

FORWARD THINKING

Annual Report

2007-2008



LSE SECURITIES LIMITED

Board of Directors



Krishan Kant Puri
Chairman



Manoj Sarna
Vice Chairman



Sukhjiwan Rai
Member Director



Anurag Arora
Member Director



Jitender Garg
Member Director



Vinay Shrivastav
Public Representative
Director



Anil K. Angrish
Public Representative
Director



Vijay K. Bansal
Public Representative
Director



Susheel Bhakoo
Public Representative
Director



Pawan K. Garg
Public Representative
Director



COMPANY DETAILS

BOARD OF DIRECTORS

Mr. Krishan Kant Puri	Chairman
Mr. Manoj Sarna	Vice-Chairman
Mr. Anurag Arora	Member Director
Mr. Sukhjiwan Rai	Member Director
Mr. Jatinder Garg	Member Director
Dr. Anil K Angrish	Public Representative Director
Mr. Vinay Shrivastav	Public Representative Director
Mr. Susheel Bhakoo	Public Representative Director
Mr. Vijay K. Bansal	Public Representative Director
Mr. Pawan Kumar Garg	Public Representative Director

Mr. Gurbhagwant Singh
General Manager

Ms. Kajal Rai
Company Secretary

Statutory Auditor

M/s. Anoop K. Goel & Co.
152 H, Lane 3, Adj. Jassal Engg., GTB Nagar,
Chandigarh Road, Ludhiana-141010 (Punjab)
Tele Nos. 0161-3298838, 98140-53109

Internal Auditor

M/s. R.K. Deepak & Co.,
527-R, 2nd Floor, Citi Tower,
Model Town, Ludhiana - 141 002 (Punjab)
Tele Nos. 0161-3018200-4

Registered Office

SCO 50, 1st Floor, Sector 34-A, Chandigarh-160022 (UT)
Tele Nos. 0172-3258091, 5012555
Fax No. 0172-5072269 E-mail : lse@satyam.net.in

Corporate Office

1st Floor, Ludhiana Stock Exchange Building
Feroze Gandhi market, Ludhiana - 141 001 (Punjab)
Tele Nos. 0161-2401647, 2404756, 2401918
Fax : 0161-2404748

Trading Cum Clearing Member

National Stock Exchange of India Ltd.
Bombay Stock Exchange Ltd.

Depository Participant

National Securities Depository Ltd.
Central Depository Services (India) Ltd.
PAN SERVICE CENTRE

Bankers

HDFC Bank Ltd., ICICI Bank Ltd.
Indusind Bank Ltd., State Bank of India.
Punjab National Bank

DP BRANCHES

Amritsar-I

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

Amritsar-II

Chowk Fawara, 17, 1st Floor,
Krishna Market, Amritsar-143001.
Ph. 0183-3299483, 3299603

Amritsar-III

Near Pink Plaza,
Hall Bazar, Amritsar.
Ph. : 0183-5027863

Chandigarh

SCO 50, 1st Floor, Sector 34-A,
Adj. Mukat Hospital, Chandigarh-160 022 (UT)
Ph. 0172-501255, 3258091, 5065459-60

Jalandhar

Milbertan Building,
PNB Chowk, Jalandhar-144 001.
Ph. 0181-5073480, 5012689-90

Una

Chaudhary Ram Sharan Saini Complex,
Near Bus Stand, Distt. UNA (H.P.)
Ph. : 01975-224245

Ferozepur

Near HM School, Malwal Road, Ferozepur City.
Ph. 01632-503438, 503437

Sangrur

Near Main Post Office,
Banasar Bagh Road, Sangrur-148001
Ph. 01672-503281-82



LSE SECURITIES LIMITED

Registered Office : SCO 50, 1st Floor, Sector 34-A, Chandigarh-160022.

Notice

Ninth Annual General Meeting of the members of LSE SECURITIES LIMITED will be held on Saturday the 27th Day of September, 2008 at 12.00 Noon at Hotel Park View, Sector 24, Near Indira Holiday Home, Chandigarh-160019, to transact the following business:

AS ORDINARY BUSINESS:

1. To receive, consider, and adopt the Audited Profit and Loss Account for the year ended 31st March, 2008 the Balance Sheet as at that date together with the Reports of the Board of Directors and Auditors thereon.
2. To declare 8% dividend on Cumulative Preference Shares
3. To declare dividend on Equity Shares.
4. To appoint a Director in place of Mr. Anurag Arora, who retires by rotation and is not eligible for reappointment in terms of Article 81 (a) of Articles of Association of the Company
5. To appoint a Director in place of Mr. Sukhjiwan Rai, who retires by rotation and is not eligible for reappointment in terms of Article 81 (a) of Articles of Association of the Company.
6. To appoint a Director in place of Mr. Jitendra Garg, who retires by rotation and is not eligible for reappointment in terms of Article 81(a) of Articles of Association of the Company.
7. To appoint Dr. Anil K. Angrish, Public Representative, who retires at the conclusion of the Annual General Meeting. However, he shall continue in terms of Article 81(g) of Articles of Association of the company till the new Public Representative is appointed in his place.
8. To appoint Mr. Vinay Shrivastav, Public Representative, who retires at the conclusion of the Annual General Meeting. However, he shall continue in terms of Article 81(g) of Articles of Association of the Company till the new Public Representative is appointed in his place.
9. To appoint Mr. Pawan Kumar Garg, Public Representative, who retires at the conclusion of the Annual General Meeting. However, he shall continue in terms of Article 81(g) of Articles of Association of the Company till the new Public Representative is appointed in his place.
10. To appoint Mr. Vijay K. Bansal, Public Representative, who retires at the conclusion of the Annual General Meeting. However, he shall continue in terms of Article 81(g) of Articles of Association of the Company till the new Public Representative is appointed in his place.
11. To appoint Mr. Susheel Bhakoo, Public Representative, who retires at the conclusion of the Annual General Meeting. However, he shall continue in terms of Article 81(g) of Articles of Association of the company till the new Public Representative is appointed in his place.
12. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorize the Board of Directors of the Company to fix their remuneration. M/s. Anoop Goel & Co. Chartered Accountants, the retiring Auditors are eligible for re-appointment.

AS SPECIAL BUSINESS

13. To consider and if thought fit, to pass with or without modification(s), the following resolution as a ORDINARY



RESOLUTION:

" RESOLVED THAT pursuant to Section 94 and other applicable provisions; if any, of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby increased from Rs. 8,00,00,000/- (Rupees Eight Crores only) divided into 6,000,000 Equity Shares of Rs. 10/- each and 2,000,000 8% Cumulative Redeemable Preference Shares of Rs. 10/- each to Rs.15,00,00,000/-- (Rupees Fifteen Crores only) divided into 13,000,000 Equity Shares of Rs. 10/- each and 20,00,000 8% Cumulative Redeemable Preference Shares of Rs. 10/- each by creation of additional 7,000,000 Equity shares of Rs. 10/- each ranking pari passu with the existing Equity Shares of the Company in all respects, subject to approval of NSE, BSE, SEBI.

RESOLVED FURTHER THAT the following amendment is made to the clause V of the Memorandum of Association of the Company.

To delete the first sentence of the existing clause V and incorporate the following:

The Authorized Share Capital of the Company is Rs. 15, 00, 00,000/= (Rupees Fifteen Crores only) divided into 13,00 0,000(thirteen Lacs Equity Shares of Rs. 10/- (Rs. Ten) each and 20,00,000 (Twenty Lacs) Redeemable Cumulative Preference Shares of Rs. 10/- (Rupees Ten) each.

"RESOLVED FURTHER THAT the Director and the Company Secretary of the Company be and is hereby authorized jointly to file e-Form with the Registrar of Companies for and on behalf of the Company."

14. To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT Article 172 (i) 9 of the Articles of Association of the Company be and is hereby altered with the following new article:

9. The Company shall appoint 2 (two) designated directors both of them should be professionally qualified and experienced.

"RESOLVED FURTHER THAT the Director and Company Secretary of the Company be and is hereby authorized jointly to file e-Form with the Registrar of Companies for and on behalf of the Company."

By Order of the Board of Directors
For LSE SECURITIES LIMITED

Place: Ludhiana
Date: 27/08/2008

-sd-
Kajal Rai
Company Secretary



Notes :

1. The relative Explanatory Statement pursuant to section 173(2) of The Companies Act, 1956 relating to the Special Business ITEM NO. 13 & 14 to be transacted at the Annual General Meeting is annexed hereto & forms part of the notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE VALID AND EFFECTIVE, MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY SO APPOINTED SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING.
3. Corporate Members are requested to send a duly certified copy of the Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorizing their representative to attend and vote at the Annual General Meeting.
4. The dividend declared, if any, will be paid to those Share-Holders whose names appear in the Register of Members after affecting the valid transfer requests lodged with the Company, on or before 22.09.2008 up to 5.00 p.m.
5. The Register of Members and the Share Transfer Book of the Company will remain closed from Monday 22.09.2008 to Friday 26.09.2008 (both days inclusive) for ascertaining the names of the shareholders to whom the dividend which if any declared at the Annual General Meeting is payable.
6. Members desirous of obtaining any information concerning Accounts and Operations of the Company are requested to address their queries to the General Manger or Company Secretary, so as to reach them at least seven days before the date of the Meeting.
7. Members are requested to bring their copy of Annual Report along with them to the Annual General Meeting.

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956

Item no. 13

The Board of directors wants to expand the activities of the Company with the view to broad basing its activities. SEBI vide its circular no. SEBI/DNDP/Circular 30/2008 dated August 06, 2008 launches Exchange Traded Currency Derivatives and also invites the application for the same.

Therefore the Company proposes to go for the Rights Issue which requires increase in the Authorized Share Capital. The proposal to increase the Authorized Share Capital and consequential amendment to the Memorandum of the Company calls for the approval of the members by means of Ordinary Resolution.

The resolutions are, therefore recommended for approval of the Shareholders.

None of the Directors is interested save and except as Shareholders of the Company.

Item No. 14

The Company has to abide by the conditions in respect of the corporate membership of the Bombay Stock Exchange Limited. For this there is a requirement of two designated directors to be appointed from the Directors of the Company. In Article no 172 (i) (9) which states the requirement of four designated directors but as per norms of BSE only two Designated Directors are required. Therefore your Board decided to amend the Article and in place of existing Article, four Designated Directors substitute it with two Designated Directors.

Therefore the Company proposes to amend the Article 172 (i) (9) of the Articles of Association. The proposal to amend the Articles of Association calls for the approval of the members by means of Special Resolution.

The resolutions are, therefore recommended for approval of the Shareholders.

None of the Directors is interested save and except as Shareholders of the Company.

Place: Ludhiana
Date: 27/08/2008

By Order of the Board of Directors
For LSE SECURITIES LIMITED

-sd/-
Kajal Rai
Company Secretary



Directors' Report

Dear Shareholders,

Your Directors have great pleasure in submitting the Ninth Annual Report along with the Audited Accounts of the Company for the year ended 31st March, 2008.

1. REVIEW OF OPERATIONS

Your Company's performance during the year as compared with that of the previous year is summarized below.

Sr. No.	PARTICULARS	<i>In Lacs</i>	
		31.03.2008	31.03.2007
1.	Profit Before Depreciation, Interest and Tax (PBDIT)	316.38	179.99
2.	Depreciation	(33.13)	(31.77)
3.	Interest	(4.14)	(0.22)
4.	Profit Before Tax (PBT)	279.11	148.00
5.	Provision for Taxation		
	a. Current	(100.00)	(48.00)
	b. Deferred	5.20	(1.55)
	c. Earlier Years	3.86	2.87
	d. Fringe Benefit Tax	(1.20)	(1.45)
6.	Profit After Tax (PAT)	186.97	99.87
7.	Balance brought forward from previous years	199.46	132.92
	Planned Gratuity Assets	7.85	0
8.	Profit available for appropriation	394.28	232.79
9.	Appropriations		
	a. Proposed Dividend		
	i) Dividend on Equity Shares	(34.27)	(28.08)
	ii) Dividend on Preference Shares	(0.63)	(0.41)
	b. Corporate Dividend Tax	5.93	(4.84)
10.	Surplus carried to Balance Sheet	353.45	199.46
11.	Earning Per Share (EPS)		
	a. Basic	3.27	1.77
	b. Diluted	3.27	1.77

2. OPERATING RESULTS

During the year under review the company has earned Profit before Depreciation, Interest and Tax (PBDIT) of Rs. 316.38 lacs as compared to the corresponding previous year figure of Rs. 179.99 lacs. The company earned an income of Rs. 614.53 lacs in the current year as compared to income of Rs. 432.35 lacs earned in the corresponding previous year and has registered a growth of 42%.

Profitability

Your Directors feel pleasure while informing that your company has registered a growth of 87.20% in its profitability as compared to the previous year and the accumulated profits of the company has increased to the tune of Rs. 394.28 lacs as compared to Rs. 232.79 lacs in the corresponding previous year. Similarly, the net worth of the company as on 31.03.2008 stood at Rs. 993.93



lacs as compared to Rs. 817.82 lacs during the corresponding previous year.

Turnover

During the year under review, your company has been able to achieve an average daily turnover of Rs. 51.55 Crores in "Capital Market" (CM) & Rs. 382.25 Crores in "Futures & Options" (F&O) Segments of National Stock Exchange of India Limited and Rs. 42.27 Crores in the "Capital Market: (CM) Segment of the Bombay Stock Exchange. Further, keeping the consistent increasing trend in the Depository Participant (DP) Services Business of NSDL and CDSL, the company has been able to register higher business and profitability in its DP Operations as compared to previous year.

3. DIVIDEND

After taking account the Preference Dividend of Rs. 0.63 lacs, the profit available for distribution of Equity Dividend works out to Rs. 186.34 lacs. Considering the profitability of the Company and to keep up the growth momentum of the Company, your Directors recommended a Dividend of 6% on Equity Shares for this year subject to the approval of the Equity Shareholders.

4. MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

a) Trading at NSE and BSE in Capital Market Segment

During the year under review, your company has recorded a turnover of Rs. 8486.07 Crores and 10610.18 Crores in Capital Market Segment of the National Stock Exchange of India Limited and the Bombay Stock Exchange, Mumbai respectively. As on 31.03.2008, there have been total 150 SEBI Registered Sub-brokers of the company in NSE and 108 SEBI Registered Sub-brokers in BSE.

b) F&O Segment of NSE

During the year under review your company has recorded a turnover of Rs. 95190.29 Crores in the Futures & Options Segment of National Stock Exchange of India Limited.

c) Depository Participant Services

The Depository Participant (DP) business has emerged as a good profit center of the Company and the Company has successfully been able to increase its DP Business by encashing its Institutional image in the market. Total number of DP accounts as on 31.03.2008 is 18100 and 350 in CDSL & NSDL respectively as against 11456 and 23405 accounts during the corresponding period of last year. Further the Company continue to provide value added services to the Clients through its DP Services at Ludhiana and other Regional Centre at Amritsar, Jalandhar, Una, Ferozepur and Sangrur

d) Future Outlook

Your Company is planning to provide platform to the Sub Brokers to Trade in Currency Derivatives thereby in process of obtaining membership from MCX and NSE. Further the Company is planning for the Rights Issue to expand the activities to take the Company to the new horizons.

5. DIRECTORS

The following are the Directors of your Company:

1.	Mr. K.K.Puri	Chairman
2.	Mr. Manoj Sarna	Vice Chairman
3.	Mr. Anurag Arora	Member Director
4.	Mr. Sukhjiwan Rai	Member Director
5.	Mr. Jatinder Garg	Member Director
6.	Dr. Anil K Angrish	Public Representative Director
7.	Mr. Vinay Shrivastav	Public Representative Director
8.	Mr. Susheel Bhakoo	Public Representative Director
9.	Mr. Vijay K. Bansal	Public Representative Director
10.	Mr.Pawan Kumar Garg	Public Representative Director*



At present Mr. K.K.Puri, Mr. Anurag Arora, Mr. Manoj Sarna, Mr. Sukhjiwan Rai and Mr. Jatinder Garg are the Member-Directors on the Board of the Company and in accordance with Article 81(a) of the Articles of Association of the Company, Mr. Anurag Arora, Mr. Sukhjiwan Rai and Mr. Jatinder Garg being longest in the office are liable to retire by rotation at the ensuing Annual General Meeting and are not eligible for re-appointment as a Director. Such elected Director on the Board of the Company shall have a gap of atleast one year after a consecutive period of two years before their re-appointment on the Board of Directors.

Therefore, there are three vacancies of Directorship which are to be filled among Member-Directors in the ensuing Annual General Meeting of the Company.

During the period, SEBI vide its letter dated 28.02.2008 and 18.08.2008 approved the nominations of Mr. Susheel Bhakoo, Mr. Vijay K. Bansal and Mr. Pawan Kumar Garg respectively as Public Representative Directors on the Board of the Company in place of Mr. Ajay Chaudhary, Mr. P.C.Garg and Prof. Arvind Kumar Malhotra. Presently, Mr. Vinay Shrivastav, Dr. Anil K. Angrish, Mr. Vijay K. Bansal, Mr. Susheel Bhakoo and Mr. Pawan Kumar Garg are the Public Representative Directors on the Board of the Company and shall continue to hold the Office of the Board of the Company.

Your Directors place on record its appreciation for the valuable contribution made by Mr. Ajay Chaudhary, Mr. P.C.Garg and Prof. Arvind Malhotra during their tenure as Public Representative Directors of the Board.

**Mr. Pawan Kumar Garg was appointed as Public Representative Director on 27.08.2008 in place of Prof. Arvind Kumar Malhotra.*

6. CORPORATE GOVERNANCE

Although your Company is not listed with any Stock Exchange and hence it is not necessary for the company to comply with the requirements of the Corporate Governance, yet it has complied with the important requirements of Audit Committee in terms of provisions of the Companies Act, 1956 which is annexed as per Annexure A.

7. CONSERVATION OF ENERGY

The Company is engaged in stock broking, depository activities and has no activity pertaining to manufacturing and as such furnishing of details as required under Section 217(1) (e) of the Companies Act, 1956 regarding conservation of energy is not applicable.

8. TECHNOLOGY ABSORPTION

The particulars as prescribed under Section 217 (1)(e) of the Companies Act, 1956, read with the Companies (Disclosures of Particulars In The Report of Board of Directors) Rules, 1988, in respect to technology absorption are nil.

9. FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as prescribed under sub section (1)(e) of section 217 of the Companies Act 1956, read with the Companies (Disclosure of Particulars In The Report of Board of Directors) Rules, 1988, in respect to foreign exchange earnings and outgo are nil.

10. PARTICULARS OF EMPLOYEES

Pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended, none of the employees of the company is in receipt of remuneration which requires disclosure under the said Section.

11. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- a) In the preparation of the annual accounts, the applicable Accounting Standards have been followed:
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2008 and of the profit of the Company for the year ended on that date:
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and



detecting fraud and other irregularities and

d) The Directors have prepared the annual accounts of the Company on a 'going concern' basis.

12. COMPLIANCE TO ACCOUNTING STANDARDS

The Company during the year has complied with Accounting Standards issued by the Institute of Chartered Accountants of India as applicable to the company.

13. AUDITORS

M/s Anoop K. Goel & Co., Chartered Accountants, the Statutory Auditors of the company, shall retire at the conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

14. AUDITORS' REPORT

The Auditors' Report read with Notes on Accounts is self explanatory and does not call for further comments as there are not adverse remark in the Auditors' Report.

15. PERSONNEL

Your Directors place on record their heartiest appreciation for the sincere, devoted and dedicated services rendered by the staff for the smooth functioning of the Company, its growth and implementation of new systems necessitated by the structural changes brought in the Capital Market by SEBI, NSE and BSE from time to time.

16. ACKNOWLEDGEMENT

Your Directors would like to express their appreciation for assistance and co-operation received from the officials of the Ludhiana Stock Exchange Limited, the Ministry of Finance, Central Government, the Securities and Exchange Board of India (SEBI), the Government of Punjab, Local Administration, the National Stock Exchange of India Limited (NSEIL), Bombay Stock Exchange, Mumbai (BSE) and other Stock Exchanges and their Subsidiary Companies, the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and other business associates, members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the executives, staff and workers of the Company.

And to you our Shareholders, we are deeply grateful for the confidence and faith which you have always placed in us

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place: Ludhiana
Date: 27/08/2008


(KRISHAN KANT PURI)
CHAIRMAN



Report of Directors' on Corporate Governance

Annexure-A

THE COMPANY'S OBJECTIVES

The Company believes that corporate governance is about creating outperforming organization which means continuous success in the market place against competition and thereby the value of all its members. The main aim of the Company is to enhance the long term welfare of all its shareholders, members and employees.

BOARD OF DIRECTORS

Composition and Category of the Directors

The Board of Directors of the Company as on 31st March, 2008 comprised of five Member Directors, five Public Representative Directors and two Representatives Directors from Ludhiana Stock Exchange Ltd. All the Directors are competent and reputed in their respective field. The main objective of having such composition is to maintain the independence of the Board.

The Independent Directors took part in the proceedings of the Board and Committee Meetings to enhance decision-making. They received sitting fees for attending the meetings.

ATTENDANCE OF DIRECTORS 01.04.2007 - 31.03.2008

Sr. No.	Name of Director	Category	Date of Appointment	Date of Cessation	No. of Meetings held in his tenure	No. of Board Meetings Attended
1.	Sh. Krishan Kant Puri	CM	29/09/07	N.A.	8	7
2.	Sh. Manoj Sarna	VCM	29/09/07	N.A.	8	8
3.	Sh. Anurag Arora	MD	30/09/06	N.A.	11	11
4.	Sh. Jatinder Garg	MD	30/09/06	N.A.	11	11
5.	Sh. Sukhjiwan Rai	MD	30/09/06	N.A.	11	11
6.	Sh. Phool Chand Garg	PR	06/10/04	12/03/08	11	11
7.	Sh. Ajay Chaudhry	PR	08/09/05	12/03/08	11	10
8.	Sh. Susheel Bhakoo	PR	12/03/08	N.A.	1	1
9.	Sh. Vijay K. Bansal	PR	12/03/08	N.A.	1	0
10.	Sh. Vinay Shrivastav	PR	08/06/06	N.A.	11	7
11.	Vijay Singhania	MD	24/09/05	29/09/07	3	1
12.	H.S. Sidhu	ED	07/01/00	28/07/07	2	2
13.	Lalit Kishore	MD	24/09/05	29/09/07	3	1
14.	Dr. M.A. Zahir	PR	06/10/01	19/07/07	2	2
15.	Ashwani Kumar	PR	06/10/04	19/07/07	2	2
16.	Dr. Anil Angrish	PR	19/07/07	N.A.	9	8
17.	Prof. Arvind Malhotra	PR	19/07/07	27/08/08	9	7
18.	Mrs. Pooja M. Kohli	RP-LSE	19/12/07	N.A.	5	3
19.	Mr. J.S. Arneja	RP-LSE	04/01/08	N.A.	5	5

CM - Chairman

VCM - Vice Chairman

PR - Public Representative

MD - Member Director

RP - Representative



AVAILABILITY OF INFORMATION TO THE MEMBERS OF THE BOARD.

The Board of Directors of LSE Securities Limited has right to any information within the Company and to any of our employees.

The information supplied to the Board Members includes:

- Quarterly results of our business segments.
- Minutes of the Board as well as Committee meetings.
- Penalty notices.
- Dividend data
- Latest Circulars of NSE, BSE and SEBI.

TENURE

Two-third of the Directors was liable to retire by rotation. Accordingly, Mr. Anurag Arora, Mr. Jaitnder Garg and Mr. Sukhjiwan Rai retire by rotation and are not eligible for re-appointment.

BOARD MEETING

The meetings of the Board of Directors are scheduled in advance and notices are issued to each Director. During the year 2007-08, eleven Board Meetings took place:

No. of Board Meetings	Date Board Meetings
54th	18.04.2007
55th	01.06.2007
56th	24.08.2007
57th	08.10.2007
58th	26.10.2007
59th	19.12.2007
60th	04.01.2008
61th	01.02.2008
62th	02.02.2008
63th	22.02.2008
64th	12.03.2008

BOARD COMMITTEES

The Board constituted five Committees to attain higher levels of accountability, transparency, responsibility and fairness across all the operations of the Company.

I) AUDIT COMMITTEE

To review the policy relating to deployment of funds, to recommend change in policies in deployment of funds to the Board to review the revenue budget on monthly basis & to recommend/sanction expenses having major revenue implications.

Meetings held during the year are 7.

Audit Committee of the Company comprising of Sh. Vinay Shrivastav as Chairman, Sh. Vijay K. Bansal, Sh. Jatinder Garg, Sh. Sukhjiwan Rai, Sh. Krishan Kant Puri, Dr. Anil Kumar Angrish, Sh. Susheel Bhakoo and Sh. Pawan Kumar Garg as Members of the Committee.

II) COMPUTER COMMITTEE

To define policies for purchase and allotment of computers, peripheral and computer related electronic/electrical



equipments. To approve process of purchase through quotations or otherwise from contractors / suppliers.

Meeting held during the year are 7.

Computer Committee of the Company comprising of Sh. Krishan Kant Puri as Chairman, Sh. Vijay K. Bansal, Sh. Jatinder Garg, Sh. Sukhjiwan Rai, Sh. Anurag Arora, Sh. Manoj Sarna and Sh. Pawan K. Garg as Members of the Committee.

III) RISK MANAGEMENT COMMITTEE

To look over the matter relating to risk management / operational function of the Company. No Committee meeting was held during the year 2007-08.

Meeting held during into year is 1.

Risk Management Committee of the Company comprising of Sh. Anurag Arora as Chairman, Sh. Vijay K. Bansal, Sh. Jatinder Garg, Sh. Sukhjiwan Rai and Sh. Vinay Shrivastav as Members of the Committee.

IV) HUMAN RESOURCE MANAGEMENT COMMITTEE

To frame policies and perform function of recruitment, selection, training, development & promotion of staff. To periodically review the staff utilization through techniques of manpower appraisal & evaluation of productivity & proficiency of staff.

Meeting held during the year are 6.

Human Resource Committee of the Company comprising of Sh. Krishan Kant Puri as Chairman, Sh. Vijay K. Bansal, Sh. Jatinder Garg, Sh. Sukhjiwan Rai, Sh. Anurag Arora, Sh. Manoj Sarna, Dr. Anil Kumar Angrish, Sh. Vinay Shrivastav and Sh. Pawan K. Garg as Members of the Committee.

V) BUSINESS DEVELOPMENT COMMITTEE

To ensure profitable grown and value of stock holders. Business Development Committee of the Company comprising with Sh. Krishan Kant Puri as Chairman, Sh. Vinay Shrivastav, Sh. Jatinder Garg, Sh. Sukhjiwan Rai, Anurag Arora, Dr. Anil Kumar Angrish, Sh. Manoj Sarna and Sh. Pawan K. Garg as Members of the Committee.

SITTING FEES PAID TO THE PUBLIC REPRESENTATIVE DIRECTORS

The details of the sitting fees paid to the Director during the period 01.04.2007 to 31.03.2008

Name of Non-Executive Directors	Sitting Fees in Rs.
Mr. Ajay Chaudhary	44,500
Mr. P.C.Garg	50,000
Mr. Vinay Shrivastav	25,500
Prof. Arvind Malhotra	38,500
Dr. Anil K. Angrish	34,200
Mr. Susheel Bhakoo	2,500
Mr. M.H.Zahir	5,000
Mr. Ashwani Kumar	7,500
TOTAL	2,07,700

GENERAL BODY MEETING

The details of the location and time of the last three Annual General Meetings are given below:

Year	Location	Date	Time
2006-07	Chandigarh Press Club, Sector 27B, Chandigarh	29.09.2007	12 NOON
2005-06	Chandigarh Press Club, Sector 27B, Chandigarh	30.09.2006	11 A.M.
2004-05	SCO-50, 1st Floor, Sector 34 A, Chandigarh	24.09.2005	11 A.M.



GENERAL SHAREHOLDER INFORMATION

a) Forthcoming Annual General Meeting:

The ninth Annual General Meeting of the Company is scheduled to be held on Saturday the 27th September, 2008 at 12:00 Noon at Hotel Park View, Sector-24, Near Indira Holiday Home, Chandigarh.

b) Financial Year:

The Company's financial year is from 01.04.2007 to 31.03.2008.

c) Share Transfer

The shares of the Company are held in physical form. Any member who transfers his shares to any person has to seek approval from the Board of the LSE Securities Ltd, BSE and NSE.

d) Stock Code

Trading Symbol

NSE-CM	10870/INB-231087033
NSE-F&O	INF-231087033
BSE-CM	292/INB-011087039
DEPOSITORY PARTICIPANT	
NSDL	N301846
CDSL	IN25400

e) Book Closure

From 22.09.2008 to 26.09.2008 (both days inclusive) for the purpose of Annual General Meeting and payment of Dividend, if approved by the members.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**Place: Ludhiana
Date: 27/08/2008**

**-sd/-
K. K. PURI
CHAIRMAN**



Auditors' Report

The Members, LSE Securities Limited

1. We have audited the attached balance sheet of LSE Securities Limited as at 31ST March, 2008, the related Profit & Loss Account and Cash Flow Statement of the company for the year ended on that date annexed thereto which we have signed under reference to this report. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanation given to us, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books ;
 - iii. The balance sheet, Profit & Loss Account and cash flow statement dealt with by this report are in agreement with the books of account.
 - iv. In our opinion, these accounts have been prepared in compliance with the applicable accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - v. On the basis of written representations received from the directors, as on 31st March 2008 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2008 from being appointed as a Director in terms of Clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto and statement on significant accounting policies given in the prescribed manner, the information required by the Act, and also give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. in the case of the balance sheet, of the state of affairs of the company as at 31st March 2008;
 - b. in the case of the Profit & Loss Account of the net profit for the year ended on that date; and
 - c. In the case of the Cash Flow Statement of the Cash Flows for the year ended on that date.

For ANOOP K. GOEL & CO.
Chartered Accountants,

Anoop Kumar (Partner)
Membership Number : 096966

Place : Ludhiana
Date : 27/08/2008



ANNEXURE TO THE AUDITORS' REPORT

(REFERRED TO IN PARAGRAPH 3)

- (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 fixed assets have been physically verified by the management during the year. No material discrepancies were noticed on such physical verification. In our opinion, the frequency of physical verification of fixed assets is reasonable with regard to the size of the Company and nature of its business.
- (c) According to the information and explanations given to us, the company has not disposed off substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
- (ii) The Company's nature of operations does not require it to hold inventories. Accordingly, clause 4(ii) of the Companies (Auditors' Report) Order, 2003 ('the Order') is not applicable. However the company held stock of saleable stationery as at 31-03-2008, valued at cost or net realisable value, whichever is lower.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured, from companies, firms or other parties listed in the Register maintained under Section 301 of the Act, paragraphs 3(b), 3(c), 3(d), 3(f) and 3(g) of the Order, are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and the sale of services. The activities of the Company do not involve purchase of inventory and the sale of goods. We have not observed any major weakness in the Internal control system during the course of the Audit.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transaction made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public and consequently, the directives issued by Reserve Bank of India, the provisions of Sections 58A and 58AA of the Companies Act, 1956 and the rules framed there under are not applicable.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 in respect of services carried out by the company.
- (ix) (a) According to the information and explanations given to us, and on the basis of our examination of the books of accounts, the Company has been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, customs duty, investor education and protection fund, wealth tax and any other material statutory dues applicable to it.
- (b) According to the information and explanation given to us there is no undisputed amounts payable in respect of Income Tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31.03.2008 for a period of more than six month from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues of sale tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited in account of any dispute.
- (x) The company has neither accumulated losses as at March 31,2008, nor it has incurred any cash losses during the financial year ended on that date and the immediately preceding financial year.
- (xi) Based on our audit procedures and on the information and explanations given by the management, in our opinion, the



Company has not defaulted in repayment of dues to any financial institution or bank as at the balance sheet date.

- (xii) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4 (xii) of the order is not applicable.
- (xiii) The company is not a chit fund, nidhi, mutual benefit fund or a society. Accordingly, clause 4 (xiii) of the order is not applicable.
- (xiv) The Company is not dealing or trading in shares, securities, debentures and other investments in its own name, but it is a member of BSE & NSE and trading & dealing in shares, securities, debentures and other investment through its sub-brokers only, therefore, clause (xiv) is not applicable on it.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or financial institutions. Accordingly, clause (xv) of the order is not applicable.
- (xvi) The company has not obtained any term loans, accordingly clause (xvi) of the order is not applicable.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short term basis have been used for long term investment.
- (xviii) According to the information and explanations given to us, the company has not made any preferential allotment of shares to the parties covered in the register maintained under Section 301 of the Act. Accordingly, clause (xviii) of the order is not applicable.
- (xix) According to the information and explanations given to us, during the period covered by our audit report, the company had not issued any debentures accordingly clause (xix) of the order is not applicable.
- (xx) The company has not raised any money by public issues during the year. Accordingly, clause 4(xx) of the order is not applicable.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For ANOOP K. GOEL & CO.
Chartered Accountants,

Place : Ludhiana
Date : 27/08/2008

Anoop Kumar (Partner)
Membership Number : 096966



LSE SECURITIES LIMITED

BALANCE SHEET AS AT 31 MARCH 2008

Amount in Rs.

PARTICULARS	AS AT 31.03.2008	AS AT 31.03.2007
I. SOURCES OF FUNDS		
1. SHAREHOLDERS FUNDS		
a) Share Capital I	59210460	57275460
b) Share Application Money	0	202500
c) Reserves & Surplus II	41372735	25296781
	100583195	82774741
2. DEFERRED TAX LIABILITY		
	611000	1131000
TOTAL	101194195	83905741
II. APPLICATION OF FUNDS		
1. FIXED ASSETS III		
a) Gross Block	23067748	20577443
b) Less : Depreciation	16357699	13091238
c) Net Block	6710049	7486205
2. INVESTMENT IV		
	10000	10000
3. CURRENT ASSETS, LOANS & ADVANCES V		
a) Sundry Debtors	221614738	91667826
b) Cash & Bank Balances	352085501	165178658
c) Other Current Assets	2352519048	1062804501
d) Loans & Advances	77954113	53420668
TOTAL (A)	3004173400	1373071653
LESS: CURRENT LIABILITIES & PROVISIONS VI		
Current Liabilities & Provisions	2909699254	1296662117
TOTAL (B)	2909699254	1296662117
NET CURRENT ASSETS (A-B)	94474146	76409536
TOTAL	101194195	83905741

Significant Accounting Policies and Notes to Accounts

Schedule referred above form an integral part of the Financial Statements

As per our report of even date attached
for ANOOP K.GOEL & CO.
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

(ANOOP KUMAR)
PARTNER
MEMBERSHIP NO. 096966

Krishan Kant Puri
Chairman

Susheel Bhakoo
Public Representative Director

Anurag Arora
Director

PLACE : LUDHIANA
DATED : 27/08/2008

Gurbhagwant Singh
General Manager

Kajal Rai
Company Secretary

Ramji
Senior Executive Accounts



LSE SECURITIES LIMITED		Amount in Rs.	
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2008			
PARTICULARS		CURRENT YEAR	PREVIOUS YEAR
INCOME			
Turnover Charges (Net)		24962703	19976883
Depository Income		14896495	11862859
Other Income	VII	21594185	11395200
TOTAL		61453382	43234942
EXPENDITURE			
Operating Expenses	VIII	9222628	7041899
Personnel Expenses	IX	11588987	7199015
Administrative Expenses	X	9418005	11017485
Depreciation & Amortisation		3312663	3176562
TOTAL		33542283	28434961
PROFIT AFTER TAX		27911099	14799981
Less Provision :			
- Current Tax		10000000	4800000
- Deferred Tax		(520000)	155000
- Fringe Benefit Tax		120000	145000
Add - Income Tax Adjustments Earlier Years		385520	287650
PROFIT AFTER TAX		18696619	9987631
Add : Balance Brought Forward		19945951	13291515
Add : Planned Gratuity Assets Belonging To Previous Years'(Net Of Obligation)		785313	0
BALANCE AVAILABLE FOR APPROPRIATION		39427883	23279146
APPROPRIATION			
Proposed Dividend on Equity Shares		3426851	2807943
Dividend on preference shares		63237	41063
Corporate Dividend Tax		593140	484189
BALANCE AVAILABLE FOR APPROPRIATION		35344655	19945951
EARNING PER SHARE			
(Rs. Per Equity of Rs. 10 each)			
Basic		3.27	1.77
Diluted		3.27	1.77
No. of Shares used in Computing Earning Per Share (Basic)		5711418	5615886
No. of Shares used in Computing Earning Per Share (Diluted)		5711418	5617558

Significant Accounting Policies and Notes To Accounts XI

Schedules referred to above form an integral part of the financial statements

As per our report of even date
for ANOOP K.GOEL & CO.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

CHARTERED ACCOUNTANTS

Krishan Kant Puri

Susheel Bhakoo

Anurag Arora

(ANOOP KUMAR)

Chairman

Public Representative Director

Director

PARTNER

MEMBERSHIP NO. 096966

Gurbhagwant Singh

Kajal Rai

Ramji

PLACE : LUDHIANA
DATED : 27/08/2008

General Manager

Company Secretary

Senior Account Officer



LSE SECURITIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2008

PARTICULARS	AS AT 31.03.2008	AS AT 31.03.2007
Cash Flow from Operating Activities		
Profit Before Tax	27911099	14799981
Adjustment For Depreciation and Amortization	3312663	3176562
Interest Expenses	414160	22419
Amount Written off/ Written Back	58029	1555895
Adjustment for gratuity expenditure	785313	0
Profit on sale assets	(38832)	(322.28)
OPERATING SURPLUS BEFORE WORKING CAPITAL CHANGES	32442432	19554534
(Increase) / Decrease in Sundry Debtors	(130004941)	(23478080)
(Increase) / Decrease in Other Current Assets	(1289714547)	(229508699)
(Increase) / Decrease in Loans & Advances	(24102630)	(2159884)
Increase / (Decrease) in Sundry Creditors	232685921	26583262
Increase / (Decrease) in Security From Members	1376909557	222407758
Increase / (Decrease) in other Liabilities	2706626	(6358593)
Tax Paid (Net)	(10180295)	(6527666)
NET CASH FROM / (USED IN) OPERATING ACTIVITIES	190742124	512632
CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		
Investment in Shares of BSE	0	(10000)
Sale of Fixed Assets	133500	5140
Increase in Fixed Assets	(2631175)	(2714824)
NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES	(2497675)	(2719684)
CASH FLOW FROM / (USED IN) FINANCIAL ACTIVITIES		
Dividend Paid Including Dividend Tax Rs. 389449	(3333195)	(3166266)
Share Capital	2409750	268750
Share Application Money	0	202500
Interest Expenses	(414160)	(22419)
NET CASH FLOW FROM / (USED IN) FINANCIAL ACTIVITIES	(1337605)	(2717435)
Net Cash Inflows/ (Outflows)	186906843	(4924486)
Cash & Cash Equivalent at beginning of the period	165178658	170103144
CASH & CASH EQUIVALENTS AT THE END OF THE PERIOD	352085501	165178658

Notes :

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard - 3 on Cash Flow Statement issued by ICAI.
- Previous Year's figures have been regrouped/rearranged wherever necessary to confirm to the current Years' presentation. **Significant Accounting Policies and Notes to Accounts (Refer Schedule No. 11)**

As per our attached report of even date
FOR ANOOP K. GOEL & CO.
CHARTERED ACCOUNTANTS

ANOOP KUMAR
PARTNER
MEMBERSHIP NO. 096966

PLACE : LUDHIANA
DATED : 27/08/2008

FOR AND THE BEHALF OF THE BOARD OF DIRECTORS

Krishan Kant Puri
Chairman

Susheel Bhakoo
Public Representative Director

Anurag Arora
Director

Gurbhagwant Singh
General Manager

Kajal Rai
Company Secretary

Ramji
Senior Executive Accounts



LSE SECURITIES LIMITED
SCHEDULES FORMING PART OF BALANCE SHEET AT 31 MARCH, 2008

PARTICULARS

AS AT 31.03.2008

AS AT 31.03.2007

SCHEDULE 1- SHARE CAPITAL

AUTHORISED

60,00,000 equity shares of Rs. 10/- each

60000000

60000000

20,00,000 8% Cumulative Redeemable Preference Shares of Rs. 10/- each

20000000

20000000

20,00,000 8% Cumulative Redeemable Preference Shares of Rs. 10/- each

80000000

80000000

ISSUED, SUBSCRIBED AND PAID UP

5842000 Equity Shares of Rs. 10/- each Fully Paid up

(Previous year 5648500 Equity Shares of Rs. 10 each)

58420000

56485000

79046, 8% Cumulative Redeemable Preference Shares of Rs. 10/- each

790460

790460

TOTAL

59210460

57275460

Note :

1. Out of above 30,89,700 Equity Shares of Rs. 10/ each fully paid up are held by Ludhiana Stock Exchange Ltd. i.e. Holding Company
2. 8% cumulative preference shares are redeemable at par on expiry of six years from the date of allotment i.e. August 7,2006.

SCHEDULE II- RESERVE & SURPLUS

General Reserve

5138330

5138330

Share Premium

889750

212500

Surplus As per annexed Profit & Loss Account

35344655

19945951

TOTAL

41372735

25296781



LSE SECURITIES LIMITED
SCHEDULE III - FIXED ASSETS

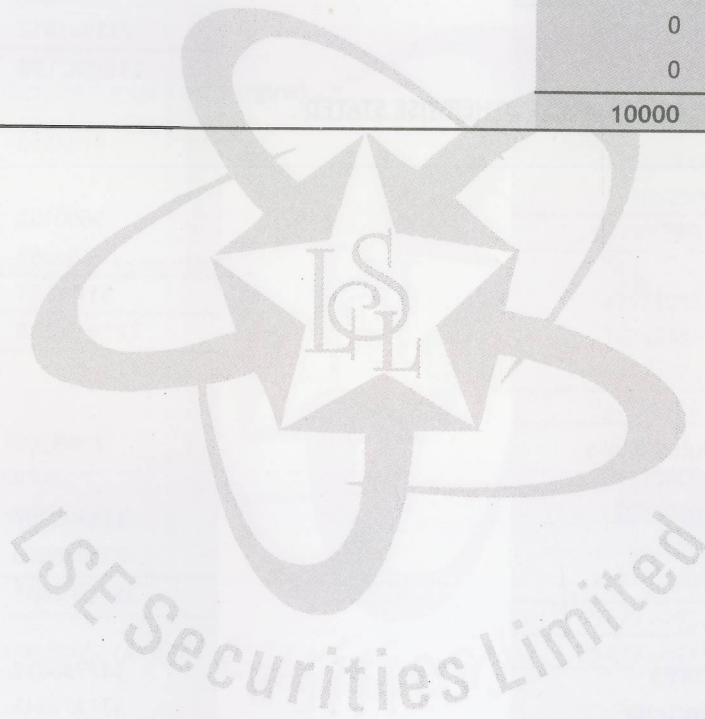
Amount in Rupees

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK				
	AS AT 01.4.2007	ADDITIONS	SALE/ ADJUSTMENT	AS AT 31.03.2008	AS AT 01.04.2007	FOR THE PERIOD	REVISED DURING THE PERIOD	AS AT 31.03.2008	AS AT 31.03.2008	AS AT 31.03.2007	
A) TANGIBLE ASSETS											
AIR CONDITIONER	137160	87055	-	224215	27877	25434	-	53311	170904	109283	
COMPUTERS	14401654	1917995	58500	16261149	10783145	1998962	24880	12757227	3503922	3618509	
COOLERS	6330	-	-	6330	2212	573	-	2785	3545	4118	
CYCLE	5865	0	-	5865	5865	0	-	5865	-	-	
ELECTRONIC AUTO LOCK	144768	35340	-	180108	30328	19784	-	50112	129996	114440	
FANS & ELECTRICAL FITTINGS	36651	8343	-	44994	21261	10484	-	31745	13249	15390	
FIRE FIGHTING EQUIPMENTS	49805	0	-	49805	14009	4979	-	18988	30817	35796	
FURNITURE & FIXTURES	1048964	306179	-	1355143	354140	291339	-	645479	709664	694824	
GENERATOR	77497	-	-	77497	28422	6826	-	35248	42249	49075	
GLOW SIGN BOARD	48734	10720	-	59454	22439	8965	-	31404	28050	26295	
OFFICE EQUIPMENT	12093	15890	-	27983	12093	1966	-	14059	13924	-	
REFRIGERATOR	7180	-	-	7180	2523	648	-	3171	4009	4657	
TELEPHONE & TELEX	166266	49150	-	215416	80594	28576	-	109170	106246	85672	
VSAT SKYEDGE	160370	0	82370	78000	22308	19205	21322	20191	57809	138062	
TOTAL - A	16303337	2430672	140870	18593139	11407216	2417741	46202	13778755	4814384	4896121	
B) INTANGIBLE ASSETS											
COMPUTER SOFTWARE	4214353	260256	-	4474609	1684022	894972	-	2578944	1895665	2530331	
TOTAL - B	4214353	260256	-	4474609	1684022	894922	-	2578944	1895665	2530331	
C) CAPITAL WORK IN PROGRESS											
CAPITAL WORK IN PROGRESS	-	0	-	0	-	-	-	-	0	59753	
TOTAL - C	-	0	-	0	-	-	-	-	0	59753	
TOTAL CURRENT YEAR	20517690	2690928	140870	23067748	13091238	3312663	46202	16357699	6710049	7486205	
TOTAL PREVIOUS YEAR	17892369	2714824	29750	20577443	9939608	3176562	24932	13091238	7486205		



LSE SECURITIES LIMITED
SCHEDULES FORMING PART OF BALANCE SHEET AT 31 MARCH, 2008

PARTICULARS	AS AT 31.03.2008	AS AT 31.03.2007
SCHEDULE IV- INVESTMENTS		
TRADE INVESTMENTS		
LONG TERM :		
Quoted Equity Shares (Fully Paid)	0	0
Unquoted Equity Shares (Fully Paid)	10000	10000
(10000 Shares of Bombay Stock Exchange Ltd. of Rs. 1 each)		
OTHER INVESTMENTS		
LONG TERM (Unquoted)	0	0
CURRENT (Unquoted)	0	0
TOTAL	10000	10000





LSE SECURITIES LIMITED
SCHEDULES FORMING PART OF BALANCE SHEET AT 31 MARCH, 2008

PARTICULARS	AS AT 31.03.2008	AS AT 31.03.2007
SCHEDULE V- CURRENT ASSETS LOANS & ADVANCES		
(a) SUNDRY DEBTORS		
(I) SECURED :		
Sundry Debtors NSE	4026623	978527
Sundry Debtors BSE	572872	270880
Sundry Debtors Broking Clients/Othes	211830690	88223248
	216430185	89472655
Out of Which		
More than six Months	4488267	3351668
Others	211941917	86120987
Total I	216430185	89472655
(II) UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED		
Sundry Debtors - DP	5184553	2195171
Out of Which		
More than Six Months	5000155	1673859
Others	184398	521312
Total II	5184553	2195171
Total (a) (I + II)	221614738	91667826
(b) CASH & BANK BALANCES		
Cash in Hand		
(b) Bank Balances with Scheduled Banks	95294	58505
(i) In Current Accounts	116990207	61120153
(ii) In Fixed Deposits	235000000	104000000
Total (b)	352085501	165178658
(c) OTHER CURRENT ASSETS		
1. Members' FDRs kept as Security	547930854	186995976
2. Memebers' Scrips kept as Security	321279846	217338000
3. Scrips held on behalf of Clients	1474374953	655445048
4. Stock of Stationery and Pan Card / Coupons	68678	20572
5. Interest Accrued on FDRs	8864718	3004905
Total (c)	2352519048	1062804501
(d) LOANS & ADVANCES		
(Unsecured, considered good unless otherwise stated)		
1. Be received considered Good	574270	600090
2. Security Deposits	73657344	49774344
3. Prepaid Expenses	442551	197101
4. Advance Income Tax (Net of Provisions)	3263488	2849133
5. Advance Fringe Benefit Tax	16460	-
TOTAL (d)	77954113	53420668
GRAND TOTAL OF CURRENT ASSETS, LOANS & ADVANCES	3004173400	1373071653



LSE SECURITIES LIMITED
SCHEDULES FORMING PART OF BALANCE SHEET AT 31 MARCH, 2008

PARTICULARS	AS AT 31.03.2008	AS AT 31.03.2007
SCHEDULE VI- CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
SUNDRY CREDITORS		
Sundry Creditors NSE	3654615	2368184
Sundry Creditors BSE	21560	13064
Sundry Creditors Broking Clients	346962839	117066594
DP Charges Received in Advance	3498786	1608428
Internet Charges received in advance	134000	0
SEBI Turnover Fee Payable - NSE	72153	601762
	354343953	121658032
SECURITY FROM MEMBERS		
(Kept with the principal stock exchanges as margins)		
(A) Bombay Stock Limited, Mumbai (BSE)		
In Form of FDRs	122220000	29145384
In Form of Funds	19862900	15618660
	142082900	44764044
(B) The National Stock Exchange of India (NSE)		
In form of FDRs	425710854	157850592
In form of Funds	140654565	54145877
In form of Scrips	321279846	217338000
	887645266	429334469
(C) Security Deposit from Members		
Kept with BSE for Capital Market	12750000	11150000
Kept with NSE for Capital Market	20400000	19700000
Kept with NSE for F & O	5475000	5425000
Scrips held on behalf of Clients	1474374953	655445048
	1512999953	691720048
TOTAL SECURITIES FROM MEMBERS (A+B+C)	2542728118	1165818561
OTHER LIABILITIES		
Expenses Payable	1711861	1811913
TDS Payable	2187400	129321
Transaction Charges refundable	760088	293504
Stamp Duty payable	1493103	826993
Provision for gratuity obligation (net of planned assets)	156834	0
Other Liabilities	2234669	2775598
TOTAL	8543955	5837329
PROVISIONS		
Dividend on equity shares	3426851	2807943
Dividend on Preference shares	63237	41063
Corporate Dividend Tax thereon	593140	484189
Provision for Fringe Benefit Tax (Net of Advance Tax)	0	15000
	4083228	3348195
TOTAL OF CURRENT LIABILITIES & PROVISIONS	2909699254	1296662117



LSE SECURITIES LIMITED
SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH, 2008

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
SCHEDULE VII - OTHER INCOME		
INTEREST ON FDR'S	18769557	8756335
Relating Trading on BSE		
Annual Subscription Fee	76000	60000
Bolt Terminal Charges	844400	1184110
	920400	1244110
Relating Trading on NSE		
Additional Licence Fee for Next XS	636000	53640
IPF Charges	128747	444797
	764747	498437
Miscellaneous Receipts	1139481	896318
TOTAL	21594185	11395200
SCHEDULE VIII - OPERATING EXPENSES		
STOCK EXCHANGE EXPENSES		
1) Bombay Stock Exchange Limited, Mumbai		
BOI Shareholding Ltd. Charges	30391	5350
Annual Subscription	10000	7000
Security Transaction Tax-BSE	0	35387
Contribution to IPF / TGF	20988	9356
Lease Line Charges MTNL	230617	198618
VSAT Support Charges	955371	1230000
Miscellaneous Expenses	48400	57398
TOTAL	1295767	1543109
ii) National Stock Exchange of India Limited., Mumbai		
Annual Subscription	100000	100000
Security Transaction Tax-NSE	0	44290
Contribution to CPF	878	252001
V-SAT Support Charges	540748	550100
Miscellaneous Expenses	212678	245059
TOTAL	854304	1191450
DEPOSITORY EXPENSES		
Depository Participant Expenses.-NSDL	2764158	2319827
Depository Participant Expenses.-CDSL	1354476	1095490
Commission paid to sub-brokers on DP Accounts	163025	44125
TOTAL	4281659	3459442
OTHERS		
SEBI Fee	50000	35000
Flex Term Charges	620000	0
NSE/BSE Charges	0	5976
Financial Charges	457929	157066
Auction Charges NSE/BSE	494969	69606
Cost of Additional Licences of Next-XS	1168000	580250
	2790898	847898
TOTAL	9222628	7041899



LSE SECURITIES LIMITED
SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2008

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
SCHEDULE IX-PERSONNEL EXPENSES		
Basic Salary	3060616	2600560
Dearness Allowance	2249516	1582470
House Rent Allowance	855755	724692
Conveyance Allowance	814256	415954
Ex-Gratia	327323	183141
Bonus	398304	36539
Leave Travel Concession	324207	0
Leave Encashment	262698	167692
Contribution to PF/EPF/ESI	986385	742461
Medical Reimbursement	189745	170065
Gratuity Expenditure	1230758	82982
Contribution to Staff welfare Fund	39225	0
Staff Welfare	557131	385314
Staff Recruitment Exps.	177619	30680
Training Expenses	115449	76465
TOTAL	11588987	7199015
SCHEDULE X-ADMINISTRATIVE EXPENSES		
Legal & Professional Charges	427939	419332
lease Line / Vsat charges	81203	0
Traveling & Conveyance - Direction	5200	25659
Traveling & Conveyance - Others	335763	533927
Printing & Stationery	979308	777615
Auditors' Remuneration		
- Statutory Audit Fee	45000	42500
- Other Services	8000	0
- Out of Pocket Expenses	13849	6219
Internal Auditors' Remuneration Audit Fees	212000	152000
Internal Auditors' (Out of Pocket) Expenses	62955	53060
Postage & Courier Charges	821910	1373071
Computer Hardware & Software Maintenance	2202663	2222987
Board Meeting Expenses	23783	6556
Committee Meeting Fees	70000	25000
Telephone, Telex & Fax Charges	602933	717667
Insurance paid	60953	48637
Sitting Fees to Public Representatives	132500	62500
Office Maintenance Expenses	339549	314823
Filing Fees	6500	4250
General Expenses	30383	250694
Festival expenses	172295	351060
Cable TV Expenses	183615	185697
Electric Charges	126553	97245
Guest House Expenses	525	6417
Advertisement Expenses	19250	7900
General Repair & Maintenance	173791	222670
Computer Media Charges	213402	179555
Rent Paid	1734736	1374549
Bad Debt Written Off	58029	1555895
TOTAL	9418005	11017485



LSE SECURITIES LIMITED

SCHEDULE FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2008

SCHEDULE-XI SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

• **Accounting Convention**

The accounts are prepared on accrual basis under the historical cost convention in accordance with the Accounting standards referred to in Sub Section (3C) of Section 211 of the Companies Act, 1956 and other relevant provisions of the said Act.

• **Revenue Recognition**

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

• **Secured Debtors**

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

• **Fixed Assets**

Fixed assets are stated at historical cost less depreciation.

• **Intangible Assets**

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

• **Depreciation**

Depreciation is provided on written down value method on all the assets of the Company. Depreciation for the year is provided in accordance with and in the manner specified in the schedule XIV of the Company Act, 1956.

• **Inventories**

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

• **Amortization**

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

• **Employee benefits**

• **(1) Provident Fund**

The Provident fund is deposited in accordance with the Employees Provident Fund and Miscellaneous provisions Act, 1952 and the contribution is charged to the Profit & Loss Account.

• **(2) Gratuity**

The Company has created a Group Gratuity Fund administrated by trustees and managed by insurance companies. Gratuity is payable to all employees on resignation, retirement, death while in employment or on termination of employment in form of lump sum payment equivalent to 15 days basic salary payable for each completed year of service. Right to gratuity occurs to employee upon the completion of five years of services. The company makes annual contribution to funds, which is debited to profit and loss account. An external actuary as values the said gratuity plans



at the balance sheet date using the projected unit credit method, to determine the present value of the defined benefit obligation and the related service cost. Under this method the determination is based on actuarial calculation, which include assumption about demographics, early retirement, salary increases and interest rates. Actuarial gain or loss is recognized in profit/loss account.

- **Membership Entrance Fee with NSE/BSE**

The Membership Fee paid to NSE/BSE for acquiring trading rights at these Exchanges has been shown under the head Security Deposits in Loans & Advances.

- **Investments**

Long term Investment in shares of Bombay Stock Exchange Ltd. has been shown at cost.

- **Accounting for Taxes on Income & Fringe Benefit**

- Income taxes are accounted for in accordance with Accounting Standard 22 on "Accounting for Taxes on Income". Taxes comprise both current and deferred tax.
- Current Tax is measured at the amount expected to be paid/recovered from the revenue authorities, using the applicable tax rates and laws.
- The Tax effect of the timing difference that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. Deferred tax assets and liabilities are recognized for future tax consequences attributable to timing differences. They are measured using the substantively enacted tax rates and tax regulations. The carrying amount of deferred tax assets at each balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the deferred tax asset can be realized.
- Fringe Benefit Tax (FBT) payable under the provisions of section 115WC of the guidance note on "Accounting for Fringe Benefit Tax" issued by the ICAI regarded as an additional income tax and considered in determination of profits for the year. Tax on distributed profits payable in accordance with the provisions of section 115O of the income tax act, 1961 is in accordance with the guidance note on "Accounting for Corporate Dividend Tax" regarded as a tax on distribution of profits and is not considered in determination of profits for the year.

- **Earning per share**

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

- **Cash flow statement**

The cash flow statement is prepared by the "Indirect Method" set out in Accounting Standard 3 on "Cash Flow Statement" and presents the cash flows by operating, investing and financing activities of the company. Cash and cash equivalents presented in the cash flow statement consist of cash on hand and fixed deposits with banks.

- **Impairment of Assets**

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

- **Margin money in form of FDRs**

The Company has a procedure of receiving FDRs from its Sub-Brokers/ Clients as margins. Such Fixed Deposits are issued by the Bank in favour of NSCCLA/c LSE Securities Limited in case of NSE and Bombay Stock Exchange Limited A/c LSE Securities Limited in case of BSE. The Company deposits these FDRs with the concerned Stock Exchange as Additional Capital/ Margin



Money. The issuing bank credits the Interest earned/accrued on such FDRs after deduction of TDS to the account of the concerned Sub-Brokers/ Clients. As such, the interest on such FDRs has not been accrued to the Company's account

- **Provisions and Contingent Liabilities**

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

- (I) The Company has a present obligation as a result of a past event;
- (II) Probable outflow of resources embodying economic benefits is expected to settle the obligation; and
- (III) The amount of the obligation can be reliably estimated.

- **Contingent liability is disclosed in the case of:**

- (I) Present obligation arising from a past event when it is not probable that an outflow of resources embodying economic benefit will be required to settle the obligation, or
- (II) Possible obligation, unless the probability of outflow in settlement is remote.

2. NOTES TO ACCOUNTS

- Intangible assets (Computer software) are amortized over a period of five years being the useful life estimated by the management, beginning with the year in which the said assets are put to use.

- The Company has deposited FDRs in its name with NSE - Capital Market and NSE - Futures and Options Segments amounting Rs 125000000 (Rs Twelve Crore Fifty Lacs only) and BSE - Capital Market Segment amounting to Rs 53500000 (Rs Fifty Crore Thirty Five Lacs Only) for margin as well as Base Minimum/Additional Capital and are shown under the head Fixed Deposit with scheduled banks.

- **Related party**

- (a) List of related parties and relationship

- I. Holding company

- Ludhiana Stock Exchange Ltd.

- II. Key managerial personnel

- Gurbhagwant Singh - General Manager

- (b) Related party transaction

	Holding Company	Key Managerial Personnel	Total
Rent	943500	-	943500
Dividend	1853820	-	1853820
Managerial remuneration	-	86952	86952
Total	2797320	86952	2884272



Employee Benefits:

a) **Defined Contribution Plan:**
Company contribution to provident fund Rs. 1400720

b) **Defined Benefit Obligation:**

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

i) **Present value of obligation, beginning of the year (1 April, 2007)**

Interest cost
Current service cost
Benefits paid
Actuarial loss on obligations
Present value of obligation as on 31.03.2008
Less

ii) **Fair value of plan assets, beginning of the year (1 April, 2007)**

Expected return on plan assets
Contributions
Benefits paid
Actuarial gain / (loss) on plan assets
Fair value of plan asset as on 31.03.2008
Amount recognized in balance sheet

(b) **Expenses during the year**

Current service cost
Interest cost
Expected return on plan assets
Net actuarial (gain)/loss recognized in the year
Expenses recognized in statement of profit & loss

(c) **Principal Actuarial Assumptions**

Discount Rate
Salary Escalation

8%
7%

**Defined benefit plans
Gratuity (Funded)
As at 31.03.2008
(In Rs.)**

179381
13454
156820
(387244)
1156081
1118492

993729
95597
259576
(387244)
NIL
961658
156834

156820
13454
95597
1156081
1230758

This being the first year in which the company has adopted the Revised Accounting Standard 15 on Employee Benefits. Comparatives have not been included.

• There are Contingent Liabilities in respect of

Bank Guarantees
Estimated amount of Contracts remaining to be executed on capital Account.

	As At 31.03.2008 (Rs.)	As At 31.03.2007 (Rs.)
Bank Guarantees	2,50,00,000	4,50,00,000
Estimated amount of Contracts remaining to be executed on capital Account.	NIL	1,31,250

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

• Figures have been rounded off to the nearest rupee value.

• The Company is not a manufacturing Company and therefore information as required under Item 4C & 4D of PART II of the schedule VI of the Companies Act, 1956 is not applicable to the Company.



LSE SECURITIES LIMITED

BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE
(SUBMITTED IN TERMS OF PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956)

I. Registration Details

Registration No.

1 6 - 2 3 2 4 4 2 0 0 0

State Code

5 3

Balance Sheet Date

3 1 0 3 2 0 0 8

II. Capital Raised during the year (Amount in Thousands)

Public Issue

N I L

Right Issue

N I L

Bonus Issue

N I L

Private Placement

1 9 3 5 0 0

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

1 0 1 1 9 4

Total Assets

1 0 1 1 9 4

Sources of Funds

Paid up Capital

5 9 2 1 0

Reserves & Surplus

4 1 3 7 2

Share Application Money

N I L

Deferred Tax Liability

6 1 1

Secured Loans

N I L

Unsecured Loans

N I L

Application of Funds

Net Fixed Assets

6 7 1 0

Investments

1 0

Net Current Assets

9 4 4 7 4

Misc. Expenditure

N I L

IV. Performance of Company (Amount in Thousands)

Gross Receipts

6 1 4 5 2

Total Expenditure

3 3 5 4 2

Profit Before Tax

2 7 9 1 1

Profit After Tax

1 8 6 9 7

Earning Per Share

3 . 2 7

Dividend Rate %

6 %

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code) : Not applicable

Product Description : NIL

As per our attached report of even date

FOR ANOOP K. GOEL & CO.
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

ANOOP KUMAR
PARTNER
MEMBERSHIP NO. 096966

Krishan Kant Puri
Chairman

Susheel Bhakoo
Public Representative Director

Anurag Arora
Director

Place : Ludhiana
Date : 27/8/2008

Gurbhagwant Singh
General Manager

Kajal Rai
Company Secretary

Ramji
Senior Executive Accounts



PROXY

_____ of
_____ in the district of _____
being a Member/ Members of M/s. LSE Securities Ltd, hereby appoint Mr./Ms. _____ of
_____ of _____ in the district of _____ or
failing him, Mr. _____ of _____ in the district of _____
of _____ as my /our proxy to attend & vote for me /us on my/our behalf
at the 9th Annual General Meeting of the Company, to be held on _____ 2008 at
_____, at _____ and at any adjournment thereof.

Signed this _____ day of _____ 2008

Signature

Affix
Rs.1/-
Revenue
Stamp

Reference Folio No.

No. of shares

Notes:

1. The proxy, to be effective, should be deposited at the Registered Office of the Company, SCO 50, 1ST floor, Sector 34-A, Chandigarh 160 022 at least FORTY-EIGHT HOURS before the commencement of the Annual General Meeting.
2. A Proxy need not be a Member of the Company.



PROXY

J. Registration Details

Registration No. _____ State Code _____
 _____ in the district of _____
 Balance Sheet Date _____

K. of being a Member of M/s. LSE Securities Limited

Public name _____
 _____ in the district of _____
 _____ in the district of _____
 _____ in the district of _____
 _____ in the district of _____

_____ at the 9th Annual General Meeting of the Company to be held on _____

Application of Funds _____
 Net Fixed Assets _____

IV. Performance of the Company
 Gross Profit _____
 Net Profit _____

V. Generic Name of the Company

As per our attached report we are of the opinion that the financial statements of the Company for the year ended 31st March 2008 are fair and correct and give a true and fair view of the state of affairs of the Company at the end of the year and of the results of its operations during the year.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

ANDOP KUMAR
PARTNER
MEMBERSHIP NO. 096946

Krishan Kant Puri
Chairman

Sudesh Bhakoo
Public Representative Director

Anurag Arora
Director

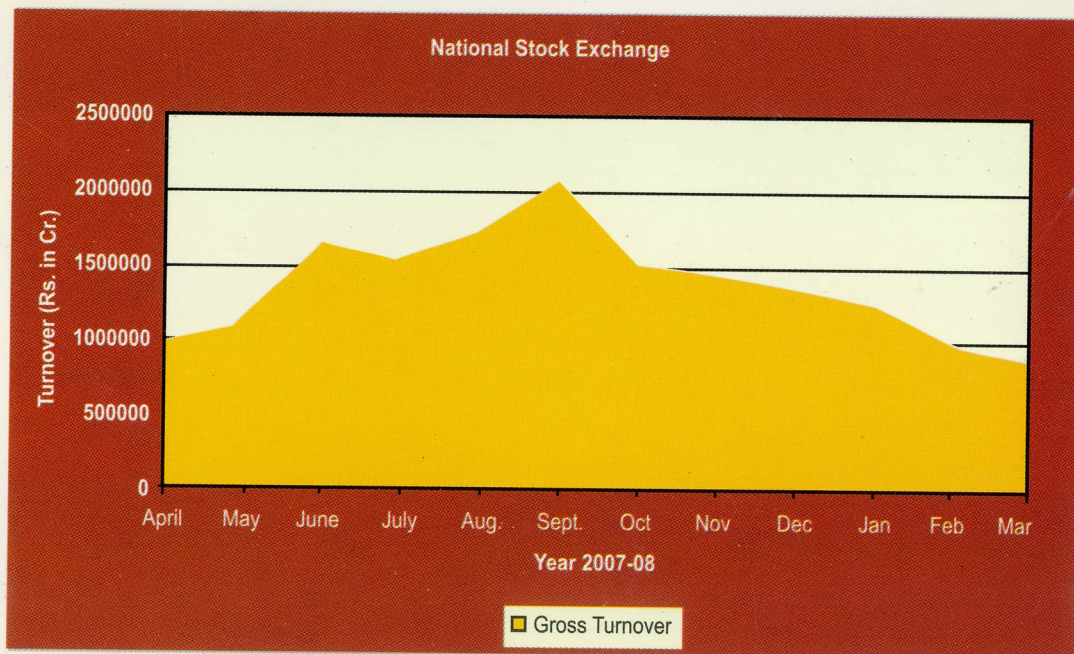
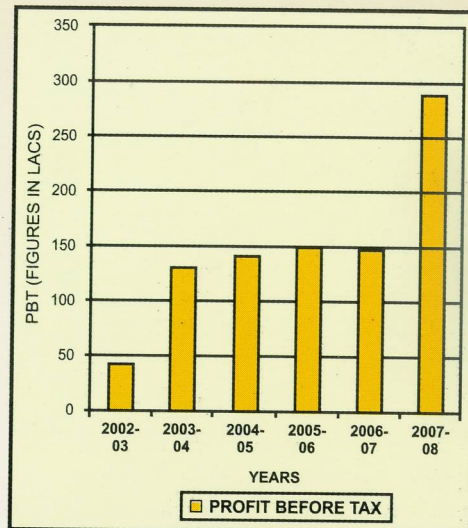
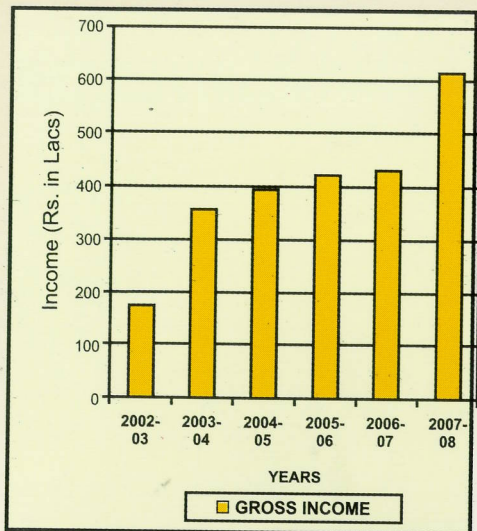
Kajal Rai
Company Secretary

Ranjit
Senior Executive Accounts

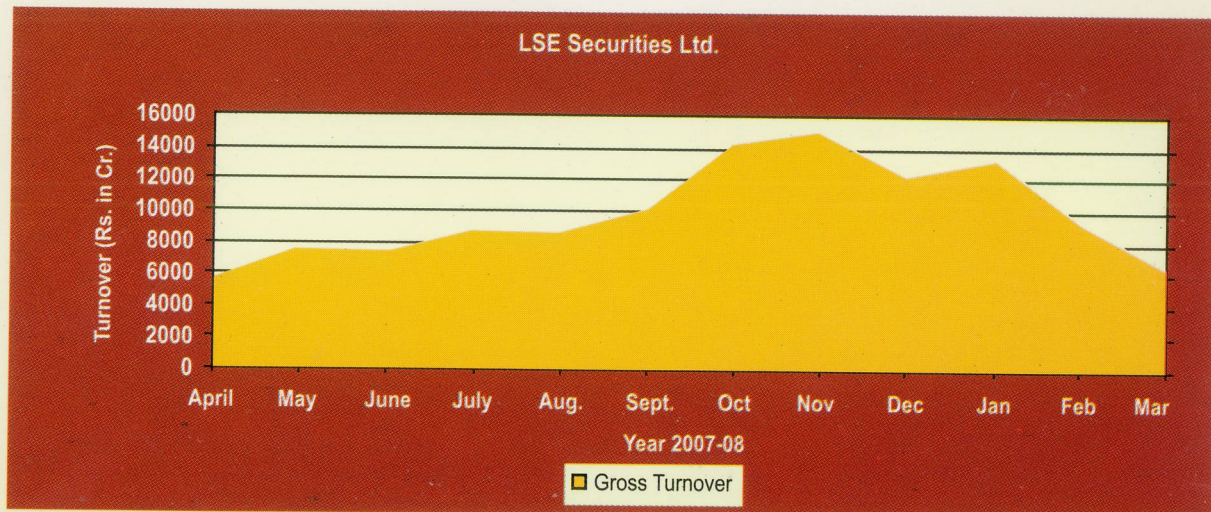
Place : Ludhiana
Date : 27/8/2008

Gurbhagwant Singh
General Manager

GROSS TURNOVER COMPARISON CHART OF LSESL AND NSE FOR THE YEAR 2007-08



NSE VS LSESL



VISION

To be most admired Broking Company delivering sustainable value to all Stake Holders.

MISSION

To become most admired Company delivering sustainable value by:

- Being pattern of choice and exceeding stakeholder expectations
- Ensuing profitable growth and value to stakeholders
- Relentlessly pursuing opportunities capitalizing on synergies and expanding our presence in related business of interest.
- Being an employee of choice and creating a culture of employment and high performance.
- Caring for well being of customers, employees and communities