

April 27, 2021

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

**Scrip Code: 540192**

Dear Sir,

**Sub: Outcome of Board Meeting held on April 27, 2021 – Audited Financial Results for the Fourth Quarter and Financial Year ended March 31, 2021**

Pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”), we wish to inform you that the Board of Directors at its Meeting held today i.e. April 27, 2021 has inter alia, approved:

1. The Audited Standalone Financial Results of the Company for the Fourth Quarter and Financial Year ended March 31, 2021;
2. The Audited Consolidated Financial Results of the Company and its subsidiary for the Fourth Quarter and Financial Year ended March 31, 2021; and
3. Recommended a final dividend of Rs. 0.20 (i.e. 10%) per equity share of Rs. 2/- each for the financial year ended March 31, 2021, subject to approval of the members at the ensuing Annual General Meeting.

The above audited Financial Results (Standalone and Consolidated) have been reviewed by the Audit Committee at its meeting held today.

Accordingly, we enclose herewith the following:

1. Audited (Standalone and Consolidated) Financial Results of the Company for the Fourth Quarter And Financial Year ended March 31, 2021; and
2. Auditors' Reports on the Audited (Standalone and Consolidated) Financial Results;

**Unmodified Opinion:**

In compliance with the provisions of Regulation 33 of the SEBI Listing Regulations, the Company hereby confirms and declares that the Statutory Auditors of the Company, MGB & Co. LLP, Chartered Accountants have issued audit report on the standalone and consolidated financial results of the Company for the fourth quarter and financial year ended March 31, 2021 with unmodified opinion.

The Meeting of the Board of Directors commenced at 04:00 PM and concluded at 05:45 PM

You are requested to take the same on your record.

For **LKP Securities Limited**

**Pratik M. Doshi**  
**Managing Director**  
**DIN: 00131122**

Encl: a/a

**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](http://www.lkpsec.com),  
Single SEBI registration number for NSE/BSE/MSEI: INZ000216033 ARN 31751 DPIN-CDSL-206-2003  
CIN L67120MH1994PLC080039 and Maharashtra GSTN No. 27AAACL0963A1ZZ

(Rs.in lakhs except per share data)

Particulars	Standalone				
	Quarter ended			Year Ended	
	31 March 2021	31 December 2020	31 March 2020	31 March 2021	31 March 2020
	Audited (Refer note 2)	Unaudited	Audited (Refer note 2)	Audited	Audited
<b>Revenue From Operations</b>					
Interest Income	149.97	150.34	156.54	667.33	734.55
Fees and Commission Income	2,049.44	1,814.05	1,742.63	7,530.80	6,436.72
Net Gain / (loss) on Fair Value Changes	(5.94)	103.12	-	138.14	-
Other Operating Income	17.90	19.00	46.94	38.02	132.84
<b>I Total Revenue from Operations</b>	<b>2,211.37</b>	<b>2,086.51</b>	<b>1,946.11</b>	<b>8,374.29</b>	<b>7,304.11</b>
<b>II Other Income</b>	<b>23.66</b>	<b>14.30</b>	<b>9.21</b>	<b>65.16</b>	<b>54.70</b>
<b>III Total Income ( I+II)</b>	<b>2,235.03</b>	<b>2,100.81</b>	<b>1,955.32</b>	<b>8,439.45</b>	<b>7,358.81</b>
<b>Expenses</b>					
Finance Costs	30.96	38.32	64.43	118.77	465.68
Fees and Commission Expenses	732.79	615.63	564.44	2,520.22	2,180.98
Net Loss on Fair Value Changes	-	-	112.02	-	64.16
Impairment on Financial Instruments (Refer note 4)	927.23	9.32	170.12	910.36	79.03
Employee Benefit Expenses	694.94	818.04	646.25	3,083.78	3,110.20
Depreciation, Amortization and impairment	49.08	49.72	(73.19)	163.61	115.85
Other Expenses	279.11	309.43	367.47	1,089.00	1,123.30
<b>IV Total expenses</b>	<b>2,714.11</b>	<b>1,840.47</b>	<b>1,851.54</b>	<b>7,885.74</b>	<b>7,139.20</b>
<b>V Profit/ (Loss) before tax ( III-IV)</b>	<b>(479.08)</b>	<b>260.35</b>	<b>103.78</b>	<b>553.71</b>	<b>219.61</b>
<b>VI Tax expenses</b>					
Current tax	(167.16)	48.70	65.06	59.09	85.96
Deferred tax (Benefit) / Charge	60.30	26.19	(15.33)	102.92	(23.10)
<b>Total Tax Expenses</b>	<b>(106.85)</b>	<b>74.90</b>	<b>49.73</b>	<b>162.01</b>	<b>62.86</b>
<b>VII Profit / (Loss) for the period / year ( V-VI)</b>	<b>(372.23)</b>	<b>185.45</b>	<b>54.05</b>	<b>391.70</b>	<b>156.75</b>
<b>VIII Other Comprehensive Income</b>					
(i) Items that will not be reclassified to profit or loss					
a) Re-mesurement of defined benefit obligation	(36.43)	11.82	(17.25)	0.62	1.04
b) Fair value changes of equity instruments through other comprehensive income	4.66	0.55	(9.63)	6.08	(11.79)
c) Income Tax relating to items that will not be reclassified to profit or loss	10.14	(3.29)	4.20	(0.17)	(0.29)
(ii) Items that will be reclassified to profit or loss	-	-	-	-	-
<b>Other Comprehensive Income / (loss) for the period / year</b>	<b>(21.63)</b>	<b>9.08</b>	<b>(22.68)</b>	<b>6.53</b>	<b>(11.04)</b>
<b>Total Comprehensive Income / (loss) for the period / year (VII+VIII)</b>	<b>(393.86)</b>	<b>194.53</b>	<b>31.37</b>	<b>398.23</b>	<b>145.71</b>
Paid up Equity Share Capital (face value Rs. 2 per share)				1,478.69	1,478.69
Reserves excluding Revaluation Reserve				2,892.75	2,477.18
Earnings per Share - Basic (Rs.)*	(0.50)	0.25	0.07	0.53	0.21
Earnings per Share - Diluted (Rs.)*	(0.50)	0.25	0.07	0.53	0.21

\* EPS not annualised for the interim period

**Statement of Assets and Liabilities**

Particulars	Standalone	
	As at 31 March 2021 Audited	As at 31 March 2020 Audited
<b>I ASSETS</b>		
<b>(1) Financial Assets</b>		
(a) Cash and cash equivalents	6,058.37	2,986.84
(b) Bank Balance other than (a) above	3,622.71	1,863.27
(c) Receivables		
(i) Trade receivables	1,825.55	2,325.57
(d) Loans	24.19	26.22
(e) Investments	376.73	684.68
(f) Other financial assets	4,978.65	4,156.04
<b>Total Financial Assets</b>	<b>16,886.20</b>	<b>12,042.62</b>
<b>(2) Non-Financial Assets</b>		
(a) Current tax assets (net)	154.01	293.03
(b) Deferred tax assets (net)	356.91	460.01
(c) Property, plant and Equipment	277.72	313.96
(d) Right of use assets	517.54	94.74
(e) Intangible assets under development	-	15.30
(f) Goodwill	652.31	125.59
(g) Other Intangible Assets	68.90	83.34
(h) Other non-financial assets	116.37	997.62
<b>Total Non-Financial Assets</b>	<b>2,143.76</b>	<b>2,383.59</b>
<b>(3) Assets held for sale</b>	<b>439.26</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>19,469.22</b>	<b>14,426.21</b>
<b>II LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>(1) Financial Liabilities</b>		
(a) Trade payables		
- Dues of micro enterprises and small enterprises	-	-
- Dues of creditors other than micro enterprises and small enterprises	9,074.51	5,077.57
(b) Other payables	110.12	108.82
(c) Borrowings	1,015.52	1,510.25
(d) Deposits	291.51	265.94
(e) Other financial liabilities	4,241.93	3,068.28
<b>Total Financial Liabilities</b>	<b>14,733.59</b>	<b>10,030.86</b>
<b>(2) Non-Financial Liabilities</b>		
(a) Provisions	198.08	252.07
(b) Other non-financial liabilities	166.11	187.41
<b>Total Non-financial liabilities</b>	<b>364.19</b>	<b>439.48</b>
<b>(3) Equity</b>		
(a) Equity Share Capital	1,478.69	1,478.69
(b) Other Equity	2,892.75	2,477.18
<b>Total Equity</b>	<b>4,371.44</b>	<b>3,955.87</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>19,469.22</b>	<b>14,426.21</b>

## Statement of Cash Flows

Particulars	Standalone	
	Year Ended 31 March 2021 Audited	Year Ended 31 March 2020 Audited
<b>A. Cash flow from operating activities</b>		
Profit before tax	553.71	219.61
Adjustments for:		
Depreciation and amortization expense	163.61	115.85
Interest expense	108.81	366.96
Interest Income	(667.33)	(734.55)
Impairment allowance on trade and other receivables (net)	910.36	79.03
Net loss/ (gain) on Investments carried at fair value through profit and loss	(138.14)	64.16
(Profit)/loss on sale of investments (net)	(38.02)	(132.84)
Share based payments to employees	17.35	1.81
(Profit)/loss on sale/discard of property, plant and equipment and intangible assets (net)	17.05	(0.14)
Unwinding of discount on security deposits	(1.55)	-
Balances written back (net)	(0.34)	-
Remeasurement gains/(losses) on defined benefit plan accounted for in other comprehensive income	0.62	1.04
<b>Operating profit before working capital changes</b>	<b>926.14</b>	<b>(19.07)</b>
Adjustments for:		
Decrease / (increase) in Trade and other Receivables	(646.85)	(671.70)
(Decrease)/increase in Trade and other payables	4,335.44	870.90
<b>Cash generated from operations</b>	<b>4,614.72</b>	<b>180.13</b>
Direct tax paid (net of refunds)	79.92	(65.32)
<b>Net cash from/ (used in) operating activities (A)</b>	<b>4,694.65</b>	<b>114.81</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment and intangible assets including assets held for sale	(61.27)	(45.61)
Purchase consideration for acquisition of commodity business (Refer note 5)	(318.00)	-
Sale of property, plant and equipment and intangible assets	0.90	0.15
Purchase of investments	(15,856.22)	(29,954.09)
Sale of investments	16,346.40	29,946.08
Repayment of loans given (net)	2.03	266.82
(Increase)/ decrease in bank deposits	(1,727.73)	1,565.31
Interest received	635.63	734.55
<b>Net cash from/ (used in) investing activities (B)</b>	<b>(978.26)</b>	<b>2,513.21</b>
<b>C. Cash flow from financing activities</b>		
Repayments of borrowings	(494.73)	(1,031.50)
Payment of Lease Liabilities	(82.03)	(20.27)
Interest paid	(78.05)	(353.46)
<b>Net cash from/ (used in) financing activities (C)</b>	<b>(654.81)</b>	<b>(1,405.23)</b>
Net changes in cash and cash equivalents (A+B+C)	3,061.58	1,222.79
Cash and cash equivalents at the beginning of the year	2,986.84	1,764.05
Addition on acquisition of Commodity business (Refer note 5)	9.95	-
<b>Cash and cash equivalents at the end of the year</b>	<b>6,058.37</b>	<b>2,986.84</b>
Other bank balances	3,622.71	1,863.27
<b>Cash and bank balances at the end of the year</b>	<b>9,681.08</b>	<b>4,850.11</b>

**Notes :**

- The above audited standalone financial results, prepared in accordance with the Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India, have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 27 April 2021.
- Figures for the quarter ended 31 March are the balancing figures between the audited figures in respect of full financial year and the published year to date figures upto the third quarter of the relevant financial year subjected to limited review.
- The Company at its meeting held on 3 February 2021 granted 467,000 stock options to respective eligible employees under Employee Stock Option Scheme 2017.
- The Company had trade receivable of Rs. 1,451.23 lakhs from a party which was outstanding for more than three years. The Company has settled the debt with the party for an amount of Rs. 426.40 lakhs which has been received by way of immovable property. The Company has written off the balance amount of Rs.1,024.83 lakhs as bad debts under impairment of financial instruments during the current quarter.
- Pursuant to the Business Transfer Agreement, dated 26 September 2020 entered into with Alpha Commodity Pvt .Ltd, for acquisition of Commodities Broking Business ("Commodities Business"-Only MCX and NCDEX Exchange) as a "going concern" and on a slump sale basis for a lump sum consideration of Rs. 318 lakhs on the terms and conditions more specifically defined in the Agreement.  
In accordance with Ind AS 103 "Business Combination", based on a fair valuation report and purchase price allocation (PPA), the Company has recorded assets and liabilities at fair value on acquisition date, resulting in Rs. 526.72 lakhs as goodwill.
- The Company is engaged only in stock broking activities and other financial services. Therefore there are no separate reportable segments as per Indian Accounting Standard 108 (Ind AS) on 'Operating Segment'.
- Due to the lockdown on account of COVID-19, although the capital market were impacted and volatility has increased in the stock market; the Company being a SEBI registered intermediary and considered among essential services, continued to operate during the lockdown in India and there was no major impact on our business as the capital markets remained open and functioned normally.
- The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and postemployment received Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently on 13 November 2020 draft rules were published and invited for stakeholders' suggestions. The Central Government on 30 March 2021 has deferred the implementation of the said Code and the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will account for the related impact in the period the Code becomes effective.
- The Board of Directors at its meeting held on 27 April 2021 has recommended a dividend of Rs.0.20 (i.e.10%) per equity share of Rs. 2 each fully paid up, subject to approval of the shareholders.
- Figures of the previous period have been regrouped / rearranged wherever considered necessary.

For and on behalf of the Board of Directors

Mumbai, 27 April 2021

Pratik M Doshi  
Managing Director  
DIN 00131122

## Independent Auditor's Report on the Audit of Standalone Annual Financial Results

To The Board of Directors of  
**LKP Securities Limited**

### Opinion

We have audited the accompanying standalone annual financial results of **LKP Securities Limited** ("the Company"), for the year ended 31 March 2021, ("statement or standalone annual financial results"), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone annual financial results:

- a) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations, in this regard; and
- b) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information of the Company for the year ended 31 March 2021.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results 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 provision of the Act and the Rules 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

### Management's Responsibilities for the Standalone Annual Financial Results

These standalone annual financial results have been prepared on the basis of standalone annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net profit and other comprehensive income and other financial information of the Company in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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MGB & Co. (a partnership firm) converted into MGB & Co LLP (a Limited Liability Partnership with Regn No. AAC-2940) w.e.f 13th May, 2014

In preparing the standalone annual financial results, the Board of Directors are 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 the Board of Directors 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 financial reporting process of the Company.

### **Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results**

Our objectives are to obtain reasonable assurance about whether the standalone annual financial results 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 annual financial results.

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 annual financial results, 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 control 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 through a separate report on the complete set of standalone annual financial statements on whether the Company has adequate internal financial controls with reference to standalone annual financial statements 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 the management.
- Conclude on the appropriateness of the 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 annual financial results 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 annual financial results, including the disclosures, and whether the standalone annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.



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

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

**Other matter**

The standalone annual financial results include the results for the quarter ended 31 March 2021 and the corresponding quarter ended in the previous year being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the relevant financial year which were subject to limited review by us.

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

  


**Sanjay Kothari**  
Partner  
Membership Number 048215

Mumbai, 27 April 2021

UDIN: 21048215AAAADT6215

(Rs.in lakhs except per share data)

Particulars	Consolidated				
	Quarter ended		Year Ended		
	31 March 2021	31 December 2020	31 March 2020	31 March 2021	31 March 2020
	Audited (Refer note 2)	Unaudited	Audited (Refer note 2)	Audited	Audited
<b>Revenue From Operations</b>					
Interest Income	150.42	150.34	156.11	668.42	734.97
Fees and Commission Income	2,070.19	1,829.57	1,764.85	7,606.15	6,517.49
Net Gain / (loss) on Fair Value Changes	(5.46)	103.61	-	140.31	-
Other Operating Income	17.90	19.01	46.94	38.02	132.84
<b>I Total Revenue from Operations</b>	<b>2,233.05</b>	<b>2,102.53</b>	<b>1,967.90</b>	<b>8,452.90</b>	<b>7,385.30</b>
<b>II Other Income</b>	<b>23.72</b>	<b>14.30</b>	<b>9.22</b>	<b>65.16</b>	<b>54.70</b>
<b>III Total Income (I+II)</b>	<b>2,256.77</b>	<b>2,116.82</b>	<b>1,977.12</b>	<b>8,518.06</b>	<b>7,440.00</b>
<b>Expenses</b>					
Finance Costs	30.98	38.34	60.68	118.84	465.79
Fees and Commission Expenses	744.16	626.84	573.04	2,566.44	2,212.69
Net Loss on Fair Value Changes	-	-	108.96	-	61.10
Impairment on Financial Instruments (Refer note 4)	937.33	9.32	153.85	920.46	79.05
Employee Benefit Expenses	694.94	818.04	646.25	3,083.78	3,110.20
Depreciation, Amortization and impairment	49.13	49.72	(90.11)	163.66	115.85
Other Expenses	280.18	313.20	410.03	1,103.32	1,172.76
<b>IV Total expenses</b>	<b>2,736.72</b>	<b>1,855.46</b>	<b>1,862.70</b>	<b>7,956.50</b>	<b>7,217.44</b>
<b>V Profit/ (Loss) before tax ( III-IV)</b>	<b>(479.95)</b>	<b>261.37</b>	<b>114.42</b>	<b>561.56</b>	<b>222.56</b>
<b>VI Tax expenses</b>					
Current tax	(166.99)	48.93	65.82	61.52	82.97
Deferred tax (Benefit) / Charge	60.31	26.22	(15.32)	102.92	(23.10)
<b>Total Tax Expenses</b>	<b>(106.68)</b>	<b>75.14</b>	<b>50.49</b>	<b>164.44</b>	<b>59.87</b>
<b>VII Profit / (Loss) for the period / year ( V-VI)</b>	<b>(373.27)</b>	<b>186.23</b>	<b>63.93</b>	<b>397.12</b>	<b>162.69</b>
<b>VIII Other Comprehensive Income</b>					
(i) Items that will not be reclassified to profit or loss					
a) Re-mesurement of defined benefit obligation	(36.43)	11.82	(17.25)	0.62	1.04
b) Fair value changes of equity instruments through other comprehensive income	4.66	0.56	(11.82)	6.08	(11.79)
c) Income Tax relating to items that will not be reclassified to profit or loss	10.14	(3.29)	4.77	(0.17)	(0.29)
(ii) Items that will be reclassified to profit or loss	-	-	-	-	-
<b>Other Comprehensive Income / (loss) for the period / year</b>	<b>(21.63)</b>	<b>9.09</b>	<b>(24.31)</b>	<b>6.53</b>	<b>(11.04)</b>
<b>Total Comprehensive Income / (loss) for the period / year (VII+VIII)</b>	<b>(394.90)</b>	<b>195.32</b>	<b>39.62</b>	<b>403.65</b>	<b>151.65</b>
Paid up Equity Share Capital (face value Rs. 2 per share)				1,478.69	1,478.69
Reserves excluding Revaluation Reserve				2,960.29	2,539.27
Earnings per Share - Basic (Rs.)*	(0.50)	0.25	0.09	0.54	0.22
Earnings per Share - Diluted (Rs.)*	(0.50)	0.25	0.09	0.54	0.22

\* EPS not annualised for the interim period

**Statement of Assets and Liabilities**

Particulars	Consolidated	
	As at 31 March 2021	As at 31 March 2020
	Audited	Audited
<b>I ASSETS</b>		
(1) <b>Financial Assets</b>		
(a) Cash and cash equivalents	6,110.94	3,012.27
(b) Bank Balance other than (a) above	3,622.71	1,863.27
(c) Receivables		
(i) Trade receivables	1,849.44	2,351.82
(d) Loans	24.19	26.22
(e) Investments	365.97	671.74
(f) Other Financial assets	4,978.66	4,166.04
<b>Total Financial Assets</b>	<b>16,951.91</b>	<b>12,091.36</b>
(2) <b>Non-Financial Assets</b>		
(a) Current tax assets (net)	158.31	315.25
(b) Deferred tax assets (net)	356.91	460.01
(c) Property, plant and Equipment	277.72	313.96
(d) Right of use assets	517.54	94.74
(e) Intangible assets under development	9.92	15.30
(f) Goodwill	652.31	125.59
(g) Other Intangible Assets	70.10	83.34
(h) Other non-financial assets	118.91	997.61
<b>Total Non-Financial Assets</b>	<b>2,161.72</b>	<b>2,405.80</b>
(3) Assets held for sale	439.26	-
<b>TOTAL ASSETS</b>	<b>19,552.89</b>	<b>14,497.16</b>
<b>II LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
(1) <b>Financial Liabilities</b>		
(a) Trade payables		
- Dues of micro enterprises and small enterprises	-	-
- Dues of creditors other than micro enterprises and small enterprises	9,074.50	5,077.57
(b) Other payables	122.95	114.69
(c) Borrowings	1,015.52	1,510.25
(d) Deposits	291.51	265.94
(e) Other financial liabilities	4,241.93	3,068.28
<b>Total Financial Liabilities</b>	<b>14,746.41</b>	<b>10,036.73</b>
(2) <b>Non-Financial Liabilities</b>		
(a) Provisions	198.08	252.07
(b) Other non-financial liabilities	169.42	190.40
<b>Total Non-financial liabilities</b>	<b>367.50</b>	<b>442.47</b>
(3) <b>Equity</b>		
(a) Equity Share Capital	1,478.69	1,478.69
(b) Other Equity	2,960.29	2,539.27
<b>Total Equity</b>	<b>4,438.98</b>	<b>4,017.96</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>19,552.89</b>	<b>14,497.16</b>

## Statement of Cash Flows

Particulars	Consolidated	
	Year Ended 31 March 2021 Audited	Year Ended 31 March 2020 Audited
<b>A. Cash flow from operating activities</b>		
<b>Profit before tax</b>	561.56	222.56
Adjustments for:	-	-
Depreciation and amortization expense	163.66	115.85
Interest expense	108.81	366.96
Interest Income	(668.42)	(734.97)
Impairment allowance on trade and other receivables (net)	920.46	79.05
Net loss/ (gain) on Investments carried at fair value through profit and loss	(140.31)	61.10
(Profit)/loss on sale of investments (net)	(38.02)	(132.84)
Share based payments to employees	17.35	1.81
(Profit)/loss on sale/discard of property, plant and equipment and intangible assets (net)	17.05	(0.14)
Unwinding of discount on security deposits	(1.55)	-
Balances written back	(0.34)	-
Remeasurement gains/(losses) on defined benefit plan accounted for in other comprehensive income	0.62	1.04
<b>Operating profit before working capital changes</b>	<b>940.87</b>	<b>(19.58)</b>
Adjustments for:		
Decrease / (increase) in Trade and other Receivables	(647.14)	(624.04)
(Decrease) /increase in Trade and other payables	4,342.69	866.34
<b>Cash generated from operations</b>	<b>4,636.43</b>	<b>222.72</b>
Direct tax paid (net of refunds)	95.44	(66.31)
<b>Net cash from/ (used in) operating activities (A)</b>	<b>4,731.87</b>	<b>156.41</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment and intangible assets including assets held for sale	(72.44)	(45.61)
Purchase consideration for acquisition of commodity business (Refer note 5)	(318.00)	-
Sale of property, plant and equipment and intangible assets	0.90	0.15
Purchase of investments	(15,856.22)	(30,014.09)
Sale of investments	16,346.40	29,946.08
Repayment of loans given	2.03	266.82
(Increase)/ decrease in bank deposits	(1,727.73)	1,565.31
Interest received	636.71	696.12
<b>Net cash from/ (used in) investing activities (B)</b>	<b>(988.34)</b>	<b>2,414.78</b>
<b>C. Cash flow from financing activities</b>		
Repayments of borrowings	(494.73)	(1,031.50)
Payment of Lease Liabilities	(62.03)	(20.27)
Interest paid	(78.05)	(353.45)
<b>Net cash from/ (used in) financing activities (C)</b>	<b>(654.81)</b>	<b>(1,405.22)</b>
Net changes in cash and cash equivalents (A+B+C)	3,088.72	1,165.96
Cash and cash equivalents at the beginning of the year	3,012.27	1,846.31
Addition on acquisition of Commodity business (Refer note 5)	9.95	-
<b>Cash and cash equivalents at the end of the year</b>	<b>6,110.94</b>	<b>3,012.27</b>
Other bank balances	3,622.71	1,863.27
<b>Cash and bank balances at the end of the year</b>	<b>9,733.65</b>	<b>4,875.54</b>

## Notes :

- The above audited consolidated financial results, prepared in accordance with the Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India, have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 27 April 2021.
- Figures for the quarter ended 31 March are the balancing figures between the audited figures in respect of full financial year and the published year to date figures upto the third quarter of the relevant financial year subjected to limited review.
- The Company at its meeting held on 3 February 2021 granted 467000 stock options to respective eligible employees under Employee Stock Option Scheme 2017.
- The Group had trade receivable of Rs. 1,451.23 lakhs from a party which was outstanding for more than three years. The Group has settled the debt with the party for an amount of Rs. 426.40 lakhs which has been received by way of immovable property. The Group has written off the balance amount of Rs.1,024.83 lakhs as bad debts under impairment of financial instruments during the current quarter.
- Pursuant to the Business Transfer Agreement, dated 26 September 2020 entered into with Alpha Commodity Pvt .Ltd, for acquisition of Commodities Broking Business ("Commodities Business"-Only MCX and NCDEX Exchange ) as a "going concern" and on a slump sale basis for a lump sum consideration of Rs. 318 lakhs on the terms and conditions more specifically defined in the Agreement.  
In accordance with Ind AS 103 "Business Combination", based on a fair valuation report and purchase price allocation (PPA), the Company has recorded assets and liabilities at fair value on acquisition date, resulting in Rs. 526.72 lakhs as goodwill.
- The Group is engaged only in stock broking activities and other financial services. Therefore there are no separate reportable segments as per Indian Accounting Standard 108 (Ind AS) on 'Operating Segment'.
- Due to the lockdown on account of COVID-19, although the capital market were impacted and volatility has increased in the stock market; the Group being a SEBI registered intermediary and considered among essential services, continued to operate during the lockdown in India and there was no major impact on our business as the capital markets remained open and functioned normally.
- The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and postemployment received Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently on 13 November 2020 draft rules were published and invited for stakeholders' suggestions. The Central Government on 30 March 2021 has deferred the implementation of the said Code and the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will account for the related impact in the period the Code becomes effective.
- The Board of Directors at its meeting held on 27 April 2021 has recommended a dividend of Rs.0.20 (i.e. 10%) per equity share of Rs. 2 each fully paid up, subject to approval of the shareholders.
- Figures of the previous period have been regrouped / rearranged wherever considered necessary.

For and on behalf of the Board of Directors

Mumbai, 27 April 2021

Pratik M Doshi  
Managing Director  
DIN 00131122



## Independent Auditor's Report on the Audit of Consolidated Annual Financial Results

To The Board of Directors of  
**LKP Securities Limited**

### Opinion

We have audited the accompanying consolidated annual financial results of **LKP Securities Limited** (“the Holding Company”) and its subsidiary (the Holding Company and its subsidiary together referred to as “the Group”) for the year ended 31 March 2021, (“statement or consolidated annual financial results” ) being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“the Listing Regulations”).

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the report of the other auditor on separate financial statements / financial information of the subsidiary, the consolidated annual financial results:

a) include the annual financial results of the following entities:

#### **Holding Company**

LKP Securities Limited

#### **Subsidiary**

LKP Wealth Advisory Limited

b) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations, in this regard; and

c) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the consolidated net profit and consolidated other comprehensive income and other financial information of the Group for the year ended 31 March 2021.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (“SAs”) specified under Section 143(10) of the Companies Act, 2013 (“the Act”). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results 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 provision of the Act and the Rules 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 obtained by us and other auditor in terms of the report referred to in “Other Matters” paragraph below, is sufficient and appropriate to provide a basis for our audit opinion.



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MGB & Co. (a partnership firm) converted into MGB & Co LLP (a Limited Liability Partnership with Regn No. AAC-2940) w.e.f 13th May, 2014

### **Management's Responsibilities for the Consolidated Annual Financial Results**

These consolidated annual financial results have been prepared on the basis of consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated annual financial results that give a true and fair view of the consolidated net profit and consolidated other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 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 consolidated annual financial results 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 annual financial results by the Directors of the Holding Company, as aforesaid.

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

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

### **Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results**

Our objectives are to obtain reasonable assurance about whether the consolidated annual financial results 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 annual financial results.

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 annual financial results, 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 control 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 through a separate report on the complete set of consolidated financial

statements on whether the Group has adequate internal financial controls with reference to consolidated financial statements 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 the management.
- Conclude on the appropriateness of the 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 Group'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 consolidated annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual financial results, including the disclosures, and whether the consolidated annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results / financial information of the entities within the Group to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and performance of the audit of financial information of entities included in the consolidated annual financial results of which we are the independent auditors. For the other entities included in the consolidated annual financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated annual financial results 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.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

#### **Other Matters**

- a) The consolidated annual financial results includes the audited financial results of a subsidiary whose financial statements reflect total assets of Rs. 159.66 lakhs as at 31 March 2021, total revenues of Rs. 104.49 lakhs, total net profit after tax of Rs. 5.44 lakhs, other comprehensive income of Rs. Nil and total cash inflows of Rs. 27.13 lakhs for the year ended on that date, which have been audited by its independent auditor. The independent auditor's report on financial statements of the subsidiary have been furnished to us by the Management and our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of the subsidiary is based solely on the reports of the other auditor and the procedures performed by us are as stated in paragraph above.



Our opinion on the consolidated financial results is not modified in respect of the above matter with regard to our reliance on the work done and the report of the other auditor.

- b) The consolidated annual financial results include the results for the quarter ended 31 March 2021 and the corresponding quarter ended in the previous year being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the relevant financial year which were subject to limited review by us.

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



**Sanjay Kothari**  
Partner  
Membership Number 048215



Mumbai, 27 April 2021

UDIN: 21048215AAAADU7087