

INDEPENDENT AUDITOR'S REPORT

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

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Ludhiana Stock and Capital Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018 and its losses and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-A, which forms part of this report, a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The balance Sheet, the statement of profit and loss and the cash flow statements dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

INDEPENDENT AUDITOR'S REPORT

- e. On the basis of written representations received from the directors as on 31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of sub-section (2) of section 164 of the Act;
- f. With respect to adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure- B" ;and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

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

Place: Ludhiana
Date: 17.08.2018

(Sanjiv Mohan)
Partner
M. No.086066

INDEPENDENT AUDITOR'S REPORT ANNEXURE - A

Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2018.

We report that:

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

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

Place: Ludhiana
Date: 17.08.2018

(Sanjiv Mohan)
Partner
M. No.086066

INDEPENDENT AUDITOR'S REPORT ANNEXURE - B

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

Report on Internal Financial Controls

1. We have audited the internal financial controls over financial reporting of Ludhiana Stock and Capital Limited ("the Company") as of 31st March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:
 - (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
 - (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
 - (c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, 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: 17.08.2018

(Sanjiv Mohan)
Partner
M. No.086066

BALANCE SHEET AS AT 31ST MARCH 2018

(Amount in ₹)

PARTICULARS	Note No.	AS AT 31-03-2018	AS AT 31-03-2017
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
a) Share capital	3	602,000	602,000
b) Reserves and surplus	4	189,723,135	198,622,224
		<u>190,325,135</u>	<u>199,224,224</u>
2 Non-current liabilities			
a) Deferred tax liabilities	5	14,597	-
b) Other long term liabilities	6	17,596,045	23,677,145
c) Long-term provisions	7	-	49,770
		<u>17,610,642</u>	<u>23,726,915</u>
3 Current liabilities			
a) Trade payables	8	622,978	510,229
b) Other current liabilities	9	9,014,059	16,167,271
c) Short-term provisions	10	71,485	81,882
		<u>9,708,522</u>	<u>16,759,382</u>
TOTAL		<u>217,644,299</u>	<u>239,710,520</u>
II ASSETS			
1 Non-current assets			
a) Property, Plant and Equipment	11		
i) Tangible assets		80,967,660	81,922,322
ii) Intangible assets		-	19,468
		<u>80,967,660</u>	<u>81,941,790</u>
b) Non-current investments	12		
c) Long-term loans and advances	13	34,517,625	34,517,625
d) Other non-current assets	14	9,087,165	8,621,623
		<u>16,522,036</u>	<u>16,076,375</u>
		<u>141,094,486</u>	<u>141,157,413</u>
2 Current assets			
a) Current investments	15	68,882,926	54,798,750
b) Inventories	16	-	-
c) Trade receivables	17	239,298	581,223
d) Cash and cash equivalents	18	5,103,526	36,807,087
e) Short-term loans and advances	19	2,140,845	6,093,102
f) Other current assets		183,218	272,946
		<u>76,549,813</u>	<u>98,553,107</u>
TOTAL		<u>217,644,299</u>	<u>239,710,520</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 : 17-08-2018

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

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in ₹)

PARTICULARS	Note No.	For the year ended 31-03-2018	For the year ended 31-03-2017
i Revenue from operations	20	1,012,483	1,148,381
ii Income from investments and deposits	21	6,430,100	9,559,585
iii Other income	22	18,127,683	33,171,937
iv Total revenue (i + ii + iii)		<u>25,570,265</u>	<u>43,879,903</u>
v Expenses :			
Employee benefits expense	23	4,183,314	4,677,784
Depreciation and amortization expense		931,026	1,061,849
Other expenses	24	17,847,529	17,607,534
Total expenses		<u>22,961,868</u>	<u>23,347,167</u>
vi Profit before exceptional items and tax (iv - v)		2,608,397	20,532,736
vii Exceptional items (Refer note - 36)			
- Compensation paid to CMC Ltd.		6,335,253	-
viii Profit before tax (vi - vii)		(3,726,856)	20,532,736
ix Tax expense :			
- Current tax		-	4,000,000
- Tax expenses relating to prior years		-	(1,000,031)
- Deferred tax		14,597	-
x Profit for the year (viii-ix)		<u>(3,741,453)</u>	<u>17,532,767</u>
Earnings per share (of ₹ 10/- each)			
- Basic		(63.20)	296.16
- Diluted		(63.20)	296.16

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

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

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

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

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in ₹)

PARTICULARS	2017-18	2016-17
1. CASH FLOW FROM OPERATING ACTIVITY		
Net Profit Before Tax & Extra Ordinary Item	2,608,397	20,532,736
Non-Cash & Non-Operating adjustments for :		
Depreciation and amortisation	931,026	1,061,849
Allowances for doubtful advances	-	6,000
Interest Income	(2,575,085)	(5,565,259)
Dividend Income	(2,664,860)	(2,704,053)
Net gain on sale of current investments	(1,187,155)	(1,290,274)
Bad debts recovered	(10,000)	-
Gain on sale of property, plant and equipment	(299,038)	(43,858)
Operating Profit Before Working Capital Changes	(3,196,715)	11,997,141
(Increase)/Decrease in Current Assets:		
Current Investments	(14,084,176)	(41,686,756)
Trade receivables	351,925	863,925
Short Term loans & advances	3,952,257	(880,736)
Other Current Assets	1,262,828	106,145
(Increase)/Decrease in Non-Current Assets:		
Long Term loans & advances	51,202	2,617
Other non-current assets	(445,661)	28,901,069
(Increase)/Decrease in Current Liabilities:		
Trade Payables	112,749	(68,992)
Short Term Provisions	(10,397)	(15,443)
Other Current Liabilities	(5,980,112)	(1,666,942)
(Increase)/Decrease in Non-Current Liabilities:		
Other long term liabilities	(6,081,100)	(5,174,052)
Long-term provisions	(49,770)	(172,083)
Cash Generated From Operation	(24,116,970)	(7,794,107)
Direct Tax expenses	(516,745)	(592,819)
Cash Flow Before Extra-Ordinary Items	(24,633,715)	(8,386,926)
Less : Item of exceptional nature		
- Compensation paid to CMC Ltd.	(6,335,253)	-
Net Cash Flow From Operating Activity (A)	(30,968,968)	(8,386,926)
2. CASH FLOW FROM INVESTING ACTIVITY		
Sale Proceeds of property, plant and equipment	406,333	66,500
Interest Received	2,575,085	5,565,259
Dividend Received	2,664,860	2,704,053
Gain on sale of current investments	1,187,155	1,290,274
Purchase of Property, Plant and Equipment	(64,190)	-

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in ₹)

PARTICULARS	2017-18	2016-17
Earmarked Deposits	-	6,200,000
Investment in bank deposits with maturity more than 3 months.	25,173,666	2,256,094
Net Cash Flow From Investing Activity (B)	31,942,909	18,082,180
3. CASH FLOW FROM FINANCING ACTIVITY		
Dividend Paid	(5,909,100)	(15,448,145)
Dividend Distribution Tax	(421,635)	(2,590,947)
Net Cash Flow From Financing Activity (C)	(6,330,735)	(18,039,092)
4. NET INC./DEC. IN CASH & CASH EQUIVALENTS (A)+(B)+(C)	(5,356,794)	(8,343,838)
5. OPENING BALANCE OF CASH & CASH EQUIVALENTS	9,422,261	17,766,099
6. CLOSING BALANCE OF CASH & CASH EQUIVALENTS (4)+(5)	4,065,467	9,422,261
CASH AND CASH EQUIVALENTS :		
Cash on hand	36,101	37,981
Cheques issued but not cleared	-	25,396
Balance with Banks :		
In current accounts	1,029,366	678,798
Deposits with maturity period less than 3 months	3,000,000	8,680,086
	4,065,467	9,422,261

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 : 17-08-2018

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

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

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparations of Financial Statements

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

b) Use of Estimates

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

c) Revenue Recognition

Interest

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

Dividend

II. Dividend from investment 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.

d) Property, Plant and Equipment

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

- 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/modernisation of the existing fixed assets is added to the book value of these assets where such renovation/modernisation increases the future benefit from them beyond their previously assessed standard of performance.
- 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.

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.

e) Intangible Assets

Intangibles are stated at cost less accumulated amount of amortization.

f) Amortization

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

g) Employee Benefits:

1) Short Term Employee Benefits:

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

2) Post Employment Benefits:

i) Defined Contribution Plans:

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

ii) Defined Benefit Plans:

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

iii) Actuarial Gain or Loss:

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

h) Investments

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

i) Borrowing Costs

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

j) Impairment of Assets

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

k) Accounting for Taxes on Income

Provision for taxation for the year comprises of current tax and deferred tax. Current tax is the aggregate amount of income tax determined to be payable in respect of taxable income for a period.

Deferred tax is the tax effect of timing difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period.

l) Earnings per share

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

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

m) Cash flow statement

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

n) Cash and cash equivalent

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

o) Provisions and Contingent Liabilities

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

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

ii) Contingent liability is disclosed in case there is :

- a) (i) possible obligation that arises from past events and existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise; or
(ii) a reliable estimate of the amount of the obligation cannot be made.
- b) a present obligation arising from past events but is not 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.

NOTES FORMING PART OF FINANCIAL STATEMENTS

3 Share Capital

PARTICULARS	AS AT 31-03-2018		AS AT 31-03-2017	
	Number	₹	Number	₹
Authorised :				
Equity shares of ₹10/- each (par value)	5,000,000	50,000,000	5,000,000	50,000,000
Total	5,000,000	50,000,000	5,000,000	50,000,000
Issued :				
Equity shares of ₹10/- each	70,000	700,000	70,000	700,000
Total	70,000	700,000	70,000	700,000
Subscribed :				
Equity shares of ₹10/- each	60,200	602,000	60,200	602,000
Total	60,200	602,000	60,200	602,000
Paid up :				
Equity shares of ₹10/- each	60,200	602,000	60,200	602,000
Less: Forfeited 1,000 equity shares of ₹10/-each		10,000		10,000
	60,200	592,000	60,200	592,000
Add : Forfeited shares (Amount originally paid up)		10,000		10,000
Total	60,200	602,000	60,200	602,000

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

Equity Shares	AS AT 31-03-2018		AS AT 31-03-2017	
	Number	₹	Number	₹
At the beginning of the reporting period	60,200	6,02,000.	60,200	602,000
Add : Issued during the period	-	-	-	-
Outstanding at the end of the reporting period	60,200	602,000	60,200	602,000

b. Rights, preferences and restrictions attached to equity shares

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

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

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

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

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

4 Reserves and surplus

PARTICULARS	AS AT 31-03-2018	AS AT 31-03-2017
	₹	₹
Capital reserve		
Balance as per last financial statements	152,721,795	152,721,795
	<u>152,721,795</u>	<u>152,721,795</u>
Other reserves :		
General reserve		
Balance as per last financial statements	36,761,316	36,761,316
	<u>36,761,316</u>	<u>36,761,316</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS

PARTICULARS	AS AT 31-03-2018 ₹	AS AT 31-03-2017 ₹
Surplus i.e. balance in statement of profit and loss		
Balance as per the last financial statements	9,139,113	9,589,293
Add : Profit for the year transferred from statement of profit and loss	(3,741,453)	17,532,767
	<u>5,397,660</u>	<u>27,122,060</u>
Less : Appropriations :		
Dividend paid (interim)	4,736,000	15,392,000
Corporate Dividend Tax	421,635	2,590,947
Closing Balance	<u>240,025</u>	<u>9,139,113</u>
Total	<u>189,723,135</u>	<u>198,622,224</u>

5 Deferred tax liabilities

PARTICULARS	AS AT 31-03-2018 ₹	AS AT 31-03-2017 ₹
Deferred tax liabilities		
Impact of difference between book balance and tax balance of Property, Plant and Equipment	14,597	-
	<u>14,597</u>	<u>-</u>

6 Other long-term liabilities

PARTICULARS	AS AT 31-03-2018 ₹	AS AT 31-03-2017 ₹
Others :		
Retention money	3,435,054	3,435,054
Security from members	14,035,493	13,748,903
Security from others	125,498	6,493,188
	<u>17,596,045</u>	<u>23,677,145</u>

7 Long-term provisions

PARTICULARS	AS AT 31-03-2018 ₹	AS AT 31-03-2017 ₹
Provision for employee benefits - Gratuity	-	49,770
	<u>-</u>	<u>49,770</u>

8 Trade payables

PARTICULARS	AS AT 31-03-2018 ₹	AS AT 31-03-2017 ₹
Trade payable		
Micro Enterprises and Small Enterprises	-	-
Other than Micro Enterprises and Small Enterprises	622,978	510,229
	<u>622,978</u>	<u>510,229</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS

9 Other current liabilities

PARTICULARS	AS AT 31-03-2018 ₹	AS AT 31-03-2017 ₹
Income received in advance	-	18,852
Unpaid dividend*	1,038,060	2,211,160
Due to members	425,000	425,000
Other payables		
- Statutory remittances**	220,719	158,122
- Due to employees	681,395	689,876
- Due to ex-members	253,140	253,140
- Expense payable	962,844	5,632,598
- Earnest money for membership	25,000	25,000
- Advances from members	3,026,898	3,523,095
- Security from members	2,261,028	2,770,357
- Cheques issued but not yet presented	2,915	8,824
- Other payables	117,061	451,247
	9,014,059	16,167,271

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

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

10 Short-term provisions

PARTICULARS	AS AT 31-03-2018 ₹	AS AT 31-03-2017 ₹
Provision for employee benefits :		
Leave encashment	71,485	81,882
	71,485	81,882

NOTES FORMING PART OF FINANCIAL STATEMENTS

11 Property, Plant and Equipment

(Amount in ₹)

PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION				NET BLOCK	
	Balance as at 1st April, 2017	Additions	Disposal	Balance as at 31st March, 2018	Balance as at 1st April, 2017	Depreciation/ amortisation expenses during the year	Eliminated on disposal of assets	Balance as at 31st March, 2018	Balance as at 31st March, 2017
a) Tangible Assets									
Freehold Land	66,742,904	-	-	66,742,904	-	-	-	66,742,904	66,742,904
Buildings	39,025,916	-	406,332	38,619,584	25,473,848	653,024	299,038	12,791,750	13,552,087
Plant and Equipments	27,893,316	-	-	27,893,316	25,787,532	197,683	-	1,908,101	2,105,784
Office Equipments	8,355,792	64,190	-	8,419,982	7,905,331	52,476	-	462,175	450,462
Furniture and Fixtures	549,490	-	-	543,490	513,266	4,233	-	26,002	30,234
Vehicles	597,260	-	-	597,260	556,391	4,142	-	36,727	40,689
Total (a)	142,158,678	64,190	406,332	141,816,536	60,236,357	911,568	299,038	60,848,877	81,922,322
b) Intangible Assets									
Computer Software	295,500	-	-	295,500	276,032	19,468	-	295,500	19,468
Total (b)	295,500	-	-	295,500	276,032	19,468	-	295,500	19,468
Grand Total (a + b)	142,454,178	64,190	406,332	142,112,036	60,512,389	931,026	299,038	61,144,377	81,941,790
Previous year	142,520,678	-	66,500	142,454,178	5,94,94,398	1,08,18,849	40,858	60,512,368	81,941,790

Notes :- Intangible assets are not internally generated.

NOTES FORMING PART OF FINANCIAL STATEMENTS

12 Non current investments

PARTICULARS	AS AT 31-03-2018 ₹	AS AT 31-03-2017 ₹
Long term investments Unquoted (Valued at cost unless stated otherwise)		
Trade (cost)		
Investment in equity instruments of subsidiary company 3,331,075 (previous year 3,331,075) equity shares of ₹ 10/- fully paid up of LSC Securities Limited(Formerly L.S.E.Securities Limited)	34,517,625	34,517,625
	<u>34,517,625</u>	<u>34,517,625</u>
Aggregate amount of unquoted investment	34,517,625	34,517,625

13 Long-term loans and advances

PARTICULARS	AS AT 31-03-2018 ₹	AS AT 31-03-2017 ₹
(Unsecured considered good)		
Security deposits	1,531,534	1,582,736
Advance income tax (net of provision for tax ₹ 4,000,000/- (Previous year ₹ 4,000,000))	7,555,631	7,038,886
	<u>9,087,165</u>	<u>8,621,623</u>

14 Other non-current assets

PARTICULARS	AS AT 31-03-2018 ₹	AS AT 31-03-2017 ₹
(Unsecured considered good)		
Others :		
Members security :		
- Held as fixed deposits	13,227,193	12,940,603
- Held as members investment	694,571	694,571
Security received from others (held as fixed deposits)	100,498	300,498
Non current bank balances (refer note no. 17)	1,475,000	1,475,000
Recoverable from Customer Protection Fund	171,925	171,925
Less : Allowances for doubtful advances	-	-
Interest accrued on fixed deposits	852,849	665,703
	<u>16,522,036</u>	<u>16,076,375</u>

15 Current Investments

PARTICULARS	AS AT 31-03-2018 ₹	AS AT 31-03-2017 ₹
Investment in Mutual fund (Unquoted)		
27,801.45 (Previous year-17,287.709) units of face value of Rs. 1,000/- each fully paid up of UTI - Treasury Advantage Fund - Institutional Plan - Direct plan - Growth	62,443,972	37,167,278
Nil (Previous Year- 46,544.498) Units of face value of Rs. 1,000/- each fully paid up of ICICI-Prudential Liquid-Direct Plan-Growth	-	11,192,518
Investment in Bonds (Quoted)		
199 (previous year - 199) bond face value of Rs. 5000/- each of National housing Bank	1,188,402	1,188,402

NOTES FORMING PART OF FINANCIAL STATEMENTS

PARTICULARS	AS AT 31-03-2018 ₹	AS AT 31-03-2017 ₹
999 (Previous year - 999) bonds face value of Rs. 1000/- each of national Highway Authority of India	1,067,869	1,067,869
150 (Previous Year - 150) bonds face of Rs. 1000/- each of National Highway Authority of India	173,725	173,725
999 (Previous Year- 999) bonds face value of Rs. 1000/- each of National Bank of Agriculture and Rural Development	1,059,632	1,059,632
1299 (Previous Year - 1299) bonds face value of Rs. 1000/- each of Housing Urban Development corporation	1,383,316	1,383,316
999 (Previous Year - 999) Bonds face value of Rs. 1000/- each of Indian Railway Finance corporation Limited	1,058,572	1,058,572
300 (Previous Year - 300) Bonds face value of Rs. 1000/- each of National Highway authority of India	317,707	317,707
100 (Previous Year - 100) Bonds face value of Rs. 1000/- each of National Highway of India	106,447	106,447
78 (Previous year - 78) Bonds face value of Rs. 1000/- each of Power Finance corporation	83,283	83,283
	68,882,926	54,798,750
Aggregate amount of unquoted investments	62,443,972	48,359,796
Aggregate amount of quoted investments	6,438,954	6,438,953
Aggregate Market Value of quoted investments	6,868,970	6,889,312
Aggregate provision for diminution in value of other current Investment	-	-

16 Trade receivables

PARTICULARS	AS AT 31-03-2018 ₹	AS AT 31-03-2017 ₹
Trade receivables outstanding for a period exceeding six months from the date they are due for payment :		
- Secured, considered good	86,118	178,657
- Unsecured, considered good	-	44,570
- Unsecured, considered doubtful	60,770	-
	<u>146,888</u>	<u>223,227</u>
Less: Allowances for doubtful advances	60,770	-
	86,118	223,227
Other trade receivables		
- Secured, considered good	148,612	214,484
- Unsecured, considered good	4,568	143,512
	<u>153,180</u>	<u>357,996</u>
	239,298	581,223

NOTES FORMING PART OF FINANCIAL STATEMENTS

17 Cash and Cash Equivalents

PARTICULARS	AS AT 31-03-2018 ₹	AS AT 31-03-2017 ₹
Cash and cash equivalents		
a) Balances with banks		
- In current accounts	1,029,366	678,798
- In deposit accounts		
- with maturity less than three months	3,000,000	8,680,086
- with maturity more than three months but less than twelve months	-	25,173,666
- with maturity more than twelve months	14,75,000	1,475,000
b) Cheques on hand	-	25,396
c) Cash on hand	36,101	37,981
Other Bank Balances :		
a) Earmarked balances with banks :		
- Dividend account	1,038,060	2,211,160
	6,578,526	38,282,087
Less: Amounts disclosed as other non current assets (refer note 14)	1,475,000	1,475,000
	<u>51,03,526</u>	<u>36,807,087</u>

18 Short-term loans and advances

PARTICULARS	AS AT 31-03-2018 ₹	AS AT 31-03-2017 ₹
(Unsecured considered good)		
Loans and advances to related parties (refer note-30)	1,185,241	15,702
Others:		
Advance to suppliers	-	104
Loans and advances to employees	29,638	51,624
Prepaid expenses	200,107	130,232
Interest accrued on :		
- fixed deposits	444	5,571,603
- bonds	152,237	152,166
Fair value of Plan Assets (Net) (Refer Note-33)	324,496	-
Other recoverables :		
- Considered good	248,682	171,671
- Considered doubtful	-	1,425,654
	248,682	1,597,325
	-	1,425,654
	-	171,671
Less: Allowances for Doubtful Advances	248,682	-
	<u>2,140,845</u>	<u>6,093,102</u>

19 Other Current Assets

PARTICULARS	For the year ended 31-03-2018 ₹	For the year ended 31-03-2017 ₹
Members security		
- Held as fixed deposits	183,218	272,946
	<u>183,218</u>	<u>272,946</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS

20 Revenue from operations

PARTICULARS	For the year ended 31-03-2018 ₹	For the year ended 31-03-2017 ₹
Other operating revenues :		
- Membership fee	304,000	304,000
- Transfer fee received	124,184	122,097
- Training and Education Cell	584,299	722,284
Revenue from operations	<u>1,012,483</u>	<u>1,148,381</u>

21 Income from investments and deposits

PARTICULARS	For the year ended 31-03-2018 ₹	For the year ended 31-03-2017 ₹
Interest received (Gross) :		
- From banks (TDS ₹203,530/- (previous year ₹480,892))	2,037,416	4,815,952
- From investment in bonds	460,701	400,005
- From others	79,968	349,302
Dividend income from Long Term Investments		
- Subsidiary	2,664,860	2,664,860
Dividend income from Current Investments		
- Mutual Funds	-	39,192
Gain on sale of Current Investments		
- Mutual Funds	1,187,155	1,290,274
	<u>6,430,100</u>	<u>9,559,585</u>

22 Other Income

PARTICULARS	For the year ended 31-03-2018 ₹	For the year ended 31-03-2017 ₹
Rent Received	7,195,813	25,492,131
Gain on sale of property, plant and equipment	299,041	43,857
Maintenance charges received	7,548,101	6,954,844
Sundry balances written back	2,300,247	397
Less: Sundry balances written off	(51,202)	-
	835,683	680,708
Miscellaneous receipts	<u>18,127,683</u>	<u>33,171,937</u>

23 Employee benefits expenses

PARTICULARS	For the year ended 31-03-2018 ₹	For the year ended 31-03-2017 ₹
Salaries and wages	3,564,885	4,028,884
Contribution to provident and other funds	424,040	424,986
Staff welfare	194,389	223,914
	<u>4,183,314</u>	<u>4,677,784</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS

24 Other Expenses

PARTICULARS	For the year ended	For the year ended
	31-03-2018	31-03-2017
	₹	₹
Electricity and water	8,900,766	8,510,774
Repairs and maintenance - Plant and machinery	571,194	1,224,368
Repairs and maintenance - Buildings	152,042	181,633
Insurance	201,702	189,641
Rates and taxes	194,550	115,018
Legal and professional	1,306,545	1,298,505
Travelling and conveyance :	46,006	38,470
Printing and stationery	75,687	92,192
Auditors' Remuneration :		
- Audit fee	80,000	80,000
- Tax audit fee	15,000	15,000
- Income tax matters	15,000	15,000
- In other capacity	10,000	17,500
- Reimbursement of expenses	15,292	20,479
Meeting expenses	58,139	40,674
Directors' sitting fee	35,000	24,500
Communication expenses	331,838	363,372
Allowance for Doubtful Advances	60,770	6,000
Security charges	4,387,768	4,260,399
Training and Education Cell Expenses	73,909	92,233
Prior period expenses	32,219	-
Miscellaneous	1,284,101	1,021,776
	17,847,529	17,607,534

NOTES FORMING PART OF FINANCIAL STATEMENTS

25. Contingent Liabilities in respect of (to the extent not provided for):
(No outflow is expected in view of the past history relating to these items)
- Claims not acknowledged as debts :Rs. Nil (previous year Rs. Nil).
26. The company is a single segment company. Therefore segment information as per Accounting Standard (AS) – 17 "Segment Reporting" is not required to be disclosed.
27. 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.
28. The intangible asset which comprises of software have been amortized @ 20% on straight line basis as the useful life thereof has been estimated to be not more than five years.
29. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.

Particulars	As at 31st March, 2018	As at 31st March, 2017
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 payment made to the supplier beyond the appointed day	-	-
The amount of interest due and payable for the 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	-	-

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

30. Related Party Disclosure:

- a) Disclosure of Related Parties and relation between the parties.
Subsidiary: LSC Securities Limited (formerly L.S.E. Securities Limited)
- b) The following transactions were carried out with related parties in the ordinary course of business:

Particulars	Subsidiary	
	2017-2018	2016-2017
Rent received including Maintenance charges received (including taxes)	53,07,092	44,21,444
Reimbursement of Expenses received	7,10,720	66,786
Dividend received	26,64,860	26,64,860
D.P. charges paid	NIL	3,978
Due from Subsidiary	11,85,241	15,702

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

31. 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	2017-18	2016-17
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.)	(3,741,453)	17,532,767
3	Earnings per share (Basic)	(63.20)	296.16
4	Earnings per share (Diluted)	(63.20)	296.16
5	Nominal Value of Per Equity Share (Rs.)	10.00	10.00

NOTES FORMING PART OF FINANCIAL STATEMENTS

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

33. Employee Benefits:

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

a) Changes in the present value of obligations:

(Amount in ₹)

Particulars	Gratuity (Funded)	
	2017-18	2016-17
Present Value obligation as at beginning of the year.	1,954,533	2,207,837
Interest Cost.	151,478	148,207
Current Service Cost.	80,958	14,069
Benefits Paid.	(213,699)	(240,826)
Actuarial Loss/(Gain) on obligation's.	(480,355)	(174,734)
Present value obligation as at close of the year.#	1,492,935	1,954,553

#Includes short term gratuity liability of Rs. 46,497/- (previous year Rs. 20,186/-)

b) Changes in the Present Value of Plan Asset :

(Amount in ₹)

Particulars	Gratuity (Funded)	
	2017-18	2016-17
Fair value of Plan Assets as at beginning of the year	1,904,783	1,985,984
Expected return on Plan Assets	147,621	153,094
Contributions	5,604	15,928
Withdrawals/Benefits paid	(213,699)	(258,444)
Actuarial Loss/(Gain) on Plan Assets	(26,878)	8,221
Fair value of Plan Assets as at close of year	1,817,431	1,904,783

c) Amount recognized in Balance Sheet :

(Amount in ₹)

Particulars	Gratuity (Funded)	
	2017-18	2016-17
Present value obligation as at close of the year	1,492,935	1,954,553
Fair value of Plan Assets as at close of the year	1,817,431	1,904,783
Funded Status	324,496	(49,770)
Net Assets/ (Liability) recognized in Balance Sheet	324,496	(49,770)

d) Expenses Recognized in Statement of Profit and Loss :

(Amount in ₹)

Particulars	Gratuity (Funded)	
	2017-18	2016-17
Current service cost	80,598	14,069
Interest cost	151,478	148,207
Expected return on Plan Assets	(147,621)	(153,094)
Net Actuarial Loss/(gain) recognized in the year	(453,477)	(182,955)
Expenses recognized in Statement of profit and loss	(368,662)	(173,773)

NOTES FORMING PART OF FINANCIAL STATEMENTS

e) Principal actuarial assumptions :

(Amount in ₹)

Particulars	Gratuity (Funded)	
	2017-18	2016-17
Discount Rate (per annum)	7.75%	7.10%
Rate of increase in compensation levels (per annum)	5.00%	1.00%
Rate of return on plan assets (per annum)	7.75%	8.21%
Expected Average remaining working lives of employees (years)	8.00	12.44
Method Used	Projected Unit Credit Method	

- f) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employee market.
- g) During the year, the company has recognized an expense of Rs. 2,69,829/- (previous year Rs. 3,02,533/-) 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.
- j) Amounts of defined benefits for the current and previous four years are as follows:

	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
Experience adjustment					
- On plan liabilities loss/(gain)	92,295	(254,845)	467,040	(117,681)	203,685
- On plan assets gain	35,638	80,111	-	263,724	208,263
Present value of defined benefit obligations as at the end of the year	1,492,935	1,954,553	2,207,837	2,256,515	1,962,214
Fair value of plan assets as at the end of the year	1,817,431	1,904,783	1,985,984	2,357,682	1,988,305
Excess / (deficit) of plan assets over obligations	324,496	-49,770	(221,853)	101,167	26,091

34. Figures in brackets indicate deductions. The amount has been rounded off to the nearest rupee.
35. Previous year's figures have been recast/regrouped wherever necessary, to make these comparable with current year's figures.
36. As per the arbitration award made for the dispute between the company and its software supplier M/s Tata Consultancy Services Limited (Previously known as CMC Limited) a sum of Rs. 1,07,89,990/- was required to be payable to its supplier.
The company challenged the said award in the court of law and subsequently the company has been advised for the out of court settlement. Accordingly, the parties have reached out of court settlement for a sum of Rs. 95 Lacs towards full and final claim of the software supplier. The company had already made a provision of Rs. 45,90,401/- against the claim of its supplier in the books of account.
During the year, a sum of Rs. 63,35,253/- has been debited to statement of profit and loss account as an exceptional item in accordance with the provision of Accounting Standard (AS) -5, Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.
37. 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.

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

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS,

Ludhiana Stock and Capital Limited

(Formerly Ludhiana Stock Exchange Limited)

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Ludhiana Stock and Capital Limited ("the holding company") and its subsidiary (hereinafter collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 hereinafter referred to as ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the group as at March 31, 2018 and its consolidated profit and its consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of Rs. 243.82 crore as at 31st March, 2018, total revenues of Rs.9.18 crore and net cash flows amounting to Rs. 0.98 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in

CONSOLIDATED INDEPENDENT AUDITOR'S REPORT

respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.
 - (c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the holding company as on 31st March, 2018 taken on record by the Board of Directors of the holding company and the reports of the statutory auditor of its subsidiary company, none of the directors of the Group companies is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our report in "Annexure A", which is based on the Auditors' Reports of the Company and its subsidiary company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Company and its subsidiary company.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us as well as based on the report of statutory auditor of subsidiary company:
 - (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the holding company and subsidiary company.
 - (ii) The Holding company and its subsidiary company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund, by the holding Company and its subsidiary company.

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

Place: Ludhiana
Date: 17.08.2018

(Sanjiv Mohan)
Partner
M. No.086066

CONSOLIDATED INDEPENDENT AUDITOR'S REPORT ANNEXURE-A

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2018, 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 2018, 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: 17.08.2018

(Sanjiv Mohan)
Partner
M. No.086066

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2018

Particulars	Note no.	As at 31-03-2018 ₹	As at 31-03-2017 ₹
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
a) Share capital	2	602,000	602,000
b) Reserves and surplus	3	247,498,838	230,559,834
		<u>248,100,838</u>	<u>231,161,834</u>
2 Minority Interest			
a) Share capital		31,107,000	31,107,000
b) Reserves and surplus		90,494,937	66,366,224
		<u>121,601,937</u>	<u>97,473,224</u>
3 Non-current liabilities			
a) Long term borrowings		-	-
b) Deferred tax liabilities (net)	4	27,597	-
c) Other long term liabilities	5	46,108,208	51,410,383
d) Long term provisions		-	-
		<u>46,135,805</u>	<u>51,410,383</u>
4 Current liabilities			
a) Short term borrowings	6	-	17,542,956
b) Trade payables	7	200,438,847	224,506,371
c) Other current liabilities	8	1,997,010,476	2,109,735,562
d) Short-term provisions	9	649,667	651,290
		<u>2,198,098,990</u>	<u>2,352,436,179</u>
TOTAL		<u>2,613,937,570</u>	<u>2,732,481,620</u>
II ASSETS			
1 Non-current assets			
a) Property, Plant and Equipment	10		
i) Tangible assets		82,758,098	83,860,662
ii) Intangible assets		735,366	1,176,429
		<u>83,493,464</u>	<u>85,037,091</u>
b) Non-current investments	11	-	6,764,000
c) Long-term loans and advances	12	54,390,478	52,813,965
d) Other non-current assets	13	53,166,772	75,934,378
		<u>191,050,714</u>	<u>220,549,433</u>
2 Current assets			
a) Current investments	14	78,882,926	59,798,749
b) Inventories	15	13,518	7,349
c) Trade receivables	16	128,651,308	144,492,227
d) Cash and cash equivalents	17	344,819,784	343,320,428
e) Short-term loans and advances	18	17,681,216	19,853,995
f) Other current assets	19	1,852,838,105	1,944,388,439
g) Deferred tax asset (Net)	20	-	71,000
		<u>2,422,886,857</u>	<u>2,511,932,187</u>
TOTAL		<u>2,613,937,570</u>	<u>2,732,481,620</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 : 17-08-2018

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

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

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

CONSOLIDATED STATEMENT OF PROFIT & LOSS AS AT 31ST MARCH 2018

Particulars	Note no.	For the year ended 31-03-2018 ₹	For the year ended 31-03-2017 ₹
i Revenue from operations	21	19,681,795	23,687,853
ii Income from investment & deposits	22	76,163,564	30,007,727
iii Other income	23	13,910,448	30,237,184
iv Total revenue (i+ii)		109,755,807	83,932,763
v Expenses :			
Employee benefits expense	24	19,340,781	19,585,013
Finance costs	25	68,958	65,191
Depreciation and amortization expense		1,990,801	2,109,277
Other expenses	26	30,307,894	29,938,141
Total expenses		51,708,434	51,697,622
vi Profit before exceptional items, tax and minority interest (iv-v)		58,047,373	32,235,142
vii Exceptional items (Refer note-40) - Compensation paid to CMC Ltd.		6,335,253	-
viii Tax expense :			
- Current tax expenses		11,541,891	8,562,000
- Tax expenses relating to prior years		40,961	(1,187,947)
- Deferred tax		98,597	(86,000)
- MAT Credit Entitlement		(9,732,356)	-
ix Profit after tax but before minority interest (vi-vii-viii)		49,763,027	24,947,089
x Minority interest		27,123,885	4,867,183
xi Profit after tax and minority interest (viii-ix)		22,639,142	20,079,906
Earnings per share (of Rs. 10/- each)			
- Basic		382.42	339.19
- Diluted		382.42	339.19

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 2018

(Amount in ₹)

PARTICULARS	2017-18	2016-17
1. Cash Flow from Operating Activity		
Net Profit Before Tax excluding Minority Interest	58,047,373	32,235,142
Non-Cash & Non-Operating adjustments for :		
Depreciation and amortisation	1,990,801	2,109,277
Interest Income	(23,377,191)	(27,833,256)
Finance Cost	68,958	65,191
Dividend Income	(1,495,000)	(884,192)
Net gain on sale of current investments	(1,187,155)	(1,290,274)
Net gain on sale of non-current investments	(50,104,218)	-
Net gain/Loss on sale of property, plant and equipment	(232,642)	(43,858)
Bad Debts W/o recovered	-	(321,977)
Allowances for Doubtful debts	60,770	6,000
	(16,228,304)	4,042,053
Operating Profit Before W.C. changes		
(Increase)/Decrease in Current Assets:		
Trade receivables	15,780,149	8,448,726
Inventory	(6,169)	4,577
Short Terms Loans & Advances	2,172,779	(1,537,416)
Current Investments	-	(46,686,755)
Other Current Assets	92,723,434	759,309,109
(Increase)/Decrease in Non-Current Assets:		
Long Term loans & advances	(15,663)	9,923,775
Other non-current assets	22,767,606	1,553,172
Increase/(Decrease) in Current Liabilities:		
Trade Payables	(24,067,524)	36,483,494
Short Term Provisions	(1,623)	93,448
Other Current Liabilities	(111,551,986)	(525,191,401)
Short Term Borrowings	(17,542,956)	17,542,956
Other long term liabilities	(5,302,175)	(5,338,399)
Cash Generated From Operation	(41,272,432)	258,647,339
Direct Tax expenses	(3,411,347)	(3,126,940)
Cash Flow Before Extra-Ordinary Items	(44,683,779)	255,520,399
Less : Item of exceptional nature		
Compensation paid to CMC Ltd.	(6,335,253)	-
Net Cash Flow Operating Activity (A)	(51,019,032)	255,520,399

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2018

(Amount in ₹)

PARTICULARS	2017-18	2016-17
2. Cash Flow from Investing Activity		
Sale Proceeds of property, plant and equipment	447,336	66,500
Interest Recd.	23,377,191	27,833,256
Dividend Recd.	1,495,000	884,192
Sale of Current Investments	1,187,155	1,290,274
Sale of non-current investments	50,104,218	-
Purchase of property, plant and equipment	(661,867)	(930,212)
Increase in current investments	(19,084,177)	-
Decrease in non-current investments	6,764,000	-
Investment in bank deposits with maturity more than three months	2,305,446	(286,618,376)
Net Cash flow from Investing Activity (B)	65,934,302	(257,474,366)
3. Cash Flow From Financing Activity		
Finance Cost	(68,958)	(65,191)
Dividend Paid	(8,397,660)	(17,970,905)
Dividend Distribution Tax	(1,470,750)	(3,641,461)
Net Cash Flow From Financing Activity (C)	(9,937,368)	(21,677,557)
4. Net Inc./Dec. in Cash & Cash Equivalents (A)+(B)+(C)	4,977,902	(23,631,524)
5. Opening Balance of Cash & Cash Equivalents	26,963,532	50,595,056
6. Closing Balance of Cash & Cash Equivalents (4)+(5)	31,941,434	26,963,532
Cash and Cash Equivalents :		
Cash on hand	94,650	109,361
Cheques issued but not cleared	-	25,396
Balances with Banks :		
In current accounts	28,846,784	18,148,689
Deposits with maturity period less than 3 months	3,000,000	8,680,086
	31,941,434	26,963,532

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 : 17-08-2018

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)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

a) Accounting Convention

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

b) Use of Estimates:

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

c) Revenue Recognition

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

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

- a. its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates.
- b. any directly attributable expenditure for bringing the asset to the location and the working condition for its intended use and
- 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.

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.

e) Intangible Assets

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

f) Amortisation

Intangible assets are amortised on straight line method. These assets are amortised 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) Retirement Benefits:

I) Short Term Employee Benefits:

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

II) Post Employment Benefits:

(a) Defined Contribution Plans:

Provident Fund:

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

(b) Defined Benefit Plans:

(i) Gratuity:

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

(ii) Leave encashment:

The liability for leave encashment is recognized on the basis of actuarial valuation carried out by an independent actuary at the balance sheet date by using projected unit credit method (Refer Note 36).

i) Investments.

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

Current investments are carried at lower of cost and fair value

j) Borrowing Costs

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

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.

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.

m) Earning per Share

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

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) Provisions and Contingent Liabilities

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

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

ii) Contingent liability is disclosed in case there is :

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

2 Share Capital

Particulars	As at 31-03-2018		As at 31-03-2017	
	Number	₹	Number	₹
Authorised :				
Equity shares of ₹ 10/- each (par value)	5,000,000	50,000,000	5,000,000	50,000,000
Total	5,000,000	50,000,000	5,000,000	50,000,000
Issued :				
Equity shares of ₹ 10/- each	70,000	700,000	70,000	700,000
Total	70,000	700,000	70,000	700,000
Subscribed :				
Equity shares of ₹ 10/- each	60,200	602,000	60,200	602,000
Total	60,200	602,000	60,200	602,000
Paid up :				
Equity shares of ₹ 10/- each	60,200	602,000	60,200	602,000
Less : Forfeited 1,000 equity shares of ₹ 10/- each		10,000		10,000
Add : Forfeited shares	60,200	592,000	60,200	592,000
(Amount originally paid up)		10,000		10,000
Total	60,200	602,000	60,200	602,000

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

Particulars	As at 31-03-2018		As at 31-03-2017	
	Number	₹	Number	₹
Equity Shares				
At the beginning of the reporting period	60,200	602,000	60,200	602,000
Add : Issued during the period	-	-	-	-
Outstanding at the end of the reporting period	60,200	602,000	60,200	602,000

b. Rights, preferences and restrictions attached to equity shares

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

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

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

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

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

3 Reserves and surplus

Particulars	As at 31-03-2018		As at 31-03-2017	
		₹		₹
Capital reserve				
Balance as per last financial statements		153,966,787		153,966,787
		153,966,787		153,966,787
Capital Redemption reserve				
Balance as per last financial statements		790,460		790,460
		790,460		790,460

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at 31-03-2018 ₹	As at 31-03-2017 ₹
Other reserves :		
General reserve		
Balance as per last financial statements	41,771,592	41,771,592
	<u>41,771,592</u>	<u>41,771,592</u>
Share premium		
Balance as per last financial statements	2,862,000	2,862,000
Surplus i.e. balance in statement of profit and loss		
Balance as per the last financial statements	31,68,995	29,681,479
Add : Profit for the year transferred from statement of profit and loss	22,639,142	20,079,906
Less : Appropriations :		
Interim dividend on equity shares	4,736,000	15,392,000
Tax on dividend	964,138	3,200,390
Closing Balance	<u>48,107,999</u>	<u>31,168,995</u>
Total	<u>247,498,838</u>	<u>230,559,834</u>

4 Deferred tax liabilities (net)

Particulars	As at 31-03-2018 ₹	As at 31-03-2017 ₹
Deferred tax liabilities		
Impact of difference between book balance and tax balance of property, plant and equipment	140,597	-
On account of excess allowance in the Income Tax Act, 1961	51,000	-
Deferred tax assets		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	(164,000)	-
Net deferred tax	<u>27,597</u>	<u>-</u>

5 Other long-term liabilities

Particulars	As at 31-03-2018 ₹	As at 31-03-2017 ₹
Others :		
Retention money	3,435,054	3,435,054
Security from members	42,547,656	41,482,141
Security from others	125,498	6,493,188
	<u>46,108,208</u>	<u>51,410,383</u>

6 Short term borrowing

Particulars	As at 31-03-2018 ₹	As at 31-03-2018 ₹
Secured loan repayable on demand	-	17,542,956
From bank overdraft facility	-	<u>17,542,956</u>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

7. Trade payables

Particulars	As at 31-03-2018 ₹	As at 31-03-2017 ₹
Trade payables		
Micro Enterprises and Small Enterprises	-	-
Other than Micro Enterprises and Small Enterprises	200,438,847	224,506,371
	200,438,847	224,506,371

8. Other current liabilities

Particulars	As at 31-03-2018 ₹	As at 31-03-2017 ₹
Income received in advance	1,767,783	1,336,875
Unpaid dividend	1,135,660	2,308,760
Due to Members	425,00	425,000
Other payables		
- Statutory remittances**	1,865,603	2,040,317
- Due to employees	681,395	689,876
- Due to ex-members	253,140	253,140
- Expense payable	4,743,883	15,931,537
- Cheques issued but not presented	4,112,126	10,933,607
- Earnest money for membership	25,000	25,000
- Advances from members	3,026,898	3,523,095
- Security from members	1,976,537,418	2,068,948,766
- Other payables	2,436,569	3,319,589
	1,997,010,476	2,109,735,562

** 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.

9. Short-term provisions

Particulars	As at 31-03-2018 ₹	As at 31-03-2017 ₹
Provision for employee benefits :		
- Leave encashment	649,667	615,603
- Gratuity (Net)	-	35,687
	649,667	651,290

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

10 PROPERTY, PLANT AND EQUIPMENT (Amount in ₹)

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	Balance as at 1 st April, 2017	Additions	Disposal	Balance as at 31 st March, 2018	Balance as at 1 st April, 2017	Depreciation/ amortisation expenses during the year	Eliminated on disposal of assets	Balance as at 31 st March, 2018	Balance as at 31 st March, 2018	Balance as at 31 st March, 2017
a) Tangible Assets										
Freehold Land	65,742,904	-	-	65,742,904	-	-	-	65,742,904	65,742,904	
Buildings	39,025,916	-	406,332	38,619,584	25,473,847	653,024	299,038	12,791,751	14,262,737	
Plant and Equipments	27,893,316	-	-	27,893,316	25,787,533	197,683	-	1,908,100	2,364,175	
Office Equipments	30,484,609	615,283	2,147,917	28,951,975	28,207,818	632,993	2,040,518	2,151,681	2,276,791	
Furniture and Fixtures	2,032,538	-	-	2,032,538	1,890,587	15,312	-	126,640	141,951	
Vehicles	603,125	-	-	603,125	561,962	4,142	-	37,021	41,163	
Total (a)	165,782,408	615,283	2,554,249	163,843,442	81,921,748	1,503,154	2,339,556	81,085,345	82,758,098	84,829,721
b) Intangible Assets										
Computer Software	8,040,147	46,584	-	8,086,731	6,863,718	487,647	-	7,351,365	735,366	1,176,429
Total (b)	8,040,147	46,584	-	8,086,731	6,863,718	487,647	-	7,351,365	735,366	1,176,429
Grand Total (a + b)	173,822,555	661,867	2,554,249	171,930,173	88,785,466	1,990,801	2,339,556	88,436,709	83,493,464	86,006,150
Previous year	172,958,843	930,212	66,500	173,822,555	86,720,047	2,109,277	43,858	88,765,465	85,037,091	-

Notes :- Intangible assets are not internally generated.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

11. Non-Current Investments

PARTICULARS	As At 31-03-2018 ₹	As At 31-03-2017 ₹
Long Term Investments		
Trade Investment (at cost)		
Investment in equity instruments (unquoted)	-	6,764,000
NIL (previous year 65,000) Equity Shares of ₹ 1/- each of Rs 2 each of Bombay Stock Exchange Limited (Fully paid)	-	6,764,000

12. Long Term Loans and Advances

PARTICULARS	As At 31-03-2018 ₹	As At 31-03-2017 ₹
(Unsecured, Considered Good)		
Security Deposits	41,914,570	41,845,711
Loans & Advances to Employees	333,058	386,254
MAT credit entitlement	9,732,356	-
Advance income tax (net of provision for tax ₹ 58,11,463/- (Previous year ₹ 40,00,000/-))	2,410,494	10,581,999
	54,390,478	52,813,965

13. Other Non-Current Assets

PARTICULARS	As At 31.03.2018 ₹	As At 31.03.2017 ₹
(Unsecured, Considered Good)		
Others :		
Members Security :		
- Held as fixed deposits	13,227,193	12,940,603
- Held as members investment	694,571	694,571
Security received from others (as fixed deposits)	100,498	300,498
Non current bank balance (refer note 17)	37,775,000	61,175,000
Recoverable from customer Protection fund	171,925	171,925
Less: Allowances for doubtful debts	-	171,925
Interest accrued on fixed deposits (own funds)	1,97,585	823,706
	53,166,772	75,934,378

14 Current Investments

PARTICULARS	AS AT 31-03-2018 ₹	AS AT 31-03-2017 ₹
Investment in Mutual fund (Unquoted)		
27,801.45 (Previous year-17,287.709) units of face value of Rs. 1,000/- each fully paid up of UTI - Treasury Advantage Fund - Institutional Plan - Direct plan growth	62,443,972	37,167,278
Nil (Previous Year-46,544.498) Units of face value of Rs. 1,000/- each fully paid up of ICICI-Prudential Liquid-Direct Plan growth	-	11,192,518
20842.817 Units (Previous Year -20842.817) of Rs. 10/- each fully paid up of ICICI-Prudential Mutual Fund Liquid Direct Growth	5,000,000	5,000,000
1551.223 Units (Previous Year - Nil) of Rs. 10/- each fully paid up of HDFC Mutual Fund Liquid Direct Growth	5,000,000	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

PARTICULARS	AS AT 31-03-2018 ₹	AS AT 31-03-2017 ₹
Investment in Bonds (Quoted)		
199 (previous year - 199) bond face value of Rs. 5000/- each of National housing Bank	1,188,402	1,188,402
999 (Previous year - 999) bonds face value of Rs. 1000/- each of national Highway Authority of India	1,067,869	1,067,869
150 (Previous Year - 150) bonds face of Rs. 1000/- each of National Highway Authority of India	173,725	173,725
999 (Previous Year- 999) bonds face value of Rs. 1000/- each of national Bank of Agriculture and Rural Development	1,059,632	1,059,632
1299 (Previous Year - 1299) bonds face value of Rs. 1000/- each of Housing Urban Development corporation	1,383,316	1,383,316
999 (Previous Year - 999) Bonds face value of Rs. 1000/- each of Indian Railway Finance corporation Limited	1,058,572	1,058,572
300 (Previous Year - 300) Bonds face value of Rs. 1000/- each of National Highway authority of India	317,707	317,707
100 (Previous Year - 100) Bonds face value of Rs. 1000/- each of National Highway of India	106,447	106,447
78 (Previous year - 78) Bonds face value of Rs. 1000/- each of Power Finance corporation	83,283	83,283
	78,882,926	59,798,749
Aggregate amount of unquoted investments	72,443,972	53,359,796
Aggregate amount of quoted investments	6,438,954	6,438,954
Aggregate Market Value of quoted investments	6,868,970	6,889,312
Aggregate provision for diminution in value of other current investments	-	-

15. Inventories

Particulars	As At 31-03-2018 ₹	As At 31-03-2017 ₹
Inventories (at cost or net realisable value, whichever is lower):		
Stationery stock	13,518	7,349
	13,518	7,349

16. Trade Receivable

Particulars	As at 31-03-2018 ₹	As at 31-03-2017 ₹
Trade receivables outstanding for a period exceeding six months from the date they are due for payment :		
- Secured, considered good	11,573,137	18,398,812
- Unsecured, considered good	24,697,164	20,250,384
- Unsecured, considered doubtful	60,770	-
Less: Allowances of doubtful debts	36,331,072	38,649,196
	60,770	-
	36,270,302	38,649,196
Other trade receivables		
- Secured, considered good	88,100,529	95,908,489
- Unsecured, considered good	4,280,477	9,934,542
	92,381,007	105,843,031
	128,651,308	144,492,227

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

17. Cash and bank balances

Particulars	As at 31-03-2018 ₹	As at 31-03-2017 ₹
Cash and cash equivalents		
a) Balances with banks		
- In current accounts	28,846,784	18,148,689
- Deposits with maturity of less than three months	3,000,000	8,680,086
b) Cash in hand	94,650	109,361
c) Cheques deposited but not cleared	-	25,396
Other Bank Balances :		
a) Earmarked balances with banks :		
- Dividend account	1,135,660	2,308,760
b) Deposits with maturity more than three months but less than twelve months	311,742,690	314,048,136
c) Deposits with more than twelve months maturity	37,775,000	61,175,000
	382,594,784	404,495,428
Less: Amounts disclosed as other non current assets (refer note 13)	37,775,000	61,175,000
	344,819,784	343,320,428

18. Short-term loans and advances

Particulars	As at 31-03-2018 ₹	As at 31-03-2017 ₹
(Unsecured considered good)		
Others:		
Loans and advances to related parties	-	15,702
Advance to suppliers	-	104
Loans and advances to employees'	546,076	779,323
Prepaid expenses	2,372,963	1,412,022
Interest accrued on:		
- Fixed deposits	10,388,752	15,751,956
- Bonds	152,237	152,166
	10,540,989	15,904,122
Excess of fair value of plan assets over present value of obligation (Gratuity)	507,938	
Other recoverables :		
- Considered good	3,713,249	1,742,722
- Considered doubtful	-	1,425,654
	3,713,249	3,168,376
Less : Allowances for Doubtful Advances	-	1,425,654
	3,713,249	1,742,722
	17,681,216	19,853,995

19. Other current assets

Particulars	As at 31-03-2018 ₹	As at 31-03-2017 ₹
(Unsecured considered good)		
Accrued interest on deposits with IL & FS	479,682	646,226
Margins collected by IL & FS	15,700,000	15,700,000
Margins collected by BSE	100,000	100,000
Members FDR kept as margin	536,151,182	617,483,667
Members scrips kept as margin	402,732,056	330,317,438
Scrips held on behalf of clients	897,675,186	980,141,108
	1,852,838,105	1,944,388,439

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

20. Deferred tax asset (Net)

Particulars	For the year ended 31-03-2018 ₹	For the year ended 31-03-2017 ₹
Deferred tax liabilities		
Impact of difference between book balance and tax balance of property, plant and equipment	-	106,000
On account of excess allowance in The Income Tax Act, 1961	-	5,000
Deferred tax Assets		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	-	182,000
Net deferred tax	<u>-</u>	<u>71,000</u>

21. Revenue from operations

Particulars	For the year ended 31-03-2018 ₹	For the year ended 31-03-2017 ₹
Sale of services :		
- Turnover charges	10,118,828	12,912,713
- Depository income	8,373,092	9,409,115
Other operating revenues :		
- Membership fee	304,000	304,000
- Transfer fee received	124,184	122,097
- Income from training and education cell (net of expenses)	584,299	722,284
- Recovery from members (BSE)	54,000	101,200
- Recovery from members (NSE)	123,393	116,444
	<u>19,681,795</u>	<u>23,687,853</u>

22. Income from Investments and deposits

Particulars	For the year ended 31-03-2018 ₹	For the year ended 31-03-2017 ₹
Interest received :		
- From banks (Gross) (TDS ₹ 22,42,902/- (previous year ₹ 33,42,544/-))	22,429,662	27,083,954
- From investment in tax free bonds	460,701	400,005
- From others	486,828	349,302
Dividend income from investments		
- Non current investments	1,495,000	845,000
- Current investments	-	39,192
Gain on sale of mutual fund		
- Mutual funds	1,187,155	1,290,274
Gain on sale of non current investments		
- Equity Shares	50,104,218	-
	<u>76,163,564</u>	<u>30,007,727</u>

23. Other income

Particulars	For the year ended 31-03-2018 ₹	For the year ended 31-03-2017 ₹
Rent received	3,348,313	22,352,048
Gain on sale of property, plant and equipment	232,642	43,857
Maintenance charges received	6,875,351	6,954,844
Sundry balances written back	2,300,247	397
Less: Sundry balances written off	<u>(372,921)</u>	<u>-</u>
Miscellaneous	1,526,816	886,038
	<u>13,910,448</u>	<u>30,237,184</u>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

24. Employee benefit expenses

Particulars	For the year ended 31-03-2018 ₹	For the year ended 31-03-2017 ₹
Salaries and wages	16,608,268	16,744,092
Contribution to provident and other funds	2,218,299	2,309,451
Staff welfare expenses	514,214	531,470
	19,340,781	19,585,013

25. Finance costs

Particulars	For the year ended 31-03-2018 ₹	For the year ended 31-03-2017 ₹
Interest expense on :		
- Borrowings	65,839	60,761
Other borrowing costs	3,119	4,430
	68,958	65,191

26. Other expenses

Particulars	For the year ended 31-03-2018 ₹	For the year ended 31-03-2017 ₹
Advertisement	33,635	-
Electricity and water	9,406,310	8,620,074
Repairs and maintenance - Plant and machinery	571,194	1,224,368
Repairs and maintenance - Buildings	152,042	181,633
Insurance	727,420	636,922
Rent	408,454	520,445
Rates and taxes	524,939	535,773
Legal and professional	1,528,995	1,610,396
Travelling and conveyance :		
- Others	116,285	124,313
Printing and stationery	3,903,655	4,114,927
Auditors' Remuneration :		
- Audit fee	160,000	160,000
- Tax audit	15,000	15,000
- Income tax matters	15,000	15,000
- In other capacity	10,000	17,500
- Reimbursement of expenses	24,721	31,454
Internal Auditors' Remuneration :		
- Audit fee	225,000	225,000
- Reimbursement of expenses	1,274	8,253
Meeting Expenses	79,434	44,892
Directors' sitting fee	35,000	24,500
Communication expenses	1,871,592	1,999,495
Allowances for doubtful trade receivable and advances	60,770	6,000
Prior period items (net)	51,874	8,424
Security charges	4,387,768	4,260,399
Training & Education Cell Expenses	73,909	92,233
Turnover fee to stock exchange	1,275,489	1,120,434
Depository and other charges	2,532,632	2,389,444
Miscellaneous	2,115,502	1,951,259
	30,307,894	29,938,141

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

27. Consolidation Information :

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

28. Principles of Consolidation

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

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

- i) The rent received by the holding company amounting to Rs. 38,47,500/- (previous year Rs. 31,40,083/-) from its subsidiary company included in the note no. 23 "Other Income" in its individual balance sheet has been eliminated on consolidation.
- ii) The maintenance charges received by the holding company amounting to Rs.6,72,750/- (previous year Rs.7,07,417/-) respectively from its subsidiary company included in the note no. 23 "Other Income" in its individual balance sheet has been eliminated on consolidation.
- iii) The dividend received by the holding company amounting to Rs. 26,64,860/- (previous year Rs. 26,64,860/-) from its subsidiary company included in note no. 22 "Income from Investments and Deposits" in its individual balance sheet has been eliminated on consolidation.
- iv) The parent's portion of the dividend amounting to Rs. 26,64,860/- (previous year Rs. 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.

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

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

Claims not acknowledge as debts: NIL

31. The intangible assets which comprises of software and licences have been amortized @ 20% on straight line basis as the useful life thereof has been estimated to be not more than five years..

32. Related Party Disclosure:

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

a) Key Management Personnel

- Mr. Pritpal singh
- Mr. Shiv Ram Mishra
- Mr. Rajiv Dhiman (Upto February,2018)

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

Particulars	Key Management Personnel (KMP)	
	2017-2018	2016-2017
Payment to KMP as remuneration	13,64,028	11,83,705

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

34. Earnings Per Share:

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

Sr. No.	PARTICULAR	2017-18	2016-17
1.	Average Number of Equity Shares of ₹ 10/- each (no.)	59200	59200
2.	Net Profit after tax & minority interest attributable to equity shareholders (₹)	2,26,39,142	2,00,79,906
3.	Earnings per share (Basic)	382.42	339.19
4.	Earnings per share (Diluted)	382.42	339.19
5.	Nominal Value of per Equity Share (₹)	10/-	10/-

35. 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.

36. 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.

37. The company is a single segment company. Therefore segment information as per Accounting Standard (AS) – 17 "Segment Reporting" is not required to be disclosed.

38. Figures pertaining to the subsidiary company has been regrouped/recast, wherever necessary to bring these in line with the parent company's financial statements.

39. Figures in brackets indicate deductions. The amount has been rounded off to the nearest rupees.

40. As per the arbitration award made for the dispute between the company and its software supplier M/s Tata Consultancy Services Limited (Previously known as CMC Limited) a sum of Rs. 1,07,89,990/- was required to be payable to its supplier.

The company challenged the said award in the court of law and subsequently the company has been advised for the out of court settlement.

Accordingly, the parties have reached out of court settlement for a sum of Rs. 95 Lacs towards full and final claim of the software supplier.

The company had already made a provision of Rs. 45,90,401/- against the claim of its supplier in the books of account.

During the year, a sum of Rs. 63,35,253/- has been debited to statement of profit and loss account as an exceptional item in accordance with the provision of Accounting Standard (AS) -5 , Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

41. 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 : 17-08-2018

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

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

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