

June 10, 2019

To,
Dy. Manager
Dept. of Corporate Services
BSE Limited
P. J. Towers,
Dalal Street, Fort,
Mumbai 400 001

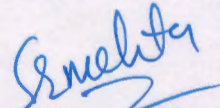
Dear Sir,
Scrip Code: 540192

Sub.: Annual Report for 25th Annual General Meeting to Shareholders to be held on July 05, 2019.

This is in reference to the captioned subject and our earlier intimation dated May 02, 2019, 25th Annual General Meeting of the Company scheduled to be held on July 05, 2019. Further, please note that, in accordance with the compliance with Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, to notify the Stock Exchange and disseminate the same information to shareholders through public domain, herewith we are enclosing the same as per captioned subject.

Yours Faithfully,

For LKP Securities Limited



Siddharth Mehta
Company Secretary



Enclosed:

1. Notice & Annual Report
2. Attendance Slip/Proxy Form

LKP Securities Ltd.

Regd Off : 203 Embassy Centre, Nariman Point Mumbai - 400021. Phone : 022 - 2282 8234, Fax : 022 - 2284 2415

Head Off : 1303 - 04, 13th Floor, Raheja Centre, Free Press Journal Marg, Nariman Point, Mumbai - 400021.

Tel.: +91 22 6635 1234 • Fax : +91 22 6635 1249 • Website : www.lkpsec.com, CIN No.: U67120MH1994PLC080039

LKP Securities Ltd. SEBI Reg. No.: NSE:INB/F/E 230720030, MCX-SX: INE 260720030, BSE: INB/F 010675433, ARN: 31751, DP: IN-CDSL- 206-2003

LKP
Since 1948

LKP SECURITIES LIMITED



Annual Report

2019

Board of Directors	DIN
Mr. Pratik M. Doshi	00131122
Mr. S. S. Gulati	02404230
Mr. Ganesh Malhotra	07581670
Mr. Sajid Mohamed	06878433
Mrs. Anjali Suresh*	02545317

* Appointed w.e.f. December 18, 2018

Company Secretary

Mr. Siddharth R. Mehta

Auditors:

MGB & Co. LLP
Peninsula Park,
Tower B, 19th Floor,
Lower Parel, Mumbai 400 013

Registered office:

203, Embassy centre,
Nariman point,
Mumbai 400021
Tel: 400024785/40024786

CIN: L67120MH1994PLC080039

Registrar and Share Transfer Agent

M/s. Adroit Corporate Services Private Limited
19, Jafarbhoy Industrial Estate, 1st Floor,
Makawana Road, Marol Naka,
Andheri (East), Mumbai 400 059.
Tel. No.022- 28590942

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25th Annual General meeting on 5th July, 2019

at 10.45 a.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Mumbai 400 001.

NOTICE

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the members of LKP Securities Limited will be held at M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Mumbai 400 001 on Friday, 5th July 2019 at 10.45 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Profit & Loss Account for the Financial Year ended on 31st March, 2019 and the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. S. S. Gulati (holding DIN 02404230), who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/s. MGB & Co. LLP, Chartered Accountants, Firm Reg. No. 101169W/W100035 as statutory auditors of the Company and fix their Remuneration.

SPECIAL BUSINESS:

4. Appointment of Independent Woman Director

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modification or amendment thereof, Mrs. Anjali Suresh (DIN02545317) who was appointed as an Additional Independent Woman Director of the Company with effect from December 18, 2018 by the Board of Directors and holds office up to the date of this Annual General Meeting under section 161 of the Companies Act, 2013 (“the act”) and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of director, be and is hereby appointed as an Independent Woman Director of the Company to hold office for a term of 5 (five) consecutive years commencing from December 18, 2018.”

5. Approval of Employee Stock Option Plan 2019 of the Company.

To consider and if thought fit, to pass the following resolutions as a Special Resolution:

“RESOLVED that pursuant to the provisions of Section 62 and all other applicable provisions of the Companies Act, 2013 (“the Act”) and the provisions contained in the Securities And Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (including any statutory modification(s) or re-enactment of the Act or the Regulations, for the time being in force) and other applicable provisions of law and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the board of directors of the Company (hereinafter referred to as “the board” which term shall be deemed to include the Nomination and Remuneration Committee of the board which has been authorised to exercise the power conferred by this resolution), consent of the members be and is hereby accorded to the board to create, offer, issue and allot at any time to or for the benefit of such person(s) who are in permanent employment of the Company, including directors of the Company, whether working in India or out of India under a scheme titled “Employee Stock Option Plan 2019” (hereinafter referred to as the “ESOP” or “scheme” or “plan”) such number of equity options and/or equity linked instruments (including options), (hereinafter collectively referred to as “securities”) of the Company which could give rise to the issue of equity shares not exceeding 35,00,000 (Thirty Five Lakhs Only) equity shares of Rs. 2/- each at such price, in one or more tranches and on such terms and conditions, as may be fixed or determined by the board in accordance with the applicable provisions of the law as may be prevailing at that time.

RESOLVED FURTHER that the said Securities may be allotted directly to such employees/directors or in accordance with a scheme framed in that behalf and that the scheme may also envisage for providing any financial assistance to the employee to acquire, purchase or subscribe to the securities of the Company.

RESOLVED FURTHER that the limits for the maximum number of stock options that can be granted to employees or directors in any financial year and in aggregate shall be 2,50,000 (Two Lakhs Fifty Thousand) per person.

RESOLVED FURTHER that the new equity shares to be issued and allotted by the Company in the manner aforesaid shall stand *pari passu* in all respects with the then existing equity shares of the Company and be listed with the Stock Exchange(s) where the existing security of the Company is listed.

RESOLVED FURTHER that “Employee Stock Option Plan 2019” be and is hereby approved and that the same be implemented under the supervision of Nomination and Remuneration Committee constituted for the purpose by the Board of Directors of the Company.

RESOLVED FURTHER that for the purpose of giving effect to any creation, offer, issue, allotment or listing of securities, the board be and is hereby authorized on behalf of the Company to evolve, decide upon and bring in to effect the scheme and make any modifications, changes, variations, alterations or revisions in the said scheme from time to time or to suspend,

withdraw or revive the scheme from time to time as may be specified by any statutory authority and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the board to secure any further consent or approval of the members of the Company.”

6. Approval of grant of options under Employee Stock Option Plan 2019 to eligible employees of the Subsidiary Company (ies).

To consider and if thought fit, to pass the following resolutions as a Special Resolution:

“RESOLVED that pursuant to the provisions of Section 62 and all other applicable provisions of the Companies Act, 2013 (“the Act”) and the provisions contained in the Securities And Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (including any statutory modification(s) or re-enactment of the Act or the Regulations, for the time being in force) and other applicable provisions of law and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the board of directors of the Company (hereinafter referred to as “the board” which term shall be deemed to include the Nomination and Remuneration Committee of the board which has been authorised to exercise the power conferred by this resolution), consent of the members be and is hereby accorded to the board to extend the benefits of Employees Stock Option Plan 2019 proposed in the resolution under Item 5 in this notice, to the eligible employees / directors of the Subsidiary Company(ies), as may from time to time be allowed under prevailing laws, rules and regulations, and/or amendments thereto from time to time, on such terms and conditions as may be decided by the board.

RESOLVED FURTHER that for the purpose of giving effect to any creation, offer, issue, allotment or listing of securities, the board be and is hereby authorized on behalf of the Company to evolve, decide upon and bring in to effect the scheme and make any modifications, changes, variations, alterations or revisions in the said scheme from time to time or to suspend, withdraw or revive the scheme from time to time as may be specified by any statutory authority and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any questions, difficulties, or doubts that may arise in this regard without requiring the board to secure any further consent or approval of the members of the Company.”

By the order of the Board of Directors
LKP Securities Limited

Place: Mumbai
Date: 2nd May 2019

Pratik M. Doshi
Managing Director

IMPORTANT NOTES:

1. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 (“the Act”), concerning the Special Business in the Notice is annexed hereto and forms part of this Notice. The profile of the Directors seeking reappointment, as required in terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE VALID MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. A PERSON CAN ACT AS PROXY FOR ONLY 50 MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. MEMBER HOLDING MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER MEMBER.
3. Corporate Members intending to send their authorised representatives to attend the AGM are requested to send a duly certified copy of their Board Resolution authorising their representatives to attend and vote at the AGM.
4. In case of Joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Members / Proxies / Authorised Representatives should bring the enclosed attendance Slip, duly filled in, for attending the Meeting. Copies of the Annual Report or Attendance Slips will not be distributed at the Meeting.
6. The Register of Members and the Share Transfer Books of the Company shall remain closed from Monday, 1st July 2019 to Friday, 5th July 2019 (both days inclusive).
7. SEBI & the Ministry of Corporate Affairs encourage paperless communication as a contribution to greener environment. Members holding shares in physical mode are requested to register their e-mail ID's with the Adroit Corporate Services Private Limited, the Registrars & Share Transfer Agents of the Company and Members holding shares in demat mode are requested to register their e-mail ID's with their respective Depository Participants (DPs) in case the same is still not registered. If there is any change in the e-mail ID already registered with the Company, members are requested to immediately notify such change

to the Registrars & Share Transfer Agents of the Company in respect of shares held in physical form and to DPs in respect of shares held in electronic form. Members who wish to register their email ID can download the 'Green Initiative' form from the Company's website viz. www.lkpsec.com.

8. In terms of Section 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder, the copy of the Annual Report including Financial Statements, Board's Report etc. and this Notice are being sent by electronic mode, to those members who have registered their email ids with their respective depository participants or with the Registrars and Share Transfer Agents of the Company, unless any member has requested for a physical copy of the same. In case you wish to get a physical copy of the Annual Report, you may send your request to info@adroitcorporate.com mentioning your Folio/DP ID & Client ID.
9. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's Registrars & Share Transfer Agents. In respect of shares held in electronic/demat form, the members may please contact their respective depository participant.
10. Members are requested to send all communications relating to shares, and unclaimed dividends, change of address etc. to the Registrar and Share Transfer Agents at the following address:

M/s. Adroit Corporate Services Private Limited
19, Jafarbhoj Industrial Estate, 1st Floor,
Makawana Road, Marol Naka,
Andheri (East), Mumbai 400 059.
Tel. No.022- 28590942

If the shares are held in electronic form, then change of address and change in the Bank Accounts etc. Should be furnished to their respective Depository Participants (DPs).

11. Voting Options:-

Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the ensuing Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through polling paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through polling paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 1st July, 2019 (9:00 am) and ends on 4th July, 2019 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 29th June, 2019 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participants(s)] :
 - (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of "LKP Securities Limited".
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to lkpsecuritiesscrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of AGM[for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

<u>EVEN (Remote e-voting Event Number)</u>	<u>USER ID</u>	<u>PASSWORD/PIN</u>
110747		

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 29th June, 2019.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 29th June, 2019 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.
- XI. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- XII. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XIII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through polling paper.
- XIV. Mr. V. Ramachandran Practising Company Secretary, Proprietor of M/s V.R. Associates, Company Secretaries, ACS 7731, CP No. 4731 has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XV. The Chairman shall, at the AGM, at the end of discussions on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of "Polling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XVI. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting by polling papers and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVII. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company viz. www.lkpsec.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

12. Brief Profile/Disclosure Relating to Directors Appointment / Re-appointed pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings:

Name	Mr. S S Gulati	Mrs. Anjali Suresh
DIN	02404230	02545317
Age - Years	63	53
Date of Appointment	8 th June, 2016	18 th December 2018
Qualification	Chartered Accountant	Chartered Accountant

Expertise	He has handled numerous management responsibilities in his career in the field of finance, Corporate Affairs, taxation and Internal Audit.	Extensive experience in the field of Financial Services and Capital Markets.
Other Directorships	1) Alpha Commodity Pvt. Ltd. 2) Gayatri Cement and Chemical Industries Pvt. Ltd. 3) LKP Wealth Advisory Limited	1) LKP Finance Limited 2) Quartet Financial Services Private Limited
Chairman / Member of Committee of the Board of the Companies on which he/she is a Director as on 2 nd May 2019.	LKP Securities Limited: Stakeholder Relationship committee - Chairman Nomination and Remuneration committee - Member	LKP Securities Limited: Corporate Social Responsibility committee - Chairperson LKP Finance Limited: Stakeholder Relationship Committee - Chairperson Audit Committee - Member Nomination and Remuneration Committee - Member
Shareholding in the Company	39,976 Equity Shares	Nil
Relationship with any Director(s) of the Company	None.	None.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013
Item no. 4

The Board of Directors of the Company have appointed Mrs. Anjali Suresh as an Additional Independent Directors of the Company to hold office for a period of five consecutive years, not liable to retire by rotation, subject to consent by the Members of the Company at the ensuing Annual General Meeting ("AGM").

As an Additional Director, she holds office till the date of forthcoming AGM and is eligible for being appointed as an Independent Director. The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 (the "Act") together with the requisite amount of deposit from a Member signifying his intention to propose the appointment of Mrs. Anjali Suresh as a Director of the Company. The Company has also received a declaration from Mrs. Anjali Suresh confirming that she meet the criteria of independence as prescribed under the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Mrs. Anjali Suresh is also not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director of the Company.

In the opinion of the Board, Mrs. Anjali Suresh fulfil the conditions for appointment as an Independent Woman Director as specified in the Act and the Listing Regulations and is independent of the management.

A copy of the draft letter of appointment for Independent Directors, setting out the terms and conditions for appointment of Independent Directors is available for inspection by the Members at the registered office of the Company during business hours on any working day and is also available on the website of the Company www.lkpsec.com.

Mrs. Anjali Suresh is not related to any other Director and Key Managerial Personnel of the Company. None of the Directors, Key Managerial Personnel and their relatives, except Mrs. Anjali Suresh and her relatives, are in any way, concerned or interested in the said resolution. The resolution as set out in item No. 4 of this Notice is accordingly commended for your approval.

A brief profile of Mrs. Anjali Suresh is given above in disclosure.

Item No. 5 and 6

With a view to motivating the employees of the Company and its Subsidiary Company(ies) by rewarding performance, retaining best talents and to enable them to participate in the future growth and financial success of the Company, the Board has considered it prudent to introduce "Employee Stock Option Plan 2019" (herein after referred as the "ESOP-2019" or "Plan"). The Scheme has been formulated in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The Nomination and Remuneration Committee was constituted with majority of independent directors for administration of the Scheme.

The salient features of the "ESOP-2019" or "Plan" are as follows.

i. Total number of options to be granted:

The Nomination and Remuneration Committee shall grant up to 35,00,000 (Thirty Five lakhs Only) options under the Scheme to the eligible employees and directors of the Company including those of its Subsidiary Company(ies). Each option (after it is vested) will be exercisable for one equity share of Rs. 2/- each fully paid up on payment of the exercise price to the Company in term of the scheme.

ii. Identification of the class of employees entitled for ESOP:

All permanent employees of the Company and its Subsidiary Company(ies) as defined in the Securities And Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (including any statutory modifications or re-enactments of the acts or the guidelines for the time being in force), and as may decided by the Nomination and Remuneration Committee from time to time.

Employees may be granted Stock Options based on performance and such other criteria as the Nomination and Remuneration Committee may, in its absolute discretion decide. The options granted to an employee will not be sold, transferable, assigned, mortgaged, pledged or otherwise alienated in any manner other than as set out in the scheme.

iii. Requirement of vesting and period of vesting

The Nomination and Remuneration Committee shall decide the manner and period of vesting of options at the time of grant, with minimum vesting period of 1 year.

iv. Maximum Period within which the options shall be vested

The Maximum period of vesting shall be 3 years from the date of grant of option(s).

v. Exercise Price

The exercise price for the purpose of the grant of options will be computed at a discount upto 5 % on the average of the closing price of the Company's shares, in the highest traded stock exchange, during the last 15 days preceding the date of grant of options or as may be finalized.

vi. Exercise period and the process of Exercise

The exercise period shall be 1 years from the date of vesting, within which the options vested in any eligible employee have to be exercised.

The option shall be deemed to be exercised when the Company receives in writing notice of exercise in the prescribed form from the person entitled to exercise the option. The vested options will lapse if not exercised within the specified exercise period.

vii. Appraisal process for determining the eligibility of the employee to ESOP

The appraisal process for determining the eligibility of the employee will be determined by the Nomination and Remuneration committee, and will be based on criteria such as the seniority of the employee, length of service, performance record, merit of the employee, future potential contribution of the employee and / or any such other criteria that may be determined by the Nomination and Remuneration committee at its sole discretion.

viii. Maximum number of options/shares to be issued per employee/director and in aggregate

The maximum number of options granted to an employee / director shall not be more than 2,50,000 in a year and in aggregate.

ix. Disclosure and Accounting Policies

The Company shall comply with the disclosures and shall conform to the accounting policies specified in under Regulation 15 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

x. Method of option valuation

To calculate the stock-based remuneration, the Company shall use the fair value method (or Intrinsic Value method) for valuation of options granted. The difference between the employee remuneration cost so computed and the cost that shall have been recognized if it had used the fair value of the options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on EPS of the Company shall also be disclosed in the Directors' Report.

xi. Taxes / Levies

Liability of paying taxes as may be imposed / levied on the Options granted to ESOP- 2019 shall be entirely on the option holder.

xii. Lock in period, if any: Nil

xiii. The conditions under which option vested in employees may lapse e.g. in case of termination of employment for misconduct: In case of termination of employment for misconduct Options (Vested as well as Unvested) shall stand automatically forfeited on the termination date.

xiv. The Company shall comply with the applicable accounting standards as prescribed under Regulation 15 of Securities And Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

As the scheme will entail further shares to be offered to persons other than existing shareholders of the Company, consent of the members is sought pursuant to the provisions of Section 62 and all other applicable provisions, if any, of the Act, and as per the requirement of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

As per the Rule 12(4) of Companies (Share Capital and Debentures) Rules, 2014, a separate Resolution is required to be passed if :-

i) Grant of option to employees of its Subsidiary Company(ies).

Therefore the separate resolutions under item no. 6 is being proposed accordingly to cover those employees, and/or such other persons as may be permitted from time to time, under prevailing laws, rules and regulations, and/or amendments thereto from time to time.

The Board of Directors of the Company has approved the above proposal and recommends the passing of the proposed Special Resolution by Members of the Company as contained in the Notice of the Postal Ballot.

The Directors or Key Managerial Persons or their relatives do not have any concern or interest, financial or otherwise, in passing of the said Resolution except to the extent of the securities that may be offered to them under the Plan.

Additional information pursuant to circular dated 16th June 2015 of SEBI under Regulation 6(2) of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and forms a part of explanatory statement to the item no. 5 and 6 of the Notice.

a	Brief description of the scheme(s)	LKP SECURITIES LIMITED'S EMPLOYEES' STOCK OPTION SCHEME, 2019, which shall extend its benefits to (i) the present and future permanent employees in or out of India; (ii) a Director of the Company excluding independent directors ; and (iii) the present and future permanent employees in or out of India of its Subsidiary Company(ies) and also directors (excluding independent directors) of a Subsidiary Company(ies).
b	The total number of options, SARS, shares or benefits, as the case may be, to be granted	The maximum number of Shares that may be issued pursuant to Exercise of Options Granted to all the Participants under the Scheme shall not exceed 35,00,000 Shares. The Company reserves the right to increase or reduce such number of Shares as it deems fit.
c	Identification of classes of employees entitled to participate and be beneficiaries in the scheme(s).	All Employee(s) other than the following shall be entitled to participate in the Scheme (the Eligible Employee). (a) an Employee who is a Promoter; or (b) an Employee who belongs to the Promoter Group; or (c) an independent director; or (d) a director, who either by himself or through his Relative or through anybody corporate, directly or indirectly, holds more than 10% (ten per cent.) of the outstanding equity shares of the Company.
d	Requirements of vesting and period of vesting.	Upon receipt of a duly executed Acceptance Form from the Grantee in respect of the Grant, the Grantee will become a Participant. And (a) 33 % (Thirty Three) of the total Options Granted shall Vest on the first anniversary of the Grant Date; (b) 33 % (Thirty Three) of the total Options Granted shall Vest on the second anniversary of the Grant Date; and (c) 34 % (Thirty Four) of the total Options Granted shall Vest on the third anniversary of the Grant Date.
e	Maximum period (subject to regulation 18(1) and 24(1) of the regulations, as the case may be) within which the options/SARS/ benefit shall be vested.	Three years as mentioned above in item 'd'
f	Exercise price, SAR price, purchase price or pricing formula.	The exercise price for the purpose of the grant of options will be computed at a discount upto 5 % on the average of the closing price of the Company's shares, in the highest traded stock exchange, during the last 15 days preceding the date of grant of options or as may be finalized.
g	Exercise period and process of exercise.	1 (One) year from the date of Vesting within which the Vested Options can be Exercised. Exercise by making of an application by the Participant/Beneficiary to the Company for issue of Shares against the Vested Options in the Participant/Beneficiary in pursuance to the Scheme on payment of the Exercise Price.

h	The appraisal process for determining the eligibility of employees for the scheme(s).	The appraisal process for determining the eligibility of the employee will be determined by the Nomination and Remuneration Committee (Committee), and will be based on criteria such as the seniority of the employee, length of service, performance record, merit of the employee, future potential contribution of the employee and / or any such other criteria that may be determined by the committee at its sole discretion.
i	Maximum number of options, SARS, shares, as the case may be, to be issued per employee and in aggregate.	The maximum number of Options Granted to any one Participant of the Scheme shall not exceed 2,50,000 (two lacs fifty thousand only) at the time of the Grant, and not more than 35,00,000 shares in aggregate
j	Maximum quantum of benefits to be provided per employee under a scheme(s).	The maximum quantum of benefits that will be provided per eligible employee under the Scheme will be the difference between the Exercise Price paid by the employee to the Company and the price of the company's shares on the stock exchange on the date of exercise of options
k	Whether the scheme(s) is to be implemented and administered directly by the company or through a trust.	By the Company through Nomination and Remuneration Committee of the Board of Directors.
l	Whether the scheme(s) involves new issue of shares by the company or secondary acquisition by the trust or both.	Scheme involves new issue of shares by the company.
m	The amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc.	Not Applicable, since the Company is not administering the scheme through a Trust mechanism.
n	Maximum percentage of secondary acquisition(subject to limits specified under the regulations) that can be made by the trust for the purpose of the scheme(s).	No secondary acquisition involve under Scheme.
o	A statement to the effect that the company shall Conform to the accounting policies specified in Regulation 15.	The Company hereby state that the Company shall Conform to the accounting policies specified in Regulation 15.
p	The method which the company shall use to value its option or SARs.	Fair value method

By the order of the Board of Directors
LKP Securities Limited

Place: Mumbai
Date: 2nd May 2019

Pratik M. Doshi
Managing Director

DIRECTORS' REPORT

The Directors present the Twenty Fifth Annual Report and Audited Accounts of the Company for the year ended March 31, 2019.

FINANCIAL RESULTS	2018 – 2019 (Rs. in lacs)	2017 – 2018 (Rs. in lacs)
Profit before tax	78.41	1318.13
Less: Tax Expense for the Year	(111.29)	521.21
Profit after tax	189.70	796.92
Profit brought forward from previous year	218.64	(604.43)
Amount available for appropriation	408.34	218.64

DIVIDEND

With a view to augment long term working capital requirement, your Directors did not recommend any dividend for the shareholders for the financial year 2018-19.

PERFORMANCE REVIEW

During the year under review, the company recorded the total revenue of Rs.9486.13 lacs against previous year Rs.8652.99 lacs; profit after tax stood at Rs.189.70 lacs for the year under review as compared to previous year of Rs.796.92 lacs.

EMPLOYEES STOCK OPTION & SHARE CAPITAL

Pursuant to Employees Stock Option Scheme 2017, the Company has allotted 7,13,440 equity shares during the year. Consequence to allotment of aforesaid shares Company's paid-up share capital is increased to Rs. 14,78,69,472/- divided into 7,39,34,736 equity shares of Rs. 2/- each.

The scheme is administered by the Nomination and Remuneration Committee of the Board of Directors.

Disclosures under the Companies (Share Capital and Debentures) Rules, 2014 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 is annexed to this report herewith as "Annexure A".

FIXED DEPOSITS

The Company has no public deposits as of date and will not accept any deposits without prior approval of the Statutory Authorities concerned.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Auditors' function is defined in their letter of engagement. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board & to the Managing Director.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

SUBSIDIARIES

As per the Circular No. 51/12/2007-CL-III dated 8th February, 2011 issued by Government of India, Ministry of Corporate Affairs, the required financial information in the consolidated balance sheet is given in respect of Company's subsidiaries i.e. LKP Wealth Advisory Limited in Form AOC 1 annexed as "Annexure B" in Annual Report.

The annual accounts of the aforesaid subsidiary and the related detailed information shall be made available to shareholders of the Company, seeking such information at any point of time. The annual accounts of the subsidiary company shall also be kept open for inspection by any shareholder at the Registered office at 203 Embassy Centre, Nariman Point, Mumbai 400 021.

During the year under review, LKP Wealth Advisory Private Limited had been converted from Private Limited Company to Public Limited Company and consequently Company's name changed to LKP Wealth Advisory Limited.

DIRECTORS

Mr. S S Gulati retires by rotation and being eligible offers himself for re-appointment. Your Directors recommend his re-appointment.

The Board of Directors appointed Mrs. Anjali Suresh (DIN 02545317) as an Additional Director with effect from 18th December, 2018 pursuant to section 161 of the Companies Act, 2013 as an Additional Independent Director holding office only up to the date of the ensuing Annual General Meeting.

In accordance with the requirements of Section 149 and 152 of the Companies Act, 2013 appointment of Mrs. Anjali Suresh as an Independent Director on the Board of the Company, requires approval of the Members of the Company.

The requisite resolutions for the appointment of Independent Directors are being proposed in the Notice of the ensuing Annual General Meeting for the approval of the Members.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed in Section 149(6) of the Companies Act, 2013.

The information on the particulars of the Directors proposed for appointment/ re-appointment has been given in the Notice of the Annual General Meeting.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and provisions of Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

Meetings

During the year four Board Meetings and Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors acknowledges the responsibility for ensuring compliance with the provisions of section 134(3)(c) read with section 134(5) of the Companies Act, 2013 in the preparation of the annual accounts for the year ended on March 31, 2019 and state that :

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii. 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 at the end of the financial year and of the profit of the Company for that period;
- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Directors have prepared the annual accounts on a going concern basis;
- v. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi. There is a proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

STATUTORY AUDITORS

The term of the existing Statutory Auditors M/s MGB & Co. LLP is coming to an end at the ensuing Annual General Meeting. The Board of Directors have recommended re-appointment of M/s MGB & Co. LLP to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the 26th Annual General Meeting. In terms of the provisions of Section 139(1) of the Act, their appointment for the above tenure is subject to ratification by Members at every AGM.

The Company has received a letter from them to the effect that their appointment, if made, would be within the provision prescribed under Section 139 of the Companies Act, 2013. Your Directors recommend their appointment.

SECRETARIAL AUDIT

Pursuant to provisions of section 204 of the Companies Act 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed M/s V. R. Associates, a firm of Company Secretaries in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit report is annexed herewith as "**Annexure C**".

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "**Annexure D**".

CORPORATE SOCIAL RESPONSIBILITY

The Company has attracted provisions as laid down in section 135 of the Companies Act, 2013 based on the Audited Financial Statement for the Financial Year 2017-18.

In order to comply with the provisions as laid down in section 135 of the Companies Act, 2013, the Company has contributed funds for the promotion of education and medical and environmental sustainability etc. The Contribution has been made to a registered trust which is mainly undertakes activities specified under Schedule VII of the Companies Act, 2013.

The report on CSR activities is annexed herewith as "**Annexure E**".

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no **materially significant** related party transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large. The requisite details are given in Form AOC 2 is annexed herewith as "**Annexure F**".

CODE OF CONDUCT:

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Code has been placed on the Company's website www.lkpsec.com. The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

The Company has established a vigil mechanism to be known as the 'Whistle Blower Policy' for its Directors and employees, to report instances of unethical behavior, actual or suspected, fraud or violation of the Company's Code of Conduct. The aim of the policy is to provide adequate safeguards against victimization of whistle blower who avails of the mechanism and also provide direct access to the Chairman of the Audit Committee, in appropriate or exceptional cases.

Accordingly, 'Whistle Blower Policy' has been formulated with a view to provide a mechanism for the Directors and employees of the Company to approach the Ethics Counselor or the Chairman of the Audit Committee of the Company.

The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It protects employees willing to raise a concern about serious irregularities within the Company.

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading as amended from time to time vide SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

INFORMATION PURSUANT TO SECTION 134(3) OF THE COMPANIES ACT, 2013

The information required pursuant to rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms a part of this report. However, as per the first proviso to section 136(1) and second proviso of rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the report and the financial statements are being sent to the members of the Company excluding statement of particulars of employees under rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. If any member is interested in obtaining the copy of the said statement may write to the Company Secretary in advance.

Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Annexed as "Annexure G".

The prescribed particulars of Conservation of Energy, Technology Absorption do not apply to your Company. There are no foreign exchange earnings & outgo during the year under report.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There were no material changes and commitments, affecting the financial position of the Company from end of the financial year upto the date of this Board's Report.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements are furnished herewith and form part of this Report and Accounts. These statements have been prepared on the basis of audited financial statements received from the Subsidiary Company as approved by their Board of Directors.

CORPORATE GOVERNANCE

The Report on Corporate Governance along with a Certificate of compliance from the Practising Company Secretaries and Management Discussion and Analysis Report forms part of this Report.

ACKNOWLEDGEMENT

Your Directors would like to place on record their sincere appreciation to Shareholders, Bankers, Institutions and Employees for their co-operation and support.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 2nd May, 2019

Pratik M. Doshi **S.S.Gulati**
Managing Director Director

ANNEXURE - A
Disclosure regarding Employees Stock Option Plan pursuant to SEBI (Share Based Employees Benefits) Regulations, 2014 and Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 forming part of the Directors' Report for the year ended March 31, 2019.

(A) The Company has issued stock options to its permanent employees in accordance with the Company's Employee Stock Option Scheme 2017. The Schemes is administered by the Compensation Committee / Nomination and Remuneration Committee (NRC) constituted pursuant to SEBI (Share based employee benefits) Regulations, 2014. All the permanent employees of the company, including Directors but excluding promoters and Independent Director of the Company are eligible to participate in the Scheme. The Committee grants stock options to the employees at its discretion depending upon criteria such as role/ designation of the employee, length of service with the company, past performance record, future potential of the employee and/or such other criteria that may be determined by the Committee.

ESOP Scheme	Members approval	Number of options approved
ESOP Scheme-2017	May 24, 2017	50,00,000

The stock option vested / shall be vest proportionately as may be decided by NRC committee at the time of grant, over the period of 3 years after the first anniversary from the date of grant. Under ESOP Scheme 2017, till date 37,00,000 options were granted to Identified Employee at the exercise price of Rs. 7/- per share. The exercise price, in cash, is paid/ to be paid by the employee at the time of exercise of the stock option. No stock option is granted in lieu of cash. The option lapses if not exercised within a period of 1 year from the date of vesting of option. The lapsed option is available for being re-grant / re-issue at a future date. The maximum number of options that may be granted to any specific employee is upto 2,50,000 under Scheme 2017. Every one stock option, if exercised, is allotted one equity shares of Rs. 2/- each.

(B) Summary of stock options :

Total Options	50,00,000
Options outstanding at the beginning of the year (a)	37,00,000
Options forfeited / lapsed during the year (b)	3,90,360
Options forfeited / lapsed during the year (c)	1,49,160*
Options vested during the year (27.09.2018) (d)	12,21,000
Options exercised during the year (e)	7,13,440
Shares arising as a result of exercise of options	7,13,440
Source of shares	Fresh Issue
Money realized by exercise of options (Rs.)	Rs. 49,94,080/-
Loan repaid by the trust during the year from exercise price received	N.A.
Options outstanding at the end of the year (f) = (a-b-e)	25,96,200
Options exercisable at the end of the year (g) = (d-e-c)	3,58,400
Variation in terms of options	Nil
Employee-wise details of options granted during the year to	
(i) KMP / Senior managerial personnel	Nil
(ii) Other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	Nil
(iii) Employees who received the options during the year equal to or exceeding 1% of the issued capital of the Company at the time of grant	Nil
Diluted EPS	

*1,49,160 Stock Options Proportionately lapsed (out of first 33% vested options) as on 31.03.2019 to arrive at Options exercisable at the end of year.

(C) Weighted average shares price on the date of exercise of the options is Rs. 12.52

ANNEXURE - B
Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures
Part "A": Subsidiaries

Amount (Rs. In lacs)

Sl. No.	Particulars	Details
1	Name of the subsidiary	LKP Wealth Advisory Limited (Formerly known as LKP Wealth Advisory Private Limited)
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/04/2018 To 31/03/2019
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable
4	Share Capital	76.00
5	Reserves & Surplus	56.15
6	Total Assets	145.60
7	Total Liabilities	145.60
8	Investments	NIL
9	Turnover	123.78
10	Profit before taxation	29.79
11	Provision for taxation	7.81
12	Profit after taxation	21.98
13	Proposed Dividend	--
14	% of shareholding	100%

1. Names of subsidiaries which are yet to commence operations - Not Applicable

2. Names of subsidiaries which have been liquidated or sold during the year - Not Applicable

Part "B": Associates and Joint Ventures: Not Applicable

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures
1. Latest audited Balance Sheet Date
2. Shares of Associate/Joint Ventures held by the company on the year end
No.
Amount of Investment in Associates/Joint Venture
Extend of Holding%
3. Description of how there is significant influence
4. Reason why the associate/joint venture is not consolidated
5. Net worth attributable to shareholding as per latest audited Balance Sheet
6. Profit/Loss for the year
i. Considered in Consolidation
ii. Not Considered in Consolidation

1. Names of associates or joint ventures which are yet to commence operations.

2. Names of associates or joint ventures which have been liquidated or sold during the year.

For MGB & Co. LLP
Chartered Accountants
FRN – 101169W/W100035

 Sanjay Kothari
 Partner
 Membership Number 048215

 Place: Mumbai
 Date: 2nd May, 2019

For and on behalf of the Board of Directors

 Pratik Doshi
 Managing Director
 DIN 00131122

 S.S.Gulati
 Director
 DIN 02404230

 Girish Majrekar
 Chief Financial Officer

 Siddharth Mehta
 Company Secretary

SECRETARIAL AUDIT REPORTFOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019**[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]**

To,
The Members,
LKP Securities Limited.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by LKP Securities Limited (hereinafter called the Company).

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder; except for
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as applicable to the company:-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(not applicable to the company during the audit period)**
 - (d) The Securities and Exchange Board of India Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(not applicable to the company during the audit period)**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(not applicable to the company during the audit period)** and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(not applicable to the company during the audit period)**
- (vi) Other Applicable Acts;
 - (a) The Employees Provident Fund & Miscellaneous Provisions Act, 1952;
 - (b) Employees State Insurance Act, 1948;
 - (c) Payment of Gratuity Act, 1972;
 - (d) The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013;

I/we have also examined compliance with the applicable clauses of the following:

- (a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has not undertaken event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc. except for:

- i. Allotment of 7,13,440 equity shares of the Company on 25th February, 2019 pursuant to exercise of vested options by the grantees under LKP Securities Limited's Employees' Stock Option 2017.
- ii. Ordinary resolution passed at annual general meeting dated 24th August, 2018 for appointment of Mr. Sajid Mohamed as Independent Director of the Company.

For V.R. Associates
Company Secretaries

Place : Mumbai
Date : 2nd May, 2019

V. Ramachandran
CP 4731

This report is to be read with our letter of even date which is annexed as 'Annexure I' and forms an integral part of this report.

'Annexure I' to Secretarial Audit Report

To,
The Members,
LKP Securities Limited.

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express as opinion on these secretarial records based on my audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For V.R. Associates
Company Secretaries

Place : Mumbai
Date : 2nd May, 2019

V. Ramachandran
CP 4731

Form No. MGT-9

EXTRACT OF ANNUAL RETURNS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L67120MH1994PLC080039
ii.	Registration Date	03/08/1994
iii.	Name of the Company	LKP SECURITIES LIMITED
iv.	Category / Sub-Category of the Company	Company limited by shares
v.	Address of the Registered office and contact details	203 Embassy Centre, Nariman Point, Mumbai 400021
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Adroit Corporate Services Private Limited 19, Jafarbhoy Industrial Estate, 1 st Floor, Makawana Road, Marol Naka, Andheri (East), Mumbai 400 059. Tel. No.022- 28590942

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Stock broking	66120	99.62

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	LKP Wealth Advisory Limited (Formerly known as LKP Wealth Advisory Private Limited)	U67190MH2014PLC256997	Subsidiary Company	100.00%	2(87)(ii)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2018				No. Of Shares held at the end of the year 31/03/2019				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
a) Individual/HUF	--	--	--	--	--	--	--	--	--
b) Central Govt.	--	--	--	--	--	--	--	--	--
c) State Govt. (s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp.	23742120		23742120	32.43	24006696	--	24006696	32.47	0.04
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any Other...									
i. Directors	604332	--	604332	0.83	604332	--	604332	0.82	0.01
ii. Directors relatives	23546604	--	23546604	32.15	23551404	--	23551404	31.85	(0.3)
Sub-total (A) (1):-	47893056	--	47893056	65.41	48162432	--	48162432	65.14	(0.27)*

*Change in % is due to increase of paid up capital of the Company consequent to allotment of shares under ESOP.

(2) Foreign									
a) NRIs - Individuals	--	--	--	--	--	--	--	--	--
b) Other - Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	--	--	--	--	--	--	--	--	--
d) Banks / FI	--	--	--	--	--	--	--	--	--

Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2018				No. Of Shares held at the end of the year 31/03/2019				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Any Other...	--	--	--	--	--	--	--	--	--
Sub-total (A) (2):-									
Total shareholding of Promoter (A) = (A)(1)+(A) (2)	47893056	--	47893056	65.41	48162432	--	48162432	65.14	(0.27)
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	--	8400	8400	0.01	--	4200	4200	0.01	--
b) Banks / FI	300	15000	15300	0.02	300	15000	15300	0.02	--
c) Central Govt.	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIs	2049882	--	2049882	2.80	2101882	--	2101882	2.84	0.04
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (Specify)	--	--	--	--	--	--	--	--	--
Sub-total (B) (1)	2050182	23400	2073582	2.83	2102182	19200	2121382	2.87	0.04
(2) Non - Institutions									
a) Bodies Corp.									
i) Indian	4555128	--	4555128	6.22	3938728	480006	3986734	5.39	(0.83)
ii) Overseas	4364934	--	4364934	5.96	4364934	--	4364934	5.90	(0.06)
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.2 lakh	9443229	1780620	11223849	15.34	10718864	1573840	12292704	16.63	1.29
ii) Individual shareholders holding nominal share capital in excess of Rs.2 lakh	1929883	--	1929883	2.64	1844608	--	1844608	2.49	(0.15)
c) Others (Specify)									
c-1) NON RESIDENT INDIANS(INDIVIDUALS)	531298	590550	1121848	1.53	540906	576750	1117656	1.51	(0.02)
c-2) CLEARING MEMBER	14690	--	14690	0.02	2300	--	2300	--	(0.02)
c-3) TRUSTS	1200	--	1200	--	1200	--	1200	--	--
c-4) DIRECTORS	39876	100	39976	0.05	39876	100	39976	0.05	--
c-5) CORPORATE BODY - BROKER	3150	--	3150	--	810	--	810	--	--
Sub-total (B)(2)	20883388	2371270	23254658	31.76	21452226	2198696	23650922	31.99	0.23
Total Public Shareholding(B)= (B) (1)+(B)(2)	22933570	2394670	25328240	34.59	23554408	2217896	25772304	34.86	(0.27)
C. Shares held by Custodian for GDRs & ADRs.	--	--	--	--	--	--	--	--	--
Promoter and Promoter Group	--	--	--	--	--	--	--	--	--
Public -	--	--	--	--	--	--	--	--	--
Sub-total (C)	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	70826626	2394670	73221296	100	71716840	2217896	73934736	100	0.00

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2018			Share holding at the end of the year 31/03/2019			% change in shareholding during the year*
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. M. V. Doshi	22246254	30.37	--	22251054	30.09	--	(0.28)
2	Mr. Pratik M. Doshi	604332	0.83	--	604332	0.82	--	(0.01)
3	Miss Ira P. Doshi	600000	0.82	--	600000	0.81	--	(0.01)
4	Mrs. Shital A. Sonpal	100350	0.14	--	100350	0.14	--	
5	Bhavana Holdings Pvt. Ltd.	8457030	11.55	--	8721606	11.80	--	0.25
6	Sea Glimpse Investments Pvt. Ltd.	15285090	20.88	--	15285090	20.67	--	(0.21)
7	Miss Samaya Pratik Doshi	600000	0.82	--	600000	0.81	--	(0.01)
	Total	47893056	65.41	--	48162432	65.14	--	(0.27)

*Change in % is due to increase of paid up capital of the Company consequent to allotment of shares under ESOP.

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

Sr. No.		As on date	Shareholding at the beginning of the year		Cumulative Shareholding during the year*	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Mahendra V. Doshi					
	At the beginning of the year	01/04/2018	22246254	30.37	22246254	30.37
	Change during the year		--	--	--	--
	Inter-se Transfer 01/03/2019		--	--	4800	0.01
	At the end of Year	31/03/2019			22251054	30.09
2	Mr. Pratik M. Doshi					
	At the beginning of the Year	01/04/2018	604332	0.83	604332	0.83
	Change during the Year	--	--	--	--	--
	At the end of Year	31/03/2019	--	--	604332	0.82
3	Miss. Ira Pratik Doshi					
	At the beginning of the year	01/04/2018	600000	0.82	600000	0.82
	Change during the year	--	--	--	--	--
	At the end of Year	31/03/2019	--	--	600000	0.81
4	Mrs. Shital A Sonpal					
	At the beginning of the year	01/04/2018	100350	0.14	100350	0.14
	Change during the year	--	--	--	--	--
	At the end of Year	31/03/2019	--	--	100350	0.14
5	Bhavna Holdings Pvt. Ltd.					
	At the beginning of the year	01/04/2018	8457030	11.55	8457030	11.55
	Change during the year	--	--	--	--	--
	Acquired 17/12/2018	--	--	--	264576	0.36
	At the end of Year	31/03/2019			8721606	11.80
6	Sea Glimpse Investment Pvt. Ltd.					
	At the beginning of the year	01/04/2018	15285090	20.88	15285090	20.88
	Change during the year	--	--	--	--	--
	At the end of Year	31/03/2019	--	--	15285090	20.67
7	Miss. Samaya Pratik Doshi					
	At the beginning of the year	01/04/2018	--	--	--	--
	Change during the year	--	--	--	--	--
	At the end of Year	31/03/2019	--	--	600000	0.81

*Change in % is due to increase of paid up capital of the Company consequent to allotment of shares under ESOP.

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

Sr. No.	For Each of the Top 10 Shareholders	As on date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Agrud Capital Pte. Ltd.	01/04/2018	4364934	5.96	4364934	5.96
		31/03/2019	0	0.00	4364934	5.90
2	India Max Investment Fund Ltd.	01/04/2018	2049882	2.80	2049882	2.80
		15/02/2019	52000	0.07	2101882	2.87
		31/03/2019			2101882	2.84
3	Grovsnor Investment Fund Ltd.	01/04/2018	1921237	2.62	1921237	2.62
		31/03/2019			1921237	2.60
4	Sayanta Basu	01/04/2018	917352	1.25	917352	1.25
		31/03/2019	0	0.00	917352	1.24
5	Marytime Trimpex Pvt. Ltd.	01/04/2018	784794	1.07	784794	1.07
		31/03/2019	0	0.00	784794	1.06
6	Padmakshi Financial services Private Limited	01/04/2018	657770	0.90	657770	0.90
		06/07/2018	10000	0.01	667770	0.91
		13/07/2018	(10000)	(0.01)	657770	0.90
		31/03/2019			657770	0.89
7	Rashmikant Amratlal Shah	01/04/2018	366186	0.50	366186	0.50
		31/03/2019	0	0.00	366186	0.50
8	Sarla A Bhojwani	01/04/2018	300000	0.41	300000	0.41
		31/03/2019			300000	0.41
9	Skunk Agents Private Limited	01/04/2018	132904	0.18	132904	0.18
		31/03/2019			132904	0.18
10	Gopal P. Sharma	01/04/2018	117900	0.16	117900	0.16
		01/03/2019	12024	0.02	129924	0.18
		22/03/2019	1200	0.00	131124	0.18
		31/03/2019	0	0.00	131124	0.18

Note : Decreased by sale / transfer to other (-)

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year		
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	Mr. Pratik Doshi Managing Director					
		01/04/2018	604332	0.83	604332	0.82
		31/03/2019	--	--	604332	0.82
2	Mr. S S Gulati Non-Executive Director		39976	0.05	39976	0.05
			--	--	39976	0.05
3	Mr. Ganesh Malhotra Independent Director					
		01/04/2018	--	--	--	--
		31/03/2019	--	--	--	--
4	Mr. Sajid Mohamed Independent Director					
		01/04/2018	--	--	--	--
		31/03/2019	--	--	--	--
5	Mrs. Anjali Suresh Independent Director					
		18/12/2018	--	--	--	--
		31/03/2019	--	--	--	--

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6	Mr. Girish Majrekar Chief Financial Officer				
	01/04/2018	600	--	600	--
	31/03/2019	--	--	600	--
7	Mr. Siddharth Mehta Company Secretary				
	01/04/2018	--	--	--	--
	25/02/2019 (ESOPs)	--	--	6600	0.01
	31/03/2019	--	--	6600	0.01

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid	1597.17	41.26		1638.43
iii) Interest accrued but not	34.62	--		34.62
	--	--		--
Total (i+ii+iii)	1631.79	41.26		1673.05
Change in Indebtedness during the financial year				
- Addition	756.97			756.97
- Reduction	(1631.79)	(31.26)		(1663.05)
Net Change	(874.82)	(31.26)		(906.08)
Indebtedness at the end of the financial year				
i) Principal Amount	756.97	10.00		766.97
ii) Interest due but not paid iii) Interest accrued but not due				
Total (i+ii+iii)	756.97	10.00		766.97

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Mr. Pratik Doshi (Managing Director)	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Rs. 64,21,584/-	Rs. 64,21,584/-
2.	Stock Option		
3.	Sweat Equity		
4.	Commission - as % of profit - others, specify...		
5.	Others, please specify		
6.	Total (A)	Rs. 64,21,584/-	Rs. 64,21,584/-
	Ceiling as per the Act	Rs. 84,00,000/-	Rs. 84,00,000/-

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Director(s)			Total Amount
	<u>Independent Directors</u> - Fee for attending board meetings - Commission - Others, please specify	Mrs. Anjali Suresh Rs. 10,000	Mr. Ganesh Malhotra Rs. 30,000/-	Mr. Sajid Mohamed Rs. 30,000/-	Rs. 70,000/-
	Total (1)	Rs. 10,000	Rs. 30,000/-	Rs. 30,000/-	Rs. 70,000/-
	<u>Other Non-Executive Directors</u> - Fee for attending board meetings - Commission - Others, please specify	Mr. S S Gulati Rs. 40,000/-			Rs. 40,000/-
	Total (2)	Rs. 40,000/-			Rs. 40,000/-
	Total (B)=(1+2)				
	Total Managerial Remuneration				Rs. 1,10,000/-
	*Overall Ceiling as per the Act				

(*Overall Ceiling as per the Act is Rs. 1,00,000 sitting fees per Meeting. However company has paid Rs. 10,000 sitting fees per Board meeting.)

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
	Gross salary	4,08,000/-	20,11,070/-	24,19,070/-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
	Stock Option	16830/-	--	16830/-
	Sweat Equity	--	--	--
	Commission - as % of profit - others, specify...	--	--	--
	Others, please specify	--	--	--
	Total	4,24,830/-	20,11,070/	24,19,070/-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Annual Report on Corporate Social Responsibility (CSR) Activities

1. A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

CSR policy is stated herein below:

CSR Policy

(Adopted by Corporate Social Responsibility Committee on 15.03.2019)

(Approved and Ratified by the Board of Directors on 02.05.2019)

Being a good corporate citizen, LKP Securities Limited has adopted CSR as strategic tool for sustainable growth and has decided to contribute to the development of the communities as a whole. The Company strongly promotes to build a better society, aiming at Environmental Sustainability, Education, promoting healthcare and other social welfare areas.

The focus areas in which LKP plans to work shall include Education, Health care and Environmental Sustainability. The objectives of the Company for the above activities shall be as follows:-

- Education:** Our endeavor is to spark the desire for learning and enlighten minds. We may undertake to fulfill this objective by way of providing quality education initiatives or by financial assistance to the poor and needy students, undertaking to impart vocational training, adult education programs, girl education, other related infrastructure etc.
- Health care:** Our goal is to render quality health care facilities which we may provide by way of undertaking preventive healthcare programs by way of including but not limited to setting various camps and related infrastructure services, providing of sanitation and making available safe drinking water, etc.
- Environmental Sustainability:** We aim at providing livelihood in an environmentally sustainable manner. For addressing this objective we may undertake afforestation, planting of trees, maintain public garden, playground cleanliness and such other like programs, activities towards maintaining ecological balance, quality of soil, air and water, conservation of natural resources, etc.

Web Link:

https://www.lkpsec.com/investorinfopdf/636922499033009495_CSR%20POLICY%20-%20LKPS.pdf

2. **Composition of CSR committee**

Name of the Member	Designation
Mrs. Anjali Suresh	Chairperson
Mr. Pratik M. Doshi	Member
Mr. S.S.Gulati	Member

3. **Average net profit of the company for last three financial years:**

Average net profit: Rs.3,97,07,413/-

4. **Prescribed CSR Expenditure (Two percent of the amount as in item 3 above)**

The company is required to spend Rs.7,94,148/-

5. **Details of CSR spent:**

- Total amount spent for the Financial Year Rs. 8,50,000/-
- Amount unspent if any : NIL
- Manner in which the amount was spent

Sr. No.	Projects/ Activities	Sector	Locations	Amount outlay (Budget) project or programme wise (Rs. Lakhs)	Amount spent on the project or programme (Rs. Lakhs)	Cumulative expenditure up to reporting period (Rs. Lakhs)	Amount spent: Direct or through implementing agency* (Rs. Lakhs)
1	Educational	Literacy	Maharashtra	200	82.46	196.83	196.83

- Details of implementing agency: Smt. Jayalaxmi Vasantrai Doshi Charitable Trust, Mumbai, which is in the process of spending the amount.
- The implementing agency has identified rehabilitation project of Devghar village, Ambawane Panchayat in Pune District of Maharashtra State, for the purpose of Education, Health Care and Environmental Sustainability.
- The implementation and monitoring of CSR Policy, is in compliance with the CSR objectives and Policy of the Company.

ANNEXURE - F
Form No. AOC-2

(pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis : **NIL**

- Name(s) of the related party and nature of relationship
- Nature of contracts/arrangements/transactions
- Duration of the contracts / arrangements/transactions
- Salient terms of the contracts or arrangements or transactions including the value, if any
- Justification for entering into such contracts or arrangements or transactions
- date(s) of approval by the Board
- Amount paid as advances, if any:
- Date on which the special resolution was passed in general meeting as required under first proviso to section 188

2. Details of material contracts or arrangement or transactions at arm's length basis

	Name(s) of the related party	Nature of relationship	Nature of transactions	Transaction Value (Rs. In Lakhs)
1	Mr. Pratik M. Doshi Mr. Girish Majrekar Mr. Siddharth Mehta	Managing Director Chief Financial Officer Company Secretary	Remuneration to Key Managerial Personnel	64.22 20.11 4.08
2	Sea Glimpse Investments Pvt. Ltd., M/s L K Panday, LKP Finance Limited, MKM Share and Stock Brokers Limited Bhavana Holdings Pvt. Ltd.	Other Related parties	Brokerage Income	25.53
3	LKP Wealth advisory Pvt. Ltd.	Subsidiary Company	Commission Expense	42.81
4	LKP Finance Limited	Other Related parties	Interest Expense	33.70
5	LKP Finance Limited	Other Related parties	Purchase of property, Plant & Equipments	118.41
6	Peak Plastronics Pvt. Ltd.	Other Related parties	Legal & Professional Fees	10.56

- Duration of the contracts/arrangements/transactions: FY 2018-19
- Salient terms of contracts or arrangements or transactions including the value, if any: Regular and ordinary course of Business.
- Date(s) of approval by the Board, if any: 2nd May, 2019.
- Amount paid as advances, if any: Nil

Form shall be signed by the persons who have signed the Board's report.

For and on behalf of the Board of Directors

Mumbai
Date: 2nd May, 2019

Pratik M. Doshi
Managing Director
DIN 00131122

S.S.Gulati
Director
DIN 02404230

ANNEXURE - G

Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

1. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:

Name of Director	Designation	Ratio to median remuneration of the Employees
Mr. Pratik Doshi	Managing Director	15.05077

2. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Name	Designation	Increase in remuneration
Mr. Pratik Doshi	Managing Director	0.00%
Mr. Girish Majrekar	Chief Financial Officer	54.70%
Mr. Siddharth Mehta	Company Secretary	77.75%*

**w.e.f. 01/01/2018, Mr. Siddharth Mehta was promoted from Executive – Legal & Compliance to Company Secretary.*

3. The percentage increase in median remuneration of employees in the financial year: 7.49
4. The number of permanent employees on the rolls of Company: 556
5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The median percentage increase made in the salaries of employees other than managerial remuneration was 7.49% whereas the increase in the remuneration of Managerial personnel was NIL.

6. It is hereby affirmed that remuneration is as per the remuneration policy of the company.

On behalf of the Board of Directors

Pratik M. Doshi **S.S.Gulati**
Managing Director Director

Date: 2nd May, 2019

REPORT ON CORPORATE GOVERNANCE

1. Company's philosophy on Corporate Governance

The Company provides detailed information on various issues concerning the Company's business / performance, to its shareholders. The fundamental philosophy of Corporate Governance in the Company is to achieve business excellence and dedicate itself for meeting its obligations to the shareholders. The Company believes that good Corporate Governance is a continuous process and strive to improve the same to meet shareholder's expectations. The Board of Directors of the Company has adopted the Code of Conduct for its members and senior management executives.

2. Board of Directors

The composition and category of Directors as on 31st March 2019 are as follows:

Category	Name of Directors	Designation
Promoter	Pratik Doshi	Managing Director
Non-executive	S S Gulati	Director
Independent & Non-executive	Ganesh Malhotra	Director
Independent & Non-executive	Sajid Mohamed	Director
Independent & Non-executive	Anjali Suresh	Director

The composition of the Board of Directors is in accordance with the Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. Non-Executive Independent Directors of your Company have no pecuniary relationship or any transaction with your Company.

Board Meetings

The Meeting of the Board of Directors are scheduled well in advance and generally held at the Company's registered and/or corporate office at Nariman Point, Mumbai. The notice confirming the meeting and the detailed agenda is sent well in advance to all the Directors.

There were four Board Meetings held during the financial year ended 31st March 2019, namely on 16th May, 2018, 13 August, 2018, 30th October, 2018, 4th February, 2019.

Attendance, Other Directorship & Membership

Membership and Attendance of each Director at the Board of Directors' Meetings held during the year and the last Annual General Meeting and the number of other Directorship/Membership of Board Committees as on 31st March 2019:

S. No.	Name of the Director	B o a r d Meeting Attended	Attendance at Last AGM	No. of Directorship in Boards (Including LKP Securities Ltd.)		No. of Chairmanship / Membership in other Board Committees (Including LKP Securities Ltd.)	
				Public	Private	Chairmanship	Membership
1	Mr. Pratik M. Doshi	4	Yes	4	7	3	5
2	Mr. S S Gulati	4	Yes	2	2	1	5
3	Mr. Ganesh Malhotra	3	Yes	1	--	2	--
4	Mr. Sajid Mohamed	3	Yes	1	2	--	2
5	Mrs. Anjali Suresh*	1	No	2	1	2	2

*Appointed w.e.f. December 18, 2018

Remuneration of Directors

During the year under review the Company has paid Rs. 64.22 lacs towards remuneration (details of which are provided in the extract of the annual return form MGT 9 'Annexure C' to the Directors' Report) to Mr. Pratik M. Doshi, Managing Director of the Company pursuant to the Special Resolution approved by the shareholders at 23rd Annual General Meeting. At present, Independent Directors are not paid any remuneration except sitting fees for attending Board Meetings.

Sitting Fees (Inclusive of TDS) paid to Directors for attending Board Meetings

1. Mr. S S Gulati	Rs. 40,000/-
2. Mr. Ganesh Malhotra	Rs. 30,000/-
3. Mr. Sajid Mohamed	Rs. 30,000/-
4. Mrs. Anjali Suresh	Rs. 10,000/-
5. Mr. Pratik M. Doshi	Nil

3 Audit Committee

The Board has set up the Audit Committee with two Independent Director Mr. Ganesh Malhotra, Mr. Sajid Mohamed and Managing Director Mr. Pratik Doshi. Mr. Ganesh Malhotra is the Chairman of the Audit Committee. Mr. Sajid Mohamed and Mr. Pratik Doshi are the members of the Audit Committee.

Audit Committee meetings were held on 10th May, 2018, 10th August, 2018, 30th October, 2018 and 4th February, 2019. All the members have attended the aforesaid meetings. The Statutory Auditors were the invitees to the above meetings. The scope of activities and powers of Audit Committee includes the areas prescribed under the Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, and section 177 of the Companies Act, 2013.

4. Stakeholders Relationship Committee

Stakeholders Relationship Committee has been constituted pursuant to the section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the said Committee is consist of Mr. S S Gulati, non-executive director and Mr. Pratik Doshi, executive director. Mr. S. S. Gulati is appointed as a Chairman and Mr. Siddharth R. Mehta, Company Secretary of the Company is a Compliance Officer.

Company has received one complaint from investor during 1st Quarter of the year under review. The same has been resolved in due time. No transfer of share is pending as on date.

M/s. V. R. Associates, Practicing Company Secretaries is conducting Reconciliation of Share Capital Audit, for the Company.

5. Nomination and Remuneration Committee

The Nomination and Remuneration Committee has been constituted by the Company. The Committee consists of two Independent Director viz. Mr. Ganesh Malhotra and Mr. Sajid Mohamed and one Non-executive Director, Mr. S.S. Gulati. Mr. Ganesh Malhotra is the Chairman of the Nomination and Remuneration Committee. Mr. Sajid Mohamed and Mr. S.S.Gulati are the members of the Nomination and Remuneration Committee.

The terms of reference of the Nomination and Remuneration Committee cover all the areas mentioned under Part D Schedule II read with regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and section 178 of the Companies Act, 2013. The broad terms of reference of the Nomination and Remuneration Committee therefore include recommending a policy relating to remuneration and employment terms of Executive Chairman, directors and senior management personnel, adherence to the remuneration/employment policy, also to prepare, administrate and monitor Company's Employees Stock Options Plans /Scheme from time to time, as finally approved by the Board of Directors. Preparing the criteria and identify persons who may be appointed as directors or senior management of the Company, preliminary evaluation of every Director's performance, Board diversity, compliance of the Code for Independent Directors referred to in Schedule IV of the Companies Act, 2013, compliance with the Company's Code of Conduct by Directors and employees of the Company, reporting non-compliances, in case if any, to the Board of Directors, recommending draft of the report required under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 which will form part of the Directors Report to Shareholders, monitor loans to employees and any other matters which the Board of Directors may direct from time to time.

During the financial year ended March 31, 2019, one meeting of the Nomination and Remuneration Committee was held on 30th October, 2018. All the members have attended the aforesaid meeting. At present, Directors are not paid any fees for attending any Committee Meetings.

Policy for selection and Appointment of Directors and their Remuneration

Criteria of selection of Non-executive Directors:

The Non-executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of marketing, finance, taxation, law, governance and general management.

In case of appointment of Independent Directors, the Committee shall satisfy itself with regard to the independent nature of the Directors vis-a-vis the Company so as to enable the Board to discharge its function and duties effectively.

The Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.

The Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.

- i. Qualification, expertise and experience of the Directors in their respective fields;
- ii. Personal, Professional or business standing;
- iii. Diversity of the Board.

In case of re-appointment of Non-executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

Remuneration:

A Non-executive Director shall be entitled to receive sitting fees for each meeting of the Board attended by him/her, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Managing Director / Director – Criteria for selection / appointment

For the purpose of selection of the Managing Director / Director the Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfils such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

Remuneration for the Managing Director / Director:

At the time of appointment or re-appointment, the Managing Director / Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the Committee and the Board of Directors) and the Managing Director / Director within the overall limits prescribed under the Companies Act, 2013.

The remuneration shall be subject to the approval of the Members of the Company in General Meeting.

The remuneration of the Managing Director / Director comprises of fixed and variable component as per the provisions of Companies Act, 2013. The fixed component comprises salary, allowances, perquisites, amenities and retiral benefits.

Remuneration Policy for the Senior Management Employees:

In determining the remuneration of the Senior Management Employees the Committee shall ensure the relationship of remuneration and performance benchmark is clear.

The Executive Chairman will carry out the individual performance review based on the respective defined objectives, qualification, expertise, experience and other factors whilst recommending the annual increment and performance incentive to the Committee for its review and approval.

6. Corporate Social Responsibility (CSR) Committee:

As required under section 135 of the Companies Act, 2013 the Company has formed a CSR Committee consisting of the following members.

Name of the Member	Designation
Mrs. Anjali Suresh	Chairperson
Mr. Pratik M. Doshi	Member
Mr. S.S.Gulati	Member

7. Performance Evaluation of the Board

A separate exercise was carried out to evaluate the performance of individual Directors including the Managing Director of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Managing Director and the Non-independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

8. Independent Directors Meeting

During the year under review, the Independent Directors met on February 04, 2019, inter alia, to discuss:

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as a Whole;
2. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Non-executive Directors.
3. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the meeting.

9. General Body Meetings

The particulars of last three years Annual General Meetings are as under:

Financial Year	Day	Date	Time
2017-2018	Friday	24 th August, 2018	11.00 a.m.
2016-2017	Wednesday	24 th May 2017	11.30 a.m.
2015-2016	Thursday	9 th June 2016	11.00 a.m.

Location:

For the Financial year 2015-16 Annual General Meeting of the Company was held at 112A Embassy center, Nariman point, Mumbai 400021. For the Financial year 2016-17 and 2017-18 Annual General Meeting of the Company were held at M.C.Ghia Hall, Hargovindas Building, 18/20, Kaikhushru Debash Marg, Mumbai 400001.

Business

Year	Special Resolution passed.
2017-2018	1. Pursuant to Section 186(3) of the Companies Act, 2013, ceiling of Loans and Investments (including Corporate Guarantees) is fixed at Rs.30,00,00,000/-.
2016-2017	1. For Revision of Managing Director's Remuneration and various allowances. 2. Approval and implementing ESOP 2017 in one or more tranches.
2015-2016	1. For adoption of new set of Articles of Association 2. For approval of Related party transactions

10. Disclosure

1. The related party details are disclosed in the notes to financial statements. The Register of Contracts containing the transactions in which Directors are interested is regularly placed before the Board for its approval.
2. From the date of listing of securities i.e. as on December 01, 2016, there were no strictures or penalties imposed either by Securities and Exchange Board of India or the Stock Exchange or any regulatory authority for non-compliance of any matter related to the capital market.
3. No personnel have been denied access to the Chairman or members of the Audit Committee. The mechanism of Whistle Blower Policy is in place.
4. To the extent possible, the Company has complied with the mandatory requirement of this clause.
5. The Company has complied with all applicable Accounting Standards in preparation of its financial statements pursuant to the amended Schedule III of Companies Act, 2013.

6. Weblink:

- a. Policy on dealing with Related Party Transactions:
https://www.lkpsec.com/investerinfpdf/636280431132695695_Policy_on_Related_Party_Transactions.pdf
- b. Policy for determining 'material' subsidiaries:
https://www.lkpsec.com/investerinfpdf/636280431408860814_Policy_for_determining_Material_Subsiary.pdf

7. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has in place an Anti-Sexual Harassment Policy (Prevention of Sexual Harassment (POSH) Policy) in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2018-19.

- No of complaints received: Nil
- No of complaints disposed off: Nil
- No. of Complaints pending: Nil

11. Means of Communication

1. The financial results for year ended March 31, 2018 and quarterly results for quarter ended June 30, 2018, September 30, 2018 and December 31, 2018 were published in The Financial Express and Mumbai Lakshwadeep. These were not sent individually to the shareholders.
2. The Company's results or official news are displayed on a web site www.lkpsec.com
3. There were no presentations made to the institutional investors or to the analysts.
4. The Management, Discussion and Analysis Report form a part of this Annual Report.

12. General Shareholder Information

AGM Date, Time and Venue:	Friday, 5 th July, 2019 at 10.45 am at M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Mumbai 400 001, Maharashtra, India.
Financial Calendar	April to March

Announcement of Audited / Un-audited Results (tentative)

 1st Quarter - First week of August

 2nd Quarter - First week of November

 3rd Quarter - First week of February

 4th Quarter - First week of May

Book Closure

 Monday, 1st July, 2019 to Friday, 5th July, 2019 (both days inclusive)

Dividend

The Board has not recommended any dividend for FY 2018-19.

Listing on Stock Exchange

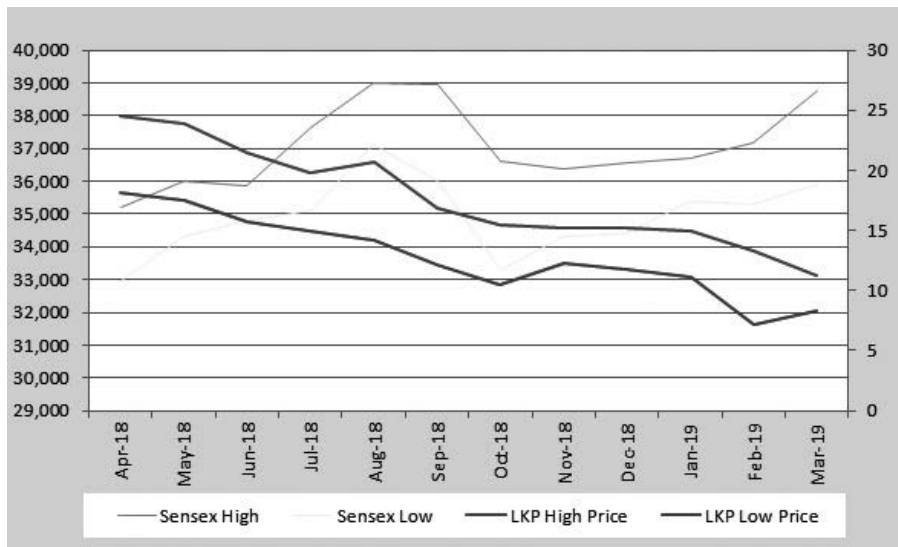
 B S E Limited, Mumbai (Code-540192). The Company has paid the listing fees for the period from 1st April 2019 to 31st March 2020.

Demat ISIN No. for Depositories

INE341H01023

Market Price Data and Performance in comparison to BSE Sensex

	LKP Securities Ltd				BSE Sensex	
	LKP High Price	LKP Low Price	Volume	No of trades	Sensex High	Sensex Low
Apr-18	24.50	18.20	365,385	1,151	35,213	32,973
May-18	23.90	17.55	492,504	2,023	35,994	34,303
Jun-18	21.50	15.70	193,922	1,225	35,877	34,785
Jul-18	19.85	15.00	279,468	1,517	37,645	35,107
Aug-18	20.70	14.15	294,708	2,131	38,990	37,129
Sep-18	16.90	12.10	232,094	1,837	38,934	35,986
Oct-18	15.45	10.50	187,599	1,760	36,617	33,292
Nov-18	15.20	12.25	107,902	737	36,389	34,303
Dec-18	15.20	11.76	469,154	794	36,555	34,426
Jan-19	15.00	11.06	113,777	941	36,701	35,376
Feb-19	13.35	7.21	436,797	1,654	37,172	35,287
Mar-19	11.26	8.25	147,804	869	38,749	35,927


Registrar & share Transfer Agent

M/s. Adroit Corporate Services Private Limited

 19, Jafarbhoj Industrial Estate, 1st Floor, Makawana Road, Marol Naka, Andheri (East), Mumbai 400 059.

Tel. No.022- 28590942

Share Transfer System

The Company's Shares are traded on BSE Limited compulsorily in the dematerialized form. However, all requests received for transfer of shares for off market transaction in physical form furnishing with a copy of PAN card of the transferee(s) in compliance with the SEBI circular in that behalf are processed by the Registrar and Transfer Agents and are approved by Share Transfer

Committee on weekly basis. The Share Transfers are registered and returned within period of 15 days from the date of lodgment, if documents are complete in all respects.

Distribution of shareholding as on 31st March 2019

Shares Slab	Share Holders	%	Total Shares	Amount (Rs.)	%
Upto - 100	804	12.03	34469	68938	0.05
101 - 500	1013	15.15	308905	617810	0.42
501 - 1000	2711	40.55	1746607	3493214	2.36
1001 - 2000	1026	15.35	1465013	2930026	1.98
2001 - 3000	346	5.18	921636	1843272	1.25
3001 - 4000	141	2.11	501418	1002836	0.68
4001 - 5000	131	1.96	620021	1240042	0.84
5001 -10000	266	3.98	1887162	3774324	2.55
10001 -20000	124	1.85	1725591	3451182	2.33
20001 -50000	71	1.06	2223294	4446588	3.01
50001 & Above	52	0.78	62500620	125001240	84.53
Total :	6685	100.00	73934736	147869472.00	100.00

Share holding pattern as on 31st March 2019

	Category of Shareholder	Total number of shares	% to the Shareholding
1	Indian Promoters / Person Acting in Concert	48162432	65.14
2	Directors other than Promoters	39976	0.05
3	Mutual Fund and UTI	4200	0.01
4	Financial Institutions / Banks and Insurance Com.	15300	0.02
5	FII's	2101882	2.84
6	Private Corporate Bodies	3986734	5.39
7	Indian Public	14137312	19.13
8	Foreign Corporate Bodies	4364934	5.90
9	NRI/OCB	1117656	1.51
10	Others	4310	0.01
	Total	73934736	100

Dematerialization of equity Shares and liquidity

As on 31st March 2019, 97.00 % of the Company's total shares represented by 7,17,16,840 shares were held in dematerialized form.

Out-standing GDR/Warrants/Convertible Instruments

The Company has no out-standing GDR/Warrants/Convertible Instruments.

Address for correspondence

LKP Securities Limited
 203, Embassy Centre,
 Nariman Point,
 Mumbai 400 021

For and on behalf of Board of Directors

Mumbai
 Date: 2nd May, 2019

(Pratik M. Doshi)
 Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members,

LKP Securities Limited

We have examined the compliance of conditions of corporate governance by LKP Securities Limited ("the company") for the year ended on 31st March, 2019, as specified in Chapter IV of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the company for ensuring compliance with the conditions of the corporate governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the management, we certify that the company has complied with conditions of corporate governance as specified in Chapter IV of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

We state that such compliance is neither an assurance as to future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

*For V.R. Associates
Company Secretaries*

Place: Mumbai
Date: 2nd May, 2019

*V. Ramachandran
CP 4731*

Certificate under Regulation 34(3) of SEBI Listing Regulations

We have examined the relevant records, registers, forms, and documents of LKP Securities Ltd. (the company), having CIN L67120MH1994PLC080039 and registered office at 203 Embassy Centre, Nariman Point, Mumbai 400 021, maintained and produced before us, and the records available in public domain, for the year ended 31st March, 2019 for the purpose of issuing the certificate under regulation 34(3), read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Based on our examination of the records, documentation as well as information and explanation furnished to us, including the disclosures from the Directors of the company, which to the best of our knowledge and belief were necessary for the purposes of certification, we hereby certify that in our opinion and according to the best of our information and belief, none of the Directors on the Board of the company have been debarred or disqualified from being appointed or continuing as Director of companies either by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any such statutory authority.

*For V.R. Associates
Company Secretaries*

Place: Mumbai
Date: 2nd May, 2019

*V. Ramachandran
CP 4731*

COMPLIANCE CERTIFICATE**[Regulation 17(8) of SEBI (Listing and Disclosure Requirements, 2015)]**

The Board of Directors

LKP Securities Limited

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit committee that there is NO :
- (1) significant changes in internal control over financial reporting during the year;
 - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) Instances of significant fraud of which we have become aware and the involvement therein; if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For LKP Securities Limited

For LKP Securities Limited

Mumbai
Date: 2nd May, 2019Pratik M. Doshi
Managing DirectorGirish Majrekar
Chief Financial Officer**COMPLIANCE WITH CODE OF CONDUCT**

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management personnel have confirmed compliance with the Code of Conduct for the year ended March 31, 2019.

For LKP Securities LimitedPlace: Mumbai
Date: 2nd May, 2019Pratik M. Doshi
Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

Industry structure and developments

F.Y. 2018-19 witnessed a surge in indices with large caps doing well led by key constituents of the NIFTY. However the broader markets especially the small and midcap segment actually fell. F.Y. 2018-19 witnessed an 81% drop in fund raising from IPO market at Rs. 16300 crores against Rs. 83767 crores during last fiscal. Similarly funds mobilized through the QIP route also witnessed a massive decline of 83% at Rs. 10500 crores as against Rs. 62520 crores seen last fiscal. Bank Credit grew 13% while Deposits grew 10%. Mid 2018 witnessed considerable weakness in inflows into debt mutual funds.

Mutual Fund Houses with exposure to Fixed Maturity Plans of certain large corporate groups created nervousness in debt markets. We being distributors of these products also felt the heat during the year.

Your company made significant investments in Technology Upgradation during the year keeping an eye on the future growth opportunities.

Opportunities and Threats

Your Company being a Stock Broking firm seeks opportunities in the capital market. The volatility in the stock indices in the financial year under report represents both an opportunity and challenge for the Company.

The business of the company is affected by the sentiments prevailing in the stock markets.

LKP Securities Ltd. is one of the reputed broking houses of the country, having a network of 3000 plus channel partner PAN India (including Branch Offices, Registered Authorized Persons and Introducers). The company has put in place a new team to drive the retail business.

The Company is empanelled with most of the reputed domestic financial institutions including life and non-insurance companies, mutual funds, foreign financial institutions and corporates, apart from having large number of HNI and retail clients. In the event of strong and stable government at the centre, the likely increase in capital mobilisation from the primary market, increase in resource mobilisation by mutual funds and phenomenal growth in secondary market volumes could provide significant business opportunities for the Company.

Outlook

The liquidity crisis, coupled with increasing stress in the corporate segment warrants caution. Prime Minister Narendra Modi while addressing the World Economic Forum said India could well be a \$5 trillion economy by 2025 but is surely facing a major challenge of falling farm incomes and the lack of job opportunities for thousands of youth entering the labour force each month.

On the external front the ongoing Trade War between the US and China and the happenings in the EU are factors which could exert pressure on markets. Also within India a visible slowdown as seen in the Q4 earnings released by the first set of companies seem to suggest that on the ground we are witnessing muted demand even in defensive sectors like Fast Moving Consumer Goods. The advent and prediction of Monsoon is also a key factor to be watched.

LKP Securities Limited, being an intermediary in the market, sees the constant opportunities of driving their Business Growth through its wide customer base PAN India. LKP provides alternative modes of trading and investments to its clients and have constantly taken efforts to upgrade various platforms for trading and investments, since Broking Industry has significantly undergone transformation to technology based trading from manual trading. LKP provides Web Based and Mobile trading App to its client for all their trading and investment needs.

During the year under review Wholesale Debt Market Division of your Company has made its significant presence as an Arranger for many primary issuances of Bonds and NCDs by Corporate and PSUs. The Company managed the CP Issuances by leading Corporate & PSUs. The Company has been rated by Prime League table as one of the top 16 long-term debts Arranger and as No. 5 Arranger for CP placement. The Company has emerged as one of the top intermediary in WDM segment of NSE/BSE.

LKP Wealth Advisory Limited (100% subsidiary of your company) which started as a corporate agent for Insurance business received the Advisory License and commenced new product offerings in Cash Market and Structured Products.

Risks and Concerns

The stock broking industry has witnessing intense competition, falling brokerage rates and the entry of several big players. The Capital market industry in which your Company is operating is subject to extensive regulation. The Company evaluates the technological obsolescence and the associated risk and makes investment accordingly.

Internal Control Systems and their adequacy

The Company has satisfactory internal control system.

The Company has an adequate system of internal controls to ensure accuracy of accounting records, compliance with all laws & regulations and compliance with all rules, procedures & guidelines prescribed by the management. An extensive internal audit is carried out by independent firm of Chartered Accountants. An internal team of inspection also regularly visits branches for ensuring regulatory compliance. Post audit reviews are also carried out to ensure follow up on the observations made.

Financial Performance with respect to Operational Performance**Share Capital**

The paid up equity share capital of the Company as on March 31, 2019 stands at Rs. 14,78,69,472/- divided into 7,39,34,736 equity shares of Rs. 2/- each fully paid up.

Net Worth

The Net Worth of the Company is Rs. 3808.35 Lacs.

Secured Loans

During the year under consideration Rs. 2532.08 Lacs.

Total Income

During the year under consideration Rs. 9450.15 Lacs.

Other Income

During the year under consideration Rs. 35.97 Lacs.

Interest and Finance Charges

During the year under consideration Rs. 748.10 Lacs.

Tax Expense

During the year under consideration Rs. (111.29) Lacs.

Human Resources

There has been no material development on the Human Resource/Industrial Relations front during the year.

LKP Securities Ltd. places significant importance to its human capital. As on 31st March 2019 there are 556 employees employed by the Company. The company has also provided medical insurance for its employees and family members as a welfare measure. The company has been paying special attention to improve the skill set of the employees through various training programs. All employees are encouraged and motivated to get themselves certified in relevant industry standard certifications such as CFP, NCFM, NISM, BSEC & AMFI.

For and on behalf of the Board of Directors

Mumbai
Date: 2nd May, 2019

(Pratik M. Doshi)
Managing Director

Independent Auditor's Report

To The Members of
LKP Securities Limited

Report on the Audit of the Standalone Financial Statements

1. Opinion

We have audited the accompanying standalone financial statements of **LKP Securities Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended on that date, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

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

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	<p>Accuracy and completeness of revenue recognised and related IT systems</p> <p>The application of revenue recognition accounting standards involves revenue arrangements and relevant contracts.</p> <p>Due to the different revenue arrangements and the degree of complexity of IT systems and processes used, we have considered this matter as a key audit matter.</p> <p>The Company's accounting policies relating to revenue recognition are presented in note 2 to the financial statements.</p>	<p>Principal Audit Procedures</p> <p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <ul style="list-style-type: none"> - Understanding the significant revenue processes including performance of an end to end walkthrough of the revenue assurance process and identifying the relevant controls (including IT systems, interfaces and reports). - Reviewing sample contracts for accounting treatments opted and testing the related revenues recognised during the year and to have reasonable assurance of adequate IT controls. - Performing data analysis and analytical reviews of significant revenue streams; - Reviewing key reconciliations performed by the Revenue Assurance team; - Performing specific procedures to test the accuracy and completeness of adjustments relating revenue; and - Performing procedures to ensure that the revenue recognition criteria adopted by the Company for all major revenue streams is appropriate and in line with the accounting policies. <p>Conclusion</p> <p>Our procedures did not identify any material exceptions.</p>

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

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

5. Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

6. Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

7. Report on Other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in the paragraph 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 purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

- g) With respect to the other matters to be included in the the Auditor's Report in accordance with the requirements of section 197(16) of the act, as amended :
- In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/payable by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - The Company has made provision as required under the applicable law or accounting standards, for material foreseeable losses, if any, in respect of long term contracts including derivative contracts; and
 - There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year.

For MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035

Sanjay Kothari
Partner
Membership Number 048215

Mumbai, 2nd May 2019

Annexure - A to the Independent Auditor's Report

Annexure referred to in paragraph 7 (1) under "Report on Other Legal and Regulatory Requirements" of our report of even date to the Members of the Company on the standalone financial statements for the year ended 31 March 2019

- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - All the fixed assets have been physically verified by the management during the year as which in our opinion, is reasonable having regard to the size of the Company and nature of its assets. As informed to us, no discrepancies were noticed on such verification.
 - According to the information and explanations given to us, there are no immovable properties held in the name of the Company.
- As explained to us, the inventories have been physically verified by the management at the reasonable intervals during the year on the basis of statements received from the custodians and depository participants and no discrepancies were noticed on verification as compared to book records.
- According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act.
- In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and section 186 of the Act with respect to loans given and investments made. The Company has not given guarantees or provided security during the year.
- The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the rules framed thereunder.
- The Central Government of India has not prescribed the maintenance of cost records under Section 148 (1) of the Act for any of the services rendered by the Company.
- According to the records of the Company, examined by us and information and explanations given to us:
 - Undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and others as applicable have generally been regularly deposited with the appropriate authorities except delay in few cases. There are no undisputed amounts payable in respect of aforesaid dues outstanding as at 31 March 2019 for a period of more than six months from the date they became payable..
 - There are no dues of duty of customs, sales tax and duty of excise which have not been deposited on account of any dispute. The disputed dues of income tax, service tax and value added tax which have not been deposited are as under:

Name of the Statute	Nature of the Dues	Amount in (Rs. in Lakhs)	Period to which the amount relate	Forum where dispute is pending
The Income Tax Act, 1961	Income tax	6.82	AY 2008-2009	Commissioner of Income Tax (Appeals)

- According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institution and banks. The Company has not taken any loans from Government and has not issued any debentures.
- In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have been informed of any such case by the Management.
- According to the records of the Company examined by us, and information and explanations given to us, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it.
- According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- xiv. According to the records of the Company examined by us, and information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the records of the Company examined by us, and information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035

Sanjay Kothari
Partner
Membership Number 048215

Mumbai, 2nd May 2019

Annexure - B to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 7(II)(f) under "Report on other Legal and Regulatory requirements" of our report of even date to the members of the Company on the standalone financial statements for the year ended 31 March 2019

We have audited the internal financial controls over financial reporting of **LKP Securities Limited** ("the Company") as of 31 March 2019 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

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

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

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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035

Sanjay Kothari
Partner
Membership Number 048215

Mumbai, 2nd May 2019

STANDALONE BALANCE SHEET AS AT 31 MARCH 2019

(Rs. Lakhs)

	Note	31 March 2019	31 March 2018
ASSETS			
(1) Financial Assets			
(a) Cash and cash equivalents	3(a)	1,764.05	1,496.43
(b) Bank Balance other than (a) above	3(b)	3,427.07	3,381.45
(c) Receivables	4		
Trade receivables		5,099.99	6,558.26
(d) Loans	5	293.04	19.76
(e) Investments	6	619.78	385.32
(f) Other Financial assets	7	764.05	736.31
Total Financial Assets		11,967.98	12,577.53
(2) Non-Financial Assets			
(a) Current tax assets (net)	8	275.16	148.69
(b) Deferred tax assets (net)	9	475.96	299.70
(c) Property, plant and Equipment	10	374.87	288.29
(d) Goodwill	11	125.59	125.59
(e) Other Intangible Assets	11	83.97	53.91
(f) Other non-financial assets	12	1,030.24	2,932.95
Total Non-Financial Assets		2,365.79	3,849.13
TOTAL ASSETS		14,333.77	16,426.66
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(a) (I) Trade payable	13		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		6,982.93	5,520.72
(II) Other payable			
(i) total outstanding dues of micro enterprises and small enterprises		7.91	9.00
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		128.15	81.15
(b) Borrowings	14	2,532.08	6,338.63
(c) Deposits	15	274.07	249.10
(d) Other financial liabilities	16	9.67	15.37
Total Financial Liabilities		9,934.81	12,213.97
(2) Non-Financial Liabilities			
(a) Current Tax liabilities (net)	17	-	155.10
(b) Provisions	18	201.85	238.14
(c) Other non-financial liabilities	19	388.77	199.33
Total Non-financial liabilities		590.62	592.57
(3) Equity			
(a) Equity Share Capital	20	1,478.69	1,464.43
(b) Other Equity	21	2,329.65	2,155.69
Total Equity		3,808.34	3,620.12
TOTAL EQUITY AND LIABILITIES		14,333.77	16,426.66
Notes forming part of the financial statements	1-50		

In terms of our Report attached

For and on behalf of the board

For MGB & Co. LLP

Chartered Accountants

Firm Registration No. 101169W/W-100035

Sanjay Kothari

Partner

Membership No. 048215

Place : Mumbai

 Date : 2nd May 2019

Managing Director

Director

Chief Financial Officer

Company Secretary

Pratik Doshi
S. S. Gulati
Girish Majrekar
Siddharth Mehta

Statement of Profit and Loss for the year ended 31 March 2019

(Rs.Lakhs)

	Note	31 March 2019	31 March 2018
Revenue from operations	22		
(i) Interest Income		895.39	1,144.36
(ii) Dividend Income		0.11	0.25
(iii) Fees and Commission Income		8,316.01	7,292.34
(iv) Net gain on fair value changes		4.44	204.49
(v) Others		234.20	-
Total Revenue from operations		9,450.15	8,641.44
Other Income	23	35.97	11.55
Total Income		9,486.13	8,652.99
Expenses			
(i) Finance Costs	24	748.10	671.68
(ii) Fees and commission Expense	25	3,322.73	2,565.16
(iii) Net loss on fair value changes	26	-	19.94
(iv) Employee benefits expense	27	3,832.25	2,994.44
(v) Depreciation, amortisation and impairment	28	88.32	95.74
(vi) Other expenses	29	1,416.32	987.90
Total Expenses		9,407.72	7,334.86
Profit/(Loss) before exceptional items and tax		78.41	1,318.13
Exceptional Items		-	-
Profit Before Tax		78.41	1,318.13
Tax expenses	30		
Current tax		33.19	272.74
Deferred tax (Assets) / Liabilities		(95.96)	248.47
MAT Credit entitlement-current year		(14.25)	-
- earlier year		(34.27)	-
Total tax expenses		(111.29)	521.21
Profit for the year		189.70	796.92
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
- Remeasurement gains/losses on defined benefit plan		(103.09)	(41.91)
- Fair value change on equity instruments through other comprehensive income		(11.16)	5.10
- Income tax relating to items that will not be reclassified to profit or loss		31.78	14.51
Other Comprehensive Income for the year		(82.47)	(22.30)
Total comprehensive Income for the year		107.23	774.61
Earning per equity share (face value of Rs. 2 each)	40		
Basic (in Rs.)		0.26	1.09
Diluted (in Rs.)		0.26	1.07
Notes forming part of the financial statements	1-50		

In terms of our Report attached

For and on behalf of the board

For MGB & Co. LLP

Chartered Accountants

Firm Registration No. 101169W/W-100035

Sanjay Kothari

Partner

Membership No. 048215

Managing Director

Director

Chief Financial Officer

Company Secretary

Pratik Doshi
S. S. Gulati
Girish Majrekar
Siddharth Mehta

Place : Mumbai

 Date : 2nd May 2019

Statement of Changes in Equity for the year ended 31 March 2019

		Rs in Lakhs					
A.	Equity Share Capital						
	As at 31 March 2018	1,464.43					
	Changes in equity share capital	14.26					
	As at 31 March 2019	1,478.69					
B.	Other Equity						
		Reserves and Surplus				Other Comprehensive Income	Total other Equity
		Preference Share Redemption Reserves	Share based payment reserve	Retained Earnings	Securities Premium	Equity Instruments	
	As at 31 March 2018	1,960.39	94.61	218.64	-	(117.95)	2,155.69
	Profit for the year	-	-	189.70	-	-	189.70
	Remeasurement of defined benefit plan (net of deferred tax)	-	-	(71.31)	-	-	(71.31)
	Dividend paid (including tax)	-	-	(88.27)	-	-	(88.27)
	Other comprehensive income						
	Gain on fair value asset	-	-	-	-	(11.16)	(11.16)
	Total comprehensive income for the year	1,960.39	94.61	248.75	-	(129.11)	2,174.65
	Share based payments	-	119.32	-	-	-	119.32
	Premium on issue of ESOP shares	-	(53.86)	-	89.54	-	35.68
	As at 31 March 2019	1,960.39	160.07	248.75	89.54	(129.11)	2,329.65
Notes forming part of the financial statements (1-50)							

- 1) Preference shares redemption reserve is created on cancellation of redeemable preference shares under scheme of demerger.
- 2) Securities premium is created in issue of shares
- 3) Shares Based payment reserve is related to share options granted by the company to its employee under its employee share option plan.
- 4) Retained earnings represent the accumulated earnings net of losses if any made by the company over the years.
- 5) Other comprehensive income includes fair value gain on equity instruments measured at fair value through other comprehensive income.

In terms of our Report attached

For and on behalf of the board
For MGB & Co. LLP

 Chartered Accountants
 Firm Registration No. 101169W/W-100035

Sanjay Kothari

 Partner
 Membership No. 048215

 Managing Director
 Director
 Chief Financial Officer
 Company Secretary

Pratik Doshi
S. S. Gulati
Girish Majrekar
Siddharth Mehta

Place : Mumbai

 Date : 2nd May 2019

Standalone Cash flow statement for the year ended 31 March 2019

(Rs Lakhs)

	31 March 2019	31 March 2018
A. Cash flow from operating activities		
Profit before tax	78.41	1,318.13
Adjustments for:		
Depreciation and amortization expense	88.32	95.74
Loss on sale/ discard of property, plant and equipment/ intangibles	(0.09)	1.32
Interest expense	680.45	605.99
Interest Income	(895.39)	(1,144.36)
Dividend Income	(0.11)	(0.25)
Net loss/ (gain) on Investments carried at fair value through profit and loss	-	19.94
Share based expenses	119.32	94.61
(Profit) / Loss on Sale of Investment (net)	(238.64)	(204.49)
Operating profit before working capital changes	(167.73)	786.63
Adjustments for:		
Decrease / (increase) in Trade Receivables	3,333.24	(1,805.94)
(Decrease) /increase in Trade payables	1,428.05	2,077.73
Cash generated from operations	4,593.56	1,058.42
Direct tax paid (net of refunds)	(159.66)	(177.89)
Net cash from/ (used in) operating activities (A)	4,433.90	880.54
B. Cash flow from investing activities		
Purchase of property, plant and equipment	(205.00)	(108.95)
Sale of Property, plant and equipment and intangible assets	0.12	-
Purchase of investments	(514.93)	(299.35)
Sale of investments	507.95	388.04
Loans given	(273.28)	(106.35)
Loans repaid	-	709.78
(Increase)/ decrease in bank deposits	(45.61)	(1,209.37)
Interest received	895.39	1,144.36
Dividend received	0.11	0.25
Net cash from/ (used in) investing activities (B)	364.75	518.42
C. Cash flow from financing activities		
Proceeds from issue of shares on ESOP	49.94	-
Dividend Paid	(88.27)	-
Proceeds from borrowings	-	372.96
Repayments of borrowings	(3,812.25)	(601.20)
Interest paid	(680.45)	(605.99)
Net cash from/ (used in) financing activities (C)	(4,531.03)	(834.23)
Net changes in cash and cash equivalents (A+B+C)	267.62	564.73
Cash and cash equivalents at the beginning of the year	1,496.43	931.70
Cash and bank balances at the end of the year	1,764.05	1,496.43
Notes:		
1. Previous year figures have been regrouped or recast wherever, considered necessary		
2. Cash and cash equivalents consists of :		
Cash in Hand	0.38	0.87
Balances with banks:		
in current accounts	1,763.67	1,495.56
Total	1,764.05	1,496.43

In terms of our Report attached

For and on behalf of the board

For MGB & Co. LLP
 Chartered Accountants
 Firm Registration No. 101169W/W-100035

Sanjay Kothari
 Partner
 Membership No. 048215

Managing Director
 Director
 Chief Financial Officer
 Company Secretary

Pratik Doshi
S. S. Gulati
Girish Majrekar
Siddharth Mehta

Place : Mumbai
 Date : 2nd May 2019

Notes forming part of the financial statements

1 Company information

LKP Securities Limited ("the Company") is domiciled and incorporated in India and its shares are publicly traded on the Bombay Stock Exchange (BSE) in India. The Company's registered office is located at 203, Embassy centre, Nariman point, Mumbai 400021, Maharashtra, India. The Company is engaged as a stock and securities broker and providing other financial service with nationwide network across assets classes equities, debt, structured products, Portfolio Management services and Third party distribution.

The separate financial statement (hereinafter referred to as "Financial Statements") of the Company for the year ended 31 March 2019 were authorised for issue by the Board of Directors at the meeting held on 2 May 2019.

2 Significant accounting policies

(a) Basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies stated out below.

Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh as per the requirement of schedule III (except per share data), unless otherwise stated.

(b) Property, plant and equipment

All property, plant and equipment are stated at cost, less accumulated depreciation and impairment loss, if any. The Cost comprises purchase cost, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

(c) Intangible assets

Intangible assets acquired or developed are measured on initial recognition at cost and stated at cost less accumulated amortisation and impairment loss, if any.

(d) Depreciation on property, plant & equipment/ intangible assets

i) Depreciable amount for property, plant and equipment / intangible assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on property, plant and equipment is provided on straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013

ii) Intangible assets are amortised on straight line basis over their respective individual useful lives estimated by the management.

(e) Derecognition of property, plant and equipment / intangible assets

The carrying amount of an item of property, plant and equipment / intangibles is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment / intangibles is measured as the difference between the net disposal in proceeds and the carrying amount

of the item and is recognised in the statement of profit and loss when the item is derecognised.

(f) Goodwill

Goodwill are measured on initial recognition at deemed cost and no amortisation is charged on the goodwill. The intangible asset recoverable amount is greater than the carrying value hence impairment is not required as per Ind AS 36 "Impairment of Asset".

(g) Leases

(i) Finance lease

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

(ii) Operating lease

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Operating Lease payments / revenue are recognised on straight line basis over the lease period in the statement of profit and loss account unless increase is on account of inflation.

(h) Cash and cash equivalents

(i) Cash and cash equivalents in the balance sheet comprise cash at bank and on hand and short-term deposit with original maturity upto three months, which are subject to insignificant risk of changes in value.

(ii) For the purpose of presentation in the statement of cash flows, cash and cash equivalents consists of cash and short-term deposit, as defined as they are considered as integral part of company's cash management.

(i) Fair value measurement

The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments.

All financial assets and financial liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1** — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- **Level 2** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, or
- **Level 3** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(l) Financial instruments

Financial instruments is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

i Initial recognition

Financial assets are recognized when the company becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the

acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in the statement of profit and loss.

ii Subsequent measurement

Financial assets are classified into the following specified categories: amortised cost, financial assets 'at fair value through profit and loss' (FVTPL), 'Fair value through other comprehensive income' (FVTOCI). The classification depends on the Company's business model for managing the financial assets and the contractual terms of cash flows.

Debt Instrument

Amortised Cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. This category generally applies to trade and other receivables.

Fair value through other comprehensive income (FVTOCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets.
- b. The asset's contractual cash flows represent solely payments of principal and interest.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Fair value through Profit and Loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is considered only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

The Company measures its equity investments other than in subsidiary at fair value through profit and loss. However where the Company's management makes an irrevocable choice on initial recognition to present fair value gains and losses on specific equity investments in other comprehensive income, there is no subsequent reclassification, on sale or otherwise, of fair value gains and losses to the statement of profit and loss.

Investment in subsidiary

Investment in subsidiary are carried at cost less impairment loss in accordance with IND AS 27 on "Separate Financial Statements". Refer note 6 for list of investments.

Derivative financial instruments

Derivative financial instruments are classified and measured at fair value through profit and loss.

iii Derecognition of financial assets

A financial asset is derecognised only when

- i) The Company has transferred the rights to receive cash flows from the asset or the rights have expired or
- ii) The Company retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Impairment of financial assets

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Financial liabilities and equity instruments

Debt or equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

i Classification

Financial liabilities are recognized when company becomes party to contractual provisions of the instrument.

The Company classifies all financial liabilities at amortised cost or fair value through profit or loss.

ii Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the profit or loss.

iii De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(j) Borrowings and Borrowing costs

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the EIR.

Preference shares, which are mandatorily redeemable on a specific date are classified as liabilities.

Borrowing costs attributable to the acquisition or construction of qualifying assets till the time such assets are ready for intended use are capitalised as part of cost of the assets. All other borrowing costs are expensed in the period they occur.

(k) Provisions, contingent liabilities and contingent assets

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements, however they are disclosed where the inflow of economic benefits is probable. When the realisation of income is virtually certain, then the related asset is no longer a contingent asset and is recognised as an asset.

(l) Revenue recognition

The Companies (Indian Accounting Standards) Amendment Rules, 2018 issued by the Ministry of Corporate Affairs (MCA) notified Ind AS 115 "Revenue from Contracts with Customers" related to revenue recognition which replaces all existing revenue recognition standards and provide a single, comprehensive model for all contracts with customers. The revised standard contains principles to determine the measurement of revenue and timing of when it is recognized. The amendment also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in those judgments as well as assets recognized from costs incurred to fulfill these contracts.

The Company has adopted Ind AS 115 w.e.f. 1 April 2018 using the full retrospective approach. Impact on the financial statements upon adoption of Ind AS 115 is considered and disclosed in Note 42 to the financial statements

A. Revenue - Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised only when it can be reliably measured and it is probable that future economic benefits will flow to the Company.

- a) Company recognizes Brokerage income as per contracted rates on the execution of transactions on behalf of the clients on trade date on the basis of the date of settlement of respective exchanges.
- b) Account maintenance charges are recognized on time basis over the period of the contract.
- c) Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.
- d) Dividend income is recognised when the Company's right to receive dividend is established.

Transaction price is accounted net of GST. Since GST is not received by the company on its own account, rather, it is collected by the Company on behalf of the government. Accordingly, it is excluded from revenue.

B. Contract Costs

In accordance with Ind AS - 115, incremental costs to obtain a contract are capitalized and amortized over the contract term if the cost are expected to be recoverable. The Company does not capitalize incremental costs to obtain a contract where the contract duration is expected to be one year or less.

C. Arrangements with Multiple Performance Obligations

The Company's contracts with customers may include multiple performance obligations. For such arrangements, the Company allocates revenue to each performance obligation based on its relative standalone selling price, which is generally determined based on the price charged to customers.

D. Contract assets and liabilities

Contract assets relate primarily to the Company's rights to consideration for work completed but not billed at each reporting date. Contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Company issues an invoice to a customer.

Contract liabilities primarily relate to consideration received in advance from customers, for which the performance obligation is yet to be satisfied.

(m) Retirement and other employee benefits

- (i) The Company operates both defined benefit and defined contribution schemes for its employees.

For defined contribution schemes the amount charged as expense is equal to the contributions paid or payable when employees have rendered services entitling them to the contributions.

For defined benefit plans, actuarial valuations are carried out at each balance sheet date using the Projected Unit Credit Method. All such plans are unfunded.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability/ (asset) are recognized in the Statement of Profit and Loss. Remeasurements of the net defined benefit liability/ (asset) comprising actuarial gains and losses (excluding interest on the net defined benefit liability/ (asset)) are recognised in Other Comprehensive Income (OCI). Such remeasurements are not reclassified to the statement of profit and loss, in the subsequent periods.

- (ii) Short term employee benefits: All employee benefits payable wholly within twelve months of rendering the service are classified

as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability.

(n) Transactions in foreign currencies

- (i) The functional currency of the Company is Indian Rupees ("Rs."). Foreign currency transactions are accounted at the exchange rate prevailing on the date of such transactions.
- (ii) Foreign currency monetary items are translated using the exchange rate prevailing at the reporting date. Exchange differences arising on settlement of monetary items or on reporting such monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements are recognised as income or as expenses in the period in which they arise.
- (iii) Non-monetary foreign currency items are carried at historical cost and translated at the exchange rate prevalent at the date of the transaction.

(o) Accounting for taxes on income

Tax expense comprises of current and deferred tax.

Current tax

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Current tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax is recognized in the statement of profit and loss except to the extent that the tax relates to items recognized directly in other comprehensive income or directly in equity.

Deferred tax

Deferred tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred tax arises from the initial recognition of an asset or liability that effects neither accounting nor taxable profit or loss at the time of transition.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Presentation of current and deferred tax

Current and deferred tax are recognized as income or an expense in the statement of profit and loss, except to the extent they relate to items that are recognized in other comprehensive income, in which case, the current and deferred tax income / expense are recognised in other comprehensive income.

Minimum Alternate Tax (MAT) paid in accordance with tax laws, which give rise to future economic benefits in the form of adjustment of future tax liability, is recognised as an asset only when, based on convincing evidence, it is probable that the future economic benefits associated with it will flow to the Company and the assets can be measured reliably.

(p) Impairment of non-financial assets

The carrying amounts of non financial assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying amount exceeds its recoverable value. The recoverable amount is the greater of an asset's or cash generating unit's, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessment of the time value of money and risks specific to the assets. An impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. The impairment loss recognized in prior accounting periods is reversed by crediting the statement of profit and loss if there has been a change in the estimate of recoverable amount.

(q) Earnings per share

Basic earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the period. Dilutive earnings per share is computed and disclosed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period, except when the results would be anti-dilutive.

(r) Share based payments

The Company recognizes compensation expense relating to share-based payments in net profit using fair-value in accordance with Ind AS 102, Share- Based Payment. The estimated fair value of awards is charged to the statement of profit and loss on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in substance, multiple awards with a corresponding increase to share based payment reserves.

(s) Dividend

Provision is made for the amount of any dividend declared on or before the end of the reporting period but remaining undistributed at the end of the reporting period, where the same has been appropriately authorised and is no longer at the discretion of the entity.

(t) Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(u) Exceptional items

Certain occasions, the size, type, or incidences of the item of income or expenses pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expenses are classified as an exceptional item and accordingly, disclosed in the financial statements.

Critical accounting judgment and estimates

The preparation of financial statements requires management to exercise judgment in applying the Company's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures including disclosure of contingent liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis, with revisions recognised in the period in which the estimates are revised and in any future periods affected.

a Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that have a low probability of crystallising or are very difficult to quantify reliably, are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. There can be no assurance regarding the final outcome of these legal proceedings.

b Useful lives and residual values

The Company reviews the useful lives and residual values of property, plant and equipment and intangible assets at each financial year end.

c Impairment testing

Judgment is also required in evaluating the likelihood of collection of customer debt after revenue has been recognised. This evaluation requires estimates to be made, including the level of provision to be made for amounts with uncertain recovery profiles. Provisions are based on historical trends in the percentage of debts which are not recovered, or on more detailed reviews of individually significant balances.

Determining whether the carrying amount of these assets has any indication of impairment also requires judgment. If an indication of impairment is identified, further judgment is required to assess whether the carrying amount can be supported by the net present value of future cash flows forecast to be derived from the asset. This forecast involves cash flow projections and selecting the appropriate discount rate.

d Tax

The Company's tax charge is the sum of the total current and deferred tax charges. The calculation of the Company's total tax charge necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process.

Accruals for tax contingencies require management to make judgements and estimates in relation to tax related issues and exposures.

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. Where the temporary differences are related to losses, the availability of the losses to offset against forecast taxable profits is also considered. Recognition therefore involves judgement regarding the future financial performance of the particular legal entity or tax Company in which the deferred tax asset has been recognized.

e Fair value measurement

A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non- financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of a fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of reporting year during which the change has occurred.

f Defined benefit obligation

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 38, 'Employee benefits'.

g Recent accounting pronouncements

Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard.

a) Ind AS 116 "Leases"

On 30 March 2019, the Ministry of Corporate Affairs (MCA) issued the companies (Indian Accounting Standards) Amendment Rules, 2019, notifying Indian Accounting Standards (Ind AS) 116, "Leases", which is applicable to the Company w.e.f. 1 April, 2019. Ind AS 116 eliminates the current classification model for lessee's lease contracts as either operating or finance leases and, instead, introduces a single lessee accounting model requiring lessees to recognize right-of-use assets and lease liabilities for leases with a term of more than twelve months. This brings the previous off-balance leases on the balance sheet in a manner largely comparable to current finance lease accounting. Ind AS 116 is effective for financial year beginning on or after 1 April 2019. The Company will adopt the standard for the financial year beginning 1 April 2019. By applying Ind AS 116, straight-line operating lease expense will be replaced by depreciation expense on right-of-use assets and interest expense on lease liabilities.

The Company is currently assessing the impact of adopting Ind AS 116 on the Financial Statements. It is intended to use most of the simplifications available under Ind AS 116.

b) Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs.Lakhs)

	31 March 2019	31 March 2018
3(a) Cash and Cash Equivalents		
Cash in hand	0.38	0.87
Balances with bank -		
- In Current accounts	1,763.67	1,495.56
Total	1,764.05	1,496.43
3(b) Bank Balances other than (a) above		
Bank deposit having original maturity period of more than three months but less than twelve months	3,427.07	3,010.84
Bank deposit having original maturity period of more than twelve months	-	370.61
Total	3,427.07	3,381.45
	31 March 2019	31 March 2018
4 Receivables		
Trade receivables		
Considered good - secured	3,475.45	4,692.22
Considered good - Unsecured	1,624.54	1,866.04
Significant increase in credit risk		
Credit Impaired	415.99	415.35
Less: Impairment Loss Allowance	(415.99)	(415.35)
Total	5,099.99	6,558.26
Trade receivables are non-interest bearing till settlement date		
	31 March 2019	31 March 2018
5 Loans (Unsecured)		
Others - At Amortized Cost		
Intercompany deposits	269.12	-
Loans to employees		
- Considered Good	23.92	19.76
- Credit Impaired	11.00	11.00
	304.04	30.76
Less: Impairment Loss Allowance	(11.00)	(11.00)
Total	293.04	19.76

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
6 Investments

(Rs.Lakhs)

	31 March 2019	31 March 2018
A Investments carried at cost		
Investments in equity instruments- unquoted		
In Wholly owned subsidiary- equity shares of Rs 10 each		
760,000 (2018 : 760,000) of LKP Wealth Advisory Private Limited	76.00	76.00
	76.00	76.00
B Investment carried at Fair value through other comprehensive income		
Investment in equity shares -quoted		
Equity shares of face value of Rs 10 each		
8,900 (2018 : 8,900) of Roopa Industries Limited	0.97	1.34
17,440 (2018 : 17,440) of Reliance Power Limited	1.98	6.30
149 (2018 : 149) of D. S. Kulkarni Developers Limited*	-	0.02
10,000 (2018 : 10,000) of Gold Crest Finance (India) Limited*	-	4.75
149,000 (2018 : 149,000) of Infra Industries Limited*	-	0.00
Equity shares of face value of Rs 5 each		
72 (2018 : 72) of Oil and Natural Gas Corporation Limited#	0.00	0.13
Equity shares of face value of Rs 2 each		
6,792 (2018 : 6,792) of Geodesic Information Systems Limited*	-	0.00
5,000 (2018 : 5,000) of TV 18 Limited	1.78	3.36
Investment in equity shares -unquoted		
Equity shares of face value of Rs 10 each		
11,200,(2018 : 11,200) of Gobind sugar Limited	8.85	8.85
	13.58	24.75
C Investment carried at Fair value through profit and loss		
i Investment in Mutual Funds		
face value of Rs 100 each		
51 (2018:49) liquidbees of Reliance ETF Gold Bees	0.51	0.00
ii Investment in Debt Securities		
Investment in Bonds of face value of Rs 10 lakhs		
NIL(2018: 13) bonds of 11.00% IDBI Bank Limited	-	138.74
NIL (2018: 12) bonds of 11.05% Punjab and Sind Bank 2019	-	135.00
Investment in Bonds of face value of Rs 1,000 each		
50,000 (2018:Nil), bonds of 10.00% Edelweiss Housing Finance Limited	514.93	-
iii Investment in equity shares (quoted)		
Equity shares of face value of Rs 10 each		
1 (2018 : Nil) of Adani Ports Limited #	0.00	-
1 (2018 : Nil) of Chemfab Alkies Limited#	0.00	-
1,500 (2018 : 1,500) of Divine Multimedia (India) Limited#	-	0.00
100 (2018 :100) of Alacrity Electronics Limited*	-	0.01
Nil (2018 : 1) of Aditya Birla Capital Limited	-	0.00
Nil (2018 : 1)of Avadh Sugar & Energy Limited	-	0.00
Nil (2018 : 3) of Bharat Petroleum Corporation Limited	-	0.01
Nil (2018 : 2) of Dion Global Solutions Limited	-	0.00
200 (2018 : 200) of Gujarat Fison Limited*	-	0.00
1 (2018: 1) of Healthfore Technologies Limited*	-	0.00
190 (2018 :190) of Indo-French Biotech Enterprises Limited*	-	0.00
1,000 (2018 :1,000) of Maars Software International Limited*	-	0.00
5,000(2018 :5,000) of Manna Glass-Tech Industries Limited*	-	0.00
400 (2018 :400) of Mardia Chemical Limited*	-	0.00
2 (2018 : 2) of MMS Infrastructure Limited*	-	0.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	(Rs.Lakhs)	
	31 March 2019	31 March 2018
81,800 (2018 : 81,800) of Motorol Speciality Oils Limited*	-	0.00
41(2018 : 41) of Norben Tea & Exports Limited*	-	0.00
500 (2018: 500) of Ojas Technochem Products Limited*	-	0.00
2,350 (2018: 2,350) of Origin Agrostar Limited*	-	0.00
2,500 (2018: 2,500) of Padmini Technologies Limited*	-	0.00
428 (2018: 214) of Reliance Industries Limited	5.83	1.89
500 (2018: 500) of Sanghi Polyesters Limited*	-	0.00
1,000 (2018: 1,000) of SBI Home Finance Limited*	-	0.00
51 (2018:51) of Simplex Mills Company Limited*	-	0.01
1 (2018:1) of Simplex Papers Limited*	-	0.00
100 (2018:100) of Sriven Multi-Tech Limited*	-	0.00
3000 (2018:3000) of Supreme Telecom and Network India Limited*	-	0.00
Nil (2018 : 5) of Joindre Capital Services Limited	-	0.00
Nil (2018 : 50) of Geojit Financial Services Limited	-	0.05
Nil (2018: 2) of Hindustan Petroleum Corporation Limited	-	0.01
Nil (2018 : 50) of Max Ventures And Industries Limited	-	0.03
Nil (2018: 200) of Manglore Refinery & Petrochemicals Limited	-	0.22
Nil (2018 : 33) of Mukand Limited	-	0.00
Nil (2018: 43) of Sasken Technologies Limited	-	0.30
Nil (2018:1) of SMS Lifesciences India Limited	-	0.01
Equity shares of face value of Rs 2 each		
450 (2018 : 450) of Housing Development Finance Corp.Limited	8.85	8.21
1 (2018 : 10) of ICICI Bank Limited	0.00	0.03
5 (2018 : 5) of Indiabulls Ventures Limited	0.02	0.00
1 (2018: Nil) of Larsen & Toubro Limited	0.01	-
Nil (2018 : 3) of Indiabulls Housing Finance Limited	-	0.04
Nil (2018:2) of Wipro Limited	-	0.01
Equity shares of face value of Re 1 each		
1 (2018: Nil) of ITC Limited	0.00	-
2500 (2017 : 2500) of Interface Financial Services Limited*	-	0.00
10 (Nil) of JSW Steel Limited	0.03	-
6,920(2018 : 6,920) of MOH Limited*	-	0.00
1 (2018: Nil) of Motherson Sumi Limited	0.00	-
	530.20	284.57
Total Investments (A+B+C)	619.78	385.32

* The fair value of shares considered as "0" (-) as the company's shares are suspended from trading.

"0" (Zero) denotes amounts less than thousand

Total Investments	619.78	385.32
Aggregate book value of quoted investments	534.93	300.47
Aggregate book value of unquoted investments	84.85	84.85
Aggregate market value of quoted investments	534.93	300.47
Aggregate market value of unquoted investments	84.85	84.85

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
7 Other Financial Assets

(Rs. Lakhs)

	31 March 2019	31 March 2018
Deposits- (unsecured and considered good)		
- related parties	300.00	300.00
- others	335.85	327.59
Balance with exchange and clearing members	100.00	65.03
Other Advances - unsecured	28.20	43.70
Total	764.05	736.31

8 Current Tax assets (net)

(Rs. Lakhs)

	31 March 2019	31 March 2018
Balance with Government Authorities		
Advance Direct Tax (Net of Provisions)	275.16	148.69
Total	275.16	148.69

9 Deferred tax assets (net)

(Rs. Lakhs)

	31 March 2019	31 March 2018
Deferred tax assets/ (liabilities)		
Depreciation and amortisation	35.97	(67.62)
Employee retirement benefits	56.16	35.95
Allowances for credit losses	118.13	115.22
Other timing differences	1.87	0.83
MAT Credit Entitlement	263.83	215.31
Total	475.96	299.70

10 Property, Plant and Equipments

(Rs. Lakhs)

Description of Assets	Furniture and Fixtures	Vehicles	Office Equipment	Leasehold Improvement	Computers	Electrical Fittings	Total
I. Gross Block							
At cost as at 31 March 2018	59.76	99.70	101.04	89.53	107.73	2.13	459.89
Additions	17.68	120.36	8.61	-	10.87	-	157.52
Disposals	-	-	-	-	(0.29)	-	(0.29)
At cost as at 31 March 2019	77.44	220.06	109.65	89.53	118.89	2.13	617.11
II. Accumulated Depreciation							
Balance as at 31 March, 2018	22.57	22.27	31.05	32.30	62.64	0.77	171.60
Depreciation charged for the year	8.28	20.51	14.13	15.68	12.02	0.28	70.90
Disposals	-	-	-	-	(0.26)	-	(0.26)
Upto 31 March 2019	30.85	42.78	45.18	47.98	74.92	1.05	242.24
Net book value							
As at 31 March 2019	46.59	177.28	64.47	41.55	43.98	1.08	374.87
As at 31 March 2018	37.19	77.43	69.99	57.23	45.09	1.36	288.29

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
11 Other Intangible Assets

Description of Assets	(Rs Lakhs)	
	Computer Software	Total
I. Gross Block		
At cost at 31 March 2018	84.07	84.07
Additions	47.48	47
Disposals	-	-
At cost at 31 March 2019	131.55	131.55
II. Accumulated Amortization		
Balance as on 31 March 2018	30.16	30.16
Amortization charged for the year	17.42	17
Disposals	-	-
Upto 31 March 2019	47.58	47.58
Net book value		
As at 31 March 2019	83.97	83.97
As at 31 March 2018	53.91	53.91
	31 March 2019	31 March 2018
Goodwill	125.59	125.59
Other Intangible assets	83.97	53.91

12 Other Non-Financial Assets

	(Rs. Lakhs)	
	31 March 2019	31 March 2018
Others Assets		
Prepaid expenses	86.80	75.44
Capital Advances	8.00	1,835.94
Other Advances		
- Considered Good	924.10	971.31
- Considered Doubtful	79.00	40.40
	1,003.10	1,011.72
Less : Impairment loss allowance	(79.00)	(40.40)
	924.10	971.31
Balance with Government authorities		
- Advance indirect taxes	11.34	50.25
Total	1,030.24	2,932.95

13 Financial Liabilities

	(Rs. Lakhs)	
	31 March 2019	31 March 2018
I) Trade Payables (refer note 35)		
i) total outstanding dues of micro enterprises and small enterprises	-	-
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	6,982.93	5,520.72
Total	6,982.93	5,520.72
II) Other Payables (refer note 35)		
i) total outstanding dues of micro enterprises and small enterprises	7.91	9.00
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	128.15	81.15
Total	136.06	90.15

Trade payables and other payables are non-interest bearing and are normally settled as per payment terms mentioned in the contract.

In the opinion of the management, the balances of Payables are stated at book value and are payable.

For transactions relating to related party payables refer note 39.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
14 Borrowings:

	31 March 2019	31 March 2018
i) Term Loan		
Vehicle loan from financial institutions*	-	9.70
	-	9.70
ii) Loans taken**		
- Subsidiary	-	31.26
- Corporate	10.00	10.00
	10.00	41.26
iii) Loans repayable on demand		
From Banks	2,522.08	4,680.95
From Financial Institutions	-	1,606.72
	2,522.08	6,287.67
Total	2,532.08	6,338.63

* Secured against hypothecation of vehicles. The aforesaid borrowing carry interest rates @ 9.50% and are repayable in monthly installments by October 2019.

** Interest free, repayable on demand

Loans from Banks

Loan of Rs 494.39 Lakhs from Bank of India secured by first pari passu charge on book debts both present and future. The facility carries interest @ 12.40% presently (8.30 MCLR + 0.30% BSS + 3.80% CRP)

Loan of Rs 1,596.65 Lakhs from Yes Bank is secured by first pari passu charge on on all current assets of the company and personal guarantee of Promoters. The facility carries interest @11.95 % presently (1 year MCLR + 300 bps)

Loan of Rs 431.04 Lakhs from South Indian Bank is secured against fixed deposit of the company. The loan carries interest rates which ranges from @ 7.75 % to 8.60% (FD Rate +1 %)

Loans from Financial Institutions

Loan from Financial Institution IL&FS is secured by shares in pool account. The Loan carries interest @ 10.25%. The loan is repaid during the year.

15 Deposits

	(Rs. Lakhs)	
	31 March 2019	31 March 2018
Security Deposits from Sub Brokers	274.07	249.10
Total	274.07	249.10

16 Other Financial Liabilities

	(Rs. Lakhs)	
	31 March 2019	31 March 2018
Current maturities of long term borrowings	9.67	15.37
Total	9.67	15.37

17 Current Tax Liabilities (net)

	(Rs. Lakhs)	
	31 March 2019	31 March 2018
Tax Provision (net of advances)	-	155.10
Total	-	155.10

18 Provisions

	(Rs. Lakhs)	
	31 March 2019	31 March 2018
Provision for Employee Benefits	201.85	238.14
Total	201.85	238.14

19 Other Non-Financial Liabilities

	(Rs. Lakhs)	
	31 March 2019	31 March 2018
Statutory dues payable	388.77	199.33
Total	388.77	199.33

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
20 Equity Share Capital

(Rs. Lakhs)

	31 March 2019	31 March 2018
Authorised		
125,000,000 (2018: 125,000,000) Equity shares of Rs.2/- each	2,500.00	2,500.00
10,000,000(2018: 10,000,000) Equity shares of Rs 10/- each	1,000.00	1,000.00
	3,500.00	3,500.00
Issued, subscribed and fully paid up		
73,934,736 (2018: 73,221,296) Equity shares of Rs.2/- each	1,478.69	1,464.43

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year

	31 March 2019		31 March 2018	
	Number of Equity shares	Rs.	Number of Equity shares	Rs.
At the beginning of the year	73,221,296	1,464.43	73,221,696	1,464.43
Add: Share Issued on exercise of ESOP employee Stock Options	713,440	14.26	-	-
Add: Share issued during the year	-	-	-	-
Outstanding at the end of the year	73,934,736	1,478.69	73,221,696	1,464.43

b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

c) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: NIL
d) Details of shareholders holding more than 5% shares in the company:

Name of shareholders	31 March 2019		31 March 2018	
	No. of shares	% Holding	No. of shares	% Holding
Mr Mahendra V Doshi	22,246,254	30.38%	22,246,254	30.38%
Sea Glimpse Investments Private Limited	15,285,090	20.88%	15,285,090	20.88%
Bhavana Holdings Private Limited	8,457,030	11.55%	8,457,030	11.55%
Agrud Capital PTE Limited	4,364,934	5.96%	4,364,934	5.96%
	50,353,308	68.77%	50,353,308	68.77%

e) Employees Stock Option Scheme (ESOP)

The Company had instituted an Employee Stock Option Plan ("ESOP 2017 or "the Scheme") as approved by Board of Directors and Shareholders of the Company. Under the scheme, 37,00,000 Stock Options were granted at a price of Rs. 7/- per option to the employees of the Company. As per the scheme, 33%, 33% and 34% of the total grant shall be vested at the end of every year from the original grant date. The options vested would be exercisable at any time within a period of one years from the date of vesting and the equity shares arising on exercise of options shall not be subject to any lock in. The said Scheme is administered by the Nomination and Remuneration Committee of the Board.

During the year ended 31 March 2019, the Company did not grant any stock option. Out of the options granted 7,13,440 stock options had been exercised. There are 25,96,200 Options outstanding as at 31 March 2019.

f) Summary of Options granted under the scheme

	31 March 2019	31 March 2018
Options outstanding at the beginning of the year	3,700,000	3,700,000
Options exercised during the year	713,440	
Options lapsed during the year	390,360	
Option outstanding at the end of the year	2,596,200	3,700,000

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
g) Expiry date and exercise prices of the share options outstanding at the end of the year:

Grant date	Expiry date	Exercise price (Rs.)	Share options	
			31 March 2019	31 March 2018
29 September 2017	29 September 2021	7.00	2,596,200	3,700,000

h) The fair value of each option granted is estimated on the date of grant using the black scholes model with the following assumptions

Scheme	Grant
Grant date	29-Sep-2017
Weighted average fair value of options granted (Rs.)	8.21
Exercise price (Rs.)	7
Expected volatility	54.20%
Risk free interest rate	6.16%
Dividend yield	0.00%

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

i) Expense arising from share based payment transactions

	(Rs in Lakhs)	
	31 March 2019	31 March 2018
Gross Expense/ (reversal) arising from share based payments	119.32	94.61
Employee share based payment expense/ (reversal) recognised in statement of profit / loss (Refer note no 21)	119.32	94.61

21 Other Equity

	(Rs. Lakhs)	
	31 March 2019	31 March 2018
Preference shares redemption Reserve		
As per Last Balance Sheet	1,960.39	1,960.39
	1,960.39	1,960.39
Securities Premium		
As per Last Balance Sheet	-	-
Add : Premium on issue of ESOP shares	89.54	-
	89.54	-
Shares Based Payment Reserve		
As per Last Balance Sheet	94.61	94.61
Add : Share based payments	119.32	-
Less : Premium on issue of ESOP shares	(53.86)	-
	160.07	94.61
Retained Earnings		
Balance as per the last financial statements	218.64	(604.44)
Profit for the year	189.70	796.92
Remeasurement of Defined benefit plan	(103.09)	(41.91)
Income tax impact thereon	31.78	14.51
Dividend Paid (Including Tax)	(88.27)	-
Transfer from Other Comprehensive Income on derecognition of FVTOCI Instrument	-	53.55
	248.76	218.64
Other Comprehensive income - fair value on equity instruments		
As per last balance sheet	(117.95)	(69.50)
Gain on fair value of financial asset through other comprehensive income	(11.16)	5.10
Transfer on derecognition of instrument measured at fair value through other comprehensive income.	-	(53.55)
	(129.11)	(117.95)
Total Other Equity	2,329.65	2,155.69

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
22 Revenue From Operations

		(Rs. Lakhs)	
		31 March 2019	31 March 2018
(i) Interest Income			
	Interest- deposits with banks	235.74	173.07
	-Loans	19.12	50.90
	-Others	640.54	920.39
	Total	895.39	1,144.36
(ii) Dividend Income on Investments		0.11	0.25
	Total	0.11	0.25
(iii) Fees and Commission Income			
	Brokerage Income	7,933.66	6,838.02
	Other fees	382.35	454.32
	Total	8,316.01	7,292.34
(iv) Net gain/loss on fair value changes			
	On other investements	4.44	204.49
	Total	4.44	204.49
(v) Others			
	Net gain/loss on sale of securities	234.20	-
	Total	234.20	-

23 Other Income

		(Rs. Lakhs)	
		31 March 2019	31 March 2018
	Unwinding of discounting of deposits	2.77	2.52
	Miscellaneous Income	33.12	9.03
	Profit on sale of property,plant and equipment	0.09	-
	Total	35.97	11.55

Expenses
24 Finance Costs

		(Rs. Lakhs)	
		31 March 2019	31 March 2018
	Interest on borrowings	680.45	605.98
	Other financial charges	67.65	65.70
	Total	748.10	671.68

25 Fees and commision expense

		(Rs. Lakhs)	
		31 March 2019	31 March 2018
	Commission and sub-brokerage	3,322.73	2,565.16
	Total	3,322.73	2,565.16

26 Net loss on fair value changes

		(Rs. Lakhs)	
		31 March 2019	31 March 2018
	Fair valuation loss on fair value through profit and loss instruments	-	19.94
	Total	-	19.94

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
27 Employee benefits expense

	(Rs. Lakhs)	
	31 March 2019	31 March 2018
Salaries and wages	3,624.74	2,698.61
Contribution to provident and other funds	98.63	87.08
Shares based payment to employees	119.32	94.61
Staff welfare expenses	59.72	45.77
Gratuity expense	(70.16)	68.38
Total	3,832.25	2,994.44

28 Depreciation, amortisation and impairment

	(Rs. Lakhs)	
	31 March 2019	31 March 2018
Depreciation of tangible assets	70.90	80.79
Amortization of intangible assets	17.42	14.95
Total	88.32	95.74

29 Other expenses

	(Rs. Lakhs)	
	31 March 2019	31 March 2018
Rent , Rates and taxes	339.31	338.17
Repairs and maintenance	66.64	49.58
Electricity Expenses	51.82	50.65
Communication expenses	156.63	152.83
Travelling and Conveyance Expenses	112.48	86.15
Printing and stationery	188.81	112.33
Legal and professional charges	258.21	187.90
Directors sitting fees	1.10	1.40
Subscription and Membership fees	26.91	20.30
Payments to auditors (refer note 34)	10.32	13.27
Impairment loss allowance (net)	39.23	(117.83)
Loss on sale of Property, Plant and Equipments	-	1.32
Corporate Social responsibility expenses (refer note 46)	8.50	-
Business Promotion expenses	98.75	80.26
Miscellaneous expenses	57.61	11.57
Total	1,416.32	987.90

For transactions relating to related party refer note 39

30 Tax Expense

(a) The major components of income tax for the year are as under:

	(Rs. Lakhs)	
	31 March 2019	31 March 2018
i) Income tax related to items recognised directly in the statement of profit and loss		
Current tax		
Current tax on profits for the year	33.19	272.74
Deferred tax (Credit) / Charge		
Relating to origination and reversal of temporary differences	(95.96)	248.47
MAT Credit entitlement- current year	(14.25)	-
MAT Credit entitlement- earlier years	(34.27)	-
Total	(111.29)	521.21
Effective tax rate #	(141.93%)	39.54%

A reconciliation of income tax expense applicable to profit before income tax at statutory rate to the income tax expense at Company's effective income tax rate for the year ended 31 March 2019

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

ii) Deferred tax related to items recognised in the other comprehensive income (OCI) during the year

	31 March 2019	31 March 2018
Deferred tax on remeasurement (gains)/losses on defined benefit plan	31.78	14.51
Deferred tax charged to OCI	31.78	14.51

(b) Reconciliation of tax expense and the accounting profit multiplied by tax rate:

	31 March 2019	31 March 2018
Accounting Profit/(Loss) before tax	78.41	1,318.13
Income tax expense calculated at corporate tax rate*	21.81	456.18
Tax effect on non-deductible expenses	-	131.57
Effect of exempt income and income tax at Lower rates	(0.03)	(0.09)
Other temporary differences	(84.55)	(155.36)
Losses in respect of which deferred tax not recognized	-	(72.35)
MAT Credit adjustment (current + earlier year)	(48.52)	161.26
Tax expense recognized in the statement of profit and loss	(111.29)	521.21

The applicable tax rate is the standard effective corporate income tax rate in India. The tax rate is 27.82% for the year ended 31 March 2019. Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so. For analysis of the deferred tax balances (after offset) for financial reporting purposes refer note 9.

The Company does not have any temporary differences in respect of unutilized tax losses as at 31 March 2019.

(c) Deferred tax relates to the following:

Reconciliation of deferred tax assets / (liabilities) net:	31 March 2019	31 March 2018
Opening balance	299.70	533.67
Deferred tax (charge)/credit recognised in		
- Statement of profit and loss	144.48	(248.48)
- Recognised in other comprehensive income	31.78	14.51
Total	475.96	299.70

Deferred tax recognized in statement of profit or loss

For the year ended	31 March 2019	31 March 2018
Depreciation and amortisation	103.59	(135.08)
Employee retirement benefits obligation	(11.58)	8.98
Business Loss (including Unabsorbed Depreciation)	-	(278.56)
Allowance for credit losses	2.91	(15.12)
Other timing differences	1.04	10.04
MAT credit entitlement	48.52	161.26
Total	144.48	(248.48)

Deferred tax recognized in statement of Other Comprehensive Income

For the year ended	31 March 2019	31 March 2018
Employee retirement benefits obligation	31.78	14.51
Total	31.78	14.51

31 Operating Leases

The Company has taken offices under lease and license agreements under cancellable/non-cancellable lease agreements that are renewable on periodic basis at the option of both the lessor and the lessee.

- The initial tenure of the lease is generally ranging from 12 months to 84 months.

	(Rs .Lakhs)	
	31 March 2019	31 March 2018
Lease rental charges for the year	245.13	223.19
Future lease rental obligation Payable (under non-cancellable operating lease)		
Not later than one year	39.82	13.67
Later than one year but not later than five years	37.49	16.52

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
32 (i) Contingent Liabilities

	(Rs .Lakhs)	
	31 March 2019	31 March 2018
a) Bank Guarantee	5,410.00	5,410.00
b) Disputed Direct Taxes	6.82	13.75
c) Legal cases against the Company#	130.20	164.32

The amount represents the best possible estimates arrived at on the basis of available information. The Company has engaged reputed advocates to protect its interests and has been advised that it has strong legal positions against such disputes.

(ii) Litigation

The Company has filed various cases for recovery of dues and suits are pending in various courts. The company has engaged advocates to protect the interest of the company and expects favourable decision.

(iii) Capital Commitments

Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) is Rs. 8 lakhs (2018 : 16.06 lakhs)

33 Segment Informations

Disclosure under Indian Accounting Standard 108 – ‘Operating Segments’ is not given as, in the opinion of the management, the entire business activity falls under one segment, viz. ,primarily engaged as stock and securities broker and providing the financial services. The Company conducts its business only in one Geographical Segment, viz., India.

34 Payment to Auditors

	(Rs .Lakhs)	
	31 March 2019	31 March 2018
Audit fees	10.00	13.09
Other matters	0.32	0.18
Total	10.32	13.27

35 Micro, small and medium enterprises

Trade payables and other payables include amount payable to Micro, Small and Medium Enterprises. Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMEDA) which came into force from 02 October , 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, the following disclosures are made for the amounts due to the Micro, Small and Medium enterprises, who have registered with the competent authorities.

	31 March 2019	31 March 2018
Principal amount remaining unpaid to any supplier as at the year end	7.91	9.00
Interest due thereon	-	-
Amount of interest paid by the company in terms of section 16 of the MSMEDA, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMEDA	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

36 Financial Instruments
i) Financial risk management objective and policies

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, loans, trade receivables, other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks.

a) Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, other financial instruments.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
1) Interest rate risk:

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair value of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that future cash flows of floating interest bearing investments will vary because of fluctuations in interest rates.

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short-term loan from banks. Redeemable preference shares carries fixed coupon rate and hence is not considered for calculation of interest rate sensitivity of the company.

Interest rate risk exposure

	As at 31 March 2019	As at 31 March 2018
Variable rate borrowings	2,531.75	6,312.74

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact of change in interest rate of borrowings, as follows:

	Increase / decrease in basis points	Effect on Profit before tax (Rs. Lakhs)
As on 31 March 2019	+ 50 / - 50	12.659
As on 31 March 2018	+ 50 / - 50	31.564

2) Foreign currency risk:

The Company does not have any foreign currency risk. Hence no sensitivity analysis is required

3) Credit Risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, deposits and loans given, investments and balances at bank.

The Company measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates. Expected Credit Loss is based on actual credit loss experienced and past trends based on the historical data.

	Year ended 31 March 2019	Year ended 31 March 2018
Trade Receivables		
More than Six months	2,260.71	869.18
Others	3,255.27	6,104.43
Total	5,515.98	6,973.61

	As at 31 March 2019	As at 31 March 2018
Movement in allowance for credit loss during the year was as follows :		
Opening Balance	(415.35)	(563.29)
Add :- Provided during the year	(0.64)	-
Less :- Reversal during the year	-	147.94
Balance as at 31 March	(415.99)	(415.35)
Net Trade receivable	5,099.99	6,558.26

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies. Investments primarily include investment in equity shares and bonds.

b) Liquidity Risk:

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The Company's principal source of liquidity are cash and cash equivalents and the cash flow i.e. generated from operations. The Company consistently generated strong cash flows from operations which together with the available cash and cash equivalents and current investment provides adequate liquidity in short terms as well in the long term.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at :

	Carrying Amount	31 March 2019			
		Less than 1 year	2-5 years	More than 5 years	Total
Financial Liabilities :					
Borrowings	2,532.08	2,532.08	-	-	2,532.08
*Deposits	274.07	44.90	116.07	113.10	274.07
Trade payables	6,982.93	6,982.93	-	-	6,982.93
Other payables	136.05	136.05	-	-	136.05
Other financial liabilities	9.67	9.67	-	-	9.67
	9,934.80	9,705.63	116.07	113.10	9,934.80

	Carrying Amount	31 March 2018			
		Less than 1 year	2-5 years	More than 5 years	Total
Financial Liabilities :					
Borrowings	6,338.63	6,328.93	9.70	-	6,338.63
*Deposits	249.10	-	-	249.10	249.10
Trade payables	5,520.72	5,520.72	-	-	5,520.72
Other payables	90.15	90.15	-	-	90.15
Other financial liabilities	15.37	15.37	-	-	15.37
	12,213.97	11,955.17	9.70	249.10	12,213.97

*pertains to deposits received from sub-broker as per contract till the continuation of the service.

ii) Capital Management

For the purpose of Company's capital management, capital includes issued capital and other equity reserves. The primary objective of the Company's Capital Management is to maximize shareholder value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The company monitors capital using gearing ratio, which is Net debt divided by total capital.

	As at 31 March 2019	As at 31 March 2018
Gross debt (inclusive of long term and short term borrowing)	2,541.75	6,338.63
Less: Cash and bank balances	5,191.11	4,877.88
Net debt	(2,649.37)	1,460.75
Total equity	3,808.35	3,620.12
Total capital	1,158.98	5,080.87
Gearing ratio	(228.59%)	28.75%

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 31 March 2018.

iii) Categories of financial instruments and fair value thereof

	(Rs Lakhs)			
	31 March 2019		31 March 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
A) Financial Assets (other than investment in subsidiaries, associates and joint venture companies at cost):				
i) Measured at amortised cost				
Cash and cash equivalents	1,764.05	1,764.05	1,496.43	1,496.43
Bank Balances other than cash & cash equivalents	3,427.07	3,427.07	3,381.45	3,381.45
Trade receivables	5,099.99	5,099.99	6,558.26	6,558.26
Loans	293.04	293.04	19.76	19.76
Other Financial assets	764.05	764.05	736.31	736.31
ii) Measured at Fair value through other comprehensive income				
Investments	13.58	13.58	24.75	24.75
iii) Measured at Fair value through profit and loss account				
Investments	530.20	530.20	284.57	284.57
B) Financial liabilities				
i) Measured at amortised cost				
Borrowings	2,532.08	2,532.08	6,338.63	6,338.63
Trade payables	6,982.93	6,982.93	5,520.72	5,520.72
Other Financial Liabilities	419.80	419.80	354.62	354.62

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The management assessed that cash and cash equivalents and bank balances, trade receivables, other financial assets, certain investments, trade payables and other current liabilities approximate their fair value largely due to the short-term maturities of these instruments. Difference between carrying amount and fair value of bank deposits, other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the year presented.

37 Fair Value Hierarchy :

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of a fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures of fair value measurement hierarchy for assets and liabilities as at 31 March 2019

Financial Assets	Assets as at		Fair Value Hierarchy	Valuation technique(s) & key inputs used
	31 March 2019	31 March 2018		
Investments in equity shares- Non-current Investments	4.73	15.89	Level 1	Quoted in an active market
Investments in equity shares- Current Investments	14.76	10.83	Level 1	Quoted in an active market
Investments in equity shares- Non-current Investments	8.85	8.85	Level 3	Unobservable inputs
Investments in Mutual Fund- Current Investments	0.51	0.00	Level 1	Quoted in an active market
Investments in Bonds- Current Investments	514.93	273.74	Level 2	Inputs other than quoted prices
	543.78	309.31		

Investments measured at fair value are tabulated above. All other financial assets and liabilities at amortised cost are in Level 3 of fair value hierarchy and have been considered at carrying amount .

The fair values of the financial assets and financial liabilities included in the level 3 categories above have been determined in accordance with generally accepted pricing models like network criteria.

Reconciliation of Level 3 category of financial assets

	(Rs Lakhs)	
	31 March 2019	31 March 2018
Opening Balance	8.85	2.65
Fund Invested	-	-
Net Gain/ (loss) recognised	-	6.20
Closing Balances	8.85	8.85

38 Gratuity and other post employment benefit plans

The disclosures of employee benefits as defined in the Ind AS 19 "Employee Benefits" are given below:

- a. Leave encashment is a non-funded defined benefit scheme. The obligation for leave encashment is recognized in the same manner as gratuity.
- b. Details of post retirement gratuity plan are as follows:
 - i. **Expenses recognised during the year in the statement of profit and loss**

	(Rs Lakhs)	
	31 March 2019	31 March 2018
Current service cost	53.74	31.79
Interest cost (net)	17.38	8.98
Past Service cost	-	21.19
Net expenses	71.12	61.96

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
II Expenses recognised during the year in other comprehensive income (OCI)

	(Rs Lakhs)	
	31 March 2019	31 March 2018
Actuarial (gains)/ losses arising from changes in demographic assumptions	(35.75)	(4.79)
Actuarial (gains)/ losses arising from changes in financial assumptions	(4.53)	64.68
Actuarial (gains)/ losses arising from changes in experience assumptions	150.46	(17.98)
Recognised during the year	110.18	41.91

III Net liability recognised in the balance sheet

	(Rs Lakhs)	
	31 March 2019	31 March 2018
Fair value of plan assets	(214.28)	(1.20)
Present value of obligation	416.13	239.34
Liability recognized in balance sheet	201.85	238.14

IV Reconciliation of opening and closing balances of defined benefit obligation

	(Rs Lakhs)	
	31 March 2019	31 March 2018
Defined benefit obligation as at the beginning of the year	239.34	135.39
Current Service Costs	53.74	31.79
Interest Costs	17.38	9.06
Actuarial (gain)/ loss on obligation	110.18	41.91
Benefits paid	(4.51)	-
Past service costs	-	21.19
Defined benefit obligation at the end of the year	416.13	239.34

V Reconciliation of opening and closing balance of fair value of plan assets

	(Rs Lakhs)	
	31 March 2019	31 March 2018
Fair value of plan assets at the beginning of the year	1.20	1.11
Interest income	7.37	0.07
Contributions paid	203.14	-
Benefits paid	(4.51)	-
Return on plan asset	7.08	0.02
Fair value of plan assets at year end	214.28	1.20

VI Actuarial Assumptions

	(Rs Lakhs)	
	31 March 2019	31 March 2018
Discount rate (Per annum)	6.44%	7.33%
Rate of escalation in salary (per annum)	8.00%	10.00%
Attrition rate	PS : 0 to 42 : 35% & 10%	PS : 0 to 42 : 8%
Mortality Table	Indian Assured Lives mortality (2006-08) Ultimate	Indian Assured Lives mortality (2006-08) Ultimate

VII Quantitative Sensitivity Analysis

	(Rs Lakhs)	
	31 March 2019	31 March 2018
Projected benefit obligation on current assumptions		
Increase by 1% in Discount rate	400.21	218.22
Decrease by 1% in Discount rate	433.72	264.04
Increase by 1% in Rate of salary increase	426.15	259.48
Decrease by 1% in Rate of salary increase	406.55	221.29

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
VIII Maturity analysis of projected benefit obligation : from the fund

Projected benefits payable in future years from the date of reporting	(Rs Lakhs)	
	31 March 2019	31 March 2018
1st Following Year	96.39	21.86
2nd Following Year	78.85	24.93
3rd Following Year	73.23	21.26
4th Following Year	46.74	20.99
5th Following Year	36.29	24.58
Sum of years 6 to 10	126.74	111.20

Notes:

- (a) The current service cost recognized as an expense is included in the Note 27 'Employee benefits expense' as gratuity. The remeasurement of the net defined benefit liability is included in other comprehensive income.
- (b) The estimate of future salary increases considered in the actuarial valuation takes into account the rate of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

39 Related party transactions
Subsidiary Company

LKP Wealth Advisory Private Limited

Key Management Personnel

Mr Pratik Doshi

Nature of relationship

Managing Director

Other related parties with whom transactions have taken place during the year.

LKP Finance Limited
 Bhavna Holdings Limited
 Gayatri Cements and Chemicals Private Limited
 MKM Share & Stock Brokers Limited
 Peak Plastonics Private Limited
 Sea Glimpse Investments Private Limited
 Solar Ex PV Solutions Private Limited
 Alpha Commodity Private Limited
 M/s LK Panday

Transactions with Related parties:

	(Rs. Lakhs)	
	31 March 2019	31 March 2018
Remuneration to Key Management Personnel		
Key Management Personnel	64.22	64.22
Brokerage Income		
Other Related Parties	25.53	63.01
Interest Income		
Other related parties	-	50.90
Fees and commission expense		
Subsidiary Company	42.81	30.43
Interest Expenses		
Other related parties	33.70	-
Legal Professional Fees		
Other related parties	10.56	10.56
Purchase of Property, Plant and Equipments		
Other related parties	118.41	-
Loans Taken/ Repayment		
Subsidiary Company	-	31.26
Other related parties	46,060.00	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	(Rs. Lakhs)	
	31 March 2019	31 March 2018
Loans given		
Other related parties	-	100.00
Repayment Received of Loans given		
Other related parties	-	700.00
Investments made during the year		
Subsidiary Company	-	25.00

Balances as at 31 March 2019			(Rs Lakhs)	
	31 March 2019	31 March 2018		
Trade Payables*				
Other related parties	-	187.66		
Subsidiary Company	-	32.87		
Borrowings				
Subsidiary Company	-	31.26		
Other Advances				
Other related parties	924.10	932.72		
Trade Receivables				
Other related parties	139.76	173.86		
Investments				
Subsidiary Company	76.00	76.00		
Capital Advance				
Other related parties	-	1,835.94		
Deposits				
Other related parties	300.00	300.00		

* Closing balance of trade payable and trade receivable includes transaction pertaining to purchase and sale of securities as broker on behalf of related parties in the ordinary course of business

40 Earnings per share

	(Rs. Lakhs)	
	31 March 2019	31 March 2018
Profit/(Loss) after tax (Rs.)	189.70	796.92
Weighted average number of equity shares		
- for Basic Earnings per share	73,289,708	73,221,296
- for Diluted Earnings per share	74,353,686	74,424,454
Face value of equity share (Rs/ share)	2	2
Basic earnings per share (Rs.)	0.26	1.09
Diluted Earnings per share (Rs/share)	0.26	1.07

41 Reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities as required by Ind AS 7 "Statement of Cash Flows" is as under:

	(Rs. Lakhs)					
	As at 31 March 2018	Cash Inflows	Cash outflows	Non Cash Changes		As at 31 March 2019
				Interest Accrued	Other Charges	
Long Term Borrowings (Including Current maturities)	25.07	-	(15.40)	-	-	9.67
Short Term Borrowings (For Bank, Financial Institution and intercorporate deposits etc.)	6,328.93	-	(3,796.85)	-	-	2,532.08

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
42 Disclosures as required by Ind AS 115

The Companies (Indian Accounting Standards) Amendment Rules, 2018 issued by the Ministry of Corporate Affairs (MCA) notified Ind AS 115 "Revenue from Contracts with Customers. The Company has adopted Ind AS 115 w.e.f. 1 April 2018 using the full retrospective approach. Impact on the financial statements upon adoption of Ind AS 115 is not material.

Revenue Consist of following

	31 March 2019	31 March 2018
Interest Income	895.39	1,144.36
Dividend Income	0.11	0.25
Fees and Commission Income	7,933.66	6,838.02
Net Gain/loss on sale of mutual fund & other investments	238.64	204.49
Other operating revenue	382.35	454.32
Total	9,450.15	8,641.44

Revenue Disaggregation by Industrial Vertical & Geography is as follows

Revenue by offerings	31 March 2019	31 March 2018
Financial Services/ India	9,450.15	8,641.44
Total	9,450.15	8,641.44

Timing of Revenue Recognition

	31 March 2019	31 March 2018
Services transferred at point in time	8,554.76	7,497.08
Services transferred over period in time	895.39	1,144.36
Total	9,450.15	8,641.44

- 43** There are no unclaimed dividend for a period of more than seven years. Further, there are no amounts due and outstanding to be credited to Investor's Education and Protection Fund as on 31 March 2019
- 44** The Company, has no long-term contracts including derivative contracts having material foreseeable losses as at 31 March 2019.
- 45** Securities received from Clients as collateral for margin are held by the Company in its own name in fiduciary capacity.
- 46** As per section 135 of the Companies Act, 2013, amount required to be spent by the company during the year ended March 31, 2019 is Rs. 7.94 lakhs, computed at 2% of its average net profit for the immediately preceding three financial years, on Corporate Social Responsibility (CSR). The Company incurred an amount of 8.50 lakhs during the year ended 31 March, 2019 towards CSR expenditure for purposes other than construction / acquisition of any asset.

47 Dividend Recommendation:

The board proposed dividend on equity shares after the balance sheet date	(Rs. Lakhs)	
	2019	2018
Proposed dividend on equity shares for the year ended on 31 March, 2019: Rs.Nil/-per share (Rs.0.10 per share)	-	73.21
Dividend Distribution Tax on proposed dividend	-	15.05

48 Information required under Section 186(4) of the Companies Act, 2013
a) Loans given

Name of Party	Opening as at 1 April 2018	Given during the year	Repaid during the year	Closing balance as at 31 March 2019
In the form of unsecured short term inter corporate deposits at market rates for business purpose*	Nil	250.00	Nil	250.00
	(600.00)	(100.00)	(700.00)	Nil

* Loan is repayable on demand and carries interest @ 13% (13%) and balance does not include interest

- b) There are no investments made other than disclosed in Note 6.
- c) There are no corporate guarantee given on behalf of others
- d) There are no securities provided during the year.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
49 Disclosure as required by schedule V (A) (2) of the SEBI (Listing Obligation and Disclosure Requirements)

	Balance as at 31 March 2019	Maximum amount outstanding during the year ended 31 March 2019	Balance as at 31 March 2018	Maximum amount outstanding during the year ended 31 March 2018
Loans and advances in the nature of loans to firms/ companies in which director is interested				
LKP Finance Limited	-	-	-	-
	-	(700.00)	(600.00)	(600.00)

50 Prior Year Comparatives

Previous year's figures have been regrouped / reclassified/rearranged wherever necessary to correspond with the current year's classifications / disclosures. Figures in brackets pertain to previous year

Independent Auditor's Report

To The Members of

LKP Securities Limited

Report on the Audit of the Consolidated financial Statements

1. Opinion

We have audited the accompanying Consolidated financial statements of **LKP Securities Limited** ("the Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended on that date, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of the consolidated affairs of the group as at 31 March 2019, consolidated profit and consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

2. Basis for Opinion

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

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No	Key Audit Matter	Auditor's Response
1.	<p>Accuracy and completeness of revenue recognised and related IT systems</p> <p>The application of revenue recognition accounting standards involves revenue arrangements and relevant contracts.</p> <p>Due to the different revenue arrangements and the degree of complexity of IT systems and processes used, we have considered this matter as a key audit matter.</p> <p>The Company's accounting policies relating to revenue recognition are presented in note 2 to the financial statements.</p>	<p>Principal Audit Procedures</p> <p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <ul style="list-style-type: none"> - Understanding the significant revenue processes including performance of an end to end walkthrough of the revenue assurance process and identifying the relevant controls (including IT systems, interfaces and reports). - Reviewing sample contracts for accounting treatments opted and testing the related revenues recognised during the year and to have reasonable assurance of adequate IT controls. - Performing data analysis and analytical reviews of significant revenue streams; - Reviewing key reconciliations performed by the Revenue Assurance team; - Performing specific procedures to test the accuracy and completeness of adjustments relating revenue; and - Performing procedures to ensure that the revenue recognition criteria adopted by the Company for all major revenue streams is appropriate and in line with the accounting policies. <p>Conclusion</p> <p>Our procedures did not identify any material exceptions.</p>

4. Information Other than the Consolidated financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

5. Responsibilities of Management and Those Charged with Governance for the Consolidated financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, Consolidated financial performance, Consolidated total comprehensive income, Consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group and of its associate and jointly controlled entities.

6. Auditor's Responsibilities for the Audit of the Consolidated financial Statements

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

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

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

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

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

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

7. Other Matters

We did not audit the financial statements of a subsidiary company whose financial statements reflect total assets of Rs.145.60 lakhs as at 31 March 2019, total revenues of Rs.123.78 lakhs, total net profit after tax of Rs.21.98 lakhs and total comprehensive income of Rs.21.98 lakhs for the year ended on that date, as considered in the consolidated financial statements. The financial statement has been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary company is based solely on the reports of the other auditors.

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

8. Report on Other Legal and Regulatory requirements

1. As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the books of account for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31 March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company is disqualified as on 31 March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group to the consolidated financial statements.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company incorporated in India.

For MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035

Sanjay Kothari
Partner
Membership Number 048215

Mumbai, 2nd May 2019

Annexure - A to the Independent Auditor's Report

Report on the Internal Financial Controls under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 6(f) under 'Report on Other Legal and Regulatory Requirements' of our Report of even date to the members of the LKP Securities Limited on the consolidated Ind AS financial statements for the year ended 31 March 2019

We have audited the internal financial controls over financial reporting of **LKP Securities Limited** ("the Company" or "the Holding Company"), and its subsidiary, incorporated in India as of 31 March, 2019, in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's 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 and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, 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 ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the subsidiary, incorporated in India, in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to a subsidiary incorporated in India, is based on corresponding reports of the auditor of such company incorporated in India. Our opinion is not qualified in respect of this matter.

For MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035

Sanjay Kothari
Partner
Membership Number 048215

Mumbai, 2nd May 2019

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2019

(Rs. Lakhs)

	Note	31 March 2019	31 March 2018
ASSETS			
(1) Financial Assets			
(a) Cash and cash equivalents	3(a)	1,846.31	1,511.92
(b) Bank Balance other than (a) above	3(b)	3,427.07	3,381.45
(c) Receivables	4		
Trade receivables		5,135.09	6,672.72
(d) Loans	5	293.04	19.76
(e) Investments	6	543.78	309.32
(f) Other Financial assets	7	774.05	736.31
Total Financial Assets		12,019.34	12,631.48
(2) Non-Financial Assets			
(a) Current tax assets (net)	8	293.39	148.69
(b) Deferred tax assets (net)	9	475.96	299.70
(c) Property, plant and Equipment	10	374.87	288.29
(d) Goodwill	11	125.59	125.59
(e) Other Intangible Assets	11	83.97	53.91
(d) Other non-financial assets	12	1,030.24	2,932.95
Total Non-Financial Assets		2,384.02	3,849.13
TOTAL ASSETS		14,403.36	16,480.61
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(a) Trade payable	13		
(I)			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		6,982.93	5,546.76
(II) Other payable			
(i) total outstanding dues of micro enterprises and small enterprises		7.91	9.00
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		137.51	81.69
(b) Borrowings	14	2,532.08	6,307.37
(c) Deposits	15	274.07	249.10
(d) Other financial liabilities	16	9.67	15.37
Total Financial Liabilities		9,944.17	12,209.29
(2) Non-Financial Liabilities			
(a) Current Tax liabilities (net)	17	-	157.03
(b) Provisions	18	201.85	238.14
(c) Other non-financial liabilities	19	392.85	221.84
Total Non-financial liabilities		594.70	617.01
(3) Equity			
(a) Equity Share Capital	20	1,478.69	1,464.43
(b) Other Equity	21	2,385.80	2,189.87
Total Equity		3,864.49	3,654.30
TOTAL EQUITY AND LIABILITIES		14,403.36	16,480.61

Notes forming part of the financial statements

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As per our report of even date

For MGB & Co LLP

Chartered Accountants

FRN - 101169W/W-100035

For and on behalf of the board

Sanjay Kothari

Partner

Membership Number 048215

Managing Director

Director

Chief Financial Officer

Company Secretary

:

:

:

:

Pratik Doshi
S.S.Gulati
Girish Majrekar
Siddharth Mehta

Place : Mumbai

 Date : 2nd May 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

(Rs.Lakhs)

	Note	31 March 2019	31 March 2018
Revenue from operations	22		
(i) Interest Income		895.39	1,144.36
(ii) Dividend Income		0.11	0.25
(iii) Fees and Commission Income		8,396.98	7,434.91
(iv) Net gain on fair value changes		4.44	204.49
(v) Others		234.20	-
Total Revenue from operations		9,531.12	8,784.01
Other Income	23	35.97	11.55
Total Income		9,567.09	8,795.57
Expenses			
(i) Finance Costs	24	748.10	671.67
(ii) Fees and commission Expense	25	3,358.00	2,657.77
(iii) Net loss on fair value changes	26	-	19.94
(iv) Employee benefits expense	27	3,832.25	2,994.44
(v) Depreciation, amortisation and impairment	28	88.32	95.74
(vi) Other expenses	29	1,432.23	999.02
Total Expenses		9,458.90	7,438.58
Profit/(Loss) before exceptional items and tax		108.19	1,356.99
Exceptional Items		-	-
Profit Before Tax		108.19	1,356.99
Tax expenses	30		
Current tax		41.00	286.74
Deferred tax (Assets) / Liabilities		(95.95)	248.47
MAT Credit entitlement-current year		(14.25)	-
- earlier year		(34.27)	-
Total tax expenses		(103.47)	535.21
Profit for the year		211.67	821.78
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
- Remeasurement gains/losses on defined benefit plan		(103.09)	(41.91)
- Fair value CHANGE on equity instruments through other comprehensive income		(11.16)	5.10
- Income tax relating to items that will not be reclassified to profit or loss		31.78	14.51
Other Comprehensive Income for the year		(82.47)	(22.30)
Total comprehensive Income for the year		129.19	799.48
Earning per equity share (face value of Rs. 2 each)	40		
Basic (in Rs.)		0.29	1.12
Diluted (in Rs.)		0.28	1.10

Notes forming part of the financial statements

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As per our report of even date

For MGB & Co LLP
 Chartered Accountants
 FRN - 101169W/W-100035

For and on behalf of the board

Sanjay Kothari
 Partner
 Membership Number 048215

 Managing Director :
 Director :
 Chief Financial Officer :
 Company Secretary :

Pratik Doshi
S.S.Gulati
Girish Majrekar
Siddharth Mehta

Place : Mumbai

 Date : 2nd May 2019

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED
31 MARCH 2019**

	Rs. in Lakhs
A. Equity Share Capital	
As at 31 March 2018	1,464.43
Changes in equity share capital	14.26
As at 31 March 2019	1,478.69

B. Other Equity	Other Equity					Total other Equity
	Reserves & Surplus				Other Comprehensive Income	
	Preference Share Redemption Reserves	Share based payment reserve	Retained Earnings	Securities Premium	Equity Instruments	
As at 31 March 2018	1,960.39	94.61	252.83	-	(117.95)	2,189.87
Profit for the year	-	-	211.67	-	-	211.67
Remeasurement of defined benefit plan	-	-	(71.31)	-	-	(71.31)
Dividend paid (including tax)	-	-	(88.27)	-	-	(88.27)
Other comprehensive income						-
Gain on fair value asset	-	-	-	-	(11.16)	(11.16)
Total comprehensive income for the year	1,960.39	94.61	304.91	-	(129.11)	2,230.81
Share based payments	-	119.32	-	-	-	119.32
Premium on issue of ESOP Shares	-	(53.86)	-	89.54	-	35.68
As at 31 March 2019	1,960.39	160.07	304.91	89.54	(129.11)	2,385.80

Notes forming part of the financial statements

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- 1) Preference shares redemption reserve is created on cancellation of redeemable preference shares under scheme of demerger.
- 2) Securities premium is created in issue of shares
- 3) Shares Based payment reserve is related to share options granted by the company to its employee under its employee share option plan.
- 4) Retained earnings represent the accumulated earnings net of losses if any made by the company over the years.
- 5) Other comprehensive income includes fair value gain on equity instruments measured at fair value through other comprehensive income.

As per our report of even date

For MGB & Co LLP
 Chartered Accountants
 FRN - 101169W/W-100035

For and on behalf of the board

Sanjay Kothari
 Partner
 Membership Number 048215

Managing Director	:	Pratik Doshi
Director	:	S.S.Gulati
Chief Financial Officer	:	Girish Majrekar
Company Secretary	:	Siddharth Mehta

Place : Mumbai
 Date : 2nd May 2019

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

(Rs Lakhs)

	31 March 2019	31 March 2018
A. Cash flow from operating activities		
Profit before tax	108.19	1,356.99
Adjustments for:		
Depreciation and amortization expense	88.32	95.74
Loss on sale/ discard of property, plant and equipment/ intangibles	(0.09)	1.32
Interest expense	680.45	605.98
Interest Income	(895.39)	(1,144.36)
Dividend Income	(0.11)	(0.25)
Net loss/ (gain) on Investments carried at fair value through profit and loss	-	19.94
Share based expenses	119.32	94.61
(Profit) / Loss on Sale of Investment (net)	(238.64)	(204.49)
Operating profit before working capital changes	(137.95)	825.48
Adjustments for:		
Decrease / (increase) in Trade Receivables	3,439.55	(1,912.30)
(Decrease) /increase in Trade payables	1,384.77	2,123.80
Cash generated from operations	4,686.36	1,036.98
Direct tax paid (net of refunds)	(185.70)	(191.89)
Net cash from/ (used in) operating activities (A)	4,500.67	845.09
B. Cash flow from investing activities		
Purchase of property, plant and equipment	(205.00)	(108.95)
Sale of Property, plant and equipment and intangible assets	0.12	-
Purchase of investments	(514.93)	(274.35)
Sale of investments	507.95	388.04
Loans given	(273.28)	(106.35)
Loans repaid	-	709.78
(Increase)/ decrease in bank deposits	(45.61)	(1,209.37)
Interest received	895.39	1,144.36
Dividend received	0.11	0.25
Net cash from/ (used in) investing activities (B)	364.75	543.42
C. Cash flow from financing activities		
Proceeds from issues of shares	49.94	-
Dividend Paid	(88.27)	-
Proceeds from borrowings	-	341.70
Repayments of borrowings	(3,812.25)	(601.20)
Interest paid	(680.45)	(605.99)
Net cash from/ (used in) financing activities (C)	(4,531.04)	(865.49)
Net changes in cash and cash equivalents (A+B+C)	334.38	523.01
Cash and cash equivalents at the beginning of the year	1,511.93	988.92
Cash and bank balances at the end of the year	1,846.31	1,511.93
Notes:		
1. Previous year figures have been regrouped or recast wherever, considered necessary		
2. Cash and cash equivalents consists of :		
Cash in Hand	0.39	0.87
Balances with banks:		
in current accounts	1,845.92	1,511.05
Total	1,846.31	1,511.93

Notes forming part of the financial statements

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As per our report of even date

For MGB & Co LLP
 Chartered Accountants
 FRN - 101169W/W-100035

For and on behalf of the board

Sanjay Kothari
 Partner
 Membership Number 048215

 Managing Director : **Pratik Doshi**
 Director : **S.S.Gulati**
 Chief Financial Officer : **Girish Majrekar**
 Company Secretary : **Siddharth Mehta**

Place : Mumbai

 Date : 2nd May 2019

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

1 Corporate information

LKP Securities Limited ("the Company") is domiciled and incorporated in India and its shares are publicly traded on the Bombay Stock Exchange(BSE) in India. The Company registered office is located at 203, Embassy centre, Nariman point, Mumbai 400021, Maharashtra, India. The company and its subsidiary (collectively referred to as "the Group") is engaged as a stock and securities broker and providing other financial service with nationwide network across assets classes equities, debt, structured products, Portfolio Management services and Third party distribution.

The separate financial statement (hereinafter referred to as "Financial Statements") of the Company for the year ended 31 March 2019 were authorised for issue by the Board of Directors at the meeting held on 2 May 2019.

2 Significant accounting policies

(a) Basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies stated out below.

The accounting policies are applied consistently to all the periods presented in the financial statements.

Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh as per the requirement of schedule III (except per share data), unless otherwise stated.

Principles of consolidation

The consolidated financial statements incorporate the financial statements of LKP Securities Limited and entity controlled by LKP Securities Limited.

Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiary are consolidated from the date control commences until the date control ceases.

The financial statements of the Group are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group.

The consolidated financial statements incorporate the financial statements of the company, its subsidiary (as listed in the table below).

Name of the Subsidiaries	Proportion of Interest (including beneficial interest) / Voting Power (either directly / indirectly or through Subsidiary)	Principal place of business
Direct Subsidiary		
LKP Wealth Advisory Private Limited	100% (100%)	India

(b) Property, plant and equipment

i) All property, plant and equipment are stated at cost, less accumulated depreciation and impairment loss, if any. The Cost comprises purchase cost, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

(c) Intangible assets

Intangible assets acquired or developed are measured on initial recognition at cost and stated at cost less accumulated amortisation and impairment loss, if any.

(d) Depreciation on property, plant & equipment/ intangible assets

i) Depreciable amount for property, plant and equipment / intangible assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on property, plant and equipment is provided on straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013

ii) Intangible assets are amortised on straight line basis over their respective individual useful lives estimated by the management.

(e) Derecognition of property, plant and equipment / intangible assets

The carrying amount of an item of property, plant and equipment / intangibles is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment / intangibles is measured as the difference between the net disposal in proceeds and the carrying amount of the item and is recognised in the statement of profit and loss when the item is derecognised.

(f) Goodwill

Goodwill are measured on initial recognition at deemed cost and no amortisation is charged on the goodwill. The intangible asset recoverable amount is greater than the carrying value hence impairment is not required as per Ind AS 36 "Impairment of Asset".

(g) Leases

(i) Finance lease

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

(ii) Operating lease

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Operating Lease payments / revenue are recognised on straight line basis over the lease period in the statement of profit and loss account unless increase is on account of inflation.

(h) Cash and cash equivalents

- (i) Cash and cash equivalents in the balance sheet comprise cash at bank and on hand and short-term deposit with original maturity upto three months, which are subject to insignificant risk of changes in value.
- (ii) For the purpose of presentation in the statement of cash flows, cash and cash equivalents consists of cash and short-term deposit, as defined as they are considered as integral part of Group's cash management.

(i) Fair value measurement

The Group has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments.

All financial assets and financial liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1** — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- **Level 2** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, or
- **Level 3** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(l) Financial instruments

Financial instruments is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

i Initial recognition

Financial assets are recognized when the group becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets

or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in the statement of profit and loss.

ii Subsequent measurement

Financial assets are classified into the following specified categories: amortised cost, financial assets 'at fair value through profit and loss' (FVTPL), 'Fair value through other comprehensive income' (FVTOCI). The classification depends on the Group's business model for managing the financial assets and the contractual terms of cash flows.

Debt Instrument

Amortised Cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. This category generally applies to trade and other receivables.

Fair value through other comprehensive income (FVTOCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets.
- b. The asset's contractual cash flows represent solely payments of principal and interest.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Fair value through Profit and Loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is considered only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019
Equity investments

The Group measures its equity investments other than in subsidiary at fair value through profit and loss. However where the Group's management makes an irrevocable choice on initial recognition to present fair value gains and losses on specific equity investments in other comprehensive income, there is no subsequent reclassification, on sale or otherwise, of fair value gains and losses to statement of profit and loss.

Investment in subsidiary

Investment in subsidiary are carried at cost less impairment loss in accordance with IND AS 27 on "Separate Financial Statements". Refer note 6 for list of investments.

Derivative financial instruments

Derivative financial instruments are classified and measured at fair value through profit and loss.

iii Derecognition of financial assets

A financial asset is derecognised only when

- i) The Group has transferred the rights to receive cash flows from the asset or the rights have expired or
- ii) The Group retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Impairment of financial assets

The Group measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Financial liabilities and equity instruments

Debt or equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised on the purchase, sale, issue or cancellation of the group's own equity instruments.

Financial liabilities
i Classification

Financial liabilities are recognized when group becomes party to contractual provisions of the instrument. The Group classifies all financial liabilities at amortised cost or fair value through profit or loss.

ii Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the profit or loss.

iii De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(j) Borrowings and Borrowing costs

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the EIR.

Preference shares, which are mandatorily redeemable on a specific date are classified as liabilities.

Borrowing costs attributable to the acquisition or construction of qualifying assets till the time such assets are ready for intended use are capitalised as part of cost of the assets. All other borrowing costs are expensed in the period they occur.

(k) Provisions, contingent liabilities and contingent assets

The Group recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements, however they are disclosed where the inflow of economic benefits is probable. When the realisation of income is virtually certain, then the related asset is no longer a contingent asset and is recognised as an asset.

(l) Revenue recognition

The Companies (Indian Accounting Standards) Amendment Rules, 2018 issued by the Ministry of Corporate Affairs (MCA) notified Ind AS 115 "Revenue from Contracts with Customers" related to revenue recognition which replaces all existing revenue recognition standards and provide a single, comprehensive model for all contracts with customers. The revised standard contains principles to determine the measurement of revenue and timing of when it is recognized. The amendment also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in those judgments as well as assets recognized from costs incurred to fulfill these contracts.

The Group has adopted Ind AS 115 w.e.f. 1 April 2018 using the full retrospective approach. Impact on the financial statements upon adoption of Ind AS 115 is considered and disclosed in Note 42 to the financial statements

A. Revenue - Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised only when it can be reliably measured and it is probable that future economic benefits will flow to the Group.

- a) Group recognizes Brokerage income as per contracted rates on the execution of transactions on behalf of the clients on trade date on the basis of the date of settlement of respective exchanges.
- b) Account maintenance charges are recognized on time basis over the period of the contract.
- c) Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.
- d) Dividend income is recognised when the group's right to receive dividend is established.

Transaction price is accounted net of GST. Since GST is not received by the Group on its own account, rather, it is collected by the Group on behalf of the government. Accordingly, it is excluded from revenue.

B. Contract Costs

In accordance with Ind AS - 115, incremental costs to obtain a contract are capitalized and amortized over the contract term if the cost are expected to be recoverable. The Group does

not capitalize incremental costs to obtain a contract where the contract duration is expected to be one year or less.

C. Arrangements with Multiple Performance Obligations

The Group's contracts with customers may include multiple performance obligations. For such arrangements, the Group allocates revenue to each performance obligation based on its relative standalone selling price, which is generally determined based on the price charged to customers.

D. Contract assets and liabilities

Contract assets relate primarily to the Group's rights to consideration for work completed but not billed at each reporting date. Contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to a customer.

Contract liabilities primarily relate to consideration received in advance from customers, for which the performance obligation is yet to be satisfied.

(m) Retirement and other employee benefits

(i) The Group operates both defined benefit and defined contribution schemes for its employees.

For defined contribution schemes the amount charged as expense is equal to the contributions paid or payable when employees have rendered services entitling them to the contributions.

For defined benefit plans, actuarial valuations are carried out at each balance sheet date using the Projected Unit Credit Method. All such plans are unfunded.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability/ (asset) are recognized in the Statement of Profit and Loss. Remeasurements of the net defined benefit liability/ (asset) comprising actuarial gains and losses (excluding interest on the net defined benefit liability/ (asset)) are recognised in Other Comprehensive Income (OCI). Such remeasurements are not reclassified to the statement of profit and loss, in the subsequent periods.

(ii) Short term employee benefits: All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Group recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability.

(n) Transactions in foreign currencies

(i) The functional currency of the Group is Indian Rupees ("Rs."). Foreign currency transactions are accounted at the exchange rate prevailing on the date of such transactions.

(ii) Foreign currency monetary items are translated using the exchange rate prevailing at the reporting date. Exchange differences arising on settlement of monetary items or on reporting such monetary items at rates different from those

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

at which they were initially recorded during the period, or reported in previous financial statements are recognised as income or as expenses in the period in which they arise.

- (iii) Non-monetary foreign currency items are carried at historical cost and translated at the exchange rate prevalent at the date of the transaction.

(o) Accounting for taxes on income

Tax expense comprises of current and deferred tax.

Current tax

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Current tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax is recognized in the statement of profit and loss except to the extent that the tax relates to items recognized directly in other comprehensive income or directly in equity.

Deferred tax

Deferred tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred tax arises from the initial recognition of an asset or liability that effects neither accounting nor taxable profit or loss at the time of transition.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Presentation of current and deferred tax

Current and deferred tax are recognized as income or an expense in the statement of profit and loss, except to the extent they relate to items that are recognized in other comprehensive income, in which case, the current and deferred tax income / expense are recognised in other comprehensive income.

Minimum Alternate Tax (MAT) paid in accordance with tax laws, which give rise to future economic benefits in the form of adjustment of future tax liability, is recognised as an asset only when, based on convincing evidence, it is probable that the future economic benefits associated with it will flow to the Group and the assets can be measured reliably.

(p) Impairment of non-financial assets

The carrying amounts of non financial assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying amount exceeds its recoverable value. The recoverable amount is the greater of an asset's or cash generating unit's, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that

reflects current market assessment of the time value of money and risks specific to the assets. An impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. The impairment loss recognized in prior accounting periods is reversed by crediting the statement of profit and loss if there has been a change in the estimate of recoverable amount.

(q) Earnings per share

Basic earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the period. Dilutive earnings per share is computed and disclosed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period, except when the results would be anti-dilutive.

(r) Share based payments

The Group recognizes compensation expense relating to share-based payments in net profit using fair-value in accordance with Ind AS 102, Share- Based Payment. The estimated fair value of awards is charged to the statement of profit and loss on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in substance, multiple awards with a corresponding increase to share based payment reserves.

(s) Dividend

Provision is made for the amount of any dividend declared on or before the end of the reporting period but remaining undistributed at the end of the reporting period, where the same has been appropriately authorised and is no longer at the discretion of the entity.

(t) Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(u) Exceptional items

Certain occasions, the size, type, or incidences of the item of income or expenses pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Group, such income or expenses are classified as an exceptional item and accordingly, disclosed in the financial statements.

2 B Critical accounting judgment and estimates

The preparation of financial statements requires management to exercise judgment in applying the Group's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures including disclosure of contingent liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis, with revisions recognised in the period in which the estimates are revised and in any future periods affected.

a Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that have a low probability of crystallising or are very difficult to quantify reliably, are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. There can be no assurance regarding the final outcome of these legal proceedings.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

b Useful lives and residual values

The Group reviews the useful lives and residual values of property, plant and equipment and intangible assets at each financial year end.

c Impairment testing

Judgment is also required in evaluating the likelihood of collection of customer debt after revenue has been recognised. This evaluation requires estimates to be made, including the level of provision to be made for amounts with uncertain recovery profiles. Provisions are based on historical trends in the percentage of debts which are not recovered, or on more detailed reviews of individually significant balances.

Determining whether the carrying amount of these assets has any indication of impairment also requires judgment. If an indication of impairment is identified, further judgment is required to assess whether the carrying amount can be supported by the net present value of future cash flows forecast to be derived from the asset. This forecast involves cash flow projections and selecting the appropriate discount rate.

d Tax

The Group's tax charge is the sum of the total current and deferred tax charges. The calculation of the Group's total tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process.

Accruals for tax contingencies require management to make judgements and estimates in relation to tax related issues and exposures.

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. Where the temporary differences are related to losses, the availability of the losses to offset against forecast taxable profits is also considered. Recognition therefore involves judgement regarding the future financial performance of the particular legal entity or tax Group in which the deferred tax asset has been recognized.

e Fair value measurement

A number of Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

-Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

-Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

-Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of a fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of reporting year during which the change has occurred.

f Defined benefit obligation

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 37, 'Employee benefits'.

g Recent accounting pronouncements

Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and the Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard.

a) Ind AS 116 "Leases"

On 30 March 2019, the Ministry of Corporate Affairs (MCA) issued the companies (Indian Accounting Standards) Amendment Rules, 2019, notifying Indian Accounting Standards (Ind AS) 116, "Leases", which is applicable to the Group w.e.f. 1 April, 2019. Ind AS 116 eliminates the current classification model for lessee's lease contracts as either operating or finance leases and, instead, introduces a single lessee accounting model requiring lessees to recognize right-of-use assets and lease liabilities for leases with a term of more than twelve months. This brings the previous off-balance leases on the balance sheet in a manner largely comparable to current finance lease accounting. Ind AS 116 is effective for financial year beginning on or after 1 April 2019. The Group will adopt the standard for the financial year beginning 1 April 2019. By applying Ind AS 116, straight-line operating lease expense will be replaced by depreciation expense on right-of-use assets and interest expense on lease liabilities.

The Group is currently assessing the impact of adopting Ind AS 116 on the Financial Statements. It is intended to use most of the simplifications available under Ind AS 116.

b) Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The group does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019
3(a) Cash and Cash Equivalents

(Rs. Lakhs)

	31 March 2019	31 March 2018
Cash in hand	0.39	0.87
Balances with bank -		
- In Current accounts	1,845.92	1,511.05
Total	1,846.31	1,511.92

3(b) Bank Balances Other Than (A) Above

(Rs. Lakhs)

	31 March 2019	31 March 2018
Bank deposit having original maturity period of more than three months but less than twelve months	3,427.07	3,010.84
Bank deposit having original maturity period of more than twelve months	-	370.61
Total	3,427.07	3,381.45

4 Receivables

(Rs. Lakhs)

	31 March 2019	31 March 2018
(i) Trade receivables		
Considered good - secured	3,475.45	4,692.22
Considered good - Unsecured	1,659.64	1,980.50
Significant increase in credit risk		
Credit Impaired	415.99	415.35
Less: Impairment Loss Allowance	(415.99)	(415.35)
Total	5,135.09	6,672.71

Trade receivables are non-interest bearing till settlement date.

5 Loans (Unsecured)

(Rs. Lakhs)

	31 March 2019	31 March 2018
Others - At Amortized Cost		
Intercompany deposits	269.12	-
Loans to employees		
- Considered Good	23.92	19.76
- Credit Impaired	11.00	11.00
	304.04	30.76
Less: Impairment Loss Allowance	(11.00)	(11.00)
Total	293.04	19.76

6 Investments

(Rs. Lakhs)

	31 March 2019	31 March 2018
A Investment carried at Fair value through other comprehensive income		
Investment in equity shares -quoted		
Equity shares of face value of Rs 10 each		
8,900 (2018 : 8,900) of Roopa Industries Limited	0.97	1.34
17,440 (2018 : 17,440) of Reliance Power Limited	1.98	6.30
149 (2018 : 149) of D. S. Kulkarni Developers Limited*	-	0.02
10,000 (2018 : 10,000) of Gold Crest Finance (India) Limited*	-	4.75
149,000 (2018 : 149,000) of Infra Industries Limited*	-	0.00
Equity shares of face value of Rs 5 each		
72 (2018 : 72) of Oil and Natural Gas Corporation Limited	0.00	0.13
Equity shares of face value of Rs 2 each		
6,792 (2018 : 6,792) of Geodesic Information Systems Limited*	-	0.00
5,000(2018 : 5,000) of TV 18 Limited	1.78	3.36
Investment in equity shares -unquoted		
Equity shares of face value of Rs 10 each		
11,200,(2018 : 11,200) of Gobind sugar Limited	8.85	8.85
Total	13.58	24.75

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

(Rs. Lakhs)

	31 March 2019	31 March 2018
B Investment carried at Fair value through profit and loss		
i Investment in Mutual Funds		
face value of Rs 100 each		
51 (2018:49) liquidbees of Reliance ETF Gold Bees	0.51	0.00
ii Investment in Debt Securities		
Investment in Bonds of face value of Rs 10 lakhs		
NIL (2018: 13) bonds of 11.00% IDBI Bank Limited	-	138.74
NIL (2018: 12) bonds of 11.05% Punjab and Sind Bank 2019	-	135.00
Investment in Bonds of face value of Rs 1,000 each		
50,000(2018:Nil), bonds of 10.00% Edelweiss Housing Finance Limited	514.93	-
iii Investment in equity shares (quoted)		
Equity shares of face value of Rs 10 each		
1 (2018 : Nil) of Adani Ports Limited #	0.00	
1 (2018 : Nil) of Chemfab Alkies Limited#	0.00	
1500 (2018 : 1500) of Divine Multimedia (India) Limited*	-	0.00
100 (2018 :100) of Alacriy Electronics Limited*	-	0.01
Nil (2018 : 1) of Aditya Birla Capital Limited #	-	0.00
Nil (2018 : 1)of Avadh Sugar & Energy Limited #	-	0.00
Nil (2018 : 3) of Bharat Petroleum Corporation Limited	-	0.01
Nil (2018 : 2) of Dion Global Solutions Limited #	-	0.00
200 (2018 : 200) of Gujarat Fiscon Limited*	-	0.00
1 (2018: 1) of Healthfore Technologies Limited*	-	0.00
190 (2018 :190) of Indo-French Biotech Enterprises Limited*	-	0.00
1,000 (2018 :1,000) of Maars Software International Limited*	-	0.00
5,000(2018 :5,000) of Manna Glass-Tech Industries Limited*	-	0.00
400 (2018 :400) of Mardia Chemical Limited*	-	0.00
2 (2018 : 2) of MMS Infrastructure Limited*	-	0.00
81,800 (2018 : 81,800) of Motorola Speciality Oils Limited*	-	0.00
41(2018 : 41) of Norben Tea & Exports Limited*	-	0.00
500 (2018: 500) of Ojas Technochem Products Limited*	-	0.00
2,350 (2018: 2,350) of Origin Agrostar Limited*	-	0.00
2,500 (2018: 2,500) of Padmini Technologies Limited*	-	0.00
428 (2018: 214) of Reliance Industries Limited	5.83	1.89
500 (2018: 500) of Sanghi Polyesters Limited*	-	0.00
1,000 (2018: 1,000) of SBI Home Finance Limited*	-	0.00
51 (2018:51) of Simplex Mills Company Limited*	-	0.01
1 (2018:1) of Simplex Papers Limited*	-	0.00
100 (2018:100) of Sriven Multi-Tech Limited*	-	0.00
3000 (2018:3000) of Supreme Telecom and Network India Limited*	-	0.00
Nil (2018 : 5) of Joindre Capital Services Limited	-	0.00
Nil (2018 : 50) of Geojit Financial Services Limited	-	0.05
Nil (2018: 2) of Hindustan Petroleum Corporation Limited	-	0.01
Nil (2018 : 50) of Max Ventures And Industries Limited	-	0.03
Nil (2018: 200) of Manglore Refinery & Petrochemicals Limited	-	0.22
Nil (2018 : 33) of Mukand Limited	-	0.00
Nil (2018: 43) of Sasken Technologies Limited	-	0.30
Nil (2018:1) of SMS Lifesciences India Limited	-	0.01

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

	31 March 2019	31 March 2018
Equity shares of face value of Rs 2 each		
450 (2018 : 450) of Housing Development Finance Corp.Limited	8.85	8.21
1 (2018 : 10) of ICICI Bank Limited	0.00	0.03
5 (2018 : 5) of Indiabulls Ventures Limited	0.02	0.00
1 (2018: Nil) of Larsen & Toubro Limited	0.01	
Nil (2018 : 3) of Indiabulls Housing Finance Limited	-	0.04
Nil (2018:2) of Wipro Limited	-	0.01
Equity shares of face value of Re 1 each		
1 (2018: Nil) of ITC Limited	0.00	-
2500 (2017 : 2500) of Interface Financial Services Limited*	-	0.00
10 (Nil) of JSW Steel Limited	0.03	-
6,920(2018 : 6,920) of MOH Limited*	-	0.00
1 (2018: Nil) of Motherson Sumi Limited	0.00	
	530.20	284.57
Total Investments (A+B+C)	543.78	309.32
* The fair value of shares considered as "0" (Zero) as the company's shares are suspended from trading.		
# "0" (Zero) denotes amounts less than thousand		
Total Investments	543.78	309.32
Aggregate book value of quoted investments	534.93	300.47
Aggregate book value of unquoted investments	8.85	8.85
Aggregate market value of quoted investments	534.93	300.47
Aggregate market value of unquoted investments	8.85	8.85

7 Other Financial Assets (Rs. Lakhs)

	31 March 2019	31 March 2018
Deposits- (unsecured and considered good)		
- related parties	300.00	300.00
- others	345.85	327.59
Balance with exchange and clearing members	100.00	65.03
Other Advances - unsecured	28.20	43.70
	774.05	736.31

8 Current Tax assets (Net) (Rs. Lakhs)

	31 March 2019	31 March 2018
Balance with Government Authorities		
Advance Direct Tax (Net of Provisions)	293.39	148.69
	293.39	148.69

9 Deferred tax assets (Net) (Rs. Lakhs)

	31 March 2019	31 March 2018
Deferred tax assets/ (liabilities)		
Depreciation and amortisation	35.97	(67.62)
Employee retirement benefits	56.16	35.95
Allowances for credit losses	118.13	115.22
Other timing differences	1.87	0.84
MAT Credit Entitlement	263.83	215.31
	475.96	299.70

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019
10 Property, Plant and Equipments

(In Lakhs)

Description of Assets	Furniture and Fixtures	Vehicles	Office Equipment	Leasehold Improvement	Computers	Electrical Fittings	Total
I. Gross Block							
At cost as at 31 March 2018	59.76	99.70	101.04	89.53	107.73	2.13	459.89
Additions	17.68	120.36	8.61	-	10.87	-	157.52
Disposals	-	-	-	-	(0.29)	-	(0.29)
At cost as at 31 March 2019	77.44	220.06	109.65	89.53	118.89	2.13	617.11
II. Accumulated Depreciation							
Balance as at 31 March, 2018	22.57	22.27	31.05	32.30	62.64	0.77	171.60
Depreciation charged for the year	8.28	20.51	14.13	15.68	12.02	0.28	70.90
Disposals	-	-	-	-	(0.26)	-	-0.26
Upto 31 March 2019	30.85	42.78	45.18	47.98	74.92	1.05	242.24
Net book value							
As at 31 March 2019	46.59	177.28	64.47	41.55	43.98	1.08	374.87
As at 31 March 2018	37.19	77.43	69.99	57.23	45.09	1.36	288.29

11 Other Intangible Assets

(Rs Lakhs)

Description of Assets	Computer Software	Total
I. Gross Block		
At cost at 31 March 2018	84.07	84.07
Additions	47.48	47
Disposals	-	-
At cost at 31 March 2019	131.55	131.55
II. Accumulated Amortization		
Balance as on 31 March 2018	30.16	30.16
Amortization charged for the year	17.42	17
Disposals	-	-
Upto 31 March 2019	47.58	47.58
Net book value		
As at 31 March 2019	83.97	83.97
As at 31 March 2018	53.91	53.91
	31 March 2019	31 March 2018
Goodwill	125.59	125.59
Other Intangible assets	83.97	53.91

12 Other Non-Financial Assets

(Rs. Lakhs)

	31 March 2019	31 March 2018
Others Assets		
Prepaid expenses	86.80	75.44
Capital Advances	8.00	1,835.94
Other Advances		
- Considered Good	924.10	971.31
- Considered Doubtful	79.00	40.40
	1,003.10	1,011.72
Less : Impairment loss allowance	-79.00	-40.40
	924.10	971.31
Balance with Government authorities		
- Advance indirect taxes	11.34	50.25
Total	1,030.24	2,932.95

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019
13 Financial Liabilities

	31 March 2019	31 March 2018
I) Trade Payables (refer note 35)		
i) total outstanding dues of micro enterprises and small enterprises	-	-
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	6,982.93	5,546.76
Total	6,982.93	5,546.76
II) Other Payables (refer note 35)		
i) total outstanding dues of micro enterprises and small enterprises	7.91	9.00
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	137.52	81.69
Total	145.43	90.69

Trade payables and other payables are non-interest bearing and are normally settled as per payment terms mentioned in the contract. In the opinion of the management, the balances of Payables are stated at book value and are payable.

For transactions relating to related party payables refer note 39.

14 Borrowings:

	31 March 2019	31 March 2018
i) Term Loan		
Vehicle loan from financial institutions*	-	9.70
	-	9.70
ii) Loans taken**		
- Corporate	10.00	10.00
	10.00	10.00
iii) Loans repayable on demand		
From Banks	2,522.08	4,680.95
From Financial Institutions	-	1,606.72
	2,522.08	6,287.67
Total	2,532.08	6,307.37

* Secured against hypothecation of vehicles. The aforesaid borrowing carry interest rates @ 9.50% and are repayable in monthly installments by October 2019.

** Interest free, repayable on demand

Borrowings from Banks

Loan of Rs 494.39 Lakhs from Bank of India secured by first pari passu charge on book debts both present and future. The facility carries interest @ 12.40% presently (8.30 MCLR + 0.30% BSS + 3.80% CRP)

Loan of Rs 1,596.65 Lakhs from Yes Bank is secured by first pari passu charge on on all current assets of the company and personal guarantee of Promoters. The facility carries interest @11.95 % presently (1 year MCLR + 300 bps)

Loan of Rs 431.04 Lakhs from South Indian Bank is secured against fixed deposit of the company. The loan carries interest rates which ranges from @ 7.75 % to 8.60% (FD Rate +1 %)

Loans from Financial Institutions

Loan from Financial Institution IL&FS is secured by shares in pool account. The Loan carries interest @ 10.25%. The loan is repaid during the year.

15 Deposits

(Rs. Lakhs)

	31 March 2019	31 March 2018
Security Deposits from Sub Brokers	274.07	249.10
	274.07	249.10

16 Other Financial Liabilities

	31 March 2019	31 March 2018
Current maturities of long term borrowings	9.67	15.37
Total	9.67	15.37

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019
17 Current Tax Liabilities (Net)

	31 March 2019	31 March 2018
Tax Provision (net of advances)	-	157.03
	-	157.03

18 Provisions

	31 March 2019	31 March 2018
Provision for Employee Benefits	201.85	238.14
	201.85	238.14

19 Other Non-Financial Liabilities

	31 March 2019	31 March 2018
Statutory dues payable	392.25	221.84
Other Advances	0.60	-
	392.85	221.84

20 Equity Share Capital

(Rs. Lakhs)

	31 March 2019	31 March 2018
Authorised		
125,000,000 (31 March 2018 - 125,000,000) Equity shares of Rs.2/- each	2,500.00	2,500.00
10,000,000(31 March 2018 - 10,000,000) Equity shares of Rs 10/- each	1,000.00	1,000.00
	3,500.00	3,500.00
Issued, subscribed and fully paid up		
73,934,736 (31 March 2018 - 73,221,296) Equity shares of Rs.2/- each	1,478.69	1,464.43

	31 March 2019		31 March 2018	
	Number of Equity shares	Rs.	Number of Equity shares	Rs.
At the beginning of the year	73,221,296	1,464.43	73,221,696	1,464.43
Add: Share Issued on exercise of ESOP employee Stock Options	713,440	14.26	-	-
Add: Share issued during the year	-	-	-	-
Outstanding at the end of the year	73,934,736	1,478.69	73,221,696	1,464.43

b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

c) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: NIL
d) Details of shareholders holding more than 5% shares in the company:

Name of shareholders	31 March 2019		31 March 2018	
	No. of shares	% Holding	No. of shares	% Holding
Mr Mahendra V Doshi	22,246,254	30.38%	22,246,254	30.38%
Sea Glimpse Investments Private Limited	15,285,090	20.88%	15,285,090	20.88%
Bhavana Holdings Private Limited	8,457,030	11.55%	8,457,030	11.55%
Agrud Capital PTE Limited	4,364,934	5.96%	4,364,934	5.96%
	50,353,308	68.77%	50,353,308	68.77%

e) Employees Stock Option Scheme (ESOP)

The Company had instituted an Employee Stock Option Plan ("ESOP 2017 or "the Scheme") as approved by Board of Directors and Shareholders of the Company. Under the scheme, 37,00,000 Stock Options were granted at a price of Rs. 7/- per option to the employees of the Company. As per the scheme, 33%, 33% and 34% of the total grant shall be vested at the end of every year from the original grant date. The options vested would be exercisable at any time within a period of one years from the date of vesting and the equity shares arising on exercise of options shall not be subject to any lock in. The said Scheme is administered by the Nomination and Remuneration Committee of the Board.

During the year ended 31 March 2019, the Company did not grant any stock option. Out of the options granted 7,13,440 stock options had been exercised. There are 25,96,200 Options outstanding as at 31 March 2019.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019
f) Summary of Options granted under the scheme

	31 March 2019	31 March 2018
Options outstanding at the beginning of the year	3,700,000	3,700,000
Options exercised during the year	713,440	-
Options lapsed during the year	390,360	-
Option outstanding at the end of the year	2,596,200	3,700,000

g) Expiry date and exercise prices of the share options outstanding at the end of the year:

Grant date	Expiry date	Exercise price (Rs.)	Share options	
			31 March 2019	31 March 2018
29 September 2017	29 September 2021	7.00	2,596,200	3,700,000

h) The fair value of each option granted is estimated on the date of grant using the black scholes model with the following assumptions

Scheme	Grant
Grant date	29-Sep-2017
Weighted average fair value of options granted (Rs.)	8.21
Exercise price (Rs.)	7
Expected volatility	54.20%
Risk free interest rate	6.16%
Dividend yield	0.00%

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

i) Expense arising from share based payment transactions
(Rs in Lakhs)

	31 March 2019	31 March 2018
Gross Expense/ (reversal) arising from share based payments	119.32	94.61
Employee share based payment expense/ (reversal) recognised in statement of profit / loss (Refer note no 21)	119.32	94.61

21 Other Equity
(Rs in Lakhs)

	31 March 2019	31 March 2018
Preference shares redemption Reserve		
As per Last Balance Sheet	1,960.39	1,960.39
	1,960.39	1,960.39
Securities Premium		
As per Last Balance Sheet	-	-
Add : Premium on issue of ESOP Shares	89.54	-
	89.54	-
Shares Based Payment Reserve		
As per Last Balance Sheet	94.61	94.61
Add : Share based payments	119.32	-
Less : Premium on issue of ESOP Shares	(53.86)	-
	160.07	94.61
Retained Earnings		
Balance as per the last financial statements	252.83	(595.09)
Profit for the year	211.67	821.78
Other Comprehensive Income	-	-
Remeasurement of Defined benefit plan	(103.09)	(41.91)
Income tax impact thereon	31.78	14.51
Dividend Paid (Including Tax)	(88.27)	-
Transfer from Other Comprehensive Income on derecognition of FVTOCI Instrument	-	53.55
	304.91	252.83
Other Comprehensive income - fair value on equity instruments		
As per last balance sheet	(117.95)	(69.50)
Gain on fair value of financial asset through other comprehensive income	(11.16)	5.10
Transfer on derecognition of instrument measured at fair value through other comprehensive income.	-	(53.55)
	(129.11)	(117.95)
Total Other Equity	2,385.80	2,189.87

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

22 Revenue From Operations		(Rs. Lakhs)	
		31 March 2019	31 March 2018
(i) Interest Income			
Interest on deposits with banks		235.74	173.07
'-Loans		19.12	50.90
'-others		640.54	920.39
		895.39	1,144.36
(ii) Dividend Income on Investments		0.11	0.25
		0.11	0.25
(iii) Fees and Commission Income			
Brokerage Income		8,014.63	6,980.59
Other fees		382.35	454.32
		8,396.98	7,434.91
(iv) Net gain/loss on fair value changes			
On other investements		4.44	204.49
		4.44	204.49
(v) Others			
Net gain/loss on sale of securities		234.20	-
		234.20	-
23 Other Income			
		31 March 2019	31 March 2018
Unwinding of discounting of deposits		2.77	2.52
Miscellaneous Income		33.12	9.03
Profit on sale of property, plant and equipment		0.09	-
		35.97	11.55
EXPENSES			
24 Finance Costs			
		31 March 2019	31 March 2018
Interest on borrowings		680.45	605.98
Other financial charges		67.65	65.69
		748.10	671.67
25 Fees and commision expense			
		31 March 2019	31 March 2018
Commission and sub-brokerage		3,358.00	2,657.77
		3,358.00	2,657.77
26 Net loss on fair value changes			
		31 March 2019	31 March 2018
Fair valuation loss on fair value through profit and loss instruments		-	19.94
		-	19.94
27 Employee benefits expense			
		31 March 2019	31 March 2018
Salaries and wages		3,624.74	2,698.61
Contribution to provident and other funds		98.63	87.08
Shares based payment to employees		119.32	94.61
Staff welfare expenses		59.72	45.77
Gratuity expense		(70.16)	68.38
		3,832.25	2,994.44
28 Depreciation, amortisation and impairment			
		31 March 2019	31 March 2018
Depreciation of tangible assets		70.90	80.79
Amortization of intangible assets		17.42	14.95
		88.32	95.74

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019
29 Other expenses

	31 March 2019	31 March 2018
Rent , Rates and taxes	349.10	346.25
Repairs and maintenance	66.64	49.58
Electricity Expenses	51.82	50.65
Communication costs	156.63	152.83
Travelling and Conveyance Expenses	112.48	86.15
Printing and stationery	188.81	112.33
Legal and professional fees	263.34	190.30
Directors sitting fees	1.10	1.40
Subscription and Membership fees	26.91	20.30
Payments to auditors (refer note 34)	11.02	13.87
Bad and doubtful debts/advances (net of provisions)	39.23	(117.83)
Loss n sale of Property Plant & Equipments	-	1.32
Corporate Social Responsibility expenses (refer note 46)	8.50	-
Business Promotion expenses	98.75	80.26
Miscellaneous Expenses	57.89	11.61
	1,432.23	999.02

For transactions relating to related party refer note 39

30 Tax Expense
(a) The major components of income tax for the year are as under:

i) Income tax related to items recognised directly in the statement of profit and loss

(Rs. Lakhs)

	31 March 2019	31 March 2018
Current tax		
Current tax on profits for the year	41.00	286.74
Deferred tax (Credit) / Charge		
Relating to origination and reversal of temporary differences	(95.95)	248.47
MAT Credit entitlement- current year	(14.25)	-
MAT Credit entitlement- earlier years	(34.27)	-
Total	(103.47)	535.21
Effective tax rate #	(95.64%)	39.44%

A reconciliation of income tax expense applicable to profit before income tax at statutory rate to the income tax expense at Company's effective income tax rate for the year ended 31 March 2019

ii) Deferred tax related to items recognised in the other comprehensive income (OCI) during the year

	31 March 2019	31 March 2018
Deferred tax on remeasurement (gains)/losses on defined benefit plan	31.78	14.51
Deferred tax charged to OCI	31.78	14.51

(b) Reconciliation of tax expense and the accounting profit multiplied by tax rate:

	31 March 2019	31 March 2018
Accounting Profit/(Loss) before tax	108.19	1,356.99
Income tax expense calculated at corporate tax rate*	30.10	469.62
Excess provision	-	4.00
Tax effect on non-deductible expenses	-	131.57
Effect of exempt income and income tax at Lower rates	(0.03)	(0.09)
Other temporary differences	(85.03)	(155.36)
Losses in respect of which deferred tax not recognized	-	(72.34)
MAT Credit adjustment (current + earlier year)	(48.52)	157.82
Tax expense recognized in the statement of profit and loss	(103.48)	535.22

The applicable tax rate is the standard effective corporate income tax rate in India. The tax rate is 27.82% for the year ended 31 March 2019.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so. For analysis of the deferred tax balances (after offset) for financial reporting purposes refer note 9.

The Company does not have any temporary differences in respect of unutilized tax losses as at 31 March 2019.

(c) Deferred tax relates to the following:

Reconciliation of deferred tax assets / (liabilities) net:	31 March 2019	31 March 2018
Opening balance	299.70	533.67
Deferred tax (charge)/credit recognised in		
- Statement of profit and loss	144.48	(248.47)
- Recognised in other comprehensive income	31.78	14.51
Total	475.96	299.70

Deferred tax recognized in statement of profit or loss

For the year ended	31 March 2019	31 March 2018
Depreciation and amortisation	103.59	(135.08)
Employee retirement benefits obligation	(11.58)	8.98
Business Loss (including Unabsorbed Depreciation)	-	(278.56)
Allowance for credit losses	2.91	(15.12)
Other timing differences	1.04	10.04
MAT credit entitlement	48.52	161.26
Total	144.48	(248.47)

Deferred tax recognized in statement of Other Comprehensive Income

For the year ended	31 March 2019	31 March 2018
Employee retirement benefits obligation	31.78	14.51
Total	31.78	14.51

31 Operating Leases

The group has taken offices under lease and license agreements under cancellable/non-cancellable lease agreements that are renewable on periodic basis at the option of both the lessor and the lessee.

-The initial tenure of the lease is generally ranging from 12 months to 84 months.

(Rs .Lakhs)

	31 March 2019	31 March 2018
Lease rental charges for the year	250.65	223.19
Future lease rental obligation Payable (under non-cancellable operating lease)		
Not later than one year	39.82	13.67
Later than one year but not later than five years	37.49	16.52

32 (i) Contingent Liabilities

(Rs .Lakhs)

	31 March 2019	31 March 2018
a) Bank Guarantee	5,410.00	5,410.00
b) Disputed Direct Taxes	6.82	13.75
c) Legal cases against the Company#	130.20	164.32

The amount represents the best possible estimates arrived at on the basis of available information. The group has engaged reputed advocates to protect its interests and has been advised that it has strong legal positions against such disputes.

(ii) Litigation

The Company has filed various cases for recovery of dues and suits are pending in various courts. The company has engaged advocates to protect the interest of the company and expects favourable decision.

(iii) Capital Commitments

Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) is Rs. 8 lakhs (2018 : 16.06 lakhs)

33 Segment Informations

Disclosure under Indian Accounting Standard 108 – 'Operating Segments' is not given as, in the opinion of the management, the entire business activity falls under one segment, viz. ,primarily engaged as stock and securities broker and providing the financial services, except insurance and pension funding. The group conducts its business only in one Geographical Segment, viz., India.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019
34 Payment to Auditors

(Rs .Lakhs)

For Standalone	31 March 2019	31 March 2018
Audit fees	10.00	13.09
Other matters	0.32	0.18
Total	10.32	13.27

(Rs .Lakhs)

For Subsidiary	31 March 2019	31 March 2018
Audit fees	0.45	0.40
Tax audit fees	0.25	0.20
Total	0.70	0.60

35 Micro, small and medium enterprises

Trade payables and other payables include amount payable to Micro, Small and Medium Enterprises. Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMEDA) which came into force from 02 October, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, the following disclosures are made for the amounts due to the Micro, Small and Medium enterprises, who have registered with the competent authorities.

	31 March 2019	31 March 2018
Principal amount remaining unpaid to any supplier as at the year end	7.91	9.00
Interest due thereon	-	-
Amount of interest paid by the company in terms of section 16 of the MSMEDA, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMEDA	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

36 Financial Instruments
i) Financial risk management objective and policies

The Group's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include investments, loans, trade receivables, other receivables, and cash and cash equivalents that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks.

a) Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, other financial instruments.

1) Interest rate risk:

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair value of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that future cash flows of floating interest bearing investments will vary because of fluctuations in interest rates.

The group's exposure to the risk of changes in market interest rates relates primarily to the Group's short-term loan from banks. Redeemable preference shares carries fixed coupon rate and hence is not considered for calculation of interest rate sensitivity of the group.

Interest rate risk exposure

	As at 31 March 2019	As at 31 March 2018
Variable rate borrowings	2,531.75	6,312.74

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact of change in interest rate of borrowings, as follows:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

(Rs. Lakhs)

	Increase / decrease in basis points	Effect on Profit before tax
As on 31 March 2019	+ 50 / - 50	12.659
As on 31 March 2018	+ 50 / - 50	31.564

2) Foreign currency risk:

The Group does not have any foreign currency risk. Hence no sensitivity analysis is required

3) Credit Risk:

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, deposits and loans given, investments and balances at bank.

The Group measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates. Expected Credit Loss is based on actual credit loss experienced and past trends based on the historical data.

(Rs. Lakhs)

Trade Receivables	Year ended 31 March 2019	Year ended 31 March 2018
More than Six months	2,273.42	872.02
Others	3,277.66	9,593.24
Total	5,551.08	10,465.26

	As at 31 March 2019	As at 31 March 2018
Movement in allowance for credit loss during the year was as follows :		
Opening Balance	(415.35)	(563.29)
Add :- Provided during the year	(0.64)	-
Less :- Reversal during the year	-	147.94
Balance as at 31 March	(415.99)	(415.35)
Net Trade receivable	5,135.09	10,049.91

Credit risk on cash and cash equivalents is limited as the Group generally invest in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies. Investments primarily include investment in equity shares and bonds.

b) Liquidity Risk:

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The Group's principal source of liquidity are cash and cash equivalents and the cash flow i.e. generated from operations. The Group consistently generated strong cash flows from operations which together with the available cash and cash equivalents and current investment provides adequate liquidity in short terms as well in the long term.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at :

(Rs. Lakhs)

	Carrying Amount	31 March 2019			
		Less than 1 year	2-5 years	More than 5 years	Total
Financial Liabilities :					
Borrowings	2,532.08	2,532.08	-	-	2,532.08
Deposits*	274.07	44.90	116.07	113.10	274.07
Trade payables	6,982.93	6,982.93	-	-	6,982.93
Other payables	145.42	145.42	-	-	145.42
Other financial liabilities	9.67	9.67	-	-	9.67
	9,944.16	9,714.99	116.07	113.10	9,944.16

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

	Carrying Amount	31 March 2018			
		Less than 1 year	2-5 years	More than 5 years	Total
Financial Liabilities :					
Borrowings	6,307.37	6,297.67	9.70		6,307.37
Deposits*	249.10			249.10	249.10
Trade payables	5,546.76	5,546.76	-	-	5,546.76
Other payables	90.69	90.69	-	-	90.69
Other financial liabilities	15.37	15.37	-	-	15.37
	12,209.29	11,950.49	9.70	249.10	12,209.29

* pertains to deposits received from sub-broker as per contract till the continuation of the service.

ii) Capital Management

For the purpose of Group's capital management, capital includes issued capital and other equity reserves. The primary objective of the Group's Capital Management is to maximize shareholder value. The group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The group monitors capital using gearing ratio, which is Net debt divided by total capital.

(Rs. Lakhs)

	As at 31 March 2019	As at 31 March 2018
Gross debt (inclusive of long term and short term borrowing)	2,541.75	6,307.37
Less: Cash and bank balances	5,273.38	4,893.37
Net debt	(2,731.63)	1,414.00
Total equity	3,864.49	3,654.28
Total capital	1,132.86	5,068.28
Gearing ratio	(241.13%)	27.90%

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 31 March 2018.

iii) Categories of financial instruments and fair value thereof

(Rs Lakhs)

	31 March 2019		31 March 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
A) Financial Assets (other than investment in subsidiaries, associates and joint venture companies at cost):				
i) Measured at amortised cost				
Cash and cash equivalents	1,846.31	1,846.31	1,511.92	1,511.92
Bank Balances other than cash & cash equivalents	3,427.07	3,427.07	3,381.45	3,381.45
Trade receivables	5,135.09	5,135.09	6,672.72	6,672.72
Loans	293.04	293.04	19.76	19.76
Other Financial assets	774.05	774.05	736.31	736.31
ii) Measured at Fair value through other comprehensive income				
Investments	13.58	13.58	24.75	24.75
iii) Measured at Fair value through profit and loss account				
Investments	530.20	530.20	284.57	284.57
B) Financial liabilities				
i) Measured at amortised cost				
Borrowings	2,532.08	2,532.08	6,307.37	6,307.37
Trade payables	6,982.93	6,982.93	5,546.76	5,546.76
Other Financial Liabilities	429.16	429.16	355.16	355.16

The management assessed that cash and cash equivalents and bank balances, trade receivables, other financial assets, certain investments, trade payables and other current liabilities approximate their fair value largely due to the short-term maturities of these instruments. Difference between carrying amount and fair value of bank deposits, other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the year presented.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019
37 Fair Value Hierarchy :

-Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

-Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

-Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of a fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures of fair value measurement hierarchy for assets and liabilities as at 31 March 2019

(Rs. Lakhs)

Financial Assets	Assets as at		Fair Value Hierarchy	Valuation technique(s) & key inputs used
	31 March 2019	31 March 2018		
Investments in equity shares- Non-current Investments	4.73	15.89	Level 1	Quoted in an active market
Investments in equity shares- Current Investments	14.76	10.83	Level 1	Quoted in an active market
Investments in equity shares- Non-current Investments	8.85	8.85	Level 3	Unobservable inputs
Investments in Mutual Fund- Current Investments	0.51	0.00	Level 1	Quoted in an active market
Investments in Bonds- Current Investments	514.93	273.74	Level 2	Inputs other than quoted prices
	543.78	309.31		

Investments measured at fair value are tabulated above. All other financial assets and liabilities at amortised cost are in Level 3 of fair value hierarchy and have been considered at carrying amount .

The fair values of the financial assets and financial liabilities included in the level 3 categories above have been determined in accordance with generally accepted pricing models like networth criteria.

Reconciliation of Level 3 category of financial assets

(Rs Lakhs)

	31 March 2019	31 March 2018
Opening Balance	8.85	2.65
Fund Invested	-	-
Net Gain/ (loss) recognised	-	6.20
Closing Balances	8.85	8.85

38 Gratuity and other post employment benefit plans

The disclosures of employee benefits as defined in the Ind AS 19 "Employee Benefits" are given below:

a. Leave encashment is a non-funded defined benefit scheme. The obligation for leave encashment is recognized in the same manner as gratuity.

b. Details of post retirement gratuity plan are as follows:

i. Expenses recognised during the year in the statement of profit and loss

(Rs Lakhs)

	31 March 2019	31 March 2018
Current service cost	53.74	31.79
Interest cost (net)	17.38	8.98
Past Service cost	-	21.19
Net expenses	71.12	61.96

ii Expenses recognised during the year in other comprehensive income (OCI)

(Rs Lakhs)

	31 March 2019	31 March 2018
Actuarial (gains)/ losses arising from changes in demographic assumptions	(35.75)	(4.79)
Actuarial (gains)/ losses arising from changes in financial assumptions	(4.53)	64.68
Actuarial (gains)/ losses arising from changes in experience assumptions	150.46	(17.98)
Recognised during the year	110.18	41.91

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019
III Net liability recognised in the balance sheet

	31 March 2019	31 March 2018
Fair value of plan assets	(214.28)	(1.20)
Present value of obligation	416.13	239.34
Liability recognized in balance sheet	201.85	238.14

IV Reconciliation of opening and closing balances of defined benefit obligation

(Rs Lakhs)

	31 March 2019	31 March 2018
Defined benefit obligation as at the beginning of the year	239.34	135.39
Current Service Costs	53.74	31.79
Interest Costs	17.38	9.06
Actuarial (gain)/ loss on obligation	110.18	41.91
Benefits Paid	(4.51)	-
Past service costs	-	21.19
Defined benefit obligation at the end of the year	416.13	239.34

V Reconciliation of opening and closing balance of fair value of plan assets

(Rs Lakhs)

	31 March 2019	31 March 2018
Fair value of plan assets at the beginning of the year	1.20	1.11
Interest income	7.37	0.07
Contribution paid	203.14	-
Benefits Paid	(4.51)	-
Return on plan asset	7.08	0.02
Fair value of plan assets at year end	214.28	1.20

VI Actuarial Assumptions

(Rs Lakhs)

	31 March 2019	31 March 2018
Discount rate (Per annum)	6.44%	7.33%
Rate of escalation in salary (per annum)	8.00%	10.00%
Attrition rate	PS : 0 to 42 : 35% & 10%	PS : 0 to 42 : 8%
Mortality Table	Indian Assured Lives mortality (2006-08) Ultimate	Indian Assured Lives mortality (2006-08) Ultimate

VII Quantitative Sensitivity Analysis

(Rs Lakhs)

	31 March 2019	31 March 2018
Projected benefit obligation on current assumptions		
Increase by 1% in Discount rate	400.21	218.22
Decrease by 1% in Discount rate	433.72	264.04
Increase by 1% in Rate of salary increase	426.15	259.48
Decrease by 1% in Rate of salary increase	406.55	221.29

VIII Maturity analysis of projected benefit obligation : from the fund

(Rs Lakhs)

Projected benefits payable in future years from the date of reporting	31 March 2019	31 March 2018
1st Following Year	96.39	21.86
2nd Following Year	78.85	24.93
3rd Following Year	73.23	21.26
4th Following Year	46.74	20.99
5th Following Year	36.29	24.58
Sum of years 6 to 10	126.74	111.20

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019
Notes:

- (a) The current service cost recognized as an expense is included in the Note 27 'Employee benefits expense' as gratuity. The remeasurement of the net defined benefit liability is included in other comprehensive income.
- (b) The estimate of future salary increases considered in the actuarial valuation takes into account the rate of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

39 Related party transactions
Key Management Personnel

Mr Pratik Doshi

Nature of relationship

Managing Director

Other related parties with whom transactions have taken place during the year.

LKP Finance Limited
 Bhavna Holdings Limited
 Gayatri Cements and Chemicals Private Limited
 MKM Share & Stock Brokers Limited
 Peak Plastonics Private Limited
 Sea Glimpse Investments Private Limited
 Solar Ex PV Solutions Private Limited
 Alpha Commodity Private Limited
 M/s LK Panday

Transactions with Related parties:

(Rs. Lakhs)

	31 March 2019	31 March 2018
Remuneration to Key Management Personnel		
Key Management Personnel	64.22	64.22
Brokerage Income		
Other Related Parties	25.53	63.01
Interest Income		
Other related parties	-	50.90
Interest Expenses		
Other related parties	33.70	-
Legal Professional Fees		
Other related parties	10.56	10.56
Purchase of Property, Plant and Equipments		
Other related parties	118.41	-
Loans Taken/ Repayment		
Other related parties	46,060.00	-
Loans given		
Other related parties	-	100.00
Repayment Received of Loans given		
Other related parties	-	700.00

Balances as at 31 March 2019

(Rs Lakhs)

	31 March 2019	31 March 2018
Trade Payables		
Other related parties	-	187.66
Other Advances		
Other related parties	924.10	932.72
Trade Receivables		
Other related parties	139.76	173.86
Capital Advance		
Other related parties	-	1,835.94
Deposits		
Other related parties	300.00	300.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019
40 Earnings per share (Rs. Lakhs)

	31 March 2019	31 March 2018
Profit/(Loss) after tax (Rs.)	211.67	821.78
Weighted average number of equity shares		
- for Basic Earnings per share	73,289,708	73,221,296
- for Diluted Earnings per share	74,353,686	74,424,454
Face value of equity share (Rs/ share)	2	2
Basic earnings per share (Rs.)	0.29	1.12
Diluted Earnings per share (Rs/share)	0.28	1.10

41 Reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities as required by Ind AS 7 "Statement of Cash Flows" is as under:

(Rs. Lakhs)

	As at 31 March 2018	Cash Inflows	Cash outflows	Non Cash Changes		As at 31 March 2019
				Interest Accrued	Other Charges	
Long Term Borrowings (Including Current maturities)	25.07	-	(15.40)	-	-	9.67
Short Term Borrowings (For Bank, Financial Institution and intercorporate deposits etc.)	6,297.67	-	(3,765.59)	-	-	2,532.08

42 Disclosures as required by Ind AS 115

The Companies (Indian Accounting Standards) Amendment Rules, 2018 issued by the Ministry of Corporate Affairs (MCA) notified Ind AS 115 "Revenue from Contracts with Customers. The Company has adopted Ind AS 115 w.e.f. 1 April 2018 using the full retrospective approach. Impact on the financial statements upon adoption of Ind AS 115 is not material.

Revenue Consist of following

	31 March 2019	31 March 2018
Interest Income	895.39	1,144.36
Dividend Income	0.11	0.25
Fees and Commission Income	8,014.63	6,980.59
Net Gain/loss on sale of mutual fund & other investments	238.64	204.49
Other operating revenue	382.35	454.32
Total	9,531.12	8,784.01

Revenue Disaggregation by Industrial Vertical & Geography is as follows

Revenue by offerings	31 March 2019	31 March 2018
Financial Services/ India	9,531.12	8,784.01
Total	9,531.12	8,784.01

Timing of Revenue Recognition

	31 March 2019	31 March 2018
Services transferred at point in time	8,635.73	7,639.65
Services transferred over period in time	895.39	1,144.36
Total	9,531.12	8,784.01

43 There are no unclaimed dividend for a period of more than seven years. Further, there are no amounts due and outstanding to be credited to Investor's Education and Protection Fund as on 31 March 2019

44 The group, has no long-term contracts including derivative contracts having material foreseeable losses as at 31 March 2019.

45 Securities received from Clients as collateral for margin are held by the Group in its own name in fiduciary capacity.

46 As per section 135 of the Companies Act, 2013, amount required to be spent by the company during the year ended March 31, 2019 is 7.94 lakhs, computed at 2% of its average net profit for the immediately preceding three financial years, on Corporate Social Responsibility (CSR). The Company incurred an amount of 8.50 lakhs during the year ended March 31, 2019 towards CSR expenditure for purposes other than construction / acquisition of any asset.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019
47 Dividend Recommendation:

The board proposed dividend on equity shares after the balance sheet date

(Rs. Lakhs)

	2019	2018
Proposed dividend on equity shares for the year ended on 31 March, 2019: Rs.Nil/-per share (Rs.0.10 per share)	-	73.21
Dividend Distribution Tax on proposed dividend	-	15.05

48 Additional Information, as required to consolidated Financial Statements to schedule III to the companies Act, 2013, of enterprises consolidated as subsidiary for the Financial year 2018-2019

Name of the Enterprises	Net Assets i.e. total assets minus total liabilities		Shares of profit & loss		Shares in Other Comprehensive Income		Shares of profit & loss	
	As % of consolidated net assets	Rs. Lakhs	As % of consolidated profit or loss	Rs. Lakhs	As % of consolidated other comprehensive Income	Rs. Lakhs	As % of consolidated other comprehensive Income	Rs. Lakhs
Parent								
LKP Securities Limited	96.65%	3,808.35	89.62%	189.70	100.00%	(82.47)	82.99%	107.23
Subsidiary								
LKP Wealth Advisory Private Limited	3.35%	132.15	10.38%	21.98	0.00%	-	17.01%	21.98
Total	100.00%	3,940.50	100.00%	211.68	100.00%	(82.47)	100.00%	129.21

Note :

The Figures have been computed based on the respective audited financial statements of the companies vis-à-vis consolidated figures. Impact of consolidation adjustments have not been considered.

49 The consolidated financial statements (herewith referred to as "financial statements") of the group for the year ended 31 March 2019, were authorised for issue by board of directors at their meeting held on 2 May 2019.

50 Prior Year Comparatives

Previous year's figures have been regrouped / reclassified/rearranged wherever necessary to correspond with the current year's classifications / disclosures. Figures in brackets pertain to previous year

Note



If undelivered, please return to :

LKP Securities Limited
203, Embassy Centre,
Nariman Point,
Mumbai - 400 021.

LKP SECURITIES LIMITED

(CIN:L67120MH1994PLC080039)

Regd. Office : 203, Embassy Centre, Nariman Point, Mumbai – 400021.

Website : www.lkpsec.com;

Phone: 022-40024785, Fax: 022-22874787

**ATTENDANCE SLIP****Attendance by**

(Please tick the appropriate box)

- Member
 Proxy
 Authorised Representative

<<NAME>>

<<ADD1>>

<<ADD2>>

<<ADD3>>

<<ADD4>>, <<CITY>> - <<PIN>>

Folio No. / DP/ID NO.....

No. of Shares held:.....

Mr./Mrs./Miss.....

I hereby record my presence at the 25th Annual General Meeting of the shareholders of the Company on Friday, the 5th day of July, 2019 at M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Mumbai 400 001 at 10.45 a. m.

Member's/Proxy's Signature

ELECTRONIC VOTING PARTICULARS

EVEN (E-voting Event Number)	User ID	Password
110747		

FORM NO. MGT-11

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

PROXY FORM**CIN:L67120MH1994PLC080039**Name of the company : **LKP SECURITIES LIMITED**

Regd. Office : 203, Embassy Centre, Nariman Point, Mumbai – 400021.

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

I/We being the member(s) of _____ shares of the above named Company hereby appoint:

- (1) Name _____
Address _____
E-mail Id: _____ Signature _____ or failing him
- (2) Name _____
Address _____
E-mail Id: _____ Signature _____ or failing him
- (3) Name _____
Address _____
E-mail Id: _____ Signature _____

as my / our Proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 25th Annual General Meeting of the Company to be held on Friday, the 5th day of July, 2019 at M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Mumbai 400 001 at 10.45 a.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Description	For*	Against*
1	Adoption of the Audited Financial Statements (including audited consolidated financial statements) for the financial year ended 31st March, 2019, the Reports of the Board of Directors' and Auditors' thereon. Ordinary Resolution		
2	Re-appointment of Mr. S.S. Gulati, Director retiring by rotation. Ordinary Resolution		
3	Appointment of M/s MGB & Co. LLP as a Statutory Auditor of the Company. Ordinary Resolution		
4	Appointment of Mrs. Anjali Suresh as an Independent Woman Director of the Company. Ordinary Resolution		
5	Approval of Employee Stock Option Plan 2019 of the Company. Special resolution		
6	Approval of grant of options under Employee Stock Option Plan 2019 to eligible employees of its Subsidiary Company(ies). Special resolution		

Signed this..... Day of..... 2019

Signature of shareholder.....

Affix 1 Re.
Revenue
Stamp

Signature of Proxy holder(s)

* Please Put a (√) in the appropriate column against the resolution as indicated in the Box. Alternatively, you may mention the number of shares in the appropriate column in respect of which you would like your proxy to vote.

Note:

- This Form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
- A proxy need not be a Member of the Company.
- In case the Member appointing proxy is a body corporate, the proxy form should be signed under its seal or be signed by an officer or an attorney duly authorised by it and an authenticated copy of such authorisation should be attached to the proxy form.
- A person can act as proxy on behalf of such number of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, a Member holding more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.
- Appointing a proxy does not prevent a Member from attending the meeting in person if he/she so wishes.
- In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

Annual General Meeting

M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Mumbai 400 001

