

June 22, 2021

To,  
Dept. of Corporate Services (CRD)  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001

**Scrip Code: 540192**

Dear Sir / Madam,

**Sub: Regulation 34 – Submission of Notice of the Twenty-Seventh Annual General Meeting and Annual Report for the year ended March 31, 2021**

Pursuant to the requirements of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report of the Company for the financial year 2020-21 ("Annual Report") along with the Notice of the Twenty-Seventh Annual General Meeting ("Notice") of the Company to be held on **Thursday, July 15, 2021 at 11:00 A.M. (IST)** through Video Conference / Other Audio Visual Means.

In accordance with Ministry of Corporate Affairs circular dated April 8, 2020, April 13, 2020, May 5, 2020 and January 13, 2021 and SEBI circular dated May 12, 2020 and January 15, 2021, the Annual Report along with the Notice is sent through electronic mode to the Members of the Company.


Further the aforesaid Annual Report along with Notice has also been uploaded on the website of the Company at [www.lkpsec.com](http://www.lkpsec.com).

We request you to take the aforesaid on records.

Thanking you,

Yours faithfully,

For **LKP Securities Limited**

  
**Akshata Vengurlekar**  
Company Secretary  
Contact No.: 84249 16961



Encl.: As above

## **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

**LKP**



**LKP SECURITIES LIMITED**

**Annual Report**  
**2021**



**Board of Directors**

Mr. Pratik M. Doshi	Managing Director (Chairman of the Board)
Mr. S. S. Gulati	Non-Executive Director
Mr. Ganesh Malhotra	Independent Director
Mr. Sajid Mohamed	Independent Director
Mrs. Anjali Suresh	Independent Director
Mr. Mahendra V. Doshi	Additional Director (Non-Executive) appointed w.e.f December 14, 2020

**Chief Financial Officer**

Mr. Girish Majrekar

**Company Secretary**

Ms. Akshata Vengurlekar

**Auditors:**

MGB & Co. LLP  
Peninsula Park, Tower B, 19<sup>th</sup> floor  
Lower Parel, Mumbai 400 013

**Registered office:**

203 Embassy Centre,  
Nariman Point, Mumbai 400 021  
Tel No.: +91 22 4002 4712 / 85 / 86  
Fax No.: +91 2287 4787  
E-mail: ho\_compliance@lkpsec.com;  
Website: www.lkpsec.com

**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  
E-mail: info@adroitcorporate.com  
Website: www.adroitcorporate.com

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**27<sup>th</sup> Annual General Meeting on Thursday, July 15, 2021**

at 11:00 A.M. (IST) through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM')

## NOTICE FOR THE ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the **Twenty-Seventh (27th) Annual General Meeting** of the Members of LKP Securities Limited will be held on **Thursday, July 15, 2021 at 11:00 A.M. (IST)** through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt;
  - a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2021, together with the Report of the Board of Directors and the Statutory Auditors thereon; and
  - b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2021, together with the Report of the Statutory Auditors thereon.
2. To declare a Dividend on Equity Shares.
3. To appoint a Director in place of Mr. S. S. Gulati (DIN 02404230) who retires by rotation and being eligible, offers himself for re-appointment.
4. 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:**

5. **Appointment of Mr. Mahendra V. Doshi (DIN: 00123243) as a Director of the Company**

To consider and if thought fit to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 152, 160 and all other applicable provisions of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Qualifications of Directors) Rules, 2014 ("the Rules") (including any statutory modification(s), amendment(s), clarification(s), re-enactment(s) or substitution(s) thereof for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any modification(s) thereof or supplement(s) thereto) ("SEBI Listing Regulations") and subject to such other approvals, permissions and sanctions, as may be required, Mr. Mahendra V. Doshi (DIN: 00123243), who was appointed as an Additional Director of the Company by the Board of Directors with effect from December 14, 2020 in terms of provisions of Section 161 of the Act and relevant provisions of Articles of Association of the Company and who holds office upto the date of ensuing Annual General Meeting ("AGM") and in respect of whom the Company has received a Notice in writing under Section 160 of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

**RESOLVED FURTHER THAT** anyone of the Directors or the Company Secretary of the Company be and is hereby authorised to do all such acts, matters, deeds and things as may be necessary, expedient or desirable to give effect to the above resolution including filing of necessary forms / returns with the Registrar of Companies / Ministry of Corporate Affairs and other regulatory authorities from time to time."

6. **Re-appointment of Mr. Ganesh Malhotra (DIN: 07581670) as an Independent Director**

To consider and if thought fit to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions 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(s) thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Ganesh Malhotra (DIN: 07581670), Non-Executive Independent Director of the Company who has submitted a declaration that he meets the criteria for independence and who is eligible for re-appointment and in respect of whom Notice has been received from a Member under Section 160 of the Act proposing his re-appointment as Director, be and is hereby re-appointed as a Non-Executive Independent Director of the Company to hold office for a second term with effect from August 03, 2021 to August 02, 2026.

**RESOLVED FURTHER THAT** anyone of the Directors or the Company Secretary of the Company be and is hereby authorised to do all such acts, matters, deeds and things as may be necessary, expedient or desirable to give effect to the above resolution including filing of necessary forms / returns with the Registrar of Companies / Ministry of Corporate Affairs and other regulatory authorities from time to time."

**NOTES:**

1. A statement pursuant to Section 102(1) of the Companies Act, 2013 ('the Act') relating to certain ordinary business and the special businesses to be transacted at the Twenty-Seventh AGM is annexed hereto. All documents referred to in the accompanying Notice and the Explanatory Statement along with the Register of Directors and Key Managerial Personnel and their shareholding, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under the Act shall be available for inspection electronically.
2. Pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and Secretarial Standards on General Meeting ('SS-2'), the required details of the Director proposed to be re-appointed and the terms of proposed remuneration of the Directors are given in the Annexure forming part of the Notice. Members seeking to inspect such documents can send an email to [ho\\_compliance@lkpsec.com](mailto:ho_compliance@lkpsec.com).
3. In view of the continuing COVID-19 pandemic, social distancing norms to be followed and pursuant to General Circular No. 14/2020 dated April 8, 2020 read with General Circular No. 17/2020 dated April 13, 2020 read with General Circular No. 39/2020 dated December 31, 2020 (collectively referred to as "MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 read with Circular No. SEBI/HO/CFD/ CMD2/CIR/P/2021/11 dated January 15, 2021 issued by the Securities and Exchange Board of India (collectively referred to as "SEBI Circulars") and in compliance with the provisions of the Companies Act, 2013 and SEBI Listing Regulations, permitted holding of Annual General Meeting ("AGM") through Video Conferencing (VC) or Other Audio Visual Means (OAVM) without physical presence of members at a common venue. In compliance with the provisions of the Act read with MCA Circulars and SEBI Listing Regulations, the AGM of the Company will be held through VC/OAVM. The deemed venue for the Twenty-Seventh AGM shall be the Registered Office of the Company i.e. 203, Embassy Centre, Nariman Point, Mumbai 400 021.
4. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI Listing Regulations (as amended) and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
5. The Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
6. Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. Pursuant to the provisions of the Act, a Member is entitled to attend and vote at the AGM is entitled to appoint proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since, this AGM is being held through VC/OAVM, the physical attendance has been dispensed with. Accordingly, the facility for appointment of proxies by the members to attend and cast vote is not available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this notice. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
8. In line with the Ministry of Corporate Affairs (MCA) Circulars the Notice calling the AGM along with Annual Report 2020-21 is being sent only through electronic mode to those members whose e-mail address is registered with the Company or the Depository Participant(s). Members may note that the Notice of AGM along with Annual Report has also been uploaded on the website of the Company at [www.lkpsec.com](http://www.lkpsec.com), websites of BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-voting facility and e-voting system during the AGM) at [www.evotingindia.com](http://www.evotingindia.com). Members (Physical / Demat) who have not registered their email addresses with the company can get the same registered with the company by requesting to our Registrar and Share Transfer Agent i.e. Adroit Corporate Services Private Limited ('RTA') at [info@adroitcorporate.com](mailto:info@adroitcorporate.com) and to the Company at [ho\\_compliance@lkpsec.com](mailto:ho_compliance@lkpsec.com).
9. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/ JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the e-AGM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to [scrutinizerlkpsec@gmail.com](mailto:scrutinizerlkpsec@gmail.com) or with a copy marked to [www.evotingindia.com](http://www.evotingindia.com).

10. Notice is also given under Section 91 of the Act read with Regulation 42 of the SEBI Listing Regulations that the Register of Members and the Share Transfer Book of the Company will remain closed from Friday, July 09, 2021 to Thursday, July 15, 2021 (both days inclusive).
11. The information and instructions for shareholders for remote e-voting are as under:
- I. Pursuant to Section 108 of the Act Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of SEBI Listing Regulations, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means.
  - II. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide e-voting facility.
  - III. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member/ beneficial owner (in case of electronic shareholding) as on the cut-off date, i.e., Thursday, July 08, 2021. A person who is not a member as on the cut-off date should treat this Notice for information purposes only.
  - IV. 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, i.e. Thursday, July 08, 2021 only shall be entitled to avail the facility of e-voting/ Poll on Demand.
12. Information and other instructions relating to e-voting are as under::
- (i) The voting period begins on Sunday, July 11, 2021 at 09:00 A.M. and ends on Wednesday, July 14, 2021 at 05:00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Thursday, July 08, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of SEBI Listing Regulations listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.  
  
Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.  
  
In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.
  - (iii) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>1) Users of who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/ NSDL/ KARVY/ LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi./Registration/ EasiRegistration">https://web.cdslindia.com/myeasi./Registration/ EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress during or before the AGM.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.



**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

<b>Login type</b>	<b>Helpdesk details</b>
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- (iv) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders & physical shareholders.

The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

- 1) Click on “Shareholders” module.
- 2) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 3) Next enter the Image Verification as displayed and Click on Login.

If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.

- 4) If you are a first-time user follow the steps given below:

<b>For Shareholders holding shares in Demat Form other than individual and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (v) After entering these details appropriately, click on “SUBMIT” tab.
- (vi) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (viii) Click on the EVSN for LKP Securities Limited on which you choose to vote.
- (ix) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (x) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xi) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

- (xiii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xiv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xv) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at [scrutinizerlkpsec@gmail.com](mailto:scrutinizerlkpsec@gmail.com) and [ho\\_compliance@lkpsec.com](mailto:ho_compliance@lkpsec.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**13. Process for those shareholders whose email addresses are not registered with the depositories for obtaining login credentials for e-voting for the resolutions proposed in this notice:**

- i. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company at [ho\\_compliance@lkpsec.com](mailto:ho_compliance@lkpsec.com) or RTA at [info@adroitcorporate.com](mailto:info@adroitcorporate.com).
- ii. For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company at [ho\\_compliance@lkpsec.com](mailto:ho_compliance@lkpsec.com) or RTA at [info@adroitcorporate.com](mailto:info@adroitcorporate.com).

**14. Instructions for shareholders attending the AGM through VC/OAVM are as under:**

- i. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at [www.evotingindia.com](http://www.evotingindia.com) under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed. EVSN of the Company is **210617002**.
- ii. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- iii. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- iv. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- v. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request before the cut-off date for the AGM (i.e on or before Thursday, July 08, 2021) mentioning their name, demat account number/folio number, email id, mobile number at [ho\\_compliance@lkpsec.com](mailto:ho_compliance@lkpsec.com).
- vi. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance before the cut-off date for the AGM (i.e on or before Thursday, July 08, 2021) mentioning their name, demat account number/folio number, email id, mobile number at [ho\\_compliance@lkpsec.com](mailto:ho_compliance@lkpsec.com). These queries will be replied to by the Company suitably by email.
- vii. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM.
- viii. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

- ix. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
- x. If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.
- All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.
16. Members can avail themselves, the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Act. Members desiring to avail themselves of this facility may send their nominations in the prescribed Form No. SH-13 duly filled in to the Company's Registrar & Transfer Agents (R&T Agents). Members holding shares in electronic form may contact their respective Depository Participant(s) for availing this facility.
17. The Securities and Exchange Board of India ("SEBI") has made it mandatory for all companies to use the bank account details furnished by the Depositories for any payment (including dividend) through Electronic Clearing Service ("ECS") to investors. In the absence of ECS facility, companies shall mandatorily print the bank account details of the investors on such payment instruments. Members are encouraged to avail ECS facility and requested to update bank account details in the prescribed form to their respective Depository Participant(s) and/or the Company's R&T Agents.
18. Members who have not registered their e-mail ID so far are requested to register the same for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company in electronic form.
19. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail ID, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their respective Depository Participant(s) in case the shares are held in electronic form and to the Company's R&T Agents in case the shares are held in physical form.
20. In terms of the Regulation 40 of the SEBI Listing Regulations, securities of listed companies can only be transferred in dematerialised form with effect from April 1, 2019, except in case of transmission or transposition of securities. In view of the above, Members are advised to dematerialise shares held by them in physical form. To comply with the above mandate, members who still hold share certificates in physical form are advised to dematerialise their shareholding to also avail numerous benefits of dematerialisation, which include easy liquidity, ease of trading and transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.
21. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
22. Mr. V. Ramachandran (Membership No. A-7731 / CP No. 4731), Proprietor M/s. V. R. Associates, Practicing Company Secretaries has been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.
23. The Results declared along with the report of the Scrutiniser shall be placed on the website of the Company at [www.lkpsec.com](http://www.lkpsec.com) and on the website of CDSL immediately after the declaration of result by the Chairperson or a person authorised by him/her in writing. The Results shall also be immediately forwarded to Stock Exchanges.
24. In terms of section 101 and 136 of the Act, read together with the Rules made thereunder, the listed companies may send the notice of annual general meeting and the annual report, including Financial statements, Board Report, etc. by electronic mode. Pursuant to the said provisions of the Act read with MCA Circulars, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website at [www.lkpsec.com](http://www.lkpsec.com), website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com).
25. The Ministry of Corporate Affairs had notified provisions relating to unpaid/unclaimed dividend under Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. As per these Rules, dividends which are not encashed / claimed by the shareholder for a period of seven consecutive years shall be transferred to the Investor Education and Protection Fund (IEPF) Authority. The IEPF Rules mandate the Companies to transfer the shares of shareholders whose dividends remain unpaid / unclaimed for a period of seven consecutive years to the demat account of IEPF Authority. Hence, the Company urges all the shareholders to encash / claim their respective dividend during the prescribed period.

26. Members are requested to send all communications to our R&T Agents at the following address:

**Adroit Corporate Services Private Limited**

19, Jafferbhoy Industrial Estate, 1st Floor,  
Makwana Road, Marol Naka, Andheri East,  
Mumbai - 400 059  
Tel. No.: +91 22 4227 0400; Fax No.: +91 22 2850 3748.  
E-mail ID: [info@adroitcorporate.com](mailto:info@adroitcorporate.com)

27. Since the meeting will be conducted through VC/OAVM facility, the Route Map is not annexed in this Notice.

By order of the Board of Directors  
For LKP Securities Limited

Sd/-  
**Akshata Vengurlekar**  
Company Secretary

Place : Mumbai  
Date : April 27, 2021

**Registered Office:**  
LKP Securities Limited  
(CIN: L67120MH1994PLC080039)  
203, Embassy Centre,  
Nariman Point, Mumbai – 400 021

## Statement pursuant to Section 102 of the Act

### Item No. 5

In pursuance of Section 161 of the Companies Act, 2013 ("the Act") read with applicable rules thereto, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, has appointed Mr. Mahendra V. Doshi (DIN: 00123243), as an Additional Director on the Board of the Company vide circular resolution passed on December 14, 2020 to hold office upto the date of ensuing Twenty-Seventh Annual General Meeting ("AGM") of the Company and who shall be liable to retire by rotation.

In terms of provisions of Section 160 of the Act read with applicable rules thereto, the Company has received a notice in writing from a Member of the Company signifying intention to propose his candidature for the office of Director of the Company.

Mr. Mahendra V. Doshi holds a degree in Masters of Business Administration in Marketing from Fort Lauderdale University, USA. Mr. M. V. Doshi aged 71 years is the Chief Promoter of LKP Group and has been instrumental in setting-up and growing of LKP Finance Limited and other group Companies. Currently he is designated as an Executive Chairman & Managing Director of LKP Finance Limited. He has expertise in the field of merchant banking and has handled numerous local and International capital market transactions. His vast experience of over 45 years in the field of Finance, Capital Market and Business Administration is of immense value to the Company. Apart from LKP group of companies, he has been associated as a Director in Graviss Hospitality Limited, Nilkamal Limited and more.

The Company has received necessary consent and declaration from Mr. M. V. Doshi to act as a Director of the Company and a confirmation that he is not disqualified from being appointed as Director of the Company and is not debarred from holding the office of Director by virtue of any order of Securities and Exchange Board of India or any other such authority.

A brief profile of Mr. M. V. Doshi, including nature of his expertise, as required under Regulation 36 of SEBI Listing Regulations and Secretarial Standard on General Meetings ("SS-2") is provided in the Annexure - I to this Notice. As required under the provisions of the Act, the approval of the Members is sought to regularize the appointment of Mr. M. V. Doshi as a Director of the Company.

The Board of Directors recommends the Ordinary Resolution as set out in this Notice for the approval by the Members of the Company.

Except Mr. M. V. Doshi, Mr. Pratik M. Doshi and their relatives, none of the Directors and Key Managerial Personnel(s) of the Company and their respective relatives are in anyway, concerned or interested, financially or otherwise, in the passing of the above proposed Resolution.

### Item No. 6

Mr. Ganesh Malhotra (DIN: 07581670) is a Non-Executive Independent Director of the Company and Chairman of the Audit and Nomination & Remuneration Committee of the Board of Directors of the Company. He joined the Board of the Company on August 03, 2016. He was appointed as a Non-Executive Independent Director to hold office for five consecutive years for a term up to August 02, 2021, by the Shareholders of the Company in the Twenty-Third Annual General Meeting of the Company

held on May 24, 2017. Since, Mr. Malhotra, has completed one term as an Independent Director of the Company, he is eligible for re-appointment for the second term.

Based on the performance evaluation of Independent Directors and as per recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and the SEBI Listing Regulations, given the background and experience and contribution made by Mr. Malhotra during his tenure, the Board considers that the continued association of Mr. Malhotra would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director.

Mr. Malhotra holds MBA degree from XIM India and has experience of 25 years in International Corporate Finance, Investment Banking, Foreign Exchange and Commodity Markets. He has also worked as Head of Credit Control Samsung Gulf and with Large Financial Institutions such as Tata Finance, MF Global and Merrill Lynch.

The Board confirms that Mr. Malhotra fulfils the conditions for re-appointment as an Independent Director as specified in the Companies Act, 2013, the rules framed thereunder and the Listing Regulations and that he is independent of the management of the Company.

A brief profile of Mr. Malhotra, including nature of his expertise, as required under Regulation 36 of Listing Regulations and Secretarial Standard on General Meetings ("SS-2") is provided in the Annexure - I to this Notice.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of five consecutive years and shall be eligible for re-appointment on passing a special resolution by the Company for another term of up to five consecutive years on the Board of a Company. The Board of Directors recommends the Special Resolution as set out in this Notice for the approval by the Members of the Company.

Except Mr. Malhotra, none of the Directors and Key Managerial Personnel(s) of the Company and their respective relatives are in anyway, concerned or interested, financially or otherwise, in the passing of the above proposed Resolution.

By order of the Board of Directors  
For LKP Securities Limited

Sd/-  
**Akshata Vengurlekar**  
Company Secretary

Place : Mumbai  
Date : April 27, 2021

**Registered Office:**  
LKP Securities Limited  
(CIN: L67120MH1994PLC080039)  
203 , Embassy Centre,  
Nariman Point, Mumbai – 400 021

**Annexure - I**

**Information as required pursuant to Regulation 36 of the SEBI Listing Regulations and Secretarial Standard on General Meetings (“SS-2”), in respect of Directors seeking appointment / re-appointment at the Annual General Meeting:**

<b>Name of Director</b>	<b>Mr. S. S. Gulati</b>	<b>Mr. Mahendra V. Doshi</b>	<b>Mr. Ganesh Malhotra</b>
<b>DIN</b>	02404230	00123243	07581670
<b>Date of Birth</b>	December 10, 1955	November 29, 1949	November 23, 1973
<b>Age</b>	65 Years	71 Years	47 Years
<b>Date of first Appointment on the Board</b>	July 08, 2016	August 03, 1994-Original December 14, 2020 - Re-appointed	August 03, 2016
<b>Qualifications</b>	Chartered Accountant	MBA-Fort Lauderdale University, USA	MBA-XIM India
<b>Experience and Expertise in Specific Functional Area</b>	Mr. Gulati has over three decade of experience in accounting, finance and taxation. Presently, he is also Chief Financial Officer for LKP Finance Limited. He has held numerous management responsibilities in his career in the field of finance, corporate affairs and taxation.	Mr. M. V. Doshi is the Chief Promoter of LKP Group and has been instrumental in setting-up and growing of LKP Finance Limited and other group Companies. Currently he is designated as an Executive Chairman & Managing Director of LKP Finance Limited. He has expertise in the field of merchant banking and has handled numerous local and International capital market transactions. His vast experience of over 45 years in the field of Finance, Capital Market and Business Administration is of immense value to the Company. Apart from LKP group of companies, he has been associated as a Director in Graviss Hospitality Limited, Nilkamal Limited and more.	Mr. Malhotra has experience of 25 years in International Corporate Finance, Investment Banking, Foreign Exchange and Commodity Markets. He has also worked as Head of Credit Control Samsung Gulf and with Large Financial Institutions such as Tata Finance, MF Global and Merrill Lynch.
<b>Terms and conditions of re-appointment / revision</b>	As per the resolution at Item No. 3 of the Notice.	As per the resolution at Item No. 5 of the Notice.	As per the resolution at Item No. 6 of the Notice.
<b>Remuneration last drawn</b>	<i>Please refer to Corporate Governance Report forming part of the Annual Report</i>		
<b>Number of Board Meetings attended during the year 2020-21</b>	5 (Five)	1 (One)	5 (Five)
<b>Directorship held in other Listed companies (As on March 31, 2021)</b>	Nil	<ul style="list-style-type: none"> <li>• LKP Finance limited</li> <li>• Nilkamal Limited</li> <li>• Graviss Hospitality Limited</li> </ul>	Nil

Name of Director	Mr. S. S. Gulati	Mr. Mahendra V. Doshi	Mr. Ganesh Malhotra
<b>Directorship in other Companies (excluding foreign companies &amp; Section 8 companies) (As on March 31, 2021)</b>	<ul style="list-style-type: none"> <li>Alpha Commodity Private Limited</li> <li>LKP Wealth Advisory Limited</li> <li>Bond Street Capital Private Limited (f/k/a Gayatri Cement and Chemical Industries Private Limited)</li> </ul>	<ul style="list-style-type: none"> <li>LKP Finance Limited</li> <li>Nilkamal Limited</li> <li>Graviss Hospitality Limited</li> <li>MKM Share and Stock Brokers Limited</li> <li>Bhavana Holdings Private Limited</li> <li>Peak Plastonics Private Limited</li> <li>Sea Glimpse Investment Private Limited</li> <li>SolarEx P V Solution Private Limited (Under Strick-off)</li> <li>LKP Wealth Advisory Limited</li> <li>Raymond Apparel Limited</li> <li>Raymond Consumer Care Limited</li> </ul>	Nil
<b>Chairmanship / Membership of Committees of the Board of Directors of other Companies (As on March 31, 2021)</b>  [Membership and Chairmanship of only Audit Committees and Stakeholders' Relationship Committees have been included]	Nil	<p><b>LKP Finance Limited</b></p> <ul style="list-style-type: none"> <li>Audit Committee – Member.</li> </ul> <p><b>Nilkamal Limited</b></p> <ul style="list-style-type: none"> <li>Audit Committee – Member</li> </ul> <p><b>Graviss Hospitality Limited</b></p> <ul style="list-style-type: none"> <li>Audit Committee – Chairman</li> <li>Stakeholders' Relationship Committee – Member.</li> </ul>	Nil
<b>Shareholding as on March 31, 2021</b>	39,976 Equity Shares	2,23,29,554 Equity Shares (including shares held on behalf of LK Panday, Partnership firm)	Nil
<b>Relationship with other Directors / Key Managerial Personnel(s)</b>	Not related to any Director / Key Managerial Personnel(s).	Related to Mr. Pratik M. Doshi.	Not related to any Director / Key Managerial Personnel(s).

**Note:** For further details related to remuneration drawn and proposed, directorship / committee membership, please refer to Directors' Report, Corporate Governance Report forming part of the Annual Report and the resolutions proposed in the Notice.

## DIRECTORS' REPORT

Your Directors are pleased to present the Twenty-Seventh Annual Report of the Company together with the Audited Financial Statements for the financial year ended March 31, 2021. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

### FINANCIAL HIGHLIGHTS

A summary of the Consolidated and Standalone financial performance of your Company, for the financial year ended March 31, 2021, is as under:

(Rs. in lakhs)

Particulars	Standalone		Consolidated	
	Financial Year 2020-21	Financial Year 2019-20	Financial Year 2020-21	Financial Year 2019-20
Revenue from Operations	8,374.29	7,304.11	8,452.90	7,385.30
Other Income	65.16	54.70	65.16	54.70
<b>Total Revenue</b>	<b>8,439.45</b>	<b>7,358.81</b>	<b>8,518.06</b>	<b>7,440.00</b>
Profit before Tax	553.71	219.61	561.56	222.56
Less: Tax expense	162.01	62.86	164.44	59.87
<b>Profit after Tax</b>	<b>391.70</b>	<b>156.75</b>	<b>397.12</b>	<b>162.69</b>
Other Comprehensive loss for the year	6.53	(11.04)	6.53	(11.04)
<b>Total Comprehensive Income for the year</b>	<b>398.23</b>	<b>145.71</b>	<b>403.65</b>	<b>151.65</b>
Earnings per share on equity shares of Rs. 2 each				
- Basic (in Rs.)	0.53	0.21	0.54	0.22
- Diluted (in Rs.)	0.53	0.21	0.54	0.22

### COVID-19 IMPACT

The COVID-19 pandemic has emerged as a global challenge, creating disruption across the world. Global solutions are needed to overcome the challenges – businesses & business models have transformed to create a new work order. The swift transition to remote working was facilitated by the Company.

As capital markets services were declared as essential services, your Company continued its operations by strictly adhering to the minimal staff strength requirement and maintaining social distancing and other precautions as per the Government directions.

Physical and emotional wellbeing of employees continues to be a top priority for the Company, with several initiatives to support employees and their families during the pandemic.

The management has, at the time of approving the financial statements, assessed the potential impact of the Covid-19 on the Company. Barring any future Covid-19 related escalations, based on the current assessment, the management is of the view that impact of Covid-19 on the operations of the Company and the carrying value of its assets and liabilities is not likely to be material.

### STATE OF THE COMPANY'S AFFAIRS

On a consolidated basis, the revenue for FY 2020-21 was Rs. 8,452.90 lakhs, higher by 14.46 percent over the previous year's revenue of Rs. 7,385.30 lakhs. The profit after tax (PAT) attributable to shareholders for FY 2020-21 and FY 2019-20 was Rs. 397.12 lakhs and Rs. 162.69 lakhs, respectively.

On a standalone basis, the revenue for FY 2020-21 was Rs. 8,374.29 lakhs, higher by 14.65 percent over the previous year's revenue of Rs. 7,304.11 lakhs. The profit after tax (PAT) attributable to shareholders for FY 2020-21 and FY 2019-20 was Rs. 391.70 lakhs and Rs. 156.75 lakhs, respectively.

### ACQUISITION OF COMMODITIES BUSINESS

During the year under review, the Company has entered into Business Transfer Agreement with M/s Alpha Commodity Private Limited for acquisition of Commodities Broking Business as a going concern and on a slump sale basis for a lump sum cash consideration.

### DIVIDEND

Your Directors are pleased to recommend a Dividend of Rs. 0.20 (10%) per equity share of Rs. 2/- each for the financial year 2020-21, which is subject to consideration and approval of the Shareholders at the ensuing Annual General Meeting of the Company, and shall be paid within the statutory period to those members whose names appear in the Register of Members as on the date of book closure.



The total outflow on account of the proposed dividend shall amount to Rs. 147.87 lakhs.

**RESERVES**

There is no amount proposed to be transferred to Reserves out of profits of the financial year 2020-21.

**SHARE CAPITAL**

As at March 31, 2021, the paid-up Equity Share Capital of the Company stood at Rs. 14,78,69,472/- consisting of 7,39,34,736 Equity Shares of Rs.2/- each.

During the year under review, there was no public issue, rights issue, bonus issue or preferential issue, etc. The Company has not issued shares with differential voting rights or sweat equity shares.

**EMPLOYEES STOCK OPTIONS PLAN**

The Members of the Company had passed the resolutions at its Annual General Meeting held on May 24, 2017 and approved the LKP Securities Limited's Employees' Stock Option Scheme 2017 ("**LKPS ESOP - 2017**") and also approved to offer, issue and allot at any time or to acquire by way of secondary acquisition, to or for the benefit of eligible employees under LKPS ESOP - 2017, not exceeding 50,00,000 Equity Shares of Rs. 2 each, in one or more tranches, at such price and on such terms and conditions as may be fixed or determined by the Nomination and Remuneration Committee.

During the year under review the Members of the Company had verified modified and amended LKPS ESOP – 2017 by way of postal ballot dated October 16, 2020, the result of which was declared on November 27, 2020, subsequently the Company has granted 4,67,000 stock options to its employees under the modified LKPS ESOP – 2017.

The Members of the Company at its Annual General Meeting held on July 05, 2019 had approved the LKP Securities Limited's Employees' Stock Option Scheme 2019 ("**LKPS ESOP - 2019**") and also approved to offer, issue and allot at any time, to or for the benefit of eligible employees including the employees of its subsidiaries under LKPS ESOP - 2019, not exceeding 35,00,000 Equity Shares of Rs. 2 each, in one or more tranches, at such price and on such terms and conditions as may be fixed or determined by the Nomination and Remuneration Committee.

Pursuant to the applicable provisions of the Companies Act, 2013 ("**the Act**") and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("**SBEB Regulations**"), the scheme is administered by the Nomination and Remuneration Committee of the Company.

The applicable disclosures as stipulated under SBEB Regulations as on March 31, 2021 with regard to the LKP ESOP – 2017 are provided in **Annexure - I** to this Report.

**SUBSIDIARY COMPANY**

During the year under review, the Board has reviewed the affairs of LKP Wealth Advisory Limited, its subsidiary. The subsidiary has income from operations amounting to Rs. 104.49 lakh and its net profit stood at Rs. 5.44 lakh. There has been no material change in the nature of the business of the subsidiary.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of the subsidiary as on March 31, 2021 in the prescribed Form AOC-1 is attached to the financial statements, which forms part of this Annual Report.

There are no associates or joint venture companies within the meaning of Section 2(6) of the Act.

**CONSOLIDATED FINANCIAL STATEMENTS**

The Consolidated Financial Statements of the Company prepared in accordance with the Act and applicable IND AS along with the relevant documents and Auditors Report is also presented to you and form part of this Annual Report.

In accordance with the provisions of Section 136(1) of the Act, the Annual Report of the Company containing therein the audited standalone and consolidated financial statements and the audited financial statement of the subsidiary will be available for inspection by any member of the Company and has been placed on the website of the Company at [www.lkpsec.com](http://www.lkpsec.com).

**PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

Details of loans granted, guarantee provided and investment made by the Company which are covered under the provisions of Section 186 of the Act, is provided in Notes forming part of Financial Statements.

**MANAGEMENT DISCUSSION AND ANALYSIS**

The Management Discussion and Analysis in accordance with Regulation 34 read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**") forms part of this Annual Report.

**CORPORATE GOVERNANCE**

Pursuant to the SEBI Listing Regulations, Company's Corporate Governance Report forms part of this Annual Report along with the reports on Management Discussion and Analysis and General Shareholder Information.

Further all the Board members and Senior Management personnel have affirmed compliance with the Code of Conduct for the financial year 2020-21. A declaration to this effect signed by the Managing Director of the Company also forms part of this Annual Report.

A Certificate from Practicing Company Secretary regarding the compliance with the conditions of Corporate Governance as stipulated under Regulation 34 read with Schedule V of the SEBI Listing Regulations is annexed to this Report.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL(S)**

In terms of Section 152 of the Act, Mr. S. S. Gulati is liable to retire by rotation at the forthcoming Annual General Meeting (“AGM”) and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

Mr. Mahendra V. Doshi (DIN: 00123243) has been appointed as a Non-Executive, Non-Independent Director with effect from December 14, 2020. Mr. M. V. Doshi shall hold the office up to the date of the ensuing Annual General Meeting and being eligible, has offered himself to be appointed as a Director liable to retire by rotation. The Company has received a notice from a Member under Section 160 of the Companies Act, 2013 signifying his intention to propose the candidature of Mr. M. V. Doshi for the office of Director. The Nomination & Remuneration Committee and the Board of Directors recommends his appointment.

The Company has received necessary disclosures and confirmations from concerned Director(s) in connection with their appointment / re-appointment. Additional information on appointment / re-appointment of Directors as required under Regulation 36 of SEBI Listing Regulations is given in the Notice convening the ensuing AGM.

The Company has received necessary declarations from all the Independent Directors under Section 149(7) of the Act that they meet the criteria of independence laid down in Section 149(6) of the Act and Regulation 25 of SEBI Listing Regulations.

In terms of Section 203 of the Act, the Company has the following Key Managerial Personnel: Mr. Pratik M. Doshi, Chairman and Managing Director, Mr. Girish Majrekar, Chief Financial Officer and Ms. Akshata Vengurlekar, Company Secretary. There is no change in the Key Managerial Personnel during the year under review.

#### **COMMITTEES OF THE BOARD**

Details of Committees of the Board of Directors of the Company along with their terms of reference, composition and meetings held during the year, are provided in the Corporate Governance Report, which forms part of this Annual Report.

#### **NUMBER OF MEETINGS OF THE BOARD**

The Board meetings are normally held on a quarterly basis, during the year under review, Five (5) meetings of the Board of Directors were held. The necessary quorum was present for all the meetings. The details of date of above meeting including the attendance of the Directors are given in the Corporate Governance Report that forms part of this Annual Report.

#### **PERFORMANCE EVALUATION**

Pursuant to the provisions of the Act, SEBI Listing Regulations and in line with the Corporate Governance Guidelines of the Company, Annual Performance Evaluation was conducted for all Board Members as well as the working of the Board and its Committees. The evaluation process *inter-alia* reviews participation of Directors at meetings, domain knowledge, business awareness and adherence to governance.

A formal annual evaluation had been made by the Independent Directors and the Board of the performance of the Committees, Individual Directors, Chairman and the Board as whole. The outcome of the Board Evaluation for the financial year 2020-21 was discussed by the Nomination and Remuneration Committee and the Board at their respective meetings.

#### **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

Company's policy is to have an appropriate mix of executive, non-executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. As on March 31, 2021, the Board had six members, one of whom is an executive managing director, two non-executive non-independent director and three independent directors. One of whom is a woman independent director.

The Company's policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Act, has been disclosed in the Corporate Governance Report, which forms part of this Annual Report.

#### **VIGIL MECHANISM/WHISTLE BLOWER**

In accordance with Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the SEBI Listing Regulations, the Company has established a vigil mechanism to provide a framework to promote responsible and secure whistle blowing and to provide a channel to the employee(s) and Directors to report to the management, concerns about unethical behaviour, actual or suspected fraud or violation of the code of conduct or policy/ies of the Company, as adopted/framed from time to time. The mechanism provides for adequate safeguards against victimisation of employee(s) and also provides for direct access to the Chairperson of the Audit Committee in exceptional cases. The said Policy is placed on the Company's website at [www.lkpsec.com](http://www.lkpsec.com).

During the financial year 2020-21, no cases under this mechanism were reported to the Company.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

The Company has put in place a policy for Related Party Transactions ('RPT'), which has been approved by the Board of Directors. The policy provides for identification of RPTs, necessary approvals by the Audit Committee/Board/Members, reporting and disclosure requirements in compliance with the Act and provisions of SEBI Listing Regulations.

During the year under review all contracts/arrangement/transactions entered by the Company with related parties were in compliance with the applicable provisions of the Act and SEBI Listing Regulations. Requisite approval of the Audit Committee was obtained for all related party transactions. All related party transactions entered during the year were on arm's length basis and in the ordinary course of business of the Company. The details of transactions with related parties are provided in the Company's financial statements in accordance with the Indian Accounting Standards.

Further the details of material related party transactions entered into during the year under review are provided in Form AOC-2, which is attached as **Annexure - II** to this Report.

The Company's policy on materiality of and dealing with related party transactions, as approved by the Board, is uploaded on the website of the Company and can be accessed at [www.lkpsec.com](http://www.lkpsec.com).

**DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with Section 134(5) of the Act and to the best of their ability, your Directors state that:

- i. in the preparation of the annual accounts for the financial year ended March 31, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. they 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 the year ended March 31, 2021;
- iii. they have taken proper and sufficient care for the 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 fraud and other irregularities;
- iv. they have prepared the annual accounts for the financial year ended March 31, 2021 on a going concern basis;
- v. they 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. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**AUDIT COMMITTEE**

The Audit Committee of the Company comprises of Mr. Ganesh Malhotra, Independent Director as Chairperson of the Committee, Mr. Sajid Mohamed, Independent Director, Mrs. Anjali Suresh, Independent Director and Mr. Pratik M. Doshi, Managing Director are other Members of the Audit Committee. There are no instances where the Board did not accept the recommendations of the Audit Committee. The terms of reference, powers and roles of the Committee are disclosed in the Corporate Governance Report, which forms part of this Annual Report.

**PARTICULARS OF EMPLOYEES**

Disclosures pertaining to remuneration and other details, as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given in **Annexure - III** to the Board's Report.

Further, a statement showing the names and other particulars of employees drawing remuneration in excess of the limits as set out in the Rule 5(2) and 5(3) of the aforesaid Rules, forms part of this report. However, in terms of first proviso to Section 136(1) of the Act, the Annual Report and Accounts are being sent to the members and others entitled thereto, excluding the aforesaid information. The said information is available for inspection by the members. Any member interested in obtaining a copy thereof, may write to the Company at [ho\\_compliance@lkpsec.com](mailto:ho_compliance@lkpsec.com).

**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 Chairperson of the Audit Committee of the Board and 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.

**STATUTORY AUDITORS**

The term of the existing Statutory Auditors M/s MGB & Co. LLP, Chartered Accountants is coming to an end at the ensuing AGM. The Board of Directors have recommended re-appointment of M/s MGB & Co. LLP to hold office from the conclusion of the this AGM till the conclusion of the Twenty-Eighth AGM.

The Company has received a written confirmation from the Statutory Auditors confirming that their continued appointment shall be in accordance with the applicable provisions of the Act.

**AUDITORS' REPORT**

There are no qualifications, reservations or adverse remarks made by M/s MGB & Co. LLP, Statutory Auditors, in their report for the financial year ended March 31, 2021.

Pursuant to provisions of the Section 143(12) of the Act, the Statutory Auditors have not reported any incident of fraud to the Audit Committee or the Board during the year under review.

**SECRETARIAL AUDITOR**

As required under provisions of Section 204 of the Act and read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 made thereunder, Mr. V. Ramachandran (Membership No. A-7731 / CP No. 4731) Proprietor: V. R. Associates, Practicing Company Secretaries was appointed as Secretarial Auditor to conduct the Secretarial Audit of the Company for the financial year 2020-21.

The Secretarial Audit Report for the financial year 2020-21 is appended as **Annexure - IV**, which forms part of this Report.

The Secretarial Audit Report has a qualification regarding the composition of the board not in compliance as per Regulation 17(1) of SEBI Listing Regulations until December 13, 2020, to which the management states that due to continuous lockdown announced initially by Central Government & then by State Government in order to control spread of COVID-19 pandemic in the country, it was challenging for the company to find a suitable candidate to fit in the position of a Director of the listed entity.

Further the company has filed an appeal for dropping of penalty and has made the non-compliance good by appointing Mr. Mahendra V. Doshi as an additional director on the Board of the Company effective December 14, 2020.

In addition to the above and pursuant to SEBI circular dated February 08, 2019, a report on secretarial compliance by M/s. V. R. Associates, Practicing Company Secretaries for the financial year ended March 31, 2021 is being submitted to stock exchanges.

**COMPLIANCE WITH SECRETARIAL STANDARDS**

The Board of Directors states that the Company has complied with Secretarial Standards on meetings of the Board of Directors ("SS-1") and on General Meetings ("SS-2") as amended and issued from time to time by the Institute of Company Secretaries of India in terms of Section 118(10) of the Act.

**EXTRACT OF ANNUAL RETURN**

In accordance with Section 134(3)(a) of the Act, an extract of annual return in the prescribed Form MGT-9 is given as **Annexure - V** which forms part of this Report.

In accordance with Section 92(3) of the Act, a copy of the Annual Return for the financial year ended March 31, 2021 is available on the website of the Company at [www.lkpsec.com](http://www.lkpsec.com).

**CORPORATE SOCIAL RESPONSIBILITY STATEMENT (CSR)**

During the financial year ended March 31, 2021 pursuant to the provisions of Section 135(1) of the Act, read with the Companies (Corporate Social Responsibility Policy) Rules 2014 no amount is required to be spent by the Company towards CSR.

The composition and terms of reference of the CSR Committee is provided in the Corporate Governance Report, which forms part of this Annual Report. Further in compliance with Rule 3 of the Companies (Corporate Social Responsibility Policy) Rules 2014, the CSR Report is given as **Annexure - VI** which also forms part of this Report.

**TRANSFER OF UNCLAIMED/UNPAID AMOUNTS TO THE INVESTOR EDUCATION AND PROTECTION FUND ('IEPF')**

In terms of the provisions of Section 124 of the Act, provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and other applicable provisions, all unpaid or unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund ("IEPF") established by the Central Government, after completion of seven years from the date the dividend is transferred to unpaid/unclaimed account. Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed by the members for seven consecutive years or more shall also be transferred to the demat account created by the IEPF Authority.

**CONSERVATION OF ENERGY**

The operations of the Company are not energy intensive. However, the Company has taken various measures for conservation of energy, like switching from conventional lighting systems to LED lights etc. All efforts are made to use more natural lights in office premises to optimize the consumption of energy.

**TECHNOLOGY ABSORPTION**

The Company, primarily being a stock broking company and not involved in any industrial or manufacturing activities, has no particulars to report regarding technology absorption as required under Section 134 of the Act and Rules made thereunder.

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

The Company did not enter into any foreign currency transactions in the current year and previous year.

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Providing a safe working environment for all genders, free from sexual harassment and discrimination is among the key priorities of the Company. In compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has put in place a policy on Prevention of Sexual Harassment of Women at the workplace. The policy includes the scope, consequence of non-compliance and redressal mechanism along with contact details of the Committee members for raising any grievance/complaint under the said policy.

The Company has constituted Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Adequate workshops and awareness programs are conducted across the organization.

No. of complaints received: 0

No. of complaints disposed of: 0

No. of cases pending for more than 90 days: 0

**DISCLOSURES**

- The Company has not accepted any fixed deposits during the year under review and accordingly, no amount on account of principal or interest on deposits from public and/or Members were outstanding as at March 31, 2021.
- There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.
- During the year under review, the Company has not issued any Debentures.
- No material changes have taken place that could have an impact on the financial position of the Company from the date of closure of financial year under review till the date of signing of Accounts.
- There is no change in the nature of business of the Company.
- The Managing Director, as per the terms of his appointment, does not draw any commission or remuneration from subsidiary company. Thereby, no disclosure is required under Section 197(14) of the Act.
- Maintenance of cost records and requirement of cost Audit as prescribed under the provisions of Section 148(1) of the Act are not applicable to the business activities carried out by the Company.

**ACKNOWLEDGEMENT**

Your Board of Directors would like to express its gratitude and its appreciation for the continued support and co-operation provided to your Company by its Members, and in particular the customers, regulatory authorities and its banks and financial institutions. Your Directors would also like to place on record its sincere appreciation for the efforts put in by the Management and the employees of the Company.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: April 27, 2021

Sd/-  
**Pratik M. Doshi**  
Chairman & Managing Director

## ANNEXURE - I

**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, 2021**

- A. The Company has issued stock options to its permanent employees in accordance with the Company's Employee Stock Option Scheme 2017. The Scheme is administered by the Nomination and Remuneration Committee (NRC) 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

\*Pursuant to Special Resolution passed by the Members of the Company by way of postal ballot dated October 16, 2020, the result of which were declared on November 27, 2020 have verified modified and amended ESOP – 2017.

Phase I & II: 38,85,000 Stock Options were granted (Phase I: 37,00,000 & Phase II: 1,85,000) 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 dates. The options vested would be exercisable at any time within a period of one year from the date of vesting.

Phase III: 4,67,000 Stock Options were granted at a price of Rs. 7/- per option to the employees of the Company. As per the grant, 50% of the option shall vest after the expiry of 12 months and 50% of the option shall vest after the expiry of 24 months from the original date of grant. The options vested would be exercisable at any time within a period of three year from the date of vesting.

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 lapsed option is available for being re-grant / re-issue at a future date. The stock option vested / shall be vest proportionately as may be decided by NRC committee at the time of grant. The maximum number of options that may be granted to any specific employee is upto 5,00,000 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		
	Phase I March 31, 2021	Phase II March 21, 2021	Phase III March 31, 2021
Options outstanding at the beginning of the year (a)	20,01,960	1,85,000	4,67,000
Options forfeited / lapsed during the year (b)	10,67,980	1,25,000	NA
Options forfeited / lapsed during the year (c)	NA*	41,250	NA
Options vested during the year (d)	9,33,980	61,050	NA
Options exercised during the year (e)	0	0	NA
Shares arising as a result of exercise of options	Nil	NA	NA
Source of shares	NA	NA	NA
Money realized by exercise of options (Rs.)	Nil	NA	NA
Loan repaid by the trust during the year from exercise price received	NA	NA	NA
Options outstanding at the end of the year (f) = (a-b-e)	9,33,980	60,000	4,67,000
Options exercisable at the end of the year (g) = (d-e-c)	9,33,980	19,800	NA
Variation in terms of options	Nil	Nil	As per modifications approved by Shareholders on November 27, 2020
<i>Employee-wise details of options granted during the year to</i>			
(i) KMP / Senior managerial personnel	Nil	Nil	Yes
(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	Nil	Yes
(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	Nil	Nil

\* Options forfeited / lapsed during the year (c) is Not Applicable since it is the last tranche remaining and Options outstanding & Options exercisable are one and the same.

- C. Weighted average shares price on the date of exercise of the options : Not Applicable

For and on behalf of the Board of Directors

Sd/-

Place: Mumbai  
Date: April 27, 2021

**Pratik M. Doshi**  
Chairman & Managing Director

## ANNEXURE - II

## AOC-2

## (Pursuant to clause (h) of sub-section (3) of Section 134 of Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

This form pertains to the 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 ("the Act") including certain arm's length transactions under third proviso thereto.

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

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2021, which were not at arm's length basis.

**2. Details of material contract or arrangements or transactions at arm's length basis:**

The details of material contracts or arrangements or transaction at arm's length basis for the year ended March 31, 2021 are as follows:

Name of the Related Parties	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 (Rs. in Lakh)#	Approvals
Alpha Commodity Private Limited	Related Party	Transactions for purchase of commodity broking business	N.A.	526.72	Necessary approval of Audit Committee, Board of Directors and Shareholders has been obtained by the Company.

(#) enhanced limit as approved by the Shareholders of the Company.

Advances in respect of related transactions being adjusted against billings/invoices.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: April 27, 2021

Sd/-  
**Pratik M. Doshi**  
Chairman & Managing Director

## ANNEXURE - III

**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 M. Doshi	Managing Director	12.30319 : 1

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 / Decrease of remuneration in 2021 as compared to 2020
Mr. Pratik M. Doshi	Managing Director	Nil
Mr. Girish Majrekar	Chief Financial Officer	Nil
Ms. Akshata Vengurlekar	Company Secretary	Nil

3. The percentage increase in median remuneration of employees in the financial year: 8.00
4. There were 402 permanent employees on the rolls of the Company as on March 31, 2021.
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 8.00% 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.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: April 27, 2021

Sd/-  
**Pratik M. Doshi**  
Chairman & Managing Director



ANNEXURE - IV  
**SECRETARIAL AUDIT REPORT**

For the financial year ended March 31, 2021

[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 31<sup>st</sup> March, 2021 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 31<sup>st</sup> March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) to the extent applicable and the rules made thereunder;
  - (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 except for the following:

- *The board of directors of the Company was comprising of less than six directors until December 13, 2020 which was not as per Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

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. Further wherever required the conditions for conducting the Meetings at shorter notice was satisfied 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:

- Re-appointment of Mr. Pratik M. Doshi as Managing Director of the Company and payment of remuneration thereof.
- Approval for variation/modification/amendment of the terms of LKP Securities Limited Employee Stock Options Scheme 2017.
- Acquiring and purchasing of Commodities Business of M/s Alpha Commodity Private Limited.

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.

\* Due to ongoing pandemic of Covid-19 and state of lockdown, all the books, papers, minute books, forms and returns filed and other records maintained by the Company, wherever possible, have been check virtually.

For V.R. Associates  
Company Secretaries

Place : Mumbai  
Date : April 27, 2021

**V. Ramachandran**  
CP 4731  
UDIN: A007731C000196172

**ANNEXURE - V**  
**FORM MGT-9**  
**EXTRACT OF ANNUAL RETURN**

As on the financial year ended on March 31, 2021

(Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014)

**I. REGISTRATION AND OTHER DETAILS:**

CIN	L67120MH1994PLC080039
Registration Date	03/08/1994
Name of the Company	LKP SECURITIES LIMITED
Category / Sub-Category of the Company	Company limited by shares
Address of the Registered office and contact details	203 Embassy Centre, Nariman Point, Mumbai 400 021 Tel No.: +91 22 4002 4712 / 85 / 86
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Adroit Corporate Services Private Limited 19, Jafarbhoy Industrial Estate, 1 <sup>st</sup> Floor, Makawana Road, Marol Naka, Andheri (East), Mumbai 400 059. Tel. No. 022 - 28590942

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Stock broking	66120	99.23%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

S. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.	LKP Wealth Advisory Limited (f/k/a LKP Wealth Advisory Private Limited) 203, Embassy Centre, Nariman Point, Mumbai 400021	U67190MH2014PLC256997	Subsidiary Company	100%	2(87)(ii)

**IV. SHAREHOLDING 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 01/04/2020				No. Of Shares held at the end of the year 31/03/2021				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
a) Individual/HUF	0	0	0	0	0	0	0	0	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt. (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	24662120	0	24662120	33.36	24662120	0	24662120	33.36	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other...									
i. Directors	604332	0	604332	0.82	22933886	0	22933886	31.02	30.20
ii. Directors relatives	23551404	0	23551404	31.85	1300350	0	1300350	1.76	-30.10
<b>Sub-total (A) (1):-</b>	<b>48817856</b>	<b>0</b>	<b>48817856</b>	<b>66.03</b>	<b>48896356</b>	<b>0</b>	<b>48896356</b>	<b>66.13</b>	<b>0.10</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other...	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (2):-</b>		0			0	0	0	0	0
<b>Total shareholding of Promoter (A) = (A) (1)+(A)(2)</b>	<b>48817856</b>	<b>0</b>	<b>48817856</b>	<b>66.03</b>	<b>48896356</b>	<b>0</b>	<b>48896356</b>	<b>66.13</b>	<b>0.10</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	0	4200	4200	0.01	0	4200	4200	0.01	0
b) Banks / FI	300	15000	15300	0.02	300	15000	15300	0.02	0

Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2020				No. Of Shares held at the end of the year 31/03/2021				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	2149504	0	2149504	2.91	3650198	0	3650198	4.94	2.03
h) Foreign Venture Capital Funds	0	0	0	0					0
i) Others (Specify)	0	0	0	0					0
<b>Sub-total (B) (1)</b>	<b>2149804</b>	<b>19200</b>	<b>2169004</b>	<b>2.93</b>	<b>3650498</b>	<b>19200</b>	<b>3669698</b>	<b>4.96</b>	<b>2.03</b>
<b>(2) Non - Institutions</b>									
a) Bodies Corp.									
i) Indian	4130830	48006	4178836	5.65	2422527	48006	2470533	3.34	-2.31
ii) Overseas	4364934	0	4364934	5.90	4364934	0	4364934	5.90	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	9091849	1468720	10560569	14.28	9267903	1459970	10727873	14.51	0.23
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	2599514	0	2599514	3.52	2673541	0	2673541	3.62	0.10
c) Others (Specify)									
c-1) Non Resident Indians (Individuals)	555788	575550	1131338	1.53	468811	575550	1044361	1.41	-0.12
c-2) Directors	39876	100	39976	0.05	39876	100	39976	0.05	0.00
c-3) Trusts	1200	0	1200	0.00	1200	0	1200	0.00	0.00
c-4) Clearing Member	71509	0	71509	0.10	46264	0	46264	0.06	-0.03
<b>Sub-total (B)(2)</b>	<b>20855500</b>	<b>2092376</b>	<b>22947876</b>	<b>31.04</b>	<b>19285056</b>	<b>2083626</b>	<b>21368682</b>	<b>28.90</b>	<b>-2.13</b>
<b>Total Public Shareholding(B)=(B) (1)+(B)(2)</b>	<b>23005304</b>	<b>2111576</b>	<b>25116880</b>	<b>33.97</b>	<b>22935554</b>	<b>2102826</b>	<b>25038380</b>	<b>33.87</b>	<b>-0.10</b>
C. Shares held by Custodian for GDRs & ADRs.	0	0	0	0	0	0	0	0	0
Promoter and Promoter Group	0	0	0	0	0	0	0	0	0
Public -	0	0	0	0	0	0	0	0	0
Sub-total (C)	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>71823160</b>	<b>2111576</b>	<b>73934736</b>	<b>100.00</b>	<b>71831910</b>	<b>2102826</b>	<b>73934736</b>	<b>100.00</b>	<b>0.00</b>

**(ii) Shareholding of Promoters**

S. No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2020			Shareholding at the end of the year 31/03/2021			% 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. Mahendra V. Doshi	9161700	12.39	0	9161700	12.39	0	0
2	Mr. Mahendra V. Doshi (on behalf of partnership Firm, M/s L K Panday)	13089354	17.70	0	13167854	17.81	0	0.11
3	Mr. Pratik M. Doshi	604332	0.82	0	604332	0.82	0	0
4	Miss Ira P. Doshi	600000	0.81	0	600000	0.81	0	0
5	Miss Samaya Pratik Doshi	600000	0.81	0	600000	0.81	0	0
6	Mrs. Shital A. Sonpal	100350	0.14	0	100350	0.14	0	0
7	Bhavana Holdings Private Limited	8722030	11.80	0	8722030	11.80	0	0
8	Sea Glimpse Investments Private Limited	15940090	21.56	0	15940090	21.56	0	0
	<b>Total</b>	<b>48817856</b>	<b>66.03</b>	<b>0</b>	<b>48896356</b>	<b>66.13</b>	<b>0</b>	<b>0.11</b>

## (iii) Change in Promoters' Shareholding

SI No.		As On Date	No. of Shares held 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.	<b>Mahendra V. Doshi</b>					
	<b>At the beginning of the year</b>	01/04/2020	9161700	12.39	9161700	12.39
	Date wise Increase / Decrease in Promoters Shareholding during the year		NIL	NIL		
	<b>At the End of the year</b>	31/03/2021	0	0.00	9161700	12.39
2.	<b>Mahendra V. Doshi (on behalf of partnership Firm, M/s L K Panday)</b>					
	<b>At the beginning of the year</b>	01/04/2020	13089354	17.70	13089354	17.70
	Date wise Increase / Decrease in Promoters Shareholding during the year	11/09/2020	78500	0.11	13167854	17.81
	<b>At the End of the year</b>	31/03/2021	0	0.00	13167854	17.81
3.	<b>Pratik M Doshi</b>					
	<b>At the beginning of the year</b>	01/04/2020	604332	0.82	604332	0.82
	Date wise Increase / Decrease in Promoters Shareholding during the year		NIL	NIL		
	<b>At the End of the year</b>	31/03/2021	0	0.00	604332	0.82
4.	<b>Ira Pratik Doshi</b>					
	<b>At the beginning of the year</b>	01/04/2020	600000	0.81	600000	0.81
	Date wise Increase / Decrease in Promoters Shareholding during the year		NIL	NIL		
	<b>At the End of the year</b>	31/03/2021	0	0.00	600000	0.81
5.	<b>Samaya Pratik Doshi</b>					
	<b>At the beginning of the year</b>	01/04/2020	600000	0.81	600000	0.81
	Date wise Increase / Decrease in Promoters Shareholding during the year		NIL	NIL		
	<b>At the End of the year</b>	31/03/2021	0	0.00	600000	0.81
6.	<b>Shital A. Sonpal</b>					
	<b>At the beginning of the year</b>	01/04/2020	100350	0.14	100350	0.14
	Date wise Increase / Decrease in Promoters Shareholding during the year		NIL	NIL		
	<b>At the End of the year</b>	31/03/2021	0	0.00	100350	0.14
7.	<b>Bhavana Holdings Private Limited</b>					
	<b>At the beginning of the year</b>	01/04/2020	8722030	11.80	8722030	11.80
	Date wise Increase / Decrease in Promoters Shareholding during the year		NIL	NIL		
	<b>At the End of the year</b>	31/03/2021	0	0.00	8722030	11.80
8.	<b>Sea Glimpse Investments Private Limited</b>					
	<b>At the beginning of the year</b>	01/04/2020	15940090	21.56	15940090	21.56
	Date wise Increase / Decrease in Promoters Shareholding during the year		NIL	NIL		
	<b>At the End of the year</b>	31/03/2021	0	0.00	15940090	21.56

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

SI No.	For Each of the Top 10 Shareholders	As On Date	No. of Shares held 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	<b>Agrud Capital Pte Ltd</b>					
	<b>At the beginning of the year</b>	01/04/2020	4364934	5.90	4364934	5.90
	Date wise Increase / Decrease in Shareholding during the year		NIL	NIL		
	<b>At the End of the year</b>	31/03/2021	0	0.00	4364934	5.90

SI No.	For Each of the Top 10 Shareholders	As On Date	No. of Shares held 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
<b>2</b>	<b>India Max Investment Fund Limited</b>					
	<b>At the beginning of the year</b>	01/04/2020	2149504	2.91	2149504	2.91
	Date wise Increase / Decrease in Shareholding during the year	25/09/2020	1500694	2.03	3650198	4.94
	<b>At the End of the year</b>	31/03/2021	0	0.00	3650198	4.94
<b>3</b>	<b>Grovsnor Investment Fund Limited</b>					
	<b>At the beginning of the year</b>	01/04/2020	1941694	2.63	1941694	2.63
	Date wise Increase / Decrease in Shareholding during the year	18/09/2020	1941694	2.63	0	0.00
	<b>At the End of the year</b>	31/03/2021	0	0.00	0	0.00
<b>4</b>	<b>Has Lifestyle Limited</b>					
	<b>At the beginning of the year</b>	01/04/2020	917352	1.24	917352	1.24
	Date wise Increase / Decrease in Shareholding during the year		NIL	NIL		
	<b>At the End of the year</b>	31/03/2021	0	0.00	917352	1.24
<b>5</b>	<b>Marytime Trimpex Private Limited</b>					
	<b>At the beginning of the year</b>	01/04/2020	784794	1.06	784794	1.06
	Date wise Increase / Decrease in Shareholding during the year		NIL	NIL		
	<b>At the End of the year</b>	31/03/2021	0	0.00	784794	1.06
<b>6</b>	<b>Keynote Capitals Limited</b>					
	<b>At the beginning of the year</b>	01/04/2020	1750	0.00	1750	0.00
	Date wise Increase / Decrease in Shareholding during the year	25/09/2020	441000	0.60	442750	0.60
	<b>At the End of the year</b>	31/03/2021	0	0.00	442750	0.60
<b>7</b>	<b>Rashmikant Amratlal Shah</b>					
	<b>At the beginning of the year</b>	01/04/2020	366186	0.50	366186	0.50
	Date wise Increase / Decrease in Shareholding during the year		NIL	NIL		
	<b>At the End of the year</b>	31/03/2021	0	0.00	366186	0.50
<b>8</b>	<b>Sarla A Bhojwani</b>					
	<b>At the beginning of the year</b>	01/04/2020	300000	0.41	300000	0.41
	Date wise Increase / Decrease in Shareholding during the year		NIL	NIL		
	<b>At the End of the year</b>	31/03/2021	0	0.00	300000	0.41
<b>9</b>	<b>Kusumben Kiritbhai Gopani</b>					
	<b>At the beginning of the year</b>	01/04/2020	0	0.00	0	0.00
	Date wise Increase / Decrease in Shareholding during the year	19/03/2021	150000	0.20	150000	0.20
	<b>At the End of the year</b>	31/03/2021	0	0.00	150000	0.20
<b>10</b>	<b>Skunk Agents Private Limited</b>					
	<b>At the beginning of the year</b>	01/04/2020	132904	0.18	132904	0.18
	Date wise Increase / Decrease in Shareholding during the year		NIL	NIL		
	<b>At the End of the year</b>	31/03/2021	0	0.00	132904	0.18
<b>11</b>	<b>Gopal P. Sharma</b>					
	<b>At the beginning of the year</b>	01/04/2020	131124	0.18	131124	0.18
	Date wise Increase / Decrease in Shareholding during the year		NIL	NIL		
	<b>At the End of the year</b>	31/03/2021	0	0.00	131124	0.18

## (v) Shareholding of Directors and Key Managerial Personnel:

SI 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
<b>1</b>	<b>Pratik M. Doshi, Managing Director</b>					
	<b>At the beginning of the year</b>	01/04/2020	604332	0.82	604332	0.82
	Date wise Increase / Decrease in Promoters Shareholding during the year		NIL	NIL		
	<b>At the End of the year</b>	31/03/2021	0	0.00	604332	0.82
<b>2</b>	<b>S. S. Gulati, Non-Executive Director</b>					
	<b>At the beginning of the year</b>	01/04/2020	39976	0.05	39976	0.05
	Date wise Increase / Decrease in Shareholding during the year		NIL	NIL		
	<b>At the End of the year</b>	31/03/2021	0	0.00	39976	0.05
<b>3</b>	<b>Ganesh Malhotra, Independent Director</b>					
	<b>At the beginning of the year</b>	01/04/2020	0	0	0	0
	Date wise Increase / Decrease in Promoters Shareholding during the year		NIL	NIL		
	<b>At the End of the year</b>	31/03/2021	0	0	0	0
<b>4</b>	<b>Sajid Mohamed, Independent Director</b>					
	<b>At the beginning of the year</b>	01/04/2020	0	0	0	0
	Date wise Increase / Decrease in Promoters Shareholding during the year		NIL	NIL		
	<b>At the End of the year</b>	31/03/2021	0	0	0	0
<b>5</b>	<b>Anjali Suresh, Independent Director</b>					
	<b>At the beginning of the year</b>	01/04/2020	0	0	0	0
	Date wise Increase / Decrease in Promoters Shareholding during the year		NIL	NIL		
	<b>At the End of the year</b>	31/03/2021	0	0	0	0
<b>6</b>	<b>Mahendra V. Doshi, Additional Director (w.e.f 14/12/2020) (reflects shares held in individual capacity)</b>					
	<b>At the beginning of the year</b>	01/04/2020	9161700	12.39	9161700	12.39
	Date wise Increase / Decrease in Promoters Shareholding during the year		NIL	NIL		
	<b>At the End of the year</b>	31/03/2021	0	0.00	9161700	12.39
<b>7</b>	<b>Girish Majrekar, Chief Financial Officer</b>					
	<b>At the beginning of the year</b>	01/04/2020	600	0.00	600	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year		NIL	NIL		
	<b>At the End of the year</b>	31/03/2021	0	0.00	600	0.00
<b>8</b>	<b>Akshata Vengurlekar, Company Secretary</b>					
	<b>At the beginning of the year</b>	01/04/2020	0	0	0	0
	Date wise Increase / Decrease in Promoters Shareholding during the year		NIL	NIL		
	<b>At the End of the year</b>	31/03/2021	0	0	0	0

**V. INDEBTEDNESS**

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

(Amount in lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0.00	0.00	-	0.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	0.00	0.00	-	0.00
Change in Indebtedness during the financial year				
i) Addition	-	23,845.00	-	23,845.00
ii) Reduction	-	23,845.00	-	23,845.00
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	0	0	0	0

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

S. No.	Particulars of Remuneration	Mr. Pratik M. 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. 66,13,320/-	Rs. 66,13,320/-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...		
5	Others, please specify		
	Total (A)	Rs. 66,13,320/-	Rs. 66,13,320/-
	Ceiling as per the Act	Rs. 84,00,000/-	Rs. 84,00,000/-

**B. Remuneration to other Directors:**

S. No.	Particulars of Remuneration	Name of Director(s)			Total Amount
a.	Independent Directors	<b>Mr. Ganesh Malhotra</b>	<b>Mr. Sajid Mohamed</b>	<b>Mrs. Anjali Suresh</b>	
	· Fee for attending board meetings	Rs. 80,000/-	Rs. 80,000/-	Rs. 80,000/-	Rs. 2,40,000/-
	· Commission	-	-	-	-
	· Others, please specify	-	-	-	-
	Total (1)	Rs. 80,000/-	Rs. 80,000/-	Rs. 80,000/-	Rs. 2,40,000/-
b.	Other Non-Executive Directors	<b>Mr. S. S. Gulati</b>	<b>Mr. M. V. Doshi</b>		
	· Fee for attending board meetings	Rs. 80,000/-	Rs. 25,000/-		Rs. 1,05,000/-
	· Commission	-	-		-
	· Others, please specify	-	-		-
	Total (2)	Rs. 80,000/-	Rs. 25,000/-		Rs. 1,05,000/-
	Total (B)=(1+2)				Rs. 3,45,000/-

(\*Overall Ceiling as per the Act is Rs. 1,00,000 sitting fees per Meeting. However company has paid Rs. 10,000/- upto 26/09/2020 and Rs. 25,000/- thereafter as sitting fees per Board meeting.)



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

S. no.	Particulars of Remuneration	Key Managerial Personnel		
		Ms. Akshata Vengurlekar (Company Secretary)	Mr. Girish Majrekar (Chief Financial Officer)	Total
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. 6,28,404/-	Rs. 15,57,456/-	Rs. 21,85,860/-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
	Others, please specify	-	-	-
	Total	Rs. 6,28,404/-	Rs. 15,57,456/-	Rs. 21,85,860/-

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

During the year 2020-21, there were no penalties/punishment/compounding of offences under the Companies Act, 2013.

For and on behalf of the Board of Directors

Place: Mumbai  
Date : April 27, 2021

Sd/-  
**Pratik M. Doshi**  
Chairman & Managing Director

## ANNEXURE - VI

**A brief outline of the Company's CSR Policy:**

1. Brief outline of the Company's CSR policy: The Company is committed to create economic value in a responsible manner. It has put in place a policy on CSR to guide its CSR initiatives that contribute to inclusive growth and equitable development of its communities. The CSR Policy of the Company *inter-alia* includes CSR activities to be undertaken by the Company in line with Schedule VII of the Companies Act, 2013 ("the Act").

## 2. Composition of the CSR Committee

Sl. No.	Name of Directors / Members	Designation	No. of meetings held during the tenure of respective Members	
			Held	Attended
1	Mrs. Anjali Suresh	Chairperson	1	1
2	Mr. Pratik M. Doshi	Member	1	1
3	Mr. S. S. Gulati	Member	1	1

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company: [www.lkpsec.com](http://www.lkpsec.com).
4. Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Not Applicable
6. Average net profit of the Company as per section 135(5): Not Applicable. Since the Company does not fulfil the criteria as specified in Section 135(1) of the Companies Act, 2013.
7. (a) Two percent of average net profit of the Company as per section 135(5): Not Applicable.  
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil  
 (c) Amount required to be set off for the financial year, if any: Nil  
 (d) Total CSR obligation for the financial year (7a+7b-7c): Not Applicable.
7. (a) CSR amount spent or unspent for the financial year: Not Applicable.  
 (b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable.  
 (c) Details of CSR amount spent against other than ongoing projects for the financial year: Not Applicable.  
 (d) Amount spent in Administrative Overheads: Not Applicable  
 (e) Amount spent on Impact Assessment, if applicable: Not Applicable  
 (f) Total amount spent for the FY (8b+8c+8d+8e): Not Applicable.  
 (g) Excess amount for set off, if any: Not Applicable.
8. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable.  
 (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable.
9. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details) – None  
 (a) Date of creation or acquisition of the capital asset(s).  
 (b) Amount of CSR spent for creation or acquisition of capital asset.  
 (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.  
 (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).
10. Specify the reason(s), if the Company has failed to spend two Percent of the average net profit as per section 135(5). Not applicable

For and on behalf of the Board of Directors

Place: Mumbai

Date : April 27, 2021

Sd/-

**Pratik M. Doshi**

Chairman & Managing Director

Sd/-

**Anjali Suresh**

Chairperson, CSR Committee

## CORPORATE GOVERNANCE REPORT

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company is committed to adopt the best Corporate Governance practices to manage the affairs of the Company in an ethical, accountable, transparent and fair way, with the blend of both legal and management practices, to implant the same in the decision making process of the Company, and to communicate the same accurately and timely, in such a way that both stakeholders' expectations and legal standards are not only met, but the Company surpasses them.

The Company has various policies in place which form the foundation of its strong corporate governance ethos. These include code of conduct for Directors and Senior Management, code of conduct for prevention of insider trading, whistle-blower policy, etc. The Company has a well-defined code of practices and procedures for fair disclosure of unpublished price sensitive information, based on the principles of transparency, timeliness, fairness and continuity of information. These policies are reviewed periodically and are implemented in a timely manner.

### BOARD OF DIRECTORS

#### Composition

The composition of the Board of Directors ('the Board') is in compliance with the requirement of the Act and Regulation 17 of SEBI Listing Regulations. As on March 31, 2021, the Board comprises of 6 (Six) Directors including 3 (Three) Independent Directors. The Board consists of a balanced combination of Executive Director, Non-executive Director, Independent Directors and Woman Director. None of the Director of the Company have attained the age of 75 (Seventy Five) years. All the Independent Directors of the Company serving in other companies is within the limit as specified in the Act and SEBI Listing Regulations. The Company has received a declaration from Independent Directors that they meet the criteria of independence as per Regulation 16 of SEBI Listing Regulations and the same has been taken on record by the Company.

The Chairman of the Board is an Executive Director and majority of the Board comprises Non-Executive and Independent Directors. Except Mr. Pratik M. Doshi and Mr. Mahendra M. Doshi, the Directors do not have any relationship *inter-se* with each other. The Company has obtained Certificate from Practicing Company Secretary that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by SEBI, Ministry of Corporate Affairs or any such statutory authority.

None of the Directors on the Board is a Member of more than 10 (Ten) Committees and/or Chairperson of more than 5 (Five) Committees (as specified in Regulation 26 of SEBI Listing Regulations), across all the public companies in which he/she is a Director. Further, the maximum tenures of Independent Directors are in line with provisions of Section 149 (10) and (11) of the Act and Rules made thereunder.

During the year under review, total 5 (Five) Meetings of Board of Directors were held on June 04, 2020, August 10, 2020, September 26, 2020, October 16, 2020 and February 3, 2021. The Twenty-Sixth AGM of the Members of the Company was held on Monday, August 31, 2020.

The information on composition of the Board, category and their Directorships/Committee Membership across all the Companies in which they were Directors, as on March 31, 2021 along with their attendance of Directors at the above Board Meetings and at last AGM is as under:

S. No.	Name of the Director	Category	Board Meeting Attended		Attendance at Last AGM (August 31, 2020)	No. of Directorship in Boards (Including LKP Securities Limited)		No. of Chairmanship / Membership in other Board Committees (Including LKP Securities Limited)	
			Held	Attended		Public	Private	Membership	Chairmanship*
1.	Mr. Pratik M. Doshi	Promoter Group, Executive Chairman & Managing Director	5	5	Yes	2	9	3	0
2.	Mr. S. S. Gulati	Non-Executive Director	5	5	Yes	1	3	1	1
3.	Mr. Ganesh Malhotra	Independent Director	5	5	Yes	1	-	2	1
4.	Mr. Sajid Mohamed	Independent Director	5	5	Yes	2	1	1	0
5.	Mrs. Anjali Suresh	Independent Director	5	5	No	2	1	4	1
6.	Mr. Mahendra V. Doshi (w.e.f. December 14, 2020)	Promoter, Non-Executive Director	1	1	NA	8	4	3	1

Notes:

\* In accordance with Regulation 26 of SEBI Listing Regulations, Memberships/Chairmanships of only Audit Committees and Stakeholders' Relationship Committees in all public limited companies have been considered.

Details of Directorships held in other listed entities by the Directors of the Company as on March 31, 2021 and the Category of their Directorship are set out in the table below:

S. No.	Name of the Director	Name of the other listed entity	Category
1.	Mr. Pratik M. Doshi	LKP Finance Limited	Non- Executive Director
2.	Mr. S. S. Gulati	Nil	-
3.	Mr. Ganesh Malhotra	Nil	-
4.	Mr. Sajid Mohamed	LKP Finance Limited	Independent Director
5.	Mrs. Anjali Suresh	LKP Finance Limited	Independent Director
6.	Mr. Mahendra V. Doshi	LKP Finance Limited	Promoter, Executive Director
		Nilkamal Limited	Independent Director
		Graviss Hospitality Limited	Independent Director

### Code of Conduct

Your Company has adopted a Code of Conduct to regulate, monitor and report trading by the Board, designated persons and their immediate relatives as per the requirements under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

The Code lays down the standard procedure of business conduct which is expected to be followed by the Board, designated persons and their immediate relatives 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. This Code is available on the Company's website at [www.lkpsec.com](http://www.lkpsec.com).

Pursuant to Regulation 26(5) of the SEBI Listing Regulations, the Senior Management has made periodical disclosures to the Board relating to all material financial and commercial transactions, where they had (or were deemed to have had) personal interest that might have been in potential conflict with the interest of the Company. The same was Nil.

### Directors' Shareholding

The details of equity shares held by the Directors in the Company as on March 31, 2021 are as follows:

Name of Director	Number of Equity Shares held#
Mr. Pratik M. Doshi	6,04,332
Mr. S. S. Gulati	39,976
Mr. Ganesh Malhotra	Nil
Mr. Sajid Mohamed	Nil
Mrs. Anjali Suresh	Nil
Mr. Mahendra V. Doshi (reflects shares held in individual capacity)	91,61,700

Notes:

# The Company has not issued any convertible instrument during the year under review.

### Independent Directors

A meeting of the Independent Directors of the Company was held on February 03, 2021 without the presence of Non-Independent Directors and the members of the Management, and all the Independent Directors were present at the meeting. The Independent Directors reviewed the performance of the Non-Independent Directors, the Board of Directors as a whole, the Chairman of the Company, taking into account the views of Non-Executive Directors and the flow of information between the management and the Board of Directors.

Evaluation of Independent Directors was done by the entire Board which included performance of the Directors and fulfilment of the criteria of independence as specified in SEBI Listing Regulations and their independence from the Management. The Board of Directors has confirmed that, in their opinion, the Independent Directors fulfil the conditions specified in the SEBI Listing Regulations and are independent of the management.

The details of the familiarization program of the Independent Directors is available on the website of the Company at the link [www.lkpsec.com](http://www.lkpsec.com).

Pursuant to Regulation 16(1)(b) of the SEBI Listing Regulations the Independent Directors have submitted declarations that they meet the criteria of independence and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. As required under Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors have completed the registration with the Independent Directors Databank.

#### Skills, Expertise and Competencies

The Board has a right blend of dynamism with each of the Directors having several years of vast experience and knowledge in various diversified functions, viz., investment banking and institutional and retail stock broking, corporate banking and treasury, planning, project finance, business strategies, banking and finance, competition law, corporate affairs, industry, economic regulation and corporate law etc.

The Board is suitably equipped to understand the ever changing business dynamics of the stock broking industry in which the Company operates and ensures that appropriate strategies are articulated benefitting the Company in the long run. The Independent Directors provide their treasured inputs and guidance at the Meetings of the Board which have been of immense help to the Company in pursuing strategic goals.

The skills, expertise and competence of the Directors are given below:

Skills/Expertise/Competence <sup>§</sup>	Mr. Pratik M. Doshi	Mr. S. S. Gulati	Mr. Ganesh Malhotra	Mr. Sajid Mohamed	Mrs. Anjali Suresh	Mr. Mahendra V. Doshi
Knowledge of the Sector	✓	✓	✓	✓	✓	✓
Accounting and Finance	✓	✓	✓	✓	✓	✓
Investment & Corporate banking and Treasury	✓	✓	✓		✓	✓
Strategy development and implementation	✓	✓	✓	✓		✓
Corporate Governance, Compliances and Economic regulation	✓	✓	✓	✓	✓	✓

Notes:

§ These skills/competencies are broad-based, encompassing several areas of expertise/experience. Each Director may possess varied combinations of skills/experience within the described set of parameters.

#### AUDIT COMMITTEE

The Audit Committee comprises of 4(Four) Directors out of which 3(Three) are Independent Directors. All members of the Audit Committee are financially literate and possess accounting and related financial management expertise. The Company Secretary acts as the Secretary to the Committee.

The meetings of the Audit Committee are also attended by the Chief Financial Officer, Internal Auditors and the Statutory Auditors as invitees. The Chairperson of the Committee was present at the Twenty-Sixth AGM of the Company held on Monday, August 31, 2020.

During the year under review, total 5(Five) Meetings of the Audit Committee were held on June 04, 2020, August 10, 2020, September 26, 2020, October 16, 2020 and February 3, 2021 and not more than one hundred twenty days elapsed between two meetings.

The composition of the Audit Committee and the attendance of the Members at the above meetings are as under:

Name of Directors / Members	Category	Designation	No. of Meetings held during the tenure of respective Members	
			Held	Attended
Mr. Ganesh Malhotra	Independent Director	Chairperson	5	5
Mr. Sajid Mohamed	Independent Director	Member	5	5
Mr. Pratik M. Doshi	Managing Director	Member	5	5
Mrs. Anjali Suresh	Independent Director	Member	5	5

The Committee's composition meets with the requirements of Section 177 of the Act and Regulation 18 of SEBI Listing Regulations.

#### The terms of reference of the Committee inter-alia includes:

- Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

- Recommendation for appointment, remuneration and terms of appointment of auditors;
- Reviewing, with the management, the financial statements and auditors' report thereon before submission to the Board for approval.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Evaluation of internal financial controls and risk management systems, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- To review the functioning of the whistle blower mechanism;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

#### NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of 4 (Four) Non-Executive Directors, out of which 3 (Three) are Independent Directors.

During the year under review, total 2 (Two) Meetings of the Nomination and Remuneration Committee were held on October 16, 2020 and February 3, 2021.

The Composition of Nomination and Remuneration Committee and the attendance details of the Members at the above Committee meetings is as under:

Name of Directors / Members	Category	Designation	No. of Meetings held during the tenure of respective Members	
			Held	Attended
Mr. Ganesh Malhotra	Independent Director	Chairperson	2	2
Mr. Sajid Mohamed	Independent Director	Member	2	2
Mr. S. S. Gulati	Non-Executive Director	Member	2	2
Mrs. Anjali Suresh	Independent Director	Member	2	2

#### The terms of reference of the Committee inter-alia includes:

- Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
- Formulating the criteria for evaluation of performance of Independent Directors and the Board;
- Identifying persons qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- Recommending to the Board, all remuneration, in whatever form, payable to senior management;
- Acting as Administrator of the Company's Employee Stock Option Plans drawn up from time to time; and
- Such other functions as may be entrusted to it by the Board of Directors, from time to time.

#### REMUNERATION

During the year under review Mr. Pratik M. Doshi, Managing Director of the Company has been paid Rs. 66.13 lakhs towards remuneration, details of which are provided in the extract of the annual return which forms a part to the Directors' Report.

The Independent Directors and Non-Executive Directors of the Company are paid sitting fees for attending the meetings of the Board and Committees thereof. The details of sitting fees paid to the Independent Directors and Non-Executive Directors during financial year 2020-21 are as under:

Name of Director	Sitting Fees Paid
Mr. Ganesh Malhotra	Rs. 80,000/-
Mr. Sajid Mohamed	Rs. 80,000/-
Mrs. Anjali Suresh	Rs. 80,000/-
Mr. S.S. Gulati	Rs. 80,000/-
Mr. Mahendra V. Doshi	Rs. 25,000/-

No stock options were granted to any of the Independent Directors and Promoter Directors during the year 2020-21.

During the financial year 2020-21, the Company did not advance any loans to any of the Non-Executive Directors and/or Managing Director.

#### **Pecuniary relationship/transaction with Non-Executive Directors**

During the year under review, there were no pecuniary relationship/transactions with any of the Non-Executive Directors of the Company. The register of contracts is maintained by the Company pursuant to Section 189 of the Act. The register is signed by all the directors present at the respective Board meetings.

#### **Criteria of making payments to Non-Executive Directors**

Non-Executive Directors are only paid sitting fees for attending Meeting of the Board. During the year under review, the sitting fee was increased from Rs. 10,000/- to Rs. 25,000/- per Board meeting. The criteria of making payments to Non-Executive Directors is placed at [www.lkpsec.com](http://www.lkpsec.com).

#### **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 Act.

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 Act 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 Act and 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 Act.

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 the Act. 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 Chairman & Managing Director 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.

#### **STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Stakeholders' Relationship Committee comprises of 4 (Four) Directors, out of which 3 (Three) are Non-Executive Directors.

The Committee comprised of Mr. S. S. Gulati, Non-Executive Director as a Chairperson of the Committee, Mr. Pratik M. Doshi, Managing Director, Mr. Ganesh Malhotra and Mrs. Anjali Suresh, Independent Directors, as other Members of the Committee. The Company Secretary of the Company acts as the Compliance Officer.

During the year under review, total 4 (Four) Meetings of the Stakeholders' Relationship Committee were held on June 04, 2020, August 10, 2020, October 16, 2020 and February 3, 2021.

The attendance of the Members at the above meetings is as under:

Name of Directors / Members	Category	Designation	No. of Meetings held during the tenure of respective Members	
			Held	Attended
Mr. S. S. Gulati	Non-Executive Director	Chairperson	4	4
Mr. Pratik M. Doshi	Managing Director	Member	4	4
Mr. Ganesh Malhotra	Independent Director	Member	4	4
Mrs. Anjali Suresh	Independent Director	Member	4	4

**The terms of reference of the Committee inter-alia includes:**

- Resolving the grievances of the security holders and to review the redressal of Investors' complaints.
- To act on behalf of the Board, in the matters connected with transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
- To oversee performance of the Registrar and Transfer Agents of the Company and recommend measures for overall improvement in the quality of investor services.

With a view to expedite the process of share transfers, necessary authority has been delegated to the Share Transfer Committee.

#### Share Transfer Committee

The Share Transfer Committee comprises of Mr. Pratik M. Doshi as the Chairperson and Mr. S. S. Gulati as the Member of the Committee. The Share Transfer Committee meets as and when required to consider the transfer proposals and attend to Investors' grievances, transmission of shares, split, consolidation, issue of duplicate share certificate, dematerialisation and rematerialisation of shares.

#### Investors' Grievance Redressal

Details of investor complaints received and resolved during the year under review are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
Nil	Nil	Nil	0

#### CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

In terms of the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading Regulations), 2015, as amended from time to time, the Company had adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. Pursuant to the requirements prescribed under Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018, as amended, the revised Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (the "**Code of Fair Disclosures**") was adopted by the Company which comes into effect from April 01, 2019. The Code of Fair Disclosure is posted on Company's website at the weblink [www.lkpsec.com](http://www.lkpsec.com).

#### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee was constituted in line with the provisions of Section 135 of the Act. Presently, the Committee comprises of Mrs. Anjali Suresh, Independent Director as the Chairperson of the Committee, Mr. Pratik M. Doshi, Managing Director and Mr. S. S. Gulati, Non-Executive Director as Members of the Committee. During the year under review, 1 (One) Meeting of Corporate Social Responsibility Committee was held on February 03, 2021.

The attendance of the Members at the above meeting is as under:

Name of Directors / Members	Designation	No. of meetings held during the tenure of respective Members	
		Held	Attended
Mrs. Anjali Suresh	Chairperson	1	1
Mr. Pratik M. Doshi	Member	1	1
Mr. S. S. Gulati	Member	1	1

The Committee functions in accordance with the terms of reference as specified under the Act, and as may be specified by the Board from time to time, which *inter-alia* includes:



- a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;
- b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- c) monitor the Corporate Social Responsibility Policy of the Company from time to time.

The disclosures as per the Companies (Corporate Social Responsibility Policy) Rules, 2014 is made in prescribed form which is appended to the Directors Report.

**RISK MANAGEMENT COMMITTEE**

During the year under review the provision relating to the Risk Management Committee under Regulation 21 of SEBI Listing Regulations was not applicable to our Company.

**COMMITTEE OF DIRECTORS**

The Committee of Directors (earlier known as Banking Operation Committee) comprises of Mr. Pratik M. Doshi, Managing Director as the Chairperson and Mr. S. S. Gulati, Non-Executive Director as the Member of the Committee. The main function of Committee is to handle day-to-day operations and activities of the Company and to ensure smooth functioning and for regular operations. The Committee is further authorised to delegate some of its powers to employees/executives of the Company as authorised therein.

**GENERAL BODY MEETINGS**

**Annual General Meeting**

The details of the last three Annual General Meetings (AGM) held are as follows:

Year	Day, Date & Time of AGM	Venue	Special Resolutions Passed
2019-20	Monday, August 31, 2020 at 12:30 PM	Video Conferencing ('VC') / Other Audio Visual Means ('OAVM')	<ul style="list-style-type: none"> <li>• Approval for re-appointment of Mr. Pratik M. Doshi as Managing Director of the Company and payment of remuneration thereof</li> </ul>
2018-19	Friday, July 05, 2019 at 10:45 AM	M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Mumbai 400 001.	<ul style="list-style-type: none"> <li>• Appointment of Independent Woman Director</li> <li>• Approval of Employee Stock Option Plan 2019 of the Company</li> <li>• Approval of grant of options under Employee Stock Option Plan 2019 to eligible employees of the Subsidiary Company (ies)</li> </ul>
2017-18	Friday, August 24, 2018 at 11:00 AM		<ul style="list-style-type: none"> <li>• 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/-</li> </ul>

**Extraordinary General Meeting**

No extraordinary general meeting of the members was held during financial year ended March 31, 2021.

**Postal Ballot**

During the year under review, the Company had conducted postal ballot process once in order to obtain the approval of its Members through Postal Ballot as per provisions of Section 110 of the Act and rules made thereunder. The approval of Members obtained through Postal Ballot was pertaining to:

Date of Postal Ballot Notice	Particulars	Date of announcement of Results	Type of resolution
October 16, 2020	1. Approval of Material Related Party Transaction(s) with Alpha Commodity Private Limited;	November 27, 2020	Ordinary Resolution
	2. Approval for variation/modification/amendment of the terms of LKP Securities Limited Employee Stock Options Scheme 2017		Special Resolution

Mr. V. Ramachandran (Membership No. A-7731 / CP No. 4731), Proprietor M/s. V. R. Associates, Practicing Company Secretary was appointed as the Scrutinizer to scrutinize the postal ballot process only by voting through electronic means (remote e-voting) in a fair and transparent manner;

Description of the Resolution	Number of valid votes received (e-voting) (Shares)	% of Votes cast	Assent Votes (Shares)	% of Assent Votes	Dissent Votes (Shares)	% of Dissent Votes	Total number of members whose votes were declared invalid	Total number of invalid votes cast (Shares)
1. Approval of Material Related Party Transaction(s) with Alpha Commodity Private Limited;	10,69,283	1.4462	10,68,773	99.9523	510	0.0477	0	0
2. Approval for variation/modification/amendment of the terms of LKP Securities Limited Employee Stock Options Scheme 2017	5,00,05,515	67.6348	5,00,05,005	99.9990	510	0.0010	0	0

Procedure for postal ballot: The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and read with the Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 33/2020 dated September 28, 2020, issued by the Ministry of Corporate Affairs.

Further, none of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

#### MEANS OF COMMUNICATION

The Company regularly submits quarterly / half yearly / annual Financial Results to the Stock Exchange, as soon as these are taken on record/approved by the Board. The Financial Results are published in leading English and Marathi dailies, viz. "Financial Express" (English Newspaper) and "Mumbai Lakshwadeep dailies" (Marathi Newspaper). The Company's Annual Report, Financial Results, Shareholding Pattern and official news releases are displayed on the Company's website [www.lkpsec.com](http://www.lkpsec.com) and also posted by BSE at [www.bseindia.com](http://www.bseindia.com).

All filing, disclosures and communications to Stock Exchange are made electronically through their specific web portals in order to disseminate such information and make such information generally available.

#### GENERAL SHAREHOLDER INFORMATION

Date, Time and Venue of the Twenty-Seventh Annual General Meeting	Thursday, July 15, 2021 at 11:00 AM. AGM will be held through Video Conferencing/Other Audio Visual Means (Deemed venue for the AGM will be the Registered Office)
Financial Year	April 1, 2020 to March 31, 2021.
Record Date	Thursday, July 08, 2021
Book Closure	Friday, July 09, 2021 to Thursday, July 15, 2021 (both days inclusive)
Dividend	Rs. 0.20 (10%) per equity share of Rs. 2/- each
CIN	L67120MH1994PLC080039
Registered Office	203 Embassy Centre, Nariman Point, Mumbai 400 021
Email	<a href="mailto:ho_compliance@lkpsec.com">ho_compliance@lkpsec.com</a>
Website	<a href="http://www.lkpsec.com">www.lkpsec.com</a>
Listing on Stock Exchanges	BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001
Stock Code :	540192 / LKPSEC
ISIN	INE341H01023

The Annual Listing fees have been paid to BSE for the financial year 2020-2021 & 2021-2022.

#### Debt Securities

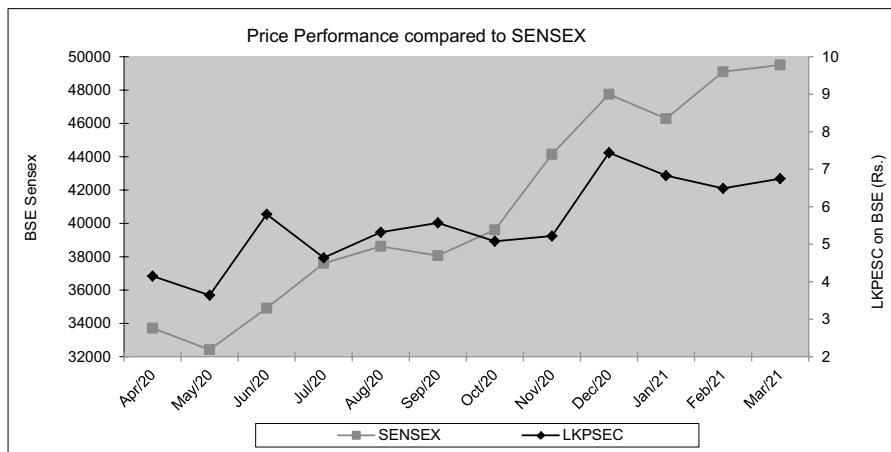
The Company has not issued / allotted any debentures during the year under review.

### 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-20	4.41	3.28	203562	377	33887.25	27500.79
May-20	4.13	3.32	131940	248	32845.48	29968.45
Jun-20	6.55	3.51	445910	831	35706.55	32348.1
Jul-20	5.75	4.37	202234	553	38617.03	34927.2
Aug-20	6.28	4.41	635388	1092	40010.17	36911.23
Sep-20	6.3	4.4	2635130	1267	39359.51	36495.98
Oct-20	5.7	4.8	376568	826	41048.05	38410.2
Nov-20	5.4	4.86	197139	455	44825.37	39334.92
Dec-20	7.9	5.04	905191	1787	47896.97	44118.1
Jan-21	8.42	6.42	722102	1504	50184.01	46160.46
Feb-21	7.8	5.88	975405	1827	52516.76	46433.65
Mar-21	9.65	5.81	1800627	3086	51821.84	48236.35

[Source: This information is compiled from the data available from the websites of BSE]

### Performance of Share Price of the Company in comparison to the BSE Sensex



The performance comparison is based on the closing price / Sensex on the last trading day of the month.

### Share Transfer System

Trading in Equity Shares of the Company through recognised Stock Exchanges is permitted only in dematerialised form. Shares sent for transfer in physical form are registered and returned within a period of 15 (Fifteen) days or such other extended period as permitted by regulatory authorities from the date of receipt of the documents, provided the documents are valid and complete in all respects. With a view to expedite the process of share transfers, necessary authority has been delegated to the Share Transfer Committee to approve the transfers of equity shares of the Company.

### De-materialisation of shares

As on March 31, 2021, 97.16% of the Equity Shares of the Company have been dematerialised. The Company has entered into agreements with both National Securities Depository Limited and Central Depository Services (India) Limited whereby shareholders have an option to dematerialise their shares with either of the Depositories. Entire shareholding of Promoters and Promoter Group is in dematerialised form. Status of Dematerialisation of Equity Shares as on March 31, 2021 is as under:

Particulars	No. of Shares	% of total Paid-up Capital*
National Securities Depository Limited	1,05,14,056	14.22
Central Depository Services (India) Limited	6,13,17,854	82.94
<b>Total Dematerialised</b>	<b>7,18,31,910</b>	<b>97.16</b>
Physical	21,02,826	2.84
<b>Total</b>	<b>7,39,34,736</b>	<b>100.00</b>

**Distribution of Shareholding of Equity Shares as on March 31, 2021**

No. of Shares	No. of Shareholders	%	No. of Shares	Amount in Rs.	%
UPTO - 100	975	14.43	39151	78302	0.05
101 - 500	1056	15.62	320712	641424	0.43
501 - 1000	2615	38.69	1702731	3405462	2.30
1001 - 2000	974	14.41	1395975	2791950	1.89
2001 - 3000	353	5.22	939272	1878544	1.27
3001 - 4000	142	2.1	506446	1012892	0.68
4001 - 5000	145	2.15	685233	1370466	0.93
5001 - 10000	248	3.67	1796765	3593530	2.43
10001 - 20000	123	1.82	1714939	3429878	2.32
20001 - 50000	82	1.21	2586025	5172050	3.50
50001 & Above	46	0.68	62247487	124494974	84.19
<b>Total</b>	<b>6759</b>	<b>100</b>	<b>73934736</b>	<b>147869472</b>	<b>100</b>

**Shareholding Pattern as on March 31, 2021**

Category	No. of Equity shares	% of holding
Promoters and Promoter Group	48,896,356	66.13
Foreign Portfolio Investor	3,650,198	4.94
Mutual Funds	4,200	0.01
Individuals - holding up to Rs.2 Lakhs	12,425,940	16.81
Individuals - holding in excess of Rs.2 Lakhs	975,474	1.32
Banks, Financial Institutions	15,300	0.02
Clearing Members	46,324	0.06
Non Resident Indians	1,044,361	1.41
Corporate Bodies	2,470,473	3.34
Directors & their Relatives	39,976	0.05
Trust	1,200	0.00
Foreign Corporate Bodies	4,364,934	5.90
<b>Total</b>	<b>73,934,736</b>	<b>100</b>

**Outstanding GDR /ADR /Warrants or any convertible instruments, conversion date and impact on equity.**

As on March 31, 2021 the Company has not issued any GDR / ADR / Warrants or any convertible instruments.

**Credit Rating**

During the year under review, no credit ratings were obtained by the Company from any credit rating agencies.

**Address for Investor Correspondence****Registrar and Share Transfer Agents**

M/s. Adroit Corporate Services Private Limited  
19, Jafarbhoy Industrial Estate, 1<sup>st</sup> Floor,  
Makawana Road, Marol Naka,  
Andheri (East), Mumbai 400 059.  
Tel. No.022- 28590942  
E-mail: [info@adroitcorporate.com](mailto:info@adroitcorporate.com)  
Website: [www.adroitcorporate.com](http://www.adroitcorporate.com)

**Company Secretary**

Ms. Akshata Vengurlekar,  
LKP Securities Limited  
203 Embassy Centre, Nariman Point, Mumbai 400 021  
Tel No.: +91 22 4002 4712 / 85 / 86  
Fax No.: +91 2287 4787  
E-mail: [ho\\_compliance@lkpsec.com](mailto:ho_compliance@lkpsec.com);  
Website: [www.lkpsec.com](http://www.lkpsec.com)

**DISCLOSURES****Related Party Transactions**

Related party transactions were reviewed / approved by the Audit Committee and were entered into in the ordinary course of business and at arm's length basis. There were no materially significant transactions entered into with the related parties that may have potential conflict with the interests of the Company at large. The details of related party transactions are given in Notes forming part of the financial statements for the year ended March 31, 2021. Policy on dealing with related party transactions is available on the website of the Company at the link [www.lkpsec.com](http://www.lkpsec.com).

### Disclosure of Accounting Treatment

During the year under review, the Company followed the applicable Accounting Standards as specified under Section 133 of the Act, in the preparation of its Financial Statements.

### Management

A Management Discussion and Analysis ("MDA") forms part of this Annual Report.

All Members of the Senior Management have confirmed to the Board that there are no material, financial and/or commercial transactions between them and the Company, which could have any potential conflict of interest with the Company at large.

### CEO/CFO Certification

As required under Regulation 17(8) of the SEBI Listing Regulations, the Managing Director and the Chief Financial Officer of the Company have certified to the Board regarding the financial statements for the year ended March 31, 2021.

### Subsidiary Companies

The Company does not have any material subsidiary company as on March 31, 2021. The detail of subsidiary company of the Company has been disclosed in the Directors Report forming part of this Annual Report. However, the Company has a policy for determining material subsidiaries of the Company, which is available on the website of the Company at the link [www.lkpsec.com](http://www.lkpsec.com).

### Details of non-compliance

The Company has complied with the requirements of regulatory authorities. During the financial year under review, there were no instances of non-compliance by the Company and no penalty or restrictions were imposed on the Company by the Stock Exchange(s) or Securities and Exchange Board of India or any statutory authority, on any matter related to the capital markets except that the Company was not in compliance as per Regulation 17(1) of the SEBI Listing Regulations for which a fine of Rupees Ten Lakh Seventy Nine Thousand Seven Hundred was levied by BSE Limited, the company has filed an appeal for dropping of the said fine further an adjudication order no. Order/ GR/ KG/ 2019-20/6773 dated February 12, 2020 was passed during financial year 2019-20 against the Company in respect of violation under SEBI Act, 1992, SEBI (Stock Brokers and Sub Brokers) Regulations, 1992 and Securities Contracts (Regulation) Act, 1956 for which a penalty of Rupees Five Lakh has been paid by the Company on February 18, 2020.

### Certificate from Practicing Company Secretary

A certificate has been received from M/s. V. R. Associates, Practicing Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

### Non acceptance of recommendations of Committees of the Board

During the year under review, there were no instances where the Board did not accept any recommendations of any Committee of the Board which was mandatorily required.

### Establishment of Whistle Blower Policy/Vigil Mechanism

The Company has established a whistle blower policy/vigil mechanism. This policy aims to provide an avenue for Stakeholders to raise genuine concerns of any violations of legal or regulatory requirements, actual or suspected fraud or violation of the Company's code of conduct and ethical business practices. This Policy *inter-alia* provides a direct access to a Whistle Blower to the Chairperson of the Audit Committee. The establishment of Vigil Mechanism/ whistle blower policy is available on the website of the Company at the link [www.lkpsec.com](http://www.lkpsec.com).

### Fees to Statutory Auditors

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity are as follows:

(Rs. in lakh)		
S. No.	Particulars	Amount
1.	MGB & CO. LLP - Statutory Audit Fees	10.00
2.	Ford Rhodes Parks & Co. LLP - Statutory Audit Fees (Subsidiary)	0.83
3.	Ford Rhodes Parks & Co. LLP - Certification & Consultation Fees (Company & Subsidiary)	0.20
<b>Total</b>		<b>11.03</b>

**Disclosure in relation to Sexual Harassment of Woman at workplace (Prevention, Prohibition and Redressal) Act, 2013**

During the year under review, no case was reported under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**Compliance with Mandatory requirements**

Your Company has complied with all the mandatory requirements of SEBI Listing Regulations relating to Corporate Governance.

**Discretionary requirements (Part E of Schedule II of SEBI Listing Regulations)**

**The Board:** The Company has an Executive Chairman and hence the requirement pertaining to reimbursement of expenses to a Non-Executive Chairman does not arise.

**Shareholders' Rights:** Quarterly and half yearly financial results of the Company are furnished to the Stock Exchanges and are also published in the newspapers and uploaded on website of the Company. Significant events are also posted on the Company's website under the Investors section. Hence, no half yearly results and significant events were sent to each of household of Shareholders.

**Modified opinion(s) in audit report:** During the year under review, the Company has unmodified audit opinion on the Company's financial statements. The Company continues to adopt best practices and has ensured a track record of financial statements with unmodified audit opinion on financial statements.

**Separate posts of Chairperson and CEO:** The positions of Chairman & Managing Director are not separately held.

**Reporting of Internal Auditor:** Internal Auditors are invited to the meetings of Audit Committee to make presentation to the Committee on their observations and suggestions during the course of their Internal Audit.

**PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE**

To,

The Members of

LKP Securities Limited

We have examined\* the compliance of conditions of Corporate Governance by LKP Securities Limited ("the Company") for the financial year ended on March 31, 2021 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the provisions relating to Corporate Governance. 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, we certify that the Company has complied in all material aspects with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations as applicable, except for the following:

*The board of directors of the Company was comprising of less than six directors until December 13, 2020 which was not as per Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

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

*\*Due to ongoing pandemic of Covid-19 and state of lockdown, all the papers, forms, returns filed and other records maintained by the Company, wherever possible, have been checked digitally.*

Place: Mumbai  
Date: April 27, 2021  
UDIN: A007731C000196579

For V.R. Associates  
Company Secretaries

Sd/-  
**V. Ramachandran**  
ACS: 7731:CP 4731

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**DECLARATION ON COMPLIANCE OF CODE OF CONDUCT**

To,

The Members of

LKP Securities Limited

I hereby declare that the Directors and Senior Managerial Personnel of the Company have affirmed in writing, their compliances with the Company's Code of Conduct, during the year ended March 31, 2021.

For and on behalf of the Board of Directors

Place: Mumbai  
Date : April 27, 2021

Sd/-  
**Pratik M. Doshi**  
Chairman & Managing Director

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

**(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,

The Members,  
LKP Securities Limited

We have examined\* the relevant registers, records, forms, returns and disclosures received from the Directors of LKP Securities Limited having CIN L67120MH1994PLC080039 and having Registered Office at 203, Embassy Centre, Nariman Point, Mumbai 400 021 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Date of appointment in the Company
1.	Mr. Pratik Mahendra Doshi	00131122	October 26, 2010
2.	Mr. Satvinderpal Singh Gulati	02404230	July 08, 2016
3.	Mr. Ganesh Arun Malhotra	07581670	August 03, 2016
4.	Mr. Sajid Mohamed	06878433	September 27, 2017
5.	Ms. Anjali Suresh	02545317	December 18, 2018
6.	Mr. Mahendra Vasantrai Doshi	00123243	December 14, 2020

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

\*Due to ongoing pandemic of Covid-19 and state of lockdown, all the papers, forms, returns filed and other records maintained by the Company, wherever possible, have been checked digitally.

For V.R. Associates  
Company Secretaries

Place: Mumbai  
Date: April 27, 2021  
UDIN: A007731C000196260

Sd/-  
**V. Ramachandran**  
ACS: 7731:CP 4731



## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY STRUCTURE AND DEVELOPMENTS

Like its global peers, India capital market too witnessed an incredible rebound from the pandemic lows factoring in quick resumption of economic activity and future growth prospects with the key indices reaching an all-time high by the fourth quarter on the back of continued and strong recovery in economic activities in the second half of financial year 2020-21. The Indian brokerage industry has been undergoing structural shift from percentage led business model to flat brokerage & subscription based model. Market share of discount brokers in terms of number of clients, has increased from 17% to 30% in past one year, which reflects clients' attraction towards flat brokerage plans.

ADTO (Average Daily Turnover) has shown increasing trend since past months especially during the lockdown period, which was a result of buoyancy in equity markets and increasing retail participation. However, it would be key to watch how the trend behaves in coming months as margin requirement rises in step wise manner as per SEBI's new regulation. Robust client addition and market volatility are key factors for surging volumes largely led by options.

Pandemic has provided a boost to this process with strong accretion in clientele as well as volumes. We believe the industry is moving towards fee for service model wherein a customer is charged fee as per services availed instead of a standard or fixed charge. With financial savings rising and lower interest rates, equity as an asset class will continue to remain attractive, Capital market businesses are currently in a sweet spot in the journey or transition of business model. While we expect discount brokers to continue with growth ahead, however revenue growth is largely dependent on client additions as scope for higher pricing remains difficult. Hence, earnings growth from pure brokerage income to remain limited.

### OPPORTUNITIES AND THREATS

With the increase in size and importance of India's financial sector relative to its overall economy, the equity broking industry is set for increased volumes over the next few years. Further, since equities are expected to do well over the longer term, we will likely see increased investor participation.

Ability to onboard clients and complete their KYC journey digitally has been a big boost for the industry. Extensive use of Artificial Intelligence and Machine Learning capabilities are imperative to create a vital differentiator across the entire value chain of the business. The digital brokerages today garner a dominant share in the industry with their service offerings to clients using digital trading platforms. Facilitated by seamless digital registration, ease of transacting, offering an open architecture with integration of 3rd party products, the industry is experiencing a surge in retail investor participation, which, in turn, is boosting the overall trading volumes.

Acquainted of the situations the Company is making conscious efforts to increase investor participation and has plans to increase its overall market share by targeting profitable segments. The Company is also focusing on efficient use of technology to become a cost efficient performer in the market. The Company will continue to focus on technology, drive client acquisition, increase its business partner network, provide efficient trading tools and value added research advice to its clients. The overall strategic focus is to create product and service differentiators across all segments.

Stringent regulatory change or unfavourable policy change can pose a threat to the Company in the short run. The new margin rules in broking industry that came into effect from December 01, 2020 stipulating 25% peak margin have led to a drop in volumes. Stocks will continue to remain in investor's demat account and can be directly pledged to the clearing corporation using OTP. The margin requirement is doubled to 50% from March 2021, and 75% from June 2021. From September 01, 2021 the margin requirement will be 100%. Hence trading volume might get impacted.

### SEGMENT WISE / PRODUCT WISE PERFORMANCE

The Company offers research based equity advisory and trading services to individuals, corporates and retail clients. With presence in more than 150 cities in India through network of branches and franchisees, it has helped the Company achieve a de-risked business model and a wide spread presence.

### OUTLOOK

Timely execution of Covid-19 vaccination drive, reasonable rebound in economic were indicators to pre-covid levels, unprecedented measures taken by nations across world to restore coronavirus-affected economy, improved corporate earnings have lead the markets scale new highs. The progression curve is expected to resume with public policy support and private participation. Reform measures have been made by RBI to ease out liquidity in the markets and to encourage credit inflows via NBFC, HFC, MFIs. The Company has taken into consideration the changes in the capital market and brokerage segment and is well prepared to overcome challenges and perform sustainably.

The Company's technology-based platforms play a key role in facilitating business from self-serviced segments, and provide a larger base for cross-selling financial products. Its strategy continues to be built on improving and fortifying research content, investing in technology for trading platform as well as human resources. The Company during the financial year under review has made substantial investments in people, processes and technology and continues to focus on delivering steady performance.

### **RISKS AND CONCERNS**

The very nature of the Company's business makes it subject to various kinds of risks. The Company encounters market risk, credit risk and operational risks in its daily business operations. Further 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.

Risk management is a key element of our business strategy and is integrated seamlessly across all of its business operations. The objective of the risk management process is to optimize the risk-return equation and ensure prudent financial management; along with meticulous compliance with all extant laws, rules, and regulations applicable to all its business activities. A strong risk culture is designed to help reinforce resilience by encouraging a holistic approach to the management of risk throughout the organisation. The Company has invested in people, processes and technology to mitigate both external and internal risks.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

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. An internal team of inspection also regularly visits branches for ensuring regulatory compliance. The Board/Audit Committee reviews the overall risk management framework and the adequacy of internal controls instituted by the management team. The Audit Committee reviews major instances on a quarterly basis and actions are taken on the same. It also focusses on the implementation of the necessary systems and controls to strengthen the system and prevent such recurrence. The internal processes have been designed to ensure adequate checks and balances and regulatory compliances at every stage. Internal audit team carries out a risk-based audit of these processes to provide assurance on the adequacy and effectiveness of internal controls for prevention, detection, reporting and remediation of frauds. Post audit reviews are also carried out to ensure follow up on the observations made.

### **FINANCIAL PERFORMANCE AND OPERATIONAL REVIEW**

#### **Share Capital**

The paid up equity share capital of the Company as on March 31, 2021 stands at Rs. 14,78,69,472/- divided into 7,39,34,736 fully paid up equity shares of Rs. 2/- each.

#### **Net Worth**

The Net Worth of the Company stands at Rs. 4,371.44 lakh.

#### **Secured Loans**

The Company has secured borrowings of Rs. 1,015.52 lakh in the current year.

#### **Total Income**

During the year total income was reported at Rs. 8,439.45 lakh.

#### **Finance Cost**

The finance cost of the Company stands at Rs. 118.77 lakh.

#### **Tax Expense**

The Company has incurred a tax expense of Rs. 162.01 lakh in the current year.

### **HUMAN RESOURCES**

During the year under review there has been no material development on the Human Resource/Industrial Relations front during the year. The Company places significant importance to its human capital. As on March 31, 2021 there are 402 employees employed by the Company. The Company's focus is on recruitment of good talent and retention of the talent pool. 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.

**KEY FINANCIAL RATIOS**

The key financial ratios and details of significant changes in these ratios, to the extent applicable, as required by SEBI Listing Regulations are given below:

<b>Key Financial Ratios</b>	<b>Financial Year 2020-21</b>	<b>Financial Year 2019-20</b>
(i) Debtors Turnover	1:3.63	1:1.73
(ii) Interest Coverage Ratio	1:5.66	1:1.47
(iii) Current Ratio	1:1.19	1:1.30
(iv) Debt Equity Ratio	1:0.23	1:0.38
(v) Operating Profit Margin (%)	7.20%	8.57%
(vi) Net Profit Margin (%)	4.64%	2.13%

**Cautionary statement**

*Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking' within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied. Investors are advised to exercise due care and caution while interpreting these statements.*

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

To  
The Members of **LKP Securities Limited**

### 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 2021, 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, and notes to the standalone financial statements including a summary of significant accounting policies and other explanatory information (herein after referred to as "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 (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, its profit, 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 Act. 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 obtained by us 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 for the year ended 31 March 2021. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No	Key Audit Matter	Auditor's Response
1.	<p><b>Accuracy and completeness of revenue recognized and related IT systems</b></p> <p>The application of revenue recognition accounting standards involves revenue arrangements and relevant contracts. 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 standalone financial statements.</p>	<p><b>Principal Audit Procedures</b></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"> <li>- 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).</li> <li>- Reviewing sample contracts for accounting treatments opted and testing the related revenues recognized during the year and to have reasonable assurance of adequate IT controls.</li> <li>- Performing data analysis and analytical reviews of significant revenue streams;</li> <li>- Reviewing key reconciliations performed by the Revenue Assurance team of the Company;</li> <li>- Performing specific procedures to test the accuracy and completeness of adjustments relating revenue; and</li> <li>- 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.</li> </ul> <p><b>Conclusion</b></p> <p>Our procedures did not identify any material exceptions.</p>

### 4. Other Information

The Company's Board of Directors is responsible for 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, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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

### 5. Management's Responsibility 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 standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the 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, Company's 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 Company's 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 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 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 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.

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

- I. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of Section 143(11) of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the Order.
- II. 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 flows 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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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 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; and
- 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 did not have any long-term contracts including derivative contracts having any material foreseeable losses; 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, 27 April 2021

UDIN: 21048215AAAADV5798

**Annexure - A to the Independent Auditor's Report****Annexure referred to in paragraph 7(I) under "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of LKP Securities Limited on the standalone financial statements for the year ended 31 March 2021**

- 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, 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.
- The Company's business does not involve inventories and, accordingly, the requirements under clause 3(ii) of the Order are not applicable to the Company and hence not commented upon.
- 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 not given any loans / guarantees or provided securities during the year. The Company has complied with the provisions of section 186 of the Act with respect to investments made by it.
- 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 services 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 2021 for a period of more than six months from the date they became payable.
  - There are no dues of sales tax, service tax, goods and services tax, duty of customs, duty of excise, value added tax which have not been deposited on account of any dispute. The disputed dues of income tax which have not been deposited are as under:

Name of the Statute	Nature of the Dues	Amount (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 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) or 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.

- xii. 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.
- xiii. 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 standalone financial statements as required by the applicable Indian 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, 27 April 2021

UDIN: 21048215AAAADV5798

**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 LKP Securities Limited on the standalone financial statements for the year ended 31 March 2021**

We have audited the internal financial controls over financial reporting of **LKP Securities Limited** ("the Company") as of 31 March 2021 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 obtained by us 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 standalone 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 standalone 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 standalone 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 2021, 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, 27 April 2021

UDIN: 21048215AAAADV5798



## STANDALONE BALANCE SHEET AS AT 31 MARCH 2021

(Rs. Lakhs)

	Note	31 March 2021	31 March 2020
<b>ASSETS</b>			
<b>(1) Financial Assets</b>			
(a) Cash and cash equivalents	3(a)	6,058.37	2,986.84
(b) Bank Balance other than (a) above	3(b)	3,622.71	1,863.27
(c) Receivables	4		
Trade receivables		1,825.55	2,325.57
(d) Loans	5	24.19	26.22
(e) Investments	6	376.73	684.68
(f) Other Financial assets	7	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)	8	154.01	293.03
(b) Deferred tax assets (net)	9	356.91	460.01
(c) Property, Plant and Equipment	10(a)	277.72	313.95
(d) Right-of-use assets	10(b)	517.54	94.74
(e) Intangible assets under development	10(c)	-	15.30
(f) Goodwill	11(a)	652.31	125.59
(g) Other Intangible Assets	11(b)	68.90	83.34
(h) Other non-financial assets	12	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 (refer note 50)</b>		439.26	-
<b>TOTAL ASSETS</b>		<b>19,469.22</b>	<b>14,426.21</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>(1) Financial Liabilities</b>			
(a) Payables			
(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		9,074.51	5,077.57
(ii) Other payable			
(i) total outstanding dues of micro enterprises and small enterprises		0.43	0.66
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		109.68	108.16
(b) Borrowings	14	1,015.52	1,510.25
(c) Deposits	15	291.51	265.94
(d) Other financial liabilities	16	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	17	198.08	252.07
(b) Other non-financial liabilities	18	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	19	1,478.69	1,478.69
(b) Other Equity	20	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>

Notes forming part of the financial statements

1-54

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 : 27 April 2021

Managing Director

Director

Chief Financial Officer

Company Secretary

**Pratik Doshi****S.S Gulati****Girish Majrekar****Akshata Vengurlekar**

## STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021

(Rs.Lakhs)

	Note	31 March 2021	31 March 2020
<b>Revenue from operations</b>	21		
(i) Interest Income		667.33	734.55
(ii) Fees and Commission Income		7,530.80	6,436.72
(iii) Net gain on fair value changes		138.14	-
(iv) Others		38.02	132.84
<b>Total Revenue from operations</b>		<b>8,374.29</b>	<b>7,304.11</b>
<b>Other Income</b>	22	65.16	54.70
<b>Total Income</b>		<b>8,439.45</b>	<b>7,358.81</b>
<b>Expenses</b>			
(i) Finance Costs	23	118.77	465.68
(ii) Fees and commission Expense	24	2,520.22	2,180.98
(iii) Net loss on fair value changes	25	-	64.16
(iv) Impairment on financial instruments	26	910.36	79.03
(v) Employee benefits expense	27	3,083.78	3,110.20
(vi) Depreciation, amortisation and impairment	28	163.61	115.85
(vii) Other expenses	29	1,089.00	1,123.30
<b>Total Expenses</b>		<b>7,885.74</b>	<b>7,139.20</b>
<b>Profit Before Tax</b>		<b>553.71</b>	<b>219.61</b>
<b>Tax expenses</b>	30		
Current tax - current year		59.85	85.96
- earlier year		(0.76)	-
Deferred tax including Minimum Alternate Tax (MAT)-current years		84.34	(23.10)
- earlier years		18.58	-
<b>Total tax expenses</b>		<b>162.01</b>	<b>62.86</b>
<b>Profit for the year</b>		<b>391.70</b>	<b>156.75</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
- Remeasurement gains/(losses) on defined benefit plan		0.62	1.04
- Fair value change on equity instruments through other comprehensive income		6.08	(11.79)
- Income tax relating to items that will not be reclassified to profit or loss		(0.17)	(0.29)
<b>Other Comprehensive Income/ (loss ) for the year</b>		<b>6.53</b>	<b>(11.04)</b>
<b>Total comprehensive Income for the year</b>		<b>398.23</b>	<b>145.71</b>
<b>Earning per equity share (face value of Rs. 2 each)</b>	41		
Basic (in Rs.)		0.53	0.21
Diluted (in Rs.)		0.53	0.21

Notes forming part of the financial statements

1-54

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****Akshata Vengurlekar**

Place : Mumbai

Date : 27 April 2021

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Rs in Lakhs
<b>A. Equity Share Capital</b>	
Balance as at 1 April 2019	1,478.69
Changes in equity share capital during the year	-
<b>Balance ss at 31 March 2020</b>	<b>1,478.69</b>
Changes in equity share capital during the year	-
<b>Balance as at 31 March 2021</b>	<b>1,478.69</b>

Rs. in Lakhs

B. Other Equity	Reserves and Surplus					Other Comprehensive Income (OCI)	Total other Equity
	Preference Share Redemption Reserves	Share based payment reserve	General Reserve	Retained Earnings	Securities Premium	Equity Instruments	
<b>Balance as at 1 April 2019</b>	1,960.39	160.07	-	245.66	89.54	(126.00)	2,329.65
Profit for the year	-	-	-	156.75	-	-	156.75
Remeasurement of defined benefit plan (net of deferred tax)	-	-	-	0.75	-	-	0.75
<b>Other comprehensive income</b>							
Fair value change on equity instruments through OCI						(11.79)	(11.79)
<b>Total comprehensive income</b>	<b>1960.39</b>	<b>160.07</b>	<b>-</b>	<b>403.16</b>	<b>89.54</b>	<b>(137.79)</b>	<b>2,475.36</b>
Share based payments	-	1.81	-	-	-	-	1.81
<b>Balance as at 31 March 2020</b>	<b>1,960.39</b>	<b>161.88</b>	<b>-</b>	<b>403.16</b>	<b>89.54</b>	<b>(137.79)</b>	<b>2,477.18</b>
Profit for the year	-	-	-	391.70	-	-	391.70
Remeasurement of defined benefit plan (net of deferred tax)	-	-	-	0.45	-	-	0.45
<b>Other comprehensive income</b>							
Fair value change on equity instruments through OCI	-	-	-	-	-	6.08	6.08
<b>Total comprehensive income</b>	<b>1,960.39</b>	<b>161.88</b>	<b>-</b>	<b>795.31</b>	<b>89.54</b>	<b>(131.71)</b>	<b>2,875.40</b>
Share based payments	-	17.35	-	-	-	-	17.35
Transfer from Share based payment reserve to General Reserve	-	(92.95)	92.95	-	-	-	-
<b>Balance as at 31 March 2021</b>	<b>1,960.39</b>	<b>86.29</b>	<b>92.95</b>	<b>795.31</b>	<b>89.54</b>	<b>(131.71)</b>	<b>2,892.75</b>

Notes forming part of the financial statements 1-54

- 1) Preference shares redemption reserve is created on cancellation of redeemable preference shares under scheme of demerger.
- 2) Securities premium is created on 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. 048215Managing Director  
Director  
Chief Financial Officer  
Company Secretary**Pratik Doshi****S.S Gulati**  
**Girish Majrekar**  
**Akshata Vengurlekar**

Place : Mumbai

Date : 27 April 2021

## STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

(Rs. Lakhs)

	31 March 2021	31 March 2020
<b>A. Cash flow from operating activities</b>		
<b>Profit before tax</b>	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 expenses	17.35	1.81
(Profit)/loss on sale/discard of property, plant and equipment and intangible assets (net)	17.05	(0.14)
Balances written back	(0.34)	-
Unwinding of discount on security deposits	(1.55)	-
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>4,614.73</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 53)	(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
Loans given	(4.80)	(5.59)
Repayment of loans given	6.83	272.41
(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 53)	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>
<b>Notes:</b>		
1. The impact of non-cash transactions have not been given in the above cash flow statement details of which are given in note 50		
2. Previous year figures have been regrouped or recast wherever, considered necessary		
3. The disclosures relating to changes in liabilities arising from financing activities (Refer Note 42)		
4. The above cash flow statements have been prepared under the indirect method set out in Ind-As 7 on 'Statement of cash flows'		
5. component of Cash and Bank Balance		
Cash in Hand	0.47	1.10
Balances with bank - In Current accounts	6,057.89	2,985.74
Other Bank Balances	3,622.71	1,863.27
<b>Total</b>	<b>9,681.08</b>	<b>4,850.11</b>

In terms of our report attached

For and on behalf of the board

For MGB &amp; 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

Akshata Vengurlekar

Place : Mumbai

Date : 27 April 2021

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Notes forming part of the standalone 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 2021 were authorised for issue by the Board of Directors at the meeting held on 27 April 2021.

#### 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 Company presents its Balance sheet in the order of Liquidity.

##### 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.

##### New standards and interpretations

The Company has adopted all of the relevant new, revised, or amended Accounting Standards and interpretations issued by the AASB that are mandatory for the current reporting period.

##### (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.

**Right to Use Assets ( ROU):** The Company as a lessee records an ROU asset for each lease with an original term greater than 12 months. ROU assets are included Office premises , with the corresponding lease liabilities included in financial liabilities. Depreciation on ROU asset is being charged on the basis of Lease term

##### (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. Expenditure incurred on acquisition / development of intangible assets which are not put / ready to use at the reporting date is disclosed under intangible assets under development.

##### (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 represents excess of the cost of acquisition over the net fair value of the identifiable assets and liabilities or recognition at deemed cost on date of transition . No amortisation is charged on the goodwill . Goodwill recognized is tested for impairment annually and when there are indications that the carrying amount may exceed the recoverable amount.

##### (g) Leases

The Company's lease asset classes primarily consist of leases for Office premises . The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

##### Transition:

Ind AS 116 Lease is applicable for financial reporting periods beginning on or after 1 April 2019 and replaces existing lease accounting guidance, namely Ind AS 17 Leases. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a Right-of-Use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The nature of expenses related to those leases will change as Ind AS 116 replaces the operating lease expense (i.e., rent) with depreciation charge for ROU assets and interest expense on lease liabilities. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

Accordingly, the Company has adopted Ind AS 116 - Leases and applied it to all lease contracts existing on April 01, 2019 using the modified retrospective method. Consequently, the cumulative adjustment has been taken on the date of initial application i.e. April 01, 2019. Based on the same and as permitted under the specific transitional provisions in the standard, the Company is

not required to restate the comparative figures. On transition, due to the adoption of the new Ind AS, it resulted in recognition of Right-of-Use asset (ROU) of Rs. 11.32 lakhs and a lease liability of Rs. 11.32 Lakhs. Since the company has adopted modified retrospective method, no impact would arise in the opening retained earnings.

**(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 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, 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 Effective Interest rate (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.

- 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 included in other fees 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. The Company makes contribution to a scheme administered by the Life Insurance Corporation of India ("LIC") to discharge the gratuity liability to employees. The Company records its gratuity liability based on an actuarial valuation made by an independent actuary as at year end. Contribution made to the LIC fund and provision made for the funded amounts are expensed in the books of accounts.

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 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.

Deferred tax assets are also recognised with respect to carry forward of unused tax losses and unused tax credits (including Minimum Alternative Tax credit) to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. 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.

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 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**

Judgement 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 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 judgments 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 judgment 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 39, 'Employee benefits'.

**g Recent accounting pronouncements****Standards issued but not yet effective**

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

**Balance Sheet:**

- \* Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- \* Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- \* Specified format for disclosure of shareholding of promoters.
- \* Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- \* If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- \* Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

**Statement of profit and loss:**

- \* Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them (as may be applicable) as required by law

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	(Rs. Lakhs)	
	31 March 2021	31 March 2020
<b>3(a) Cash and Cash Equivalents</b>		
Cash on hand	0.47	1.10
Balances with bank - In Current accounts	6,057.89	2,985.74
<b>Total</b>	<b>6,058.37</b>	<b>2,986.84</b>
<b>3(b) Bank Balances other than (a) above</b>		
Balances with bank - In Unclaimed dividend	1.52	1.52
Bank deposit having original maturity period of more than three months but less than twelve months*	2,646.19	955.89
Bank deposit having original maturity period of more than twelve months*	975.00	905.87
<b>Total</b>	<b>3,622.71</b>	<b>1,863.27</b>

\*Bank deposit of Rs.2511.25 lakhs (Rs.870 lakhs) are marked as lien for meeting margin requirements and Rs.1020.50 lakhs (Rs.388.50) are provided as security against Overdraft

	(Rs. Lakhs)	
	31 March 2021	31 March 2020
<b>4 Receivables</b>		
<b>Trade receivables*</b>		
Considered good - secured	1,328.69	504.24
Considered good - Unsecured	400.42	423.38
Significant increase in credit risk	186.38	1,637.88
Less: Impairment Allowance	(89.94)	(239.92)
Credit Impaired	265.43	229.92
Less: Impairment Allowance	(265.43)	(229.92)
<b>Total</b>	<b>1,825.55</b>	<b>2,325.57</b>

\*Trade receivables are non-interest bearing till settlement date  
For related party transactions refer note 40

	(Rs. Lakhs)	
	31 March 2021	31 March 2020
<b>5 Loans ( Unsecured)</b>		
Loans to employees		
- Considred Good	24.19	26.22
- Credit Impaired	-	11.00
	24.19	37.22
Less: Impairment Loss Allowance	-	(11.00)
<b>Total</b>	<b>24.19</b>	<b>26.22</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

## 6 Investments

	(Rs. Lakhs)	
	31 March 2021	31 March 2020
<b>A Investments carried at cost</b>		
<b>Investments in equity instruments- unquoted</b>		
<b>In Wholly owned subsidiary- equity shares of Rs 10 each</b>		
760,000 (2020 : 760,000) of LKP Wealth Advisory Limited (Formerly known as LKP Wealth Advisory Private Ltd.)	76.00	76.00
	<b>76.00</b>	<b>76.00</b>
<b>B Investment carried at Fair value through other comprehensive income</b>		
<b>Investment in equity shares -quoted</b>		
<b>Equity shares of face value of Rs 10 each</b>		
8,900 (2020 : 8,900) of Roopa Industries Limited	0.83	0.80
17,440 (2020 : 17,440) of Reliance Power Limited	0.76	0.21
Nil (2020 : 149) of D. S. Kulkarni Developers Limited*	-	-
Nil (2020 : 10,000) of Gold Crest Finance (India) Limited*	-	-
74,500 (2020 : 1,49,000) of Infra Industries Limited *	4.84	-
<b>Equity shares of face value of Rs 5 each</b>		
Nil (2020 : 72) of Oil and Natural Gas Corporation Limited*	-	-
<b>Equity shares of face value of Rs 2 each</b>		
5,000 (2020 : 5,000) of TV 18 Broadcast Limited	1.44	0.78
<b>Investment in equity shares -unquoted</b>		
<b>Equity shares of face value of Rs 10 each</b>		
11,200(2020 : 11,200) of Gobind sugar Limited	8.85	8.85
Less: Provision for Impairment	(8.85)	(8.85)
	<b>7.87</b>	<b>1.79</b>
<b>C Investment carried at Fair value through profit and loss</b>		
<b>i Investment in Mutual Funds</b>		
<b>face value of Rs 100 each</b>		
Nil (2020:51) liquidbees of Reliance ETF Gold Bees	-	0.53
0.976 (2020:Nil) liquidbees of NIP ETF	0.01	-
<b>ii Investment in Debt Securities</b>		
<b>Investment in Bonds of face value of Rs 1,000 each</b>		
Nil (2020:50,000), bonds of 10.00% Edelweiss Housing Finance Limited	-	459.97
<b>Investment in Bonds of face value of Rs 10 Lakh each</b>		
Nil (2020: 2)8.57% Central Bank of India 2025	-	20.55
Nil (2020: 1) 8.70% PFC 2020	-	10.66
<b>iii Investment in equity shares (quoted)</b>		
<b>Equity shares of face value of Rs 10 each</b>		
Nil (2020 : 1) of Adani Ports Limited	-	0.00
Nil ( 2020 : 1) of Chemfab Alkies Limited	-	0.00
Nil (2020 : 1,500) of Divine Multimedia (India) Limited*	-	0.00
100 (2020 :100 ) of Alacrity Electronics Limited	0.01	-
Nil (2020 : 200) of Gujarat Fison Limited*	-	-
Nil (2020: 1) of Healthfore Technologies Limited*	-	-
Nil (2020 :190) of Indo-French Biotech Enterprises Limited*	-	-
Nil (2020 :1,000) of Maars Software International Limited*	-	-
Nil (2020 :5,000) of Manna Glass-Tech Industries Limited*	-	-
Nil (2020 :400) of Mardia Chemical Limited*	-	-
Nil (2020 : 2) of MMS Infrastructure Limited*	-	-
Nil (2020 : 82,300) of Motorola Speciality Oils Limited*	-	-
41(2020 : 41) of Norben Tea & Exports Limited#	0.00	-
Nil (2020:2500) of Ojas Technochem Products Limited*	-	-

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	(Rs. Lakhs)	
	31 March 2021	31 March 2020
Nil (2020: 2,608) of Origin Agrostar Limited*	-	-
Nil (2020: 2,500) of Padmini Technologies Limited*	-	-
658 (2020: 658) of Reliance Industries Limited	13.18	7.77
Nil (2020: 500) of Sanghi Polyesters Limited*	-	-
Nil (2020: 1,000) of SBI Home Finance Limited*	-	-
51 (2020:51) of Simplex Mills Company Limited	0.01	-
1 (2020:1) of Simplex Papers Limited#	0.00	-
Nil (2020:100) of Sriven Multi-Tech Limited*	-	-
Nil (2020:3000) of Supreme Telecom and Network India Limited*	-	-
Nil (2020: 415) of Silverline Technologies Limited*	-	-
48,890 (2020 : 48890) of Greycells Education	9.80	18.09
Nil (2020: 1200 ) of Agri-Tech India Limited	-	0.23
Nil (2020: 1320 )Nath Bio Genes India Limited	-	1.79
3,480 (2020: 3480 )Techindia Nirman Limited	0.09	0.07
145 (2020: 165 )Vision Cinemas Limited #	0.00	0.00
Nil (2020: 4650 )Manglore Chemicals & Fertilizers Limited	-	1.13
Nil (2020 : 20518)United Brew Holdings Limited*	-	2.05
2,08,403 (2020 : 208403) of Shree Rama Newsprint Limited	34.70	23.63
<b>Equity shares of face value of Rs 5 each</b>		
Nil (2020: 17600 )Hindustan Motors Limited	-	0.54
<b>Equity shares of face value of Rs 2 each</b>		
450 (2020 : 450) of Housing Development Finance Corporation Limited	11.24	7.35
Nil (2020 : 1) of ICICI Bank Limited	-	0.00
5 (2020 : 5) of Dhani Services Limited (formerly Indiabulls Ventures Limited)	0.01	-
Nil (2020: 1) of Larsen & Toubro Limited	-	0.01
100,000 (2020: Nil) of CG Power and Industrial Solutions Limited	66.85	-
<b>Equity shares of face value of Re 1 each</b>		
Nil (2020: 1) of ITC Limited	-	0.00
Nil (2020 : 2500) of Interface Financial Services Limited*	-	-
Nil (2020: 10) of JSW Steel Limited	-	0.01
Nil (2020 : 16,920) of MOH Limited*	-	-
Nil (2020: 1) of Motherson Sumi Limited	-	0.00
2,35,610 (2020 : 2,35,610) of Vakrangee Limited	132.06	46.65
8,250 (2020: 8,250) Tata Motors Limited	24.90	5.86
	<b>292.86</b>	<b>606.89</b>
<b>Total Investments ( A+B+C)</b>	<b>376.73</b>	<b>684.68</b>
<b>* The Company has written off the investments during the year where company's shares were either suspended or not available .</b>		
<b># "0" (Zero) denotes amounts less than thousand</b>		
<b>Total Investments</b>	<b>376.73</b>	<b>684.68</b>
Aggregate book value of quoted investments	<b>300.73</b>	<b>608.68</b>
Aggregate book value of unquoted investments (including subsidiary)	<b>84.85</b>	<b>84.85</b>
Aggregate market value of quoted investments	<b>300.73</b>	<b>608.68</b>
Investment in subsidiary is stated at cost	<b>76.00</b>	<b>76.00</b>
Provision for impairment	<b>8.85</b>	<b>8.85</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

## 7 Other Financial Assets (Rs. Lakhs)

	31 March 2021	31 March 2020
Deposits- ( unsecured and considered good )		
- related parties	300.00	300.00
- others	275.03	234.86
Balance with exchange and clearing members	4,382.71	3,557.58
Other Advances - unsecured	20.91	24.76
Interest accrued and due	-	38.85
<b>Total</b>	<b>4,978.65</b>	<b>4,156.04</b>

## 8 Current Tax assets ( net) (Rs. Lakhs)

	31 March 2021	31 March 2020
<b>Balance with Government Authorities</b>		
Advance Direct Tax ( net of provisions)	154.01	293.03
<b>Total</b>	<b>154.01</b>	<b>293.03</b>

## 9 Deferred tax assets (net) (Rs. Lakhs)

	31 March 2021	31 March 2020
<b>Deferred tax assets/ (liabilities)</b>		
Property Plant and equipment	27.43	28.48
Employee retirement benefits	55.11	70.13
Allowances for credit losses	98.87	133.77
Fare valuation of Financial Instruments	(37.17)	2.56
Others	(1.86)	-
MAT Credit Entitlement	214.54	225.08
<b>Total</b>	<b>356.91</b>	<b>460.01</b>

## 10 (a) Property, Plant and Equipments

Description of Assets	(Rs. Lakhs)						
	Furniture and Fixtures	Vehicles	Office Equipment	Leasehold Improvement	Computers	Electrical Fittings	Total
<b>I. Gross Block</b>							
<b>At cost as at 1 April 2019</b>	<b>77.44</b>	<b>220.06</b>	<b>109.65</b>	<b>89.53</b>	<b>118.31</b>	<b>2.13</b>	<b>617.11</b>
Additions	0.22	-	2.92	-	9.47	-	12.61
Disposals/Adjustment/ Deductions	-	-	0.30	-	-	-	0.30
<b>At cost as at 31 March 2020</b>	<b>77.66</b>	<b>220.06</b>	<b>112.27</b>	<b>89.53</b>	<b>127.78</b>	<b>2.13</b>	<b>629.43</b>
Additions	0.59	-	4.46	25.74	13.48	-	44.27
Disposals/Adjustment/ Deductions	-	-	5.49	89.53	0.16	-	95.18
<b>At cost as at 31 March 2021</b>	<b>78.25</b>	<b>220.06</b>	<b>111.25</b>	<b>25.74</b>	<b>141.10</b>	<b>2.13</b>	<b>578.50</b>
<b>II. Accumulated Depreciation</b>							
<b>Balance as at 1 April, 2019</b>	<b>30.85</b>	<b>42.78</b>	<b>45.18</b>	<b>47.98</b>	<b>74.41</b>	<b>1.05</b>	<b>242.24</b>
Additions during the year	7.21	26.84	11.84	13.47	13.96	0.19	73.51
Disposals/Adjustment/ Deductions	-	-	0.28	-	-	-	0.28
<b>Balance as at 31 March, 2020</b>	<b>38.06</b>	<b>69.62</b>	<b>56.74</b>	<b>61.45</b>	<b>88.37</b>	<b>1.24</b>	<b>315.48</b>
Additions during the year	5.26	25.04	8.26	11.69	12.25	0.04	62.53
Disposals/Adjustment/ Deductions	-	-	5.00	72.06	0.15	-	77.21
<b>Balance as at 31 March, 2021</b>	<b>43.32</b>	<b>94.66</b>	<b>59.99</b>	<b>1.08</b>	<b>100.47</b>	<b>1.28</b>	<b>300.79</b>
<b>Net block</b>							
As at 31 March 2021	34.93	125.40	51.26	24.66	40.63	0.85	277.72
As at 31 March 2020	39.60	150.44	55.54	28.08	39.41	0.89	313.95

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

10 (b) Right of use assets (ROU)		(Rs. Lakhs)
Description of Assets		Office Premises
<b>I. Gross Block</b>		
<b>At cost as at 1 April 2019</b>		-
Additions (refer note 32)		110.73
Disposals/Adjustment/Deductions		-
<b>Balance as at 31 March 2020</b>		<b>110.73</b>
Additions (refer note 32)		490.24
Disposals/Adjustment/Deductions		-
<b>Balance as at 31 March 2021</b>		<b>600.97</b>
<b>II. Accumulated Depreciation</b>		
<b>Balance as at 1 April , 2019</b>		-
Additions during the year		15.99
Disposals/Adjustment/Deductions		-
<b>Balance as at 31 March 2020</b>		15.99
Additions during the year		67.44
Disposals/Adjustment/Deductions		-
<b>Balance as at 31 March, 2021</b>		<b>83.44</b>
<b>Net block</b>		
As at 31 March 2021		<b>517.54</b>
As at 31 March 2020		94.74
10 (c) Intangible assets under development		(Rs. Lakhs)
Description of Assets		
<b>As on 1 April 2019</b>		8.00
Additions		7.30
Disposals/Adjustment/Deductions		-
<b>Balance as at 31 March 2020</b>		<b>15.30</b>
Additions		-
Disposals/Adjustment/Deductions		15.30
<b>Balance as at 31 March 2021</b>		-
As at 31 March 2021		-
As at 31 March 2020		15.30
11(a) Goodwill		(Rs. Lakhs)
Description of Assets		Goodwill
<b>As on 1 April 2019</b>		<b>125.59</b>
Additions		-
Disposals		-
<b>Balance as at 31 March 2020</b>		<b>125.59</b>
Additions arising on acquisition (Refer note 53)		526.72
Disposals		-
<b>Balance as at 31 March 2021</b>		<b>652.31</b>
As at 31 March 2021		652.31
As at 31 March 2020		125.59

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

11(b) Other Intangible Assets		(Rs. Lakhs)
Description of Assets		Computer Software
<b>I. Gross Block</b>		
At cost at 1 April 2019		131.55
Additions		25.72
Disposals		-
At cost at 31 March 2020		157.27
Additions		19.20
Disposals		-
At cost as at 31 March 2021		176.47
<b>II. Accumulated Amortization</b>		
Balance as on 1 April 2019		47.58
Amortization charged for the year		26.35
Disposals		-
Balance as on 31 March 2020		73.93
Amortization charged for the year		33.64
Disposals		-
Balance as at 31 March, 2021		107.57
<b>Net book value</b>		
As at 31 March 2021		68.90
As at 31 March 2020		83.34

12 Other Non-Financial Assets		(Rs. Lakhs)	
	31 March 2021	31 March 2020	
<b>Others Assets</b>			
Prepaid expenses	48.00	49.94	
Other Advances			
- Considered Good*	10.05	929.84	
- Credit Impaired	-	79.00	
	10.05	1,008.84	
Less : Impairment allowance	-	(79.00)	
	10.05	929.84	
Balance with Government authorities			
- Advance indirect taxes	58.32	17.84	
<b>Total</b>	<b>116.37</b>	<b>997.62</b>	

\*Other Advances includes Rs. Nil ( Rs.924.10/- Lakhs) due from Related Party.

13 Financial Liabilities		(Rs. Lakhs)	
	31 March 2021	31 March 2020	
<b>Payables</b>			
<b>I) Trade Payables (refer note 36)</b>			
i) total outstanding dues of micro enterprises and small enterprises	-	-	
ii) total outstanding dues of creditors other than micro enterprises and small enterprises*	9,074.51	5,077.55	
<b>Total</b>	<b>9,074.51</b>	<b>5,077.55</b>	
<b>II) Other Payables (refer note 36)</b>			
i) total outstanding dues of micro enterprises and small enterprises	0.43	0.66	
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	109.68	108.16	
<b>Total</b>	<b>110.12</b>	<b>108.82</b>	

Trade payables and other payables are non-interest bearing and are normally settled as per payment terms mentioned in the contract. For transactions relating to related party payables refer note 40.

\* Margin money shown separately in other financial liabilities

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

14 Borrowings		(Rs. Lakhs)	
	31 March 2021	31 March 2020	
At amortised cost			
<b>Loans repayable on demand - Secured</b>			
Overdraft facility From Bank	1,015.52	1,510.25	
<b>Total</b>	<b>1,015.52</b>	<b>1,510.25</b>	
Secured by hypothecation of receivables of T+3 days with 50% margin and first pari passu charge on book debts of the Company both present and future. The loan is repayable on demand and carries interest @ 11.90%			
15 Deposits		(Rs. Lakhs)	
	31 March 2021	31 March 2020	
Security Deposits from Sub Brokers	291.51	265.94	
<b>Total</b>	<b>291.51</b>	<b>265.94</b>	
16 Other Financial Liabilities		(Rs. Lakhs)	
	31 March 2021	31 March 2020	
Margin money	3,716.17	2,962.78	
Lease Liability	524.24	95.81	
Interest accrued and due	-	8.17	
Unclaimed dividend (Refer note 44)	1.52	1.52	
<b>Total</b>	<b>4,241.93</b>	<b>3,068.28</b>	
17 Provisions		(Rs. Lakhs)	
	31 March 2021	31 March 2020	
Provision for Employee Benefits			
Gratuity	198.08	252.07	
<b>Total</b>	<b>198.08</b>	<b>252.07</b>	
18 Other Non-Financial Liabilities		(Rs. Lakhs)	
	31 March 2021	31 March 2020	
Statutory dues payable	166.11	177.07	
Income received in Advance	-	10.34	
<b>Total</b>	<b>166.11</b>	<b>187.41</b>	
19 Equity Share Capital		(Rs. Lakhs)	
	31 March 2021	31 March 2020	
<b>Authorised</b>			
125,000,000 (2020: 125,000,000) Equity shares of Rs.2/- each	2,500.00	2,500.00	
10,000,000( 2020: 10,000,000) Unclassified shares of Rs 10/- each	1,000.00	1,000.00	
	<b>3,500.00</b>	<b>3,500.00</b>	
<b>Issued, subscribed and fully paid up</b>			
73,934,736 (2020: 73,934,736) Equity shares of Rs.2/- each	<b>1,478.69</b>	<b>1,478.69</b>	



## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

	31 March 2021		31 March 2020	
	Number of Equity shares	Rs.	Number of Equity shares	Rs.
At the beginning of the year	7,39,34,736	1,478.69	7,39,34,736	1,478.69
Add: Share issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>7,39,34,736</b>	<b>1,478.69</b>	<b>7,39,34,736</b>	<b>1,478.69</b>

### b) Terms/rights attached to equity shares

The Company has issued 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 2021		31 March 2020	
	No. of shares	% Holding	No. of shares	% Holding
Mr Mahendra V Doshi	91,61,700	12.39%	91,61,700	12.39%
Mr Mahendra V Doshi- Partner in M/s L K Panday	1,31,67,854	17.81%	1,30,89,354	17.70%
Sea Glimpse Investments Private Limited	1,59,40,090	21.56%	1,59,40,090	21.56%
Bhavana Holdings Private Limited	87,22,030	11.80%	87,22,030	11.80%
Agrud Capital PTE Limited	43,64,934	5.90%	43,64,934	5.90%
	<b>5,13,56,608</b>	<b>69.46%</b>	<b>5,12,78,108</b>	<b>69.35%</b>

### 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, 38,85,000 Stock Options were granted (Phase I: 37,00,000 & Phase II: 1,85,000) 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 dates. The options vested would be exercisable at any time within a period of one year from the date of vesting and the equity shares arising on exercise of options shall not be subject to any lock in. There are 9,33,980 Options under Phase I and 60,000 Options under Phase II outstanding as at March 31, 2021.

Further the Members of the Company had verified modified and amended ESOP – 2017 by way of postal ballot dated October 16, 2020, the result of which was declared on November 27, 2020, subsequently the Company has granted 4,67,000 options to its employees under the modified LKPS ESOP – 2017 from the lapsed options at a price of Rs. 7/- per option. As per the grant, 50% of the option shall vest after the expiry of 12 months and 50% of the option shall vest after the expiry of 24 months from the original date of grant. The options vested would be exercisable at any time within a period of three year from the date of vesting and the equity shares arising on exercise of options shall not be subject to any lock in. There are 4,67,000 Options outstanding as at March 31, 2021 under Phase III. ESOP – 2017 is administered by the Nomination and Remuneration Committee of the Board.

### f) Summary of Options granted under the scheme

	31-Mar-21		31-Mar-20
	Phase I & II	Phase III	Phase I & II
Options outstanding at the beginning of the year	21,86,960	-	25,96,200
Option issued during the year	-	4,67,000	1,85,000
Options lapsed during the year	11,92,980	-	5,94,240
<b>Option outstanding at the end of the year</b>	<b>9,93,980</b>	<b>4,67,000</b>	<b>21,86,960</b>

### 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 2021	31 March 2020
29 September 2017	28 September 2021	7.00	9,33,980	20,01,960
2 May 2019	1 May 2023	7.00	60,000	1,85,000
3 February 2021	2 February 2024	7.00	4,67,000	-

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

- 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 III	Grant II	Grant I
Grant date	3 February 2021	2 May 2019	29 September 2017
Weighted average fair value of options granted (Rs.)	2.90	5.76	8.21
Exercise price (Rs.)	7.00	7.00	7.00
Expected volatility	65.60%	62.15%	54.20%
Risk free interest rate	6.45%	6.90%	6.31%
Dividend yield	0.00%	0.00%	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. Lakhs)	
	31 March 2021	31 March 2020
Carrying amount at the start of the period of Share Option Outstanding Account	161.88	160.07
Expense arising from employee share based payment plans	17.35	1.81
Amount transferred to general reserve on account of ESOP lapsed during the year	(92.95)	-
Total carrying amount at the end of the period of Share Option outstanding account	86.28	161.88

## 20 Other Equity

	(Rs. Lakhs)	
	31 March 2021	31 March 2020
<b>Preference shares redemption Reserve</b>		
As per Last Balance Sheet	1,960.39	1,960.39
	<b>1,960.39</b>	<b>1,960.39</b>
<b>Securities Premium</b>		
As per Last Balance Sheet	89.54	89.54
	<b>89.54</b>	<b>89.54</b>
<b>General Reserve</b>		
As per Last Balance Sheet	-	-
Add : Transfer from Share Based Payment reserve	92.95	-
	<b>92.95</b>	-
<b>Shares Based Payment Reserve</b>		
As per Last Balance Sheet	161.88	160.07
Less: Transfer to General reserve	(92.95)	-
Add : Share based payments	17.35	1.81
	<b>86.28</b>	<b>161.88</b>
<b>Retained Earnings</b>		
Balance as per the last financial statements	403.16	245.66
Profit for the year	391.70	156.75
Remeasurement of Defined benefit plan	0.62	1.04
Income tax impact thereon	(0.17)	(0.29)
	<b>795.31</b>	<b>403.16</b>
<b>Other Comprehensive income - fair value on equity instruments</b>		
As per last balance sheet	(137.79)	(126.00)
Gain on fair value of financial asset through other comprehensive income	6.08	(11.79)
	<b>(131.71)</b>	<b>(137.79)</b>
<b>Total Other Equity</b>	<b>2,892.75</b>	<b>2,477.18</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

21 Revenue from Operations		(Rs. Lakhs)	
	31 March 2021	31 March 2020	
<b>(i) Interest Income</b>			
Interest - Loans	0.70	22.37	
- deposits with banks	206.14	200.57	
- others (including broking activities)	460.49	511.61	
<b>Total</b>	<b>667.33</b>	<b>734.55</b>	
<b>(ii) Fees and Commission Income</b>			
Brokerage Income	7,244.94	6,132.87	
Other fees	285.86	303.85	
<b>Total</b>	<b>7,530.80</b>	<b>6,436.72</b>	
<b>(iii) Net gain on fair value changes</b>			
Net gain on financial instruments at fair value through profit or loss	138.14	-	
<b>Total</b>	<b>138.14</b>	<b>-</b>	
<b>(iv) Others</b>			
Net gain on sale of securities	38.02	132.84	
<b>Total</b>	<b>38.02</b>	<b>132.84</b>	
<b>22 Other Income</b>		(Rs. Lakhs)	
	31 March 2021	31 March 2020	
Unwinding of discounting of deposits	1.55	-	
Other non operating income	63.27	54.57	
Balance written back (net)	0.34	-	
Profit on sale/discard of Property plant and Equipment (net)	-	0.14	
<b>Total</b>	<b>65.16</b>	<b>54.70</b>	
<b>Expenses</b>			
<b>23 Finance Costs</b>		(Rs. Lakhs)	
	31 March 2021	31 March 2020	
Interest on borrowings	53.32	348.72	
on retirement benefits	13.38	11.87	
on leased liability	38.94	5.34	
others	3.18	1.03	
Other financial charges	9.96	98.72	
<b>Total</b>	<b>118.77</b>	<b>465.68</b>	
<b>24 Fees and commission expense</b>		(Rs. Lakhs)	
	31 March 2021	31 March 2020	
Commission and sub-brokerage	2,520.22	2,180.98	
<b>Total</b>	<b>2,520.22</b>	<b>2,180.98</b>	
<b>25 Net loss on fair value changes</b>		(Rs. Lakhs)	
	31 March 2021	31 March 2020	
Net loss on financial instruments at fair value through profit or loss	-	64.16	
<b>Total</b>	<b>-</b>	<b>64.16</b>	

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

26 Impairment on financial instruments		(Rs. Lakhs)	
	31 March 2021	31 March 2020	
<b>At amortised cost</b>			
Impairment allowances/(reversal) on trade receivables (Net)	(114.47)	53.85	
Bad debts written off (refer note 50)	1,024.83	25.18	
	<b>910.36</b>	<b>79.03</b>	
<hr/>			
27 Employee benefits expense		(Rs. Lakhs)	
	31 March 2021	31 March 2020	
Salaries and allowances	2,899.29	2,884.29	
Contribution to provident and other funds	96.58	106.61	
Share based expenses	17.35	1.81	
Staff welfare expenses	12.65	37.88	
Gratuity expense	57.92	79.60	
<b>Total</b>	<b>3,083.78</b>	<b>3,110.20</b>	
<hr/>			
28 Depreciation and amortisation		(Rs. Lakhs)	
	31 March 2021	31 March 2020	
Depreciation on property, plant and equipments	62.53	73.51	
Depreciation on Right of use assets	67.44	15.99	
Amortization of intangible assets	33.64	26.35	
<b>Total</b>	<b>163.61</b>	<b>115.85</b>	
<hr/>			
29 Other expenses		(Rs. Lakhs)	
	31 March 2021	31 March 2020	
Rent	117.60	224.30	
Rates and taxes	30.01	1.28	
Repairs and maintenance	29.82	44.92	
Electricity expenses	27.04	40.55	
Communication expenses	117.43	127.48	
Travelling and Conveyance expenses	28.26	68.87	
Printing and stationery	11.57	21.69	
Computer and Software usage Charges	214.81	162.70	
Legal and professional charges	188.41	175.42	
Directors sitting fees	3.35	1.40	
Subscription and Membership fees	32.21	30.94	
Payments to auditors (refer note 35)	10.00	10.00	
Loss on sale/discard of Property plant and equipment (net)	17.05	-	
Business Promotion and Marketing expenses	99.29	78.56	
Stock Exchange, Clearing and Depository expenses	130.05	61.76	
Miscellaneous expenses	32.11	73.43	
<b>Total</b>	<b>1,089.00</b>	<b>1,123.30</b>	

For transactions relating to related party refer note 40

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

## 30 Tax Expense

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

Income tax related to items recognised directly in the statement of profit and loss

	(Rs. Lakhs)	
	31 March 2021	31 March 2020
<b>Current tax</b>		
Current tax on profits for the year - current year	59.85	85.96
- earlier year	(0.76)	-
<b>Deferred tax (Credit) / Charge</b>		
Relating to origination and reversal of temporary differences	92.39	(23.10)
MAT Credit entitlement- current year	(8.05)	-
MAT Credit entitlement- earlier years	18.58	-
<b>Total</b>	<b>162.01</b>	<b>62.86</b>
<b>Effective tax rate #</b>	<b>29.26%</b>	<b>28.62%</b>

# 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 2021

		(Rs. Lakhs)	
		31 March 2021	31 March 2020
ii)	Deferred tax related to items recognised in the other comprehensive income (OCI) during the year		
	Deferred tax on remeasurement (gains)/losses on defined benefit plan	(0.17)	(0.29)
	<b>Deferred tax charged to OCI</b>	<b>(0.17)</b>	<b>(0.29)</b>

## (b) Reconciliation of tax expense and the accounting profit multiplied by tax rate: (Rs. Lakhs)

	31 March 2021	31 March 2020
<b>Accounting Profit/(Loss) before tax</b>	553.71	219.61
Income tax expense calculated at corporate tax rate	154.04	61.10
Tax effect on non-deductible expenses	(6.12)	4.87
Other permanent difference	4.32	(3.10)
Earlier year tax	(0.76)	-
MAT Credit adjustment (current + earlier year)	10.54	-
<b>Tax expense recognized in the statement of profit and loss</b>	<b>162.01</b>	<b>62.86</b>

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 2021. 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 2021.

## (c) Deferred tax relates to the following: (Rs. Lakhs)

		31 March 2021	31 March 2020
<b>Reconciliation of deferred tax assets / (liabilities) net:</b>			
	Opening balance	460.01	475.96
	Deferred tax (charge)/credit recognised in		
	- Statement of profit and loss	(92.39)	23.10
	- Recognised in other comprehensive income	(0.17)	(0.29)
	MAT Credit availed	(10.54)	(38.75)
	<b>Total</b>	<b>356.91</b>	<b>460.01</b>

## Deferred tax recognized in statement of profit or loss (Rs. Lakhs)

		31 March 2021	31 March 2020
<b>For the year ended</b>			
	Property Plant and equipment	1.04	7.49
	Employee retirement benefits obligation	14.85	(14.26)
	Allowance for credit losses	34.90	(15.64)
	Fare valuation of Financial Instruments	39.73	(0.69)
	Others	1.86	-
	<b>Total</b>	<b>92.39</b>	<b>(23.10)</b>

## Deferred tax recognized in statement of Other Comprehensive Income (Rs. Lakhs)

		31 March 2021	31 March 2020
<b>For the year ended</b>			
	Employee retirement benefits obligation	(0.17)	(0.29)
	<b>Total</b>	<b>(0.17)</b>	<b>(0.29)</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### 31 Leases

For short-term leases (lease term of 12 months or less) and leases of low-value assets, the Company has opted to recognise a lease expense on a straight-line basis as permitted by Ind AS 116. This expense is presented within 'other expenses' in Standalone profit or loss statement

### 32 Disclosure under IND AS 116

#### Right of Use Asset- Office premises

- a) ROU asset' comprises leased assets of office/branch premises that do not meet the definition of investment property.

(Rs. Lakhs)

	31 March 2021	31 March 2020
Opening Balance	94.74	-
Assets created on transition date	-	11.32
Additions during the year	490.24	99.41
Depreciation	67.44	15.99
Closing Balance	517.54	94.74

The aggregate depreciation expense on right-of-use asset is included under depreciation and amortisation expense in the Statement of Profit and Loss.

- b) The following is the break-up of current and non-current lease liabilities

(Rs. Lakhs)

	31 March 2021	31 March 2020
Current	82.66	16.93
Non Current Lease Liabilities	441.57	78.88
Total	524.24	95.81

- c) The following is the movement in lease liabilities

(Rs. Lakhs)

	31 March 2021	31 March 2020
Opening Balance	95.81	-
Additions	471.53	110.73
Finance Cost incurred during the period	38.94	5.34
Payment of lease liabilities	82.03	20.27
Closing Balance	524.24	95.81

- d) Lease liabilities Maturity Analysis

(Rs. Lakhs)

	31 March 2021
<b>Maturity analysis - contractual undiscounted cash flows</b>	
Less than one year	139.74
One to five years	500.56
More than five years	-
<b>Total undiscounted lease liabilities at 31 March 2021</b>	<b>640.30</b>

- e) Lease rentals of Rs. 117.60 lakhs (2020- Rs.224.30 Lakhs) pertaining to short term leases and low value asset has been charged to statement of profit and loss

### 33 (i) Contingent Liabilities

(Rs. Lakhs)

	31 March 2021	31 March 2020
a) Bank Guarantee	-	960.00
b) Disputed Direct Taxes	6.82	6.82
c) Legal cases against the Company#	126.51	126.51

# 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. Nil (2020 : 3.20 Lakhs)

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### 34 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.

### 35 Payment to Auditors

	(Rs. Lakhs)	
	31 March 2021	31 March 2020
Audit fees	10.00	10.00
<b>Total</b>	<b>10.00</b>	<b>10.00</b>

### 36 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.

	(Rs. Lakhs)	
	31 March 2021	31 March 2020
Principal amount remaining unpaid to any supplier as at the year end	0.43	0.66
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.	-	-

The Company has compiled the relevant information from its suppliers about their coverage under the Mico, Small and Medium Enterprises Development Act, 2006 (MSMED Act).

### 37 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.

#### 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	(Rs. Lakhs)	
	31 March 2021	31 March 2020
Variable rate borrowings	1,015.52	1,510.25

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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:

	(Rs. Lakhs)	
	Increase / decrease in basis points	Effect on Profit before tax
As on 31 March 2021	+ 50 / - 50	5.08
As on 31 March 2020	+ 50 / - 50	7.55

### 2) Foreign currency risk:

The company enters into transactions in currency other than its functional currency and is therefore exposed to foreign currency risk. The Company analyses currency risk as to which balances outstanding in currency other than the functional currency of that company. The management has taken a position not to hedge this currency risk.

The company undertakes transactions denominated in foreign currencies, consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are not hedged considering the insignificant impact and period involved on such exposure.

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.

	(Rs. Lakhs)	
Trade Receivables	Year ended 31 March 2021	Year ended 31 March 2020
More than Six months	628.32	2,025.47
Others	1,552.60	769.95
<b>Total</b>	<b>2,180.92</b>	<b>2,795.41</b>

	Year ended 31 March 2021	Year ended 31 March 2020
Movement in allowance for credit loss during the year was as follows :		
Opening Balance	(469.84)	(415.99)
Add :- Provided during the year	(67.01)	(201.21)
Less :- Reversal during the year	181.48	147.36
Balance as at 31 March	(355.37)	(469.84)
<b>Net Trade receivable</b>	<b>1,825.55</b>	<b>2,325.58</b>

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.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at :  
(Rs. Lakhs)

	Carrying Amount	31 March 2021			
		Less than 1 year	2-5 years	More than 5 years	Total
<b>Financial Liabilities :</b>					
Borrowings	1,015.52	1,015.52	-	-	1,015.52
Deposits *	291.51	-	-	291.51	291.51
Trade payables	9,074.51	9,074.51	-	-	9,074.51
Other payables	110.12	110.12	-	-	110.12
Other financial liabilities	4,241.93	3,800.36	441.57	-	4,241.93
	<b>14,733.59</b>	<b>14,000.50</b>	<b>441.57</b>	<b>291.51</b>	<b>14,733.59</b>



## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. Lakhs)

	Carrying Amount	31 March 2020			Total
		Less than 1 year	2-5 years	More than 5 years	
<b>Financial Liabilities :</b>					
Borrowings	1,510.25	1,510.25			1,510.25
Deposits *	265.94	-	-	265.94	265.94
Trade payables	5,077.57	5,077.57	-	-	5,077.57
Other payables	108.82	108.82	-	-	108.82
Other financial liabilities	3,068.28	2,989.40	78.88	-	3,068.28
	10,030.86	9,686.04	78.88	265.94	10,030.86

\* 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.

(Rs. Lakhs)

	As at 31 March 2021	As at 31 March 2020
Gross debt	14,733.59	10,030.86
Less: Cash and bank balances	9,681.08	4,850.12
<b>Net debt</b>	<b>5,052.51</b>	<b>5,180.74</b>
Total equity	4,371.44	3,955.87
<b>Total capital</b>	<b>9,423.95</b>	<b>9,136.62</b>
<b>Gearing ratio</b>	<b>53.61%</b>	<b>56.70%</b>

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 31 March 2020.

## iii) Categories of financial instruments and fair value thereof

(Rs. Lakhs)

	31 March 2021		31 March 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>A) Financial Assets (other than investment in subsidiaries at cost):</b>				
<b>i) Measured at amortised cost</b>				
Cash and cash equivalents	6,058.37	6,058.37	2,986.84	2,986.84
Bank Balances other than cash & cash equivalents	3,622.71	3,622.71	1,863.27	1,863.27
Trade receivables	1,825.55	1,825.55	2,325.57	2,325.57
Loans	24.19	24.19	26.22	26.22
Other Financial assets	4,978.65	4,978.65	4,156.04	4,156.04
<b>ii) Measured at Fair value through other comprehensive income</b>				
Investments	7.87	7.87	1.79	1.79
<b>iii) Measured at Fair value through profit and loss account</b>				
Investments	292.86	292.86	606.89	606.89
<b>B) Financial liabilities</b>				
<b>i) Measured at amortised cost</b>				
Borrowings	1,015.52	1,015.52	1,510.25	1,510.25
Trade payables	9,074.51	9,074.51	5,077.57	5,077.57
Other Financial Liabilities	4,643.56	4,643.56	3,443.04	3,443.04

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.

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

## iv) Equity price risk:

The company has not invested in any type of equity.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### 38 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 2021

Financial Assets	Assets as at		Fair Value Hierarchy	Valuation technique(s) & key inputs used
	31 March 2021	31 March 2020		
Investments in equity shares- Non-current Investments	7.87	1.79	Level 1	Quoted in an active market
Investments in equity shares- Current Investments	292.85	115.19	Level 1	Quoted in an active market
Investments in equity shares- Non-current Investments	-	-	Level 3	Unobservable inputs
Investments in Mutual Fund- Current Investments	0.01	0.53	Level 1	Quoted in an active market
Investments in Bonds- Current Investments	-	491.17	Level 2	Inputs other than quoted prices
	<b>300.73</b>	<b>608.68</b>		

Financial assets not measured at fair value includes cash and cash equivalents, trade receivables, loans and other financial assets. These are financial assets whose carrying amounts approximate fair value, due to their short-term nature

Additionally, financial liabilities such as trade payables and other financial liabilities are not measured at FVTPL, whose carrying amounts approximate fair value, because of their short-term nature.

#### Reconciliation of Level 3 category of financial assets

	(Rs. Lakhs)	
	31 March 2021	31 March 2020
<b>Opening Balance</b>	-	8.85
Fund Invested	-	-
Net Gain/ ( loss) recognised	-	(8.85)
<b>Closing Balances</b>	-	-

### 39 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 2021	31 March 2020
Current service cost	57.92	61.28
Interest cost (net)	13.38	11.87
<b>Net expenses</b>	<b>71.30</b>	<b>73.15</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

## II Expenses recognised during the year in other comprehensive income (OCI)

	(Rs. Lakhs)	
	31 March 2021	31 March 2020
Actuarial (gains)/ losses arising from changes in demographic assumptions	5.85	9.98
Actuarial (gains)/ losses arising from changes in financial assumptions	42.96	(9.35)
Actuarial (gains)/ losses arising from changes in experience assumptions	(49.43)	(1.68)
<b>Recognised during the year</b>	<b>(0.62)</b>	<b>(1.04)</b>

## III Net liability recognised in the balance sheet

	(Rs. Lakhs)	
	31 March 2021	31 March 2020
Fair value of plan assets	(367.68)	(246.80)
Present value of obligation	565.76	498.87
<b>Liability recognized in balance sheet</b>	<b>198.08</b>	<b>252.07</b>

## IV Reconciliation of opening and closing balances of defined benefit obligation

	(Rs. Lakhs)	
	31 March 2021	31 March 2020
Defined benefit obligation as at the beginning of the year	498.87	416.13
Current Service Costs	57.92	61.28
Interest Costs	28.80	25.67
Actuarial (gain)/ loss on obligation	(0.62)	(1.04)
Benefits paid	(19.21)	(3.17)
<b>Defined benefit obligation at the end of the year</b>	<b>565.76</b>	<b>498.87</b>

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

	(Rs. Lakhs)	
	31 March 2021	31 March 2020
Fair value of plan assets at the beginning of the year	246.80	214.28
Interest income	15.43	13.80
Contributions paid	105.45	21.89
Benefits paid	-	(3.17)
<b>Fair value of plan assets at year end</b>	<b>367.68</b>	<b>246.80</b>

## VI Actuarial Assumptions

	(Rs. Lakhs)	
	31 March 2021	31 March 2020
Discount rate (Per annum)	6.03%	6.25%
Rate of escalation in salary (per annum)	10.00%	7.00%
Attrition rate	<b>PS : 0 to 42 : 36% &amp; 10%</b>	<b>PS : 0 to 42 : 36% &amp; 16.67%</b>
Mortality Table	Indian Assured Lives mortality (2012-14)Ultimate	Indian Assured Lives mortality (2012-14)Ultimate

## VII Quantitative Sensitivity Analysis

	(Rs. Lakhs)	
	31 March 2021	31 March 2020
<b>Projected benefit obligation on current assumptions</b>		
Increase by 1% in Discount rate	545.64	484.54
Decrease by 1% in Discount rate	587.29	513.95
Increase by 1% in Rate of salary increase	579.19	510.97
Decrease by 1% in Rate of salary increase	553.87	488.77

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

## 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 2021	31 March 2020
1st Following Year	154.78	138.06
2nd Following Year	103.77	120.43
3rd Following Year	79.33	79.85
4th Following Year	65.89	59.18
5th Following Year	52.70	47.30
Sum of years 6 to 10	165.72	127.48

## 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.

## 40 Related party transactions

## Subsidiary Company

LKP Wealth Advisory Limited (formerly known as LKP Wealth Advisory Private Limited)

Key Management Personnel	Nature of relationship
Pratik Doshi	Managing Director
Girish Majrekar	Chief Financial Officer
Akshata Vengurlekar	Company Secretary

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

LKP Finance Limited  
 Bhavna Holdings Private Limited  
 Bond Street Capital Private Limited (Formerly known as Gayatri Cements and Chemicals Private Limited)  
 MKM Share & Stock Brokers Limited  
 Peak Plastonics Private Limited  
 Sea Glimpse Investments Private Limited  
 Alpha Commodity Private Limited  
 M/s L K Panday  
 M/s Agrud Partners

## Transactions with Related parties:

	(Rs. Lakhs)	
	31 March 2021	31 March 2020
<b>Remuneration to Key Management Personnel</b>		
Mr. Pratik Doshi	66.13	66.14
Girish Majrekar	15.57	18.00
Akshata Vengurlekar (appointed October 22, 2019)	6.28	2.87
Siddharth Mehta (resigned October 10, 2019)	-	3.12
<b>Brokerage Income</b>		
LKP Finance Limited	26.52	32.38
Other Related Parties#	0.03	0.43
<b>Fees and commission expense</b>		
LKP Wealth Advisory Limited (formerly known as LKP Wealth Advisory Private Limited)	25.88	29.32
<b>Interest Expenses</b>		
LKP Finance Limited	17.57	67.04
Bond Street Capital Private Limited (Formerly known as Gayatri Cements and Chemicals Private Limited)	0.19	-

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	(Rs. Lakhs)	
	31 March 2021	31 March 2020
<b>Legal Professional Fees</b>		
M/s Agrud Partners	18.00	18.12
Peak Plastonics Private Limited	-	2.64
<b>Business Purchase</b>		
Alpha Commodity Private Limited (Refer Note 53)	318.00	-
<b>Advances Recovered</b>		
Alpha Commodity Private Limited	924.10	-
<b>Loans Taken/ Repayment</b>		
LKP Finance Limited	23,495.00	66,601.00
Bond Street Capital Private Limited (Formerly known as Gayatri Cements and Chemicals Private Limited)	350.00	-
<b>Securities buy and sale</b>		
LKP Finance Limited	7,670.12	231.66

**Balances as at 31 March 2021**

	(Rs. Lakhs)	
	31 March 2021	31 March 2020
<b>Trade Payables*</b>		
LKP Finance Limited	284.39	-
<b>Other Financial Liabilities**</b>		
LKP Finance Limited	80.14	-
<b>Other Payables</b>		
Alpha Commodity Private Limited	74.55	-
LKP Finance Limited	-	8.17
M/s Agrud Partners	1.39	1.35
<b>Other Advances</b>		
Alpha Commodity Private Limited	-	924.10
<b>Trade Receivables</b>		
MKM Share & Stock Brokers Limited	0.27	0.27
LKP Finance Limited	-	134.48
Bhavna Holdings Private Limited	-	0.39
<b>Investments</b>		
LKP Wealth Advisory Limited (formerly known as LKP Wealth Advisory Private Limited)	76.00	76.00
<b>Deposits</b>		
Sea Glimpse Investments Private Limited	140.00	140.00
M/s L K Panday	160.00	160.00

\* 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

\*\* Closing balance of Other Financial Liabilities includes Margin money held in the ordinary course of business

# Transaction below 10% in value shown as other related parties

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

## 41 Earnings per share

	(Rs. Lakhs)	
	31 March 2021	31 March 2020
Profit/(Loss) after tax (Rs.)	391.70	156.75
<b>Weighted average number of equity shares</b>		
- for Basic Earnings per share	7,39,34,736	7,39,34,736
- for Diluted Earnings per share	7,39,34,736	7,39,34,736
Face value of equity share (Rs/ share)	2	2
<b>Basic earnings per share ( Rs/share)</b>	<b>0.53</b>	<b>0.21</b>
<b>Diluted Earnings per share ( Rs/share)</b>	<b>0.53</b>	<b>0.21</b>

## 42 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 2020	Cash Inflows	Cash outflows	Non Cash Changes		As at 31 March 2021
				Interest Accrued	Other Charges	
Long Term Borrowings (Including Current maturities)	-	-	-	-	-	-
Short Term Borrowings	1,510.25	-	(494.73)	-	-	1,015.52

(For Bank, Financial Institution and intercorporate deposits etc.)

## 43 Disclosures as required by Ind AS 115

## Revenue Consist of following

	(Rs. Lakhs)	
	31 March 2021	31 March 2020
Interest Income	667.33	880.10
Fees and Commission Income	7,244.94	5,987.32
Net Gain/loss on sale of securities	176.16	132.84
Other operating revenue	285.86	303.85
<b>Total</b>	<b>8,374.30</b>	<b>7,304.12</b>

## Revenue Disaggregation by Industrial Vertical &amp; Geography is as follows

	(Rs. Lakhs)	
Revenue by offerings	31 March 2021	31 March 2020
Financial Services/ India	8,374.30	7,304.12
<b>Total</b>	<b>8,374.30</b>	<b>7,304.12</b>

## Timing of Revenue Recognition

	(Rs. Lakhs)	
	31 March 2021	31 March 2020
Services transferred at point in time	7,706.96	6,288.81
Services transferred over period in time	667.33	1,015.31
<b>Total</b>	<b>8,374.30</b>	<b>7,304.12</b>

44 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 2021

45 The Company, has no long-term contracts including derivative contracts having material foreseeable losses as at 31 March 2021.

46 Disclosure as required by schedule V (A) (2) of the SEBI (Listing Obligation and Disclosure Requirements)

The Company has not given any Loans and advances in the nature of loans to firms/companies in which director is interested .

47 As per section 135 of the Companies Act, 2013, no amount is required to be spent by the company during the year ended March 31, 2021 and year ended March 31, 2020 on Corporate Social Responsibility (CSR).

## 48 Dividend Recommendation:

The board proposed dividend on equity shares after the balance sheet date

	(Rs. Lakhs)	
	2021	2020
Proposed dividend on equity shares for the year ended on 31 March, 2021: Rs.0.20/-per share (Rs.Nil per share)	147.87	-

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

## 49 Information required under Section 186(4) of the Companies Act, 2013

## a) Loans given

(Rs. Lakhs)

Name of Party	Opening as at 1 April 2020	Given during the year	Repaid during the year	Closing balance as at 31 March 2021
In the form of unsecured short term inter corporate deposits at market rates for business purpose*	-	-	-	-
	(250.00)	-	(250.00)	-

\* Loan is repayable on demand and carries interest @ Nil (10%) and balance does not include interest

\*Figures in brackets pertain to previous year

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.

50 a) The Company had trade receivable of Rs. 1,451.23 lakhs from a customer . The Company has settled the debt with the customer 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 year .

b) The Board of Directors of the Company has decided to sale ,the Immovable property acquired pursuant to settlement as stated in note 50(a) above for Rs.439.26 lakhs including stamp duty of Rs. 12.86 lakhs which is classified as held for sale as per Ind AS 105 “ Non-current Assets Held for Sale and Discontinued Operations “ .

51 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.

## 52 Maturity Analysis of Assets and Liabilities

(Rs. Lakhs)

	As at 31 Mar 2021			As at 31 Mar 2020		
	Within 12 months	After 12 Months	Total	Within 12 months	After 12 Months	Total
<b>(1) Financial Assets</b>						
(a) Cash and cash equivalents	6,058.37	-	6,058.37	2,986.84	-	2,986.84
(b) Bank Balance other than (a) above	3,622.71		3,622.71	1,863.27		1,863.27
(c) Receivables						
(i) Trade receivables	1,825.55	-	1,825.55	2,325.57	-	2,325.57
(ii) Other receivables	-	-		-	-	
(d) Loans	23.94	0.25	24.19	26.22		26.22
(e) Investments	292.86	83.87	376.73	606.89	77.79	684.68
(f) Other financial assets	4,921.99	56.66	4,978.65	4,147.31	8.73	4,156.04
<b>Total Financial Assets</b>	<b>16,745.42</b>	<b>140.78</b>	<b>16,886.20</b>	<b>11,956.10</b>	<b>86.52</b>	<b>12,042.62</b>
<b>(2) Non-Financial Assets</b>						
(a) Current tax assets (net)	-	154.01	154.01	-	293.03	293.03
(b) Deferred Tax Asset	-	356.91	356.91	-	460.01	460.01
(c) Property, plant and Equipment	-	277.72	277.72	-	313.95	313.95
(d) Right to Use Asset	25.46	492.08	517.54	-	94.74	94.74
(e) Intangible assets under development		-	-	-	15.30	15.30
(f) Goodwill	-	652.31	652.31	-	125.59	125.59
(e) Other Intangible Assets	-	68.90	68.90	-	83.34	83.34
(F) Other non-financial assets	116.37	-	116.37	974.05	23.58	997.62
<b>Total Non-Financial Assets</b>	<b>141.83</b>	<b>2,001.93</b>	<b>2,143.76</b>	<b>974.05</b>	<b>1,409.54</b>	<b>2,383.59</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. Lakhs)

	As at 31 Mar 2021			As at 31 Mar 2020		
	Within 12 months	After 12 Months	Total	Within 12 months	After 12 Months	Total
<b>(1) Financial Liabilities</b>						
(a) (I) Trade payable						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	9,074.51	-	9,074.51	5,077.57	-	5,077.57
(II) Other payable						
(i) total outstanding dues of micro enterprises and small enterprises	0.43	-	0.43	0.66	-	0.66
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	109.68	-	109.68	108.16	-	108.16
(b) Borrowings	1,015.52	-	1,015.52	1,510.25	-	1,510.25
(c) Deposits	-	291.51	291.51	-	265.94	265.94
(d) Other financial liabilities	3,798.84	443.09	4,241.93	2,989.40	78.88	3,068.28
<b>Total Financial Liabilities</b>	<b>13,998.98</b>	<b>734.60</b>	<b>14,733.59</b>	<b>9,686.04</b>	<b>344.82</b>	<b>10,030.86</b>
<b>(2) Non-Financial Liabilities</b>						
(b) Provisions	52.63	145.46	198.08	67.68	184.39	252.07
(b) Other non-financial liabilities	166.11	-	166.11	187.41	-	187.41
<b>Total Non-financial liabilities</b>	<b>218.74</b>	<b>145.46</b>	<b>364.19</b>	<b>255.09</b>	<b>184.39</b>	<b>439.48</b>

**53 Acquisition of business of Alpha commodity Private Limited**

In order to further strengthen the business, the LKP Securities Ltd. entered into a Business Transfer Agreement (BTA) on September 26, 2020 with Alpha Commodity Private Limited (Alpha) through which the LKP Securities Ltd acquired commodity business of the Alpha as a going concern on a slump sale basis with effect from September 30th, 2020.

Details of the purchase consideration, the net identifiable assets and goodwill are as follows:

	(Rs. Lakhs)
Particulars	Amount
Total Consideration	318.00
Net Identifiable Assets	-208.72
Excess/(Shortfall) Purchase Price to be Allocated	526.72
<b>Goodwill</b>	<b>526.72</b>



## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

The acquisition date fair values (based on valuation report issued by merchant banker) of the assets taken over and liabilities assumed as a result of the acquisition are as follows:

Particulars	(Rs. Lakhs)
Particulars	Amount
Long-term loans and advances	62.81
Trade receivables	25.25
Cash and bank balances	9.95
Short-term loans and advances	60.12
<b>Identifiable Assets</b>	<b>158.13</b>
Trade payables	291.42
Other current liabilities	75.43
<b>Net Identifiable Assets</b>	<b>-208.72</b>
<i>Stake Acquired</i>	<i>100%</i>
<b>Net Identifiable Assets Transferred</b>	<b>-208.72</b>
<b>Recognition of Goodwill</b>	
Consideration transferred	318.00
(Less): Net Identifiable Assets	-208.72
<b>Goodwill</b>	<b>526.72</b>

Amount and factors for recognition of goodwill

### Factors for recognition of goodwill:

The goodwill primarily reflects the excess earning capacity and synergistic effects with the existing business.

### 54 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

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 : 27 April 2021

Managing Director

Director

Chief Financial Officer

Company Secretary

Pratik Doshi

S.S Gulati

Girish Majrekar

Akshata Vengurlekar

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

To

The Members of  
**LKP Securities Limited**

### 1. Opinion

We have audited the accompanying consolidated financial statements of **LKP Securities Limited** ("the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the balance sheet as at 31 March 2021, 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, and notes to the consolidated financial statements including a summary of the significant accounting policies and other explanatory information (herein after referred to as "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 (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India of the consolidated state of affairs of the group as at 31 March 2021, its consolidated profit, 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 obtained by us and the audit evidence obtained by the other auditor in terms of the report referred to in the Other Matter paragraph below, 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 for the year ended 31 March 2021. 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.

Sr. No	Key Audit Matter	Auditor's Response
1.	<p><b>Accuracy and completeness of revenue recognised and related IT systems</b></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 Group's accounting policies relating to revenue recognition are presented in note 2 to the consolidated financial statements.</p>	<p><b>Principal Audit Procedures</b></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"> <li>- 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).</li> <li>- 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.</li> <li>- Performing data analysis and analytical reviews of significant revenue streams;</li> <li>- Reviewing key reconciliations performed by the Revenue Assurance team of the Group;</li> <li>- Performing specific procedures to test the accuracy and completeness of adjustments relating revenue; and</li> <li>- Performing procedures to ensure that the revenue recognition criteria adopted by the Group for all major revenue streams is appropriate and in line with the accounting policies.</li> </ul> <p><b>Conclusion</b></p> <p>Our procedures did not identify any material exceptions.</p>

### 4. Other Information

The Holding Company's Board of Directors is responsible for 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, 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. Management's Responsibility 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 (including other 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 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 the 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.

#### 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 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 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 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 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 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.

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 Matter

We did not audit the financial statements 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, total comprehensive income of Rs. 5.44 lakhs and total cash inflows of Rs. 27.13 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by the 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 is based solely on the report of the other auditor.

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 report of the other auditor.

#### 8. Report on Other Legal and Regulatory requirements

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;
- 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 flows 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 read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e) On the basis of the written representations received from the directors of the Holding Company as on 31 March, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company none of the Directors is disqualified as on 31 March 2021 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 the requirements of Section 197(16) as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of Section 197 of the Act; and

- 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 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;
  - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.

#### For MGB & Co LLP

Chartered Accountants

Firm Registration Number 101169W/W-100035

#### Sanjay Kothari

Partner

Membership Number 048215

UDIN: 21048215AAAADW7529

Mumbai, 27 April 2021

## 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 8(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 financial statements for the year ended 31 March 2021**

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 (the Holding Company and its subsidiary together referred to as "the Group") as of 31 March 2021 in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 Act.

### Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Group 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. 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 obtained by us and the audit evidence obtained by the other auditor of the subsidiary, incorporated in India, in terms of the report referred to in the Other Matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Group.

### 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 2021, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**Other Matter**

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 solely 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

UDIN: 21048215AAAADW7529

Mumbai, 27 April 2021

## CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2021

(Rs. Lakhs)

	Note	31 March 2021	31 March 2020
<b>ASSETS</b>			
<b>(1) Financial Assets</b>			
(a) Cash and cash equivalents	3(a)	6,110.94	3,012.27
(b) Bank Balance other than (a) above	3(b)	3,622.71	1,863.27
(c) Receivables	4		
Trade receivables		1,849.44	2,351.82
(d) Loans	5	24.19	26.22
(e) Investments	6	365.97	671.74
(f) Other Financial assets	7	4,978.66	4,166.04
<b>Total Financial Assets</b>		<b>16,951.91</b>	<b>12,091.36</b>
<b>(2) Non-Financial Assets</b>			
(a) Current tax assets (net)	8	158.31	315.25
(b) Deferred tax assets (net)	9	356.91	460.01
(c) Property, Plant and Equipment	10(a)	277.72	313.96
(d) Right-of-use assets	10(b)	517.54	94.74
(e) Intangible assets under development	10(c)	9.92	15.30
(f) Goodwill	11(a)	652.31	125.59
(g) Other Intangible Assets	11(b)	70.10	83.34
(h) Other non-financial assets	12	118.91	997.61
<b>Total Non-Financial Assets</b>		<b>2,161.72</b>	<b>2,405.80</b>
<b>(3) Assets held for Sale (Refer Note 52)</b>		439.26	-
<b>TOTAL ASSETS</b>		<b>19,552.89</b>	<b>14,497.16</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>(1) Financial Liabilities</b>			
(a) Payables			
(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		9,074.50	5,077.57
(II) Other payable			
(i) total outstanding dues of micro enterprises and small enterprises		0.43	0.66
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		122.52	114.03
(b) Borrowings	14	1,015.52	1,510.25
(c) Deposits	15	291.51	265.94
(d) Other financial liabilities	16	4,241.93	3,068.28
<b>Total Financial Liabilities</b>		<b>14,746.41</b>	<b>10,036.73</b>
<b>(2) Non-Financial Liabilities</b>			
(a) Provisions	17	198.08	252.07
(b) Other non-financial liabilities	18	169.42	190.40
<b>Total Non-financial liabilities</b>		<b>367.50</b>	<b>442.47</b>
<b>(3) Equity</b>			
(a) Equity Share Capital	19	1,478.69	1,478.69
(b) Other Equity	20	2,960.29	2,539.27
<b>Total Equity</b>		<b>4,438.98</b>	<b>4,017.95</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>19,552.89</b>	<b>14,497.16</b>

Notes forming part of the consolidated financial statements

1-55

In terms of our report attached

For and on behalf of the board

For MGB &amp; Co. LLP

Chartered Accountants

Firm Registration No. 101169W/W-100035

Sanjay Kothari

Partner

Membership No. 048215

Pratik Doshi

Managing Director

S.S Gulati

Director

Place : Mumbai

Date : 27 April 2021

Girish Majrekar

Chief Financial Officer

Akshata Vengurlekar

Company Secretary

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021

(Rs.Lakhs)

	Note	31 March 2021	31 March 2020
<b>Revenue from operations</b>	21		
(i) Interest Income		668.42	734.97
(ii) Fees and Commission Income		7,606.15	6,517.49
(iii) Net gain on fair value changes		140.31	-
(iv) Others		38.02	132.84
<b>Total Revenue from operations</b>		<b>8,452.90</b>	<b>7,385.30</b>
<b>Other Income</b>	22	65.16	54.70
<b>Total Income</b>		<b>8,518.06</b>	<b>7,440.00</b>
<b>Expenses</b>			
(i) Finance Costs	23	118.84	465.79
(ii) Fees and commission Expense	24	2,566.44	2,212.69
(iii) Net loss on fair value changes	25	-	61.10
(iv) Impairment on financial instruments	26	920.46	79.05
(v) Employee benefits expense	27	3,083.78	3,110.20
(vi) Depreciation, amortisation and impairment	28	163.66	115.85
(vii) Other expenses	29	1,103.32	1,172.76
<b>Total Expenses</b>		<b>7,956.50</b>	<b>7,217.44</b>
<b>Profit Before Tax</b>		<b>561.56</b>	<b>222.56</b>
<b>Tax expenses</b>	30		
Current tax-current year		62.36	86.71
- earlier years		(0.84)	(3.74)
Deferred tax including Minimum Alternate Tax (MAT)-current year		84.34	(23.10)
- earlier years		18.58	-
<b>Total tax expenses</b>		<b>164.44</b>	<b>59.87</b>
<b>Profit for the year</b>		<b>397.12</b>	<b>162.69</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
- Remeasurement gains/(losses) on defined benefit plan		0.62	1.04
- Fair value change on equity instruments through other comprehensive income		6.08	(11.79)
- Income tax relating to items that will not be reclassified to profit or loss		(0.17)	(0.29)
<b>Other Comprehensive Income/ (loss ) for the year</b>		<b>6.53</b>	<b>(11.04)</b>
<b>Total comprehensive Income for the year</b>		<b>403.65</b>	<b>151.65</b>
<b>Earning per equity share (face value of Rs. 2 each)</b>	41		
Basic (in Rs.)		0.54	0.22
Diluted (in Rs.)		0.54	0.22

Notes forming part of the consolidated financial statements

1-55

In terms of our report attached

For and on behalf of the board

For MGB &amp; Co. LLP

Chartered Accountants

Firm Registration No. 101169W/W-100035

Sanjay Kothari

Partner

Membership No. 048215

Pratik Doshi

Managing Director

S.S Gulati

Director

Place : Mumbai

Date : 27 April 2021

Girish Majrekar

Chief Financial Officer

Akshata Vengurlekar

Company Secretary



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

		Rs in Lakhs
<b>A.</b>	<b>Equity Share Capital</b>	
	<b>Balance as at 1 April 2019</b>	<b>1,478.69</b>
	Changes in equity share capital during the year	-
	<b>Balance ss at 31 March 2020</b>	<b>1,478.69</b>
	Changes in equity share capital during the year	-
	<b>Balance as at 31 March 2021</b>	<b>1,478.69</b>

**B. Other Equity**

(Rs. Lakhs)

	Reserves and Surplus					Other Comprehensive Income (OCI)	Total other Equity
	Preference Share Redemption Reserves	Share based payment reserve	General Reserve	Retained Earnings	Securities Premium	Equity Instruments	
<b>Balance as at 1 April 2019</b>	<b>1,960.39</b>	<b>160.07</b>	-	<b>304.92</b>	<b>89.54</b>	<b>(129.11)</b>	<b>2,385.80</b>
Profit for the year	-	-	-	162.70	-	-	162.70
Remeasurement of defined benefit plan (net of deferred tax)	-	-	-	0.75	-	-	0.75
<b>Other comprehensive income</b>							
Fair value change on equity instruments through OCI						(11.79)	(11.79)
<b>Total comprehensive income</b>	<b>1960.39</b>	<b>160.07</b>	-	<b>468.38</b>	<b>89.54</b>	<b>(140.90)</b>	<b>2,537.45</b>
Share based payments	-	1.81	-	-	-	-	1.81
<b>Balance as at 31 March 2020</b>	<b>1,960.39</b>	<b>161.88</b>	-	<b>468.37</b>	<b>89.54</b>	<b>(140.90)</b>	<b>2,539.27</b>
Profit for the year	-	-	-	397.12	-	-	397.12
Remeasurement of defined benefit plan (net of deferred tax)	-	-	-	0.46	-	-	0.46
<b>Other comprehensive income</b>							
Fair value change on equity instruments through OCI	-	-	-	-	-	6.08	6.08
<b>Total comprehensive income</b>	<b>1,960.39</b>	<b>161.88</b>	-	<b>865.94</b>	<b>89.54</b>	<b>(134.82)</b>	<b>2,942.93</b>
Share based payments	-	17.35	-	-	-	-	17.35
Transfer from Share based payment reserve to General Reserve		(92.95)	92.95	-	-	-	-
<b>Balance as at 31 March 2021</b>	<b>1,960.39</b>	<b>86.29</b>	<b>92.95</b>	<b>865.94</b>	<b>89.54</b>	<b>(134.82)</b>	<b>2,960.29</b>

Notes forming part of the consolidated financial statements

1-55

- 1) Preference shares redemption reserve is created on cancellation of redeemable preference shares under scheme of demerger.
- 2) Securities premium is created on issue of shares
- 3) Shares Based payment reserve is related to share options granted by the group to its employee under its employee share option plan.
- 4) Retained earnings represent the accumulated earnings net of losses if any made by the group 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

**Pratik Doshi**

Managing Director

**S.S Gulati**

Director

Place : Mumbai

Date : 27 April 2021

**Girish Majrekar**

Chief Financial Officer

**Akshata Vengurlekar**

Company Secretary

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

(Rs. Lakhs)

	31 March 2021	31 March 2020
<b>A. Cash flow from operating activities</b>		
Profit before tax	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 expenses	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 54)	(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
Loans given	(4.80)	(5.59)
Repayment of loans given	6.83	272.41
(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	(82.03)	(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 54)	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>
<b>Notes:</b>		
1. The impact of non-cash transactions have not been given in the above cash flow statement details of which are given in note 52		
2. Previous year figures have been regrouped or recast wherever, considered necessary		
3. The disclosures relating to changes in liabilities arising from financing activities (Refer Note 42)		
4. The above cash flow statements have been prepared under the indirect method set out in Ind-As 7 on 'Statement of cash flows'		
5. component of Cash and Bank Balance		
Cash in Hand	0.57	1.22
Balances with bank - In Current accounts	6,110.37	3,011.05
Other Bank Balances	3,622.71	1,863.27
<b>Total</b>	<b>9,733.65</b>	<b>4,875.54</b>

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

**Pratik Doshi**

Managing Director

**S.S Gulati**

Director

Place : Mumbai

Date : 27 April 2021

**Girish Majrekar**

Chief Financial Officer

**Akshata Vengurlekar**

Company Secretary

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 1 Company information

LKP Securities Limited ("the Company" herein after referred to as the 'Parent company') is domiciled and incorporated in India and its shares are publicly traded on the Bombay Stock Exchange (BSE) in India. The parent company together with its subsidiary (hereinafter collectively referred to as the "Group"). The registered office is located at 203, Embassy centre, Nariman point, Mumbai 400021, Maharashtra, India. 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 consolidated financial statement (hereinafter referred to as "Financial Statements") of the Group for the year ended 31 March 2021 were authorised for issue by the Board of Directors at the meeting held on 27 April 2021.

### 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 Group presents its Balance sheet in the order of Liquidity.

#### 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.

New standards and interpretations

The Group has adopted all of the relevant new, revised, or amended Accounting Standards and interpretations issued by the AASB that are mandatory for the current reporting period.

#### New standards and interpretations

The Group has adopted all of the relevant new, revised, or amended Accounting Standards and interpretations issued by the AASB that are mandatory for the current reporting period.

#### Principles of Consolidation

The consolidated financial statements incorporate in the financial statements of LKP Securities Limited and entities 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
<b>Direct subsidiary</b>		
LKP Wealth Advisory Limited	100% ( 100% )	India

#### (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.

Right to Use Assets ( ROU): The Group as a lessee records an ROU asset for each lease with an original term greater than 12 months. ROU assets are included Office premises , with the corresponding lease liabilities included in financial liabilities. Depreciation on ROU asset is being charged on the basis of Lease term

#### (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. Expenditure incurred on acquisition / development of intangible assets which are not put / ready to use at the reporting date is disclosed under intangible assets under development.

#### (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 represents excess of the cost of acquisition over the net fair value of the identifiable assets and liabilities or recognition at deemed cost on date of transition . No amortisation is charged on the goodwill . Goodwill recognized is tested for impairment annually and when there are indications that the carrying amount may exceed the recoverable amount.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### (g) Leases

The Group's lease asset classes primarily consist of leases for Office premises. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Transition:

Ind AS 116 Lease is applicable for financial reporting periods beginning on or after 1 April 2019 and replaces existing lease accounting guidance, namely Ind AS 17 Leases. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a Right-of-Use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The nature of expenses related to those leases will change as Ind AS 116 replaces the operating lease expense (i.e., rent) with depreciation charge for ROU assets and interest expense on lease liabilities. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

Accordingly, the Group has adopted Ind AS 116 - Leases and applied it to all lease contracts existing on April 01, 2019 using the modified retrospective method. Consequently, the cumulative adjustment has been taken on the date of initial application i.e. April 01, 2019. Based on the same and as permitted under the specific transitional provisions in the standard, the Group is not required to restate the comparative figures. On transition, due to the adoption of the new Ind AS, it resulted in recognition of Right-of-Use asset (ROU) of Rs. 11.32 lakhs and a lease liability of Rs. 11.32 Lakhs. Since the Group has adopted modified retrospective method, no impact would arise in the opening retained earnings.

### (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)

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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.

### 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, 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 Effective Interest Rate (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.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### (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.

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.

- 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.
- 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.
  - Account maintenance charges included in other fees are recognized on time basis over the period of the contract.
  - 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.
  - 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. The Group makes contribution to a scheme administered by the Life Insurance Corporation of India ("LIC") to discharge the gratuity liability to employees. The Group records its gratuity liability based on an actuarial valuation made by an independent actuary as at year end. Contribution made to the LIC fund and provision made for the funded amounts are expensed in the books of accounts.

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 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.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(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.

Deferred tax assets are also recognised with respect to carry forward of unused tax losses and unused tax credits (including Minimum Alternative Tax credit) to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. 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.

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 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.

#### 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 FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 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

Judgement 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 judgments 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 judgment 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 39, 'Employee benefits'.

### g Recent accounting pronouncements

#### Standards issued but not yet effective

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- \* Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- \* Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- \* Specified format for disclosure of shareholding of promoters.
- \* Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- \* If a Group has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- \* Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of Group, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- \* Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the financial statements.

The amendments are extensive and the Group will evaluate the same to give effect to them (as may be applicable) as required by law



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 3(a) Cash and Cash Equivalents

(Rs. Lakhs)

	31 March 2021	31 March 2020
Cash on hand	0.57	1.22
Balances with bank - In Current accounts	6,110.37	3,011.05
<b>Total</b>	<b>6,110.94</b>	<b>3,012.27</b>

## 3(b) Bank Balances other than (a) above

(Rs. Lakhs)

	31 March 2021	31 March 2020
Balances with bank - In Unclaimed dividend	1.52	1.52
Bank deposit having original maturity period of more than three months but less than twelve months*	2,646.19	955.89
Bank deposit having original maturity period of more than twelve months*	975.00	905.87
<b>Total</b>	<b>3,622.71</b>	<b>1,863.27</b>

\*Bank deposit of Rs.2511.25 lakhs (Rs.870 lakhs) are marked as lien for meeting margin requirements and Rs.1020.50 lakhs (Rs.388.50) are provided as security against Overdraft

## 4 Receivables

(Rs. Lakhs)

	31 March 2021	31 March 2020
<b>Trade receivables*</b>		
Considered good - secured	1,328.69	504.24
Considered good - Unsecured	424.31	449.63
Significant increase in credit risk	186.38	1,637.88
Less: Impairment Loss Allowance	(89.94)	(239.92)
Credit Impaired	265.43	229.92
Less: Impairment Loss Allowance	(265.43)	(229.92)
<b>Total</b>	<b>1,849.44</b>	<b>2,351.82</b>

\*Trade receivables are non-interest bearing till settlement date

For related party transactions refer note 40

## 5 Loans (Unsecured)

(Rs. Lakhs)

	31 March 2021	31 March 2020
Loans to employees		
- Considered Good	24.19	26.22
- Credit Impaired	-	11.00
	24.19	37.22
Less: Impairment Loss Allowance	-	(11.00)
<b>Total</b>	<b>24.19</b>	<b>26.22</b>

## 6 Investments

(Rs. Lakhs)

	31 March 2021	31 March 2020
<b>A Investment carried at Fair value through other comprehensive income</b>		
<b>Investment in equity shares -quoted</b>		
<b>Equity shares of face value of Rs 10 each</b>		
8,900 (2020 : 8,900) of Roopa Industries Limited	0.83	0.80
17,440 (2020 : 17,440) of Reliance Power Limited	0.76	0.21
Nil (2020 : 149) of D. S. Kulkarni Developers Limited*	-	-
Nil (2020 : 10,000) of Gold Crest Finance (India) Limited*	-	-
74,500 (2020 : 1,49,000) of Infra Industries Limited*	4.84	-
<b>Equity shares of face value of Rs 5 each</b>		
72 (2020 : 72) of Oil and Natural Gas Corporation Limited*	-	-
<b>Equity shares of face value of Rs 2 each</b>		
5,000 (2020 : 5,000) of TV 18 Broadcast Limited	1.44	0.78
<b>Investment in equity shares -unquoted</b>		
<b>Equity shares of face value of Rs 10 each</b>		
11,200(2020 : 11,200) of Gobind sugar Limited	8.85	8.85
Less: Provision for Impairment	(8.85)	(8.85)
	<b>7.87</b>	<b>1.79</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	31 March 2021	31 March 2020
<b>B Investment carried at Fair value through profit and loss</b>		
<b>i Investment in Mutual Funds</b>		
<b>face value of Rs 1000 each</b>		
1623.742 (2019:1623.742) HDFC Liquid Fund	65.24	63.06
<b>face value of Rs 100 each</b>		
Nil (2020:51) liquidbees of Reliance ETF Gold Bees	-	0.53
0.976 (2020:Nil) liquidbees of NIP ETF	0.01	-
<b>ii Investment in Debt Securities</b>		
<b>Investment in Bonds of face value of Rs 1,000 each</b>		
Nil (2020:50,000), bonds of 10.00% Edelweiss Housing Finance Limited	-	459.97
<b>Investment in Bonds of face value of Rs 10 Lakh each</b>		
Nil (2020: 2)8.57% Central Bank of India 2025	-	20.55
Nil (2020: 1) 8.70% PFC 2020	-	10.66
<b>iii Investment in equity shares (quoted)</b>		
<b>Equity shares of face value of Rs 10 each</b>		
Nil (2020 : 1) of Adani Ports Limited	-	0.00
Nil (2020 : 1) of Chemfab Alkies Limited	-	0.00
Nil (2020 : 1,500) of Divine Multimedia (India) Limited*	-	-
100 (2020 :100 ) of Alacrity Electronics Limited	0.01	-
Nil (2020 : 200) of Gujarat Fiscon Limited*	-	-
Nil (2020: 1) of Healthfore Technologies Limited*	-	-
Nil (2020 :190) of Indo-French Biotech Enterprises Limited*	-	-
Nil (2020 :1,000) of Maars Software International Limited*	-	-
Nil (2020 :5,000) of Manna Glass-Tech Industries Limited*	-	-
Nil (2020 :400) of Mardia Chemical Limited*	-	-
Nil (2020 : 2) of MMS Infrastructure Limited*	-	-
Nil (2020 : 82,300) of Motorola Speciality Oils Limited*	-	-
41(2020 : 41) of Norben Tea & Exports Limited#	0.00	-
Nil (2020:2500) of Ojas Technochem Products Limited*	-	-
Nil (2020: 2,608) of Origin Agrostar Limited*	-	-
Nil (2020: 2,500) of Padmini Technologies Limited*	-	-
658 (2020: 658) of Reliance Industries Limited	13.18	7.77
Nil (2020: 500) of Sanghi Polyesters Limited*	-	-
Nil (2020: 1,000) of SBI Home Finance Limited*	-	-
51 (2020:51) of Simplex Mills Company Limited	0.01	-
1 (2020:1) of Simplex Papers Limited#	0.00	-
Nil (2020:100) of Sriven Multi-Tech Limited*	-	-
Nil (2020:3000) of Supreme Telecom and Network India Limited*	-	-
Nil ( 2020: 415) of Silverline Technologies Limited*	-	-
48,890 (2020 : 48890) of Greycells Education	9.80	18.09
Nil ( 2020: 1200 ) of Agri-Tech India Limited	-	0.23
Nil (2020: 1320 )Nath Bio Genes India Limited	-	1.79
3,480 (2020: 3480 )Techindia Nirman Limited	0.09	0.07
145 (2020: 165 )Vision Cinemas Limited #	0.00	0.00
Nil (2020: 4650 )Manglore Chemicals & Fertilizers Limited	-	1.13
Nil (2020 : 20518)United Brew Holdings Limited*	-	2.05
2,08,403 (2020 : 208403) of Shree Rama Newsprint Limited	34.70	23.63
<b>Equity shares of face value of Rs 5 each</b>		
Nil (2020: 17600 )Hindustan Motors Limited	-	0.54
<b>Equity shares of face value of Rs 2 each</b>		
450 (2020 : 450) of Housing Development Finance Corporation Limited	11.24	7.35
Nil (2020 : 1) of ICICI Bank Limited	-	0.00
5 (2020 : 5) of Dhani Services Limited (formerly Indiabulls Ventures Limited)	0.01	-
Nil (2020: 1) of Larsen & Toubro Limited	-	0.01
100,000 (2020: Nil) of CG Power and Industrial Solutions Limited	66.85	-
<b>Equity shares of face value of Re 1 each</b>		
Nil (2020: 1) of ITC Limited	-	0.00
Nil (2020 : 2500) of Interface Financial Services Limited*	-	-
Nil (2020: 10) of JSW Steel Limited	-	0.01
Nil (2020 : 16,920) of MOH Limited*	-	-
Nil (2020: 1) of Motherson Sumi Limited	-	0.00
2,35,610 (2020 : 2,35,610) of Vakrangee Limited	132.06	46.65
8,250 (2020: 8,250) Tata Motors Limited	24.90	5.86
	<b>358.10</b>	<b>669.95</b>
	<b>365.97</b>	<b>671.74</b>
<b>Total Investments ( A+B)</b>		
<b>* The Company has written off the investments during the year where company's shares were either suspended or not available .</b>		
<b># "0" (Zero) denotes amounts less than thousand</b>		
<b>Total Investments</b>	<b>365.97</b>	<b>671.74</b>
Aggregate book value of quoted investments	<b>365.97</b>	<b>671.74</b>
Aggregate book value of unquoted investments	<b>8.85</b>	<b>8.85</b>
Aggregate market value of quoted investments	<b>365.97</b>	<b>671.74</b>
Provision for impairment	<b>8.85</b>	<b>8.85</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 7 Other Financial Assets

(Rs. Lakhs)

	31 March 2021	31 March 2020
Deposits- (unsecured and considered good)		
- related parties	300.00	300.00
- others	275.04	244.86
Balance with exchange and clearing members	4,382.71	3,557.58
Other Advances - unsecured	20.91	24.76
Interest accrued and due	-	38.85
<b>Total</b>	<b>4,978.66</b>	<b>4,166.04</b>

## 8 Current Tax assets (net)

(Rs. Lakhs)

	31 March 2021	31 March 2020
<b>Balance with Government Authorities</b>		
Advance Direct Tax (Net of Provisions)	158.31	315.25
<b>Total</b>	<b>158.31</b>	<b>315.25</b>

## 9 Deferred tax assets (net)

(Rs. Lakhs)

	31 March 2021	31 March 2020
<b>Deferred tax assets/ (liabilities)</b>		
Property Plant and equipment	27.43	28.48
Employee retirement benefits	55.11	70.13
Allowances for credit losses	98.87	133.77
Fare valuation of Financial Instruments	(37.17)	2.56
Others	(1.86)	-
MAT Credit Entitlement	214.54	225.08
<b>Total</b>	<b>356.91</b>	<b>460.01</b>

## 10(a) Property, Plant and Equipments

(Rs. Lakhs)

Description of Assets	Furniture and Fixtures	Vehicles	Office Equipment	Leasehold Improvement	Computers	Electrical Fittings	Total
<b>I. Gross Block</b>							
At cost as at 1 April 2019	77.44	220.06	109.65	89.53	118.31	2.13	617.11
Additions	0.22	-	2.92	-	9.47	-	12.61
Disposals/Adjustment/Deductions	-	-	0.30	-	-	-	0.30
<b>At cost as at 31 March 2020</b>	<b>77.66</b>	<b>220.06</b>	<b>112.27</b>	<b>89.53</b>	<b>127.78</b>	<b>2.13</b>	<b>629.43</b>
Additions	0.59	-	4.46	25.74	13.48	-	44.27
Disposals/Adjustment/Deductions	-	-	5.49	89.53	0.16	-	95.18
<b>At cost as at 31 March 2021</b>	<b>78.25</b>	<b>220.06</b>	<b>111.25</b>	<b>25.74</b>	<b>141.10</b>	<b>2.13</b>	<b>578.50</b>
<b>II. Accumulated Depreciation</b>							
Balance as at 1 April, 2019	30.85	42.78	45.18	47.98	74.41	1.05	242.24
Additions during the year	7.21	26.84	11.84	13.47	13.96	0.19	73.51
Disposals/Adjustment/Deductions	-	-	0.28	-	-	-	0.28
<b>Balance as at 31 March, 2020</b>	<b>38.06</b>	<b>69.62</b>	<b>56.74</b>	<b>61.45</b>	<b>88.37</b>	<b>1.24</b>	<b>315.48</b>
Additions during the year	5.26	25.04	8.26	11.69	12.25	0.04	62.53
Disposals/Adjustment/Deductions	-	-	5.00	72.06	0.15	-	77.21
<b>Balance as at 31 March, 2021</b>	<b>43.32</b>	<b>94.66</b>	<b>59.99</b>	<b>1.08</b>	<b>100.47</b>	<b>1.28</b>	<b>300.79</b>
<b>Net block</b>							
As at 31 March 2021	34.93	125.40	51.26	24.66	40.63	0.85	277.72
As at 31 March 2020	39.60	150.44	55.54	28.08	39.41	0.89	313.96

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 10(b) Right of use assets (ROU)

(Rs. Lakhs)

Description of Assets	Office Premises
<b>I. Gross Block</b>	
<b>At cost as at 1 April 2019</b>	-
Additions (refer note 32)	110.73
Disposals/Adjustment/Deductions	-
<b>Balance as at 31 March 2020</b>	<b>110.73</b>
Additions (refer note 32)	490.24
Disposals/Adjustment/Deductions	-
<b>Balance as at 31 March 2021</b>	<b>600.97</b>
<b>II. Accumulated Depreciation</b>	
<b>Balance as at 1 April , 2019</b>	-
Additions during the year	15.99
Disposals/Adjustment/Deductions	-
<b>Balance as at 31 March 2020</b>	<b>15.99</b>
Additions during the year	67.44
Disposals/Adjustment/Deductions	-
<b>Balance as at 31 March, 2021</b>	<b>83.44</b>
<b>Net block</b>	
As at 31 March 2021	<b>517.54</b>
As at 31 March 2020	94.74

## 10(c) Intangible assets under development

(Rs. Lakhs)

Description of Assets	
<b>As on 1 April 2019</b>	8.00
Additions	7.30
Disposals/Adjustment/Deductions	-
<b>Balance as at 31 March 2020</b>	<b>15.30</b>
Additions	9.92
Disposals/Adjustment/Deductions	15.30
<b>Balance as at 31 March 2021</b>	<b>9.92</b>
As at 31 March 2021	<b>9.92</b>
As at 31 March 2020	15.30

## 11(a) Goodwil

(Rs. Lakhs)

Description of Assets	Goodwill
<b>At cost at 1 April 2019</b>	<b>125.59</b>
Additions	-
Disposals	-
<b>At cost at 31 March 2020</b>	<b>125.59</b>
Additions arising on acquisition (Refer note 54)	526.72
Disposals	-
<b>At cost as at 31 March 2021</b>	<b>652.31</b>
As at 31 March 2021	652.31
As at 31 March 2020	125.59

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 11(b) Other Intangible Assets

(Rs. Lakhs)

Description of Assets	Computer Software
<b>I. Gross Block</b>	
<b>At cost at 1 April 2019</b>	<b>131.55</b>
Additions	25.72
Disposals	-
<b>At cost at 31 March 2020</b>	<b>157.27</b>
Additions	20.45
Disposals	-
<b>At cost as at 31 March 2021</b>	<b>177.72</b>
<b>II. Accumulated Amortization</b>	
<b>Balance as on 1 April 2019</b>	<b>47.58</b>
Amortization charged for the year	26.35
Disposals	-
<b>Balance as on 31 March 2020</b>	<b>73.93</b>
Amortization charged for the year	33.69
Disposals	-
<b>Balance as at 31 March, 2021</b>	<b>107.62</b>
<b>Net book value</b>	
As at 31 March 2021	70.10
As at 31 March 2020	83.34

## 12 Other Non-Financial Assets

(Rs. Lakhs)

	31 March 2021	31 March 2020
<b>Others Assets</b>		
Prepaid expenses	48.00	49.94
Other Advances		
- Considered Good*	10.05	929.84
- Credit Impaired	-	79.00
	10.05	1,008.84
Less : Impairment allowance	-	(79.00)
	10.05	929.84
Balance with Government authorities		
- Advance indirect taxes	60.86	17.83
<b>Total</b>	<b>118.91</b>	<b>997.61</b>

\*Other Advances includes Rs. Nil ( Rs.924.10/- Lakhs) due from Related Party.

## 13 Financial Liabilities

(Rs. Lakhs)

Payables	31 March 2021	31 March 2020
<b>I) Trade Payables (refer note 36)</b>		
i) total outstanding dues of micro enterprises and small enterprises	-	-
ii) total outstanding dues of creditors other than micro enterprises and small enterprises*	9,074.50	5,077.57
<b>Total</b>	<b>9,074.50</b>	<b>5,077.57</b>
<b>II) Other Payables (refer note 36)</b>		
i) total outstanding dues of micro enterprises and small enterprises	0.43	0.66
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	122.52	114.03
<b>Total</b>	<b>122.95</b>	<b>114.69</b>

Trade payables and other payables are non-interest bearing and are normally settled as per payment terms mentioned in the contract. For transactions relating to related party payables refer note 40.

\*Margin money shown separately in other financial liabilities

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 14 Borrowings: (Rs. Lakhs)

	31 March 2021	31 March 2020
At amortised cost		
<b>Loans repayable on demand - Secured</b>		
From Banks	1,015.52	1,510.25
<b>Total</b>	<b>1,015.52</b>	<b>1,510.25</b>

Secured by hypothecation of receivables of T+3 days with 50% margin and first pari passu charge on book debts of the Company both present and future. The loan is repayable on demand and carries interest @ 11.90%

## 15 Deposits (Rs. Lakhs)

	31 March 2021	31 March 2020
Security Deposits from Sub Brokers	291.51	265.94
<b>Total</b>	<b>291.51</b>	<b>265.94</b>

## 16 Other Financial Liabilities (Rs. Lakhs)

	31 March 2021	31 March 2020
Margin money	3,716.17	2,962.78
Lease Liability	524.24	95.81
Interest accrued and due	-	8.17
Unclaimed dividend (Refer note 44)	1.52	1.52
<b>Total</b>	<b>4,241.93</b>	<b>3,068.28</b>

## 17 Provisions (Rs. Lakhs)

	31 March 2021	31 March 2020
Provision for Employee Benefits		
Gratuity	198.08	252.07
<b>Total</b>	<b>198.08</b>	<b>252.07</b>

## 18 Other Non-Financial Liabilities (Rs. Lakhs)

	31 March 2021	31 March 2020
Statutory dues payable	169.42	180.07
Income received in Advance	-	10.34
<b>Total</b>	<b>169.42</b>	<b>190.40</b>

## 19 Equity Share Capital (Rs. Lakhs)

	31 March 2021	31 March 2020
<b>Authorised</b>		
125,000,000 (2020: 125,000,000) Equity shares of Rs.2/- each	2,500.00	2,500.00
10,000,000( 2020: 10,000,000) Unclassified shares of Rs 10/- each	1,000.00	1,000.00
	<b>3,500.00</b>	<b>3,500.00</b>
<b>Issued, subscribed and fully paid up</b>		
73,934,736 (2020: 73,934,736) Equity shares of Rs.2/- each	1,478.69	1,478.69

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

	31 March 2021		31 March 2020	
	Number of Equity shares	Rs.	Number of Equity shares	Rs.
At the beginning of the year	73,934,736	1,478.69	73,934,736	1,478.69
Add: Share issued during the year	-	-	-	-
Outstanding at the end of the year	<b>73,934,736</b>	<b>1,478.69</b>	<b>73,934,736</b>	<b>1,478.69</b>

## 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.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 2021		31 March 2020	
	No. of shares	% Holding	No. of shares	% Holding
Mr Mahendra V Doshi	9,161,700	12.39%	9,161,700	12.39%
Mr Mahendra V Doshi- Partner in M/s L K Panday	13,167,854	17.81%	13,089,354	17.70%
Sea Glimpse Investments Private Limited	15,940,090	21.56%	15,940,090	21.56%
Bhavana Holdings Private Limited	8,722,030	11.80%	8,722,030	11.80%
Agrud Capital PTE Limited	4,364,934	5.90%	4,364,934	5.90%
	<b>51,356,608</b>	<b>69.46%</b>	<b>51,278,108</b>	<b>69.35%</b>

e) **Employees Stock Option Scheme (ESOP)**

The Parent Company had instituted an Employee Stock Option Plan ("ESOP - 2017 or "the Scheme") as approved by Board of Directors and Shareholders of the Parent Company. Under the scheme, 38,85,000 Stock Options were granted (Phase I: 37,00,000 & Phase II: 1,85,000) 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 dates. The options vested would be exercisable at any time within a period of one year from the date of vesting and the equity shares arising on exercise of options shall not be subject to any lock in. There are 9,33,980 Options under Phase I and 60,000 Options under Phase II outstanding as at March 31, 2021.

Further the Members of the Parent Company had verified modified and amended ESOP – 2017 by way of postal ballot dated October 16, 2020, the result of which was declared on November 27, 2020, subsequently the Parent Company has granted 4,67,000 options to its employees under the modified LKPS ESOP – 2017 from the lapsed options at a price of Rs. 7/- per option. As per the grant, 50% of the option shall vest after the expiry of 12 months and 50% of the option shall vest after the expiry of 24 months from the original date of grant. The options vested would be exercisable at any time within a period of three year from the date of vesting and the equity shares arising on exercise of options shall not be subject to any lock in. There are 4,67,000 Options outstanding as at March 31, 2021 under Phase III. ESOP – 2017 is administered by the Nomination and Remuneration Committee of the Board.

f) **Summary of Options granted under the scheme**

	31-Mar-21		31-Mar-20
	Phase I & II	Phase III	Phase I & II
Options outstanding at the beginning of the year	2,186,960	-	2,596,200
Option issued during the year	-	467,000	185,000
Options lapsed during the year	1,192,980	-	594,240
<b>Option outstanding at the end of the year</b>	<b>993,980</b>	<b>467,000</b>	<b>2,186,960</b>

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 2021	31 March 2020
29 September 2017	28 September 2021	7.00	933,980	2,001,960
2 May 2019	1 May 2023	7.00	60,000	185,000
3 February 2021	2 February 2024	7.00	467,000	-

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 III	Grant II	Grant I
Grant date	3 February 2021	2 May 2019	29 September 2017
Weighted average fair value of options granted (Rs.)	2.90	5.76	8.21
Exercise price (Rs.)	7.00	7.00	7.00
Expected volatility	65.60%	62.15%	54.20%
Risk free interest rate	6.45%	6.90%	6.31%
Dividend yield	0.00%	0.00%	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.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## i) Expense arising from share based payment transactions (Rs. Lakhs)

	31 March 2021	31 March 2020
Carrying amount at the start of the period of Share Option Outstanding Account	161.88	160.07
Expense arising from employee share based payment plans	17.35	1.81
Amount transferred to general reserve on account of ESOP lapsed during the year	(92.95)	-
Total carrying amount at the end of the period of Share Option outstanding account	86.28	161.88

## 20 Other Equity (Rs. Lakhs)

	31 March 2021	31 March 2020
<b>Preference shares redemption Reserve</b>		
As per Last Balance Sheet	1,960.39	1,960.39
	<b>1,960.39</b>	<b>1,960.39</b>
<b>Securities Premium</b>		
As per Last Balance Sheet	89.54	89.54
	<b>89.54</b>	<b>89.54</b>
<b>General Reserve</b>		
As per Last Balance Sheet	-	-
Add : Transfer from Share Based Payment reserve	92.95	-
	<b>92.95</b>	-
<b>Shares Based Payment Reserve</b>		
As per Last Balance Sheet	161.88	160.07
Add : Share based payments	17.35	1.81
Less : Transfer to general reserve	(92.95)	-
	<b>86.29</b>	<b>161.88</b>
<b>Retained Earnings</b>		
Balance as per the last financial statements	465.26	301.81
Profit for the year	397.12	162.69
Remeasurement of Defined benefit plan	0.62	1.04
Income tax impact thereon	(0.17)	(0.29)
	<b>862.83</b>	<b>465.26</b>
<b>Other Comprehensive income - fair value on equity instruments</b>		
As per last balance sheet	(137.79)	(126.00)
Gain on fair value of financial asset through other comprehensive income	6.08	(11.79)
	<b>(131.71)</b>	<b>(137.79)</b>
<b>Total Other Equity</b>	<b>2,960.29</b>	<b>2,539.27</b>

## 21 Revenue from Operations (Rs. Lakhs)

	31 March 2021	31 March 2020
<b>(i) Interest Income</b>		
Interest - Loans	0.70	22.37
- deposits with banks	206.14	200.57
- others (including broking activities)	461.58	512.03
	-	-
<b>Total</b>	<b>668.42</b>	<b>734.97</b>
<b>(ii) Fees and Commission Income</b>		
Brokerage Income	7,312.42	6,204.92
Other fees	293.73	312.57
<b>Total</b>	<b>7,606.15</b>	<b>6,517.49</b>
<b>(iii) Net gain on fair value changes</b>		
Net gain on financial instruments at fair value through profit or loss	140.31	-
<b>Total</b>	<b>140.31</b>	-
<b>(iv) Others</b>		
Net gain on sale of securities	38.02	132.84
<b>Total</b>	<b>38.02</b>	<b>132.84</b>



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

22 Other Income		(Rs. Lakhs)	
	31 March 2021	31 March 2020	
Unwinding of discounting of deposits	1.55	-	
Other non operating income	63.27	54.57	
Balance written back (Net)	0.34	-	
Profit on sale/discard of Property plant and Equipment (Net)	-	0.14	
<b>Total</b>	<b>65.16</b>	<b>54.70</b>	
23 Finance Costs		(Rs. Lakhs)	
Expenses	31 March 2021	31 March 2020	
Interest on borrowings	53.32	348.72	
on retirement benefits	13.38	11.87	
on leased liability	38.94	5.34	
others	3.18	1.03	
Other financial charges	10.02	98.83	
<b>Total</b>	<b>118.84</b>	<b>465.79</b>	
24 Fees and commission expense		(Rs. Lakhs)	
Expenses	31 March 2021	31 March 2020	
Commission and sub-brokerage	2,566.44	2,212.69	
<b>Total</b>	<b>2,566.44</b>	<b>2,212.69</b>	
25 Net loss on fair value changes		(Rs. Lakhs)	
Expenses	31 March 2021	31 March 2020	
Net loss on financial instruments at fair value through profit or loss	-	61.10	
<b>Total</b>	<b>-</b>	<b>61.10</b>	
26 Impairment on financial instruments		(Rs. Lakhs)	
Expenses	31 March 2021	31 March 2020	
<b>At amortised cost</b>			
Impairment allowances/(reversal) on trade receivables (Net)	(114.47)	53.85	
Bad debts written off (refer note 52)	1,034.92	25.19	
<b>Total</b>	<b>920.46</b>	<b>79.05</b>	
27 Employee benefits expense		(Rs. Lakhs)	
Expenses	31 March 2021	31 March 2020	
Salaries and allowances	2,899.29	2,884.29	
Contribution to provident and other funds	96.58	106.61	
Share based expenses	17.35	1.81	
Staff welfare expenses	12.65	37.88	
Gratuity expense	57.92	79.60	
<b>Total</b>	<b>3,083.78</b>	<b>3,110.20</b>	
28 Depreciation and amortisation		(Rs. Lakhs)	
Expenses	31 March 2021	31 March 2020	
Depreciation on property, plant and equipments	62.53	73.51	
Depreciation on Right of use assets	67.44	15.99	
Amortization of intangible assets	33.69	26.35	
<b>Total</b>	<b>163.66</b>	<b>115.85</b>	

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 29 Other expenses

(Rs. Lakhs)

Expenses	31 March 2021	31 March 2020
Rent	126.65	249.88
Rates and taxes	30.64	4.43
Repairs and maintenance	29.82	44.92
Electricity expenses	27.46	43.02
Communication expenses	117.43	127.48
Travelling and Conveyance expenses	28.26	68.87
Printing and stationery	11.86	21.69
Computer and Software usage Charges	216.35	162.70
Legal and professional charges	189.74	182.37
Directors sitting fees	3.35	1.40
Subscription and Membership fees	32.22	30.94
Payments to auditors (refer note 35)	11.03	11.08
Loss on sale/discard of Property plant and Equipment (Net)	17.05	-
Business Promotion and Marketing expenses	99.29	88.57
Stock Exchange, Clearing and Depository expenses	130.05	61.76
Miscellaneous expenses	32.14	73.65
<b>Total</b>	<b>1,103.32</b>	<b>1,172.76</b>

For transactions relating to related party refer note 40

## 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 2021	31 March 2020
<b>Current tax</b>		
Current tax on profits for the year - current year	62.36	86.71
- earlier year	(0.84)	(3.74)
<b>Deferred tax (Credit) / Charge</b>		
Relating to origination and reversal of temporary differences	92.39	(23.10)
MAT Credit entitlement- current year	(8.05)	-
MAT Credit entitlement- earlier years	18.58	-
<b>Total</b>	<b>164.44</b>	<b>59.87</b>
<b>Effective tax rate #</b>	<b>29.28%</b>	<b>26.90%</b>

# A reconciliation of income tax expense applicable to profit before income tax at statutory rate to the income tax expense at Groups's effective income tax rate for the year ended 31 March 2021

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

	31 March 2021	31 March 2020
Deferred tax on remeasurement (gains)/losses on defined benefit plan	(0.17)	(0.29)
<b>Deferred tax charged to OCI</b>	<b>(0.17)</b>	<b>(0.29)</b>

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

(Rs. Lakhs)

	31 March 2021	31 March 2020
<b>Accounting Profit/(Loss) before tax</b>	<b>561.56</b>	<b>222.56</b>
Income tax expense calculated at corporate tax rate	156.23	61.92
Tax effect on non-deductible expenses	(5.81)	4.80
Other permanent difference	4.32	(3.10)
Earlier year tax	(0.84)	(3.74)
MAT Credit adjustment (current + earlier year)	10.54	-
<b>Tax expense recognized in the statement of profit and loss</b>	<b>164.44</b>	<b>59.87</b>

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 2021.

Deferred tax assets and liabilities are offset where the Group 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 Group does not have any temporary differences in respect of unutilized tax losses as at 31 March 2021.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## (c) Deferred tax relates to the following: (Rs. Lakhs)

Reconciliation of deferred tax assets / (liabilities) net:	31 March 2021	31 March 2020
Opening balance	460.01	475.96
Deferred tax (charge)/credit recognised in		
- Statement of profit and loss	(92.39)	23.10
- Recognised in other comprehensive income	(0.17)	(0.29)
MAT Credit availed	(10.54)	(38.76)
<b>Total</b>	<b>356.91</b>	<b>460.01</b>

## Deferred tax recognized in statement of profit or loss (Rs. Lakhs)

For the year ended	31 March 2021	31 March 2020
Property Plant and equipment	1.04	7.49
Employee retirement benefits obligation	14.85	(14.26)
Allowance for credit losses	34.90	(15.64)
Fair valuation of Financial Instruments	39.73	(0.69)
Others	1.86	-
<b>Total</b>	<b>92.39</b>	<b>(23.10)</b>

## Deferred tax recognized in statement of Other Comprehensive Income (Rs. Lakhs)

For the year ended	31 March 2021	31 March 2020
Employee retirement benefits obligation	(0.17)	(0.29)
<b>Total</b>	<b>(0.17)</b>	<b>(0.29)</b>

## 31 Leases

For short-term leases (lease term of 12 months or less) and leases of low-value assets, the Group has opted to recognise a lease expense on a straight-line basis as permitted by Ind AS 116. This expense is presented within 'other expenses' in Consolidated profit or loss statement

## 32 Disclosure under IND AS 116

## Right of Use Asset- office premises

- a) ROU asset' comprises leased assets of office/branch premises that do not meet the definition of investment property.

	31 March 2021	31 March 2020
Opening Balance	94.74	0
Assets created on transition date	0	11.32
Additions during the year	490.24	99.41
Depreciation	67.44	15.99
Closing Balance	517.54	94.74

The aggregate depreciation expense on right-of-use asset is included under depreciation and amortisation expense in the Statement of Profit and Loss.

## b) The following is the break-up of current and non-current lease liabilities (Rs. Lakhs)

	31 March 2021	31 March 2020
Current	82.66	16.93
Non Current Lease Liabilities	441.57	78.88
<b>Total</b>	<b>524.24</b>	<b>95.81</b>

## c) The following is the movement in lease liabilities (Rs. Lakhs)

	31 March 2021	31 March 2020
Opening Balance	95.81	0.00
Additions	471.53	110.73
Finance Cost incurred during the period	38.94	5.34
Payment of lease liabilities	82.03	20.27
<b>Closing Balance</b>	<b>524.24</b>	<b>95.81</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## d) Lease liabilities Maturity Analysis

(Rs. Lakhs)

	31 March 2021
<b>Maturity analysis - contractual undiscounted cash flows</b>	
Less than one year	139.74
One to five years	500.56
More than five years	-
<b>Total undiscounted lease liabilities at 31 March 2021</b>	<b>640.30</b>

e) Lease rentals of Rs. 126.65 lakhs (2020- Rs.249.88 Lakhs) pertaining to short term leases and low value asset has been charged to statement of profit and loss

## 33 (i) Contingent Liabilities

(Rs. Lakhs)

	31 March 2021	31 March 2020
a) Bank Guarantee	-	960.00
b) Disputed Direct Taxes	6.82	6.82
c) Legal cases against the Group#	126.51	126.51

# 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 Group has filed various cases for recovery of dues and suits are pending in various courts. The group has engaged advocates to protect the interest of the Group 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. Nil (2020 : 3.20 lakhs)

## 34 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 Group conducts its business only in one Geographical Segment, viz., India.

## 35 Payment to Auditors

(Rs. Lakhs)

	31 March 2021	31 March 2020
Parent Company		
Audit fees	10.00	10.00
Subsidiary Company		
Audit fees	0.83	0.88
Tax Audit & Other matters	0.20	0.20
<b>Total</b>	<b>11.03</b>	<b>11.08</b>

## 36 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.

(Rs. Lakhs)

	31 March 2021	31 March 2020
Principal amount remaining unpaid to any supplier as at the year end	0.43	0.66
Interest due thereon	-	-
Amount of interest paid by the Group 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.	-	-

The Group has compiled the relevant information from its suppliers about their coverage under the Mico, Small and Medium Enterprises Development Act, 2006 (MSMED Act).

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 37 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 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

(Rs. Lakhs)

	31 March 2021	31 March 2020
Variable rate borrowings	1,015.52	1,510.25

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:

	Increase / decrease in basis points	Effect on Profit before tax
As on 31 March 2021	+ 50 / - 50	5.08
As on 31 March 2020	+ 50 / - 50	7.55

(Rs. Lakhs)

#### 2) Foreign currency risk:

The Group enters into transactions in currency other than its functional currency and is therefore exposed to foreign currency risk. The Group analyses currency risk as to which balances outstanding in currency other than the functional currency of that Group. The management has taken a position not to hedge this currency risk.

The Group undertakes transactions denominated in foreign currencies, consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are not hedged considering the insignificant impact and period involved on such exposure.

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.

	31 March 2021	31 March 2020
<b>Trade Receivables</b>		
More than Six months	639.91	2,041.85
Others	1,564.91	779.80
<b>Total</b>	<b>2,204.81</b>	<b>2,821.66</b>

(Rs. Lakhs)

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. Lakhs)

	31 March 2021	31 March 2020
Movement in allowance for credit loss during the year was as follows :		
Opening Balance	(469.84)	(415.99)
Add :- Provided during the year	(67.01)	(201.21)
Less :- Reversal during the year	181.48	147.36
Balance as at 31 March	(355.37)	(469.84)
<b>Net Trade receivable</b>	<b>1,849.44</b>	<b>2,351.82</b>

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 2021			Total
		Less than 1 year	2-5 years	More than 5 years	
<b>Financial Liabilities :</b>					
Borrowings	1,015.52	1,015.52	-	-	1,015.52
Deposits *	291.51	-	-	291.51	291.51
Trade payables	9,074.50	9,074.50	-	-	9,074.50
Other payables	122.95	122.95	-	-	122.95
Other financial liabilities	4,241.93	3,798.83	441.57	-	4,240.40
	14,746.41	14,011.79	441.57	291.51	14,744.88

	Carrying Amount	31 March 2020			Total
		Less than 1 year	2-5 years	More than 5 years	
<b>Financial Liabilities :</b>					
Borrowings	1,510.25	1,510.25	-	-	1,510.25
Deposits *	265.94	-	-	265.94	265.94
Trade payables	5,077.57	5,077.57	-	-	5,077.57
Other payables	114.69	114.69	-	-	114.69
Other financial liabilities	3,068.28	2,989.40	78.88	-	3,068.28
	10,036.73	9,691.91	78.88	265.94	10,036.73

\* 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 2021	As at 31 March 2020
Gross debt	14,746.41	10,036.73
Less: Cash and bank balances	9,733.65	4,875.54
<b>Net debt</b>	<b>5,012.76</b>	<b>5,161.18</b>
Total equity	4,438.98	4,017.95
<b>Total capital</b>	<b>9,451.74</b>	<b>9,179.13</b>
<b>Gearing ratio</b>	<b>53.04%</b>	<b>56.23%</b>

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 31 March 2020.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## iii) Categories of financial instruments and fair value thereof

(Rs. Lakhs)

	31 March 2021		31 March 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>A) Financial Assets (other than investment in subsidiaries at cost):</b>				
<b>i) Measured at amortised cost</b>				
Cash and cash equivalents	6,110.94	6,110.94	3,012.27	3,012.27
Bank Balances other than cash & cash equivalents	3,622.71	3,622.71	1,863.27	1,863.27
Trade receivables	1,849.44	1,849.44	2,351.82	2,351.82
Loans	24.19	24.19	26.22	26.22
Other Financial assets	4,978.66	4,978.66	4,166.04	4,166.04
<b>ii) Measured at Fair value through other comprehensive income</b>				
Investments	7.87	7.87	1.79	1.79
<b>iii) Measured at Fair value through profit and loss account</b>				
Investments	358.10	358.10	669.95	669.95
<b>B) Financial liabilities</b>				
<b>i) Measured at amortised cost</b>				
Borrowings	1,015.52	1,015.52	1,510.25	1,510.25
Trade payables	9,074.50	9,074.50	5,077.57	5,077.57
Other Financial Liabilities	4,656.39	4,656.39	3,448.91	3,448.91

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.

## 38 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 2020

(Rs. Lakhs)

Financial Assets	Assets as at		Fair Value Hierarchy	Valuation technique(s) & key inputs used
	31 March 2021	31 March 2020		
Investments in equity shares- Non-current Investments	7.87	1.79	Level 1	Quoted in an active market
Investments in equity shares- Current Investments	292.85	115.19	Level 1	Quoted in an active market
Investments in equity shares- Non-current Investments	-	-	Level 3	Unobservable inputs
Investments in Mutual Fund- Current Investments	65.25	63.59	Level 1	Quoted in an active market
Investments in Bonds- Current Investments	-	491.17	Level 2	Inputs other than quoted prices
	<b>365.97</b>	<b>671.74</b>		

Financial assets not measured at fair value includes cash and cash equivalents, trade receivables, loans and other financial assets. These are financial assets whose carrying amounts approximate fair value, due to their short-term nature

Additionally, financial liabilities such as trade payables and other financial liabilities are not measured at FVTPL, whose carrying amounts approximate fair value, because of their short-term nature.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## Reconciliation of Level 3 category of financial assets

(Rs. Lakhs)

	31 March 2021	31 March 2020
<b>Opening Balance</b>	-	8.85
Fund Invested	-	-
Net Gain/ ( loss) recognised	-	-8.85
<b>Closing Balances</b>	-	-

## 39 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 2021	31 March 2020
Current service cost	57.92	61.28
Interest cost (net)	13.38	11.87
<b>Net expenses</b>	<b>71.30</b>	<b>73.15</b>

## II Expenses recognised during the year in other comprehensive income (OCI)

(Rs. Lakhs)

	31 March 2021	31 March 2020
Actuarial (gains)/ losses arising from changes in demographic assumptions	5.85	9.98
Actuarial (gains)/ losses arising from changes in financial assumptions	42.96	(9.35)
Actuarial (gains)/ losses arising from changes in experience assumptions	(49.43)	(1.68)
<b>Recognised during the year</b>	<b>(0.62)</b>	<b>(1.04)</b>

## III Net liability recognised in the balance sheet

(Rs. Lakhs)

	31 March 2021	31 March 2020
Fair value of plan assets	(367.68)	(246.80)
Present value of obligation	565.76	498.87
<b>Liability recognized in balance sheet</b>	<b>198.08</b>	<b>252.07</b>

## IV Reconciliation of opening and closing balances of defined benefit obligation

(Rs. Lakhs)

	31 March 2021	31 March 2020
Defined benefit obligation as at the beginning of the year	498.87	416.14
Current Service Costs	57.92	61.28
Interest Costs	28.80	25.67
Actuarial (gain)/ loss on obligation	(0.62)	(1.04)
Benefits paid	(19.21)	(3.17)
<b>Defined benefit obligation at the end of the year</b>	<b>565.76</b>	<b>498.87</b>

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

(Rs. Lakhs)

	31 March 2021	31 March 2020
Fair value of plan assets at the beginning of the year	246.80	214.28
Interest income	15.43	13.80
Contributions paid	105.45	21.89
Benefits paid	-	(3.17)
<b>Fair value of plan assets at year end</b>	<b>367.68</b>	<b>246.80</b>

## VI Actuarial Assumptions

(Rs. Lakhs)

	31 March 2021	31 March 2020
Discount rate (Per annum)	6.03%	6.25%
Rate of escalation in salary (per annum)	10.00%	7.00%
Attrition rate	<b>PS : 0 to 42 : 36% &amp; 10%</b>	<b>PS : 0 to 42 : 36% &amp; 16.67%</b>
Mortality Table	Indian Assured Lives mortality (2012-14)Ultimate	Indian Assured Lives mortality (2012-14)Ultimate



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## VII Quantitative Sensitivity Analysis

(Rs. Lakhs)

	31 March 2021	31 March 2020
<b>Projected benefit obligation on current assumptions</b>		
Increase by 1% in Discount rate	545.64	484.54
Decrease by 1% in Discount rate	587.29	513.95
Increase by 1% in Rate of salary increase	579.19	510.97
Decrease by 1% in Rate of salary increase	553.87	488.77

## 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 2021	31 March 2020
1st Following Year	154.78	138.06
2nd Following Year	103.77	120.43
3rd Following Year	79.33	79.85
4th Following Year	65.89	59.18
5th Following Year	52.70	47.30
Sum of years 6 to 10	165.72	127.48

## 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.

## 40 Related party transactions

Key Management Personnel	Nature of relationship
Pratik Doshi	Managing Director
Girish Majrekar	Chief Financial Officer
Akshata Vengurlekar	Company Secretary

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

LKP Finance Limited

Bhavna Holdings Private Limited

Bond Street Capital Private Limited (Formerly known as Gayatri Cements and Chemicals Private Limited)

MKM Share &amp; Stock Brokers Limited

Peak Plastonics Private Limited

Sea Glimpse Investments Private Limited

Alpha Commodity Private Limited

M/s L K Panday

M/s Agrud Partners

## Transactions with Related parties:

(Rs. Lakhs)

	31 March 2021	31 March 2020
<b>Remuneration to Key Management Personnel</b>		
Mr.Pratik Doshi	66.13	66.14
Girish Majrekar	15.57	18.00
Akshata Vengurlekar (appointed October 22, 2019)	6.28	2.87
Siddharth Mehta (resigned October 10, 2019)	-	3.12
<b>Brokerage Income</b>		
LKP Finance Limited	26.52	32.38
Other Related Parties#	0.03	0.43

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	31 March 2021	31 March 2020
<b>Interest Expenses</b>		
LKP Finance Limited	17.57	67.04
Bond Street Capital Private Limited (Formerly known as Gayatri Cements and Chemicals Private Limited)	0.19	0.00
<b>Legal Professional Fees</b>		
M/s Agrud Partners	18.00	18.12
Peak Plastonics Private Limited	-	2.64
<b>Business Purchase</b>		
Alpha Commodity Private Limited (Refer Note 54)	318.00	-
<b>Advances Recovered</b>		
Alpha Commodity Private Limited	924.10	-
<b>Loans Taken/ Repayment</b>		
LKP Finance Limited	23,495.00	66,601.00
Bond Street Capital Private Limited (Formerly known as Gayatri Cements and Chemicals Private Limited)	350.00	-
<b>Securities buy and sale</b>		
LKP Finance Limited	7,670.12	231.66

**Balances as at 31 March 2021****(Rs. Lakhs)**

	31 March 2021	31 March 2020
<b>Trade Payables*</b>		
LKP Finance Limited	284.39	-
<b>Other Financial Liabilities**</b>		
LKP Finance Limited	80.14	-
<b>Other Payables</b>		
Alpha Commodity Private Limited	74.55	-
LKP Finance Limited	-	8.17
M/s Agrud Partners	1.39	1.35
<b>Other Advances</b>		
Alpha Commodity Private Limited	-	924.10
<b>Trade Receivables</b>		
MKM Share & Stock Brokers Limited	0.27	-
LKP Finance Limited	-	134.48
Bhavna Holdings Private Limited	-	0.39
Alpha Commodity Private Limited	0.25	-
<b>Deposits</b>		
Sea Glimpse Investments Private Limited	140.00	140.00
M/s L K Panday	160.00	160.00

\* 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

\*\* Closing balance of Other Financial Liabilities includes Margin money held in the ordinary course of business

# Transaction below 10% in value shown as other related parties

**41 Earnings per share****(Rs. Lakhs)**

	31 March 2021	31 March 2020
Profit/(Loss) after tax (Rs.)	397.12	162.69
<b>Weighted average number of equity shares</b>		
- for Basic Earnings per share	73,934,736	73,934,736
- for Diluted Earnings per share	73,934,736	73,934,736
Face value of equity share (Rs/ share)	2	2
<b>Basic earnings per share ( Rs/share)</b>	<b>0.54</b>	<b>0.22</b>
<b>Diluted Earnings per share ( Rs/share)</b>	<b>0.54</b>	<b>0.22</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- 42 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 2020	Cash Inflows	Cash outflows	Non Cash Changes		As at 31 March 2021
				Interest Accrued	Other Charges	
Long Term Borrowings (Including Current maturities)	-	-	-	-	-	-
Short Term Borrowings (For Bank, Financial Institution and intercorporate deposits etc.)	1,510.25	-	(494.73)	-	-	1,015.52

- 43 Disclosures as required by Ind AS 115

Revenue Consist of following			(Rs. Lakhs)	
	31 March 2021	31 March 2020		
Interest Income	668.42	734.97		
Fees and Commission Income	7,312.42	6,204.92		
Net Gain/loss on sale of securities	178.33	132.84		
Other operating revenue	293.73	312.57		
<b>Total</b>	<b>8,452.90</b>	<b>7,385.30</b>		

Revenue Disaggregation by Industrial Vertical & Geography is as follows			(Rs. Lakhs)	
Revenue by offerings	31 March 2021	31 March 2020		
Financial Services/ India	8,452.90	7,385.30		
<b>Total</b>	<b>8,452.90</b>	<b>7,385.30</b>		

Timing of Revenue Recognition			(Rs. Lakhs)	
	31 March 2021	31 March 2020		
Services transferred at point in time	7,784.48	6,515.13		
Services transferred over period in time	668.42	870.18		
<b>Total</b>	<b>8,452.90</b>	<b>7,385.30</b>		

- 44 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 2021
- 45 The Group, has no long-term contracts including derivative contracts having material foreseeable losses as at 31 March 2021.
- 46 **Disclosure as required by schedule V (A) (2) of the SEBI (Listing Obligation and Disclosure Requirements)**  
The Company has not given any Loans and advances in the nature of loans to firms/companies in which director is interested .
- 47 As per section 135 of the Companies Act, 2013, no amount is required to be spent by the Group during the year ended March 31, 2021 and year ended March 31, 2020 on Corporate Social Responsibility (CSR).
- 48 **Dividend Recommendation:**

The board proposed dividend on equity shares after the balance sheet date			(Rs. Lakhs)	
	2021	2020		
Proposed dividend on equity shares for the year ended on 31 March, 2021: Rs.0.20/-per share (Rs.Nil per share)	147.87	-		

- 49 Information required under Section 186(4) of the Companies Act, 2013

a) Loans given					(Rs. Lakhs)	
Name of Party	Opening as at 1 April 2020	Given during the year	Repaid during the year	Closing balance as at 31 March 2021		
In the form of unsecured short term inter corporate deposits at market rates for business purpose*	-	-	-	-		
	(250.00)	-	(250.00)	-		

\* Loan is repayable on demand and carries interest @ Nil (10%) and balance does not include interest

\*Figures in brackets pertain to previous year

- 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 CONSOLIDATED FINANCIAL STATEMENTS

50 Additional Information pursuant to Para 2 of General Instructions for the preparation of Consolidated Financial Statements  
(Rs. Lakhs)

Name of the Entity	31 March 2021					
	Net Asset i.e total assets minus total liabilities		Share in Profit / (Loss)		Share in Other Comprehensive Income	
	% of Consolidated net assets	Amount	% of Consolidated profit/ loss	Amount	% of consolidated other comprehensive income	Amount
<b>Parent</b>						
LKP Securities Limited	99.57	19469.22	98.63	391.70	100.00	6.53
<b>Subsidiary</b>						
LKP Wealth Advisory Limited	0.82	159.66	1.37	5.44	-	0.00
Inter Company elimination and consolidation adjustments	(0.39)	(76.00)	-	0.00	-	0.00
<b>Total</b>	<b>100.00</b>	<b>19552.89</b>	<b>100.00</b>	<b>397.12</b>	<b>100.00</b>	<b>6.53</b>

51 Maturity Analysis of Assets and Liabilities  
(Rs. Lakhs)

	As at 31 Mar 2021			As at 31 Mar 2020		
	Within 12 months	After 12 Months	Total	Within 12 months	After 12 Months	Total
<b>(1) Financial Assets</b>						
(a) Cash and cash equivalents	6,110.94	-	6,110.94	3,012.27	-	3,012.27
(b) Bank Balance other than (a) above	3,622.71	-	3,622.71	1,863.27	-	1,863.27
(c) Receivables						
(i) Trade receivables	1,849.44	-	1,849.44	2,351.82	-	2,351.82
(ii) Other receivables	-	-	-	-	-	-
(d) Loans	24.19	-	24.19	26.22	-	26.22
(e) Investments	358.10	7.87	365.97	669.95	1.79	671.74
(f) Other financial assets	4,922.00	56.66	4,978.66	4,157.31	8.73	4,166.04
<b>Total Financial Assets</b>	<b>16,887.37</b>	<b>7.87</b>	<b>16,951.91</b>	<b>12,080.85</b>	<b>10.52</b>	<b>12,091.37</b>
<b>(2) Non-Financial Assets</b>						
(a) Current tax assets (net)	-	158.31	158.31	-	315.25	315.25
(b) Deferred Tax Asset	-	356.91	356.91	-	460.01	460.01
(c) Property, plant and Equipment	-	277.72	277.72	-	313.96	313.96
(d) Right to Use Asset	25.46	492.08	517.54	-	94.74	94.74
(e) Intangible assets under development	-	9.92	9.92	-	15.30	15.30
(f) Goodwill	-	652.31	652.31	-	125.59	125.59
(e) Other Intangible Assets	-	70.10	70.10	-	83.34	83.34
(F) Other non-financial assets	118.91	-	118.91	974.04	23.57	997.61
<b>Total Non-Financial Assets</b>	<b>144.37</b>	<b>2,017.35</b>	<b>2,161.72</b>	<b>974.04</b>	<b>1,431.76</b>	<b>2,405.80</b>
<b>(1) Financial Liabilities</b>						
(a) (I) Trade payable						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	9,074.50	-	9,074.50	5,077.57	-	5,077.57
(II) Other payable						
(i) total outstanding dues of micro enterprises and small enterprises	0.43	-	0.43	0.66	-	0.66
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	122.52	-	122.52	114.03	-	114.03
(b) Borrowings	1,015.52	-	1,015.52	1,510.25	-	1,510.25
(c) Deposits	-	291.51	291.51	-	265.94	265.94
(d) Other financial liabilities	3,798.84	443.09	4,241.93	2,989.40	78.88	3,068.28
<b>Total Financial Liabilities</b>	<b>14,011.80</b>	<b>734.60</b>	<b>14,746.41</b>	<b>9,691.91</b>	<b>344.82</b>	<b>10,036.73</b>
<b>(2) Non-Financial Liabilities</b>						
(a) Provisions	52.63	145.45	198.08	67.68	184.39	252.07
(b) Other non-financial liabilities	169.42	-	169.42	190.40	-	190.40
<b>Total Non-financial liabilities</b>	<b>222.05</b>	<b>145.45</b>	<b>367.50</b>	<b>258.08</b>	<b>184.39</b>	<b>442.47</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- 52 a) The Group had trade receivable of Rs. 1,451.23 lakhs from a customer . The Group has settled the debt with the customer 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 year .
- b) The Board of Directors of the Group has decided to sale ,the Immovable property acquired pursuant to settlement as stated in note 50(a) above for Rs.4349.26 lakhs including stamp duty of Rs. 12.86 lakhs which is classified as held for sale as per Ind AS 105 “ Non-current Assets Held for Sale and Discontinued Operations “ .
- 53 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.

### 54 Acquisition of business of Alpha commodity Private Limited

In order to further strengthen the business, the LKP Securities Ltd. entered into a Business Transfer Agreement (BTA) on September 26, 2020 with Alpha Commodity Private Limited (Alpha) through which the LKP Securities Ltd acquired commodity business of the Alpha as a going concern on a slump sale basis with effect from September 30th, 2020.

Details of the purchase consideration, the net identifiable assets and goodwill are as follows:

Particulars	(Rs. Lakhs)
	Amount
Total Consideration	318.00
Net Identifiable Assets	-208.72
Excess/(Shortfall) Purchase Price to be Allocated	526.72
<b>Goodwill</b>	<b>526.72</b>

The acquisition date fair values (based on valuation report issued by merchant banker) of the assets taken over and liabilities assumed as a result of the acquisition are as follows:

Particulars	(Rs. Lakhs)
	Amount
Long-term loans and advances	62.81
Trade receivables	25.25
Cash and bank balances	9.95
Short-term loans and advances	60.12
<b>Identifiable Assets</b>	<b>158.13</b>
Trade payables	291.42
Other current liabilities	75.43
<b>Net Identifiable Assets</b>	<b>-208.72</b>
<i>Stake Acquired</i>	<i>100%</i>
<b>Net Identifiable Assets Transferred</b>	<b>-208.72</b>
<b>Recognition of Goodwill</b>	
Consideration transferred	318.00
(Less): Net Identifiable Assets	-208.72
<b>Goodwill</b>	<b>526.72</b>

Amount and factors for recognition of goodwill

#### Factors for recognition of goodwill:

The goodwill primarily reflects the excess earning capacity and synergistic effects with the existing business.

### 55 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

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

#### Pratik Doshi

Managing Director

#### S.S Gulati

Director

Place : Mumbai

Date : 27 April 2021

#### Girish Majrekar

Chief Financial Officer

#### Akshata Vengurlekar

Company Secretary

**FORM AOC - 1**

**Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures**  
*[Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]*

**Part A: Subsidiary companies****(Rs. lakhs)**

<b>Particulars</b>	<b>Details</b>
Name of the Subsidiaries	LKP Wealth Advisory Limited
Date of Acquisition / becoming subsidiary	August 08, 2014
Reporting period for the subsidiary	April 01, 2020 to March 31, 2021
Reporting currency	INR
Share Capital	76.00
Reserves & Surplus	67.53
Total Assets	159.66
Total Liabilities	159.66
Investments	65.24
Turnover	104.49
Profit before Taxation	7.87
Provision for Taxation	2.43
Profit after Taxation	5.44
Proposed Dividend	Nil
% of Shareholding	100

**Note:**

The subsidiary has commenced its operations and is not under liquidation or sold during the year.

**Part B: Associates and Joint Ventures – Not Applicable**

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

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

**Sanjay Kothari**  
 Partner  
 Membership No. 048215

**Pratik M. Doshi**  
 Managing Director

**S. S. Gulati**  
 Director

Place : Mumbai  
 Date : April 27, 2021

**Girish Majrekar**  
 Chief Financial Officer

**Akshata Vengurlekar**  
 Company Secretary









**LKP**

**LKP Securities Limited**

203, Embassy Centre,  
Nariman Point,  
Mumbai - 400 021.