


LKP SECURITIES LIMITED  
Standalone Balance Sheet as at 31st March, 2016

( Amount in Rupees)

Particulars		Note No.	As at 31 March 2016	As at 31 March 2015
1		2	3	4
<b>I. EQUITY AND LIABILITIES</b>				
<b>1 Shareholders' funds</b>				
(a) Share Capital	B1	342,482,000	342,482,000	
(b) Reserves and Surplus	B2	(48,102,837)	(33,788,956)	
<b>2 Non-current liabilities</b>				
(a) Other Long Term Liabilities	B3	22,935,018	19,363,480	
(b) Long Term Provisions	B4	9,394,002	7,673,836	
<b>3 Current liabilities</b>				
(a) Short Term Borrowings	B5	747,281,237	579,857,579	
(b) Trade Payables		495,368,723	419,389,893	
(c) Other Current Liabilities	B6	8,824,512	8,947,325	
<b>TOTAL</b>			<b>1,578,182,655</b>	<b>1,343,925,157</b>
<b>II. ASSETS</b>				
<b>Non-current assets</b>				
<b>1 (a) Fixed Assets</b>				
(i) Tangible assets	B7	32,339,860	40,881,764	
(ii) Intangible assets	B7	17,774,101	18,163,064	
(b) Non Current Investments	B8	19,015,944	20,095,394	
(c) Deferred Tax Assets (Net)		37,361,484	38,734,254	
(d) Long Term Loans and Advances	B9	71,160,983	71,512,561	
(e) Other Non Current Assets	B10	20,088,827	18,045,532	
<b>2 Current assets</b>				
(b) Inventories	B10A	7,402,012	-	
(c) Trade Receivables	B11	1,062,455,566	834,306,742	
(d) Cash and Cash Equivalents	B12	201,381,155	215,513,129	
(e) Short Term Loans and Advances	B13	100,181,209	79,300,623	
(f) Other Current Assets	B14	9,021,514	7,372,094	
<b>TOTAL</b>			<b>1,578,182,655</b>	<b>1,343,925,157</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
For Ford Rhodes Parks & Co.LLP  
Chartered Accountants  
Firm registration number : 102860W/W100089

  
A.D. Shenoy  
Partner  
Membership No. 11549



Place : Mumbai  
Date : 2nd May 2016

For and on behalf of the board of directors of  
LKP Securities Limited

Wholtime Director:  P. M. Doshi

Director:  D. K. Waghela



LKP SECURITIES LIMITED


Standalone Statement of Profit and loss for the period ended 31st March,2016

( Amount in Rupees)

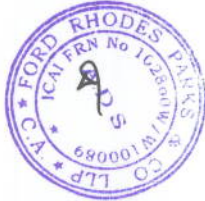
Particulars		Refer Note No.	As at 31 March 2016	As at 31 March 2015
I.	Revenue from Operations	B15	563,717,215	578,949,242
II.	Other Income	B16	19,662,964	15,649,823
III.	<b>Total Revenue (I + II)</b>		<b>583,380,178</b>	<b>594,599,065</b>
IV.	Expenses:			
	Employee Benefits Expense	B17	270,184,393	271,820,446
	Finance Costs	B18	34,569,664	24,810,512
	Depreciation and amortization expense		13,593,539	34,757,028
	Other Expenses	B19	276,556,749	272,652,671
	<b>Total expenses</b>		<b>594,904,345</b>	<b>604,040,657</b>
V.	<b>Profit/ (Loss) before exceptional and extraordinary items and tax (III-IV)</b>		<b>(11,524,167)</b>	<b>(9,441,592)</b>
VI.	Exceptional items		-	-
VII.	<b>Profit/ (Loss) before extraordinary items and tax (V - VI)</b>		<b>(11,524,167)</b>	<b>(9,441,592)</b>
VIII.	Extraordinary Items		-	-
IX.	<b>Profit/ (Loss) before tax (VII- VIII)</b>		<b>(11,524,167)</b>	<b>(9,441,592)</b>
X	Tax expense:			
	(1) Short/Excess Provisions		1,416,944	-
	(2) Deferred tax		1,372,770	(10,995,946)
XI	<b>Profit /(Loss) for the period from continuing operations (IX-X)</b>		<b>(14,313,881)</b>	<b>1,554,354</b>
XII	<b>Profit/ (Loss) for the period</b>		<b>(14,313,881)</b>	<b>1,554,354</b>
XIII	Earnings per equity share:			
	(1) Basic		-0.55	0.06
	(2) Diluted		-0.55	0.06

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
For Ford Rhodes Parks & Co.LLP  
Chartered Accountants  
Firm registration number : 102860W/W100089

  
A.D.Shenoy  
Partner  
Membership No.11549

Place : Mumbai  
Date : 2nd May 2016



For and on behalf of the board of directors of  
LKP Securities Limited

  
Director: P. M. Doshi

  
Director: D. K. Waghela



B1 Share Capital

Particulars	As at 31 March 2016		As at 31 March 2015	
	Number	Rs.	Number	Rs.
<b>Authorised</b>				
9% Redemable Preference Shares of Rs. 100/- each	2,900,000	290,000,000	2,900,000	290,000,000
Equity Shares of Rs. 2/- each	30,000,000	60,000,000	30,000,000	60,000,000
<b>Issued, Subscribed &amp; Paid up</b>				
9% Redemable Preference Shares of Rs. 100/- each	2,900,000	290,000,000	2,900,000	290,000,000
Equity Shares of Rs. 2/- each (LKP Finance Ltd holds 99.815% of equity & 100% of preference capital)	26,241,000	52,482,000	26,241,000	52,482,000
<b>Total</b>	29,141,000	342,482,000	29,141,000	342,482,000

Particulars	Equity Shares		Preference Shares	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	26,241,000	52,482,000	2,900,000	290,000,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	26,241,000	52,482,000	2,900,000	290,000,000



B2 Reserves and Surplus

<u>Particulars</u>	As at 31 March 2016	As at 31 March 2015
	Rs.	Rs.
<b>a. Surplus</b>		
Opening balance	(33,788,956)	(35,343,309)
(+) Net Profit/(Net Loss) For the current year	(14,313,881)	1,554,354
(+) Transfer from Reserves	-	-
(-) Proposed Dividends	-	-
(-) Interim Dividends	-	-
(-) Transfer to Reserves	-	-
Closing Balance	<b>(48,102,837)</b>	<b>(33,788,956)</b>
<b>Total</b>	<b>(48,102,837)</b>	<b>(33,788,956)</b>





B3 Other Long Term Liabilities

<u>Particulars</u>	As at 31 March 2016	As at 31 March 2015
	Rs.	Rs.
(a) Others Security Deposit from Sub Broker	22,935,018	19,363,480
<b>Total</b>	<b>22,935,018</b>	<b>19,363,480</b>



B4 Long Term Provisions

<u>Particulars</u>	As at 31 March 2016	As at 31 March 2015
	Rs.	Rs.
(a) Provision for employee benefits Gratuity	9,394,002	7,673,836
Total	9,394,002	7,673,836



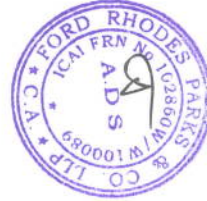
## B5 Short Term Borrowings

<u>Particulars</u>	As at 31 March 2016	As at 31 March 2015
	Rs.	Rs.
<b>Secured</b>		
(a) Loans repayable on demand from banks (Secured By hypothecation of Debtors and pledge of FDRs & Personal Guarantee of a Director, Rate of Interest is in the range of 12% to 14% P.A)	499,673,562	499,823,741
(b) Other loans and advances		
Vehicle Loan (Secured By hypothecation of Vehicles)	-	94,996
IL&FS (Secured By hypothecation of Pledge of Securities, Rate of Interest is 13.50% P.A as at the year end) (of the above, Rs. ____ is guaranteed by Directors and / or others)	247,607,675	79,938,842
<b>Total</b>	<b>747,281,237</b>	<b>579,857,579</b>



B6 Other Current Liabilities

<u>Particulars</u>	As at 31 March 2016	As at 31 March 2015
	Rs.	Rs.
(a) Other payables		
Statutory Dues	8,824,512	8,947,325
<b>Total</b>	<b>8,824,512</b>	<b>8,947,325</b>





## B7 Fixed Assets

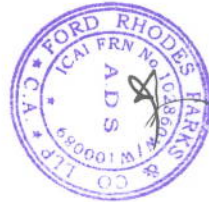
Particulars	Gross Block					Accumulated Depreciation				Net Block	
	Balance as at 1 April 2015	Additions	Disposals	Balance As at 31 March 2016	Balance as at 1 April 2015	Depreciation charge for the year	On disposals	Balance As at 31 March 2016	Balance As at 31 March 2016	Balance As at 31 March 2015	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
<b>a Tangible Assets</b>											
Furniture and Fixtures	39,209,739	48,487	-	39,258,226	33,810,580	1,173,757	-	34,984,337	4,273,889	5,399,159	
Computers	67,216,766	691,098	-	67,907,864	55,225,500	4,728,897	-	59,954,397	7,953,467	11,991,266	
Electrical Fittings	1,403,583	28,190	-	1,431,773	1,084,126	134,154	-	1,218,280	213,493	319,457	
Leasehold Improvement	9,756,782	655,529	-	10,412,310	5,078,408	667,640	-	5,746,048	4,666,263	4,678,374	
Leasehold Improvement (HO)	8,227,025	-	-	8,227,025	2,843,449	1,096,976	-	3,940,425	4,286,600	5,383,576	
Vehicles	17,408,391	-	-	17,408,391	12,661,991	931,817	-	13,593,808	3,814,583	4,746,400	
Office equipment	67,259,709	521,868	-	67,781,577	58,896,177	1,753,835	-	60,650,012	7,131,565	8,363,532	
<b>Total</b>	<b>210,481,995</b>	<b>1,945,172</b>	<b>-</b>	<b>212,427,167</b>	<b>169,600,231</b>	<b>10,487,076</b>	<b>-</b>	<b>180,087,307</b>	<b>32,339,860</b>	<b>40,881,764</b>	
<b>b Intangible Assets</b>											
Goodwill	17,125,795	-	-	17,125,795	2,854,300	1,712,579	-	4,566,879	12,558,916	14,271,495	
Computer software	43,127,893	2,717,500	-	45,845,393	39,236,323	1,393,885	-	40,630,208	5,215,184	3,891,569	
<b>Total</b>	<b>60,253,688</b>	<b>2,717,500</b>	<b>-</b>	<b>62,971,188</b>	<b>42,090,623</b>	<b>3,106,464</b>	<b>-</b>	<b>45,197,087</b>	<b>17,774,101</b>	<b>18,163,064</b>	



B8 Non Current Investments

	Particulars	As at 31 March 2016	As at 31 March 2015
		Rs.	Rs.
<b>A</b>	<b>Trade Investments (Refer A below)</b>		
	(a) Investment Properties		
	(b) Investment in Equity instruments	19,015,944	20,095,394
	(c) Investments in preference shares		
	(d) Investments in Government or Trust securities		
	(e) Investments in debentures or bonds		
	(f) Investments in Mutual Funds	-	-
	(g) Investments in partnership firms*		
	(h) Other non-current investments (specify nature)		
	<b>Total</b>	<b>19,015,944</b>	<b>20,095,394</b>

Particulars	2016	2015
	Rs.	Rs.
Aggregate amount of quoted investments (Market value of Rs.68,48,171/- (Previous Year Rs.60,84,066/-)	14,476,266	15,555,717
Aggregate amount of unquoted investments (Previous Year Rs.45,39,877/-)	4,539,677	4,539,677



B9 Long Term Loans and Advances

Particulars	As at 31 March 2016		As at 31 March 2015	
	Rs.	Rs.	Rs.	Rs.
<b>a. Security Deposits</b>				
Secured, considered good	-	-	-	-
Unsecured, considered good	70,922,761	70,922,761	70,899,522	70,899,522
Doubtful	-	-	-	-
Less: Provision for doubtful deposits	-	-	-	-
<b>b. Other loans and advances (specify nature) - Staff Loan</b>				
Secured, considered good	-	-	-	-
Unsecured, considered good	238,222	238,222	613,039	613,039
Doubtful				
Less: Provision for doubtful				
		71,160,983		71,512,561



## B10 Other Non Current Assets

Particulars	As at 31 March 2016		As at 31 March 2015	
	Rs.	Rs.	Rs.	Rs.
<b>a. Long term trade receivables (including trade receivables on deferred credit terms)</b>				
Secured, considered good	0		0	
Unsecured, considered good	20,088,827		18,045,532	
Doubtful	46,184,623		41,315,000	
Less: Provision for doubtful debts	<u>46,184,623</u>	<u>20,088,827</u>	<u>41,315,000</u>	<u>18,045,532</u>
		20,088,827		18,045,532



## B10A Inventories

	Particulars	As at 31 March 2016	As at 31 March 2015
		Rs.	Rs.
A	Trade Investments (Refer A below)		
	(a) Inventories in Equity instruments	7,402,012	-
	(b) Inventories in preference shares		
	(c) Inventories in Government or Trust securities		
	(d) Inventories in debentures or bonds		
	(e) Inventories in Mutual Funds	-	-
	(f) Other inventories (specify nature)		
	<b>Total</b>	<b>7,402,012</b>	<b>-</b>





B11 Trade Receivables

<u>Particulars</u>	As at 31 March 2016	As at 31 March 2015
	Rs.	Rs.
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	1,062,455,566	834,306,742
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts	-	-
<b>Total</b>	<b>1,062,455,566</b>	<b>834,306,742</b>



B12 Cash and Cash Equivalents

<u>Particulars</u>	As at 31 March 2016		As at 31 March 2015	
	Rs.	Rs.	Rs.	Rs.
a. Balances with banks				
Current Account	46,719,753		77,080,970	
Bank deposits with less than 12 months maturity	141,904,572		130,222,755	
Bank deposits with more than 12 months maturity (Bank has a lien on the FDRs)	12,637,039	201,261,363	8,072,340	215,376,065
b. Cheques, drafts on hand	-	-		
b. Cash on hand		119,792		137,063
d. Others (specify nature)		-		-
		201,381,155		215,513,129



B13 Short Term Loans and Advances

<u>Particulars</u>	As at 31 March 2016		As at 31 March 2015	
	Rs.	Rs.	Rs.	Rs.
<b>a. Others (specify nature)</b>				
Unsecured, considered good		100,181,209		79,300,623
Deposits	21,186,190		10,322,700	
Loans & Advances	1,784,219		3,266,590	
Staff Loan	3,417,024		3,997,726	
Advance Tax (Net of Provisions)	45,166,093		48,902,789	
Advance Recoverable in Cash or Kind	1,687,844		1,740,631	
Balance with Clearing Member	22,600,000		7,000,000	
Prepaid Expenses	4,339,839		4,070,187	
		100,181,209		79,300,623



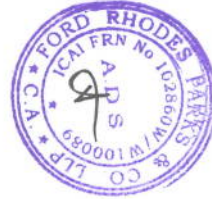
B14 Other Current Assets

<u>Particulars</u>	As at 31 March 2016		As at 31 March 2015	
	Rs.	Rs.	Rs.	Rs.
Interest Accrued on Fixed Deposits	3,539,763		4,426,199	
Accrued Brokerage Income	5,481,751		2,945,896	
		9,021,514		7,372,094



B15 Revenue from Operations

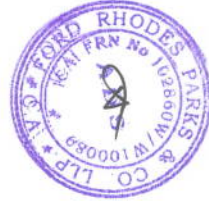
<u>Particulars</u>	For the year ended 31 March 2016	For the year ended 31 March 2015
	Rs.	Rs.
Brokerage Income	541,070,898	557,404,815
Other Income	19,731,546	14,353,735
Profit on Sale of Securities	2,914,770	7,190,693
<b>Total</b>	<b>563,717,215</b>	<b>578,949,242</b>





## B16 Other Income

<u>Particulars</u>	For the year ended 31 March 2016	For the year ended 31 March 2015
	Rs.	Rs.
<u>Interest</u>		
Interest on Fixed Deposit	14,610,476	14,344,748
Other	4,146,965	1,217,467
Dividend Income	181,741	87,607
Profit on Sale of Fixed Assets	-	-
Other Income	723,782	-
<b>Total</b>	<b>19,662,964</b>	<b>15,649,823</b>



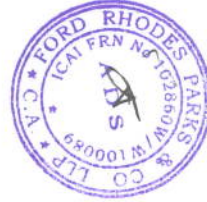
B17 Employee Benefits Expense

<u>Particulars</u>	For the year ended 31 March 2016	For the year ended 31 March 2015
	Rs.	Rs.
(a) Salaries and incentives	254,726,805	257,199,618
(b) Contributions to - Provident fund & ESIC	7,589,170	6,174,292
(c) Gratuity (Including Contribution of Rs.0/-)	2,626,093	3,138,119
(d) Staff welfare expenses	5,242,325	5,308,417
<b>Total</b>	<b>270,184,393</b>	<b>271,820,446</b>



B18 Finance Costs

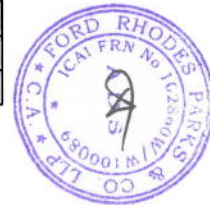
<u>Particulars</u>	For the year ended 31 March 2016	For the year ended 31 March 2015
	Rs.	Rs.
Interest expense	31,644,580	19,604,048
Bank Charges	2,925,084	5,206,464
<b>Total</b>	<b>34,569,664</b>	<b>24,810,512</b>



## B19 Other Expenses

<u>Particulars</u>	For the year ended 31 March 2016	For the year ended 31 March 2015
	Rs.	Rs.
Commission	149,596,843	166,913,576
Advertisement Exps	2,467,779	378,127
Business Promotion and entertainment	3,413,369	3,839,712
Books & Periodicals	120,527	114,266
Computer Expense	3,966,925	4,737,445
Conveyance	2,327,240	2,059,270
Demat & CDSL Expenses	5,056,311	4,345,933
Donation	-	8,756
Electricity Expenses	8,247,616	8,298,719
Company law expenses	9,915	-
Loss on sale of assets	-	322,127
Insurance	76,497	97,245
Motor Car Expenses	1,571,150	1,747,908
Office Expenses	1,326,114	952,983
Postage and Courier expenses	2,518,975	2,615,849
Printing & Stationery	2,261,271	2,788,392
Profession Tax	5,000	-
Professional and Legal Charges	7,630,615	8,957,142
Rent , Rates & Taxes	31,663,413	29,258,161
Service tax , stamp duty and transaction charges paid	4,704,927	1,491,062
Audit Fees	250,000	250,000
Repairs & Maintenance	4,758,559	4,577,304
Franking charges	280,315	32,540
Vsat Charges	120,750	220,278
SEBI Fees	480,565	969,620
Stock Exchange Expenses	1,437,339	689,302
Seminars and conference	1,540,352	1,088,498
Subscription & Membership Fees	1,733,800	1,796,445
Telephone and Mobile expenses	16,771,785	17,616,509
Travelling (Domestic and Foreign)	4,028,425	4,293,056
Operational loss	636,312	367,605
Bad Debts	12,664,515	1,050,011
Provision for Doubtful debts	4,869,623	-
Sundry balances written off	19,921	774,829
<b>Total</b>	<b>276,556,749</b>	<b>272,652,671</b>

Payments to the auditor as	For the period ended 31 st March 2016	For the period ended 31 st March 2015
	Rs.	Rs.
a. Audit fee	200,000	200,000
b. Tax audit fee	20,000	20,000
c. for taxation matters		
d. for company law matters		
e. for management services		
f. for other services (Certification fees)	30,000	30,000
g. for reimbursement of expenses		
<b>Total</b>	<b>250,000</b>	<b>250,000</b>





Standalone Cash Flow Statement for the Period Ended 31 March, 2016			
	As at 31.03.2016		As at 31.03.2015
	Rs.		Rs.
A. Cash flow from Operating activities :	Rs. In lacs		Rs. In lacs
Net Profit / (Loss) before tax and Extraordinary items and Interest	23,045,498		15,368,920
Adjustments for :			
Depreciation	13,593,539		34,757,028
Profit / Loss on sale of assets	-		322,127
Interest / Dividend Received / Misc	(18,939,182)		(15,649,823)
(Profit) / Loss on Sale of Investment	(395,590)		(49,484)
Operating Profit before Working capital changes	17,304,265		34,748,768
Adjustments for :			
Inventories			
Trade and other receivables	(263,509,255)		(98,108,719)
Trade and other payables	81,147,721		(67,537,419)
	(182,361,534)		(165,646,138)
Cash generated from operations	(165,057,268)		(130,897,370)
Interest & Bank Charges paid	(34,569,664)		(24,810,513)
Direct taxes paid	2,319,751		(8,220,307)
	(32,249,913)		(33,030,820)
Cash flow before extraordinary items	(197,307,182)		(163,928,190)
<b>Net cash from operating activities</b>	<b>(197,307,182)</b>		<b>(163,928,190)</b>
B. Cash flow from Investing Activities			
Purchase of fixed assets	(4,662,672)		(15,833,165)
Sale of fixed assets	-		200,550
Purchase of investments	-		(999,800)
Sale of investments	1,475,040		1,338,985
Interest received	18,757,441		15,562,216
Dividend received	181,741		87,606
<b>Net cash from investing activities</b>	<b>15,751,550</b>		<b>356,392</b>
C. Cash flow from financing activities			
Proceeds from issue of share capital	-		-
Increase in borrowing	167,423,658		216,810,791
<b>Net cash from financing activities</b>	<b>167,423,658</b>		<b>216,810,791</b>
Net increase / (decrease) in cash and cash equivalents	(14,131,973)		53,238,994
Cash and cash equivalents (opening)	215,513,129		162,274,135
Cash and cash equivalents (closing)	201,381,155		215,513,129

As per our report of even date

For Ford Rhodes Parks &amp; Co.LLP

Chartered Accountants

Firm registration number : 102860W/W100089



A.D. Shenoy

Partner

Membership no.11549

Place : Mumbai

Date : 2nd May 2016

For and on behalf of the board of directors of  
LKP Securities Limited

Director:

P. M. Doshi

Director:

D. K. Waghela





# LKP Securities Ltd

## Notes to Standalone Financial Statement for the year ended 31st March, 2016

### A. Significant Accounting Policies

1. Basis of Accounting: The financial accounts have been prepared on historical cost convention. The Company follows the accrual basis of accounting. The financial statements are prepared in accordance with the accounting standards notified by the Central Government, in terms of section 133 of the Companies Act, 2013 read with Rule 7. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

The financial statements have been prepared under Schedule III of the Companies Act, 2013 notified by the Central Government.

2. The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statement and the reported amount of revenue and expenses during the reporting periods. Difference between the actual results and estimates are recognized in the period in which they are known/ materialised.

3. Revenue Recognition : Revenue is recognized when there is reasonable certainty of its ultimate realization / collection.

a) Brokerage Income (net of service tax)

- i) on fixed deposit is accounted on completion of the transaction.
- ii) on primary market subscription - mobilisation is accounted on the basis of intimation received by the Company.
- iii) on secondary market transaction is recognised on the date of the transaction.

b) Interest Income is accounted on accrual basis.

c) Incentive on primary market subscription - mobilisation is accounted on the basis of intimation received by the Company.

d) Depository Fees (net of service tax)

- i) Transaction fees are recognised on completion of the transaction.
- ii) Account maintenance charges are recognised on time basis over the period of the contract.

4. Fixed Assets: All fixed assets are stated at cost inclusive of legal and / or installation and incidental expenses less accumulated depreciation.

5. Depreciation / Amortisation: The Company provides depreciation on straight line basis on the basis of useful lives of assets as specified in Schedule II to the Companies Act, 2013.

As regards improvement to leasehold properties, the same is amortised equally over the period of lease.

6. Impairment of Assets: Impairment losses, if any, are recognized in accordance with Accounting Standard 28(AS 28). Where there is an indication that an asset is impaired, the recoverable amount, if any, is estimated and the impairment loss is recognized to the extent carrying amount exceeds recoverable amount and the same is charged to the Statement of Profit & Loss.



## LKP Securities Ltd

7. Operating Lease: Leases where the lessor effectively retains substantially all the risk and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments / receipts are recognised as an expense / income in the statement of profit and loss on a straight line basis over the lease term.

8. Investment / Stock in Trade: Securities which are intended to be held for one year or more are classified as Non Current- Long Term Investments. Investments are capitalized and accounted at the cost plus brokerage and stamp charges. Provision for diminution in value is made in case the same is other than temporary. Profit or losses on investments are accounted as and when realized.

Stock in trade represents shares & securities held for sale generally within one year and is classified as current assets. Year end stock of shares & securities are valued at lower of cost or market values. Profit or loss is accounted as and when realised and is charge to the statement of profit & loss.

9. Short Term Employee Benefits: (i.e. benefits payable within one year) are recognized in the period in which employee services are rendered.

Contribution towards Provident Fund are recognized as expense. Provident Fund contributions in respect of all employees are made to Provident Fund Authorities.

The company obtains an actuarial valuation in respect of employee gratuity from an independent valuer at the end of each year. Part of the liability is paid by contribution to LIC under group gratuity policy.

Contribution to Central Government Employees State Insurance Scheme for eligible employees is recognized as charge for the year.

10. a) Current Tax: Provision for current tax is made on the estimated taxable income at the rate applicable to the relevant assessment year.

b) Deferred Tax: In Accordance with Accounting Standard 22- "Accounting for Taxes on Income" , the deferred tax for timing difference is measured using the tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date.

11. Earning Per Share: The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 - Earning per Share. Basic earning per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year.

12. a) Contingent Liabilities are disclosed by way of a note to the financial statements after careful evaluation by the management of the facts and legal aspects of the matters involved.

b) Contingent Assets are neither recognized nor disclosed.





# LKP Securities Ltd

## C. General Notes to the Accounts

### 1) Preference Dividend

In view of losses, during the year, the company has not provided dividend on non - cumulative preference shares amounting to Rs.2,61,00,000/- (Previous Year Rs.2,61,00,000/-)

### 2) Contingent Liabilities

a) Total Bank Guarantee issued on behalf of company as at 31st March 2016 is Rs.28,85,00,000/- (Previous Year Rs.28,85,00,000/-) partially secured against pledge of FDR.

b) There are two cases filed against the company totalling Rs.31,17,200/- which company has disputed. The company on disposal of the cases, by the courts expects no impact on the statement of profit & loss.

c) The Company has filed 36 cases for recovery of dues amounting to Rs.1,00,42,829/-, the recovery suits are pending in various courts. The company expects favourable decisions and no provisioning is considered necessary at this stage.

d) Claims not acknowledged as debts in respect of disputed income tax demands - The company's application for rectification of disputed tax demands were cleared / settled and there are no outstanding disputed demands as at 31st March, 2016.  
Previous Year Rs. 19,80,990/-

### 3) Gratuity

The Company's gratuity liability as at 31st March 2014 was determined actuarially at Rs.1,36,24,179/- under LIC Group Gratuity scheme. The Company has not contributed to LIC Gratuity Scheme during the year and also in the previous year. The valuation of gratuity liability as per actuarial estimate has been determined by an independent Valuer amounted at Rs.1,26,91,440/- as at 31st March, 2016. During the year the Company has made an adhoc provision of Rs.24,00,000/- towards Gratuity Liability to employees. In addition to this provision the company has paid / settled gratuity liability of ex-employees totalling Rs.10,53,790/- and the same has been debited to the statement of profit and loss for the year. The total provision for gratuity in the books as on 31.03.2016 is Rs.93,94,002/-

### 4) Provision for Taxation :

In view of losses incurred during the year no provision for Income tax has been made.

### 5) Deferred Tax Asset

	As at 31.03.2016 Rs.	For the year Rs.	As at 31.03.2015 Rs.
Written Down Value Differential	6,800,026	(1,319,766)	8,119,792
Brought Forward Losses	27,658,711	(584,535)	28,243,246
Disallowed Gratuity	2,902,747	531,531	2,371,215
	37,361,484	(1,372,770)	38,734,254

The deferred tax for the year has been calculated taking into account current year losses, depreciation differential and section 43B disallowance. The management is of the view that deferred tax asset will be set off against future profits and there is virtual certainty of the setoff.

### 6) Remuneration to Whole time Directors

Particulars	2015-16	2014-15
	Rs.	Rs.
1 Salary	3,955,200	3,939,000
2 Contribution to Provident Fund	86,400	61,920
	<u>4,041,600</u>	<u>4,000,920</u>



# LKP Securities Ltd

7) The amounts shown against Long term receivable Long term loans and advances is considered as good and recoverable by the management.

## 8) Earnings per share:

	2015-16	2014-15
Net Profit after Taxation	(14,313,881)	1,568,588
No. of Equity shares	26,241,000	26,241,000
Basic & Diluted earning per Share	(0.55)	0.06

9) As per the Accounting Standard 18, disclosures regarding related parties are given below:

i) List of Related Parties along with the nature of related party relationships.

Name of the Related Party	Relationship
LKP Finance Limited	Holding Company
LKP Wealth Advisory Private Limited	Subsidiary Company
Bhavna Holdings Limited	Director Interested
MKM Share & Stock Brokers Ltd.	Director Interested
Peak Plastonics Private Limited	Director Interested
Sea Glimpse Investments Pvt Ltd	Director Interested
SolarEx P V Solutions Pvt. Ltd.	Director Interested
Alpha Commodity Pvt. Ltd.	Director Interested
M/s L.K.Panday	Director Interested
Mr. M.V. Doshi	Father of Pratik Doshi
Mr. Dinesh Waghela	Key Management Personnel
Mr. Pratik Doshi	Key Management Personnel
Gayatri Cements & Chemical Industries Ltd	Fellow Subsidiary

ii) Transactions with Related Parties

Particulars	Holding Company	Key Management Personnel
Directors Remuneration		4,041,600
Brokerage Income	3,792,409	
Balance due as on 31.03.2016	292,227,010	

10) The aggregate value of quoted investments as at 31st March 2016 is Rs.1,44,76,266/- (Previous year Rs.1,55,55,717/-) Market value of quoted investment as at 31st March 2016 is Rs.68,48,171/- (Previous year Rs.60,84,066/-)

All Investments are long term investments.

No provision for diminution in market value as compared to cost of quoted investments is made during the year as the management is of the view that diminution in market value is of temporary nature.

11) (a) The Company has taken various offices, residential and godown premises under operating lease or leave and license agreements. These are generally cancellable in nature and range between 11 months to 108 months.

(b) Rent payments are recognised in the Statement of Profit and Loss under the head ' Rent, Rates and Taxes' in Schedule B20

(c) The future minimum lease payments under non-cancellable operating lease - not later than one year is Rs.89,17,520/- (Previous Year Rs.73,30,134/-) and later than one year but not later than five year is Rs.2,24,56,301 (Previous Year Rs.NIL)



# LKP Securities Ltd

12) Securities received from Client as collateral for margin are held by the Company in its own name in a fiduciary capacity. Value as on 31st March 2016 is Rs.1,21,48,20,200/- (Previous year Rs.75,77,78,731/-)

13) Tax Deducted at Source on Income : Rs.1,12,19,812/- (Previous Year Rs.94,96,207/-)

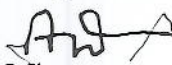
14) As per the information available with the Company as at 31st March 2016, the data in respect of Micro Small & Medium Enterprises that are covered under the Micro Small & Medium Enterprises Development Act, 2006 are not available. Hence, details regarding principal amount and interest paid/due thereon is not given.

15) There are no dues to Small Scale Industries and Investor Education and Protection Fund as at 31st March 2016 (Previous Year: Nil)

16) There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at 31st March, 2016.

17) the company, has no long-term contracts including derivative contracts having material foreseeable losses as at 31st March, 2016.

As per our report of even date  
For Ford Rhodes Parks & Co.LLP  
Chartered Accountants  
Firm registration number : 102860W/W100089

  
A.D. Shenoy  
Partner  
Membership no.11549

Place : Mumbai  
Date : 2nd May 2016



For and on behalf of the board of directors of  
LKP Securities Limited

  
Director: P. M. Doshi

  
Director: D. K. Waghela





**FORD, RHODES, PARKS & CO. LLP**  
CHARTERED ACCOUNTANTS

SAI COMMERCIAL BUILDING  
312 / 313, 3RD FLOOR  
BKS DEVSHI MARG  
GOVANDI (EAST)  
MUMBAI-400 088

(Formerly Ford, Rhodes, Parks & Co.)

TELEPHONE : (91) 22 67979819  
: (91) 22 67979823  
FAX : (91) 22 67979822  
EMAIL : frptax@vsnl.com

**Independent Auditor's Report**

**To the members of LKP Securities Limited**

**Report on the Financial Statements for the year ended 31<sup>st</sup> March, 2016**

We have audited the standalone financial statements of LKP Securities Limited ("the Company") which comprise the balance sheet as at 31<sup>st</sup> March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year ended and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of the 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 the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers

A Partnership Firm with Registration No: BA61078 converted into a Limited Liability Partnership (LLP) namely  
FORD RHODES PARKS & CO. LLPw.e.f August 4, 2015 - LLP Identification No.AAE4990

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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.

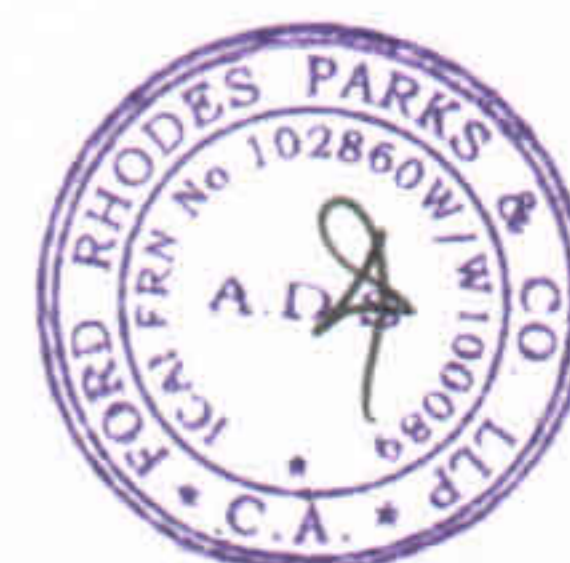
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016, and its loss and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as issued by Central Government of India in terms of sub section (11) of section 143 of Companies Act, 2013 (18 of 2013) we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 ; and
  - e. on the basis of written representations received from the directors as on 31<sup>st</sup> March 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2016, from being appointed as a director in terms of sub section (2) of section 164 of the Companies Act, 2013.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".





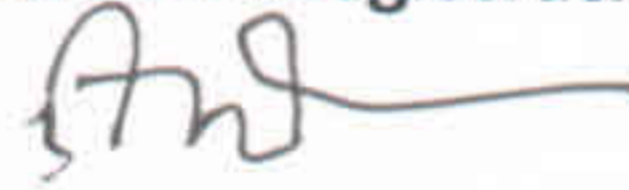
**FORD RHODES PARKS & CO LLP**

- 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 the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. C.(2) to the financial statements;
  - ii. As represented by the company, there are no long-term contracts including derivative contracts having material foreseeable losses;
  - iii. As represented by the company, there is no amount required to be transferred to Investor Education and Protection Fund by the Company.

For **Ford Rhodes Parks & Co.LLP**

**Chartered Accountants**

**ICAI Firm Registration No. 102860W/W100089**



**A.D. Shenoy**

**Partner**

**Membership No.11549**



Place: Mumbai

Date: 02.05.2016



Annexure A to the Auditors' Report

[Referred to in paragraph pertaining to "Report on Other Legal and Regulatory Requirement" of our Report of even date to the members of LKP Securities Limited on the standalone financial statements for the year ended 31<sup>st</sup> March, 2016]

1.
  - a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) Fixed assets have been physically verified by the management at reasonable interval and no material discrepancies were noticed on such verification and same have been properly dealt with in the books of account.
  - c) There are no immovable properties held in the name of company.
2. The inventory consists of equity shares in dematerialized form and is verified by the management during the year. In our opinion, the frequency of verification is reasonable. On the basis of our examination of the inventory records, in our opinion the company is maintaining proper records of inventory and there is no material discrepancies noticed.
3. The company has not granted any loans, secured or unsecured to companies/firms or other parties covered in the register maintained under section 189 of the Companies Act 2013.
4. The company has not granted any loans, guarantees, and security under section 185 and 186. Investment by the company in body corporate are in compliance with provision of Section 186 of the Companies Act 2013.
5. The company has not accepted deposits from public, within the meaning of sections 73 to 76 or any other relevant provisions of the Companies Act 2013.
6. The Central Government has not prescribed for maintenance of cost records under section (1) of section 148 of the act in respect of its products as such clause 6 of the order is not applicable to the co.
7.
  - a) According to the information and explanation given to us and records of the company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues including Provident Fund, Protection fund, employee state insurance, income tax, sales tax, value added tax, wealth tax, service tax, custom duty, excise duty, cess and any other statutory dues with the appropriate authorities. There are no undisputed statutory dues payable for a period of more than six month from the date they become payable as at 31st March 2016.
  - b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of wealth tax, service tax, customs duty and cess as at 31st March 2016, which has not been deposited on account of dispute.





**FORD RHODES PARKS & CO LLP**

8. The Company has not defaulted in repayment of dues to a financial institution or bank or Government during the year.
9. The Company has not raised any Initial Public Offer or further public offer and not obtained any term loan.
10. Based upon the audit procedures performed and information and explanations given by the management, we report that we have not come across any instances of fraud by the company or any fraud on the company by its officers or employees that have been noticed or reported during the year nor have we been informed of such case by management.
11. Managerial remuneration amounting to Rs. 40,41,600/- has been paid to Whole time Directors during the year is in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013.
12. The Company is not a Chit Fund Company/or nidhi/ mutual benefit fund/society.
13. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. The company has not entered into non-cash transactions covered by Section 192 of Companies Act, 2013 with directors or persons connected with him.
16. The company is not engaged in the business of non-banking financial institution (NBFI) and not required to obtain a Certificate of Registration (CoR) from Reserve Bank of India to commence/carry on business of NBFI in terms of Section 45-IA of the RBI Act, 1934.

For **Ford Rhodes Parks & Co.LLP**  
**Chartered Accountants**  
**ICAI Firm Registration No. 102860W/W100089**



**A.D. Shenoy**  
**Partner**  
**Membership No.11549**

Place: Mumbai  
Date: 02.05.2016





ANNEXURE B

[Referred to in paragraph pertaining to "Report on Other Legal and Regulatory Requirement" of our Report of even date to the members of LKP Securities Limited on the standalone financial statements for the year ended 31<sup>st</sup> March, 2016]

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

We have audited the internal financial controls over financial reporting of **LKP Securities Limited** ("the Company") as of March 31, 2016 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**

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 (IFCOFR) issued by the Institute of Chartered Accountants of India. 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") 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.

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





judgments, 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 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 March 31, 2016, 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 **Ford Rhodes Parks & Co.LLP**

**Chartered Accountants**

**ICAI Firm Registration No.102860W/W100089**



**A.D. Shenoy**

**Partner**

**Membership No.11549**

Place: Mumbai

Date: 02.05.2016

