanding as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
- (b) the disputed statutory dues that have not been deposited on account of matters pending before the appellate authorities in respect of service tax by the subsidiary company is given below:

Nature of Dues/Name of Statute	Amount (Rs.)	Financial Year to which it relates	Forum where dispute is pending
The Finance Act, 1994	2,25,942	2005-06	Service Tax Commissioner (Appeals)

- (c) There was no amount required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made there under.
- (viii) The companies does not have accumulated losses and have not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) The holding company and subsidiary company have not borrowed any loan from any financial institution or bank. Therefore, the provisions of clause 4(ix) of the above said order are not applicable to the company.
- (x) In accordance with the information and explanations given to us and other auditors, the holding company and subsidiary company have not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) In our opinion and opinion of other auditors and according to the information and explanations given to us another auditors, the holding company and subsidiary company have not raised any term loan during the year.
- (xii) According to the information and explanation given to us and other auditors, no fraud on or by the holding company and subsidiary company has been noticed or reported during the course of audit.

**For S.C. VASUDEVA & CO.
Chartered Accountants,
Firm Regn. No. 000235N**

**PLACE: LUDHIANA
DATED: 11-08-2015**

**(Sanjiv Mohan)
Partner
M. No. 86066**

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LUDHIANA STOCK AND CAPITAL LIMITED (Formerly Ludhiana Stock Exchange Limited) CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2015

Particulars	Note no.	As at 31-03-2015 ₹	As at 31-03-2014 ₹
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
a) Share capital	2	602,000	602,000
b) Reserves and surplus	3	227,683,686	249,400,896
		<u>228,285,686</u>	<u>250,002,896</u>
2 Minority Interest			
a) Share capital		31,107,000	31,107,000
b) Reserves and surplus		70,001,697	68,510,501
		<u>101,108,697</u>	<u>99,617,501</u>
3 Non-current liabilities			
a) Long-term borrowings		-	-
b) Deferred tax liabilities (net)	4	90,827	317,230
c) Other long term liabilities	5	55,606,430	89,400,353
d) Long-term provisions	6	-	177,707
		<u>55,697,257</u>	<u>89,895,290</u>
4 Current liabilities			
a) Short-term borrowings		-	-
b) Trade payables	7	207,018,435	159,936,725
c) Other current liabilities	8	2,678,850,269	1,905,589,454
d) Short-term provisions	9	517,669	5,330,794
		<u>2,886,386,373</u>	<u>2,070,856,973</u>
TOTAL		<u>3,271,478,013</u>	<u>2,510,372,660</u>
II ASSETS			
1 Non-current assets			
a) Fixed assets	10		
i) Tangible assets		84,162,100	86,193,510
ii) Intangible assets		525,174	436,651
		<u>84,687,275</u>	<u>86,630,161</u>
b) Non-current investments	11	6,764,000	6,764,000
c) Long-term loans and advances	12	54,959,442	52,583,592
d) Other non-current assets	13	119,550,844	85,132,832
		<u>265,961,561</u>	<u>231,110,585</u>
2 Current assets			
a) Current investments		-	-
b) Inventories	14	28,907	92,153
c) Trade receivables	15	171,952,826	108,390,318
d) Cash and bank balances	16	255,279,264	332,588,041
e) Short-term loans and advances	17	19,326,478	24,640,827
f) Other current assets	18	2,558,928,977	1,813,550,736
		<u>3,005,516,452</u>	<u>2,279,262,075</u>
TOTAL		<u>3,271,478,013</u>	<u>2,510,372,660</u>

See accompanying notes to the financial statements

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

(Sanjiv Mohan)
Partner
M. No. 086066

For and on behalf of the Board of Directors
of LUDHIANA STOCK AND CAPITAL LIMITED
(formerly Ludhiana Stock Exchange Limited)

(Jagmohan Krishan)
Chairperson
DIN-01127557

(Anup Kumar Jain)
Director
DIN-01859016

PLACE : LUDHIANA
DATED : 11-08-2015

(Ashwani Kumar)
Corporate Advisor
PAN-ACBPK0351M

LUDHIANA STOCK AND CAPITAL LIMITED

(Formerly Ludhiana Stock Exchange Limited)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31st MARCH, 2015

Particulars	Note no.	For the year ended 31-03-2015 ₹	For the year ended 31-03-2014 ₹
i Revenue from operations	19	23,831,711	24,886,304
ii Income from investment & deposits	20	36,741,677	36,838,342
iii Other income	21	33,353,591	31,873,573
iv Total revenue (i+ii)		93,926,978	93,598,219
v Expenses :			
Employee benefits expense	22	19,906,203	17,836,466
Finance costs	23	488,390	224,285
Depreciation and amortization expense		2,399,047	2,313,979
Other expenses	24	33,793,615	36,024,108
Total expenses		56,587,255	56,398,838
vi Profit before tax and minority interest (iv-v)		37,339,723	37,199,381
vii Tax expense :			
- Current tax expense for current year		10,085,000	9,680,000
- Current tax expense relating to prior years		(82,058)	88,342
- Deferred tax		(226,403)	130,189
viii Profit after tax but before minority interest (vi-vii)		27,563,185	27,300,850
ix Minority interest		5,829,596	6,526,740
x Profit after tax and minority interest (viii-ix)		21,733,589	20,774,110
Earnings per share (of ₹10/- each)			
- Basic		367.12	350.91
- Diluted		367.12	350.91

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 : 11-08-2015

For and on behalf of the Board of Directors
of LUDHIANA STOCK AND CAPITAL LIMITED
(formerly Ludhiana Stock Exchange Limited)

(Jagmohan Krishan)
Chairperson
DIN-01127557

(Anup Kumar Jain)
Director
DIN-01859016

(Ashwani Kumar)
Corporate Advisor
PAN-ACBPK0351M

LUDHIANA STOCK AND CAPITAL LIMITED

(formerly Ludhiana Stock Exchange Limited)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2015

(Amount in Rs.)

	2014-15	2013-14
1. Cash Flow from Operating Activity		
Net Profit Before Tax excluding Minority interest	37,339,723	37,199,381
Non-Cash & Non-Operating adjustments for:		
Depreciaton and amortisation	2,399,047	2,313,979
Interest Income	(36,221,677)	(35,963,454)
Finance Cost	488,390	224,285
Dividend Income	(520,000)	(874,888)
Net gain/Loss on sale of fixed assets	(8,614)	(107,830)
Bad Debts W/o recovered	(393,748)	(461,764)
Operating Profit Before W.C. changes	3,083,121	2,329,709
<u>(Increase)/Decrease in Current Assets:</u>		
Trade receivables	(63,168,760)	16,228,728
Inventory	63,246	1,490
Short Term Loans & Advances	5,314,349	(4,743,539)
Current Investments	-	-
Other Current Assets	(691,256,092)	100,591,455
<u>(Increase)/Decrease in Non-Current Assets:</u>		
Long Term loans & advances	(379,231)	1,239,238
Other non-current assets	(34,418,012)	54,750,301
<u>Increase/(Decrease) in Current Liabilities:</u>		
Trade Payables	47,081,710	5,754,448
Short Term Provisions	(4,813,125)	(96,278)
Other Current Liabilities	773,260,815	(119,435,316)
<u>Increase/(Decrease) in Non- Current Liabilities:</u>		
Other long term liabilities	(33,793,923)	4,300,427
Long-term provisions	(177,707)	20,364
Cash Generated From Operation	796,391	60,941,027
Direct Tax expenses	(11,999,561)	(7,391,619)
Cash Flow Before Extra-Ordinary Items	(11,203,170)	53,549,408
Less: Item of exceptional nature		
Payments made on account of ISF	(181,032)	(18,008,737)
Payments made on account of SGF:	(1,355,000)	-
Net Cash Flow From Operating Activity (A)	(12,739,202)	35,540,671

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2.	Cash Flow From Investing Activity		
	Sale Proceeds of Fixed Assets	31,850	214,691
	Interest Recd.	36,221,677	35,963,454
	Dividend Recd.	520,000	874,888
	Purchase of Fixed Assets	(479,397)	(921,915)
	Investment in bank deposits with maturity more than three months	2,010,621	(42,594,253)
	Net Cash Flow From Investing Activity (B)	38,304,751	(6,463,135)
3.	Cash Flow From Financing Activity		
	Finance Cost	(488,390)	(224,285)
	Dividend Paid	(39,252,840)	(3,732,840)
	Dividend Distribution Tax	(7,000,326)	(1,254,020)
	Net Cash Flow From Financing Activity (C)	(46,741,556)	(5,211,145)
4.	Net Inc./Dec. in Cash & Cash Equivalents (A)+(B)+(C)	(21,176,007)	23,866,391
5.	Opening Balance of Cash & Cash Equivalents	55,468,408	31,602,017
6.	Closing Balance of Cash & Cash Equivalents (4)+(5)	34,292,401	55,468,408

Cash and Cash Equivalents:

Cash on hand	91,151	76,832
Cheques issued but not cleared	7,500	-
Balances with Banks:		
In current accounts	23,053,626	49,406,108
Deposits with maturity period less than 3 months	11,140,124	5,985,468
	34,292,401	55,468,408

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.

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 : 11-08-2015

For and on behalf of the Board of Directors
of LUDHIANA STOCK AND CAPITAL LIMITED
(formerly Ludhiana Stock Exchange Limited)

(Jagmohan Krishan)
Chairperson
DIN-01127557

(Anup Kumar Jain)
Director
DIN-01859016

(Ashwani Kumar)
Corporate Advisor
PAN-ACBPK0351M

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015**1. SIGNIFICANT ACCOUNTING POLICIES****a) Accounting Convention**

The accounts are prepared on accrual basis under the historical cost convention in accordance with the 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

- a. The listing fee is recognized in respect of those companies where it is reasonably certain that the ultimate collection will be made.
- b. Brokerage income on securities and commodities broking business is recognised as per contracted rates at the execution of transactions on behalf of customers on the trade date and is reflected net of related brokerage expenses and service tax.
- c. Income in respect of zero holding depository accounts is accounted for at the time of reasonable certainty of its collection.
- d. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- e. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

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:**l) 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:**

Provision for Gratuity liability to employees is made on the basis of actuarial valuation as at close of the year.

(ii) Leave with wages:

Provision for leave with wages is made on the basis of actuarial valuation as at close of the year.

III) The actuarial gain/loss is recognized in the statement of profit and loss account.

j) Investments.

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

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

m) Accounting for Taxes on Income

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

n) Earning 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.

o) Provisions and Contingent Liabilities

a. Provisions are recognised for liabilities that can be measured by using a substantial degree of estimation, if:

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

b. Contingent liability is disclosed in the case of:

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

2. Share Capital

Particulars	As at 31-03-2015		As at 31-03-2014	
	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 (Amount originally paid up)	60,200	592,000	60,200	592,000
		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

	As at 31-03-2015		As at 31-03-2014	
	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. Aggregate number and class of shares allotted (a) as fully paid up pursuant to contract (s) without payment being received in cash, (b) as fully paid up by way of bonus shares and (c) aggregate number and class of shares bought back during the period of five years immediately preceding the balance sheet date:

	As at 31-03-2015	As at 31-03-2014
	Number	Number
- Equity shares allotted as fully paid up pursuant to contract (s) without payment being received in cash	-	-
- Equity shares allotted as fully paid up by way of bonus shares	-	-
- Equity shares bought back by the company	-	-
- Forfeited shares (amount originally paid up)	1000 (₹10,000/-)	1000 (₹10,000/-)

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

3. Reserves and surplus

Particulars	As at 31-03-2015 ₹	As at 31-03-2014 ₹
Capital reserve		
Balance as per last financial statements	118,996,533	118,996,533
Add : Transferred from Settlement Guarantee Fund	<u>34,970,254</u>	<u>-</u>
	<u>153,966,787</u>	<u>118,996,533</u>
Capital redemption reserve		
Balance as per last financial statements	790,460	790,460
Add: Transferred from surplus in statement of profit and loss	<u>-</u>	<u>-</u>
	<u>790,460</u>	<u>790,460</u>
Other reserves :		
General reserve		
Balance as per last financial statements	8,483,728	8,145,831
Add: Transferred from surplus in statement of profit and loss	301,805	337,897
Add: Transferred from settlement guarantee fund	<u>31,810,215</u>	<u>-</u>
Closing Balance	<u>41,595,748</u>	<u>8,483,728</u>
Share premium		
Balance as per last financial statements	2,862,000	2,862,000
Investor services fund		
Balance as per last financial statements	59,695	16,763,422
Add: Transferred from statement of profit and loss	121,337	1,305,010
Less: Utilised during the year	180,580	457,434
Less: Payment made to SEBI (Refer note 43)	<u>452</u>	<u>17,551,303</u>
Closing Balance	<u>0.00</u>	<u>59,695</u>
Settlement guarantee fund		
Balance as per last financial statements	68,135,469	59,472,399
Add: Transferred from surplus in statement of profit and loss	-	8,663,070
Less: Transferred to Capital Reserve (Refer note 38)	34,970,254	-
Less : Transferred to General Reserve	31,810,215	-
Less : Transferred to Members Account	<u>1,355,000</u>	<u>-</u>
Closing Balance	<u>0.00</u>	<u>68,135,469</u>
Surplus i.e. balance in statement of profit and loss		
Balance as per the last financial statements	50,073,011	44,591,738
Add : Profit for the year transferred from statement of profit and loss	21,733,589	20,774,110
: Transferred from Minority Interest	4,338,400	-
Less : Income transferred to funds :		
a) Settlement guarantee fund (refer note 37)	-	4,217,500
b) Investor services fund (refer note 37)	-	958,709
Less : Appropriations :		
Appropriation to investor services fund	121,337	346,301
Transferred to settlement guarantee fund	-	4,445,570
Proposed dividend on equity shares	39,252,840	3,732,840
Tax on dividend	7,000,326	1,254,020
Transferred to general reserve	<u>1,301,805</u>	<u>337,897</u>
Closing Balance	<u>28,468,692</u>	<u>50,073,011</u>
Total	<u>227,683,686</u>	<u>249,400,896</u>

4. Deferred tax liabilities (net)

Particulars	As at 31-03-2015 ₹	As at 31-03-2014 ₹
Deferred tax liabilities		
Impact of difference between book balance and tax balance of fixed assets	129,827	206,230
On account of excess allowance in the Income Tax Act, 1961	85,000	238,000
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	124,000	127,000
Net deferred tax	<u>90,827</u>	<u>317,230</u>

5. Other long-term liabilities

Particulars	As at 31-03-2015 ₹	As at 31-03-2014 ₹
Others :		
Retention money	3,435,054	3,435,054
Security from members	40,944,476	73,515,914
Security from others	11,226,900	12,449,385
	<u>55606430</u>	<u>89,400,353</u>

6. Long-term provisions

Particulars	As at 31-03-2015 ₹	As at 31-03-2014 ₹
Provision for employee benefits :		
Leave encashment	-	177,707
	<u>-</u>	<u>177,707</u>

7. Trade payables

Particulars	As at 31-03-2015 ₹	As at 31-03-2014 ₹
Trade payables		
Other than acceptances	207,018,435	159,936,725
	<u>207,018,435</u>	<u>159,936,725</u>

8. Other current liabilities

Particulars	As at 31-03-2015 ₹	As at 31-03-2014 ₹
Income received in advance	829,346	735,744
Unpaid dividend	2,286,130	345,930
Due of member	1,355,000	
Other payables		
- Statutory remittances**	1,911,348	1,520,391
- Due to employees	880,396	267,062
- Due to ex-members	253,140	1,343,654
- Expense payable #	7,966,147	9,959,614
- Cheque issued but not presented	14,248,906	10,870,712
- Earnest money for membership	25,000	25,000
- Advances from members	3,500,594	3,588,140
- Payables on purchase of fixed assets	-	18,000
- Security from members	2,644,099,051	1,876,310,874
- Customer protection fund	-	238,264
- Deposits from companies against listing (Refer note 39)	-	-
- Other payables	1,459,945	-
- Leave Encashment	35,266	366,069
	<u>2,678,850,269</u>	<u>1,905,589,454</u>

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

Includes ₹ Nil (previous year ₹ Nil) due to directors of the company.

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 31-03-2015 ₹	As at 31-03-2014 ₹
Provision for employee benefits :		
Leave encashment	517,669	343,934
Other provisions :		
Provision for proposed dividend on equity shares	-	3,732,840
Provision for proposed dividend on preference shares	-	-
Provision for tax on dividend	-	1,254,020
	<u>517,669</u>	<u>5,330,794</u>

10. FIXED ASSETS

(Amount in ₹)

PARTICULARS	GROSS BLOCK					ACCUMULATED DEPRECIATION					NET BLOCK	
	Balance as at 1 st April, 2014	Additions	Disposal	Other Adjustments	Balance as at 31 st March, 2015	Balance as at 1 st April, 2014	Depreciation/ amortisation expenses during the year	Eliminated on disposal of assets	Other adjustments	Balance as at 31 st March, 2015	Balance as at 31 st March, 2014	
a) Tangible Assets												
Freehold Land	65,742,904	-	-	-	65,742,904	-	-	-	-	-	65,742,904	65,742,904
Buildings	38,654,597	-	-	-	38,654,597	24,298,489	726,317	-	-	25,024,806	13,629,791	14,356,108
Plant and Equipments	27,893,316	-	-	-	27,893,316	24,486,697	701,789	-	-	25,188,486	2,704,830	3,406,619
Office Equipments	29,090,523	172,773	66,375	-	29,196,921	26,832,988	590,876	50,330	-	27,373,533	1,823,388	2,257,535
Furniture and Fixtures	2,009,188	31,953	40,395	-	2,000,746	1,730,868	139,822	33,204	-	1,837,486	163,260	278,320
Vehicles	643,788	-	-	-	643,788	491,764	54,096	-	-	545,860	97,928	152,024
Total (a)	164,034,316	204,726	106,770	-	164,132,272	77,840,806	2,212,900	83,534	-	79,970,172	84,162,100	86,193,510
b) Intangible Assets												
Computer Software and licenses	6,157,561	274,671	-	-	6,432,232	5,720,910	186,147	-	-	5,907,057	525,174	436,651
Total (b)	6,157,561	274,671	-	-	6,432,232	5,720,910	186,147	-	-	5,907,057	525,174	436,651
Grand Total (a + b)	170,191,877	479,397	106,770	-	170,564,504	83,561,716	2,399,047	83,534	-	85,877,229	84,687,275	86,630,161
Previous year	169,866,085	921,915	596,124	-	170,191,876	81,736,999	2,313,979	489,262	-	83,561,716	86,630,161	-

Notes :- Intangible assets are not internally generated.

11. Non-Current Investments

PARTICULARS	As At 31-03-2015 ₹	As At 31-03-2014 ₹
Long Term Investments		
Trade Investment (at cost)		
Investment in equity instruments (unquoted) 1,30,000 (previous year 1,30,000) Equity Shares of ₹ 1/- each of Bombay Stock Exchange Limited (Fully paid)	6,764,000	6,764,000
	6,764,000	6,764,000

12. Long Term Loans and Advances

PARTICULARS	As At 31-03-2015 ₹	As At 31-03-2014 ₹
(Unsecured, Considered Good)		
Security Deposits	40,839,896	40,347,131
Loans & Advances to Employees	214,933	327,315
Prepaid expenses	-	1,152
Advance income tax {net of provision for tax ₹ 1,86,56,500/- (Previous year ₹ 2,44,03,100/-)}	13,904,613	11,907,994
	54,959,442	52,583,592

13. Other Non-Current Assets

PARTICULARS	As At 31.03.2015 ₹	As At 31.03.2014 ₹
(Unsecured, Considered Good)		
Others :		
Members Security :		
- Held as fixed deposits	12,494,841	27,613,433
- Held as members investment	812,781	812,781
Security received from others (as fixed deposits)	327,515	327,515
Non current bank balance (refer note 16)	102,904,309	53,092,202
Recoverable from Customer Protection Fund	125,844	-
Interest accrued on fixed deposits (own funds)	2,885,554	3,286,901
	119,550,844	85,132,832

14. Inventories

PARTICULARS	As At 31-03-2015 ₹	As At 31-03-2014 ₹
Inventories (at cost or net realisable value, whichever is lower):		
Stationery stock	28,907	92,153
	28,907	92,153

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15. Trade Receivable

Particulars	As at 31-03-2015 ₹	As at 31-03-2014 ₹
Trade receivables outstanding for a period exceeding six months from the date they are due for payment :		
- Secured, considered good	19,650,963	19,690,451
- Unsecured, considered good	15,226,042	13,425,291
- Unsecured, considered doubtful	-	287,785
	<u>34,877,005</u>	<u>33,403,527</u>
Less : Allowances for doubtful trade receivables	-	<u>287,785</u>
	34,877,005	33,115,742
Other trade receivables		
- Secured, considered good	131,626,273	73,427,177
- Unsecured, considered good	<u>5,449,548</u>	<u>1,847,399</u>
	<u>137,075,821</u>	<u>75,274,576</u>
	<u>171,952,826</u>	<u>108,390,318</u>

16. Cash and bank balances

Particulars	As at 31-03-2015 ₹	As at 31-03-2014 ₹
Cash and cash equivalents		
a) Balances with banks		
- In current accounts	23,053,626	49,406,108
- Deposits with maturity of less than three months	11,140,124	5,985,468
b) Cash in hand	91,151	76,832
c) Cheque deposited but not cleared	7,500	-
Other Bank Balances :		
a) Earmarked balances with banks :		
- Dividend account	2,286,130	345,930
b) Deposits with maturity more than three months but less than twelve months	218,700,733	220,711,354
c) Deposits with more than twelve months maturity	101,429,309	53,092,202
d) Deposits with more than thirty six months	1,475,000	-
Others :		
Earmarked fixed deposits with banks :		
- Settlement Guarantee Fund (SGF)	-	56,062,349
	<u>358,183,573</u>	<u>385,680,243</u>
Less: Amounts disclosed as other non current assets (refer note 13)	102,904,309	53,092,202
	-	-
	<u>255,279,264</u>	<u>332,588,041</u>

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17. Short-term loans and advances

Particulars	As at 31-03-2015 ₹	As at 31-03-2014 ₹
(Unsecured considered good)		
Others:		
Advance to suppliers	473	69,221
Loans and advances to employees'	625,065	652,483
Prepaid expenses	1,353,110	937,791
Interest accrued on fixed deposits		
- Own fund	14,581,536	14,516,736
- Earmarked fund	-	6,296,021
Other recoverables :		
- Considered good	2,766,294	2,168,575
- Considered doubtful	1,425,654	1,425,654
	<u>4,191,948</u>	<u>3,594,229</u>
Less : Allowances for Doubtful Advances	1,425,654	2,168,575
	<u>19,326,478</u>	<u>24,640,827</u>

18. Other current assets

Particulars	As at 31-03-2015 ₹	As at 31-03-2014 ₹
(Unsecured considered good)		
Accrued interest on deposits with IL & FS	314,244	840,869
Margins collected by IL & FS	6,200,000	18,750,000
Members FDR kept as margin	536,405,507	477,200,408
Members scrips kept as margin	165,389,684	171,898,809
Scrips held on behalf of clients	1,847,658,901	1,144,860,650
Member security (Held as fixed deposits)	2,960,641	-
	<u>2,558,928,977</u>	<u>1,813,550,736</u>

19. Revenue from operations

Particulars	For the year ended 31-03-2015 ₹	For the year ended 31-03-2014 ₹
Sale of services :		
- Turnover charges (net)	12,271,422	11,717,980
- Depository income	10,462,170	10,549,879
Other operating revenues :		
- Membership fee	263,439	297,000
- Listing fee	651,873	1,883,485
- Transfer fee received	17,250	46,100
- Recovery from members (BSE)	73,500	152,603
- Recovery from members (NSE)	60,257	85,157
- Miscellaneous	31,800	154,100
Revenue from operations	<u>23,831,711</u>	<u>24,886,304</u>

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20. Income from Investments and deposits

Particulars	For the year ended 31-03-2015 ₹	For the year ended 31-03-2014 ₹
Interest received :		
- From banks (Gross) {TDS ₹33,42,544/- (previous year ₹33,61,025/-)}	34,396,361	33,338,093
- From others	1,825,316	2,625,361
Dividend income from long term trade investments	520,000	520,000
Dividend income from current investments	-	354,888
	36,741,677	36,838,342

21. Other income

Particulars	For the year ended 31-03-2015 ₹	For the year ended 31-03-2014 ₹
Rent received	23,890,138	21,908,687
Income from training and education cell (net of expenses)	454,108	407,218
Bad debts recovered	393,748	461,764
Net gain on sale of fixed assets	8,614	107,830
Service tax refund	-	1,500,000
Previous Year Income	1,200	-
Miscellaneous	8,605,781	7,488,074
	33,353,589	31,873,573

22. Employee benefit expenses

Particulars	For the year ended 31-03-2015 ₹	For the year ended 31-03-2014 ₹
Salaries and wages	16,475,223	15,228,283
Contribution to provident and other funds	2,722,720	1,992,876
Staff welfare expenses	708,260	615,307
	19,906,203	17,836,466

23. Finance costs

Particulars	For the year ended 31-03-2015 ₹	For the year ended 31-03-2014 ₹
Interest expense on :		
- Borrowings	27,710	9,175
Other borrowing costs	460,680	215,110
	488,390	224,285

24. Other expenses

Particulars	For the year ended 31-03-2015 ₹	For the year ended 31-03-2014 ₹
Contribution to customer protection fund	9,711	808,299
Fee to SEBI	118,308	100,000
Contribution to SEBI towards IPEF (Refer Note-43)	2,000,000	-
Electricity and water	8,913,611	9,264,701
Repairs and maintenance - Plant and machinery	399,724	388,193
Repairs and maintenance - Buildings	62,086	289,289
Insurance	589,304	474,558
Rent	526,847	705,590
Rates and taxes	890,684	3,565,850
Legal and professional	638,393	1,129,150
Travelling and conveyance :		
- Directors	143,309	162,062
- Others	181,864	213,013
Printing and stationery	4,115,676	4,122,066
Auditors' Remuneration :		
- Audit fee	150,000	150,000
- Tax audit	15,000	15,000
- Income tax matters	15,000	15,000
- In other capacity	10,000	11,250
- Reimbursement of expenses	34,679	23,852
Internal Auditors' Remuneration :		
- Audit fee	273,200	273,200
- Reimbursement of expenses	56,053	51,371
Board and committee meetings	60,290	104,276
General meetings of members	15,783	138,377
Directors' sitting fee	316,365	700,659
Communication expenses	2,030,760	1,995,868
Allowances for doubtful trade receivables & advances	-	-
Loss on discard of fixed assets	-	-
Prior period items (net)	163,198	35,368
Bad debts written off	2,343,680	31,816
Security charges	3,865,867	3,373,099
Interest on members security	-	520,000
Service Tax under VCES	108,008	2,608,308
Turnover fee to stock exchange	1,019,937	1,601,415
Depository and other charges	1,715,091	1,371,104
Miscellaneous	3,011,188	1,781,374
	<u>33,793,615</u>	<u>36,024,108</u>

25. Consolidation Information :

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

26. Principles of Consolidation

- i) The consolidated financial statements of the company and its subsidiary company are combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Account 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 investments and parent's portion of equity in the subsidiary company as on the date of holding-subsidiary relationship coming into existence and at any time thereafter is recognised as goodwill/capital reserves as the case may be.
- iv) Investments made by the parent company in the subsidiary company on and 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 its subsidiary for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to the shareholders of the company.
- vi) Minority interest's share of net assets of its subsidiary is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the company's shareholders.

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

- i) The rent received by the holding company amounting to Rs. 31,54,777 /- (previous year Rs. 31,67,065/-) 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.6,92,723/- (previous year Rs. 6,80,435/-) 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. 79,94,580/- (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 proposed dividend amounting to Rs. 39,97,290/- (previous year ` 39,97,290/-) has been reduced from the aggregate of the proposed dividend as reflected in the financial statement of the subsidiary company, as a result of which the profit carried to the consolidated balance sheet stands increased to that extent.

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

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

- (i) Claims not acknowledge as debts:
 - Advances recoverable include a sum of Rs.1803481 on account of amount paid for Purchase of 1935 equity shares of HDFC Bank Limited. The said shares have been transferred into the Beneficiary Account of Rajinder Kaur in compliance to the order dated 19.12.2014 passed by The High Court of Punjab and Haryana at Chandigarh in the case titled LSE Securities Limited vs Rajinder Kaur regarding alleged unauthorised transfer of 5000 shares of Bank of Punjab from the account of Rajinder Kaur on 02.12.2004. The Board of directors has decided not to provide for this liability as appeal filed by the Company in this regard is pending with the High Court of Punjab and Haryana and the Hon'ble Court has restrained the further transfer of these shares by Rajinder

Kaur.

- A demand for Service Tax of Rs.225942 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.
- (ii) The Company has issued a Bank Gaurantee to the extent of Rs. 1 Crore in favour of Bombay Stock Exchange Limited against which FDR's amounting to Rs. 50 lacs i.e. 50 % margin, have been pledged with HDFC Bank.
- (iii) The Company has issued a Bank Gaurantee to the extent of Rs. 1.61 Crore in favour of NSCCL account LSE Securities Limited against which FDR's received from members amounting to Rs. 1.61 Crore have been pledged with Oriental Bank of Commerce.
29. FDR's of Rs. 6,93,00,000/- (previous year Rs. 6,93,00,000/-) have been pledged with HDFC Bank to secured overdraft facilities to the tune of Rs. 5.98 crore (previous year Rs. 5.98 crore) and are shown in Note no. 16 "Cash and bank balances".
30. The Company has deposited FDR's in its name with National Stock Exchange of India amounting to Rs. 14,55,00,000/- (previous year Rs. 13,26,00,000/-) and with Bombay Stock Exchange of India amounting to Rs. 60,00,000/- (previous year Rs. 60,00,000/-) for Base Minimum / Additional Capital and are shown in note no. 18 "Cash and bank balances" ; Rs. 8,00,000 with NSE for FC and Rs. 13 Lacs FDRs have been kept for the same purpose with MCX Stock Exchange Ltd. in FC Segment.
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
- Mrs. Pooja M. Kohli
 - Mr. Pritpal singh
 - Miss Pallavi Seth
 - Mr. Varun Madaan
- b) Entities under control
- Stock Exchange Customer Protection fund
- ii) The following transactions were carried out with related parties in the ordinary course of business:

Particulars	Key Management Personnel (KMP)	
	2014-15	2013-14
Remuneration	18,78,396	12,46,788
ii) The following transactions were carried out with the entities under control		
	2014-15	2013-14
Contribution to CPF (a proportionate amount of listing fee received)	9,711	25,361
Allocation of Interest to CPF	Nil	7,82,668

- b) The related party relationship is as identified by the company and relied upon by the auditors.
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.a) In view of exit of the company as Stock Exchange , the Company has not made provision for income in respect of listing fee from Companies. However, Company has received Rs. 7,49,010/- towards listing fee during the year, the recognition of which was postponed in earlier years in accordance with the accounting policy adopted by the Company for recognition of revenue in respect of listing fee.
- b) The listing fee received from various Companies is shown net of Rs. 97,137/- (previous year Rs.2,65,731/-) being the contribution made to SEBI.
35. The shareholders of the company in its Extraordinary General Meeting held on July 5, 2013 passed the resolution and approved the voluntary surrender of Recognition of status of Stock Exchange in accordance with the exit policy for "Derecognized/ Non operational Stock exchanges" and the SEBI in its order dated 30 December 2014 has allowed the exit of company as a Stock Exchange.

The Management is of the view that mere allowing the exit of the company as a Stock exchange is not the event covered under the provisions of Accounting Standard 24 "Discontinuing Operations". Therefore the disclosures requirement in paragraph 20, 23 and 26 of the said Accounting Standard are not applicable.

Further the Management has no intention to liquidate the company or to ceases its present operations. The Management is also in the process of development or establishment of alternative business of the company. The Management is also of the opinion that mere Exit of company as Stock Exchange does not affect the going concern assumption in the preparation and presentation of the financial statements of the company. Therefore, the financial statements for the year have been prepared on going concern basis.

36. The company has contested the award of Arbitration made for the dispute between the company and its software supplier M/s. CMC Limited. As per the award a sum Rs. 1,07,89,990/- including interest (calculated up to 30th November, 2014) and cost of litigation, has been awarded to CMC Limited. No provision has been made for the aforesaid liability in the books of account as the company is confident to get the desired relief.
- 37.a) The Company has received interest of Rs. NIL (previous year Rs. 55,62,104/-) on the deposits made out of funds contributed towards Settlement Guarantee Fund.
- b) The Company has also received interest of Rs. NIL (previous year Rs. 14,19,154/-) on the deposits made out of funds for investor services.
- c) The company has also contributed 20% of the Listing Fee received amounting to Rs. 1,21,337/-- (previous year Rs. 3,46,301/-) (net of income tax at applicable rate) towards funds for Investor Services as per SEBI directives.
- d) The interest received as stated in para (a) and (b) above has been recognized as income in the statement of profit and loss of the year. Thereafter the net amount of interest (i.e. income credited to statement of profit and loss less applicable rate of income tax to the company) of Rs. Nil (previous year Rs. 42,17,500/-) and Rs. Nil (previous year Rs. 9,58,709/-) has been appropriated to Settlement Guarantee Fund and Investor Service Fund respectively.
38. The Company had created a Settlement Guarantee Fund as per the directive of SEBI vide notification No. SMD/Policy/SGF/CIR-13/97 dated 09th June 1997. The Company and its members had contributed an initial contribution of Rs. 1,00,00,000/- and Rs. 13,55,000/- respectively. The Company has been maintaining a separate set of books of account for the said fund and had made certain earmarked investments out of the fund so created.

The company had contributed interest earned on these earmarked investments and also appropriated certain sum to the fund as per SEBI directive besides annual contribution by the members.

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Now with the Exit Order of SEBI, the Settlement Guarantee Fund is no longer necessary to be retained and the company has decided to transfer a sum of Rs. 3,49,70,254/- being the amount contributed upto the date of demutualization (i.e. the date on which company is converted from not for profit to for profit entity) to Capital Reserve.

The initial contribution of Rs. 13,55,000/- from its members is being refunded as per the directions of SEBI.

The balance amount of Rs. 3,18,10,215/- contributed by the company to the fund after demutualization has been transferred to General Reserve.

39. The company has utilized Rs. 1,80,580/- (previous year Rs. 4,57,434/-) out of the Investor Services Fund. The details of the expenses incurred are as under: -

(Amount in Rs.)

S. No..	Particulars	2014-15	2013-14
1.	Bulletin & News Papers , Books & Periodicals	33,036	28,718
2.	Investor's Meetings & Seminars	13,503	1,120
3.	Salaries & Allowance	62,348	3,14,376
4.	Refreshment Charges	13,646	22,564
5.	Investor Awareness Publication Expenses.	14,140	89,251
6.	Certification Fees	-	1,405
7.	House Keeping	25,746	-
8.	Others	18,161	-
	TOTAL	1,80,580	4,57,434

40. **Earnings Per Share:**

The calculation of earning per share (EPS) as disclosed has been made in accordance Accounting Standard (AS) 20 on "Earnings Per Share" notified by Companies (Accounting Standards) Rules, 2006 :

S. No.	PARTICULARS	2014-15	2013-14
1.	Average Number of Equity Shares of ` 10/ - each (no.)	59200	59200
2.	Net Profit after tax & minority interest attributable to equity shareholders (`)	21733589	20750099
3.	Earnings per share (Basic)	367.12	350.51
4.	Earnings per share (Diluted)	367.12	350.51
5.	Nominal Value of per Equity Share (`)	10/-	10/-

41. The company and its subsidiary are "Small & Medium Size Company" (SMC) as per clause 2(f) as defined in The Companies (Accounting Standards) Rules, 2006. Therefore Accounting Standard (AS) – 17 "Segment Reporting" is not applicable to the company.
42. Depreciation for the year has been provided on Written Down Value Method on the basis of useful lives specified in the Schedule-II to the Companies Act, 2013 as against the amount of depreciation calculated on the basis of rates of depreciation in respect of various tangible fixed assets contained in Schedule XIV to the Companies Act 1956 upto last year.

In view of this change, carrying amounts after retaining residual value of various tangible assets where the useful life is Nil as on 1st April, 2014 has been charged to Profit and Loss.

In case of Subsidiary company, for the purpose of Consolidated Financial Statements, the treatment in respect of carrying amount of tangible assets where useful Life is Nil has been aligned with Holding company.

43. The company has transferred Rs. 452/- (Previous year 1,75,51,303/-) being the balance outstanding in the Investor Services Fund and further contributed Rs. 20,00,000/- to Investor Protection and Education Fund of the SEBI.
44. The accounting policy in respect of Provision for Earned Leave:
- i) In Respect of Holding Company:
- The Holding company has decided not to accumulate leaves earned by the employees and accordingly paid the entire accumulated leaves to the various employees during the year. The 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.
45. Figures pertaining to the subsidiary company has been regrouped/recast, wherever necessary to bring these in line with the parent company's financial statements.
46. Figures in brackets indicate deductions. The amount has been rounded off to the nearest rupees.
47. Previous year's figures have been regrouped/restated wherever necessary to confirm to its classification of the current year..

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 : 11-08-2015

For and on behalf of the Board of Directors
of LUDHIANA STOCK AND CAPITAL LIMITED
(formerly Ludhiana Stock Exchange Limited)

(Jagmohan Krishan)
Chairperson
DIN-01127557

(Anup Kumar Jain)
Director
DIN-01859016

(Ashwani Kumar)
Corporate Advisor
PAN-ACBPK0351M

**Annual Report of
Subsidiary Company
LSE Securities Limited**

COMPANY DETAILS

BOARD OF DIRECTORS

Mr. Jaspal Singh	Chairman
Mr. T.S. Thapar	Director
Mr. Parmod Kumar Goyal	Director
Mr. Rajesh Kumar Sharma	Director
Mr. Ashok Kumar	Nominee Director
Mr. Ashwani Kumar	Nominee Director
Mr. Pritpal Singh	Whole Time Director

LEADERSHIP TEAM

Mr. Pritpal Singh	CGM cum WTD
Mr. Pallavi Sethi	Company Secretary
Mr. Madhur Gupta	HOD - IT
Mr. Rajesh Gupta	HOD - Accounts - I
Mr. Jaswinder Singh	HOD - DP
Mr. Vipen Goyal	HOD - Clearing & Sett.
Mr. Ravinder S. Saini	HOD - Accounts - II
Mr. Sandhir Kumar Chadha	HOD - KYC
Mr. Rajinder Pal Singh	HOD - Margin
Mr. Pawan Bhardwaj	HOD - Membership
Ms. Paramjeet Kaur	HOD - Human Resource

Registered Office :

SCO 50, First Floor, Sector 34-A,
Chandigarh – 160 022
Tele No.: 0172-3258091

Corporate Office :

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

Statutory Auditors :

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

Internal Auditors :

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

Trading cum Clearing Member :

National Stock Exchange of India Limited
Bombay Stock Exchange Limited
Metropolitan Stock Exchange of India Limited

Depository Participants :

National Securities Depository Limited
Central Depository Services (India) Limited

Bankers

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

DP BRANCHES

Amritsar

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

Chandigarh

SCO 50-51, First Floor, Sector 34-A,
Adj. Mukat Hospital
Chandigarh – 160 022
Tele No.: 0172-3258091, 5065459-60

Jalandhar

1st Floor, Milbertan Building,
Opp. Govt. Girls Higher Secondary School,
PNB Chowk, Jalandhar-144 001
Ph.: 0181-5012689

Sangrur

Near Main Post Office,
Banasar Bagh Road, Sangrur – 148 001
Ph.: 01672-503281

Una

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

Website : www.lse.co.in

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

LSE SECURITIES LIMITED

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

NOTICE

Notice is hereby given that the SIXTEENTH ANNUAL GENERAL MEETING of the Members of LSE SECURITIES LIMITED will be held on Saturday, the 05th day of September, 2015 at 12:00 Noon at Hotel Park View, Sector 24, Near Indira Holiday Home, Chandigarh to transact the following businesses :

ORDINARY BUSINESS:

1. To receive, consider, and adopt the Audited Financial Statements for the year ended 31st March, 2015 together with the Reports of the Board of Directors and Auditors thereon.
2. To confirm the declaration of interim dividend as the final dividend on Equity Shares.
3. To appoint a Director in place of Mr. Tribhawan Singh Thapar (DIN: 00494576), who retires by rotation and being eligible, offers himself for the re-appointment.
4. To ratify appointment of Auditors and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

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

SPECIAL BUSINESS :

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

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

Place : LUDHIANA

Date : 07.08.2015

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

**Sd/-
PALLAVI SETHI
COMPANY SECRETARY
ACS32903**

Registered Office :
SCO 50, 1st Floor,
Sector 34 A, Chandigarh
Corporate Office :
First Floor, LSE Bldg.,
Feroze Gandhi Mkt., Ludhiana
CIN: U67120CH2000PLC023244
e-mail: cs@lssl.com

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE VALID AND EFFECTIVE, MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY SO APPOINTED SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING.
2. Corporate Members are requested to send a duly certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representative to attend and vote at the Annual General Meeting.
3. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
4. The shares of the Company are held in physical form. Any member who transfers his shares to any person has to seek approval from the Board of the LSE Securities Ltd subject to prior approval from BSE, NSE and Metropolitan Stock Exchange of India Limited.
5. The Register of Members and the Share Transfer Book of the Company will remain closed from 02.09.2015 (Wednesday) to 03.09.2015 (Thursday) for the purpose of the Annual General Meeting.
6. Members are requested to write to the Company at least ten days before the meeting for obtaining any information as regards to accounts and operations of the Company so that the same could be complied in advance.
7. Members are requested to bring their copy of Annual Report along with them to the Annual General Meeting.

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

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

Item No. 5

Your Company in view of the de-recognition of the Holding Company as the Stock Exchange and the applicability of the Companies Act, 2013 adopted the new set of Articles of Association of the Company in its Extra-Ordinary General Meeting held on 20th March, 2015. As per the new set of Articles of Association adopted by the Company, your Company is required to have Six Member Directors on the Governing Board of the Company. Since presently there are Four Member Directors on the Governing Board of the Company, your Company is required to fill the two vacancies of Member Directors in this Annual General Meeting.

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

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

Place : LUDHIANA

Date : 07.08.2015

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

**Sd/-
PALLAVI SETHI
COMPANY SECRETARY
ACS32903**

Registered Office :
SCO 50, 1st Floor,
Sector 34 A, Chandigarh
Corporate Office :
First Floor, LSE Bldg.,
Feroze Gandhi Mkt., Ludhiana
CIN: U67120CH2000PLC023244
e-mail: cs@lsesl.com

■■■■■ DIRECTORS' REPORT ■■■■■

Dear Shareholders,

The Directors are pleased to present the Sixteenth Annual Report on the business and operations of the Company along with the Audited Financial Statements for the financial year ended 31st March, 2015.

FINANCIAL PERFORMANCE :

The Company's Financial Performance for the financial year ended on 31st March, 2015 under review along with previous year's figures is given hereunder :

(Amount in ₹ Lacs)

Sr. No.	PARTICULARS	31.03.2015	31.03.2014
1.	Profit Before Depreciation, Interest and Tax (PBDIT)	183.13	204.39
2.	Depreciation	(5.36)	(7.25)
3.	Interest	(0.27)	(0.09)
4.	Profit Before Tax (PBT)	177.50	197.05
5.	Provision for Taxation		
	a. Current	(58.85)	(59.54)
	b. Deferred	1.11	(0.85)
	c. Earlier Years	0.96	(1.50)
6.	Profit After Tax (PAT)	120.72	135.16
7.	Balance brought forward from previous years	840.98	799.04
8.	Adjustments to P & L Account on account of Depreciation due to change in useful life of Fixed Assets	4.21	0.00
9.	Profit available for appropriation	965.91	934.20
10.	Appropriations		
	a. Transfer to Capital Redemption reserve	-	-
	b. Transfer to General Reserve	(3.02)	(3.38)
	c. Proposed Dividend		
	i) Interim Dividend	(77.30)	-
	ii) Dividend on Equity Shares	-	(77.30)
	d. Corporate Dividend Tax	(14.97)	(12.54)
11.	Surplus carried to Balance Sheet	870.62	840.98
12.	Earning Per Share (EPS)		
	a. Basic	1.87	2.10
	b. Diluted	1.87	2.10

STATE OF AFFAIRS :

Your Company which was incorporated as a subsidiary of Ludhiana Stock Exchange Limited (Presently known as Ludhiana Stock and Capital Limited) in the year 2000 has become a normal Stock broker due to the de-recognition of Ludhiana Stock Exchange Limited on 30.12.2014.

Accordingly, the new set of Articles of Association was adopted by the Company in its Extra-Ordinary General Meeting held on **20th March, 2015**.

BUSINESS OVERVIEW**a) Trading at NSE and BSE in Capital Market Segment**

During the year under review, your company has recorded a business volume of ₹550.53 Crores (Previous year ₹4550.58 Crores) and ₹2441.86 Crores (Previous year ₹500.26 Crores) in Capital Market Segment of the National Stock Exchange of India Limited and the Bombay Stock Exchange, Mumbai respectively.

b) F&O Segment of NSE

During the year under review, your company has recorded a business volume of ₹87982.82 Crores (Previous year ₹74124.82 Crores) in the Futures & Options Segment of National Stock Exchange of India Limited.

c) Currency Segment

The business volume in Currency Derivatives was ₹2.55 Crores (Previous year ₹15.18 Crores) in NSE, ₹2.45 Crores (Previous year ₹3.55 Crores) in Metropolitan Stock Exchange of India Limited during the year.

d) Depository Participant Services

During the year under review, your Company has opened 1580 new accounts in CDSL and 56 accounts in NSDL.

e) Client Registration Department

During the year under review, your Company has opened 1823 Trading Accounts.

f) Future Outlook

Your Company has already commenced trading in BSE Derivatives segment and the volumes on BSE Derivatives segment are expected to grow in future.

DIVIDEND :

During the F.Y. 2014-15, the Board of Directors declared and paid an Interim Dividend at the rate of ₹1.00 per equity share of ₹10 each, absorbing a sum of ₹30130 excluding dividend distribution tax. The Directors are pleased to recommend confirmation of the said Interim Dividend to be the Final Dividend for the Financial Year 2014-2015. The Dividend, if approved by the members at the Annual General Meeting, shall be the Final Dividend for the Financial Year 2014-2015.

CORPORATE SOCIAL RESPONSIBILITY :

During the period under review, the Board of company has not spent any amount on the account of the Corporate Social Responsibility Policy as the Company was not covered under the provisions of Section 135 of the Companies Act, 2013.

STATUTORY AUDITORS :

M/s. Anoop K. Goel & Co., Chartered Accountants (Registration No. 016327N) were appointed as the Statutory Auditors of the company last year in AGM held on 27th day of September, 2014, for five consecutive years, subject to ratification at every Annual General Meeting. Accordingly, the Board recommend their appointment to be ratified in this AGM. They have given their eligibility & consent for the proposed ratification.

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

There was no qualification, reservation or adverse remark made by the Auditors in their report.

33rd ANNUAL REPORT 2014-2015

During the period under review, the provisions of Section 204 of the Companies Act, 2013 relating to submission of Secretarial Audit Report are not applicable to the Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

During the year under review, Mr. Pritpal Singh was appointed as the Whole-time Director **w.e.f 24.06.2014**. On the last year Annual General Meeting, held on **27.09.2014**, Members approved his appointment and further appointed Mr. Dharam Pal Gandhi and Mr. Dheeraj Ghai as Member Directors in place of Directors who retired by rotation.

Further, Ms. Kehkesha Verma resigned from the Board of the Company **w.e.f 24.11.2014**.

Further, pursuant to adoption of new set of Articles of Association of the Company, the following Member Directors resigned from the Board of the Company w.e.f 12.03.2015:

1. Mr. Dharam Pal Gandhi
2. Mr. Dheeraj Ghai
3. Mr. Rakesh Jain

Due to the resignation of above mentioned Member Directors the casual vacancies were aroused, which were filled by the Board in its meeting held on 12.03.2015 by appointing Mr. Parmod Kumar Goyal and Mr. Rajesh Kumar Sharma **w.e.f 12.03.2015** in place of Mr. Dheeraj Ghai and Mr. Dharam Pal Gandhi respectively.

Further, Mr. Bir Pal Singh, Mr. Ajay Chaudhry, Dr. Rakesh Kumar Gupta, Mr. Ashish Aggarwal and Mr. Vinesh Kumar were the Public Representative Directors on the Board of the Company. They all resigned from the Board of the Company **w.e.f 20.03.2015**. Mrs. Pooja M. Kohli also resigned from the Board of the Company **w.e.f 31.03.2015**.

Further, pursuant to the nomination by the Holding Company in context of the Article 64 (3) of Articles of Association of Company, Mr. Ashok Kumar and Mr. Ashwani Kumar were appointed as the Nominee Directors on the Board of the Company **w.e.f 08.06.2015**.

Also, Ms. Pallavi Sethi joined the Company **w.e.f 07.07.2014** as the Company Secretary of the Company in place of Mr. Varun Madaan who left the organization **w.e.f 24.06.2014**.

Your Directors place on record the appreciation for sincere, dedicated and valuable services rendered by the above named persons to the Company.

Mr. Tribhawan Singh Thapar (DIN 00494576) retire by rotation at this Annual General Meeting and being eligible, offers himself for the re-appointment.

Further, as per the new set of Articles of Association adopted by the Company, your Company is required to have Six Member Directors on the Governing Board of the Company. Since presently there are Four Member Directors on the Governing Board of the Company, your Company is required to fill the two vacancies of Member Directors in this Annual General Meeting.

Board of Directors as on date :

NAME OF THE DIRECTOR	CATEGORY	DESIGNATION
Mr. Jaspal Singh	Non-Executive Director	Chairman
Mr. Tribhawan Singh Thapar	Non-Executive Director	Member-Director
Mr. Rajesh Kumar Sharma#	Non-Executive Director	Member-Director
Mr. Parmod Kumar Goyal#	Non-Executive Director	Member-Director
Mr. Ashok Kumar*	Non-Executive Director	Nominee Director
Mr. Ashwani Kumar *	Non-Executive Director	Nominee Director
Mr. Pritpal Singh	Executive Director	Whole-time Director

Appointed w.e.f. 12.03.2015

* Appointed w.e.f. 08.06.2015

DECLARATION OF INDEPENDENT DIRECTORS

During the period under review, the Company is not required to have declaration of Independent Directors as the Company was not covered under the provisions of Section 149 of the Companies Act, 2013.

BOARD MEETING

During the financial year 2014-15, the Board met Seven (7) times. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

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

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

INFORMATION PURSUANT TO RULE 5 (2) OF COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

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

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

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

DIRECTORS' RESPONSIBILITY STATEMENT :

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

- a. In the preparation of the annual accounts, the applicable accounting standards have been followed with proper explanation relating to material departures, if any;
- b. They have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2015 and of its Profit/Loss for the year ended on that date;
- c. They have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d. They have prepared the annual accounts for the year ended 31st March, 2015 on a 'going concern' basis; and
- e. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

DISCLOSURES OF AMOUNTS TRANSFER TO ANY RESERVES

An amount of 3.02 Lacs is proposed to be transferred to General Reserve as per the existing provisions of the Companies Act, 2013 and rules made thereunder.

PUBLIC DEPOSITS

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

MATERIAL CHANGES AND COMMITMENTS

In terms of the information required under Sub-section (3)(i) of Section 134 of the Companies Act, 2013, it is to be noted that there were no material changes and commitments affecting the financial position of the Company has occurred between the end of the Financial Year to which the Financial Statements relates and the date of the Directors Report.

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

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

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

STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT

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

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

In terms of the information required under Section 134 of the Companies Act, 2013 and Rule 8 of Companies (Accounts) Rules, 2014, it is to be noted that there are no significant material orders passed by the Regulators / Courts / Tribunal which would impact the going concern status of the Company and the Company's operations in future.

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

The Company has an adequate Internal Financial Control system with reference to financial statements pursuant to Rule 8 (5) (viii) of Companies (Accounts) Rules, 2014, commensurate with the size of its business operations and such are reviewed by the Company from time to time.

ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in "**Annexure A**" and forms part of this report.

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

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis.

Your Directors draw attention of the members to Notes to the financial statements which set out related party disclosures.

DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 is not applicable to the Company as the criteria mentioned in the Companies Act, 2013 is not fulfilled for the time-being by the Company. Hence, disclosure pursuant to Section 177 (8) & (9) of the Companies Act, 2013 is not required.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

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

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

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

FRAUD REPORTING

The Auditors have not reported any fraud to the Board under Section 143 (12) of the Companies Act, 2013.

OTHER DISCLOSURES

During the year under review, the Company has not issued shares with Differential Voting Right nor has granted any stock options or Sweat Equity. Further, the Company has neither bought its own shares nor has given any loan to the employees of the Company for the purchase of the shares of the Company.

ACKNOWLEDGEMENTS :

The Board wishes to place on record its gratitude for the kind co-operation, assistance, and continued support to the Company by the office-bearers, Sub-Brokers, Members and officials of the Ludhiana Stock and Capital Limited, the Ministry of Finance, Central Government, the Securities and Exchange Board of India (SEBI), the Government of Punjab, Local Administration, the National Stock Exchange of India Limited (NSEIL), the Stock Exchange, Mumbai (BSE), Metropolitan Stock Exchange of India Limited, the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and other business associates.

The relations between the management and the staff were cordial during the period under review.

The Company also wishes to put on record the appreciation of the work done by the staff. Your Directors appreciate and value the trust imposed upon them by the members of the Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place : LUDHIANA

Date : 07.08.2015

Sd/-

**JASPAL SINGH
CHAIRMAN**

Annexure to Directors' Report for the year ended 31st March, 2015

Annexure "A" - Form No. MGT-9

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

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2015
of
LSE SECURITIES LIMITED

I. REGISTRATION AND OTHER DETAILS :

- i) CIN U67120CH2000PLC023244
- ii) Registration Date 07/01/2000
- iii) Name of the Company LSE SECURITIES LIMITED
- iv) Category/Sub-Category of the Company : Public Company limited by Shares
- v) Address of the Registered Office and Contact Details : SCO 50, 1st Floor, Sector 34 A, Chandigarh. Phone No. 0172-5065459, Fax No. 0172-5065460, Email Id: cs@lsesl.com, Website: www.lse.co.in
- vi) Whether listed company : No
- vii) Name, Address and contact details of Registrar & Transfer Agents (RTA), if any : Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year %				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual/HUF	-	53000	53000	0.823	-	52900	52900	0.821	-0.002
(b) Central Govt.	-	-	-	-	-	-	-	-	-
(c) State Govt. (s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	-	3331075	3331075	51.71	-	3331075	3331075	51.71	NIL
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1) :-	-	3384075	3384075	52.533	-	3383975	3383975	52.531	-0.002
(2) Foreign									
(a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
(b) Other-Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2) :-	-	-	-	-	-	-	-	-	-
Total	-	3384075	3384075	52.533	-	3383975	3383975	52.531	-0.002
Shareholding of Promoter (A) = (A)(1)+(A)(2)									

A. Public Shareholding									
1. Institution									
(a) Mutual Funds	-	-	-	-	-	-	-	-	-
(b) Banks / FI	-	-	-	-	-	-	-	-	-
(c) Central Govt.	-	-	-	-	-	-	-	-	-
(d) State Govt.(s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FIIS	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
(a) Bodies Corp.									
(i) Indian	-	933500	933500	14.49	-	943500	943500	14.64	0.16
(ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals									
(i) Individual Shareholders holding nominal share capital upto Rs. 1 lakh	-	827000	827000	12.84	-	799100	79100	12.40	-0.43
(ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 lakh	-	1297200	1297200	20.14	-	1315200	1315200	20.41	0.29
(c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2):-									
Total Public Shareholding (B)=(B) (1)+(B) (2)	-	3057700	305770	47.465	-	3058700	3058700	47.458	0.002
C. Share held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	6441775	6441775	100	-	6441775	6441775	100	-

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change is share holding during the year
		No. of Shares	% of total shares of the company	% of shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the company	% of shares Pledged / encumbered to total shares	
1.	Tribhawan Singh Thapar	26600	0.412	-	26500	0.411	-	-0.002
2.	Tarvinder Dhingra	8100	0.13	-	8100	0.13	-	
3.	Raghubir Singal	100	0.00	-	100	0.00	-	
4.	Rajiv Kalra	18100	0.28	-	18100	0.28	-	
5.	Harjit Singh Sidhu	100	0.00	-	100	0.00	-	
6.	Ludhiana Stock and Capital Limited	3331075	51.71	-	3331075	51.71	-	
	TOTAL	3384075	52.533		3383975	52.531		-0.002

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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	Tribhawan Singh Thapar	26600	0.412					26600	0.412
				20.01.2015	Transfer of Shares	100	0.002	26500	0.411
				31.03.2015	At the end of the year	-	-	26500	0.411

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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	Mr. Sanjeev Kumar Gupta	38000	0.59					38000	0.59
				-	No Change	-	-	-	-
				31.03.2015	At the end of the year	-	-	38000	0.59
2.	Bajaj GDS Share Shoppe Pvt. Ltd.	28500	0.44					28500	0.44
				-	No Change	-	-	-	-
				31.03.2015	At the end of the year	-	-	28500	0.44
3.	Corporate Scrips Pvt. Ltd.	26500	0.41					26500	0.41
				-	No Change	-	-	-	-
				31.03.2015	At the end of the year	-	-	26500	0.41
4.	Mr. Krishan Chand Gupta	20000	0.31					20000	0.31
				-	No Change	-	-	-	-
				31.03.2015	At the end of the year	-	-	20000	0.31

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5.	Mrs. Toshi Bansal	20000	0.31					20000	0.31
				-	No Change	-	-	-	-
				31.03. 2015	At the end of the year	-	-	20000	0.31
6.	Super Finvest Services Pvt. Ltd.	20000	0.31					20000	0.31
				-	No Change	-	-	-	-
				31.03. 2015	At the end of the year	-	-	20000	0.31
7.	Mr. Neeraj Gupta	20000	0.31					20000	0.31
				-	No Change	-	-	-	-
				31.03. 2015	At the end of the year	-	-	20000	0.31
8.	Mr. Sanjay Anand	20000	0.31					20000	0.31
				-	No Change	-	-	-	-
				31.03. 2015	At the end of the year	-	-	20000	0.31
9.	Aruma Capital Services Pvt. Ltd.	20000	0.31					20000	0.31
				12.03. 2015	Transfer of Shares	(10000)	(0.16)	(10000)	(0.16)
				31.03. 2015	At the end of the year	-	-	10000	0.16
10.	Mr. Rajiv Sood	20000	0.31					20000	0.31
				-	No Change	-	-	-	-
				31.03. 2015	At the end of the year	-	-	20000	0.31

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11.	Arora Stock Brokers Ltd.	18500	0.29					18500	0.29
				12.03. 2015	Transfer of Shares	10000	0.16	10000	0.16
				31.03. 2015	At the end of the year	-	-	28500	0.44
12.	AL Share Brokers P. Ltd.	18000	0.28					18500	0.29
				27.12. 2014	Transfer of Shares	10000	0.16	10000	0.16
				31.03. 2015	At the end of the year	-	-	28000	0.43

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

Sl. No.	Name of Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	Mr. Jaspal Singh	20000	0.31					20000	0.31
				-	No Change	-	-	-	-
				31.03. 2015	At the end of the year	-	-	20000	0.31
2.	Mr. Tribhawan Singh Thapar	26600	0.412					26600	0.412
				20.01. 2015	Transfer of Shares	100	0.002	26500	0.411
				31.03. 2015	At the end of the year	-	-	26500	0.411

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3.	Mr. Rajesh Kumar Sharma (w.e.f. 12.03.2015)	-	-					-	-
				20.01. 2015	Transfer of Shares	1000	0.02	1000	0.02
				31.03. 2015	At the end of the year	-	-	1000	0.02
4.	Mr. Parmod Kumar Goyal (w.e.f. 12.03.2015)	-	-					-	-
				20.01. 2015	Transfer of Shares	100	0.002	100	0.002
				31.03. 2015	At the end of the year	-	-	100	0.002
5.	Mr. Ashok Kumar (w.e.f. 08.06.2015)	-	-					-	-
				-	No Change	-	-	-	-
				31.03. 2015	At the end of the year	-	-	-	-
6.	Mr. Ashwani Kumar (w.e.f. 08.06.2015)	-	-					-	-
				-	No Change	-	-	-	-
				31.03. 2015	At the end of the year	-	-	-	-
7.	Mr. Pritpal Singh	-	-					-	-
				-	No Change	-	-	-	-
				31.03. 2015	At the end of the year	-	-	-	-
8.	Ms. Pallavi Sethi (w.e.f. 07.07.2014)	-	-					-	-
				-	No Change	-	-	-	-
				31.03. 2015	At the end of the year	-	-	-	-

Shareholding of Directors and Key Managerial Personnel (Past) :

Sl. No.	Name of Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
9.	Ms. Kehkesha Verma (upto 24.11.2014)	-	-					-	-
				-	No Change	-	-	-	-
				31.03.2015	At the end of the year	-	-	-	-
10.	Mrs. Pooja M. Kohli (upto 31.03.2015)	-	-					-	-
				-	No Change	-	-	-	-
				31.03.2015	At the end of the year	-	-	-	-
11.	Mr. Dheeraj Ghai (upto 12.03.2015)	18500	0.29					18500	0.29
				-	No Change	-	-	-	-
				31.03.2015	At the end of the year	-	-	18500	0.29
12.	Mr. Dharam Pal Gandhi (upto 12.03.2015)	18100	0.28					18100	0.28
				-	No Change	-	-	-	-
				31.03.2015	At the end of the year	-	-	18100	0.28

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13.	Mr. Rakesh Jain (upto 12.03.2015)	8500	0.13					8500	0.13
				-	No Change	-	-	-	-
				31.03.2015	At the end of the year	-	-	8500	0.13
14.	Mr. Bir Pal Singh (upto 20.03.2015)	-	-					-	-
				-	No Change	-	-	-	-
				31.03.2015	At the end of the year	-	-	-	-
15.	Mr. Ajay Chaudhry (upto 20.03.2015)	-	-					-	-
				-	No Change	-	-	-	-
				31.03.2015	At the end of the year	-	-	-	-
16.	Mr. Rakesh Kumar Gupta (upto 20.03.2015)	-	-					-	-
				-	No Change	-	-	-	-
				31.03.2015	At the end of the year	-	-	-	-
17.	Mr. Ashish Aggarwal (upto 20.03.2015)	-	-					-	-
				-	No Change	-	-	-	-
				31.03.2015	At the end of the year	-	-	-	-
18.	Mr. Vinesh Kumar (upto 20.03.2015)	-	-					-	-
				-	No Change	-	-	-	-
				31.03.2015	At the end of the year	-	-	-	-

19.	Mr. Varun Madaan (upto 24.06.2014)	-	-					-	-
				-	No Change	-	-	-	-
				31.03.2015	At the end of the year	-	-	-	-

V. INDEBTEDNESS

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

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-Time Directors and / or Manager : (Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
		Mr. Pritpal Singh	
1.	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	771246	771246

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	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-
	(c) Profits in lieu of salary under	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify	- -	- -
5.	Others, please specify	-	-
	Total (A)	771246	771246
	Ceiling as per the Act	887064	

B. Remuneration to other directors :

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Bir Pal Singh	Mr. Ajay Chau-dhary	Dr. Rakesh Kumar Gupta	Mr. Ashish Aggar-wal	Mr. Vinesh Kumar	
	1. Independent Directors						
	• Fee for attending board / committee meetings	-	-	-	-	-	-
	• Commission	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-
	Total (1)	-	-	-	-	-	-
	2. Other Non-Executive Directors						
	• Fee for attending board / committee meetings	20220	39859	14045	27521	20220	121865
	• Commission						
	• Others, please specify						
	Total (2)	20220	39859	14045	27521	20220	121865
	Total (B)=(1+2)	20220	39859	14045	27521	20220	121865
	Total Managerial Remuneration	20220	39859	14045	27521	20220	121865
	Overall Ceiling as per the Act	177413					

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

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel (Company Secretary)		
		Mr. Varun Madaan	Ms. Pallavi Sethi	Total
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	92213	167573	259786
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	- -	- -	- -
5.	Others, please specify	-	-	-
	Total	259786		

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

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

INDEPENDENT AUDITORS' REPORT

**To the Members of
LSE SECURITIES LIMITED**

Report on the Financial Statement

We have audited the accompanying financial statements of LSE SECURITIES LIMITED ("the company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

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

Opinion

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) in the case of the Statement of Profit and Loss Account, of the Profit for the year ended on that date;
- c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Report on the other Legal and regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, We give in the Annexure statement on the matters specified in paragraph 3 & 4 of the order.
2. As required by section 143(3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 appears from our examination of those books.
 - c) the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) on the basis of written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. No amount is required to be transferred to the Investor Education and Protection Fund by the Company as on 31 March, 2015.

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

Place : LUDHIANA
Date : 07.08.2015

ANOOP KUMAR
(Partner)
Membership No. : 096966

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of LSE SECURITIES LIMITED on the accounts of the company for the year ended 31st March, 2015.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of information available.
- (b) As explained to us, fixed assets have been physically verified by the management reasonable intervals; no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, no substantial part of fixed asset has been disposed off during the year and therefore does not affect the going concern assumption.
- (ii) The Company's nature of operations does not require it to hold inventories. Consequently provisions of clause ii of the Order is not applicable. However, the company held stock of saleable stationery as on 31-03-2015, valued at cost or net realizable value, whichever is lower.
- (iii) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii(a) and iii(b) of the order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of fixed assets and for the sale of services. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
- (v) In our opinion, and according to the information and explanation given to us, the company has not accepted any deposits; hence, clause (v) is not applicable to the company. Accordingly, directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable.
- (vi) The Company is not required to maintain cost records pursuant to the Rules made by the Central Government for maintenance of cost records under sub-section (1) of section 148 of the Act.
- (vii) (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Duty of Custom, Duty of Excise, Value added tax, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2015 for a period of more than six months from the date they became payable.
- (b) According to the records of the company, the dues outstanding for taxes on account of dispute are as follows:

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amount related	Forum where dispute is pending
Service Tax Act, 1994	Service Tax	2,25,942	2005-06	Service Tax Commissioner (Appeals)

(c) Company does not have any amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.

- (i) The Company does not have any accumulated loss at the end of the financial year and has not incurred cash losses in the financial year and in the financial year immediately preceding such financial year.
- (ii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (iii) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by other from bank or financial institutions.
- (iv) According to the information and explanations given to us, the Company has not raised any term loans during the year.
- (v) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

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

**Place : LUDHIANA
Date : 07.08.2015**

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

BALANCE SHEETLSE SECURITIES LIMITED
BALANCE SHEET AS AT 31ST MARCH 2015

Amount in (₹)

Particulars	NOTE	As at 31 March, 2015	As at 31 March, 2014
I EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	1	64,417,750	64,417,750
(b) Reserves and Surplus	2	97,949,359	94,683,694
(2) Non-Current Liabilities			
(a) Other Long Term Liabilities	3	27,645,335	38,889,059
(b) Deferred Tax Liability	4	82,000	193,000
(3) Current Liabilities			
(a) Trade Payables	5	206,878,471	159,158,503
(b) Other Current Liabilities	6	2,653,879,289	1,878,621,820
(c) Short Term provisions	7	360,020	9,278,729
TOTAL		3,051,212,224	2,245,242,555
II ASSETS			
(1) Non Current Assets			
(a) Fixed Assets	8		
Tangible Assets		1,365,243	1,201,601
Intangible Assets		466,770	358,779
(b) Non Current Investments	9	6,764,000	6,764,000
(c) Long term loans and advances	10	40,491,908	39,923,885
(d) Other Non Current Assets	11	1,000,933	2,491,379
(2) Current Assets			
(a) Inventory	12	28,907	7,404
(b) Trade Receivables	13	167,109,716	102,081,606
(c) Cash and bank balances	14	260,258,436	263,994,995
(d) Short term Loans and advances	15	5,980,901	3,520,784
(e) Other Current Assets	16	2,567,745,410	1,824,898,122
TOTAL		3,051,212,224	2,245,242,555

Significant Accounting Policies 23.1

See Accompanying Notes to the Financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For Anoop K.Goel & Co.
Chartered Accountants
(Firm Registration No. 016327N)Jaspal Singh
Chairman
DIN: 00458451Pritpal Singh
CGM Cum WTD
DIN: 01219436(ANOOP KUMAR)
PARTNER
MEMBERSHIP NO. 096966Pallavi Sethi
Company Secretary
PAN:CYZPS1438RRajesh Gupta
Sr. Manager-Accounts
PAN:APHPG2853BPlace : LUDHIANA
Date : 07.08.2015

PROFIT AND LOSS ACCOUNT

LSE SECURITIES LIMITED

PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015

Amount in (₹)

Particulars	NOTE	For the year ended 31.03.2015	For the year ended 31.03.2014
I Revenue from operations	17	22,867,349	22,505,619
II Other Income	18	25,734,967	25,200,113
III Total Revenue		48,602,316	47,705,732
IV Expenses			
Operating Expenses	19	2,735,028	2,972,520
Employee Benefit expenses	20	13,621,568	11,704,890
Finance Cost	21	488,390	224,285
Depreciation and amortization expenses		535,939	724,794
Other expenses	22	13,471,498	12,373,938
Total Expenses		30,852,423	28,000,427
V Profit before Tax (III-IV)		17,749,893	19,705,305
VI Tax Expense :			
1) Tax Expense for Current Year		5,885,000	5,954,000
2) Deferred Tax		(111,000)	85,000
3) Short/(Excess) Provision of earlier years Written off/Written Back		(96,292)	150,445
VII Profit for the year (V-VI)		12,072,185	13,515,860
VIII Earning per Share (Nominal Value of Share Rs. 10 each)			
Basic		1.87	2.10
Diluted		1.87	2.10

Significant Accounting Policies 23.1

See Accompanying Notes to the Financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

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

Jaspal Singh
Chairman
DIN: 00458451

Pritpal Singh
CGM Cum WTD
DIN: 01219436

(ANOOP KUMAR)
PARTNER
MEMBERSHIP NO. 096966

Pallavi Sethi
Company Secretary
PAN:CYZPS1438R

Rajesh Gupta
Sr. Manager-Accounts
PAN:APHPG2853B

Place : LUDHIANA
Date : 07.08.2015

CASH FLOW STATEMENT

Amount in (₹)

PARTICULARS	AS AT 31.03.2015	
	AMOUNT	TOTAL
A . CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax		17749893
Non-Cash & Non-Operating Adjustments for :		
Depreciation & Amortisation	535939	
Finance Cost	488390	
Dividend Received	(520000)	
Bad Debts W/o/(Recovered)	(235420)	
Profit on sale of Assets	(8614)	
Provision for Leave encashment	181104	
Loss on Sale of Assets	0	
Operating Profit before Working Capital changes		441399
Adjustments for :		18191292
(Increase)/Decrease in Inventories	(21503)	
(Increase)/Decrease in Trade & Other Receivable	(64792690)	
(Increase)/Decrease in Short-Term Loan & Advances	(1692981)	
(Increase)/Decrease in Long-Term Loan & Advances	(568023)	
(Increase)/Decrease in other Current Assets	(742847288)	
(Increase)/Decrease in Non-Current Assets	1490445	
(Increase)/Decrease in Non-Current Investments	0	
Increase/(Decrease) in Trade Payables	47719968	
Increase/(Decrease) in other Current Liabilities	775257469	
Increase/(Decrease) in Short term Provisions	(115662)	
Increase/(Decrease) in Other Long-Term Liabilities	(11243724)	
Cash Generated from Operations		3186010
Income Tax Expense	(6555844)	21377302
NET CASH FROM OPERATING ACTIVITIES		(6555844)
		14821458
B . CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(410352)	
Proceeds From Sale of Fixed Assets	31850	
Dividend Received	520000	
NET CASH USED IN INVESTING ACTIVITIES		141498
C . CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid Including Dividend Distribution Tax	(18211125)	
Finance Cost	(488390)	
NET CASH USED IN FINANCING ACTIVITIES		(18699515)
NET INCREASE IN CASH & CASH EQUIVALENTS		(3736559)
CASH AND CASH EQUIVALENTS at the Beginning of the Period		263994995
CASH AND CASH EQUIVALENTS at the End of the Period		260258436

The cash flow statement, as per the provisions of AS-3, is applicable for the first year as per the provisions of Companies Act 2013. Therefore corresponding figures for the previous year are not available.

Significant Accounting Policies

23.1

See Accompanying Notes to the Financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

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

Jaspal Singh
Chairman
DIN: 00458451

Pritpal Singh
CGM Cum WTD
DIN: 01219436

(ANOOP KUMAR)
PARTNER
MEMBERSHIP NO. 096966

Place : LUDHIANA
Date : 07.08.2015

Pallavi Sethi
Company Secretary
PAN:CYZPS1438R

Rajesh Gupta
Sr. Manager-Accounts
PAN:APHPG2853B

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LSE SECURITIES LIMITED

Amount in (₹)

Notes to Financial Statements For The Year Ended March 31,2015

AS AT 31.03.2015 **AS AT 31.03.2014**

1 SHARE CAPITAL

AUTHORISED

130,00,000 Equity Shares of Rs 10/- each (Par Value)	130,000,000	130,000,000
20,00,000 8% Cumulative Redeemable Preference Shares of Rs 10/-each (Par Value)	20,000,000	20,000,000
	150,000,000	150,000,000

ISSUED, SUBSCRIBED AND PAID UP

6441775 Equity Shares of Rs.10/- each Fully Paid Up	64,417,750	64,417,750
TOTAL	64,417,750	64,417,750

Reconciliation of number of shares outstanding

a) Equity Shares

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

Terms / Rights attached to Equity Shares

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

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

	Number of shares 33310750	Number of shares 33310750
--	------------------------------	------------------------------

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

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

2 RESERVES & SURPLUS

Securities Premium - As Per Last Year Balance Sheet	4,068,875	4,068,875
Capital Redemption Reserve - As Per Last Year Balance Sheet	790,460	790,460
General Reserve - As Per Last Year Balance Sheet	5,725,736	5,387,839
Amount Transferred During The Year	301,805	337,897
	6,027,541	5,725,736
	10,886,876	10,585,071

Surplus in statement of Profit & Loss Account

Opening Balance	84,098,623	79,904,810
Add Adjustments as per Schedule II of the Companies Act, 2013	420,456	-
Add: Profit for the year	12,072,185	13,515,860
Amount available for appropriation	96,591,264	93,420,670
Less: Trf to Capital Redemption Reserve	-	-
: Trf to General Reseve	301,805	337,897
Less: Appropriations:		
Interim/ Proposed Dividend on equity shares	7,730,130	7,730,130
Distribution Dividend Tax	1,496,846	1,254,020
Closing Balance	87,062,483	84,098,623
TOTAL	97,949,359	94,683,694

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Amount in (₹)

Notes to Financial Statements For The Year Ended March 31,2015	<u>AS AT 31.03.2015</u>	<u>AS AT 31.03.2014</u>
3 Other Long Term Liabilities		
Deposits from sub brokers	27,645,335	37,389,059
Deposits from sub brokers for IL&FS (Future Currency)	-	1,500,000
TOTAL	27,645,335	38,889,059
4 Deferred Tax Liability (NET)		
a) Deferred Tax Liability		
- On account of depreciation of Fixed Assets	121,000	82,000
- On account of Disallowance U/S 40 A(7) of The Income Tax Act 1961	85,000	238,000
	206,000	320,000
b) Deferred Tax Asset		
- On account of Disallowance U/S 43B of The Income Tax Act 1961	(124,000)	(127,000)
TOTAL	82,000	193,000
5 Trade Payables		
Sundry Creditors	206,878,471	159,158,503
TOTAL	206,878,471	159,158,503
6 Other Current Liabilities		
<u>Deposits from sub brokers</u>		
<u>(Kept with the Principal Stock Exchanges as margins)</u>		
(A) Bombay Stock Limited, Mumbai (BSE)	50,323,179	52,929,505
In form of FDRs	47,362,337	48,360,572
In form of Funds	2,960,842	4,568,933
(B) The National Stock Exchange of India Ltd (NSE)	733,392,931	656,443,059
In form of FDRs	468,743,170	402,099,597
In form of Funds	99,260,077	82,444,653
In form of Scrips	165,389,684	171,898,809
(C) IL&FS	3,973,209	8,763,675
In form of FDRs	3,100,000	7,917,174
In form of Funds	873,209	846,501
(D) Scrips held on behalf of Clients	1,847,658,901	1,144,860,650
(E) Deposit from DP clients	112,000	116,000
(F) Dp Charges Received in Advance	794,346	580,445
TOTAL	2,636,254,566	1,863,693,334
Other Payables		
Payable to Holding Company (Ludhiana Stock & capital Ltd)	266,063	354,750
Cheques issued but not presented	11,202,900	10,390,976
Expenses Payable	2,860,556	1,361,792
Statutory Liabilities(including Stamp Duty, Tax Deducted at Source, Bonus, Service Tax, ESI & EPF)	2,305,868	1,404,157
Other Liabilities	989,336	1,416,811
TOTAL	17,624,723	14,928,486
GRAND TOTAL	2,653,879,289	1,878,621,820
Notes to Financial Statements For The Year Ended March 31,2015	<u>AS AT 31.03.2015</u>	<u>AS AT 31.03.2014</u>
7 Short Term Provisions		
Provision for employee benefits		
Leave Encashment	360,020	294,579
Proposed Dividend on Equity Shares	-	7,730,130
Dividend Distribution Tax	-	1,254,020
TOTAL	360,020	9,278,729

LSE SECURITIES LIMITED

Amount in (₹)

8 FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	AS AT 01-04-2014	ADDITIONS 2014	SALE/ADJUSTMENT	AS AT 31-03-2015	AS AT 01-04-2014	FOR THE PERIOD 2014	REVERSED DURING THE PERIOD	OTHER ADJUSTMENTS*	AS AT 31-03-2015	AS AT 31-03-2015	AS AT 31-03-2014	AS AT 31-03-2014
A) TANGIBLE ASSETS												
FURNITURE & FIXTURES	1438182	0	40395	1397787	1183158	129612	33204	(1788)	1281364	116423	255024	0
VEHICLES	5865	0	0	5865	5865	0	0	294	5571	294	0	5666
OFFICE EQUIPMENT	27983	0	0	27983	22317	0	0	(4266)	26583	1400	83840	1442
AIR CONDITIONER	246115	0	21900	224215	162175	573	8079	(58335)	213004	11211	1442	60158
COOLERS	6330	0	0	6330	4888	1125	0	0	6013	317	29052	6143
ELECTRONIC EQUIPMENTS	193108	0	0	193108	132950	31106	0	0	164056	29052	6143	12540
FANS & ELECTRICAL FITTINGS	58361	5858	0	64219	52970	5436	0	0	58106	6143	17192	11415
FIRE FIGHTING EQUIPMENT	49805	0	0	49805	37265	0	0	(10051)	47316	2489	3875	1631
GENERATOR	77487	0	0	77487	60305	9522	0	(3795)	73622	3875	76686	23524
GLOW SIGN BOARD	59454	0	0	59454	48039	0	0	(8441)	56480	2974	11415	1631
REFRIGERATOR	7180	0	0	7180	5548	1272	0	0	6821	359	76686	23524
TELEPHONE & TELEX	276750	19145	0	295895	200064	27488	0	(36718)	264269	31626	76686	23524
VSAT SKYEDGE	78000	0	0	78000	54476	0	0	(19625)	74101	3899	648992	0
COMPUTERS	19827961	110678	44475	19884164	19180968	163425	42251	563191	18738952	1155212	0	0
TOTAL - A	22352591	135681	106770	22381502	21150990	369259	83534	420456	21016259	1365243	1201601	1201601
PREVIOUS YEAR	22358227	34250	40118	22352591	20828107	537844	14761	0	21150980	1201601	1201601	1201601
B) INTANGIBLE ASSETS												
COMPUTER SOFTWARE & LICENSES	5862061	274671	0	6136732	5503282	166679	0	0	5669961	466770	358779	358779
TOTAL - B	5862061	274671	-	6136732	5503282	166679	-	-	5669961	466770	358779	358779
PREVIOUS YEAR	5450335	411726	0	5862061	5316132	187150	0	0	5503282	358779	358779	358779

* Represents adjustments in fixed assets which have completed useful life as prescribed under Schedule II to the Companies Act 2013 and the book value as on 31.03.2014 was more or less than the prescribed residual value in the said Schedule.

GRAND TOTAL CURRENT YEAR	28214652	410352	106770	28518234	26654272	535939	83534	420456	26686220	1832013	1560380	1560380
GRAND TOTAL PREVIOUS YEAR	27808562	446206	40116	28214652	25944239	724794	14761	0	26654272	1560380	1560380	1560380

Amount in (₹)

Notes to Financial Statements For The Year Ended March 31,2015	AS AT 31.03.2015	AS AT 31.03.2014
9 Non Current Investments		
a) Trade Unquoted		
130000 Equity Shares (P/Y 130000 Equity Shares) of Rs. 1 Each of Bombay Stock Exchange Limited	6,764,000	6,764,000
TOTAL	6,764,000	6,764,000
10 Long Term Loans and Advances		
<u>Unsecured, Considered Good</u>		
Security Deposits	40,276,975	39,784,210
Advances to Employees other than Current Maturities	201,410	115,720
Accrued interest on loan to employees other than current maturities	13,523	23,955
TOTAL	40,491,908	39,923,885
11 Other Non-Current Assets		
Planned Gratuity Assets (Net of Gratuity Obligation)	262,571	734,204
Accrued interest on term deposits having remaining maturity more than one year	738,362	1,757,175
TOTAL	1,000,933	2,491,379
12 INVENTORY		
Others:-		
Saleable Stationery	28,907	7,404
TOTAL	28,907	7,404
13 Trade Receivables		
Outstanding for a period exceeding six months from the due date of payment		
-Secured, Considered Good	17,285,293	16,813,365
-Unsecured, Considered Good	15,204,872	12,938,899
TOTAL	32,490,165	29,752,264
Others		
-Secured, Considered Good	129,816,924	70,574,426
-Unsecured, Considered Good	4,802,627	1,754,916
TOTAL	134,619,551	72,329,342
GRAND TOTAL	167,109,716	102,081,606
14 Cash and Bank Balances		
<u>Cash and Cash Equivalents</u>		
Cash in hand	69,046	40,183
Bank Balances in Current Accounts	22,289,390	48,954,812
TOTAL	22,358,436	48,994,995

Amount in (₹)

Notes to Financial Statements For The Year Ended March 31,2015	AS AT 31.03.2015	AS AT 31.03.2014
Other Bank Balances		
- Term Deposits having remaining maturity of more than one year.(See Note Below)	59,500,000	31,000,000
- Term Deposits having remaining maturity not more than one year.(See Note Below)	178,400,000	184,000,000
	237,900,000	215,000,000
GRAND TOTAL	260,258,436	263,994,995
Note : The deposits represent lien marked deposits against margin with major stock exchanges, bank guarantee and bank overdraft limits.		
15 Short Term Loans and Advances		
Unsecured Considered Good		
Advances Recoverable in Cash or in kind or for value to be received-Considered Good	1,982,045	668,099
Accrued interest on current maturities of loan to employees	27,574	46,024
Current Maturity of Advances to employees	317,104	315,707
Prepaid Expenses	1,222,238	825,610
Advance Income Tax(Net of Provision for Tax)	2,431,939	1,664,803
TOTAL	5,980,901	3,520,784
16 Other Current Assets		
Accrued interest on deposits with IL & FS	314,244	840,869
Accrued interest on term deposits having remaining maturity less than one year	9,814,716	9,385,569
Income Tax Refund Receivable	1,962,358	1,962,358
Margins Collected by IL & FS	6,200,000	18,750,000
Members fdr kept as Margin	536,405,507	477,200,408
Members Scrips kept as Margin	165,389,684	171,898,809
Scrips held on behalf of clients	1,847,658,901	1,144,860,650
TOTAL	2,567,745,410	1,824,898,662
17 Revenue From Operations		
Income from services rendered		
Turnover Charges (Net)	12,271,422	11,717,980
Depository Income	10,462,170	10,549,879
Other operating revenue		
- Relating to Bombay Stock Exchange Limited, Mumbai	73,500	152,603
- Relating to National Stock Exchange of India Limited, Mumbai	60,257	85,157
TOTAL	22,867,349	22,505,619
18 Other Income		
Dividend on Non current Investment	520,000	520,000
Dividend on current Investment	-	354,888
Interest Income	24,072,663	21,902,230
Bad Debts Recovered	235,420	-
Service tax refund	-	1,500,000
Interest on Service tax Refund	340,582	-
Profit on sale of assets	8,614	-
Provision for doubtful Advances - Reversed	-	386,371
Miscellaneous Income	557,688	536,624
TOTAL	25,734,967	25,200,113

Amount in (₹)

Notes to Financial Statements For The Year Ended March 31,2015	AS AT 31.03.2015	AS AT 31.03.2014
19 Operating Expenses		
- Relating to Bombay Stock Exchange Limited, Mumbai	326,105	1,112,071
- Relating to National Stock Exchange Limited, Mumbai	629,464	340,486
- Relating to MCX Stock Exchange Limited	64,368	43,858
- Depository Expenses	1,715,091	1,349,460
- Prior Period Expenses	-	126,645
TOTAL	2,735,028	2,972,520
20 Employee Benefit Expenses		
Salaries and Wages	11,211,677	10,313,450
Contribution to provident and other funds	1,275,067	1,208,032
Staff Welfare Expenses	417,704	385,567
Contribution/ (Adjustment) to Gratuity Fund	717,120	(213,865)
Leave Travel Concession	-	11,706
TOTAL	13,621,568	11,704,890
21 Finance Cost		
Interest Expenses	27,710	9,175
Other Borrowing Costs	460,680	215,110
TOTAL	488,390	224,285
22 Other Expenses		
Advertisement	6,440	16,936
Auditors' Remuneration		
- Statutory Audit Fee	70,000	60,000
- Out of Pocket Expenses	11,537	9,753
Internal Auditors' Remuneration- Audit Fees	233,200	233,200
Internal Auditors' (Out of Pocket) Expenses	30,053	25,371
System Audit	22,500	22,500
Special audit fee	375,000	-
Audit fee inspection	5,000	-
Board/Committee Meeting Expenses	13,657	16,074
Bad Debts	-	31,816
Cable TV Expenses	219,448	214,050
Computer Media Charges	-	19,560
Computer Maintanence expenses	3,278,059	3,313,933
Compensation Paid to Cleints	282,433	-
Electricity Charges	93,154	118,238
Festival Expenses	500,265	71,990
Filing Fees	4,460	470
General Expenses	219,638	234,592
Loss on Sale of Fixed Assets	-	12,155
Insurance	349,807	288,170
Legal and Professional Charges	251,885	330,278
Newspapers and periodicals	8,464	7,847
Office expenses	320,976	356,926
Postage and Courier	597,149	561,934
Printing and stationery	521,320	374,750
Rates and Taxes	664,970	383,565
Rent	4,374,347	4,553,090
Repairs and Maintenance	43,354	74,812

Amount in (₹)

Notes to Financial Statements For The Year Ended March 31,2015	<u>AS AT 31.03.2015</u>	<u>AS AT 31.03.2014</u>
Sitting Fees to Public Representatives	121,865	179,159
Telephone & Communication Charges	740,365	706,266
Travelling and Conveyance-Directors	10,800	31,315
Travelling and Conveyance-others	101,352	125,188
TOTAL	<u>13,471,498</u>	<u>12,373,938</u>

LSE SECURITIES LIMITED

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2015

23 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

23.1 SIGNIFICANT ACCOUNTING POLICIES

- **Accounting Convention**

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

- **Revenue Recognition**

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

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

c) Interest Income is recognised using time proportion method.

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

- **Fixed Assets**

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

- **Intangible Assets and Amortization**

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

- **Depreciation**

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

- **Inventories**

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

- **Employee Benefits**

DEFINED CONTRIBUTION PLAN

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

DEFINED BENEFIT PLAN

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

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

- **Investment**

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

- **Taxation**

a. Current tax is determined on the profit for the year in accordance with the provisions of the Income tax Act, 1961.

b. Deferred tax is calculated at the rates and laws that have been enacted or substantively enacted as of the Balance Sheet date and is recognized on timing difference that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, subject to consideration of prudence, are recognized and carried forward only to the extent that they can be realized.

- **Earning Per Share**

The company reports basic and diluted earning per share (EPS) in accordance with accounting standard 20 on "Earnings Per Share". Basic EPS

is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

• **Impairment of Assets**

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

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

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

• **Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be outflow of resources. Contingent Liabilities are not recognised, but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

23.2 NOTES TO ACCOUNTS

The Company has deposited FDRs in its name with National Stock Exchange of India Ltd amounting to Rs. 145500000 (Prev. Year Rs.132600000) and with Bombay Stock Exchange Ltd amounting to Rs. 6000000 (Prev. Year Rs 6000000) for Base Minimum/Additional Capital and are shown under the head Fixed Deposit with scheduled banks & FDRs amounting to Rs. 800000 (Previous Year Rs.800000) have been kept as Membership Security with NSE for FC Segment and Rs.13 Lacs (Previous Year- Nil) FDRs have been kept for the same purpose with MCX Stock Exchange Ltd. in FC Segment.

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

• **Secured Debtors:**

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

• **Employee Benefits:**

i) **Defined Contribution Plan:**

Company contribution to provident fund Rs.1012205 (Previous Year Rs.934108)

ii) **Defined Benefit Obligation:**

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

	Defined Benefit Plan Gratuity Funded as on 31.03.2015	Defined Benefit Plan Gratuity Funded as on 31.03.2014
Present value of obligation, beginning of	2476088	2535967
Interest cost	198087	228237
Current service cost	280645	225632
Benefits paid	(568504)	(81444)
Actuarial loss on obligations	501600	(432304)
Present value of obligation, end of	2887916	2476088
Fair value of plan assets, beginning of the	3210292	2842783
Expected return on plan assets	287099	255807
Contributions	221600	193146
Benefits paid	(568504)	(81444)
Actuarial gain / (loss) on plan assets	0	0
Fair value of plan asset at the end of the year (B)	3150487	3210292
Amount recognized in balance sheet (A-B)	262571	(734204)

(b) **Expenses during the year**

Current service cost	280645	225632
----------------------	--------	--------

Interest cost	198087	228237
Expected return on plan assets	(287099)	(255807)
Net actuarial (gain)/loss recognized in the year	501600	(432304)
Expenses recognized in statement of profit & loss	693233	(234242)

(c) Principal Actuarial Assumptions

	As on 31.03.2015	As on 31.03.2014
Discount Rate	8%	9%
Salary Escalation	7%	7%

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

The amount of contribution to Gratuity increased by risk premium Rs.23887 (P.Y) Rs 20377 which does not contribute to the assets of company.

Earnings Per Share

In accordance with Accounting Standard 20- Earnings Per Share prescribed by Companies (Accounting Standards) Rules 2006, the computation

	31-03-2015	31-03-2014
a) Face Value per Share	10.00	10.00
b) Net Profit after Tax	12,072,185	13,515,860
c) Weighted Average No. of shares	6,441,775	6,441,775
d) Earnings per share (Basic and Diluted)	1.87	2.10

Contingent Liability

The Company has issued a Bank Guarantee to the extent of Rs. 1.00 Cr (Previous Year 1.00 Cr) in favour of Bombay Stock Exchange Limited and Rs 2 Cr (Previous Year- Nil) in favour of National stock exchange Ltd against which fdr's amounting to Rs 50 Lacs and 1 Cr respectively as 50% margin, have been pledged with HDFC Bank.

The Company has issued a Bank Guarantee to the extent of Rs. 1.61 Cr in favour of NSCCL A/c LSE SECURITIE LTD (F&O SEGMENT) against which FDRs received from members amounting to Rs. 1.61 Cr have been pledged with Oriental Bank of Commerce.

Claims against the company not acknowledged as Debts:

- Advances recoverable include a sum of Rs.1803481 on account of amount paid for Purchase of 1935 equity shares of HDFC Bank Limited. The said shares have been transferred into the Beneficiary Account of Rajinder Kaur in compliance to the order dated 19.12.2014 passed by The High Court of Punjab and Haryana at Chandigarh in the case titled LSE Securities Limited vs Rajinder Kaur regarding alleged unauthorised transfer of 5000 shares of Bank of Punjab from the account of Rajinder Kaur on 02.12.2004. The Board of directors has decided not to provide for this liability as appeal filed by the Company in this regard is pending with the High Court of Punjab and Haryana and the Hon'ble Court has restrained the further transfer of these shares by Rajinder Kaur.

- A demand for Service Tax of Rs.225942 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 which was shown in previous years under the head Security Deposits in Non-Current Loans & Advances.

- Professional charges include Rs. Nil (Prev. Year - 10700) paid to the statutory auditors for rendering other services.
- All rent/lease agreements are cancellable on the instance of both lessor and lessee hence disclosure of information as per the provisions of AS-19 is not applicable.
- **Related Party Disclosures - As identified by the management and relied upon by the auditors**

(a) List of related parties and description of relationship

1. Holding company

- Ludhiana Stock & Capital Ltd.

II. Key managerial personnel

Pritpal Singh Chief General Manager
 Pallavi Sethi Company Secretary
 Varun Madaan AGM cum CS

(a) **Related party transaction**

	<u>Holding Company</u>	<u>Key Managerial Personnel</u>	<u>Total</u> (Figures in Rs.)
Dividend	3,997,290	-	3,997,290
Rent (Incl. of Taxes)	4,323,060	-	4,323,060
Photo Copy Charges	48,147	-	48,147
Remuneration	-	1,031,032	1,031,032
Total	8,368,497	1,031,032	9,399,529

• **Capital Commitment**

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

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

Figures have been rounded off to the nearest rupee value.

Signatures to Note No. 1 to 22

For and on behalf of the Board of Directors

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

Jaspal Singh
 Chairman
 DIN: 00458451

Pritpal Singh
 CGM Cum WTD
 DIN: 01219436

(ANOOP KUMAR)
 PARTNER
 MEMBERSHIP NO. 096966

Pallavi Sethi
 Company Secretary
 PAN:CYZPS1438F

Rajesh Gupta
 Sr. Manager-Accounts
 PAN:APHPG2653B

Place : LUDHIANA
 Date : 07.08.2015



LUDHIANA STOCK AND CAPITAL LIMITED

(Formerly Ludhiana Stock Exchange Limited)

CIN:U67120PB1981PLC004696

Regd. Office : Feroze Gandhi Market, Ludhiana

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

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

ATTENDANCE SLIP

(PLEASE BRING THIS AGM ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL)

NAME & ADDRESS OF THE SHAREHOLDER

SEQUENCE NO. _____

FOLIO NO. _____

DP ID: _____

CLIENT ID: _____

I hereby record my presence at the 33rd Annual General Meeting of the Company to be held on 10th day of September, 2015 (Thursday) at 04:00 p.m. at 1st Floor, LSE building, Feroze Gandhi Market, Ludhiana.

SIGNATURE OF THE MEMBER / PROXY

NUMBER OF SHARES HELD

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LUDHIANA STOCK AND CAPITAL LIMITED

(Formerly Ludhiana Stock Exchange Limited)

CIN : U67120PB1981PLC004696

Registered Office : Feroze Gandhi Market, Ludhiana-141001.

PROXY FORM

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

I/We, being the member(s) of shares of Ludhiana Stock and Capital Limited, hereby appoint :

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33rd Annual General Meeting of the Company, to be held on 10th September, 2015 at 4.00 p.m. at First Floor, LSE Building, Feroze Gandhi Market, Ludhiana and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No. :

- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____

Affix Revenue Stamp

Signed this _____ day of _____ 2015

Signature of Shareholder

Signature of Proxy holder(s)

Notes:

- The proxy, to be effective, should be duly completed and deposited at the Registered Office of the Company, Feroze Gandhi Market, Ludhiana-141001 at least FORTY-EIGHT HOURS before the commencement of the Annual General Meeting.
- A Proxy need not be a Member of the Company.
- A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
- Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.