

## LKP SECURITIES LIMITED


Standalone Balance Sheet as at 31st March, 2015

( Amount in Rupees)

Particulars		Note No.	As at 31 March 2015	As at 31 March 2014
1		2	3	4
I.	<b>EQUITY AND LIABILITIES</b>			
1	<b>Shareholders' funds</b>			
	(a) Share Capital	B1	342,482,000	342,482,000
	(b) Reserves and Surplus	B2	(33,788,956)	(35,343,309)
2	<b>Non-current liabilities</b>			
	(a) Other Long Term Liabilities	B3	19,363,480	20,360,032
	(b) Long Term Provisions	B4	7,673,836	5,273,836
3	<b>Current liabilities</b>			
	(a) Short Term Borrowings	B5	579,857,579	363,046,787
	(b) Trade Payables		419,389,893	489,940,905
	(c) Other Current Liabilities	B6	8,947,325	7,337,179
	<b>TOTAL</b>		<b>1,343,925,157</b>	<b>1,193,097,431</b>
II.	<b>ASSETS</b>			
	<b>Non-current assets</b>			
1	(a) Fixed Assets			
	(i) Tangible assets	B7	40,881,764	58,230,045
	(ii) Intangible assets		18,163,064	20,261,323
	(b) Non Current Investments	B8	20,095,394	20,385,094
	(c) Deferred Tax Assets (Net)		38,734,254	27,738,308
	(d) Long Term Loans and Advances	B9	71,512,561	71,214,709
	(e) Other Non Current Assets	B10	18,045,532	16,497,581
2	<b>Current assets</b>			
	(c) Trade Receivables	B11	834,306,742	730,156,258
	(d) Cash and Cash Equivalents	B12	215,513,129	162,274,135
	(e) Short Term Loans and Advances	B13	79,300,623	77,099,555
	(f) Other Current Assets	B14	7,372,094	9,240,423
	<b>TOTAL</b>		<b>1,343,925,157</b>	<b>1,193,097,431</b>

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

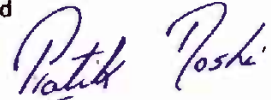
As per our report of even date  
For Ford, Rhodes, Parks & Co.  
Chartered Accountants  
Firm Registration No.102860W

  
A.D. Shenoy  
Partner  
Membership No.11549



Place : Mumbai  
Date : 05 May 2015

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

  
Wholetime Director: P. M. Doshi

  
Director: D. K. Waghela



## LKP SECURITIES LIMITED


Standalone Statement of Profit and loss for the year ended 31st March, 2015

( Amount in Rupees)

Particulars		Refer Note No.	As at 31 March 2015	As at 31 March 2014
I.	Revenue from Operations	B15	578,949,242	385,438,862
II.	Other Income	B16	15,649,823	13,224,804
III.	<b>Total Revenue (I + II)</b>		<b>594,599,065</b>	<b>398,663,666</b>
IV.	Expenses:			
	Employee Benefits Expense	B17	271,820,446	186,019,410
	Finance Costs	B18	24,810,512	24,660,559
	Depreciation and amortization expense		34,757,028	16,019,378
	Other Expenses	B19	272,652,671	235,335,431
	<b>Total expenses</b>		<b>604,040,657</b>	<b>462,034,779</b>
V.	<b>Profit/ (Loss) before exceptional and extraordinary items and tax (III-IV)</b>		<b>(9,441,592)</b>	<b>(63,371,112)</b>
VI.	Exceptional Items		-	-
VII.	<b>Profit/ (Loss) before extraordinary items and tax (V - VI)</b>		<b>(9,441,592)</b>	<b>(63,371,112)</b>
VIII.	Extraordinary Items		-	-
IX.	<b>Profit/ (Loss) before tax (VII- VIII)</b>		<b>(9,441,592)</b>	<b>(63,371,112)</b>
X	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		(10,995,946)	(14,648,325)
XI	<b>Profit /(Loss) for the period from continuing operations (IX-X)</b>		<b>1,554,354</b>	<b>(48,722,787)</b>
XII	<b>Profit/ (Loss) for the period</b>		<b>1,554,354</b>	<b>(48,722,787)</b>
XIII	Earnings per equity share:			
	(1) Basic		0.06	-1.86
	(2) Diluted		0.06	-1.86

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

As per our report of even date  
For Ford, Rhodes, Parks & Co.  
Chartered Accountants  
Firm Registration No. 102860W

  
A.D. Shenoy  
Partner  
Membership No. 11549



Place : Mumbai  
Date : 05 May 2015

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

Wholetime Director:  P. M. Doshi

Director:  D. K. Waghela



B1 Share Capital

Particulars	As at 31 March 2015		As at 31 March 2014	
	Number	Rs.	Number	Rs.
<b>Authorised</b>				
9% Redemable Preference Shares of Rs. 100/- each	2,900,000	290,000,000	2,900,000	290,000,000
Equity Shares of Rs. 2/- each	30,000,000	60,000,000	30,000,000	60,000,000
<b>Issued, Subscribed &amp; Paid up</b>				
9% Redemable Preference Shares of Rs. 100/- each	2,900,000	290,000,000	2,900,000	290,000,000
Equity Shares of Rs. 2/- each (LKP Finance Ltd holds 99.815% of equity & 100% of preference capital)	26,241,000	52,482,000	26,241,000	52,482,000
<b>Total</b>	29,141,000	342,482,000	29,141,000	342,482,000

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



82 Reserves and Surplus

<u>Particulars</u>	As at 31 March 2015	As at 31 March 2014
	Rs.	Rs.
<b>Surplus</b>		
Opening balance	(35,343,309)	13,379,479
(+) Net Profit/(Net Loss) For the current year	1,554,353	(48,722,787)
(+) Transfer from Reserves	-	-
(-) Proposed Dividends	-	-
(-) Interim Dividends	-	-
(-) Transfer to Reserves	-	-
Closing Balance	(33,788,956)	(35,343,309)
<b>Total</b>	(33,788,956)	(35,343,309)



**B3 Other Long Term Liabilities**

<u>Particulars</u>	As at 31 March 2015	As at 31 March 2014
	Rs.	Rs.
(a) Others Security Deposit from Sub Broker	19,363,480	20,360,032
<b>Total</b>	<b>19,363,480</b>	<b>20,360,032</b>



**B4 Long Term Provisions**

<u>Particulars</u>	As at 31 March 2015	As at 31 March 2014
	Rs.	Rs.
(a) Provision for employee benefits Gratuity	7,673,836	5,273,836
<b>Total</b>	<b>7,673,836</b>	<b>5,273,836</b>



B5 Short Term Borrowings

<u>Particulars</u>	As at 31 March 2015	As at 31 March 2014
	Rs.	Rs.
<b>Secured</b>		
<b>(a) Loans repayable on demand</b>		
from banks (Secured By hypothecation of Debtors and pledge of FDRs & Personal Guarantee of a Director, Rate of Interest is in the range of 12% to 14% P.A)	499,823,741	362,133,041
<b>(b) Other loans and advances</b>		
Vehicle Loan (Secured By hypothecation of Vehicles)	94,996	913,747
IL&FS (Secured By hypothecation of Pledge of Securities, Rate of Interest is 13.50% P.A as at the year end)	79,938,842	
<b>Total</b>	<b>579,857,579</b>	<b>363,046,787</b>



B6 Other Current Liabilities

<u>Particulars</u>	As at 31 March 2015	As at 31 March 2014
	Rs.	Rs.
(a) Other payables		
Statutory Dues	8,947,325	7,337,179
<b>Total</b>	<b>8,947,325</b>	<b>7,337,179</b>





B7 Fixed Assets

	Particulars	Gross Block				Accumulated Depreciation				Net Block	
		Balance as at 1 April 2014	Additions	Disposals	Balance as at 31 March 2015	Balance as at 1 April 2014	Depreciation charge for the year	On disposals	Balance as at 31 March 2015	Balance as at 31 March 2015	Balance as at 31 March 2014
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	+
a	<b>Tangible Assets</b>										-
	Furniture and Fixtures	40,175,612	418,623	1,384,496	39,209,739	30,121,959	4,555,618	866,997	33,810,580	5,399,159	10,053,654
	Computers	57,057,952	10,158,814	-	67,216,766	51,155,119	4,070,381	-	55,225,500	11,991,266	5,902,833
	Electrical Fittings	1,403,583	-	-	1,403,583	917,481	166,645	-	1,084,126	319,457	486,102
	Leasehold Improvement	9,054,947	701,835	-	9,756,782	4,181,044	897,364	-	5,078,408	4,678,374	4,873,903
	Leasehold Improvement (HO)	8,227,025	-	-	8,227,025	1,963,632	879,817	-	2,843,449	5,383,576	6,263,393
	Vehicles	17,408,391	-	-	17,408,391	10,025,740	2,636,251	-	12,661,991	4,746,400	7,382,651
	Office equipment	64,190,965	3,172,294	103,550	67,259,709	40,923,455	18,071,094	98,372	58,896,177	8,363,532	23,267,510
	<b>Total</b>	197,518,475	14,451,566	1,488,046	210,481,995	139,288,430	31,277,170	965,369	169,600,231	40,881,764	58,230,045
b	<b>Intangible Assets</b>										
	Goodwill	17,125,795	-	-	17,125,795	1,141,720	1,712,580	-	2,854,300	14,271,495	15,984,075
	Computer software	41,746,293	1,381,599	-	43,127,893	37,469,045	1,767,278	-	39,236,323	3,891,569	4,277,248
	<b>Total</b>	58,872,088	1,381,599	-	60,253,688	38,610,765	3,479,858	-	42,090,623	18,163,064	20,261,323



B8 Non Current Investments

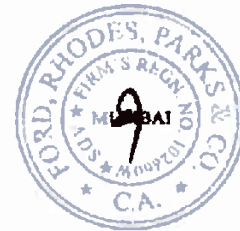
	Particulars	As at 31 March 2015	As at 31 March 2014
		Rs.	Rs.
<b>A</b>	<b>Trade Investments (Refer A below)</b>		
	(a) Investment Properties		
	(b) Investment in Equity instruments	20,095,394	19,385,094
	(c) Investments in preference shares	-	-
	(d) Investments in Government or Trust securities	-	-
	(e) Investments in debentures or bonds	-	-
	(f) Investments in Mutual Funds	-	1,000,000
	(g) Investments in partnership firms*	-	-
	(h) Other non-current investments (specify nature)	-	-
	<b>Total</b>	<b>20,095,394</b>	<b>20,385,094</b>

Particulars	2015	2014
	Rs.	Rs.
Aggregate amount of quoted investments (Market value of Rs.60,84,066/- (Previous Year Rs.93,90,174/-)	15,555,717	16,845,217
Aggregate amount of unquoted investments (Previous Year Rs.35,39,877/-)	4,539,677	3,539,877



## B9 Long Term Loans and Advances

Particulars	As at 31 March 2015		As at 31 March 2014	
	Rs.	Rs.	Rs.	Rs.
<b>a. Security Deposits</b>				
Secured, considered good	-	-	-	-
Unsecured, considered good	70,899,522	70,899,522	70,088,822	70,088,822
Doubtful	-	-	-	-
Less: Provision for doubtful deposits	-	-	-	-
<b>b. Other loans and advances (specify nature) - Staff Loan</b>				
Secured, considered good	-	-	-	-
Unsecured, considered good	613,039	613,039	1,125,887	1,125,887
Doubtful	-	-	-	-
Less: Provision for doubtful	-	-	-	-
		71,512,561		71,214,709



## B10 Other Non Current Assets

Particulars	As at 31 March 2015		As at 31 March 2014	
	Rs.	Rs.	Rs.	Rs.
a. Long term trade receivables (including trade receivables on deferred credit terms)				
Secured, considered good				
Unsecured, considered good	18,045,532		16,497,581	
Doubtful	41,315,000		34,715,000	
Less: Provision for doubtful debts	<u>41,315,000</u>	18,045,532	<u>34,715,000</u>	16,497,581
		18,045,532		16,497,581



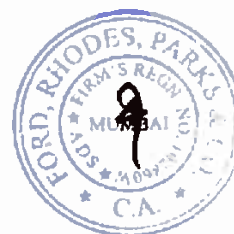
B11 Trade Receivables

<u>Particulars</u>	As at 31 March 2015	As at 31 March 2014
	Rs.	Rs.
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	834,306,742	730,156,258
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts	-	-
<b>Total</b>	<b>834,306,742</b>	<b>730,156,258</b>



## B12 Cash and Cash Equivalents

<u>Particulars</u>	As at 31 March 2015		As at 31 March 2014	
	Rs.	Rs.	Rs.	Rs.
a. Balances with banks				
Current Account	77,080,970		31,410,296	
Bank deposits with less than 12 months maturity	130,222,755		122,731,892	
Bank deposits with more than 12 months maturity (Bank has a lien on the FDRs)	8,072,340	215,376,065	8,072,340	162,214,529
b. Cheques, drafts on hand	-	-	-	-
b. Cash on hand	-	137,063	-	59,606
d. Others (specify nature)	-	-	-	-
		215,513,129		162,274,135



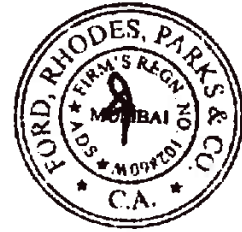
B13 Short Term Loans and Advances

<u>Particulars</u>	As at 31 March 2015		As at 31 March 2014	
	Rs.	Rs.	Rs.	Rs.
<b>a. Others (specify nature)</b>				
Unsecured, considered good		79,300,623		77,099,555
Deposits	10,322,700		21,830,500	
Loans & Advances	3,266,590		3,371,752	
Staff Loan	3,997,726		3,400,636	
Advance Tax (Net of Provisions)	48,902,789		40,682,481	
Advance Recoverable in Cash or Kind	1,740,631		1,685,003	
Balance with Clearing Member	7,000,000		1,797,735	
Prepaid Expenses	4,070,187		4,331,447	
		79,300,623		77,099,555



B14 Other Current Assets

<u>Particulars</u>	As at 31 March 2015		As at 31 March 2014	
	Rs.	Rs.	Rs.	Rs.
Interest Accrued on Fixed Deposits	4,426,199		4,491,064	
Accrued Brokerage Income	2,945,895		4,749,359	
		7,372,094		9,240,423





B15 Revenue from Operations

<u>Particulars</u>	For the year ended 31 March 2015	For the year ended 31 March 2014
	Rs.	Rs.
Brokerage Income	557,404,815	366,990,583
Other Income	14,353,734	6,541,334
Profit on Sale of Securities	7,190,693	11,906,946
<b>Total</b>	<b>578,949,242</b>	<b>385,438,862</b>



## B16 Other Income

<u>Particulars</u>	For the year ended 31 March 2015	For the year ended 31 March 2014
	Rs.	Rs.
<u>Interest</u>		
Interest on Fixed Deposit	14,344,749	12,199,206
Other	1,217,467	909,289
Dividend Income	87,607	116,309
Profit on Sale of Fixed Assets	-	-
Other Income	-	-
<b>Total</b>	<b>15,649,823</b>	<b>13,224,804</b>



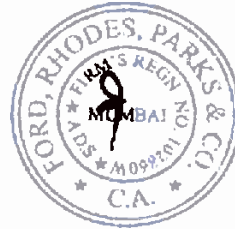
B17 Employee Benefits Expense

<u>Particulars</u>	For the year ended 31 March 2015	For the year ended 31 March 2014
	Rs.	Rs.
(a) Salaries and incentives	257,199,618	173,201,464
(b) Contributions to - Provident fund & ESIC	6,174,292	4,753,629
(c) Gratuity (Including Contribution of Rs.7,38,119/-)	3,138,119	4,612,018
(d) Staff welfare expenses	5,308,417	3,452,298
<b>Total</b>	<b>271,820,446</b>	<b>186,019,410</b>



B18 Finance Costs

<u>Particulars</u>	For the year ended 31 March 2015	For the year ended 31 March 2014
	Rs.	Rs.
Interest expense	19,604,048	20,159,972
Bank Charges	5,206,464	4,500,587
<b>Total</b>	<b>24,810,512</b>	<b>24,660,559</b>



## B19 Other Expenses

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
	Rs.	Rs.
Commission	166,913,576	123,201,355
Advertisement Exps	378,127	604,131
Business Promotion and entertainment	3,839,712	2,486,960
Books & Periodicals	114,266	85,679
Computer Expense	4,737,445	4,170,080
Conveyance	2,059,270	1,898,318
Demat & CDSL Expenses	4,345,933	2,974,178
Donation	8,756	-
Electricity Expenses	8,298,719	7,393,259
Company law expenses	-	214,500
Loss on sale of assets	322,127	94,904
Insurance	97,245	86,516
Motor Car Expenses	1,747,908	1,310,534
Office Expenses	952,983	1,109,688
Postage and Courier expenses	2,615,849	1,958,164
Printing & Stationery	2,788,392	1,724,061
Profession Tax	-	2,500
Professional and Legal Charges	8,957,142	10,549,179
Rent , Rates & Taxes	29,258,161	27,599,806
Service tax , stamp duty and transaction charges paid	1,491,062	1,461,891
Audit Fees	250,000	273,900
Repairs & Maintenance	4,577,304	3,909,592
Franking charges	32,540	569,753
Vsat Charges	220,278	7,405
SEBI Fees	969,620	337,289
Stock Exchange Expenses	689,302	2,349,291
Seminars and conference	1,088,498	1,291,262
Subscription & Membership Fees	1,796,445	3,085,152
Telephone and Mobile expenses	17,616,509	15,725,259
Travelling (Domestic and Foreign)	4,293,056	3,480,530
Operational loss	367,605	527,019
Bad Debts	1,050,011	-
Provision for Doubtful debts	-	14,000,000
Sundry balances written off	774,829	853,278
<b>Total</b>	<b>272,652,671</b>	<b>235,335,431</b>

Payments to the auditor as	For the year ended 31 March 2015	For the year ended 31 March 2014
	Rs.	Rs.
a. Audit fee	200,000	200,000
b. Tax audit fee	20,000	20,000
c. for taxation matters	-	-
d. for company law matters	-	-
e. for management services	-	-
f. for other services (Certification fees)	30,000	53,900
g. for reimbursement of expenses	-	-
<b>Total</b>	<b>250,000</b>	<b>273,900</b>



## Standalone Cash Flow Statement for the Year Ended 31 March, 2015

	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
<b>A. Cash flow from Operating activities :</b>	<b>Rs. In lacs</b>	<b>Rs. In lacs</b>
Net Profit / (Loss) before tax and Extraordinary items and Interest	15,368,920	(38,710,553)
Adjustments for :		
Depreciation	34,757,028	16,019,378
Profit / Loss on sale of assets	322,127	94,902
Interest / Dividend Received / Misc	(15,649,823)	(13,224,804)
(Profit) / Loss on Sale of Investment	(49,484)	19,379,848
	19,379,848	2,889,476
Operating Profit before Working capital changes	34,748,768	(35,821,077)
Adjustments for :		
Inventories		
Trade and other receivables	(98,108,719)	(31,217,621)
Trade and other payables	(67,537,419)	116,709,916
	(165,646,138)	85,492,295
Cash generated from operations	(130,897,370)	49,671,218
Interest & Bank Charges paid	(24,810,513)	(24,660,559)
Direct taxes paid	(8,220,307)	(10,397,158)
	(33,030,820)	(35,057,717)
Cash flow before extraordinary items	(163,928,190)	14,613,501
<b>Net cash from operating activities</b>	<b>(163,928,190)</b>	<b>14,613,501</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase of fixed assets	(15,833,165)	(28,695,711)
Sale of fixed assets	200,550	109,750
Purchase of investments	(999,800)	-
Sale of investments	1,338,985	-
Interest received	15,562,216	13,108,495
Dividend received	87,606	116,309
<b>Net cash from investing activities</b>	<b>356,392</b>	<b>(15,361,156)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of share capital	-	120,000,000
Increase in borrowing	216,810,791	(139,854,117)
<b>Net cash from financing activities</b>	<b>216,810,791</b>	<b>(19,854,117)</b>
Net increase / (decrease) in cash and cash equivalents	53,238,994	(20,601,773)
Cash and cash equivalents (opening)	162,274,135	182,875,908
Cash and cash equivalents (closing)	215,513,129	162,274,135

As per our report of even date

For Ford, Rhodes, Parks &amp; Co.

Chartered Accountants

Firm Registration No. 102860W



A.D. Shenoy

Partner

Membership no. 11549

Place : Mumbai

Date : 05 May 2015


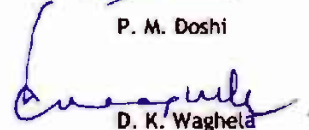


For and on behalf of the board of directors of

LKP Securities Limited

Wholtime Director:

Director:

P. M. Doshi

D. K. Waghela



# LKP Securities Ltd

## Notes to Standalone Financial Statement for the year ended 31st March, 2015

### A. Significant Accounting Policies

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

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

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

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

a) Brokerage Income (net of service tax)

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

b) Interest Income is accounted on accrual basis.

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

d) Depository Fees (net of service tax)

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

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

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

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

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



## LKP Securities Ltd

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

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

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

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

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

Liability towards Gratuity covering eligible employees is partly contributed to Group Gratuity Scheme of Life Insurance Corporation Of India based on the annual premium payable to them.

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

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

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

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

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

b) Contingent Assets are neither recognized nor disclosed.





# LKP Securities Ltd

## C. General Notes to the Accounts

### 1) Preference Dividend

In view of losses, during the year, the company has not provided dividend on non - cumulative preference shares amounting to Rs.2,61,02,015/- (Previous Year Rs.1,55,07,123/-)

### 2) Contingent Liabilities

a) Total Bank Guarantee issued on behalf of company as at 31st March 2015 is Rs.28,85,00,000/- (Previous Year Rs.29,35,00,000/-)

b) Claims not acknowledged as Debts in respect of disputed income tax demands where company has filed a rectification request with the Asst. Commissioner of Income Tax Circle 4 (3) Mumbai and is pending for Rs.11,80,090/- A.Y.2010-11 and Rs.8,00,000/- for A.Y. 2008-09 where the matter is pending before Appellate Tribunal, Mumbai.

### 3) Gratuity

As on 31st March 2014, the actuarial liability for gratuity was determined at Rs. 1,36,24,179/-. The computation as on 31st March 2015 is pending. The Company has not fully funded the liability with LIC. During the year 2014-15 the Company has made a provision of Rs.24,00,000/- and has made a contribution of Rs.7,38,119/-. The total provision for gratuity in the books as on 31.03.2015 is Rs.76,73,836/-

### 4) Provision for Taxation :

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

5) Hitherto, the Company was providing depreciation on written down value method at the rates specified in schedule XIV of the Companies Act 1956.

From 1st April 2014, The Company has charged depreciation under straight line method based on useful life of Assets as per Schedule II of the Companies Act 2013.

Depreciation in respect of Assets which have completed useful life upto 1.4.2014 is Rs.1,63,55,989/- and the same is included in the current year depreciation.

### 6) Deferred Tax Asset

	As at 31.03.2015 Rs.	For the year Rs.	As at 31.03.2014 Rs.
Written Down Value Differential	8,119,792	11,950,982	(3,831,190)
Brought Forward Losses	28,243,247	(1,696,636)	29,939,882
Disallowed Gratuity	2,371,215	741,600	1,629,615
	38,734,254	10,995,946	27,738,308

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

### 7) Remuneration to Whole time Directors

Particulars	2014-15	2013-14
	Rs.	Rs.
1 Salary	3,939,000	3,951,240
2 Contribution to Provident Fund	61,920	18,720
	4,000,920	3,969,960



# LKP Securities Ltd

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

## 9) Earnings per share:

	2014-15	2013-14
Net Profit after Taxation	1,554,354	(48,722,787)
No. of Equity shares	26,241,000	26,241,000
Basic & Diluted earning per Share	0.06	(1.86)

10) As per the Accounting Standards 18, issued by the Institute of Chartered Accountants of India, disclosures regarding related parties as defined in the Accounting Standards are given below:

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

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

## ii) Transactions with Related Parties

Particulars	Holding Company	Key Management Personnel
Directors Remuneration	-	4,000,920
Brokerage Income	4,394,928	-
Balance due as on 31.03.2015	44,783,245	-

11) The aggregate value of quoted investments as at 31st March 2015 is Rs.1,55,55,717/- (Previous year Rs.1,68,45,217/-) Market value of quoted investment as at 31st March 2015 is Rs.60,84,066/- (Previous year Rs.93,90,174/-)

All Investments are long term investments.

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

## 12) Expenditure in Foreign Currency:

Particulars	2014-15	2013-14
Foreign Travelling	-	484,300

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

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

(c) The future minimum lease payments under non-cancellable operating lease - not later than one year is Rs.73,30,134/- (Previous Year Rs.64,39,926/-) and later than one year but not later than five year is Rs.NIL (Previous Year Rs.NIL)



# LKP Securities Ltd

14) Securities received from Client as collateral for margin are held by the Company in its own name in a fiduciary capacity. Value as on 31st March 2015 is Rs.75,77,78,731/-

15) Tax Deducted at Source on Income : Rs.94,96,207/- (Previous Year Rs.1,00,80,551/-)

16) As per the information available with the Company as at 31st March 2015, the data in respect of Micro Small & Medium Enterprises that are covered under the Micro Small & Medium Enterprises Development Act, 2006 are not available. Hence, details regarding principal amount and interest paid/due thereon is not given.

17) There are no dues to Small Scale Industries and Investor Education and Protection Fund as at 31st March 2015 (Previous Year: Nil)

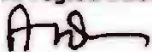
18) There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at 31st March, 2015.

As per our report of even date

For Ford, Rhodes, Parks & Co.

Chartered Accountants

Firm registration number : 102860W



A.D. Shenoy

Partner

Membership no.11549

Place : Mumbai


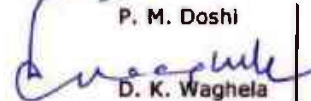
Date : 05 May 2015



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

Wholetime Director:

Director:

  
P. M. Doshi  
  
D. K. Waghela



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

SAI COMMERCIAL BUILDING  
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**Independent Auditor's Report**  
**To The Members of LKP Securities Limited**  
**Report on the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2015**

We have audited the accompanying standalone financial statements of LKP Securities Limited ("the Company") which comprise the Balance Sheet as at 31<sup>st</sup> March 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

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

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

**Auditor's Responsibility**

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

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

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

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



statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, and its Profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), as issued by Central Government of India in terms of sub section (11) of section 143 of Companies Act, 2013 (18 of 2013) we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 ; and
  - e. on the basis of written representations received from the directors as on 31<sup>st</sup> March 2015, and taken on record by the Board of Directors, none of the directors is



**FORD, RHODES, PARKS & CO.**

disqualified as on 31<sup>st</sup> March 2015, from being appointed as a director in terms of sub section (2) of section 164 of the Companies Act, 2013.

- f. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. as per information and explanations given to us by the company there are claims not acknowledged as debts in respect of disputed income tax demands for Rs.8,00,000/- for the Assessment Year 2008-09 where the matter is pending before Appellate tribunal, Mumbai as at 31<sup>st</sup> March, 2015.
  - ii. As represented by the company, there are no long-term contracts including derivative contracts having material foreseeable losses as at 31<sup>st</sup> March, 2015;
  - iii. As represented by the company, there is no amount required to be transferred to Investor Education and Protection Fund by the Company.

For Ford, Rhodes, Parks & Co.  
Chartered Accountants  
Firm Registration No.102860W



A.D. Shenoy  
Partner  
Membership No.11549

Place: Mumbai  
Date: 5<sup>th</sup> May, 2015

**Annexure to the Auditors' Report**  
**[Referred to in paragraph pertaining to "Report on Other Legal and Regulatory Requirement" of our Report of even date to the members of LKP Securities Limited on the financial statements for the year ended 31<sup>st</sup> March, 2015]**

1. a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets. However, the fixed assets register needs to be updated.  
  
b) Fixed Assets have been physically verified by the management during the year and comparison with book records is pending on account of its fixed assets register updation. In our opinion, the frequency of verification is reasonable.
2. The company has no inventory of stocks and hence clause 2 of the order is not applicable.
3. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under- Section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, having regard to the explanation there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase fixed asset and for sale of goods and services. Further, on the basis of our examination of the books and records of the company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control system.
5. The Company has not accepted any deposits from the public, within the meaning of Sections 73 to 76 of Companies Act 2013 and the rules framed there under.
6. We are informed by the Company sub section (1) of section 148 of the Act is not applicable.
7. a) According to the information and explanations given to us and records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, value added tax, wealth tax, service tax, custom duty, excise duty, cess and any other material statutory dues as applicable with the appropriate authorities. There are no undisputed statutory dues payable for a period of more than six months from the date they became payable as at 31<sup>st</sup> March, 2015.



FORD, RHODES, PARKS & CO.

- b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, wealth tax, service tax, customs duty and cess as at 31<sup>st</sup> March 2015, which has not been deposited on account of dispute except there is a demand for Rs.8,00,000/- for the Assessment Year 2008-09 and the matter is pending before the Appellate Tribunal, Mumbai.
- c) According to the information and explanations given to us and records of the Company examined by us, in our opinion, there are no amounts payable to investor education and protection fund in accordance with the relevant provisions of Companies Act, 1956 (1 of 1956) and rules there under.
8. The Company has accumulated losses amounting to Rs.3,37,88,956/- as at 31<sup>st</sup> March, 2015. The company has not incurred cash loss during the year however there was Cash loss in immediate preceding year.
9. According to the information and explanations given to us and records of the Company examined by us the company has not defaulted in repayment of dues to any financial institution or bank at the Balance Sheet date.
10. According to the information and explanations given to us the Company has not given any guarantees for loans taken by others from banks or financial institution during the year.
11. The Company has not obtained any term loans except car loans. The balance outstanding as at 31<sup>st</sup> March, 2015 is Rs.94,996/- (Previous Year Rs.9,13,747/-).
12. Based on the audit procedures performed and information and explanations given by the management, we report that we have not come across any instances of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by management.

For Ford, Rhodes, Parks & Co.  
Chartered Accountants  
Firm Registration No.102860W



A.D. Shenoy  
Partner  
Membership No.11549

Place: Mumbai  
Date: 5<sup>th</sup> May, 2015

