

# INDEPENDENT AUDITOR'S REPORT

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

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of Ludhiana Stock and Capital Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss and the Statement of Cash flows for the year then ended, and notes to standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity 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, of the state of affairs of the Company as at 31 March 2019, the profit and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone Financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Management and Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibilities for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended. 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 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has

# INDEPENDENT AUDITOR'S REPORT

adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraph 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit, 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 statement of cash flows dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended.
  - (e) On the basis of the written representations received from the directors as on 31st March 2019 taken on record by the Board of directors, none of the directors is disqualified as on 31st March 2019 from being appointed as a Director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
  - (h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The company has disclosed the impact of pending litigation on the financial position of the company. (Refer Note 24 to the standalone financial statements).
    - ii. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses. (Refer note 38 to the standalone financial statements).
    - iii. There were no amounts which were to be transferred, to the Investor Education and Protection Fund by the Company. (Refer note 39 to the standalone financial statements)
3. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.

In our opinion and to best of our information and according to the explanations given to us, we report that no remuneration has been paid by the Company to its directors during the year and therefore provisions of section 197 of the Act are not applicable.

For SCV & Co. LLP  
Chartered Accountants  
F.R. No.: 000235N/N500089

Place: Ludhiana  
Date: 17.08.2019

(Sanjiv Mohan)  
Partner  
M. No.086066

# INDEPENDENT AUDITOR'S REPORT ANNEXURE - A

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Ludhiana Stock and Capital Limited of even date)

We report that

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) According to the information and explanations given to us, the Company has physically verified the assets during the year. No discrepancies were noticed on such physical verification.
- c) According to information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
- (ii) The Company has not held any inventory during the year. Therefore the provisions of the paragraph 3(ii) are not applicable to the Company.
- (iii) According to the information and explanations given to us, we report that the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore the provisions of paragraph 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has not granted loans to directors or any other person in whom director is interested and also has not made loans, guarantees or provided security in connection with loan to any person or other body corporate and has not acquired securities of any other body corporate during the financial year. Therefore, the provisions of section 185 and section 186 of the Companies Act, 2013 are not applicable to the Company. Thus paragraph 3(iv) of the Order is not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted deposits covered under the provisions of sections 73 to 76, other relevant provisions of the Companies Act, 2013 and the rules framed thereunder. According to the information and explanations given to us, the order under the aforesaid sections has not been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company.
- (vi) The provisions of paragraph 3(vi) of the Order regarding the maintenance of cost records are not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of the records of the Company examined by us, in our opinion, the Company has been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess, goods and service tax 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 on the last day of the financial year concerned for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax, duty of custom, duty of excise, value added tax, cess and other statutory dues which have not been deposited with the appropriate authorities on account of any dispute. However according to the information and explanations given to us, the following dues of service tax have not been deposited by the company with the appropriate authority on account of dispute

Name of the Statute	Nature of Dues	Forum where the dispute is pending	Total Demand (In Lacs)	Paid under Protest (In Lacs)	Unpaid (In Lacs)	Period to which the amount relates
The Finance Act, 1994	Service Tax	Commissioner of Central Excise(Appeals)	14.52	2.18	12.34	2011-12 to 2013-14

- (viii) According to the information and explanations given to us, and based on our examination of the records of the company, the Company has not defaulted in repayment of loan from banks or financial institutions and has also not issued any debentures during the previous year or in the preceding year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not taken any term loan during the year. The Company has not raised money by way of public offer (including debt instruments) during the year. Therefore the provisions of paragraph 3(ix) are not applicable to the Company.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanation given to us, the Company has not paid managerial remuneration during the year. Therefore the provisions of paragraph 3(xi) of the Order are not applicable.
- (xii) According to the information and explanation given to us, the company is not a Nidhi Company. Therefore the provisions of paragraph 3(xii) of the Order are not applicable.
- (xiii) According to the information and explanations given to us, and based on our examinations of the records of the company, transactions with the related parties are in compliance with section 177 and section 188 of the Act, where applicable and the details of the transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Thus the provisions of paragraph 3(xiv) of the Order are not applicable.
- (xv) According to information and explanations given to us, and based on our examination of the records of the company, the company has not entered into non-cash transactions with director or person connected with him. Accordingly, provisions of paragraph 3 (xv) of the Order are not applicable.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For SCV & Co. LLP  
Chartered Accountants  
F.R. No.: 000235N/N500089

Place: Ludhiana  
Date: 17.08.2019

(Sanjiv Mohan)  
Partner  
M. No.086066

Ludhiana Stock and Capital Limited

# INDEPENDENT AUDITOR'S REPORT ANNEXURE - B

## Annexure – “B” TO THE INDEPENDENT AUDITORS REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Ludhiana Stock and Capital Limited of even date)

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial control over financial reporting of Ludhiana Stock and Capital Limited (“the Company”) as of 31<sup>st</sup> March 2019 in conjunction with our audit of standalone financial statements of company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Control and, both issued by the Institute of Chartered Accountants of India.. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting of the company.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SCV & Co. LLP  
Chartered Accountants  
F.R. No.: 000235N/N500089

Place: Ludhiana  
Date: 17.08.2019

(Sanjiv Mohan)  
Partner  
M. No.086066



# BALANCE SHEET AS AT 31ST MARCH 2019

(Amount in ₹)

PARTICULARS	Note No.	AS AT 31-03-2019	AS AT 31-03-2018
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
a) Share capital	3	6,02,000	6,02,000
b) Reserves and surplus	4	19,64,37,947	18,97,23,135
		<u>19,70,39,947</u>	<u>19,03,25,135</u>
<b>2 Non-current liabilities</b>			
a) Deferred tax liabilities (Net)	5	81,721	14,597
b) Other long term liabilities	6	1,80,30,566	1,75,96,045
		<u>1,81,12,287</u>	<u>1,76,10,642</u>
<b>3 Current liabilities</b>			
a) Trade payables	7		
i) Total outstanding dues of micro enterprises and small enterprises; and		-	-
ii) Total outstanding dues of creditors other than micro enterprise and small enterprise		6,67,539	6,22,978
b) Other current liabilities	8	96,27,654	90,14,059
c) Short-term provisions	9	50,287	71,485
		<u>1,03,45,480</u>	<u>97,08,522</u>
<b>TOTAL</b>		<u><b>22,54,97,714</b></u>	<u><b>21,76,44,299</b></u>
<b>II ASSETS</b>			
<b>1 Non-current assets</b>	10		
a) Property, Plant and Equipment			
i) Tangible assets		8,01,67,383	8,09,67,660
ii) Intangible assets		-	-
		<u>8,01,67,383</u>	<u>8,09,67,660</u>
b) Non-current investments	11	3,45,17,625	3,45,17,625
c) Long-term loans and advances	12	1,00,53,830	90,87,165
d) Other non-current assets	13	2,66,54,753	1,65,22,036
		<u>15,13,93,591</u>	<u>14,10,94,486</u>
<b>2 Current assets</b>			
a) Current investments	14	68,10,935	6,88,82,926
b) Inventories		-	-
c) Trade receivables	15	8,72,778	2,39,298
d) Cash and cash equivalents	16	6,17,71,311	51,03,526
e) Short-term loans and advances	17	42,48,076	21,40,845
f) Other current assets	18	4,01,022	1,83,218
		<u>7,41,04,123</u>	<u>7,65,49,813</u>
<b>TOTAL</b>		<u><b>22,54,97,714</b></u>	<u><b>21,76,44,299</b></u>

See accompanying notes to the financial statements

As per our separate report of even date  
For SCV & Co. LLP  
Chartered Accountants  
Firm Regn. No. 000235N/N500089

(Sanjiv Mohan)  
Partner  
M. No. 086066

PLACE : LUDHIANA  
DATED : 17-08-2019

Sd/-  
(Jaspal Singh)  
Vice Chairperson  
(DIN - 00458451)

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

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

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

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

Sd/-  
(Pankaj Jain)  
Manager Accounts  
(PAN - AAPPJ9925N)

**STATEMENT OF PROFIT AND LOSS**  
FOR THE YEAR ENDED 31ST MARCH, 2019

(Amount in ₹)			
PARTICULARS	Note No.	For the year ended 31-03-2019	For the year ended 31-03-2018
i Revenue from operations	19	8,86,912	10,12,483
ii Income from investments and deposits	20	2,39,62,526	64,30,100
iii Other income	21	1,33,05,832	1,81,27,683
iv Total revenue (i + ii + iii)		<b>3,81,55,270</b>	<b>2,55,70,265</b>
v Expenses :			
Employee benefits expense	22	42,27,548	41,83,314
Depreciation and amortization expense		8,37,294	9,31,026
Other expenses	23	1,98,74,395	1,78,47,529
Total expenses		<b>2,49,39,237</b>	<b>2,29,61,868</b>
vi Profit before exceptional items and tax (iv - v)		1,32,16,033	26,08,397
vii Exceptional items (Refer note - 36)			
- Compensation paid to CMC Ltd.		-	63,35,253
viii Profit before tax (vi - vii)		1,32,16,033	(37,26,856)
ix Tax expense :			
- Current tax		-	-
- Income-Tax relating to prior years		(9,65,903)	-
- Deferred tax		67,124	14,597
x Profit for the year (viii-ix)		<b>1,41,14,812</b>	<b>(37,41,453)</b>
Earnings per share (of ₹ 10/- each)			
- Basic		238.43	(63.20)
- Diluted		238.43	(63.20)

See accompanying notes to the financial statements

As per our separate report of even date  
For SCV & Co. LLP  
Chartered Accountants  
Firm Regn. No. 000235N/N500089

(Sanjiv Mohan)  
Partner  
M. No. 086066

PLACE : LUDHIANA  
DATED : 17-08-2019

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(PAN - ACBPK0351M)

For and on behalf of the Board of Directors  
of Ludhiana Stock and Capital Limited  
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Director  
(DIN - 01971376)

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

Sd/-  
(Pankaj Jain)  
Manager Accounts  
(PAN - AAPPJ9925N)

# CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2019

(Amount in ₹)

PARTICULARS	2018-19	2017-18
<b>1. CASH FLOW FROM OPERATING ACTIVITY</b>		
Profit before tax	1,32,16,033	26,08,397
Adjustments for :		
Depreciation and amortization expenses	8,37,294	9,31,026
Interest Income	(35,47,160)	(25,78,085)
Dividend Income	(1,33,24,300)	(26,64,860)
Profit on sale of current investments	(70,91,066)	(11,87,155)
Bad debts recovered	-	(10,000)
Profit on sale of property, plant and equipment	(80,620)	(2,99,038)
<b>Operating Profit Before Working Capital Changes</b>	<b>(99,89,819)</b>	<b>(31,99,715)</b>
<b>Changes in Working Capital</b>		
Adjustments for (increase)/decrease in operating assets:		
Trade receivables	(6,33,480)	3,51,925
Short Term loans & advances	(29,255)	(16,18,831)
Other Current Assets	(3,41,129)	12,62,828
Long Term loans & advances	-	51,202
Other non-current assets	(1,01,32,718)	(4,45,661)
Adjustments for (increase)/decrease in operating liabilities:		
Trade Payables	44,561	1,12,749
Short Term Provisions	(21,198)	(10,397)
Other Current Liabilities	4,90,270	(59,80,112)
Other long term liabilities	4,34,521	(60,81,100)
Long-term provisions	-	(49,770)
<b>Cash Generated From Operation</b>	<b>(2,01,78,247)</b>	<b>(1,56,06,882)</b>
Income Tax Paid (Net)	(762)	(5,16,745)
<b>Cash Flow Before Extra-Ordinary Items</b>	<b>(2,01,79,009)</b>	<b>(1,61,23,627)</b>
Less : Item of exceptional nature		
- Compensation paid to CMC Ltd.	-	(63,35,253)
<b>Net Cash Flow From Operating Activity (A)</b>	<b>(2,01,79,009)</b>	<b>(2,24,58,880)</b>
<b>2. CASH FLOW FROM INVESTING ACTIVITY</b>		
Proceeds from sale of property, plant and equipment	1,05,993	4,06,333
Interest Received	14,69,184	81,49,173
Dividend Received	1,33,24,300	26,64,860
Proceeds from sale of current investments	6,91,63,057	-
Purchase of current investments	-	(1,28,97,021)

# CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2019

(Amount in ₹)

PARTICULARS	2018-19	2017-18
Purchase of Property, Plant and Equipment	(62,390)	(64,190)
Encashment of bank deposit not considered as cash and Cash equivalents	(5,85,00,000)	2,51,73,666
<b>Net Cash Flow From Investing Activity (B)</b>	<b>2,55,00,144</b>	<b>2,34,32,821</b>
<b>3. CASH FLOW FROM FINANCING ACTIVITY</b>		
Dividend Paid	(72,76,675)	(59,09,100)
Dividend Distribution Tax	-	(4,21,635)
<b>Net Cash Flow From Financing Activity (C)</b>	<b>(72,76,675)</b>	<b>(63,30,735)</b>
<b>4. NET INCREASE/ (DECREASE) IN CASH &amp; CASH EQUIVALENTS (A)+(B)+(C)</b>	<b>(19,55,540)</b>	<b>(53,56,794)</b>
<b>5. CASH &amp; CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>40,65,467</b>	<b>94,22,261</b>
<b>6. CASH &amp; CASH EQUIVALENTS AT THE END OF THE YEAR (4)+(5)</b>	<b>21,09,926</b>	<b>40,65,467</b>
<i>Reconciliation of cash and bank balances with the balance sheet :</i>		
<b>Cash and bank balances</b>	<b>6,17,71,311</b>	<b>51,03,526</b>
Less bank balances and considered as cash and cash equivalents		
<b>In other deposits accounts</b>		
- Original maturity more than 3 months	5,85,00,000	-
<b>In earmarked accounts</b>		
- Dividend account	11,61,385	10,38,060
<b>CASH &amp; CASH EQUIVALENTS AT THE END OF THE YEAR*</b>	<b>21,09,926</b>	<b>40,65,466</b>
<b>*Comprises</b>		
Cash on hand	29,315	36,101
Cheques in hand	7,84,596	-
Balances with Banks :		
In current accounts	12,96,015	10,29,366
Bank deposits (original maturity of 3 months or less)	-	30,00,000
	<b>21,09,926</b>	<b>40,65,467</b>

## Notes :

The figures in brackets represent outflows/adjustments.

As per our separate report of even date  
For SCV & Co. LLP  
Chartered Accountants  
Firm Regn. No. 000235N/N500089

(Sanjiv Mohan)  
Partner  
M. No. 086066

PLACE : LUDHIANA  
DATED : 17-08-2018

Sd/-  
(Jaspal Singh)  
Vice Chairperson  
(DIN - 00458451)

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

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

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

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

Sd/-  
(Pankaj Jain)  
Manager Accounts  
(PAN - AAPPJ9925N)

# NOTES FORMING PART OF FINANCIAL STATEMENTS

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 1. CORPORATE INFORMATION

Ludhiana Stock and Capital Limited (Formerly known as Ludhiana Stock Exchange Limited) ("the Company") is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956 on 17.10.1981. The Company is engaged in 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.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### a) Basis of preparation of Financial Statements

The financial statements of the company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standard (AS) specified under section 133 of the Companies Act, 2013. The financial statements have been prepared on accrual basis under historical cost convention.

The accounting policies adopted in the preparation of the financial statement are consistent with those followed in previous year.

#### b) Use of Estimates

The preparation of financial statements, in conformity with the generally accepted accounting principles, requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known /materialize.

#### c) Revenue Recognition

##### Interest

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

##### Dividend

II. Dividend from investment is recognized when right to receive payment is established.

##### Fee from training and education cell

III. Fee from training and educational cell is recognized on the accrual basis depending upon the tenure of the training batch.

##### Insurance and Other Claims

IV. Revenue in respect of Insurance and other claims are recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof.

#### d) Property, Plant and Equipment

##### i) Tangible Assets

Tangible Assets are stated at cost, less accumulated depreciation. The Cost of an item of tangible assets comprises:

- its purchase price and any attributable expenditure (directly or indirectly) for bringing the asset to its working condition for its intended use.
- expenditure incurred on renovation/modernization of the existing property, plant and equipment is added to the book value of these assets where such renovation/modernization increases the future benefit from them beyond their previously assessed standard of performance.
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period.

##### ii) Intangible Assets

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

#### e) Depreciation

Depreciation is provided on Written Down Value method in accordance with and in the manner specified in Schedule II to the Companies Act, 2013.

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

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

#### f) Amortization

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

#### g) Employee Benefits:

##### 1) Short Term Employee Benefits:

Short Term Employee Benefits are recognized as an expense on an undiscounted basis in the statement of profit and loss of the year in which the related service is rendered. This includes leave encashment which are expected to occur within twelve months after the end of the period in which employee render the related services.

##### 2) Post Employment Benefits:

##### i) Defined Contribution Plans:

**Provident Fund , Employee State Insurance Contribution (ESIC) are the defined Contribution Plans:**

The contribution to these Scheme are made in accordance with the provisions of Employees Provident Fund Act and Miscellaneous

# NOTES FORMING PART OF FINANCIAL STATEMENTS

Provisions Act, 1952 and Employee State Insurance Corporation and is recognised as an expense in the statement of profit and loss.

## ii) **Defined Benefit Plans:**

### **Gratuity:**

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

## iii) **Actuarial Gain or Loss:**

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

## iv) **Leave Encashment:**

The liability for leave encashment after the end of the period in which the employee renders the related services is recognized on the basis of leaves not availed by the employee.

## h) **Investments**

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

## i) **Borrowing Costs**

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

## j) **Impairment of Assets**

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

## k) **Accounting for Taxes on Income**

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 in accordance with the provisions of the Income Tax Act, 1961.

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. Deferred tax is measured using tax rate and tax laws enacted or subsequently enacted as at reporting date.

## l) **Earnings per share**

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

For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period and weighted average number of equity shares which would be issued on the conversion of all dilutive potential equity shares into equity shares.

## m) **Cash flow statement**

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

## n) **Cash and cash equivalent**

Cash comprises of cash on hand and demand deposit with banks other than under lien and cash equivalents are short term, highly liquid investment that are readily convertible into known amount of cash and which are subject to insignificant risk of change in value.

## o) **Provisions and Contingent Liabilities**

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

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

ii) Contingent liability is disclosed in case there is :

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

## p) **Operating Cycles:**

Based on the nature of products/ activities of the company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and noncurrent.

## q) **Material Events:**

Material events occurring after the balance sheet date are taken into cognizance in accordance with the principles laid down in AS4 “Contingencies and events occurring after the balance sheet date”



# NOTES FORMING PART OF FINANCIAL STATEMENTS

## 3 Share Capital

PARTICULARS	AS AT 31-03-2019		AS AT 31-03-2018	
	Number	₹	Number	₹
<b>Authorised :</b>				
Equity shares of ₹10/- each (par value)	50,00,000	5,00,00,000	50,00,000	5,00,00,000
<b>Total</b>	50,00,000	5,00,00,000	50,00,000	5,00,00,000
<b>Issued :</b>				
Equity shares of ₹10/- each	70,000	7,00,000	70,000	7,00,000
<b>Total</b>	70,000	7,00,000	70,000	7,00,000
<b>Subscribed :</b>				
Equity shares of ₹10/- each	60,200	6,02,000	60,200	6,02,000
<b>Total</b>	60,200	6,02,000	60,200	6,02,000
<b>Paid up :</b>				
Equity shares of ₹10/- each	60,200	6,02,000	60,200	6,02,000
Less: Forfeited 1,000 equity shares of ₹10/-each		10,000		10,000
	60,200	5,92,000	60,200	5,92,000
Add : Forfeited shares (Amount originally paid up)		10,000		10,000
<b>Total</b>	60,200	6,02,000	60,200	6,02,000

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

Equity Shares	AS AT 31-03-2019		AS AT 31-03-2018	
	Number	₹	Number	₹
At the beginning of the reporting period	60,200	6,02,000.	60,200	6,02,000
Add : Issued during the period	-	-	-	-
<b>Outstanding at the end of the reporting period</b>	60,200	6,02,000	60,200	6,02,000

### b. Rights, preferences and restrictions attached to equity shares

The company has one class of shares referred to as equity shares having a par value of ₹10/- each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of directors is subject to the approval of the shareholders in the ensuing annual general meeting and entitlement to dividend to an equity shareholder shall arise after such approval.

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. Detail of Shares held by holding company or its ultimate holding company including shares held or by subsidiaries or associates of holding Company or ultimate holding Company.

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

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

### e. Aggregate number and class of share allotted as fully paid-up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of five year immediately preceding the balance sheet date:

	As at 31 March 2019 Number of shares	As at 31 March 2018 Number of shares
A. Equity shares allotted as fully paid up pursuant to contract (s) without payment being received in cash	-	-
B. Equity shares allotted as fully paid up by way of bonus shares	-	-
C. Equity shares bought back by the Company	-	-
	-	-

# NOTES FORMING PART OF FINANCIAL STATEMENTS

## 4 Reserves and surplus

PARTICULARS	AS AT 31-03-2019 ₹	AS AT 31-03-2018 ₹
<b>Capital reserve</b>		
Balance as per last financial statements	15,27,21,795	15,27,21,795
	<u>15,27,21,795</u>	<u>15,27,21,795</u>
<b>Other reserves :</b>		
<b>General reserve</b>		
Balance as per last financial statements	3,67,61,316	3,67,61,316
	<u>3,67,61,316</u>	<u>3,67,61,316</u>
<b>Surplus i.e. balance in statement of profit and loss</b>		
Balance as per the last financial statements	2,40,025	91,39,113
Add : Profit for the year transferred from statement of profit and loss	1,41,14,812	(37,41,453)
	<u>1,43,54,837</u>	<u>53,97,660</u>
Less : Appropriations :		
Dividend paid (interim)	74,00,000	47,36,000
Corporate Dividend Tax (Refer note 26)	-	4,21,635
Closing Balance	<u>69,54,837</u>	<u>2,40,025</u>
<b>Total</b>	<u><b>19,64,37,947</b></u>	<u><b>18,97,23,135</b></u>

## 5 Deferred tax liabilities

PARTICULARS	AS AT 31-03-2019 ₹	AS AT 31-03-2018 ₹
<b>Deferred tax liabilities</b>		
Impact of difference between book balance and tax balance of Property, Plant and Equipment	81,721	14,597
	<u>81,721</u>	<u>14,597</u>

## 6 Other long-term liabilities

PARTICULARS	AS AT 31-03-2019 ₹	AS AT 31-03-2018 ₹
<b>Others :</b>		
Retention money	34,35,054	34,35,054
Security from members	1,37,43,840	1,40,35,493
Security from others	8,51,672	1,25,498
	<u>1,80,30,566</u>	<u>1,75,96,045</u>

## 7 Trade payables

PARTICULARS	AS AT 31-03-2019 ₹	AS AT 31-03-2018 ₹
Total outstanding dues of micro enterprise and small enterprise (Ref note No. 30)	-	-
Total outstanding dues other than micro enterprise and small enterprise	6,67,539	6,22,978
	<u>6,67,539</u>	<u>6,22,978</u>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 8 Other current liabilities

PARTICULARS	AS AT 31-03-2019 ₹	AS AT 31-03-2018 ₹
Unpaid dividend	11,61,385	10,38,060
Due to members	4,75,000	4,25,000
Other payables		
- Statutory remittances**	15,71,999	2,20,719
- Due to employees	6,21,016	6,81,395
- Due to ex-members	-	2,53,140
- Expense payable	7,22,874	9,62,844
- Earnest money for membership	25,000	25,000
- Advances from members	25,03,351	30,26,898
- Security from members	22,49,550	22,61,028
- Cheques issued but not yet presented	7,989	2,915
- Other Advances	8,474	-
- Other payables	2,81,016	1,17,061
	<b>96,27,654</b>	<b>90,14,059</b>

\*\* Statutory remittance includes contribution to provident fund, ESIC, tax at source, GST etc.

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

### 9 Short-term provisions

PARTICULARS	AS AT 31-03-2019 ₹	AS AT 31-03-2018 ₹
Provision for employee benefits :		
Leave encashment	50,287	71,485
	<b>50,287</b>	<b>71,485</b>

# NOTES FORMING PART OF FINANCIAL STATEMENTS

## 10 Property, Plant and Equipment

(Amount in ₹)

PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION				NET BLOCK	
	Balance as at 1st April, 2018	Additions	Disposal	Balance as at 31st March, 2019	Balance as at 1st April, 2018	Depreciation/ amortisation expenses during the year	Eliminated on disposal of assets	Balance as at 31st March, 2019	Balance as at 31st March, 2018
<b>a) Tangible Assets</b>									
Freehold Land	6,57,42,904	-	-	6,57,42,904	-	-	-	6,57,42,904	6,57,42,904
Buildings	3,86,19,584	-	1,05,993	3,85,13,591	2,58,27,834	6,18,158	80,620	1,21,48,219	1,27,91,750
Plant and Equipments	2,78,93,316	-	-	2,78,93,316	2,59,85,214	1,62,005	-	17,46,097	19,08,101
Office Equipments	84,19,982	-	-	84,19,982	79,57,807	41,565	-	4,20,610	4,62,175
Furniture and Fixtures	5,43,490	-	-	5,43,490	5,17,488	3,137	-	22,865	26,002
Vehicles	5,97,260	62,390	-	6,59,650	5,60,533	12,429	-	86,688	36,727
<b>Total (a)</b>	<b>14,18,16,536</b>	<b>62,390</b>	<b>1,05,993</b>	<b>14,17,72,933</b>	<b>6,08,48,877</b>	<b>8,37,294</b>	<b>80,620</b>	<b>8,01,67,383</b>	<b>8,09,67,660</b>
<b>b) Intangible Assets</b>									
Computer Software	2,95,500	-	-	2,95,500	2,95,500	-	-	-	-
<b>Total (b)</b>	<b>2,95,500</b>	<b>-</b>	<b>-</b>	<b>2,95,500</b>	<b>2,95,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (a + b)</b>	<b>14,21,12,036</b>	<b>62,390</b>	<b>1,05,993</b>	<b>14,20,68,433</b>	<b>6,11,44,377</b>	<b>8,37,294</b>	<b>80,620</b>	<b>8,01,67,383</b>	<b>8,09,67,660</b>
Previous year	14,24,54,178	<b>64,190</b>	4,06,332	14,21,12,036	6,05,12,389	9,31,026	2,99,038	8,09,67,660	

**Notes :-** Intangible assets are not internally generated.

# NOTES FORMING PART OF FINANCIAL STATEMENTS

## 11 Non current investments

PARTICULARS	AS AT 31-03-2019 ₹	AS AT 31-03-2018 ₹
Long term investments <b>Unquoted (Valued at cost unless stated otherwise)</b>		
<b>Trade</b>		
Investment in equity instruments of subsidiary company 33,31,075 (previous year 33,31,075) equity shares of ₹ 10/- fully paid up of LSC Securities Limited(Formerly L.S.E.Securities Limited)	3,45,17,625	3,45,17,625
	<u>3,45,17,625</u>	<u>3,45,17,625</u>
Aggregate amount of unquoted investment	3,45,17,625	3,45,17,625

## 12 Long-term loans and advances

PARTICULARS	AS AT 31-03-2019 ₹	AS AT 31-03-2018 ₹
(Unsecured considered good)		
Security deposits	15,31,534	15,31,534
Advance income tax {net of provision for tax ₹ Nil/- (Previous year ₹ 40,00,000)}	85,22,296	75,55,631
	<u>1,00,53,830</u>	<u>90,87,165</u>

## 13 Other non-current assets

PARTICULARS	AS AT 31-03-2019 ₹	AS AT 31-03-2018 ₹
(Unsecured considered good )		
Others :		
Members security :		
- Held as fixed deposits	1,29,35,540	1,32,27,193
- Held as members investment	6,94,571	6,94,571
Security received from others (held as fixed deposits)	1,24,672	1,00,498
Non current bank balances (refer note no. 16)	1,14,75,000	14,75,000
Recoverable from Customer Protection Fund 25,000	1,71,925	
Less : Allowances for doubtful advances -	25,000	1,71,925
Interest accrued on fixed deposits	13,99,970	8,52,849
	<u>2,66,54,753</u>	<u>1,65,22,036</u>

## 14 Current Investments

PARTICULARS	AS AT 31-03-2019 ₹	AS AT 31-03-2018 ₹
<b>At cost or fair value whichever is less</b>		
<b>Investment in Mutual fund (Unquoted)</b>		
148.923 (Previous year-27,801.45) units of face value of Rs. 1,000/- each fully paid up of UTI - Treasury Advantage Fund - Institutional Plan - Direct plan - Growth	3,71,982	6,24,43,972
<b>Investment in Bonds (Quoted)</b>		
199 (previous year - 199) bonds face value of Rs. 5000/- each of National housing Bank	11,88,402	11,88,402

## NOTES FORMING PART OF FINANCIAL STATEMENTS

PARTICULARS	AS AT 31-03-2019 ₹	AS AT 31-03-2018 ₹
999 (Previous year - 999) bonds face value of Rs. 1000/- each of National Highway Authority of India	10,67,869	10,67,869
150 (Previous Year - 150) bonds face of Rs. 1000/- each of National Highway Authority of India	1,73,725	1,73,725
999 (Previous Year- 999) bonds face value of Rs. 1000/- each of National Bank of Agriculture and Rural Development	10,59,632	10,59,632
1299 (Previous Year - 1299) bonds face value of Rs. 1000/- each of Housing Urban Development corporation	13,83,316	13,83,316
999 (Previous Year - 999) Bonds face value of Rs. 1000/- each of Indian Railway Finance corporation Limited	10,58,572	10,58,572
300 (Previous Year - 300) Bonds face value of Rs. 1000/- each of National Highway Authority of India	3,17,707	3,17,707
100 (Previous Year - 100) Bonds face value of Rs. 1000/- each of National Highway Authority of India	1,06,447	1,06,447
78 (Previous year - 78) Bonds face value of Rs. 1000/- each of Power Finance corporation	83,283	83,283
	<b>68,10,935</b>	<b>6,88,82,926</b>
Aggregate amount of unquoted investments	3,71,982	6,24,43,972
Aggregate amount of quoted investments	64,38,954	64,38,954
Aggregate Market Value of quoted investments	68,32,300	68,68,970
Aggregate provision for diminution in value of other current Investment	-	-

### 15 Trade receivables

PARTICULARS	AS AT 31-03-2019 ₹	AS AT 31-03-2018 ₹
Trade receivables outstanding for a period exceeding six months from the date they are due for payment :		
- Secured, considered good	2,52,263	86,118
- Unsecured, considered good	-	-
- Unsecured, considered doubtful	60,770	60,770
	<u>3,13,033</u>	<u>1,46,888</u>
Less: Allowances for doubtful advances	60,770	60,770
	2,52,263	86,118
Other trade receivables		
- Secured, considered good	6,20,515	1,48,612
- Unsecured, considered good	-	4,568
	<u>6,20,515</u>	<u>1,53,180</u>
	<b>8,72,778</b>	<b>2,39,298</b>



# NOTES FORMING PART OF FINANCIAL STATEMENTS

## 16 Cash and Cash Equivalents

PARTICULARS	AS AT 31-03-2019 ₹	AS AT 31-03-2018 ₹
Cash and cash equivalents		
a) Balances with banks		
- In current accounts	12,96,015	10,29,366
- In deposit accounts		
- with maturity less than three months	-	30,00,000
- with maturity more than three months but less than twelve months	5,85,00,000	-
- with maturity more than twelve months	1,14,75,000	14,75,000
b) Cash in hand	29,315	36,101
c) Cheques in hand	7,84,596	-
Other Bank Balances :		
a) Earmarked balances with banks :		
- Dividend account	11,61,385	10,38,060
	7,32,46,311	65,78,526
Less: Amounts disclosed as other non current assets (refer note 13)	1,14,75,000	14,75,000
	<u>6,17,71,311</u>	<u>51,03,526</u>

## 17 Short-term loans and advances

PARTICULARS	AS AT 31-03-2019 ₹	AS AT 31-03-2018 ₹
(Unsecured considered good )		
Loans and advances to related parties (refer note-31)	80,907	11,85,241
Others:		
Advance to suppliers	-	-
Loans and advances to employees	40,653	29,638
Prepaid expenses	1,78,091	2,00,107
Interest accrued on :		
- fixed deposits	20,79,257	444
- bonds	1,51,400	1,52,237
Fair value of Plan Assets (Net) (Refer Note-35)	2,40,751	3,24,496
Other recoverables :		
- Considered good	14,77,017	2,48,682
	<u>42,48,076</u>	<u>21,40,845</u>

## 18 Other Current Assets

PARTICULARS	For the year ended 31-03-2019 ₹	For the year ended 31-03-2018 ₹
Members security		
- Held as fixed deposits	1,83,218	1,83,218
Balance and deposits with Government Authorities or Others	2,17,804	-
	<u>4,01,022</u>	<u>1,83,218</u>

# NOTES FORMING PART OF FINANCIAL STATEMENTS

## 19 Revenue from operations

PARTICULARS	For the year ended 31-03-2019 ₹	For the year ended 31-03-2018 ₹
Other operating revenues :		
- Membership fee	3,00,000	3,04,000
- Transfer fee received	61,017	1,24,184
- Training and Education Cell	5,25,895	5,84,299
Revenue from operations	<u>8,86,912</u>	<u>10,12,483</u>

## 20 Income from investments and deposits

PARTICULARS	For the year ended 31-03-2019 ₹	For the year ended 31-03-2018 ₹
Interest received (Gross) :		
- From banks {TDS ₹2,99,403/- (previous year ₹2,03,530)}	29,94,003	20,37,416
- From investment in bonds	4,58,937	4,60,701
- From others	94,220	79,968
Dividend income from Non Current Investments		
- Subsidiary	1,33,24,300	26,64,860
Gain on sale of Current Investments		
- Mutual Funds	70,91,066	11,87,155
	<u>2,39,62,526</u>	<u>64,30,100</u>

## 21 Other Income

PARTICULARS	For the year ended 31-03-2019 ₹	For the year ended 31-03-2018 ₹
Rent Received	45,81,345	71,95,813
Gain on sale of property, plant and equipment	80,620	2,99,041
Maintenance charges received	78,70,624	75,48,101
Sundry balances written back	3,21,044	23,00,247
Less: Sundry balances written off	<u>-</u>	<u>(51,202)</u>
	3,21,044	22,49,045
Miscellaneous receipts	4,52,199	8,35,683
	<u>1,33,05,832</u>	<u>1,81,27,683</u>

## 22 Employee benefits expenses

PARTICULARS	For the year ended 31-03-2019 ₹	For the year ended 31-03-2018 ₹
Salaries and wages	35,11,109	35,64,885
Contribution to provident and other funds	5,02,534	4,24,040
Staff welfare	2,13,905	1,94,389
	<u>42,27,548</u>	<u>41,83,314</u>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 23 Other Expenses

PARTICULARS	For the year ended 31-03-2019	For the year ended 31-03-2018
	₹	₹
Electricity and water	1,08,41,215	89,00,766
Repairs and maintenance - Plant and machinery	7,83,648	5,71,194
Repairs and maintenance - Buildings	89,469	1,52,042
Insurance	2,01,263	2,01,702
Rates and taxes	2,38,480	1,94,550
Legal and professional	11,55,410	13,06,545
Traveling and conveyance :	11,525	46,006
Printing and stationery	73,867	75,687
Payment to Auditor's (Note 33)	1,33,467	1,35,292
Meeting expenses	55,349	58,139
Directors' sitting fee	28,000	35,000
Communication expenses	3,27,527	3,31,838
Allowance for Doubtful Advances	-	60,770
Security charges	46,12,539	43,87,768
Training and Education Cell Expenses	58,503	73,909
Prior period expenses	-	32,219
Miscellaneous	12,64,133	12,84,101
	<b>1,98,74,395</b>	<b>1,78,47,529</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

24. **Contingent Liabilities and commitments** (to the extent not provided as no cash flow is expected)  
(No outflow is expected in view of the past history relating to these items)
- Claims against the company not acknowledged as debt in respect of indirect taxes amounted to Rs.14.52 lacs (previous year Nil). This matter is pending before Commissioner of Central Excise. According to the management the demand raised is not in accordance with the provisions of respective laws and its ultimate resolution will not have a material adverse effect on the company financial position and result of operations.
- Amount paid to statutory authorities against above tax claims amounted to Rs. 2.18 lacs (previous year Nil) and has been shown under the head Other Current Assets (Balances and Deposits with Government Authorities or Others).
25. The company is 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.
- The company is presently 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.
26. The company is not required to pay Corporate Dividend Tax as it has received dividend from its subsidiary company. Therefore the provisions of section 115-O of the Income Tax Act is not applicable to the company.
27. "Current investment is an investment that is by its nature readily realizable and is intended to be held for not more than one year from the date on which investment is made".
- The investments shown under the head Current Investments are held for more than one year, which are to be shown as Non Current Investments but as per decision taken by the management of the company these are intended to be held for sale as and when the company needs fund, therefore shown under head "Current Investments."
28. i) The company had received scrips of various companies from members as security against the performance of the contracts, deposited towards Base Minimum Capital(BMC), Additional Base Minimum Capital and other margins etc. Such scrips are lying in the company have been recorded in the memoranda records maintained by the company. No accounting entries passed in the books of account.
- ii) In case of defaulters and suspended members the company got the scrips transferred in its name accounting entries for such scrips are made in respect of defaulting members and suspended members by crediting "Members' security ( in kind) account" and debiting "Members' investment account." The scrips in such cases have been valued at the quoted price prevailing on the day of tendering of transfer deeds.
29. The intangible asset which comprises of software had been amortized @ 20% on straight line basis as the useful life thereof has been estimated to be not more than five years.
30. Disclosures required under Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006.

Particulars	(Amount in ₹)	
	As at 31st March, 2019	As at 31st March, 2018
Principal amount remaining unpaid to any supplier as at the end of accounting period	-	-
Interest due on remaining unpaid to any supplier as at the end of the accounting period	-	-
The amount of interest paid along with the amounts of the the payment made to the supplier beyond the appointed day during accounting year	-	-
The amount of interest due and payable for the accounting year	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year	-	-
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	-	-

Dues to Micro, Small and Medium Enterprise have been determined to the extent such parties have been identified on the basis of the information collected by the management. This has been relied upon by the auditors.

31. **Related Party Disclosure:**

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

**Subsidiary:** LSC Securities Limited

## NOTES FORMING PART OF FINANCIAL STATEMENTS

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

Particulars	Subsidiary	
	2018-2019	2017-2018
Rent received including Maintenance charges (inclusive of taxes Rs. 8,13,648/- previous year Rs. 7,86,836/-)	53,33,902	53,07,092
Reimbursement of Expenses received	11,66,683	7,10,720
Dividend received	1,33,24,300	26,64,860
D.P. charges paid	485.20	Nil
Due from Subsidiary	80,907	11,85,241

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

### 32. EARNING PER SHARE

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

Sr. No.	Particulars	2018-2019	2017-2018
1.	Average Number of Equity Shares of Rs. 10/- each outstanding (No.)	59,200	59,200
2.	Profit/(loss) for the year attributable to equity shareholders (Rs.)	1,41,14,812	(37,41,453)
3.	Earnings per share (Basic )	238.43	(63.20)
4.	Earnings per share (Diluted)	238.43	(63.20)
5.	Nominal Value of Per Equity Share (Rs.)	10.00	10.00

### 33. Payment to Auditors:

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Audit Fee	80,000	80,000
Tax Audit Fee	15,000	15,000
Income Tax matters	15,000	15,000
In other capacity	10,000	10,000
Reimbursement of Expenses	13,467	15,292

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

### 35. Employee Benefits:

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

#### a) Changes in the present value of obligations:

(Amount in Rs.)

Particulars	Gratuity (Funded)	
	2018-2019	2017-2018
Present Value defined benefit obligation as at beginning of the year.	14,92,935	19,54,533
Interest Cost.	1,15,702	1,51,478
Current Service Cost.	82,131	80,958
Benefits Payments	(1,94,712)	(2,13,699)
Actuarial Loss / (Gain)	11,308	(4,80,355)
Present Value obligation as at close of the year.#	15,07,364	14,92,935

# Includes short term gratuity liability of Rs. Nil/- (previous year of Rs. 46,497/-)

## NOTES FORMING PART OF FINANCIAL STATEMENTS

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

(Amount in Rs.)

Particulars	Gratuity (Funded)	
	2018-2019	2017-2018
Fair value of Plan Assets as at beginning of the year	18,17,431	19,04,783
Expected return on Plan Assets	1,40,851	1,47,621
Contributions by the company	5,365	5,604
Actual Benefits paid	(1,94,712)	(2,13,699)
Actuarial Loss/(gain)	(20,820)	(26,878)
Fair value of Plan Assets as at close of the year	17,48,115	18,17,431

### c) Amount recognized in Balance Sheet :

(Amount in Rs.)

Particulars	Gratuity (Funded)	
	2018-2019	2017-2018
Present value defined benefit obligation as at close of the year	15,07,364	14,92,935
Fair value of Plan Assets as at close of the year	17,48,115	18,17,431
Funded Status	2,40,751	3,24,496
Net Assets/ (Liability) recognized in Balance Sheet	2,40,751	3,24,496

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

( Amount in Rs.)

Particulars	Gratuity (Funded)	
	2018-2019	2017-2018
Current service cost	82,131	80,598
Interest cost	1,15,702	1,51,478
Expected return on Plan Assets	(1,40,851)	(1,47,621)
Net Actuarial Loss/(gain)	32,128	(4,53,477)
Total Expenses recognized in Statement of profit and loss	89,110	(3,68,662)

### e) Principle actuarial assumptions:

Particulars	Gratuity (Funded)	
	2018-2019	2017-2018
Discount Rate ( per annum )	7.75%	7.75%
Rate of increase in compensation levels (per annum )	5.00%	5.00%
Expected Rate of return on plan assets ( per annum )	7.75%	7.75%
Expected Average remaining working lives of employees ( years )	8.00	8.00
Method Used	Projected Unit Credit Method	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.2,64,234/- (previous year Rs.2,69,829/-) 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.



## NOTES FORMING PART OF FINANCIAL STATEMENTS

f) Amounts of defined benefits for the current and previous four years are as follows:

	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015
Experience adjustment					
- On plan liabilities loss/(gain)	(11,971)	92,295	(2,54,845)	4,67,040	(1,17,681)
- On plan assets gain/(loss)	(20,820)	35,638	80,111	-	2,63,724
Present value of defined ben efit obligations as at the end of the year	15,07,364	14,92,935	19,54,553	22,07,837	22,56,515
Fair value of plan assets as at the end of the year	17,48,115	18,17,431	19,04,783	19,85,984	23,57,682
Excess / (deficit) of plan assets over obligations	2,40,751	3,24,496	-49,770	(2,21,853)	1,01,167

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

37. The detail of deferred tax liabilities and assets as per Accounting Standard – AS 22 on “Accounting for Taxes on Income” as at the end of each reporting period is as under.

Nature of Timing Difference	Deferred Tax Liability (Assets) as on 01.04.2018	Movement during the year	Deferred Tax Liability (Assets) as on 31.03.2019
<b>Deferred Tax Liabilities</b>			
(i) Related to Property plant and equipments	14,597	67,124	81,721
<b>Less :Deferred Tax Assets</b>	-	-	-
<b>Deferred tax Liability (Net)</b>	<b>14,597</b>	<b>67,124</b>	<b>81,721</b>

38. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

39. There are no amounts that are due to be transferred to the Investor Protection Fund in accordance with relevant provisions of the Companies act 2013 and rules made thereunder.

40. The information required by the paragraph 5 of general instructions for preparation of the statement of profit and loss as per Schedule III of the Companies Act, 2013 is not applicable to the company.

41. Previous year's figures have been recast/regrouped wherever necessary, to make these comparable with current year's figures.

As per our separate report of even date  
For SCV & Co. LLP  
Chartered Accountants  
Firm Regn. No. 000235N/N500089

(Sanjiv Mohan)  
Partner  
M. No. 086066

PLACE : LUDHIANA  
DATED : 17-08-2019

Sd/-  
(Jaspal Singh)  
Vice Chairperson  
(DIN - 00458451)

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

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

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

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

Sd/-  
(Pankaj Jain)  
Manager Accounts  
(PAN - AAPPJ9925N)

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# ***CONSOLIDATED FINANCIAL STATEMENTS***

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# CONSOLIDATED INDEPENDENT AUDITOR'S REPORT

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

## **Opinion**

### **Report on the Audit of the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Ludhiana Stock and Capital Limited ('hereinafter referred to as the Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the group") which comprise the Consolidated Balance Sheet as at 31 March 2019, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Cash flows for the year then ended and notes to the consolidated financial statements, including a summary of the significant accounting policies (hereinafter referred to as "the consolidated financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act, read with rules 7 of the Companies (Accounts) Rules, 2014, of their consolidated state of affairs of the Company as at 31 March 2019, the consolidated profits and its consolidated cash flow for the year then ended.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Information Other than the consolidated financial Statements and Auditor's Report Thereon**

The Holding Company's Management and Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibilities for the consolidated financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 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. 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; 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 consolidated 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.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibilities for the Audit of the consolidated financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related

# CONSOLIDATED INDEPENDENT AUDITOR'S REPORT

disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## Other Matter

We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets Rs. 236.52 crore as at 31<sup>st</sup> March, 2019, total revenues of Rs. 4.08 crore and net cash out flows amounting to Rs. 4.11 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub section (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report of the other auditors.

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

## Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.
  - (c) The consolidated balance sheet, the consolidated statement of profit and Loss and the consolidated statement of cash flows 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.
  - (e) On the basis of the written representations received from the directors of the holding company as on 31st March 2019 taken on record by the Board of directors of the holding company and the reports of the statutory auditor of its subsidiary company, none of the directors of the Group is disqualified as on 31st March 2019 from being appointed as a Director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our report in "Annexure A".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us as well as based on the report of statutory auditor of subsidiary company:
    - (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the holding company and subsidiary company. Refer Note 27 to the consolidated financial statements.
    - (ii) The Holding company and its subsidiary company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses. Refer Note 40 to the consolidated financial statements.
    - (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. Refer Note 41 to the consolidated financial statements.
2. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended

In our opinion and to best of our information and according to the explanations given to us, we report that no remuneration has been paid by the Holding company to its directors, therefore provisions of section 197 of the act are not applicable. As per the report of the auditor of subsidiary company remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

For SCV & Co. LLP  
Chartered Accountants  
F.R. No.: 000235N/N500089

(Sanjiv Mohan)  
Partner  
M. No.086066

Place: Ludhiana  
Date: 17.08.2019

# CONSOLIDATED INDEPENDENT AUDITOR'S REPORT ANNEXURE-A

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Ludhiana Stock and Capital Limited of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting of Ludhiana Stock and Capital Limited ("the Holding Company") and its subsidiary company which is company incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the holding Company and its subsidiary company which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the holding company and its subsidiary company which is a company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

### Other Matter

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

For SCV & Co. LLP  
Chartered Accountants  
F.R. No.: 000235N/N500089

Place: Ludhiana  
Date: 17.08.2019

(Sanjiv Mohan)  
Partner  
M. No.086066

# CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2019

Particulars	Note no.	As at 31-03-2019 ₹	As at 31-03-2018 ₹
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
a) Share capital	2	6,02,000	6,02,000
b) Reserves and surplus	3	23,93,60,645	24,74,98,838
		<u>23,99,62,645</u>	<u>24,81,00,838</u>
<b>2 Minority Interest</b>			
a) Share capital		3,11,07,000	3,11,07,000
b) Reserves and surplus		7,66,24,567	9,04,94,937
		<u>10,77,31,567</u>	<u>12,16,01,937</u>
<b>3 Non-current liabilities</b>			
a) Long term borrowings		-	-
b) Deferred tax liabilities (net)	4	13,721	27,597
c) Other long term liabilities	5	5,71,26,003	4,61,08,208
d) Long term provisions		-	-
		<u>5,71,39,724</u>	<u>4,61,35,805</u>
<b>4 Current liabilities</b>			
a) Short term borrowings		-	-
b) Trade payables	6	-	-
i) Total outstanding dues of micro enterprises and small enterprises; and		-	-
ii) Total outstanding dues of creditors other than micro enterprise and small enterprise		16,59,74,384	20,04,38,847
c) Other current liabilities	7	1,98,45,73,023	1,99,70,10,476
d) Short-term provisions	8	6,39,377	6,49,667
		<u>2,15,11,86,784</u>	<u>2,19,80,98,990</u>
<b>TOTAL</b>		<u><b>2,55,60,20,721</b></u>	<u><b>2,61,39,37,570</b></u>
<b>II ASSETS</b>			
<b>1 Non-current assets</b>			
a) Property, Plant and Equipment	9		
i) Tangible assets		8,22,76,082	8,27,58,098
ii) Intangible assets		7,81,052	7,35,366
		<u>8,30,57,134</u>	<u>8,34,93,464</u>
b) Non-current investments		-	-
c) Long-term loans and advances	10	5,87,54,604	5,43,90,478
d) Other non-current assets	11	7,05,81,987	5,31,66,772
		<u>21,23,93,725</u>	<u>19,10,50,714</u>
<b>2 Current assets</b>			
a) Current investments	12	1,68,10,936	7,88,82,926
b) Inventories	13	13,720	13,518
c) Trade receivables	14	10,68,92,279	12,86,51,308
d) Cash and cash equivalents	15	35,36,33,974	34,48,19,784
e) Short-term loans and advances	16	2,15,23,535	1,76,81,215
f) Other current assets	17	1,84,47,52,552	1,85,28,38,105
		<u>2,34,36,26,996</u>	<u>2,42,28,86,856</u>
<b>TOTAL</b>		<u><b>2,55,60,20,721</b></u>	<u><b>2,61,39,37,570</b></u>

See accompanying notes to the financial statements

As per our separate report of even date  
For SCV & Co. LLP  
Chartered Accountants  
Firm Regn. No. 000235N/N500089

(Sanjiv Mohan)  
Partner  
M. No. 086066

PLACE : LUDHIANA

DATED : 17-08-2019

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

Sd/-  
(Jaspal Singh)  
Vice Chairperson  
(DIN - 00458451)

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

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

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



# CONSOLIDATED STATEMENT OF PROFIT & LOSS AS AT 31ST MARCH 2019

Particulars	Note no.	For the year ended 31-03-2019 ₹	For the year ended 31-03-2018 ₹
i Revenue from operations	18	1,79,78,526	1,96,81,795
ii Income from investments & deposits	19	3,22,92,225	7,61,63,564
iii Other income	20	96,67,787	1,39,10,448
iv <b>Total revenue (i+ii+iii)</b>		<b>5,99,38,538</b>	<b>10,97,55,807</b>
v <b>Expenses :</b>			
Employee benefits expense	21	1,98,59,361	1,93,40,781
Finance costs	22	61,913	68,958
Depreciation and amortization expense		19,62,796	19,90,801
Other expenses	23	3,43,75,586	3,03,07,894
<b>Total expenses</b>		<b>5,62,59,656</b>	<b>5,17,08,434</b>
vi Profit before exceptional items, tax and minority interest (iv-v)		36,78,882	5,80,47,373
vii Exceptional items (Refer note-40) - Compensation paid to CMC Ltd.		-	63,35,253
viii Tax expense :			
- Current tax expenses		9,14,074	1,15,41,891
- Tax expenses relating to prior years		(3,52,057)	40,961
- Deferred tax		(13,876)	98,597
- MAT Credit Entitlement		-	(97,32,356)
ix Profit after tax but before minority interest (vi-vii-viii)		31,30,741	4,97,63,027
x Minority interest		11,30,085	2,71,23,885
xi Profit after tax and minority interest (viii-ix)		<b>20,00,656</b>	<b>2,26,39,142</b>
Earnings per share (of Rs. 10/- each)			
- Basic		33.79	382.42
- Diluted		33.79	382.42

See accompanying notes to the financial statements

As per our separate report of even date  
For SCV & Co. LLP  
Chartered Accountants  
Firm Regn. No. 000235N/N500089

(Sanjiv Mohan)  
Partner  
M. No. 086066

PLACE : LUDHIANA  
DATED : 17-08-2018

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

Sd/-  
(Jaspal Singh)  
Vice Chairperson  
(DIN - 00458451)

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

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

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

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2019

(Amount in ₹)

PARTICULARS	2018-19	2017-18
<b>1. Cash Flow from Operating Activity</b>		
Net Profit Before Tax excluding Minority Interest	36,78,882	5,80,47,373
Non-Cash & Non-Operating adjustments for :		
Depreciation and amortisation	19,62,796	19,90,801
Interest Income	(2,52,01,159)	(2,33,77,191)
Finance Cost	61,913	68,958
Dividend Income	-	(14,95,000)
Net (gain) on sale of current investments	(70,91,066)	(11,87,155)
Net (gain) on sale of non-current investments	-	(5,01,04,218)
Net (gain)/Loss on sale of property, plant and equipment	(80,620)	(2,32,642)
Sundry balances written back	3,21,044	19,27,326
Allowances for Doubtful debts	-	60,770
<b>Operating Profit Before Working Capital changes</b>	<b>(2,63,48,210)</b>	<b>(1,43,00,978)</b>
<u>Adjustments for (Increase)/Decrease in Operating Assets :</u>		
Trade receivables	2,17,59,028	1,57,80,149
Inventory	(202)	(6,169)
Short Terms Loans & Advances	(2,17,634)	(31,90,354)
Other Current Assets	78,27,628	9,27,23,434
Long Term Loans & Advances	49,27,918	(15,663)
Other Non-Current Assets	(1,74,15,215)	2,27,67,606
<u>Adjustment for Increase/(Decrease) in operating Liabilities :</u>		
Trade Payables	(3,47,85,507)	(2,59,94,850)
Short Term Provisions	(10,290)	(1,623)
Other Current Liabilities	(1,26,95,378)	(11,15,51,986)
Short Term Borrowings	-	(1,75,42,956)
Other long term liabilities	1,10,17,795	(53,02,175)
<b>Cash Generated From Operation</b>	<b>(4,59,40,067)</b>	<b>(4,66,35,565)</b>
Less : Direct Tax expenses	(98,54,061)	(34,11,347)
<b>Cash Flow Before Extra-Ordinary Items</b>	<b>(5,57,94,128)</b>	<b>(5,00,46,912)</b>
Less : Item of exceptional nature	-	(63,35,253)
Compensation paid to CMC Ltd.		
<b>Net Cash Flow from Operating Activity (A)</b>	<b>(5,57,94,128)</b>	<b>(5,63,82,165)</b>

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2019

(Amount in ₹)

PARTICULARS	2018-19	2017-18
<b>2. Cash Flow from Investing Activity</b>		
Sale Proceeds of property, plant and equipment	1,05,993	4,47,336
Interest Received	2,15,76,474	2,87,40,324
Dividend Received	-	14,95,000
Proceeds from Sale of Current Investments	6,91,63,056	-
Purchase of current investments	-	(1,78,97,022)
Proceeds from Sale of Non-Current Investments	-	5,68,68,218
Purchase of property, plant and equipment	(15,51,839)	(6,61,867)
Bank Balances not considered as cash and cash equivalents	-	-
Encashment of bank deposits not considered as cash and cash equivalents	(5,83,00,000)	(72,00,000)
Earmarked Bank Balances	4,43,67,690	95,05,446
<b>Net Cash flow from Investing Activity (B)</b>	<b>7,53,61,374</b>	<b>7,12,97,435</b>
<b>3. Cash Flow From Financing Activity</b>		
Finance Cost	(61,913)	(68,958)
Dividend Paid	(1,95,84,875)	(83,97,660)
Dividend Distribution Tax	(52,96,503)	(14,70,750)
<b>Net Cash Flow From Financing Activity (C)</b>	<b>(2,49,43,291)</b>	<b>(99,37,368)</b>
<b>4. Net Inc./Dec. in Cash &amp; Cash Equivalents (A)+(B)+(C)</b>	<b>(53,76,045)</b>	<b>49,77,902</b>
<b>5. Opening Balance of Cash &amp; Cash Equivalents</b>	<b>3,19,41,434</b>	<b>2,69,63,532</b>
<b>6. Closing Balance of Cash &amp; Cash Equivalents (4)+(5)</b>	<b>2,65,65,389</b>	<b>3,19,41,434</b>
Reconciliation of cash and bank balances with the balance sheet		
Cash and bank balances	35,36,33,974	34,48,19,784
Less: Bank balances not considered as cash and cash equivalent in other deposit accounts	(6,55,00,000)	(72,00,000)
Original maturity more than 3 months	-	-
<b>In earmarked accounts</b>	<b>-</b>	<b>-</b>
Unpaid dividend	(13,93,585)	(11,35,660)
Marked deposit against margin with major stock exchanges, bank guarantee bank overdraft limits	(26,01,75,000)	(30,45,42,690)
<b>Cash and Cash Equivalents at the end of the year :</b>	<b>2,65,65,389</b>	<b>3,19,41,434</b>
<b>Comprises</b>		
Cash on hand	48,289	94,650
Cheques deposited but not cleared	61,58,256	-
Balances with Banks :		
In current accounts	2,03,58,844	2,88,46,784
Bank Deposits (Original maturity of 3 months or less)	-	30,00,000
	<b>2,65,65,389</b>	<b>3,19,41,434</b>

## Notes :

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

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

As per our separate report of even date  
For SCV & Co. LLP  
Chartered Accountants  
Firm Regn. No. 000235N/N500089

(Sanjiv Mohan)  
Partner  
M. No. 086066

PLACE : LUDHIANA

DATED : 17-08-2019

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

Sd/-  
(Jaspal Singh)  
Vice Chairperson  
(DIN - 00458451)

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

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

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

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## 1. SIGNIFICANT ACCOUNTING POLICIES

### a) Basis of preparation of Financial Statements

The consolidated financial statements are prepared in accordance with generally accepted accounting principles in India (Indian GAAP) to comply with the Accounting Standard(AS) prescribed under section 133 of Companies Act, 2013. The financial statements have been prepared on accrual basis under historical cost convention.

### b) Use of Estimates:

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

### c) Revenue Recognition

- a. Income from Turnover Charges on Stock Broking business is recognized as per contracted rates at the execution of transactions on behalf of customers on the trade date and is reflected net of expenses for Turnover charges and Goods and Service Tax.
- b. Income in respect of zero holding depository accounts is accounted for at the time of reasonable certainty of its collection.
- c. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- d. Dividend is recognized as income when the right to receive the payment is established.
- e. Fee from training and educational cell is recognized on the accrual basis depending upon the tenure of the training batch.

### d) Property, Plant and Equipment

Tangible Assets are stated at cost, less accumulated depreciation. The Cost of an item of tangible assets comprises:

- a) its purchase price and any attributable expenditure (directly or indirectly) for bringing the asset to its working condition for its intended use.
- b) expenditure incurred on renovation/modernization of the existing property, plant and equipment is added to the book value of these assets where such renovation/modernization increases the future benefit from them beyond their previously assessed standard of performance.
- c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period.

### Intangible Assets

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

### e) Depreciation

Depreciation is provided on Written Down Value method in accordance with and in the manner specified in Schedule II to the Companies Act, 2013.

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

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

### f) Amortisation

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

### g) 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.

### h) Employee Benefits:

#### I) Short Term Employee Benefits:

Short Term Employee Benefits are recognized as an expense on an undiscounted basis in the statement of profit and loss account of the year in which the related service is rendered. This includes leave encashment which are expected to occur within twelve months after the end of the period in which employee render the related services.

#### II) Post Employment Benefits:

##### i) Defined Contribution Plans:

##### Provident Fund , Employee State Insurance Contribution (ESIC) and its defined Contribution Plans:

The contribution to these Scheme are made in accordance with the provisions of Employees Provident Fund Act and Miscellaneous Provisions Act, 1952 and Employee State Insurance Corporation and is recognised as an expense in the statement of profit and loss.

##### ii) Defined Benefit Plans:

##### Gratuity:

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

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

net basis.

## iii) Actuarial Gain or Loss:

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

## iv) Leave Encashment:

The liability for leave encashment after the end of the period in which the employee renders the related services is recognized on the basis of leaves not availed by the employee.

## i) Investments.

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

Current investments are carried at lower of cost and fair value

## j) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the asset. Qualifying asset is one that takes substantial period of time to get ready for its intended use. Other borrowing costs, if any, are recognised as an expense in the period in which they are incurred.

## k) Impairment of Assets

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

## l) Accounting for Taxes on Income

The accounting treatment followed for taxes on income is to provide for Current Tax and Deferred Tax. Current Tax is the aggregate amount of income-tax determined to be payable in respect of taxable income for a period in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is the tax effect of timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using tax rate and tax laws enacted or subsequently enacted as at reporting date.

## m) Earning per Share

- i) Basic earning per share is computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.
- ii) Diluted earning per share is computed by taking into account weighted average number of equity shares outstanding during the period and the weighted average number of equity shares which would be issued on conversion of all the dilutive potential equity shares into equity shares.

## n) Cash flow statement

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

## o) Cash and cash equivalent

Cash comprises of cash on hand and demand deposit with banks other than under lien and cash equivalents are short term, highly liquid investment that are readily convertible into known amount of cash and which are subject to insignificant risk of change in value.

## p) Provisions and Contingent Liabilities

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

## q) Operating Cycles:

Based on the nature of products/ activities of the company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and noncurrent.

## r) Material Events:

Material events occurring after the balance sheet date are taken into cognizance in accordance with the principles laid down in AS4 “Contingencies and events occurring after the balance sheet date”

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## 2 Share Capital

Particulars	As at 31-03-2019		As at 31-03-2018	
	Number	₹	Number	₹
<b>Authorised :</b>				
Equity shares of ₹ 10/- each (par value)	50,00,000	5,00,00,000	50,00,000	5,00,00,000
<b>Total</b>	50,00,000	5,00,00,000	50,00,000	5,00,00,000
<b>Issued :</b>				
Equity shares of ₹ 10/- each	70,000	7,00,000	70,000	7,00,000
<b>Total</b>	70,000	7,00,000	70,000	7,00,000
<b>Subscribed :</b>				
Equity shares of ₹ 10/- each	60,200	6,02,000	60,200	6,02,000
<b>Total</b>	60,200	6,02,000	60,200	6,02,000
<b>Paid up :</b>				
Equity shares of ₹ 10/- each	60,200	6,02,000	60,200	6,02,000
Less : Forfeited 1,000 equity shares of ₹ 10/- each		10,000		10,000
Add : Forfeited shares	60,200	5,92,000	60,200	5,92,000
(Amount originally paid up)		10,000		10,000
<b>Total</b>	60,200	6,02,000	60,200	6,02,000

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

	As at 31-03-2019		As at 31-03-2018	
	Number	₹	Number	₹
<b>Equity Shares</b>				
At the beginning of the reporting period	60,200	6,02,000	60,200	6,02,000
Add : Issued during the period	-	-	-	-
Outstanding at the end of the reporting period	60,200	6,02,000	60,200	6,02,000

### b. Rights, preferences and restrictions attached to equity shares

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

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

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

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

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

### e. Aggregate number and class of share allotted as fully paid-up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of five year immediately preceding the balance sheet date:

	As at 31 March 2019	As at 31 March 2018
	Number of shares	Number of shares
A. Equity shares allotted as fully paid up pursuant to contract (s) without payment being received in cash	-	-
B. Equity shares allotted as fully paid up by way of bonus shares	-	-
C. Equity shares bought back by the Company	-	-
	-	-

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## 3 Reserves and surplus

Particulars	As at 31-03-2019 ₹	As at 31-03-2018 ₹
<b>Capital reserve</b>		
Balance as per last financial statements	15,39,66,787	15,39,66,787
	<u>15,39,66,787</u>	<u>15,39,66,787</u>
<b>Capital Redemption reserve</b>		
Balance as per last financial statements	7,90,460	7,90,460
	<u>7,90,460</u>	<u>7,90,460</u>
<b>Other reserves :</b>		
<b>General reserve</b>		
Balance as per last financial statements	4,17,71,592	4,17,71,592
	<u>4,17,71,592</u>	<u>4,17,71,592</u>
<b>Share premium</b>		
Balance as per last financial statements	28,62,000	28,62,000
<b>Surplus i.e. balance in statement of profit and loss</b>		
Balance as per the last financial statements	4,81,07,999	31,68,995
Add : Profit for the year transferred from statement of profit and loss	20,00,656	2,26,39,142
Less : Appropriations :		
Interim dividend on equity shares	74,00,000	47,36,000
Corporate dividend tax	27,38,849	9,64,138
Closing Balance	<u>3,99,69,806</u>	<u>4,81,07,999</u>
<b>Total</b>	<u><b>23,93,60,645</b></u>	<u><b>24,74,98,838</b></u>

## 4 Deferred tax liabilities (net)

Particulars	As at 31-03-2019 ₹	As at 31-03-2018 ₹
<b>Deferred tax liabilities</b>		
Impact of difference between book balance and tax balance of property, plant and equipment	33,721	1,40,597
On account of excess allowance U/s 40A(7) of The Income Tax Act, 1961	1,43,000	51,000
<b>Deferred tax assets</b>		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	(1,63,000)	(1,64,000)
<b>Net deferred tax</b>	<u><b>13,721</b></u>	<u><b>27,597</b></u>

## 5 Other long-term liabilities

Particulars	As at 31-03-2019 ₹	As at 31-03-2018 ₹
<b>Others :</b>		
Retention money	34,35,054	34,35,054
Security from members	5,28,39,277	4,25,47,656
Security from others	8,51,672	1,25,498
	<u><b>5,71,26,003</b></u>	<u><b>4,61,08,208</b></u>

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## 6 Trade payables

Particulars	As at 31-03-2019 ₹	As at 31-03-2018 ₹
Total outstanding dues of micro enterprise and small enterprise (Refer note No. 36)	-	-
Total outstanding dues other than micro enterprise and small enterprise	<u>16,59,74,384</u>	<u>20,04,38,847</u>

## 7. Other current liabilities

Particulars	As at 31-03-2019 ₹	As at 31-03-2018 ₹
Income received in advance	17,26,856	17,67,783
Unpaid dividend	13,93,585	11,35,660
Due to Members	4,75,000	4,25,000
Other payables		
- Statutory remittances**	29,74,016	18,65,603
- Due to employees	6,21,016	6,81,395
- Due to ex-members	-	2,53,140
- Expense payable	56,48,040	47,43,883
- Cheques issued but not presented	55,60,115	41,12,126
- Earnest money for membership	25,000	25,000
- Advances from members	25,03,351	30,26,898
- Security from members	1,95,91,39,157	1,97,65,37,418
- Other payables	45,06,887	24,36,569
	<u>1,98,45,73,023</u>	<u>1,99,70,10,476</u>

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

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

## 8. Short-term provisions

Particulars	As at 31-03-2019 ₹	As at 31-03-2018 ₹
Provision for employee benefits :		
- Leave encashment	6,39,377	6,49,667
	<u>6,39,377</u>	<u>6,49,667</u>



# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## 9 PROPERTY, PLANT AND EQUIPMENT

(Amount in ₹)

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	Balance as at 1 <sup>st</sup> April, 2018	Additions	Disposal	Balance as at 31 <sup>st</sup> March, 2019	Balance as at 1 <sup>st</sup> April, 2018	Depreciation/ amortisation expenses during the year	Eliminated on disposal of assets	Balance as at 31 <sup>st</sup> March, 2019	Balance as at 31 <sup>st</sup> March, 2019	Balance as at 31 <sup>st</sup> March, 2018
<b>a) Tangible Assets</b>										
Freehold Land	6,57,42,904	-	-	6,57,42,904	-	-	-	-	6,57,42,904	6,57,42,904
Buildings	3,86,19,584	-	1,05,993	3,85,13,591	2,58,27,833	6,18,158	80,620	2,63,65,371	1,21,48,220	1,27,91,751
Plant and Equipments	2,78,93,316	-	-	2,78,93,316	2,59,85,216	1,62,005	-	2,61,47,221	17,46,095	19,08,100
Office Equipments	2,89,51,975	3,29,225	-	2,92,81,200	2,68,00,293	6,42,240	-	2,74,42,533	18,38,667	21,51,681
Furniture and Fixtures	20,32,538	6,16,874	-	26,49,412	19,05,899	32,827	-	19,38,726	7,10,686	1,26,640
Vehicles	6,03,125	66,340	-	6,69,465	5,66,104	13,852	-	5,79,956	89,509	37,021
<b>Total (a)</b>	<b>16,38,43,442</b>	<b>10,12,439</b>	<b>1,05,993</b>	<b>16,47,49,888</b>	<b>8,10,85,345</b>	<b>14,69,082</b>	<b>80,620</b>	<b>8,24,73,807</b>	<b>8,22,76,082</b>	<b>8,27,58,098</b>
<b>b) Intangible Assets</b>										
Computer Software	80,86,431	5,39,400	-	86,26,131	73,51,365	4,93,714	-	78,45,079	7,81,052	7,35,366
<b>Total (b)</b>	<b>80,86,431</b>	<b>5,39,400</b>	<b>-</b>	<b>86,26,131</b>	<b>73,51,365</b>	<b>4,93,714</b>	<b>-</b>	<b>78,45,079</b>	<b>7,81,052</b>	<b>7,35,366</b>
<b>Grand Total (a + b)</b>	<b>17,19,30,173</b>	<b>15,51,839</b>	<b>1,05,993</b>	<b>17,33,76,019</b>	<b>8,84,36,710</b>	<b>19,62,796</b>	<b>80,620</b>	<b>9,03,18,885</b>	<b>8,30,57,134</b>	<b>8,34,93,463</b>
Previous year	17,38,22,555	6,61,867	25,54,249	17,19,30,173	8,87,85,466	19,90,801	23,39,556	8,84,36,709	8,34,93,463	-

**Notes :-** Intangible assets are not internally generated.

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## 10. Long Term Loans and Advances

PARTICULARS	As At 31-03-2019 ₹	As At 31-03-2018 ₹
(Unsecured, Considered Good)		
Security Deposits	3,64,05,603	4,19,14,570
Loans & Advances to Employees	9,14,107	3,33,058
MAT credit entitlement	95,47,282	97,32,356
Advance income tax (net of provision for tax ₹ 1,32,35,906/- (Previous year ₹ 58,11,463/-)	1,18,87,612	24,10,494
	<b>5,87,54,604</b>	<b>5,43,90,478</b>

## 11. Other Non-Current Assets

PARTICULARS	As At 31.03.2019 ₹	As At 31.03.2018 ₹
(Unsecured, Considered Good)		
Others :		
Members Security :		
- Held as fixed deposits	1,29,35,540	1,32,27,193
- Held as members investment	6,94,571	6,94,571
Security received from others (as fixed deposits)	1,24,672	1,00,498
Non current bank balance (refer note 15)	5,45,25,000	3,77,75,000
Recoverable from customer Protection fund	25,000	1,71,925
Less: Allowances for doubtful debts	-	-
Interest accrued on fixed deposits (own funds)	22,77,204	11,97,585
	<b>7,05,81,987</b>	<b>5,31,66,772</b>

## 12 Current Investments

PARTICULARS	AS AT 31-03-2019 ₹	AS AT 31-03-2018 ₹
<b>Investment in Mutual fund (Unquoted)</b>		
148.92 (Previous year-27,801.45) units of face value of Rs. 1,000/- each fully paid up of UTI - Treasury Advantage Fund - Institutional Plan		
- Direct plan growth	3,71,982	6,24,43,972
20842.817 Units (Previous Year-20842.817) Units of face value of Rs. 10/- each fully paid up of ICICI-Prudential Mutual Fund Liquid-Direct Growth	50,00,000	50,00,000
1551.223 Units (Previous Year - 1551.223) of Rs. 10/- each fully paid up of HDFC Mutual Fund Liquid Direct Growth	50,00,000	50,00,000
<b>Investment in Bonds (Quoted)</b>		
199 (previous year - 199) bonds face value of Rs. 5000/- each of National Housing Bank	11,88,402	11,88,402
999 (Previous year - 999) bonds face value of Rs. 1000/- each of National Highway Authority of India	10,67,869	10,67,869

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

PARTICULARS	AS AT 31-03-2019 ₹	AS AT 31-03-2018 ₹
150 (Previous Year - 150) bonds face of Rs. 1000/- each of National Highway Authority of India	1,73,725	1,73,725
999 (Previous Year- 999) bonds face value of Rs. 1000/- each of National Bank for Agriculture and Rural Development	10,59,632	10,59,632
1299 (Previous Year - 1299) bonds face value of Rs. 1000/- each of Housing Urban Development corporation	13,83,316	13,83,316
999 (Previous Year - 999) Bonds face value of Rs. 1000/- each of Indian Railway Finance corporation Limited	10,58,572	10,58,572
300 (Previous Year - 300) Bonds face value of Rs. 1000/- each of National Highway Authority of India	3,17,707	3,17,707
100 (Previous Year - 100) Bonds face value of Rs. 1000/- each of National Highway Authority of India	1,06,447	1,06,447
78 (Previous year - 78) Bonds face value of Rs. 1000/- each of Power Finance corporation	83,283	83,283
	<b>1,68,10,936</b>	<b>7,88,82,926</b>
Aggregate amount of unquoted investments	1,03,71,982	7,24,43,972
Aggregate amount of quoted investments	64,38,954	64,38,954
Aggregate Market Value of quoted investments	68,32,300	68,68,970
Aggregate provision for diminution in value of other current investments (Also Refer note no. 35)	-	-

## 13. Inventories

Particulars	As At 31-03-2019 ₹	As At 31-03-2018 ₹
Inventories (at cost or net realisable value, whichever is lower):		
Stationery stock	13,720	13,518
	<b>13,720</b>	<b>13,518</b>

## 14. Trade Receivables

Particulars	As at 31-03-2019 ₹	As at 31-03-2018 ₹
Trade receivables outstanding for a period exceeding six months from the date they are due for payment :		
- Secured, considered good	3,01,57,134	1,15,73,137
- Unsecured, considered good	2,74,01,200	2,46,97,164
- Unsecured, considered doubtful	60,770	60,770
	<b>5,76,19,104</b>	<b>3,63,31,072</b>
Less: Allowances for doubtful debts	(60,770)	60,770
	<b>5,75,58,334</b>	<b>3,62,70,302</b>
Other trade receivables		
- Secured, considered good	4,55,54,608	8,81,00,529
- Unsecured, considered good	37,79,337	42,80,477
	<b>4,93,33,945</b>	<b>9,23,81,007</b>
	<b>10,68,92,279</b>	<b>12,86,51,308</b>

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## 15. Cash and cash equivalents

Particulars	As at 31-03-2019 ₹	As at 31-03-2018 ₹
<b>Cash and cash equivalents</b>		
a) Balances with banks		
- In current accounts	2,03,58,844	2,88,46,784
- Deposits with maturity of less than three months	-	30,00,000
- Deposits with maturity of more than three months but less than twelve months	6,55,00,000	72,00,000
- Deposits with maturity of more than twelve months	1,14,75,000	14,75,000
b) Cash in hand	48,289	94,650
c) Cheques deposited but not cleared	61,58,256	-
<b>Other Bank Balances :</b>		
Earmarked balances with banks :		
Dividend account	13,93,585	11,35,660
Deposits with maturity more than three months but less than twelve months (Refer Note No. 39)	26,01,75,000	30,45,42,690
Deposits with more than twelve months maturity	4,30,50,000	3,63,00,000
	40,81,58,974	38,25,94,784
Less: Amounts disclosed as other non current assets (refer note 11)	5,45,25,000	3,77,75,000
	<b>35,36,33,974</b>	<b>34,48,19,784</b>

## 16. Short-term loans and advances

Particulars	As at 31-03-2019 ₹	As at 31-03-2018 ₹
(Unsecured considered good )		
Others:		
Loans and advances to employees	3,06,684	5,46,076
Prepaid expenses	30,86,062	23,72,963
Interest accrued on:		
- Fixed deposits	1,40,14,274	1,03,88,752
- Bonds	1,51,400	1,52,237
	1,41,65,674	1,05,40,989
Excess of fair value of plan assets over present value of obligation (Gratuity)	7,59,182	5,07,938
Other recoverables :		
- Considered good	32,05,933	37,13,249
	<b>2,15,23,535</b>	<b>1,76,81,215</b>

## 17. Other current assets

Particulars	As at 31-03-2019 ₹	As at 31-03-2018 ₹
(Unsecured considered good )		
Accrued interest on deposits with IL & FS	33,808	4,79,682
Margins collected by IL & FS	1,57,00,000	15,700,000
Margins collected by BSE	1,00,000	100,000
Balances and deposits with Government Authorities	2,17,804	-
Members FDR kept as margin	52,83,27,789	53,61,51,182
Members scrips kept as margin	61,24,02,266	40,27,32,056
Scrips held on behalf of clients	68,79,70,885	89,76,75,186
	<b>1,84,47,52,552</b>	<b>1,85,28,38,105</b>

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## 18. Revenue from operations

Particulars	For the year ended 31-03-2019 ₹	For the year ended 31-03-2018 ₹
Sale of services :		
- Turnover charges	97,47,452	1,01,18,828
- Depository income	73,39,535	83,73,092
Other operating revenues :		
- Membership fee	3,00,000	3,04,000
- Transfer fee received	61,017	1,24,184
- Income from training and education cell (net of expenses)	5,25,895	5,84,299
- Recovery from members ( BSE )	4,099	54,000
- Recovery from members ( NSE )	528	1,23,393
	<b>1,79,78,526</b>	<b>1,96,81,795</b>

## 19. Income from Investments and deposits

Particulars	For the year ended 31-03-2019 ₹	For the year ended 31-03-2018 ₹
Interest received :		
- From banks (Gross) {TDS ₹ 24,11,531/- (previous year ₹ 22,42,902/-)}	2,45,10,746	2,24,29,662
- From investment in tax free bonds	4,58,937	4,60,701
- From others	2,31,476	4,86,828
Dividend income from investments		
- Non current investments	-	14,95,000
Gain on sale of current investments		
- Equity Shares	70,91,066	11,87,155
Gain on sale of non current investments		
- Equity Shares	-	5,01,04,218
	<b>3,22,92,225</b>	<b>7,61,63,564</b>

## 20. Other income

Particulars	For the year ended 31-03-2019 ₹	For the year ended 31-03-2018 ₹
Rent received	7,33,845	33,48,313
Gain on sale of property, plant and equipment	80,620	2,32,642
Maintenance charges received	71,97,874	68,75,351
Sundry balances written back	3,21,044	23,00,247
Less: Sundry balances written off	-	(3,72,921)
Miscellaneous	13,34,404	15,26,816
	<b>96,67,787</b>	<b>1,39,10,448</b>

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## 21. Employee benefit expenses

Particulars	For the year ended 31-03-2019 ₹	For the year ended 31-03-2018 ₹
Salaries and wages	1,70,12,598	1,66,08,268
Contribution to provident and other funds	22,30,488	22,18,299
Staff welfare expenses	6,16,275	5,14,214
	<b>1,98,59,361</b>	<b>1,93,40,781</b>

## 22. Finance costs

Particulars	For the year ended 31-03-2019 ₹	For the year ended 31-03-2018 ₹
Interest expense on : - Borrowings	54,968	65,839
Other borrowing costs	6,945	3,119
	<b>61,913</b>	<b>68,958</b>

## 23. Other expenses

Particulars	For the year ended 31-03-2019 ₹	For the year ended 31-03-2018 ₹
Advertisement	37,200	33,635
Electricity and water	1,18,00,589	94,06,310
Repairs and maintenance - Plant and machinery	7,83,648	5,71,194
Repairs and maintenance - Buildings	89,469	1,52,042
Insurance	6,71,073	7,27,420
Rent	4,25,849	4,08,454
Rates and taxes	5,11,202	5,24,939
Legal and professional	16,20,960	15,28,995
Travelling and conveyance : - Others	1,03,362	1,16,285
Printing and stationery	51,72,759	39,03,655
Auditors' Remuneration :	2,26,699	2,24,721
Internal Auditors' Remuneration: - Audit fee	2,25,000	2,25,000
- Reimbursement of expenses	5,200	1,274
Meeting Expenses	71,991	79,434
Directors' sitting fee	28,000	35,000
Communication expenses	18,68,163	18,71,592
Allowances for doubtful trade receivable and advances	-	60,770
Prior period items (net)	1,96,738	51,874
Security charges	46,12,539	43,87,768
Training & Education Cell Expenses	58,503	73,909
Turnover fee to stock exchange	16,82,673	12,75,489
Depository and other charges	18,48,873	25,32,632
Miscellaneous	23,35,096	21,15,502
	<b>3,43,75,586</b>	<b>3,03,07,894</b>

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## 24. Consolidation Information :

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

## 25. Principles of Consolidation

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

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

- The rent received by the holding company amounting to Rs. 38,47,500/- (previous year Rs. 38,47,500/-) from its subsidiary company included in the note no. 21 "Other Income" in its individual balance sheet has been eliminated on consolidation.
- The maintenance charges received by the holding company amounting to Rs.6,72,750/- (previous year Rs.6,72,750/-) respectively from its subsidiary company included in the note no. 21 "Other Income" in its individual balance sheet has been eliminated on consolidation.
- The dividend received by the holding company amounting to Rs. 1,33,24,300/- (previous year Rs. 26,64,860/-) from its subsidiary company included in note no. 20 "Income from Investments and Deposits" in its individual balance sheet has been eliminated on consolidation.
- The parent's portion of the interim dividend amounting to Rs. Nil/- (previous year Rs. 26,64,860/-) has been reduced from the aggregate of the interim dividend as reflected in the financial statement of the subsidiary company, as a result of which the profit carried to the consolidated balance sheet stands increased to that extent.
- The parent's portion of the final dividend amounting to Rs. 1,33,24,300/- (previous year Rs. Nil/-) has been reduced from the aggregate of the final 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.

## 27. 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 against the company not acknowledged as debt in respect of indirect taxes amounted to Rs.14.52 lacs (previous year Nil). This matter is pending before Commissioner of Central Excise. According to the management the demand raised is not in accordance with the provisions of respective laws and its ultimate resolution will not have a material adverse effect on the company financial position and result of operations.

Amount paid to statutory authorities against above tax claims amounted to Rs. 2.18 las (previous year Nil) and has been shown under the head Other Current Assets (Balances and Deposits with Government Authorities or Others).

- 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.

## 29. Related Party Disclosure:

- Disclosure of Related Parties and relation between the parties.

Key Management Personnel

Mr. Pritpal singh

Chief General Manager cum Whole Time Director

Mr. Shiv Ram Mishra

Company Secretary

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

Particulars	Key Management Personnel (KMP)	
	2018-2019	2017-2018
Payment to KMP as remuneration	13,60,611	13,46,028

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

30. 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.

## 31. 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	2018-19	2017-18
1.	Average Number of Equity Shares of ` 10/- each ( no.)	59200	59200
2.	Net Profit after tax & minority interest attributable to equity shareholders ( ` )	20,00,656	2,26,39,142
3.	Earnings per share (Basic)	33.79	382.42
4.	Earnings per share (Diluted)	33.79	382.42
5.	Nominal Value of per Equity Share ( ` )	10/-	10/-

32. The holding company and its subsidiary are "Small & Medium Size Company" ( SMC ) as per clause 2(f) as defined in The Companies ( Accounting Standards ) Rules, 2006. Therefore Accounting Standard (AS) – 17 "Segment Reporting" is not applicable to the company.
33. Payment to Auditors:

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Audit Fee	1,70,000	1,60,000
Tax Audit Fee	15,000	15,000
Income Tax matters	15,000	15,000
In other capacity	10,000	10,000
Reimbursement of Expenses	16,699	24,721

34. The accounting policy in respect of Provision for Leave with encashment:

i) In respect of holding company:

The holding company has made provisions for the leave earned by employees during the year on accrual basis.

ii) In Respect of Subsidiary Company:

The Subsidiary company has policy of accumulation of earned leaves and has made provision at the year end based on independent actuarial valuation.

35. "Current investment is an investment that is by its nature readily realizable and is intended to be held for not more than one year from the date on which investment is made".

The investments shown under the head Current Investments are held for more than one year, which are to be shown as Non Current Investments but as per decision taken by the management of the company these are intended to be held for sale as and when the company needs fund, therefore shown under head "Current Investments."

(Amount in ₹)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Principal amount remaining unpaid to any supplier as at the end of accounting period	-	-
Interest due on remaining unpaid to any supplier as at the end of the accounting period	-	-
The amount of interest paid along with the amounts of the the payment made to the supplier beyond the appointed day during accounting year	-	-
The amount of interest due and payable for the accounting year	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year	-	-
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	-	-



# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Dues to Micro, Small and Medium Enterprise have been determined to the extent such parties have been identified on the basis of the information collected by the management. This has been relied upon by the auditors.

37. Figures pertaining to the subsidiary company has been regrouped/recast, wherever necessary to bring these in line with the parent company's financial statements.
38. The detail of deferred tax liabilities and assets as per Accounting Standard – AS 22 on “Accounting for Taxes on Income” as at the end of each reporting period is as under.

Nature of Timing Difference	Deferred Tax Liability (Assets) as on 01.04.2018	Movement during the year	Deferred Tax Liability (Assets) as on 31.03.2019
<b>Deferred Tax Liabilities</b>			
(i) Related to Property plant and equipments	27,597	(13,876)	13,721
<b>Less :Deferred Tax Assets</b>	-	-	-
<b>Deferred tax Liability (Net)</b>	<b>27,597</b>	<b>(13,876)</b>	<b>13,721</b>

39. FDR's of Rs. 74300000(Prev. Year Rs. 74300000) have been pledged with HDFC Bank to secure overdraft facilities to the tune of Rs. 64300000 (P/Y Rs. 64300000).

The company has deposited FDR's in its name with National Stock Exchange of India Ltd amounting to Rs. 22,37,00,000/- (Prev. Year Rs. 26,20,67,690) with MCX amounting to Rs. 7,50,000/-(prev. Year Rs. Nil) and with BSE Limited amounting to Rs. 23,75,000/- (Prev. Year Rs. 23,75,000) to Base Minimum/Additional Capital and are shown under the head Fixed deposit with Scheduled banks and FDR amounting to Rs. 8,00,000 (Previous Year Rs. 8,00,000) have been kept as Membership Security with NSE for CD segment and Rs. 13,00,000 (Previous Year Rs. 13,00,000) FDR's have been kept for the same purpose with MSEI Stock Exchange Ltd. in CD segment.

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

40. The Holding company and its subsidiary company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
41. There are no amounts that are due to be transferred to the Investor Protection Fund in accordance with relevant provisions of the Companies act 2013 and rules made thereunder by the holding company and subsidiary company.
42. The Holding Company and its subsidiary company did not have any pending litigation, therefore there is no impact on the financial position of the company.
43. Figures in brackets indicate deductions. The amount has been rounded off to the nearest rupees.
44. Previous year's figures have been regrouped/restated wherever necessary to confirm to its classification of the current year.

As per our separate report of even date  
For SCV & Co. LLP  
Chartered Accountants  
Firm Regn. No. 000235N/N500089

(Sanjiv Mohan)  
Partner  
M. No. 086066

PLACE : LUDHIANA  
DATED : 17-08-2019

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

Sd/-  
(Jaspal Singh)  
Vice Chairperson  
(DIN - 00458451)

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

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

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