



# LOHIA SECURITIES LTD.

- MEMBER : NSE, BSE, MCX-SX, CSE
- DEPOSITORY PARTICIPANT : NSDL, CDSL



Regd. Office : 4, Biplabi Trailokya Maharaj Sarani, (Brabourne Road), 5th Floor, Kolkata - 700 001  
Phone : +91 4002 6600 / 6700, Fax : +91-4002 6800 Website : [www.lohiasecurities.com](http://www.lohiasecurities.com)  
Email : [info@lohiasecurities.com](mailto:info@lohiasecurities.com) Complaint : [grievance@lohiasecurities.com](mailto:grievance@lohiasecurities.com)

CIN No. L67120WB1995PLC067195

October 12, 2018

The Secretary  
The Calcutta Stock Exchange Ltd.  
7, Lyons Range  
Kolkata- 700 001

The Listing Department (Corporate Relations)  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai 400 001

Scrip Code: 590082

Dear Sirs,

Sub: Submission of Annual Report 2017-18 pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Enclosed/ Attached herewith please find the Annual Report of Lohia Securities Ltd. as on 31<sup>st</sup> March, 2018 duly adopted by the shareholders at their meeting held on Saturday, 22<sup>nd</sup> September, 2018 at 10.30 A.M. at the Registered office 4 Biplabi Trailokya Maharaj Sarani (Brabourne Road), 5<sup>th</sup> floor, Kolkata 700 001.

Please acknowledge receipt of the same.

Thanking you,

Yours faithfully,  
For Lohia Securities Ltd.

Narendra Kumar Rai  
Company Secretary

Encl: As stated above

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**Institutional Dealing Office :-**

1602-B, Lady Ratan Tower, 72, Dainik Shivner Marg, Gandhinagar, Worli, Mumbai - 400 018  
Phone : +91 22 2261 0552/0562, 2492 4449/4462, 2490 1308, Fax : +91 22 2490 1310



## **Lohia Securities Ltd.**

CM | F&O | CD | MF | DEBT  
DP | NOW | CTCL  
RETAIL & INSTITUTIONAL

**Annual Report 2017-18**



## CORPORATE INFORMATION



**LOHIA SECURITIES LTD.**  
CIN No. L67120WB1995PLC067195

### REGISTERED OFFICE

4 Biplabi Trailokya Maharaj Sarani (Brabourne Road), 5th floor, Kolkata 700 001  
Telephone no. +91 33 4002 6600/ 6700, Fax no. +91 33 4002 6800  
Email: [info@lohiasecurities.com](mailto:info@lohiasecurities.com); [grievance@lohiasecurities.com](mailto:grievance@lohiasecurities.com)  
[www.lohiasecurities.com](http://www.lohiasecurities.com)

### BOARD OF DIRECTORS & KMP

Mr. Hari Kishan Lohia, Whole-time Director (Retail Trade)  
Mr. Mahesh Kumar Bajaj, Whole-time Director (Arbitrage)  
Mr. Rajesh Kumar Bajaj, Whole-time Director (Research)  
Mr. Sudheer Kumar Jain, Whole-time Director  
Mr. Vineet Goenka  
Mr. Sameer Bajaj  
Ms. Sarita Ojha  
Mr. Ashish Kumar Gupta  
Mr. Sujit Kumar Sharma- CFO  
Mr. Narendra Kumar Rai- Company Secretary

### BANKERS

Allahabad Bank  
Axis Bank Ltd.  
Federal Bank  
HDFC Bank Ltd.  
Punjab National Bank  
Yes Bank  
ICICI Bank  
RBL Bank

### AUDITORS

Vasudeo & Associates  
Chartered Accountants  
5&6 Fancy Lane,  
3rd floor, Room no. 9  
Kolkata 700 001

### REGISTRAR & SHARE TRANSFER AGENT

Niche Technologies Pvt. Ltd.  
D-511, Bagree Market,  
71 B.R.B. Basu Road, 5th floor,  
Kolkata 700 001  
Phone: 033-2235 7270/ 71, 2234 3576  
Fax: 033 2215 6823  
Email: [nichetechpl@nichetechpl.com](mailto:nichetechpl@nichetechpl.com)

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## NOTICE

**NOTICE** is hereby given that the 24th Annual General Meeting of the Members of Lohia Securities Limited (CIN: L67120WB1995PLC067195) will be held on Saturday, the 22nd day of September, 2018 at 10.30 A.M. at 4 Biplabi Trailokya Maharaj Sarani (Brabourne Road), 5th floor, Kolkata 700 001, to transact the following business:-

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statement of the Company for the financial year ended 31st March, 2018 together with the reports of the Board of Directors and Auditors thereon and in this regard, pass the following resolutions as Ordinary Resolution:

“RESOLVED THAT the audited financial statement of the Company for the financial year ended March 31, 2018 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and is hereby considered and adopted.”

2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2018, together with the report of the Auditors thereon and in this regard, pass the following resolution as Ordinary Resolution:

“RESOLVED THAT the audited consolidated financial statement of the Company for the financial year ended March 31, 2018 and the report of Auditors thereon laid before this meeting, be and is hereby considered and adopted.”

3. To consider and declare Final dividend on equity shares as recommended by the directors @ ₹ 0.20 (Twenty paise) per equity shares of face value of ₹10/- each for the year ended 31st March 2018.

4. To appoint a Director in place of Mr. Sudheer Kumar Jain (holding DIN: 00075103), who retire by rotation and being eligible, offer himself for re-appointment as a Director and in this regard, pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Sudheer Kumar Jain (DIN: 00075103), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

5. To ratify the appointment of M/s. Vasudeo & Associates, as Statutory Auditors of the Company, and to fix their remuneration and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the recommendation made by the Audit Committee of the Board of Directors of the Company, the re-appointment of the retiring auditors, M/s. Vasudeo & Associates, Chartered Accountants, having Firm Registration No. 319299E, to hold office from the conclusion of the 23rd Annual General Meeting of the Company till the conclusion of the 28th Annual General Meeting of the Company to be held in the year 2022, be and is hereby ratified and the said Auditors be paid such remuneration as may be decided by the Audit Committee of the Board of Directors of the Company.”

Registered Office:  
4 Biplabi Trailokya Maharaj Sarani  
(Brabourne Road), 5th floor,  
Kolkata 700 001  
Email: [info@lohiasecurities.com](mailto:info@lohiasecurities.com)  
Website: [www.lohiasecurities.com](http://www.lohiasecurities.com)

Dated: 30th May, 2018

By Order of the Board  
**Lohia Securities Limited**

**Narendra Kumar Rai**  
Company Secretary



**NOTICE** (Contd.)**Notes:**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, with respect to the Special Businesses set out in the Notice is annexed hereto. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, will be available for inspection by Members at the AGM. Relevant documents referred to in the accompanying notice/ explanatory statement including the Register of Contract or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 are open for inspection by the members of the Company on all working days, except Saturday, between 11.00 a.m. and 1.00 p.m. upto the date of ensuing Annual General Meeting. Further the Notice for the 24th Annual General Meeting alongwith documents and the Annual Report for the financial year 2017-18 shall also be available on the Company's website: [www.lohiasecurities.com](http://www.lohiasecurities.com)
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/ herself and the proxy need not be a member of the company. The instrument appointing a proxy should however be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting. Pursuant to section 105 of the companies act, 2013 a person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10 (ten) percent of the total share capital of the company carrying voting right. A member holding more than 10 (ten) percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.  
  
The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. A proxy Form is annexed to this Notice. Proxies submitted on behalf of the companies, societies etc. must be supported by the appropriate resolutions/ authorities, as applicable.
3. Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from the 17th day of September, 2018 to 22nd day of September, 2018 (both days inclusive) for annual closure.
4. Details as stipulated under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards issued by the Institute of Company Secretaries of India in respect of Director seeking re-appointment at the Annual General Meeting are furnished and forms integral parts of Notice. The Director has furnished the requisite consents/ declarations for his/ their appointment.
5. Members/ Proxies are requested to bring their Attendance Slip alongwith their copies of the Annual Report and Accounts to the Meeting.
6. Members seeking any information as regards the Accounts are requested to write to the Company at least one week in advance so as to enable the management to keep the information ready.
7. Members who are holding Company's shares in dematerialized form are requested to bring details of their Depository Account number for identification.
8. **Members holding shares in physical form are requested to notify/ send the following to company's Registrar and Share Transfer Agent- M/s. Niche Technologies Pvt. Ltd., D-511, Bagree Market, 5th floor, 71, B.R.B. Basu Road, Kolkata- 700 001:-**
  - Any change in their address/ mandate/ bank details/ e-mail address.
  - Particulars of their bank account, in case the same have not been furnished earlier, and
  - Share certificate(s), held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholdings into a single account.
9. Shareholders holding shares in electronic form may kindly note that their bank account details as furnished by their depositories to the Company will be printed on their dividend warrants as per the applicable regulations of the depositories. Members are requested to notify any change in their bank account details to their Depository Participants immediately and not to send requests for change in their bank account details directly to the Company or to the Registrar and Share Transfer Agent.

**NOTICE** (Contd.)

10. Members are informed that dividends remaining unclaimed/ unpaid over a period of seven years shall be transferred to the Investor Education and Protection Fund of the Central Government. Members who have not encashed their dividend warrant(s)/ cheques are requested to make their claims to the Company before the expiry of the statutory period of seven years. Unclaimed Dividend for the financial year ended 31st March, 2011 will be due for transfer to the Investor Education and Protection Fund of the Central Government on 30th October 2018, pursuant to the provisions of Section 123 of the Companies Act, 2013.
11. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to submit the prescribed Form SH.13 for this purpose to the Registrar and Share Transfer Agent of the Company.
12. Securities and Exchange Board of India vide its circulars dated 27th April, 2007 and 25th June, 2007 has made it mandatory with effect from 2nd July, 2007, for every participant in the securities/ capital market to furnish income tax Permanent Account Number (PAN). Accordingly, all the shareholders (including joint holders) holding shares in physical form are requested to submit copy of their PAN Card duly attested by the Notary Public/ Gazetted Officer/ Bank Manager under their official seal stating their full name and address, registration number to our Registrar & Share Transfer Agent, **M/s. Niche Technologies Pvt. Ltd.**
13. To support the "Green Initiative", the members who have not registered their e-mail addresses are requested to register the same with the Company's Registrar and Share Transfer Agent/ Depositories for receiving all communication including Annual Report, Notices, circulars etc. from the Company electronically. With regard to the same, Members whose e-mail ids are registered with our Registrar and Share Transfer Agent, viz. Niche Technology Pvt. Ltd., shall also receive a communication from our Registrar wherein Members shall be informed about the service of Documents to them in Electronic mode and in case, they wish to register a different e-mail id, they can also update the same with their Depository Participant, in case of shares held in demat mode and with the Registrar and Share Transfer Agent, in case of shares held in physical mode.
14. The Consolidated Financial Statements of the Company and its subsidiaries prepared in accordance with 'Accounting Standard - 21' prescribed by The Institute of Chartered Accountants of India, form part of the Annual Report and the Accounts. The Balance Sheet, Statement of Profit and Loss, Reports of the Board of Directors and Auditors of the subsidiaries have not been attached with the Balance Sheet of the Company as per the general exemption provided under Section 212(8) of the Companies Act, 1956 by the Ministry of Corporate Affairs, issued vide General Circular No. 2/2011 dated 8th February, 2011.
15. Details of Director retiring by rotation/ seeking appointment/ re-appointment at the ensuing Meeting are provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meeting (SS-2), issued by the Institute of Company Secretaries of India.
16. The Company has transferred the unpaid or unclaimed dividends declared upto financial years 2009-10, from time to time, to the Investor Education and Protection Fund (IEPF) established by the Central Government. The Company has uploaded the details of unpaid dividend and unclaimed dividend amounts lying with the Company as on September 23, 2017 (date of previous Annual General Meeting) on the website of the Company and the same can be accessed through the link: <http://www.lohiasecurities.com>. The said details have also been uploaded on the website of the Ministry of Corporate affairs and the same can be accessed through the link: [www.mca.gov.in](http://www.mca.gov.in)

**17. Transfer of Shares to IEPF Authority:**

Pursuant to the provisions of Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has during financial year 2017-18, transferred to the IEPF Authority all shares in respect of which dividend remained unpaid or unclaimed for seven consecutive years or more, as on 20th March, 2018. Details of shares transferred to the IEPF Authority are available on the website of the Company and have been also furnished to the IEPF Authority.

Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from the Authority in accordance with procedure and on submission of documents as prescribed in the Rules, for which details are available at [www.iepf.gov.in](http://www.iepf.gov.in).



**NOTICE** (Contd.)**18. VOTING THROUGH ELECTRONIC MEANS**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- III. **The process and manner for remote e-voting are as under:**
  - (i) The remote e-voting period commences on 19th September, 2018 (9:00 A.M.) and ends on 21st September, 2018 (5:00 P.M.). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 15th September, 2018 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
  - (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period
  - (iii) Click on "Shareholders" tab.
  - (iv) 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) Members holding shares in Physical Form should enter Folio Number registered with the Company, excluding the special characters.
  - (v) Next enter the Image Verification as displayed and Click on Login.
  - (vi) 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 voting of any company, then your existing password is to be used.
  - (vii) If you are a first time user follow the steps given below:

**For Members holding shares in Demat Form and Physical Form**

PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account with the depository or in the company records for your folio in dd/mm/yyyy format

**NOTICE** (Contd.)

Bank Account Number (DBD)	<p>Enter the Bank Account Number as recorded in your demat account with the depository or in the company records for your folio.</p> <ul style="list-style-type: none"> <li>• Please Enter the DOB or Bank Account Number in order to Login.</li> <li>• If both the details are not recorded with the depository or company then please enter the member-id / folio number in the Bank Account Number details field as mentioned in above instruction ( iv ).</li> </ul>
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- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Company Name i.e. **Lohia Securities Limited** on which you choose to vote.
- (xii) 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.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Institutional Shareholders & Custodians :
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to <https://www.evotingindia.com/> and register themselves as Corporate.
  - 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 they have to create a compliance user which 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 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.

**NOTICE** (Contd.)

- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact them at 1800 200 5533.
- (xx) Shareholders can also cast their vote using CDSL's mobile app **m-Voting** available for android based mobiles. The m-Voting app can be downloaded from Google play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June, 2016. Please follow instructions as promoted by the mobile app while voting on your mobile.
19. Institutional Members / Bodies Corporate (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote through e-mail at [nisha.kumari07@gmail.com](mailto:nisha.kumari07@gmail.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) on or before 21st September, 2018 upto 5.00 P.M. without which the vote shall not be treated as valid.
  20. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 15th September, 2018. A person who is not a member as on cut off date should treat this notice for information purpose only.
  21. The notice of the Annual General Meeting will be sent to the members, whose names appear in the register of members/ beneficiary owners as at closing hours of business on 17th August, 2018.
  22. The shareholders shall have one vote per equity share held by them as on the cut-off date 15th September, 2018. The facility of e-voting would be provided once for every folio / client id, irrespective of the number of joint holders.
  23. Since the Company is required to provide members the facility to cast their vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 15th September, 2018 and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
  24. Notice of the AGM along with attendance slip, proxy form along with the process, instructions and the manner of conducting e-voting is being sent electronically to all the members whose e-mail IDs are registered with the Company / Depository Participant(s). For members who request for a hard copy and for those who have not registered their email address, physical copies of the same are being sent through the permitted mode.
  25. Investors who became members of the Company subsequent to the dispatch of the Notice / Email and holds the shares as on the cut-off date i.e. 15th September, 2018 are requested to send the written / email communication to the Company at [info@lohiasecurities.com](mailto:info@lohiasecurities.com) by mentioning their Folio No. / DP ID and Client ID to obtain the Login-ID and Password for e-voting.
  26. Ms. Nisha Agarwal, Chartered Accountants, (Certificate of Practice Number 065702) has been appointed as the Scrutinizer to scrutinize the remote e-voting process and voting at the AGM in a fair and transparent manner. The Scrutinizer will submit, not later than 3 days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
  27. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.lohiasecurities.com](http://www.lohiasecurities.com) and on the website of CDSL. The same will be communicated to the listed stock exchange viz. The Calcutta Stock Exchange Limited.

**NOTICE** *(Contd.)***ANNEXURE TO THE NOTICE****EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

As required by Section 102 of the Companies Act, 2013 the following explanatory statement sets out all material facts relating to the business mentioned under items nos. 4 of the accompanying Notice

**Item no.4****Appointment of Director**

Mr. Sudheer Kumar Jain, Director retires by rotation at the ensuing 24th Annual General Meeting and being eligible offers himself for re-appointment. Mr. Sudheer Kumar Jain is part of the Promoter Group and holds 312000 equity shares of the Company aggregating to 6.26% of the total paid-up share capital of the Company. He is commerce graduate, chartered accountant and a company secretary by educational qualification. As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the information to be provided for the retiring Director is provided elsewhere in the Annual Report.

By Order of the Board  
**Lohia Securities Limited**

Dated: 30th May, 2018  
Place : Kolkata

**Narendra Kumar Rai**  
*Company Secretary*

**NOTICE** (Contd.)

**Additional Information of Directors seeking re-appointment as required under Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India.**

The information relating to the Director proposed to be re-appointed at the 24th Annual General Meeting is given hereunder

**Remuneration Details:**

Name of the Director(s)	<b>Mr. Sudheer Kumar Jain</b>
Director Identification Number	DIN- 00075103
Date of Birth	1st March, 1966
Date of First Appointment	18th January, 1995
Qualification	Bcom, FCA, ACS
Expertise in specific functional areas	He is a fellow member of Chartered accountant and Associate Member of Company Secretary. He is also a Commerce Graduate from University of Calcutta. He is one of the promoter directors of Lohia Securities Limited. He has more than 24 years experience of Capital Market. He was a member of the Guwahati Stock Exchange Ltd. He is a Whole-time Director of the Company for a period of 14 years from 2004. He is one of the designated directors of the Company and also a compliance officer. He is holding 312000 shares (6.26%) of Lohia Securities Ltd.
List of Directorship held in other Companies	Public Companies: Nil  Private Companies: Snehdeep Commerce Private Limited Trade City Commodities Private Limited, Shiv Lalit Consultancy Private Limited, Trade City Securities Private Limited, Trade City Real Estate Private Limited Trade City Barter Private Limited Daadi Stock Broking Private Limited Ridhi Sidhi Distributor Private Limited Rajat Garden Residents Association
Chairman/ Member of the Committee of the Board of other Companies in which he/ she is a Director	None
Shareholding as on 31st March, 2018	312000 (6.26%)

**NOTICE** (Contd.)

**Venue of 24th Annual General Meeting**  
**4 Biplabi Trailokya Maharaj Sarani (Brabourne Road),**  
**5th floor, Kolkata 700 001**





## DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 24th Annual Report and the audited financial statements of the Company for the financial year ended 31st March, 2018.

### FINANCIAL RESULTS

A summary of financial results of the Company and its subsidiaries for the year ended 31st March, 2018 is given below:

(Amount in ₹)

Particulars	Standalone Financial Year		Consolidated Financial Year	
	2017-18	2016-17	2017-18	2016-17
Income from Operations	5989.27	7038.46	5995.64	7075.23
Other Income	239.37	103.37	264.82	139.64
<b>Total Income</b>	<b>6228.64</b>	<b>7141.83</b>	<b>6260.46</b>	<b>7214.87</b>
Total Expenditure	5720.11	6610.55	5749.35	6668.48
<b>Profit/(Loss) before Interest, Depreciation &amp; Tax</b>	<b>508.53</b>	<b>531.28</b>	<b>511.11</b>	<b>546.39</b>
Less: Interest and Finance Charges	213.35	90.90	234.21	112.31
Less: Depreciation and Amortisation	16.74	22.69	26.12	32.34
<b>Profit/(Loss) Before Tax Before Exceptional Item</b>	<b>278.44</b>	<b>417.69</b>	<b>250.78</b>	<b>401.74</b>
Exceptional Item	-	-	-	-
<b>Profit/(Loss) (-) Before Tax</b>	<b>278.44</b>	<b>417.69</b>	<b>250.78</b>	<b>401.74</b>
Less Tax Expenses				
-Current Tax	100.82	139.88	101.06	140.62
-Deferred Tax	4.02	0.79	52.61	9.56
-Income tax for Earlier year	-20.95	-4.70	-19.45	-4.74
<b>Profit/(Loss) for the year</b>	<b>194.56</b>	<b>281.72</b>	<b>116.56</b>	<b>256.30</b>
Share of Profit from Associate Company	-	-	-	-
<b>Profit/(Loss) for the period</b>	<b>194.56</b>	<b>281.72</b>	<b>116.56</b>	<b>256.30</b>
Add: Surplus brought forward from previous year	1613.03	1331.31	1321.65	1099.20
<b>Amount Available for Appropriation</b>	<b>1807.59</b>	<b>1613.03</b>	<b>1438.21</b>	<b>1355.50</b>
Less: Proposed Dividend on Equity Shares	9.96	-	9.96	-
Less: Corporate Tax on Proposed Dividend	2.05	-	2.05	-
Other Adjustment	-	-	-	(33.85)
<b>Balance to Balance Sheet</b>	<b>1795.59</b>	<b>1613.03</b>	<b>1426.20</b>	<b>1321.65</b>

### FINANCIALS OF THE COMPANY ON THE STANDALONE BASIS :

Our revenue from operations on a standalone basis decreased to ₹ 5989.27 lakhs from ₹ 7038.46 lakh of the previous year. Our Revenue from sale of product aggregated to ₹ 5590.16 lakh, from last year's ₹ 6803.69 lakh.

## DIRECTORS' REPORT *(Contd.)*

Our total Income on a standalone basis reduced to ₹ 6228.64 lakhs from last year's ₹ 7141.83 lakhs. The Statement of Profit and Loss of your Company on standalone basis shows a Profit after tax of ₹ 194.56 lakhs against last Year's Profit after tax of ₹ 281.72 lakhs. The disposable profit is ₹ 1795.59 lakhs (₹1613.03 lakhs) after taking into account the balance of ₹ 1613.03 lakhs (₹ 1331.31 lakhs) brought forward from the last year.

### DIVIDEND :

Your Directors are pleased to recommend a final dividend of ₹ 0.20 per equity share of face value ₹ 10.00 each (exclusive of dividend distribution tax) for the financial year ended 31st March, 2018. The final dividend, subject to approval of Members at the ensuing Annual General Meeting, will be paid within statutory period.

### SHARE CAPITAL:

The Authorised Share Capital of the Company is ₹ 750 lakh divided into 75,00,000 equity shares of ₹ 10/- each. The paid up Equity Share Capital as on 31st March, 2017 was ₹ 498.725 lakh divided into 49,83,000 Equity Shares of ₹ 10 each and including ₹ 0.425 lakh received on account of 17,000 forfeited shares. There has not been any change in the Equity Share Capital of the Company during the financial year ended 31st March, 2018. During the year under review, the Company has neither issued shares with differential voting rights nor issued sweat equity or granted stock options.

### TRANSFER TO RESERVES:

The Company has not transferred any amount to the reserves (Previous year: Nil) during the current financial year. An amount of ₹ 1795.59 lakh is proposed to be retained in the statement of profit & loss against ₹ 1613.03 lakh of last year.

### OPERATIONS :

#### Lohia Securities Limited (Standalone)

The standalone revenue for the year was ₹ 6228.64 lakhs as compared to ₹ 7141.83 lakhs for the year ended 31st March, 2017. Operating Profit (Earnings before interest, depreciation and corporate tax) for the period ended 31st March, 2018 was ₹ 508.53 lakhs as against ₹ 531.28 lakhs for the year ended 31st March, 2017.

The Company has Profits before Tax of ₹ 278.44 lakhs (as compared to last year's Profit before Tax of ₹ 417.69 lakhs) after meeting interest expenses of ₹ 213.35 lakhs (last year's ₹ 90.90 lakhs) and depreciation of ₹ 16.74 lakhs (last year's ₹ 22.69 Lakhs) for the year ended 31st March, 2018. The Net Profit for the year was ₹ 194.56 lakhs (as compared to last year's Net Profit of ₹ 281.72 lakhs).

#### Lohia Securities Limited (Consolidated)

The consolidated revenue of the Company for the year was ₹ 6260.46 lakhs, a decline of 13.23% as compared to previous year. There was increase in the Brokerage Income, Interest Income, and Receipt of DP division. However, due to increase of sale of shares, mutual fund, government securities, profit from equity derivative transactions, commodities derivative transactions substantial revenue was realized. There were fall in revenue from currency derivative transaction and commodities derivative transaction as compared to previous year.

The Net Group Profit after tax was ₹116.56 lakhs as against Profit after tax of ₹ 256.30 lakhs of last year. Summary of Consolidated Financial Results of the company & its subsidiaries are as below:

#### Subsidiary / Joint Venture / Associate Companies

During the financial year under review, your company has four 100% subsidiaries. Details of their business and operations are given below:-

**Trade City Securities Private Limited** has a Trading Membership of NSE in Capital and F&O Segment and Trading Membership of BSE in Capital and F&O Segment. It reported a net loss of ₹ 7.14 lakhs compared to previous

## DIRECTORS' REPORT *(Contd.)*

year's net profit of ₹1.36 lakhs. Revenue from operation was ₹ 0.28 lakhs.

**Trade City Commodities Private Limited** is a member of NCDEX, MCX, National Spot, NCDEX Spot, and ICEX and is engaged in commodity trading and is registered with SEBI. The Company had a net loss after tax of ₹ 50.63 lakh against last year's Net Loss of ₹ 9.02 lakhs.

**Trade City Real Estate Private Limited** is engaged in property and real estate business. It is also investing surplus moneys in shares and securities. The Company has suffered net loss of ₹18.17 lakhs compared to net loss of ₹ 18.76 lakhs of last year. Revenue from operation was derived from rent of ₹ 8.64 lakh

**Trade City Barter Private Limited** is a non-banking finance company and is engaged in investment and financing activities. The Company has a net loss of ₹ 2.07 lakhs compared to last year's net profit of ₹ 1.00 lakh. Revenue from operations were from sale of securities of ₹ 9.45 lakh, Interest Income ₹ 12.86 lakh, other sources ₹ 2.06 lakhs

In accordance with Section 129(3) of the Companies Act, 2013 and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consolidated financial statements of the Company and all its subsidiary companies have been prepared and duly audited by the auditors, and form part of the Annual Report. Statement containing salient features of the financial statements of the subsidiaries are given in Form AOC-1 and note 31 of the Consolidated financial statements and forms part of this report.

The Company will make available the Annual Accounts of the Subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies. The Consolidated Financial Statements presented by the Company include the financial results of the subsidiary companies.

### MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report forms an integral part of this Report and gives details of the overall industry structure, developments, opportunities, threats performance and state of affairs of the Company's business, internal controls and their adequacy, risk management system and is annexed as **Annexure-A** forming part of the Report.

### DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, your directors hereby confirm that:

- i) In the preparation of the annual accounts, applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the company for that period;
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The Directors have prepared the annual accounts on a going concern basis;
- v) The Directors have laid down an adequate system of Internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively; and
- vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

## DIRECTORS' REPORT *(Contd.)*

### ADEQUACY OF INTERNAL FINANCIAL CONTROL:

The Company has designed and implemented a process driven framework for internal financial controls within the meaning of the explanation of Section 134(5)(e) of the Companies Act, 2013. The internal financial controls have been documented, and embedded in the business processes.

Assurance on the effectiveness of internal financial controls is obtained through management reviews, control self assessment, continuous monitoring by functional experts as well as testing of the internal financial controls systems by the internal auditors during the course of their audits. We believe that these systems provide reasonable assurance that our internal financial controls are designed effectively and are operating as intended.

### PUBLIC DEPOSITS:

Your Company has not invited or accepted any deposit from the public covered in terms of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. As such, no amount of principal or interest was outstanding as on the date of balance sheet.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL:

In accordance with the provision of Section 152 of the Companies Act, 2013, Rules framed thereunder and Articles of Association of your Company, Mr. Sudheer Kumar Jain, Director is due to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Your Board is of the opinion that continued association of Mr. Sudheer Kumar Jain with the Board will be of immense benefit to your Company and therefore, recommends his re-appointment. In terms of Section 102 of the Companies Act, 2013, Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirements) regulations, 2015 and Secretarial Standards on General Meeting (SS-2) issued by the Institute of Company Secretaries of India, brief profiles of Mr. Sudheer Kumar Jain have been annexed to the Notice convening 24th Annual General Meeting of the members of the Company and the same form an integral part of this Annual Report.

The following persons are the whole-time Key Managerial Personnel in terms of Section 203 of the Companies Act, 2013

Sr. No.	Name of the Person	Designation
1.	Mr. Hari Kishan Lohia	<i>Whole-time Director (Retail Trade)</i>
2.	Mr. Mahesh Kumar Bajaj	<i>Whole-time Director (Arbitrage)</i>
3.	Mr. Rajesh Kumar Bajaj	<i>Whole-time Director (Research)</i>
4.	Mr. Sudheer Kumar Jain	<i>Whole-time Director</i>
5.	Mr. Sujit Kumar Sharma	<i>CFO</i>
6.	Mr. Narendra Kumar Rai	<i>Company Secretary</i>

### DECLARATIONS GIVEN BY INDEPENDENT DIRECTORS:

The Independent Directors of the Company have submitted the declaration of Independence as required under Section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of independence under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### BOARD MEETINGS:

The Board meets at regular intervals to discuss and decide on the Company's policies and strategy apart from other Board matters. During the financial year 2017-18, nine board meetings were held on April 15, 2017, May 30, 2017, June 23, 2017, August 14, 2017, September 23, 2017, November 14, 2017, November 28, 2017, December 9, 2017, and February 14, 2018. The gap between the two board meetings did not exceed 120 days.

## **DIRECTORS' REPORT** *(Contd.)*

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

The Board of Directors has formulated a Policy which lays down a framework for selection and appointment of Directors and Senior Management and for determining qualifications, positive attributes and independence of directors.

The Board has adopted a Policy relating to remuneration of Directors, members of Senior Management and Key Managerial Personnel. The Nomination and Remuneration Policy has been annexed to this Report as **Annexure - B**.

### **EVALUATION OF THE BOARD OF DIRECTORS**

The Board of Directors have carried out an Annual evaluation of its performance, own committees and individual Directors pursuant to the provisions of the Act and the Corporate Governance Requirements as prescribed by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on the basis of criteria such as skills, knowledge, discharge of duties, level of participation at the meetings etc., on the issues to be discussed.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. Performance evaluation of independent Directors was done by the entire Board, excluding the independent Director being evaluated.

### **COMMITTEES OF DIRECTORS:**

Your Company has five Committees of the Board, viz.

1. Audit Committee
2. Stakeholders' Relationship Committee
3. Nomination and Remuneration Committee
4. Risk Management Committee
5. Independent Directors Committee

Details of all the Committees alongwith their composition, terms of reference and meetings held during the year are provided in "Report on Corporate Governance" forming part of the Annual Report.

### **STATUTORY AUDITORS:**

The Auditors Report does not contain any qualification, reservation or adverse remark on the financial statements for the year ended 31st March, 2018.

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 and pursuant to the recommendation made by the Audit Committee of the Board of Directors of the Company Messers Vasudeo & Associates, Chartered Accountants, having Registration No. 319299E allotted by The Institute of Chartered Accountants of India (ICAI), was appointed as the Statutory Auditors of the Company from the conclusion of 23rd Annual General Meeting of the Company held on 23rd September, 2017 till the conclusion of the 28th Annual General Meeting to be held in the year 2022, subject to the ratification of their appointment at every AGM. Accordingly, a Resolution seeking the ratification of the Members for their appointment is included at item no. 5 of the Notice convening the AGM.

### **SECRETARIAL AUDIT:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Ms. Poonam Binani, Practising Company Secretary (Membership No. A33638) to undertake the Secretarial Audit of the Company. The Secretarial

## **DIRECTORS' REPORT** *(Contd.)*

Audit Report for the financial year ended 31st March, 2018 is marked as **Annexure-C**, which is annexed hereto and forms a part of the Board Report.

### **QUALIFICATION, RESERVATION OR ADVERSE REMARK IN STATUTORY AUDIT REPORT AND SECRETARIAL AUDIT REPORT:**

There is no qualification, reservation or adverse remark made by the Statutory Auditors in their Auditors' Report to the Financial Statements or by the Secretarial Auditor in its Secretarial Audit Report for the financial year ended March 31, 2018. As regard to Secretarial Audit Report for the disqualification of Mr. Rajesh Kumar Bajaj, the Board of Directors undertakes not to re-appoint Mr. Rajesh Kumar Bajaj as Director of the Company when his term comes to an end, if such disqualification is not removed by that time.

### **REPORTING OF FRAUD:**

The Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013.

### **COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS:**

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meeting and Annual General Meeting.

### **CORPORATE SOCIAL RESPONSIBILITY:**

The provision of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable to the Company since it is not fulfilling any of the stipulated requirements of net-worth, turnover and net profits.

### **RISK MANAGEMENT:**

The Company has a well defined risk management framework in place. Further, it has established procedures to periodically place before the Board, the risk assessment and management measures. The details of the risks faced by the Company and the mitigation thereof are discussed in detail in the Management Discussion and Analysis report that form part of the Annual Report.

### **REPORT ON CORPORATE GOVERNANCE**

The Report on Corporate Governance as stipulated in the Listing Regulations forms part of the Annual Report. The requisite Certificate from M/s. Vasudeo & Associates., Chartered Accountants, confirming compliance with the conditions of corporate Governance as stipulated under the Listing Regulations, as annexed hereto as **Annexure D** and forms part of this Report.

### **PARTICULARS OF EMPLOYEES AND RELATED INFORMATION:**

The particulars of the employees pursuant to the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(2) and Rule 5(3) of the Appointment and Remuneration of Managerial Personnel) Rules, 2014, are not given since none of the employees are in receipt of a remuneration in excess of the prescribed limit. Disclosure pertaining to remuneration and other details as required under section 197(12) of the Companies Act, 2013 read with Rules 5(1) of the Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in **Annexure-E**.

### **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in Notes to the financial statement.



**DIRECTORS' REPORT** (Contd.)**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

All transactions entered into during the financial year 2017-18 with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were in ordinary course of business and on arm's length basis. During the year, the Company had not entered into any transaction referred to in Section 188 of the Companies Act, 2013 with related parties which could be considered as material. Accordingly, the disclosure of Related Party transactions as required under Section 134(3) of the Companies Act, 2013 in Form AOC-2 is not applicable.

Attention of the members is drawn to the disclosures of transactions with related parties set out in Notes to Accounts-Note No. 34 forming part of the standalone Financial Statements.

As required under Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Policy on Materiality of and dealing with Related Party Transactions which is available on the website of the Company at [www.lohiasecurities.com](http://www.lohiasecurities.com)

**EXTRACT OF ANNUAL RETURN:**

The Extract of Annual Return as provided under section 92(3) of the Companies Act, 2013 and as prescribed in Form no. MGT-9 of the Companies (Management and Administration) Rules, 2014, is appended as **Annexure-F**.

**MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There has been no material change and commitments affecting the financial position of the Company which have occurred between 31st March, 2018 and the date of this report other than those disclosed in this report.

**CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION FOREIGN EXCHANGE EARNINGS/OUTGO:**

Your Company has no activities relating to conservation of energy and technology absorption as required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014. However, your Company uses information technology extensively in its operations and also continues its endeavor to improve energy conservation and utilization, safety and environment.

Your Company has not earned any foreign exchange during the year under review (Previous year - Nil). The Company has not incurred any travelling expenses in foreign currency (last year- ₹ 3.99 lakh) during the financial year.

**VIGIL MECHANISM/ WHISTLE BLOWER POLICY:**

As per the provisions of Section 177(9) of the Companies Act, 2013, the Company is required to establish an effective Vigil Mechanism for directors and employees to report genuine concerns.

The Company has a Whistle-blower Policy in place to encourage and facilitate employees to report concerns about unethical behavior, actual/ suspected frauds and violation of Company's Code of Conduct Policy. The Policy has been suitably modified to meet the requirements of Vigil Mechanism under the Act. The policy provides for adequate safeguards against victimization of persons who avail the same and provides for direct access to the Chairperson of the Audit Committee. The Audit Committee of the Company oversees the implementation of the Whistle Blower Policy.

The Company has disclosed information about the establishment of the Whistle Blower Policy on its website [www.lohiasecurities.com](http://www.lohiasecurities.com). During the year no personal has been declined access to the Audit Committee, wherever desired.

**DIRECTORS' REPORT** *(Contd.)***PROTECTION OF WOMEN AT WORKPLACE:**

The Company has formulated a policy on "Protection of Women's Rights at Workplace" as per the provision of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. This has been widely disseminated. There were no cases of sexual harassment received by the Company in 2017-18.

**DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:**

During the year under review, there were no material and significant orders passed by the regulators or courts or tribunals impacting the going concerns status and the Company's operations in future.

**BUSINESS RESPONSIBILITY REPORT:**

The Company is not mandatorily required to furnish the Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance perspective as per clause (f) of Sub-regulation (2) of regulation 34 of Securities and Exchange Board of India (SEBI) Listing Regulations.

**TRADING OF SHARES:**

The equity share of the Company has been traded on the BSE terminal under the permitted to trade category since 02/05/2008. The trading of shares of the Company was suspended on BSE terminal with effect from 8th March, 2017. However, BSE Ltd. vide its Notice no.20171024-9 dated 24th October, 2017 announced the recommencement of trading of securities of Lohia Securities Ltd. (Scrip Code: 590082) on its terminals under "Permitted to Trade" category with effect from 27th October, 2017.

**ACKNOWLEDGEMENTS:**

Your Directors record their appreciation for the encouragement, assistance and co-operation received from members, government authorities, officials of SEBI, Exchanges and Depositories, banks, clients and all other stakeholders. They also thank them for the trust reposed in the Management and wish to thank all employees, arbitrators, dealers, sub-brokers for their commitments and contribution.

For and on behalf of the Board

Place : Kolkata  
Dated : 30th May, 2018

**Mr. Mahesh Kumar Bajaj**  
*Whole-time Director*  
DIN: 00080157

**Sudheer Kumar Jain**  
*Whole-time Director*  
DIN: 00075103

**ANNEXURE TO THE DIRECTORS' REPORT** (Contd.)**Annexure - A****MANAGEMENT DISCUSSION AND ANALYSIS REPORT****A. Industry Structure and Developments**

India's GDP grew by an estimated 6.7% in financial year 2017-18 as compared to the growth rate of 7.1% in financial year 2016-17. Rapid growth in agriculture (4.5%), manufacturing (9.1%) and construction sectors (11.5%) in the financial year contributed to the overall growth. As per economic survey, headline inflation has been below 4% for 12 straight months from November 2016 to October 2017. Thus the economy witnessed more stable prices in the last four years. Several economic reforms were undertaken during the year that include implementation of GST, Public sector bank recapitalization program, infrastructure status to affordable housing thereby giving a fillip to Infrastructure development, larger allocation of funds for highway construction and added focus on coastal connectivity. Other initiatives to boost the country's economy include lower income tax for companies with annual turnover upto ₹ 50 crore; allowing carry-forward of MAT credit upto a period of 15 years instead of 10 years at present; additional measure to improve the ease of doing business and thrust to digital economy.

**Performance of Stock Exchanges**

The National Stock Exchange (NSE) Index (S&P CNX Nifty) which was at 9173.75 on 31st March 2017, moved up to 10113.70 in March 2018, registering increase of **10.25%**. The Bombay Stock Exchange (BSE) Sensitive Index (Sensx) also registered increase of **11.30%** from 29620.50 to 32968.68 during the same period.

**Performance of Indices (As per SEBI Bulletin 2018)**

		2016-17	2017-18	Changes	% of changes
BSE Sensex	High	29824.62	36443.98	6619.36	22.19
	Low	24523.20	29241.48	4718.28	19.24
	Close	29620.50	32968.68	3348.18	11.30
NSE Nifty	High	9218.40	11171.55	1953.15	21.19
	Low	7516.85	9075.15	1558.30	20.73
	Close	9173.75	10113.70	939.95	10.25

On 29th January 2018, BSE Sensex reached a high of 36443.98 and NSE S&P CNX Nifty reached 11171.55. The lowest BSE Sensex was 29241.48 and NSE (S&P CNX Nifty) Index 9075.15 on 19th April 2017. The F&O segment of NSE has achieved a trading value of ₹ 44349.295 million during the year as compared to ₹ 35809.66 million of the year 2016-17. BSE registered total volume during 2017-18 of ₹ 3106.472 million compared to previous year's ₹ 2307.216 million. The NSE trading value for CM segment during the year was ₹ 7,234,826.00 crore as compared to previous year ₹ 5,055,913.00 crore. The F&O segment of NSE has achieved a trading value of ₹ 164,984,858.95 crore during the year as compared to ₹ 94,370,301.61 crore of the year 2016-17. The Currency segment of NSE achieved total trading value of ₹ 5,028,502.17 crore in the year 2017-18 against ₹ 4,857,075.85 crore in last year. BSE registered total equity turnover during 2017-18 of ₹ 1,082,968.24 crore compared to previous year's ₹ 998,260.58 crore. BSE F&O had a turnover of ₹ 3263.65 crore during the year 2017-18 against previous year's ₹ 6939.25 crore. BSE Currency Derivative had a Currency derivative turnover of ₹ 2,763,926.13 crore as compared to last year's turnover of ₹ 1,908,543.46 crore. . MSEI Currency Derivative had a Currency derivative turnover of ₹ 115,732.78 crore as compared to last year's turnover of ₹ 297,927.67 crore NSE Interest rate future was ₹ 307,809 crore compared to last year's ₹ 526,425 crore.

**ANNEXURE TO THE DIRECTORS' REPORT** (Contd.)**Distribution of Turnover on Exchanges in different Segment (As per SEBI Bulletin 2018)**

Trend in	Stock Exchanges	Total Turnover in (₹) crore (Year wise)		Changes	% Changes
		2016-17	2017-18		
Cash Segment	NSE	50,55,913.28	72,34,825.86	21,78,912.58	43.10
	BSE	9,98,260.58	10,82,968.24	84,707.66	8.49
Equity Derivative Segment	NSE	9,43,70,301.62	16,49,84,858.95	7,06,14,557.33	74.83
	BSE	6,939.37	3,262.65	-3, 676.72	-52.98
Currency Derivative Segment	NSE	4,857,075.85	5,028,502.17	1,71,426.32	3.53
	BSE	3,171,647.93	4,436,430.43	1264782.50	39.88
Interest Rate Future	MSEI	297,927.67	115,732.78	-182,194.89	-61.15
	NSE	526,425.00	307,809.00	-218,616.00	-41.53

**Progress Report of Depositories NSDL (As per SEBI Bulletin 2018)**

Parameter	Unit	Mar-18	Mar-17	Changes	%Change during the year
Number of companies signed up to make their shares available for dematerialization	Number	5,916	6,301	-385	-6.11
Number of Depository Participants (registered)	Number	276	264	12	4.55
Number of Stock Exchanges (connected)	Number	3	3	0	0.00
Number of Investors Accounts	Lakh	171	156	15	9.62
Quantity of Shares dematerialized	crore	49,812	45,155	4,657	10.31
Value of Shares dematerialized	₹ crore	1,22,69,187	1,04,29,665	18,39,522	17.64

**Progress Report of Depositories CDSL (As per SEBI Bulletin 2018)**

Parameter	Unit	Mar-18	Mar-17	Changes	%Change during the year
Number of companies signed up to make their shares available for dematerialization	Number	6748	6540	208	3.18
Number of Depository Participants (registered)	Number	593	588	5	0.85
Number of Stock Exchanges (connected)	Number	3	3	0	0.00
Number of Investors Accounts	Lakh	148	123	25	20.33
Quantity of Shares dematerialized	crore	14775	13457	1,318	9.80
Value of Shares dematerialized	₹ crore	17,30,200	15,40,851	189349	12.29

Your Company has a note-worthy presence in the eastern region of the Indian Capital Market with Trading and Clearing Membership of the National Stock Exchange (Capital Market Segment). Your Company is trading member of Equity Derivative Market Segment and Currency Derivative Market Segment of National Stock

**ANNEXURE TO THE DIRECTORS' REPORT** (Contd.)

Exchange. Your Company is Trading cum Clearing member of the BSE Capital Market And Equity Derivative Market. It is Trading Member of Currency Derivative Segment of BSE. It is trading Member of Currency Derivative of Metropolitan Stock Exchange of India Ltd. The Company is also depository participant of National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). A summary of membership of various exchanges/ depository as on 31st March, 2018, are as below:

Name of Exchange/ Depository	Segment	Type of Membership	Clearing Member, if any
NSE	Capital Market	Trading cum Self Clearing Member	Self
	Equity Derivative Market	Trading Member	IL& FS Securities Services Ltd. (Since 06/03/2017)
	Currency Market	Trading Member	IL& FS Securities Services Ltd. (Since 08/05/2017)
BSE	Capital Market	Trading cum Self Clearing Member	Self
	Equity Derivative Market	Trading cum Clearing Member	Self
	Currency Market	Trading Member	SMC Global Securities Ltd.
MSEI	Currency Market	Trading Member	Axis Bank Ltd.
NSDL	-	-	-
CDSL	-	-	-

The stock broking and depository services have huge growth opportunities due to existing low penetration levels. However, these businesses are facing tremendous competitive pressures and regulatory compliances. As per SEBI, as on 31st March, 2018 there were 3038 (last year: 3192) brokers (Cash market), 2647 (2775) corporate brokers, 25579 (30610) sub-brokers, 2549 (2651) Derivative Brokers (Trading and Clearing members), 2245 (1985) Brokers for Currency Derivatives and 870 (864) Depository participants. Stockbrokers and Depository Participants have to comply with various laws. The advances in technologies have also affected these businesses. Your Company is gearing up well to face all such developments by increasing its reach across geographical areas and client segments, improving its infrastructure and technological, financial and human resources.

**B. Opportunities and Threats**

The long-term economic outlook looks positive and will lead to opportunity for capital market services. The Indian economy is growing at healthy rate leading to more investment and capital requirements. It will ultimately lead to higher share of the financial service industry in the disposable income. With the change in attitude from wealth safeguard to wealth growth, there will be more opportunity for service providers. The scope of diversification of household savings from banks to other channels like mutual funds, equities, bonds and commodities are immense. The implementation of regulatory reforms would win the confidence of public in large and it would help in greater participation of all classes of investors in the capital market.

The increase in the number of large broking houses with their financial muscle power pose a threat to the existence of small and medium broking houses. With the lowering of income from brokerage and fees from DP services and increase of the cost of services, it is posing a great threat for the survival of intermediary business. Retention of skilled manpower especially arbitrageur is also a threat to the Company. The short term economic slowdown may impact investor sentiments and business activity. Your Company has diversified into other businesses by acquiring/ promoting subsidiary companies. The wholly owned subsidiaries are (a) Trade City Commodities Private Limited-engaged in Commodity Trading, (b) Trade City Real Estate Private Limited-Property Dealing (c) Trade City Securities Private Limited-Share broking with

## ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

Membership of NSE and BSE-Cash and Derivative Segment -especially in retail business, (d) Trade City Barter Private Limited- an NBFC Company. Your Company has started trading activities on Currency Derivative of Metropolitan Stock Exchange of India Ltd. (formerly : MCX Stock Exchange Ltd.) on proprietary basis. The Company is concentrating its activities to a cross section of society across India and has branches in Kolkata, Mumbai, Patna, and Purulia as on 31st March, 2018. However, the branches situated at Giridih and Guwahati were closed down in the month of June 2017. It is providing professional, value added, comprehensive and integrated financial and wealth growth solutions across equities, derivatives, currency derivatives segment and depository participant division. This feature helped the Company in generating more business than its competitors.

### C. Activity-wise performance

Your Company has performed satisfactorily despite the stiff competition in broking industry. Total Turnovers of the Company are as below: (₹ in Lakhs)

Exchange	Segment	2017-18	2016-17	Change	Changes in (%)
NSE	Capital Market	331,151.47	219,412.09	+111,739.38	+50.93
	Future & Option	2,407,325.50	2,117,259.32	+290,066.18	+13.70
	Currency Derivative	69,379.36	200,023.46	-130,644.10	-65.31
BSE	Capital Market	8,031.00	4,241.00	+3,790.00	+89.37
	Future & Option	524.00	1,671.00	-1,147.00	-68.64
	Currency Derivatives	474.12	1,961.00	-1486.88	-75.82
MSEI	Currency Derivative	2,761.56	2,957.63	-196.07	-6.63
NSDL&CDSL	Services as Depository Participant	22.08	18.54	+3.54	+19.09

Performance of the Company improved on the cash and equity derivative segment of NSE, on cash segment of BSE and Depository segment as compared to last year. However, the performance of the Company on the Currency Derivative segment has declined on all the three exchanges (NSE, BSE and MSEI). The performance on the equity derivative on BSE also declined.

From the sale of products like shares, mutual fund and surplus from the equity and currency derivative transaction and after setting off losses from non delivery transaction your Company has earned ₹ 5590.16 lakhs during the year in comparison to ₹ 6,803.69 lakhs of last year, (a decrease of 17.84%)

During the year, the Broking activities of the Company posted a gross revenue of ₹ 344.08 lakhs as compared to ₹ 199.15 lakhs for the year ended 31.03.2017 resulting in annualized increase of 72.77%. The Depository managed to bring in revenue of ₹ 22.08 lakhs during the year as compared to ₹ 18.54 lakhs of last year, increase of 19.09% as compared to last year.

### D. Outlook

The Union Government has a deep focus towards improving the country's infrastructure and has taken measures for improving the country's economy. The Business is upbeat on this scenario and well positioned to capture the momentum.

Investor sentiments seem to be building up in light of the stability in certain macro indicators, as well as the evolving political scenario over the elections. Investor sentiments improved and activity levels increase following the election results. The year marked the return of the retail investors through direct equities and through mutual funds. Cash markets volumes, including delivery, increased significantly this year. However, primary market activity is yet to pick up in big way.

In the given situation, the mantra for this year will be improving operating efficiency and reduction of operating cost of the Company.

We are confident of garnering our share with long term Indian growth story in view of our diversified model.



**ANNEXURE TO THE DIRECTORS' REPORT** *(Contd.)*

Starting from a single product company in 1995, we now encompass many businesses and have a wide product range. Your Company has an active role in trading in capital as well as derivative market of NSE and BSE. It is also engaged in the Currency Derivative segment of NSE, MCX-SX, and BSE. The Company is concentrating to increase trade in currency options.

All our efforts are being made to keep the expenses under check so that resources would be deployed more gainfully. The Company is encouraging its workforce to acquire more and more knowledge about the market and its intermediation works.

**E. Risks and Concerns**

Your Company recognizes the importance of a comprehensive Risk Management system. The Company believes in a practical, responsible approach to risk. It is our constant effort to ensure that every risk we take has been thoroughly assessed, and that all risks are according to their potential return. Towards this end, we have made significant investments in manpower and technology for risk management during the year under review. This system will help not only to meet and comply with regulatory requirements but also to bring about an improvement in asset quality and profitability. It will eventually increase the shareholders' value. The Market risk and Operational risk need to be identified, assessed, controlled and managed for effective and efficient operation. Your Company has endeavored to bench-mark its Risk Management System on lines of market best practices and emerging regulatory norms.

A comprehensive risk evaluation methodology and processes for early identification and mitigation of all kinds of risks being in place, except for unforeseen circumstances and marginal exposure to financial risk in retail capital markets division, your Company is quite a risk free business. We have worked to strengthen our enterprise wide risk management process and practices through our risk philosophy, whose core lies in the identification, measurement, monitoring and action.

**F. Internal Control System**

The Company has an adequate system of internal control implemented by the management towards achieving efficiency in operations, optimum utilization of resources and effective monitoring thereof and compliance with applicable laws.

The philosophy of the Company with regard to internal control systems and their adequacy has been formulation of effective systems and their implementation to ensure that assets and interests of the Company are safeguarded with required checks and balances in place to determine the accuracy and reliability of accounting data.

The Company has an independent appraisal function to examine and evaluate the adequacy and effectiveness of the Company's internal control system. It appraises periodically about its activities and audit findings to the Audit Committee, Statutory Auditors and top management.

Internal Audit ensures that systems are designed and implemented with adequate internal controls commensurate with the size and operations; transactions are executed in accordance with the Company's policies and authorisation. The internal audit department undertakes extensive programmes of both pre and post audit checks and reviews and also carries out regular follow-up on observations made. The Audit Committee of the Board reviews the internal audit reports and internal control system from time to time.

**G. Discussion on financial performance with respect to operational performance**

During the year, due to active participation of retail investors in Indian Capital Market, the Company could attain expected performance. Clear understanding of business dynamics, emphasis on efficient recovery system along with an integrated approach to risk management has enabled the Company to make the best use of the available resources and achieve better results.

**ANNEXURE TO THE DIRECTORS' REPORT** (Contd.)

Particulars	Standalone Year Ended (₹ in lakh)		Consolidated Year Ended (₹ in lakh)	
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
Turnover (Net)	2518.09	1972.29	2532.06	2045.33
Operating Profit (PBITD)	508.53	531.29	511.11	555.39
<b>Finance Cost</b>	<b>213.35</b>	<b>90.91</b>	<b>234.21</b>	<b>121.31</b>
Depreciation	16.74	22.69	26.12	32.34
<b>Profit Before Tax (PBT)</b>	<b>278.44</b>	<b>417.69</b>	<b>250.78</b>	<b>401.74</b>
TAX	83.89	135.96	134.22	145.45
Profit After Tax (PAT)	194.56	281.72	116.56	256.30

The management's relentless focus was on assets productivity, strengthening of internal efficiency, cost consciousness and improved realization on turnovers. Gross revenue from operations was decreased by 12.79% to ₹ 6228.64 lakhs against last year's ₹ 7141.83 lakhs. Thus there was a fall in the revenue in business of ₹ 913.19 lakhs, in the Company, as compared to last year, primarily driven by (a) decrease of ₹ 1213.53 lakhs in sale of products, and (b) increase of ₹ 148.47 lakhs in sale of services; (c) increase of ₹ 15.86 lakhs from other operating income and (d) increase of ₹ 136.00 lakhs from Other Income.

The fall in the total expenses by ₹ 773.95 lakhs in comparison to last year has improved the performance of the Company during the year. The decrease in total expenses was mainly due to (1) decrease in (a) purchase of stock in trade by ₹ 1458.99 lakhs (b) Other expenses by ₹ 169.71 lakhs (c) decrease of depreciation and amortization by ₹ 5.95 lakhs and (2) corresponding increase in (a) Employees benefit expenses by ₹ 619.84 lakhs (b) Finance cost of ₹ 122.45 lakhs and (c) Inventories by ₹ 169.71.

The Profit before tax during the year was ₹ 278.44 lakhs in comparison to last year's Profits before tax of ₹ 417.69 lakhs (a decrease by ₹ 139.25 lakhs in comparison to last year) while Net Profit was at ₹ 194.56 lakhs during the year against last year's Net Profit of ₹ 281.72 lakhs (a decrease by ₹ 87.16 lakhs in Net Profit in comparison to last year). Earnings per share (EPS) for the year stand at ₹ 3.90 (compared to last year's of ₹ 5.65). Cash generated from Operations aggregated ₹ 614.47 lakhs compared to last year's ₹ 190.00 lakhs (increased by ₹ 424.47 lakhs).

**H. Material developments in human resource, industrial relation including number of people employed**

The Company recognizes that its employees are its biggest source of strength and that highly engaged workforce delivers high performance and improved productivity. The relationship between the Management and the Employees at various levels has been quite cordial. To improve efficiency and for a more effective manpower utilisation, the Company has been constantly providing opportunities for learning and competitive remuneration. A challenging work environment has always been encouraged so as to create awareness amongst the employees for evaluation of their performance against the demanding standards. The employees are encouraged to improve their performance. They are provided training on job as well as outside. Periodic group and individual meetings are conducted with employees and their feedback is taken.

The number of persons employed in the Company as on 31st March, 2018 was 198 (previous year: 92).

For and on behalf of the Board

Place : Kolkata  
Dated : 30th May, 2018

**Mr. Mahesh Kumar Bajaj**  
Whole-time Director  
DIN: 00080157

**Sudheer Kumar Jain**  
Whole-time Director  
DIN: 00075103

**ANNEXURE TO THE DIRECTORS' REPORT** *(Contd.)***Annexure-B****NOMINATION AND REMUNERATION POLICY OF LOHIA SECURITIES LTD.****INTRODUCTION**

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel and employees of the Company, to harmonise the aspirations of human resource consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, this policy on Nomination and Remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management has been formulated.

**NOMINATION POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT****I. Preamble**

The Nomination and Remuneration Committee of Lohia Securities Limited has adopted the following policy and procedures with regard to identification and nomination of persons who are qualified to become directors and who may be appointed to senior management.

This policy is framed in compliance with the applicable provisions of Regulation 19 read with Part D of the Schedule II of SEBI (Listing Obligations and Disclosure Regulations, 2015 ("The Regulations") and Section 178 and other applicable provisions of the Companies Act, 2013.

**II. Criteria for identifying persons for appointment as Directors and Senior Management****A. Directors**

1. Candidates for Directorship should possess appropriate qualifications, skills and expertise in one or more fields of finance, law, securities market, general corporate management, information management, science and innovation, public policy, financial services, sales and marketing and other disciplines as may be identified by the Nomination and Remuneration Committee and/ or the Board from time to time, that may be relevant to the Company's business.
2. Such candidates should also have a proven track record of professional success.
3. Every candidate for Directorship on the Board should have the following positive attributes:
  - a) Possesses a high level of integrity, ethics, credibility and trustee worthiness;
  - b) Ability to handle conflict constructively and possesses the willingness to address critical issues proactively;
  - c) Is familiar with the business of the Company and the industry in which it operates and displays a keen interest in contributing at the Board level to the Company's growth in these areas;
  - d) Possesses the ability to bring independent judgement to bear on the Board's deliberations especially on issues of strategy, performance, risk management and resource planning;
  - e) Displays willingness to devote sufficient time and attention to the Company's affairs.
  - f) Values Corporate Governance and possesses the skills and ability to assist the Company in implementation good corporate governance practices;
  - g) Possesses leadership skills and is a team player
4. Criteria for Independence applicable for selection of Independent Directors

## ANNEXURE TO THE DIRECTORS' REPORT *(Contd.)*

- a) Candidates for Independent Directors on the Board of the Company should comply with the criteria for Independence as stipulated in the Companies Act, 2013 and the Regulations, as amended or re-enacted or notified from time to time. Such candidates should also comply with other applicable regulatory requirements relating to Independence or as may be laid down by the Board from time to time.
- b) Such candidates shall submit a declaration of Independence to the Nomination and Remuneration Committee/ Board initially and thereafter, annually, based upon which, the Nomination and Remuneration Committee/ Board shall evaluate compliance with this criteria for independence.

### 5. Change in Status of Independence

Every Independent Director shall be required to inform the Nomination and Remuneration Committee/ Board immediately in case of any change in circumstances that may put his or her independence in doubt, based upon which, the Nomination and Remuneration Committee/ Board may take such steps as it may deem fit in the best interest of the Company.

### 6. Extension of existing term of Independent Directors

Upon the expiry of the prevailing term and subject to the eligibility of the Independent Directors under the applicable provisions of the Act, Rules, Listing Regulations and other applicable laws, as prevailing from time to time, the Board may, on the recommendations of the Nomination and Remuneration Committee and subject to the outcome of performance evaluation and in compliance with applicable regulatory requirements, at its discretion, recommend to the shareholders as extension or renewal of the ID's existing term for such period as it may deem fit and proper, in the best interest of the Company.

## B. Members of Senior Management

1. For the purpose of this Policy the term "Senior Management means all executives of the Company who are heading any business or function of the Company.
2. The eligibility criteria for appointment to Senior Management and continuity thereof shall include integrity and ethics, in addition to possessing qualifications, expertise, experience and special competencies relevant to the position for which purpose the executive is being or has been appointed.
3. Any candidate being considered for the post of Senior Management should be willing to comply fully with the LSL- Code of Conduct for Senior Management and LSL- Code of Conduct for Prevention of Insider Trading and other applicable policies, in force from time to time.

## III. Process for Identification & Shortlisting of candidates

### A. Directors

1. The Nomination and Remuneration Committee shall identify the need for appointment of new Directors on the Board on the basis of the evaluation process for Board as a whole and of individual Directors or as it may otherwise determine.
2. Candidates for Board Membership may be identified from a number of sources, including but not limited to past and present members of the Board and Directors Database.
3. Nomination and Remuneration Committee shall evaluate proposals for appointment of new Directors on the basis of qualification criteria and positive attributes referred to hereinabove and make its recommendations to the Board.

**ANNEXURE TO THE DIRECTORS' REPORT** *(Contd.)***B. Members of Senior Management**

1. The Nomination and Remuneration Committee shall consider the recommendation of the management while evaluating the selection of executives in Senior Management. The Nomination and Remuneration Committee may also identify potential candidates for appointment to Senior Management through referrals and recommendations from past and present members of the Board or from such other sources as it may deem fit and proper.
2. The Nomination and Remuneration Committee shall evaluate proposals for appointments to Senior Management on the basis of eligibility criteria referred to hereinabove and such other criteria as it may deem appropriate.
3. Based in such evaluation, the Nomination and Remuneration Committee shall shortlist the desired candidate and make its recommendations to the Board for appointment.

**IV. Removal****A. Directors**

1. If a Directors incurs any disqualification mentioned under the Companies Act, 2013 or any other applicable law, regulations, statutory requirement, the Nomination and Remuneration Committee may recommend to the Board with reasons, recorded in writing, the removal of the said Director subject to the provisions of and compliance with the statutory provisions.
2. Such recommendations may also be made on the basis of performance evaluation of the Directors or as may otherwise be thought fit by Nomination and Remuneration Committee.

**B. Members of Senior Management**

1. The Nomination and Remuneration Committee shall consider the recommendation of the management while making recommendations to the Board for dismissal/ removal of those in Senior Management.
2. Such recommendation may also be made on the basis of performance evaluation of members of Senior Management to the extent applicable or as may otherwise be thought fit by Nomination and Remuneration Committee.

**V. Review**

The Nomination and Remuneration Committee shall periodically (at least on an annual basis) review the effectiveness of this Policy and recommend any revisions that may be required to this Policy to the Board for consideration and approval.

**REMUNERATION POLICY FOR THE DIRECTORS, KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT AND OTHER EMPLOYEES****I. PREAMBLE**

- 1.1 The Nomination and Remuneration Committee of Lohia Securities Limited has adopted the following policy and procedures with regard to remuneration of Directors, Key Managerial Personnel and other employees.
- 1.2 The Remuneration Policy is framed in compliance with the applicable provisions of Regulation 19 read with Part D of the Schedule-II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 and other applicable provisions of the Companies Act, 2013.

## ANNEXURE TO THE DIRECTORS' REPORT *(Contd.)*

### II. DESIGN OF REMUNERATION PACKAGES

#### 2.1 While designing remuneration packages, the following factors are taken into consideration:

- a) To ensure that the level and composition of remuneration is in line with other companies in the industry, sufficient to attract and retain right talent, at all levels and keep them motivated enough to meet the organizational objectives.
- b) To ensure that a reasonable balance is maintained in terms of composition of remuneration (fixed and variable component).
- c) To have performance measurement parameters in place to assess the overall performance of Directors, KMPs, Members of Senior Management and other employees.

Based on the above objectives and broad parameters set herein, the Board of Directors of the Company at its meeting held on February 4, 2017, approved this Policy.

### III. REMUNERATION TO DIRECTORS

#### A. Remuneration of Non-executive / Independent Directors

- Sitting fees: The Non-Executive/ Independent Director receive remuneration in the form of sitting fees for attending meeting of the Board or Committee thereof of the Company and its subsidiaries where such Director may be so appointed. The Independent Directors also receive sitting fees for attending separate meetings of the Independent Directors. It is subject to overall limit as prescribed in the Companies Act, 2013 and Rules made there under and the approval of the shareholders, as applicable. The Independent Directors shall not be eligible for stock options. However Non Executive Directors are not eligible for stock options.
- Commission: Commission may be paid within the monetary limit approved by shareholders subject to compliance with applicable regulatory requirements.

#### B. Remuneration of Whole-time Directors

1. The remuneration to be paid to the Whole-time Directors shall be in compliance with the applicable regulatory requirements, including such requisite approvals as required by law.
2. Increments may be recommended by the Committee to the Board which shall be within applicable regulatory limits.
3. The Board may at the recommendation of the Nomination and Remuneration Committee and its discretion, may consider the payment of such additional remuneration within the framework of applicable laws and regulatory requirements.

### IV. REMUNERATION TO KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

Remuneration to Key Managerial Personnel and other Senior Management shall be as per the Human Resource Policy of the Company in force from time to time and in compliance with applicable regulatory requirements. Total remuneration comprises of:

- i. A fixed Basic Salary
- ii. Perquisite as per Company Policy
- iii. Retirement benefits as per Company Rules and statutory requirements
- iv. Performance linked incentives (on an annual basis) based on the achievement of pre-set target and long term incentives based on value creation.



## **ANNEXURE TO THE DIRECTORS' REPORT** *(Contd.)*

### **V. REMUNERATION TO OTHER EMPLOYEES**

The remuneration packages of other employees are also formulated in accordance with HR Policy of the Company in force from time to time. In addition to basic salary and other components forming part of overall salary packages, employees are also provided with perquisites and retirement benefits, as per the HR policy of the Company and statutory requirements, where applicable.

### **VI. Disclosure**

As per existing applicable regulatory requirements, the Remuneration Policy shall be disclosed in the Board's Report.

### **VII. REVIEW**

The Nomination and Remuneration Committee shall periodically (at least on an annual basis) review the effectiveness of this Policy and recommend any revisions that may be required to this Policy to the Board for consideration and approval

For and on behalf of the Board

Place : Kolkata  
Dated : 30th May, 2018

**Mr. Mahesh Kumar Bajaj**  
*Whole-time Director*  
DIN: 00080157

**Sudheer Kumar Jain**  
*Whole-time Director*  
DIN: 00075103

**ANNEXURE TO THE DIRECTORS' REPORT** (Contd.)**Annexure-C****Form No. MR-3 SECRETARIAL AUDIT REPORT  
For the Financial Year Ended 31st March, 2018**

[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,  
**Lohia Securities Limited**  
CIN : L67120WB1995PLC067195  
4, Biplabi Trailokya Maharaj Sarani  
(Brabourne Road), 5th floor,  
Kolkata 700 001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Lohia Securities Limited having CIN L67120WB1995PLC067195 (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 ("audit period") 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Lohia Securities Limited ("the Company") for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) 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; - **Not Applicable to the Company during the Audit Period**
- (v) The Securities and Exchange Board of India Act, 1992 ('SEBI Act')
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011:- **Not Applicable to the Company during the Audit Period**
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015:-**Not applicable to the Company during the Audit Period**
  - 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**

**ANNEXURE TO THE DIRECTORS' REPORT** *(Contd.)*

- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - **Not Applicable to the Company during the Audit Period**
- 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; and – **Applicable to the Company during the Audit Period**
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - **Not Applicable to the Company during the Audit Period.**
- i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015- **Applicable to the Company during the Audit Period**

**(vi) Other Applicable Acts:**

- a. Employees' State Insurance Act, 1948, and rules made thereunder;
- b. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made thereunder;
- c. The Payment of Bonus Act, 1965, and rules made thereunder;
- d. The Payment of Gratuity Act, 1972, and rules made thereunder;
- e. The Payment of Wages Act, 1936, and rules made thereunder;
- f. The Minimum Wages Act, 1948, and rules made thereunder;
- g. Shop and Commercial Establishment Act of Applicable States;
- h. Child Labour (Prohibition and Regulation) Act, 1986
- i. Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- j. The Competition Act, 2002, and rules made thereunder;
- k. Prevention of Money Laundering Act, 2002, and rules made thereunder;
- l. Consumer Protection Act, 1986, and rules made thereunder;
- m. The Trademark Act, 1999, and rules made thereunder;
- n. The Indian Stamp Act, 1899, and rules made thereunder;
- o. Guideline with respect to SEBI KYC Registration Agency Regulation, 2011;
- p. Credit Information Companies (Regulation) Act, 2005 and rules made thereunder;
- q. The Depositories Act, 1996 and regulation and buy-laws thereunder;
- r. The Income Tax Act, 1961;
- s. Service Tax under Chapter V of the Finance Act, 1994;
- t. The Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975;
- u. The West Bengal State Tax on Professions, Trades, Callings and Employments Act, 1979;
- v. Information Technology Act, 2000;
- w. The Micro, Small and Medium Enterprise Development Act, 2006; and
- x. The Reserve Bank of India Act, 1934.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India under the provision of

**ANNEXURE TO THE DIRECTORS' REPORT** *(Contd.)*

Companies Act, 2013 in respect of board and general meetings.

- (ii) The Listing Agreements entered into by the Company with the BSE Limited and The Calcutta Stock Exchange Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

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

I further report that compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

During the year the Company has conducted 9 Board meetings, 6 Audit Committee meetings, 3 meeting of Nomination & Remuneration Committee, 1 Stakeholder Relationship Committee Meeting and 1 Independent Director meeting. We have also examined compliance with the applicable clauses.

On the basis of written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the Directors except Mr. Rajesh Kumar Bajaj, who has been disqualified under section 164(2)(a) of the Companies Act, 2013 being a director of few of the companies which did not file financial statements and annual returns for the continuous period of three years ended on 31st March, 2016.

**I further report that:**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- The decisions at the Board Meetings, as represented by the management, were taken unanimously and recorded in minutes.

**I 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.

**I further report that** during the audit period the Company has no events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Place: Howrah  
Date 30th May, 2018

**Poonam Binani**  
*Company Secretary*  
Membership No. A33638  
C.P. No. 12552

Note : This report is to be read along with or letter of even date which is annexed as **Annexure- C1** forms an integral part of this report.

**"ANNEXURE-C1"**

To  
The Members,  
Lohia Securities Limited  
CIN : L67120WB1995PLC067195  
4, Biplabi Trailokya Maharaj Sarani  
(Brabourne Road), 5th floor,  
Kolkata 700 001

My 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. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes 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. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
4. Where ever required 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. My examination was limited to the verification of procedures on test basis.
6. The List of Laws applicable to the Company stated in the Secretarial Audit Report is as confirmed by the management of the Company. The Secretarial Audit Report is neither an assurance nor a confirmation that the list is exhaustive.
7. 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.

Place: Howrah  
Date 30th May, 2018

**Poonam Binani**  
*Company Secretary*  
Membership No. A33638  
C.P. No. 12552

**ANNEXURE TO THE DIRECTORS' REPORT** *(Contd.)***Annexure-D****REPORT ON CORPORATE GOVERNANCE OF THE COMPANY**

For the year ended 31st March, 2018

[As required under Regulation 34(3) of SEBI

(Listing Obligations and Disclosure Requirements) Regulations, 2015]

**1. THE COMPANY'S GOVERNANCE PHILOSOPHY**

Lohia Securities is committed to maintaining high standards of Corporate Governance, protecting Customers', Shareholders' and other Stakeholders' interest. In line with this philosophy, Lohia Securities Limited endeavors to maintain transparency at all levels through adoption of best Corporate Governance Practices. The basic governance frameworks reflecting the values of the entity are ingrained in the functions. The Company has adopted various codes, policies and programs to carry out its operations in a transparent and ethical manner. Some of the important codes, policies and programs adopted in this regard are-

- Code of Conduct for Directors and Senior Management
- Code of Conduct for regulating, monitoring and reporting trading by insiders
- Related Party Transaction Policy
- Nomination and Remuneration Policy
- Policy on Material Subsidiaries
- Policy for determination of Materiality of Events/ Information for disclosures
- Familiarization Programme

**2. BOARD OF DIRECTORS**

In terms of the Company's Corporate Governance policy, all statutory and other significant and material information are placed before the Board to enable it to discharge its responsibilities of strategic supervision of the Company and as trustees of stakeholders. The basic responsibility of the Board is to provide effective governance over the Company's affairs exercising its reasonable business judgement on behalf of the Company.

**a) Composition and Category of Directors**

The composition of Board of Directors of the Company is in compliance with the requirement of Regulation 17(1)(a) and (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board of Directors of the Company as on 31st March, 2018 consists of 8 members comprising:

- Four Directors are in the Whole-time employment of the Company
- Four Non-Executive Independent Directors, having experience of business, finance, legal and management. The number of Independent Directors is 50% of the total number of Directors. The Board is also compliant with requirement of appointment of Woman Director on the Board.
- The director presiding the meeting of the Board is an independent Non-Executive Director.

None of the Directors on the Board is a member of more than ten Board-level committee or Chairman of more than five such committees as required under Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further none of the non-executive and independent directors are independent directors in more than seven listed entities and none of the whole-time directors are independent directors in more than three listed entities as required under Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**ANNEXURE TO THE DIRECTORS' REPORT** *(Contd.)*

The Composition of the Board as on 31st March, 2018 was pursuant to the provisions of the Companies Act, 2013 (the Act) and the Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Name of the Directors	Category of Directors	Number of outside Directorship(s) held			Committee Position(s) held	
		Public Companies	Private Companies	Foreign Companies	As Member	As Chairman
Mr. Hari Kishan Lohia	Promoter, Executive Director	-	12	-	-	-
Mr. Mahesh Kumar Bajaj	Promoter, Executive Director	-	11	-	2	-
Mr. Rajesh Kumar Bajaj	Promoter Executive Director	-	11			
Mr. Sudheer Kumar Jain	Promoter, Executive Director	-	9	-	-	-
Mr. Vineet Goenka	Non-Executive Independent Director	-	-	-	2	-
Mr. Sameer Bajaj	Non-Executive Independent Director	-	1	-	2	-
Ms. Sarita Ojha	Non-Executive Independent Women Director	-	-	-	2	2
Mr. Ashish Kumar Gupta	Non-Executive Independent Director	-	-	-	2	-

Notes:

1. For this purpose, only two Committees viz. the Audit Committee and the Stakeholders Relationship Committee have been considered. This excludes Committee positions held in private limited companies, foreign companies and companies under Section 8 of the Act.
2. Necessary disclosures regarding Committee positions in other public companies as on 31st March, 2018 have been made by the Directors.
3. None of the Directors are related to each other.

**b) Attendance of Directors at the Board Meeting during the Financial Year ended 31st March, 2018 and at the last Annual General Meeting**

During the Financial Year ended 31st March, 2018, 9 (nine) Board meeting were held and the gap between any two consecutive meetings held during the year did not exceed 120 days. The attendance details of each



**ANNEXURE TO THE DIRECTORS' REPORT** (Contd.)

director at the Board meetings and at the last Annual General Meeting (AGM) is given below:

Name of the Directors	No. of Board Meeting		Whether attended the last AGM
	Held	Attended	
Mr. Hari Kishan Lohia	9	9	Yes
Mr. Mahesh Kumar Bajaj	9	8	Yes
Mr. Rajesh Kumar Bajaj	9	9	Yes
Mr. Sudheer Kumar Jain	9	9	Yes
Mr. Vineet Goenka	9	1	No
Mr. Sameer Bajaj	9	9	Yes
Ms. Sarita Ojha	9	9	Yes
Mr. Ashish Kumar Gupta	6	5	Yes

**c) Information placed before the Board**

The notice and detailed agenda alongwith the relevant notes and other material information are sent in advance separately to each director and in exceptional cases tabled at the meeting with the approval of the Board. This ensures timely and informed decision by the Board.

During the year 2017-18, information as mentioned in Schedule II part A of the Listing Regulations, has been placed before the Board for its considerations, to the extent it is applicable and relevant.

The Board periodically reviews the compliance reports of all laws applicable to the Company, prepared by the Company.

**d) Details of Meeting wise attendance of board members**

Date of Board Meeting	Board Strength	No. of Directors Present
15th April, 2017	7	7
30th May, 2017	7	7
23rd June, 2017	7	7
14th August, 2017	8	6
23rd September, 2017	8	6
14th November, 2017	8	7
28th November, 2017	8	7
9th December, 2017	8	8
14th February, 2018	8	7

**e) Inter-se relationships among Directors**

There is no inter-se-relationship among the Directors.

**f) Statement showing number of shares/ convertible Instruments held by the Non-Executive Directors as on 31st March, 2018**

Name of the Non-Executive Director	No. of shares held
Mr. Vineet Goenka	-
Mr. Sameer Bajaj	-
Ms. Sarita Ojha	-
Mr. Ashish Kumar Gupta	-

**ANNEXURE TO THE DIRECTORS' REPORT** *(Contd.)*

None of the Non-Executive or Independent Directors holds any convertible instruments and/ or stock options of the Company as on 31st March, 2018.

**g) Familiarization programme for Independent Directors:**

The Company familiarizes its Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. The familiarization programme for Independent Directors is disclosed on the Company's website and the same may be accessed at the link [www.lohiasecurities.com](http://www.lohiasecurities.com).

**STATUTORY BOARD COMMITTEES****3. AUDIT COMMITTEE****Composition**

The composition, quorum and terms of reference of the Committee is in accordance with the provisions of Section 177 of the Act and Regulation 18 read with Schedule II part C of the Listing Regulations. The Audit Committee comprises of four Non-Executive-Directors (all of them independent) and one Executive Director. All of them financially literate and most of them have accounting or related financial management expertise. The Chairman of the Committee is an independent Director.

Mr. Sameer Bajaj, Non-Executive, Independent Director

Mr. Mahesh Kumar Bajaj- Executive Director

Mr. Vineet Goenka- Non Executive, Independent Director

Ms. Sarita Ojha- Non-Executive, Independent Director, Chairman

Mr. Ashish Kumar Gupta- Non-Executive, Independent Director

The Senior Management team of the Company comprising of the Chief Operating officer, Head of Finance Department, the Statutory Auditor and the Internal Auditor are invited to attend the Meeting of the Committee as Invitees. The Company Secretary is the Secretary to the Committee.

**Terms of Reference**

The broad terms of reference of the Audit Committee, inter alia, include:

1. Oversight 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;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of section 134 of the Companies Act, 2013
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements

## ANNEXURE TO THE DIRECTORS' REPORT *(Contd.)*

- f. Disclosure of any related party transactions
- g. Qualifications in the draft audit report
- 5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- 6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- 7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- 8. Approval or any subsequent modification of transactions of the company with related parties;
- 9. Scrutiny of inter-corporate loans and investments;
- 10. Evaluation of undertakings or assets of the company, wherever it is necessary;
- 11. Evaluation of internal financial controls and risk management systems;
- 12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 13. 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;
- 14. Discussion with internal auditors of any significant findings and follow up there on;
- 15. 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;
- 16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- 18. To review the functioning of the Whistle Blower mechanism;
- 19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- 20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee ;
- 21. Review the management discussion and analysis of financial condition and results of operation ;
- 22. Review the statement of significant related party transaction (as defined by the audit Committee), submitted by the management ;
- 23. Review of management letters/ letters of internal control weaknesses issued by statutory auditors ;
- 24. Review of internal audit reports relating to internal control weaknesses ;
- 25. Review of the appointment, removal and terms of remuneration of the chief internal auditor shall be

**ANNEXURE TO THE DIRECTORS' REPORT** *(Contd.)*

subject to review by audit committee and

26. Review of (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange (s) in terms of Regulation 32(1), and (b) annual statement of funds utilized for purposes other than those stated in the offer documents/ prospectus/ notice in terms of Regulation 32(7).

**Attendance**

During the financial year 2017-18, meetings of the Audit Committee were held on 8th April, 2017, 30th May, 2017, 14th August, 2017, 15th November, 2017, 9th December, 2017 and 14th February, 2018 at the registered office of the Company. The gap between two meetings never exceeded four months. The details of attendance of the members at the said meetings are as below:

Name of the Member	Category	Position	No. of Meetings held	No. of Meetings attended
Mr. Mahesh Kumar Bajaj	Promoter, Executive-Director	Member	6	6
Mr. Sameer Bajaj	Non-Executive & Independent Director	Member	6	6
Mr. Vineet Goenka	Non- Executive & Independent Director	Member	6	1
Ms. Sarita Ojha	Non-Executive & Independent Director	Chairperson	6	6
Mr. Ashish Kumar Gupta	Non-Executive & Independent Director	Member	3	3

**4. NOMINATION AND REMUNERATION COMMITTEE**

There is a Nomination and Remuneration Committee in place with roles, powers and duties to be determined by the Board from time to time. Its terms of reference are in accordance with the provisions of Section 178 of the Act and Regulation 19(4) read with Schedule II Part D of the Listing Regulations.

**Composition**

The Nomination and Remuneration Committee comprises of four Non-Executive Directors and one Executive Director. Four of whom are independent. Ms. Sarita Ojha presided over all the meetings. Mr. Mahesh Kumar Bajaj, Mr. Sameer Bajaj, Mr. Vineet Goenka and Mr. Ashish Kumar Gupta (with effect from 23/09/2017) are the other members of this Committee.

**Terms of Reference**

The broad terms of reference of the Nomination and Remuneration Committee are:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board of Directors;
3. Devising a policy on diversity of Board of Directors;
4. Identifying persons who are 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.
5. Whether to extend or continue the terms of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

## ANNEXURE TO THE DIRECTORS' REPORT *(Contd.)*

### Meetings and Attendance

The Nomination and Remuneration Committee met three times during the financial year 2017-18 on 1st April, 2017, 1st August, 2017 and 9th December, 2017, inter alia, to approve and recommend to the Board the policy for selection and appointment of directors and key managerial personnel, policy for remuneration of directors and Key Management Personnel and Policy for Performance Evaluation of Individual Directors, the Board as a whole and the Committee thereof. The necessary quorum was present for all the Nomination and Remuneration Committee meetings. The details of attendance of the members at the said meetings are as below:

Name of the Member	Category	Position	No. of Meetings held	No. of Meetings attended
Mr. Mahesh Kumar Bajaj	Promoter, Executive Director	Member	3	3
Mr. Sameer Bajaj	Non-Executive & Independent Director	Member	3	3
Mr. Vineet Goenka	Non- Executive & Independent Director	Member	3	1
Ms. Sarita Ojha	Non-Executive & Independent Director	Chairperson	3	3
Mr. Ashish Kumar Gupta	Non-Executive & Independent Director	Member	1	1

### Board Membership Criteria

While screening, selecting and recommending to the Board new members, the Nomination and Remuneration Committee ensures that the Board is objective, there is absence of conflict of interest, ensures availability of diverse perspectives, business experience, legal, financial & other expertise, integrity, managerial qualities, practical wisdom, ability to read & understand financial statements, commitment to ethical standards and values of the Company and ensures healthy debates and sound decisions.

While evaluating the suitability of a Director for re-appointment, besides the above criteria, the Nomination and Remuneration Committee considers the past performance, attendance & participation in and contribution to the activities of the Board by the Directors.

The Independent Directors comply with the definition of Independent Directors as given under Section 149(6) of the Companies Act, 2013 and Regulation 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. While appointing/ re-appointing any Independent Directors/ Non Executive Directors on the Board the Nomination and Remuneration Committee considers the criteria as laid down in the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

All the Independent Directors give a certificate confirming that they meet the "independence criteria" as mentioned in Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

### Remuneration Policy

The key elements of remuneration of Non-executive Directors/ Independent directors are sitting fees subject to overall limit as prescribed in the Companies Act, 2013 and Rules made thereunder and the approval of the shareholders, as applicable.

The whole-time directors are appointed on a contractual basis for a fixed tenure as approved by the shareholders and such contracts are renewable upon expiry of the tenure subject to the recommendation by the Nomination and Remuneration Committee and Board of Directors and approval of shareholders.

The remuneration paid to Whole-time Director is within the limits approved by the shareholders of the Company which includes fixed salary, within the overall limit under section 197 of the Companies Act, 2013. Their annual

## ANNEXURE TO THE DIRECTORS' REPORT *(Contd.)*

increments shall be linked to their overall performance and as decided by the Nomination and Remuneration Committee.

### Performance Evaluation Criteria

The performance evaluation questionnaire covers specific criteria with respect to the Board & Committee composition, structure, culture, effectiveness of the Board and Committees, information availability, etc. It also contains specific criteria for evaluating the Chairman and individual directors

## 5. STAKEHOLDERS RELATIONSHIP COMMITTEE

### Composition

The Shareholders/ Investors Grievance Committee presently consist of four Non –Executive Directors, (all of whom are independent) and one Executive Director. The Chairman of the Shareholders/ Investors Grievance Committee is Mrs. Sarita Ojha. The other members of the Committee are Mr. Mahesh Kumar Bajaj, Mr. Vineet Goenka and Mr. Ashish Kumar Gupta. Mr. Ashish Kumar Gupta joined the Committee with effect from 23/09/2017. Company Secretary is the Compliance Officer of the Committee. The Composition of this Committee is in compliance with the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

### Terms of Reference

The role of the Stakeholders Relationship Committee is to consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends. The Committee meets on a periodic basis to address the investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend etc.

### Details of grievances of the shareholders as on 31st March, 2018 is as below:

Number of Shareholder Complaints received during the year.	Nil
Number not solved to the satisfaction of the shareholders till 31st March, 2018	Nil
Number of Complaints pending as at 31st March, 2018	Nil

### Meetings and Attendance

During the financial year ended 31st March, 2018, only one meeting of the Shareholders/ Investors Grievance Committee was held on 09.12.2017 for consideration of the future policies of the Company in relation to handling of investor grievances.

## 6. REMUNERATION OF DIRECTORS

Apart from receiving sitting fees, none of the Independent directors has any other material pecuniary relationship or transactions with the Company, its promoters, its Directors, its Management, its subsidiaries and its associate companies which would affect their independence with the Company during the year under review.

The criteria for making payments to Non-Executive Directors is laid down in the Nomination and Remuneration Policy of the Company, which is forming a part of the Annual Report.

### Remuneration Paid to Directors

The Nomination and Remuneration Committee, comprising of Non-Executive Directors and one Executive Director, determines remuneration of Executive Directors and Senior Executive. The aggregate amount of

## ANNEXURE TO THE DIRECTORS' REPORT *(Contd.)*

salary paid for the year ended 31st March, 2018 to Whole-time Directors were as below:

Mr. Sudheer Kumar Jain	₹ 22,50,000/-
Mr. Rajesh Kumar Bajaj	₹ 14,41,667/-
Mr. Hari Kishan Lohia	₹ 8,07,333/-
Mr. Mahesh Kumar Bajaj	₹ 6,92,000/-

Mr. Sameer Bajaj and Mrs. Sarita Ojha, Independent Directors, were paid sitting fees of ₹ 60,000/- each during the financial year 2017-18. Mr. Ashish Kumar Gupta was paid sitting fees of ₹ 40,000/- Mr. Hari Kishan Lohia, Mr. Mahesh Kumar Bajaj, and Mr. Rajesh Kumar Bajaj were appointed Whole-time Directors of the Company with effect from 15/04/2017. Mr. Vineet Goenka, Non-Executive Independent Director of the Company, has not drawn any sitting fees for attending the Board Meetings and various Committee Meetings.

The above mentioned remuneration is within the limits prescribed under the provision of the Act. No stock options have been granted to any directors of the Company.

### 7. INDEPENDENT DIRECTORS COMMITTEE

The Company's independent Directors met on 9th December, 2017 without the presence of the non-independent directors and the senior management team. The meeting was attended by all the Independent directors and was conducted informally to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views to other independent directors.

#### Composition

The Committee comprises of all independent directors of the Company. As on 31st March, 2018 the Committee comprises of (a) Mr. Sameer Bajaj (b) Mr. Vineet Goenka (c) Ms. Sarita Ojha and (d) Mr. Ashish Kumar Gupta.

#### Terms of Reference

- Evaluation of the performance of Independent Directors and the Board of Directors as a whole.
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

### 8. SUBSIDIARY COMPANIES:

The Company has the following 100% subsidiary companies as on March 31, 2018.

- Trade City Securities Private Limited
- Trade City Commodities Private Limited
- Trade City Barter Private Limited
- Trade City Real Estate Private Limited

All the subsidiaries are incorporated in India. All subsidiary companies are Board managed with their Boards having the rights and obligations to manage such companies in the best interest of their stakeholders. Regulation 16(1)(c) of SEBI (LODR) Regulation 2015 defines "material subsidiary" as a subsidiary, whose income or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in immediately preceeding accounting year. None of the above subsidiaries are satisfying the above definition of material subsidiaries. Hence, the Company is not required to nominate an Independent director of the Company on the Board of any subsidiary. The



**ANNEXURE TO THE DIRECTORS' REPORT** (Contd.)

Company monitors performance of subsidiary companies, inter alia, by the following means:

- The financial statements, in particular investments made by unlisted subsidiary companies, are reviewed by the Company's Audit Committee on annual basis.
- Minutes of Board Meetings of unlisted subsidiary companies are placed before the Company's Board of Directors.
- A statement containing all significant transactions and arrangements entered into by unlisted subsidiary companies is placed before the Company's Board.

**9. GENERAL BODY MEETINGS****a) Location and time of the last 3 Annual General Meetings held and Special Resolutions Passed:**

During the preceding three years, the Company's Annual General Meetings were held at the Registered Office: 4 Biplabi Trailokya Maharaj Sarani (Brabourne Road), 5th floor, Kolkata 700 001. The date and time of Annual General Meeting held during last three years are as follows:

Financial Year	Date	Time	Special Resolution Passed
2016-17	Saturday, 23rd September, 2017	10.30 AM	No
2015-16	Saturday, 24th September, 2016	10.30 AM	No
2014-15	Saturday, 26th September, 2015	10.30 AM	Yes *

Note: * Special Resolution passed at the AGM of 26th September, 2015	a)	A Special Resolution was passed at the 21st Annual General Meeting of the Company for adoption of new set of Articles of Association bearing Article 1 to Article 135 in substitution and to entire exclusion of the Company's existing Articles of Association.
	b)	Special Resolution was also passed at the 21st Annual General Meeting according permission to the Board, pursuant to Section 188 of the Companies Act, 2013, to enter into related party transactions.

No Extraordinary General Meetings were held during the last three years.

**b) Details of Special Resolution passed last year through Postal Ballot- Details of Voting Pattern-**

No Special Resolution was passed through Postal Ballot.

- Person who conducted the postal ballot exercise: Not Applicable
- Whether any special resolution is proposed to be conducted through postal ballot: Nil
- Procedure for Postal Ballot: N.A.

**c) Disclosure regarding appointment or re-appointment of Directors in accordance with Regulation 36(3) of the SEBI Listing Regulations**

Resume and other information of the Directors proposed to be re-appointed (including those retiring by rotation) at the ensuing Annual General Meeting are given in the Notice relating thereto to the shareholders as required under Regulation 36 of SEBI (LODR) Regulation 2015.

**10. MEANS OF COMMUNICATION**

Effective communication of information is an essential component of Corporate Governance. It is the process of sharing information, ideas, thoughts, opinions and plans to all stakeholders, which promotes management- shareholder relations. The Company regularly interacts with its members through multiple

**ANNEXURE TO THE DIRECTORS' REPORT** (Contd.)

channels of communications such as results announcements, annual reports, media releases and company's websites and through green initiatives.

Subject	Details
Quarterly Results	Quarterly, half yearly and Annual Results are published in the newspapers viz. Business Standard/ Financial Express (English) and Arthik Lipi (Bangla) . The results are also posted on the company's website: <b>www.lohiasecurities.com</b>
News Releases	Official news releases are sent to BSE stock exchanges as well as displayed on the Company's website: <b>www.lohiasecurities.com</b>
Any website, where displayed	The Company's website <b>www.lohiasecurities.com</b> provides comprehensive information about the business of the Company. Section on Investor Information serves to inform and service the shareholders allowing them to access information at their convenience. The quarterly shareholding pattern of the Company is available on the website of the Company as well as the BSE stock exchange. The entire Annual Report and Accounts of the Company and its subsidiaries are available in the downloadable formats. The entire Annual Reports and Accounts of the Company will also be made available on the website of the BSE Ltd.
E-mail for Investor Complaints	The Company has created an exclusive e-mail id: <b>grievance@lohiasecurities.com</b>
Whether it also displays official news released and presentations made to institutional Investors/ Analysis	No
Whether MD&A is a part of Annual Report	Yes, the same is part of Directors' Report

In compliance with the requirements of the Listing Agreements, the Company regularly intimates unaudited as well as audited financial results to the Calcutta Stock Exchange as well as BSE immediately after the Board takes them on record. Further coverage is given for the benefit of the shareholders and investors by publication of the financial results in English and Bengali newspaper circulating in the state of West Bengal. The same is also posted on the Website of the Company.

**SEBI Complaints Redress System (Scores)**

Securities and Exchange Board of India (SEBI) administers a centralized web based complaints redress system (SCORES). It enables investors to lodge and follow up complaints and track the status of redressal online on the website **www.scores.gov.in**. It also enables the market intermediaries and listed companies to receive the complaints from investors against them, redress such complaints and report redressal. All the activities starting from lodging of a complaint till its disposal are carried online in an automated environment and the status of every complaint can be viewed online at any time. The Company has registered itself on SCORES and endeavors to resolve all investor complaints received through SCORES.

**ANNEXURE TO THE DIRECTORS' REPORT** *(Contd.)***11. GENERAL SHAREHOLDER INFORMATION**

- a. Annual General Meeting: Date, time and Venue : The Annual General Meeting of the Company has been convened on Saturday, 22nd September, 2018, 10.30 a.m. at the Registered Office of the Company at 4 Biplabi Trailokya Maharaj Sarani (Brabourne Road), 5th floor, Kolkata 700 001
- b. Financial Year : 1st April, 2017 to 31st March, 2018
- c. Book Closure Date : The Register of Members will be closed from Monday, 17th September, 2018 to Saturday 22nd September, 2018 (both dates inclusive) as annual closure for the Annual General Meeting.
- d. Dividend Payment Date : The Board has recommended dividend @ ₹ 0.20 per Equity shares for the year ended 31st March, 2018. If declared at the ensuing Annual General Meeting will be paid on and from 26th September, 2018.
- e. Listing at Stock Exchanges : • The Calcutta Stock Exchange Limited  
7 Lyons Range, Kolkata 700 001  
• BSE Limited  
Phiroze Jeejeebhoy Towers, Dalal Street,  
Mumbai 400 001  
  
(The trading of shares were suspended from 8th March, 2017 to 27th October, 2017 on BSE Limited under permitted category)  
  
All listing and custodial fees to the stock exchange and depositories have been paid to the respective institutions.
- f. Stock code and Stock ID : The Calcutta Stock Exchange Limited - 22123-LOHIASEC  
BSE Ltd. -590082-LOHIASEC  
  
ISIN in National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited- INE803B01017.
- g. Market Price Data: Monthly high and low quotes and volume of shares traded on Calcutta Stock Exchange (CSE): There were no trading of the equity shares of Lohia Securities Limited for the period from 01/04/2017 to 31/03/2018 at the Calcutta Stock Exchange. The close price as on 31st March, 2018 is ₹ 9.90. The shares of the Company were permitted for trading on BSE platform with effect from 06.05.2008 and the closing price as on 8th March, 2017 was ₹ 47.50.

**ANNEXURE TO THE DIRECTORS' REPORT** (Contd.)

The trading in the equity shares of Lohia Securities Ltd., which was admitted in Permitted to Trade category of BSE was discontinued w.e.f. March 08, 2017. However, BSE Ltd. vide its Notice No.20171024-9 dated 24th October, 2017 announced the recommencement of trading of securities of Lohia Securities Ltd. (Scrip Code: 590082) on its terminals under "Permitted to Trade" category with effect from 27th October, 2017.

**The market price data i.e. monthly high and low prices of the Company's shares on BSE are given below:**

(in ₹)

Month	Open Price	High Price	Low Price	Close Price	No. of Shares
Nov 2017	49.85	49.85	49.85	49.85	35
Jan 2018	52.30	52.30	52.30	52.30	858

- h. Performance in comparison to broad-based : The Company's share does not form a part of the CSE-40 indices such as BSE sensex, CRISIL index etc or CSE-50 index. Similarly it is not form a part of BSE Sensex.
- i. In case the securities are suspended from trading, the directors report shall explain the reason thereof : The shares of Lohia Securities Ltd. has been allowed for trading on BSE Ltd. under the Permitted to trade category from 6th May, 2008. BSE Ltd. vides its Notice No. 20170228-18 dated 28th February, 2017 prohibited its trading members from trading in equity shares of Lohia Securities Ltd., effective from March 8, 2017. No trading was, thus, permitted to be executed in the shares of the Company on BSE from March 8, 2017 to 26th October, 2017. Again, the Trading recommenced under "Permitted to Trade category with effect from 27th October, 2017.
- j. Registrars and Transfer Agents (for Share transfer and communication regarding share certificates, dividend and change of address) : M/s. Niche Technologies Pvt. Ltd.  
D-511, Bagree Market, 5th floor,  
71, B.R.B.B. Road, Kolkata- 700 001
- k. Share Transfer System : Share transfers are registered and returned within Period of 15 days from the date of receipt, in case documents are complete in all respects. All share transfers are approved by the whole-time Director under the authority delegated to him by the board. During the year ended 31st March, 2018, no shares in physical form were transferred. The Company obtains from a Company Secretary in practice half yearly certificate to the effect that all certificates have been issued within 30 days of the date of lodgement of the transfer, sub-division, consolidation and renewal as required under Regulation 40(9) of the Listing Regulations and files a copy of the said certificates with stock exchange.

**ANNEXURE TO THE DIRECTORS' REPORT** (Contd.)**I. i) Distribution of Shareholding as at the year ended 31.03.2018:**

No. of Shares	No. of Shareholders	% of Total	No. of Shares	% of Total
Upto- 500	358	84.6336	12,824	0.2574
501-1,000	3	0.7092	2,392	0.0480
1001-5000	4	0.9456	11,941	0.2396
5001-10,000	9	2.1277	71,824	1.4414
10,001-50,000	23	5.4374	6,30,059	12.6442
50,001-1,00,000	14	3.3097	12,38,840	24.8613
1,00,001- & above	12	2.8369	30,15,120	60.5081
<b>Total</b>	<b>423</b>	<b>100.0000</b>	<b>49,83,000</b>	<b>100.0000</b>

**ii) Categories of Shareholders as at the year ended 31.03.2018**

Category	No. of Shareholders	% of Total	No. of Shares	% of Total
<b>Bodies Corporate:</b>				
Promoters	7	1.655	966,386	19.394
Others	26	6.147	1,182,603	23.733
Clearing Member	0	0	0	0
<b>Total Bodies Corporate</b>	<b>33</b>	<b>7.802</b>	<b>2,148,989</b>	<b>43.127</b>
<b>Resident Individuals</b>				
Promoters (Directors & Relatives)	15	3.546	2,424,931	48.664
IEPF Authority	1	0.236	1848	0.037
Others	374	88.416	407232	8.172
<b>Total Individuals</b>	<b>390</b>	<b>92.198</b>	<b>2,834,011</b>	<b>56.873</b>
<b>TOTAL</b>	<b>423</b>	<b>100.000</b>	<b>49,83,000</b>	<b>100.000</b>

**iii) Top Ten Shareholders as on 31st March, 2018**

Sr. No.	Name of shareholders	Number of Shares	% of total
1	Rajesh Kumar Bajaj	460,800	9.25
2	Hari Kishan Lohia	431,000	8.65
3	Mahesh Kumar Bajaj	390,400	7.83
4	Sudheer Kumar Jain	312,000	6.26
5	Shiv Lalit Consultancy Pvt. Ltd.	265,000	5.32
6	Ridhi Sidhi Distributor Pvt. Ltd.	252,881	5.07
7	Sarla Lohia	205,100	4.12
8	Trade City Barter Pvt. Ltd.	205,000	4.11
9	Sunita Bajaj	140,700	2.82
10	Hallmark Merchants Pvt. Ltd.	132,021	2.65
<b>Total</b>		<b>2,794,902</b>	<b>56.08</b>

**ANNEXURE TO THE DIRECTORS' REPORT** (Contd.)**Dematerialization of Shares and Liquidity:**

Trading in the Company's shares is permitted only in dematerialized form. The Company has established connectivity with both the depositories viz. NSDL and CDSL through the Registrar M/s. Niche Technologies Pvt. Ltd., whereby the investors have the option to dematerialize their shares with either of the depositories. As on 31st March, 2018, about 49,75,892 (99.857%) of the Company's shares were held in dematerialized form.

None of the Company's shares are under lock-in period for any purpose.

Company obtains a certificate from practicing Company Secretaries every quarter, which confirms that total issued capital of the Company is in agreement with total number of shares in dematerialized form with NSDL and CDSL and shares in physical form. All the share-holding of the promoters group is in electronic form.

**Shares held in dematerialized and physical mode as on March 31, 2018**

Category		Shareholders		Shares	
		Number	Percentage	Number	Percentage
Dematerialised	NSDL	245	57.920	45,76,652	91.845
	CDSL	136	32.151	3,99,240	8.012
<b>Subtotal</b>		<b>381</b>	<b>90.071</b>	<b>49,75,892</b>	<b>99.857</b>
Physical Mode		42	9.929	7,108	0.143
<b>Grand Total</b>		<b>423</b>	<b>100.00</b>	<b>49,83,000</b>	<b>100.00</b>

**m. Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments and their likely impact on equity:**

The Company has not issued GDR/ ADR/ Warrants or any Convertible Instruments

**n. Commodity price risk or foreign exchange risk and hedging activities**

The Company is not exposed to foreign exchange risks as it mainly deals in Indian currency. Also it is not a sizable user of various commodities and as such it is not exposed to the price risk on account of procurement of commodities.

**o. Plant Locations:**

The branches of the Company have been established at Kolkata, Mumbai, Patna and Purulia.

**p. Address for Correspondence:**

- For matters related to shares, transfer/ transmission requests:  
M/s. Niche Technologies Pvt. Ltd.  
D-511, Bagree Market, 71, B.R.B.B. Road, Kolkata- 700 001  
Phone no.-033-2235 7270/ 71.
- For queries/ assistance on issues other than shares (including those related to financial statements)  
Mr. Narendra Kumar Rai  
Company Secretary  
Lohia Securities Ltd.  
4 Biplabi Trailokya Maharaj Sarani (Brabourne Road), 5th floor, Kolkata 700 001  
Phone no. 033-4002 6600/6700, Fax-4002 6800.,  
Email:narendra.raai@lohiasecurities.com  
The Company can be visited at its website at <http://www.lohiasecurities.com>

**ANNEXURE TO THE DIRECTORS' REPORT** (Contd.)**11. OTHER DISCLOSURES**

- a. Disclosure on materially significant related party transactions that may have potential conflict with the interests of the Company at large:**

No such transactions took place during the year ended 31st March, 2018. The Board has approved a policy on materiality of related party transactions and on dealing with related parties and the same is posted on the Company's website at the following link: [www.lohiasecurities.com](http://www.lohiasecurities.com)

- b. Disclosure by Senior Management in accordance with Regulation 26(5) of the SEBI Listing Regulations:**

For the financial year ended 31st March, 2018 the Senior Management Personnel of the Company has confirmed to the Board of Directors that they do not have any personal interest relating to material, financial and commercial transactions entered into with the Company that may have a potential conflict with the interest of the Company at large.

- c. Disclosure on Compliance of Law:**

The Company has complied with the mandatory requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets during the last three years. No penalties or strictures were imposed by SEBI, Stock Exchanges, or any statutory authorities on any matter related to capital markets during the last three years.

- d. Vigil Mechanism/ Whistle Blower Policy**

The Vigil Mechanism/ Whistle Blower Policy has been adopted to provide appropriate avenues to the employees to bring to the attention of the management, the concerns about any unethical behavior, by using the mechanism provided in the Policy. In cases related to financial irregularities, including fraud or suspected fraud, the employees may directly approach the Chairman of the Audit Committee of the Company. We affirm that no director or employee has been denied access to the Audit Committee during financial year 2017-18. The Policy provides that no adverse action shall be taken or recommended against an employee in retaliation to his/ her disclosure in good faith of any unethical and improper practices or alleged wrongful conduct. This Policy protects such employees from unfair or prejudicial treatment by anyone in the Group.

- e. Code for Prevention of Insider Trading Practices:**

The Company has adopted a Code of Conduct for regulating, monitoring and reporting by Insiders in securities of the Company. The code requires pre-clearance for dealing in the Company's securities and prohibits the purchase or sale of securities of the Company by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

The Company has also adopted a Code of Practices and Procedures for Fair Disclosures and conduct of Unpublished Price Sensitive Information to formulate a stated framework and policy for prompt and fair disclosure of events and occurrences that could impact price discovery in the market for securities of the Company.

- f. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements**

The Company has complied with all the mandatory requirements as stipulated in the listing Regulations.

The Company has adopted C,D & E of the Non- mandatory requirements as provided in Part E of Schedule II to the Listing Regulations and not adopted A and B since they are discretionary requirements.



## ANNEXURE TO THE DIRECTORS' REPORT *(Contd.)*

### **g. Policy for determining 'material' subsidiaries**

Pursuant to requirements of Regulation 16(2)(C) of SEBI (LODR) Regulation 2015, the Company has adopted the policy determining material subsidiaries and the said policies are available on the Company's website at [www.lohiasecurities.com](http://www.lohiasecurities.com)

### **h. Certificate from the Whole-time Director and the Chief Financial Officer**

Certificate from Mr. Sudheer Kumar Jain, Whole-time Director and Mr. Sujit Kumar Sharma, Chief Financial Officer, in terms of Regulation 17(8) of the SEBI Listing Regulations for the financial year ended 31st March, 2018 was placed before the Board of Directors of the Company in its Meeting held on 30th May, 2018.

### **i. Code of Conduct**

A code of conduct has been laid down for all Board Members and Senior Management of the Company, which suitable incorporates the duties of independent directors as laid down in the Act. The Board Members and Senior Management of the Company has affirmed compliance with the code of conduct of the Company. A declaration signed by the Whole-time Director to this effect is annexed hereto. The Code of Conduct is available on the Company's website viz. [www.lohiasecurities.com](http://www.lohiasecurities.com)

A declaration to this effect signed by the Whole-time Director In terms of SEBI Listing Regulations forms a part of this Annual Report

### **j. Declaration by Independent Directors under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations**

During the financial year ended 31st March, 2018, the Company received declarations in terms of the provisions of Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations from the Independent Directors.

### **13. The Company has complied with all the requirements as stated in para C(2) to para C(10) of Schedule V of the Listing Regulations.**

### **14. The Company has adopted the following discretionary requirements as stated in Part E of Schedule II of the Listing Regulations:**

#### **A. Modified Opinion in Audit Report**

It has always been the Company's endeavour to present unqualified financial statements. This year there is no qualification in the Auditors' Report as well as Secretarial Audit Report

#### **B. Separate Posts of Chairperson and Chief Executive Officer**

The position of the Chairman and Whole-time Director are separate. There is no Chairman of the Board. The Board of directors elects one of them as Chairman for each of the Board and Committee meeting. Mr. Hari Kishan Lohia, Mr. Mahesh Kumar Bajaj, Mr. Rajesh Kumar Bajaj and Mr. Sudheer Kumar Jain are the Whole-time Directors of the Company for the financial year under report.

#### **C. Reporting of Internal Auditor**

The Internal Auditor reports directly to the Audit Committee.

### **15. Disclosure with respect to demat suspense account/ unclaimed suspense account**

As on 31st March, 2018, there are no shares lying in the demat suspense account/ unclaimed suspense account.

## **ANNEXURE TO THE DIRECTORS' REPORT** *(Contd.)*

### **16. Compliance Certificate of the Auditors**

Certificate from the Company's Auditors, M/s. Vasudeo & Associates., confirming compliance with conditions of Corporate Governance as stipulated in SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015, is attached to this Report.

### **17. Share Reconciliation Audit as per SEBI Requirements:**

As stipulated by SEBI, a qualified Practicing Company Secretary carry out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The Audit confirms that the total Listed and Paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form and physical form.

For and on behalf of the Board

Place : Kolkata  
Dated : 30th May, 2018

**Sudheer Kumar Jain**  
*Whole-time Director*  
DIN: 00075103

**ANNEXURE TO THE DIRECTORS' REPORT** *(Contd.)***DECLARATION BY THE CHIEF EXECUTIVE OFFICER OF THE COMPANY UNDER REGULATION 17(5)(A)  
OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015****To****The members of Lohia Securities Limited**

I, Sudheer Kumar Jain, whole-time director of Lohia Securities Limited, hereby confirm pursuant to regulation 26(3) read with para D of Schedule V of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 that:

The board of Lohia Securities Limited had laid down a code of conduct (code of ethics) for all board members and senior management of the company. The said code of conduct has also been posted on the company's website viz. [www.lohiasecurities.com](http://www.lohiasecurities.com)

As provided under regulation 26(3) read with Para D of Schedule V of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, I hereby declare that all The Board of Directors and Senior Management Personnel of the Company have affirmed the compliance with the Code of Conduct (Code of Ethics) for the year ended march 31, 2018.

For and on behalf of the Board

Place : Kolkata

Dated : 30th May, 2018

**Sudheer Kumar Jain***Whole-time Director*

DIN: 00075103

**ANNEXURE TO THE DIRECTORS' REPORT** (Contd.)

**CEO/ CFO Certificate**

**[Issued in accordance with the provisions of Regulation 17(8) of SEBI  
(Listing Obligations & Disclosure Requirements) Regulations, 2015]**

To  
The Board of Directors,  
**Lohia Securities Limited**  
4 Biplabi Trailokya Maharaj Sarani (Brabourne Road)  
5th floor, Kolkata 700 001

**Certification to the Board pursuant to Regulation 17(8) of SEBI (LODR) Regulations, 2015**

- A. We have reviewed financial statements and the cash flow statement for the financial year 2017-18 and that to the best of our knowledge and belief:
1. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading
  2. These statements together present a true and fair view of the Company's affairs and we are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transaction entered into by the company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee :
- a. Significant changes in internal control over the financial reporting during the year.
  - b. Significant changes in accounting policies during the year and the same has been disclosed in the notes to the financial statements; and
  - c. Instances of significant fraud which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For and on behalf of the Board

**Sudheer Kumar Jain**

*Whole-time Director*

DIN: 00075103

**Sujit Kumar Sharma**

*Chief Financial Officer*

Dated : 30th May, 2018

Place : Kolkata

**ANNEXURE TO THE DIRECTORS' REPORT** *(Contd.)***AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

The Board of Directors

**Lohia Securities Limited**

4 Biplabi Trailokya Maharaj Sarani (Brabourne Road)

5th floor, Kolkata 700 001

We have examined the compliance of conditions of Corporate Governance by M/s. Lohia Securities Limited, for the year ended 31st March, 2018 Chapter IV read with Schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements), Regulations 2015 ("The Regulations"), as and when applicable, of the said Company with Stock Exchange(s). We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the 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 conditions of 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 respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement or SEBI Regulations, as and when applicable.

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

For **Vasudeo & Associates**

*Chartered Accountants*

(Firm Regn. No. 319299E)

Place:

5 & 6 Fancy Lane, 3rd floor,

Room no. 9, Kolkata 700 001

Date: the 30th day of May, 2018

**Ritesh Agarwal**

*Partner*

Membership No. 311866

**ANNEXURE TO THE DIRECTORS' REPORT** (Contd.)**Annexure - E****Details pertaining to remuneration as required under section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016**

1. Percentage Increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2017-18, ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year 2017-18 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of the Director/ KMP & Designation	Remuneration of Director/ KMP for the financial year 2017-18 (Amount in ₹)	Remuneration of Director/ KMP for the financial year 2016-17 (Amount in ₹)	% Increase in Remuneration on the financial year 2017-18	Ratio of Remuneration of each Director/ to median remuneration of employee
1.	Mr. Hari Kishan Lohia, Whole-time Director (Retail Trade)	807,333	-	*	2.69:1
2.	Mr. Mahesh Kumar Bajaj, Whole-time Director (Arbitrage)	692,000	-	*	2.31:1
3.	Mr. Rajesh Kumar Bajaj (Research)	1,441,667	-	*	4.81:1
4.	Mr. Sudheer Kumar Jain, Whole-time Director	2,250,000	9,00,000	150	7.5:1
5.	Mr. Sameer Bajaj, Independent Director	60,000	60,000	Nil	0.20:1
6.	Ms. Sarita Ojha, Independent Director	60,000	60,000	Nil	0.20:1
7.	Mr. Ashish Kumar Gupta	40,000	-	*	0.13:1
8.	Mr. Narendra Kumar Rai, Company Secretary	6,62,200	6,36,300	4.07	2.21:1
9.	Mr. Sujit Kumar Sharma, Chief Financial Officer (CFO)	3,35,239	3,01,937	11.03	1.12:1

2. \*Mr. Hari Kishan Lohia, Mr. Mahesh Kumar Bajaj and Mr. Rajesh Kumar Bajaj were appointed Whole-time Directors with effect from April 15, 2017. Mr. Ashish Kumar Gupta was appointed as Independent Director on 14.08.2017. Percentage increase in remuneration is not reported as they were holding respective office(s) for part of the financial year.
3. The remuneration to Independent Directors is sitting fees paid to them for attending the Board and the Committee meeting in the financial year 2017-18. However, Mr. Vineet Goenka was not paid any sitting fees for attending the board and committee meeting.
4. The median remuneration of employees of the Company during the financial year 2017-18 was ₹ 300000/-.
5. In the financial year there was an increase of 5.5% in the median remuneration of employees.

## **ANNEXURE TO THE DIRECTORS' REPORT** *(Contd.)*

6. There were 198 employees on the rolls of Company as on March 31, 2018.
7. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year was 6% whereas the increase in the managerial remuneration for the same financial year was 4%.
8. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and Senior Management.

For and on behalf of the Board

Place : Kolkata  
Dated : 30th May, 2018

**Sudheer Kumar Jain**  
*Whole-time Director*  
DIN: 00075103



**ANNEXURE TO THE DIRECTORS' REPORT** (Contd.)

Annexure - F

**FORM NO. MGT-9****EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2018**

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

**I. REGISTRATION AND OTHER DETAILS:**

1.	CIN	L67120WB1995PLC067195
2.	Registration Date	06-01-1995
3.	Name of the Company	Lohia Securities Ltd.
4.	Category/Sub-category of the Company	Public Company, Limited by Shares
5.	Address of the Registered office & contact details	4, Biplabi Trailokya Maharaj Sarani (Brabourne Road), 5th Floor, Kolkata-700 001, Phone: (033) 4002 6600/6700, Fax No. (033) 4002 6800, Email: <a href="mailto:info@lohiasecurities.com">info@lohiasecurities.com</a> Website : <a href="http://www.lohiasecurities.com">www.lohiasecurities.com</a>
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Niche Technologies Pvt. Ltd. D-511, Bagree Market, 5th Floor, 71, B. R. B. Road, Kolkata - 700 001, Phone No. : 033-2235 7270 / 71, 033-2234 3576 Fax No. : 033-2215 6823, Email ID : <a href="mailto:nichetechpl@nichetechpl.com">nichetechpl@nichetechpl.com</a>

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

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Securities Brokerage Services	6612	100.00%

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

Sl. No.	Name of The Company	Address of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Trade City Securities Private Limited	1602-B, Lady Ratan Tower, 72 Dainik Shivner Marg, Gandhinagar, Worli, Mumbai-400 018	U67120MH2007PTC175326	Subsidiary	100	2(87)(ii)
2.	Trade City Commodities Private Limited	4, Biplabi Trailokya Maharaj Sarani (Brabourne Road), 5Th Floor, Kolkata-700 001	U74999WB2004PTC099912	Subsidiary	100	2(87)(ii)
3.	Trade City Barter Private Limited	4, Biplabi Trailokya Maharaj Sarani (Brabourne Road), 5Th Floor, Kolkata-700 001	U51909WB1995PTC074970	Subsidiary	100	2(87)(ii)
4.	Trade City Real Estate Private Limited	4, Biplabi Trailokya Maharaj Sarani (Brabourne Road), 5Th Floor, Kolkata-700 001	U51109WB1996PTC078252	Subsidiary	100	2(87)(ii)

**ANNEXURE TO THE DIRECTORS' REPORT** (Contd.)**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):****Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-04-2017]				No. of Shares held at the end of the year [As on 31-03-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTERS</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	2424931	-	2424931	48.664	2424931	-	2424931	48.664	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	966386	-	966386	19.394	966386	-	966386	19.394	-
e) Banks/ FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(I)</b>	<b>3391317</b>	<b>-</b>	<b>3391317</b>	<b>68.058</b>	<b>3391317</b>	<b>-</b>	<b>3391317</b>	<b>68.058</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRIs-Individual	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Bank/ Financial Institutions	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A)</b>	<b>3391317</b>	<b>-</b>	<b>3391317</b>	<b>68.058</b>	<b>3391317</b>	<b>-</b>	<b>3391317</b>	<b>68.058</b>	<b>-</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/ FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Company	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(I)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	1182603	-	1182603	23.733	1182603	-	1182603	23.733	-
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	57367	8230	65597	1.316	56641	7108	63749	1.279	-0.037
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	343483	-	343483	6.893	343483	-	343483	6.893	-

**ANNEXURE TO THE DIRECTORS' REPORT** (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-04-2017]				No. of Shares held at the end of the year [As on 31-03-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>c) Others (specify)</b>	-	-	-	-	-	-	-	-	-
1.Non Resident Indians	-	-	-	-	-	-	-	-	-
2.Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
3.Foreign Nationals	-	-	-	-	-	-	-	-	-
4.Clearing Members	5	-	5	-	-	-	-	-	-
5. Trusts	-	-	-	-	-	-	-	-	-
6. Foreign Bodies- DR	-	-	-	-	-	-	-	-	-
7. IEPF Authority	-	-	-	-	1848	-	1848	0.037	0.037
<b>Sub-Total (B)(2)</b>	<b>1583453</b>	<b>8230</b>	<b>1591683</b>	<b>31.942</b>	<b>1584575</b>	<b>7108</b>	<b>1591683</b>	<b>31.942</b>	<b>-</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>1583453</b>	<b>8230</b>	<b>1591683</b>	<b>31.942</b>	<b>1584575</b>	<b>7108</b>	<b>1591683</b>	<b>31.942</b>	<b>-</b>
<b>C SHARES HELD BY CUSTODIAN FOR GDR &amp; ADRS</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>4974770</b>	<b>8230</b>	<b>4983000</b>	<b>100.00</b>	<b>4975892</b>	<b>7108</b>	<b>4983000</b>	<b>100.00</b>	<b>-</b>

**B) Shareholding of Promoter-**

Sl.No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2017)			Shareholding at the end of the year (31.03.2018)			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	Abhishek Lohia	6500	0.130	-	6500	0.130	-	-
2	Ankit Lohia	8431	0.169	-	8431	0.169	-	-
3	Daadi Stock Broking Private Limited	78436	1.574	-	78436	1.574	-	-
4	Hari Kishan Lohia	431000	8.649	-	431000	8.649	-	-
5	Kusum Poddar	15000	0.301	-	15000	0.301	-	-
6	Lohia Fiscal Markets Private Limited	45069	0.904	-	45069	0.904	-	-
7	Madhusudhan Enclave Pvt. Ltd	60000	1.204	-	60000	1.204	-	-
8	Mahesh Kumar Bajaj	390400	7.835	-	390400	7.835	-	-
9	Mahesh Kumar Bajaj	35000	0.702	-	35000	0.702	-	-
10	Mayank Bajaj	10000	0.201	-	10000	0.201	-	-
11	Murari Lai Bajaj	100000	2.007	-	100000	2.007	-	-
12	Neena Jain	120000	2.408	-	120000	2.408	-	-
13	Poonam Bajaj	100000	2.007	-	100000	2.007	-	-
14	Rajesh Kumar Bajaj	460800	9.247	-	460800	9.247	-	-

**ANNEXURE TO THE DIRECTORS' REPORT** (Contd.)

Sl.No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2017)			Shareholding at the end of the year (31.03.2018)			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	
15	Ridhi Sidhi Distributor (P) Ltd	252881	5.075	-	252881	5.075	-	-
16	Sanjay Kumar Jain	90000	1.806	-	90000	1.806	-	-
17	Sarla Lohia	205100	4.116	-	205100	4.116	-	-
18	Shiv Lalit Consultancy Private Limited	265000	5.318	-	265000	5.318	-	-
19	Snehdeep Commerce Pvt. Ltd	60000	1.204	-	60000	1.204	-	-
20	Sudheer Kumar Jain	312000	6.261	-	312000	6.261	-	-
21	Sunita Bajaj	140700	2.824	-	140700	2.824	-	-
22	Trade City Barter Private Limited	205000	4.114	-	205000	4.114	-	-
	<b>TOTAL</b>	<b>3391317</b>	<b>68.058</b>	<b>-</b>	<b>3391317</b>	<b>68.058</b>	<b>-</b>	<b>-</b>

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

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1.</b>	<b>ABHISHEK LOHIA</b>				
	a) At the Beginning of the Year	6500	0.130		
	b) Changes during the year	<b>No Changes during the year</b>			
	c) At the End of the Year			6500	0.130
<b>2.</b>	<b>ANKIT LOHIA</b>				
	a) At the Beginning of the Year	8431	0.169		
	b) Changes during the year	<b>No Changes during the year</b>			
	c) At the End of the Year			8431	0.169
<b>3.</b>	<b>DAADI STOCK BROKING PVT. LTD.</b>				
	a) At the Beginning of the Year	78436	1.574		
	b) Changes during the year	<b>No Changes during the year</b>			
	c) At the End of the Year			78436	1.574
<b>4.</b>	<b>HARI KISHAN LOHIA</b>				
	a) At the Beginning of the Year	431000	8.469		
	b) Changes during the year	<b>No Changes during the year</b>			
	c) At the End of the Year			431000	8.469

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>5.</b>	<b>KUSUM PODDAR</b>				
	a) At the Beginning of the Year	15000	0.301		
	b) Changes during the year	No Changes during the year			
	c) At the End of the Year			15000	0.301
<b>6.</b>	<b>LOHIA FISCAL MARKETS PRIVATE LIMITED</b>				
	a) At the Beginning of the Year	45069	0.904		
	b) Changes during the year	No Changes during the year			
	c) At the End of the Year			45069	0.904
<b>7.</b>	<b>MADHUSUDHAN ENCLAVE PVT. LTD.</b>				
	a) At the Beginning of the Year	60000	1.204		
	b) Changes during the year	No Changes during the year			
	c) At the End of the Year			60000	1.204
<b>8.</b>	<b>MAHESH KUMAR BAJAJ</b>				
	a) At the Beginning of the Year	390400	7.835		
	b) Changes during the year	No Changes during the year			
	c) At the End of the Year			390400	7.835
<b>9.</b>	<b>MAHESH KUMAR BAJAJ</b>				
	a) At the Beginning of the Year	35000	0.702		
	b) Changes during the year	No Changes during the year			
	c) At the End of the Year			35000	0.702
<b>10</b>	<b>MAYAN K BAJAJ</b>				
	a) At the Beginning of the Year	10000	0.201		
	b) Changes during the year	No Changes during the year			
	c) At the End of the Year			10000	0.201
<b>11.</b>	<b>MURARILAL BAJAJ</b>				
	a) At the Beginning of the Year	100000	2.007		
	b) Changes during the year	No Changes during the year			
	c) At the End of the Year			100000	2.007
<b>12.</b>	<b>NEENA JAIN</b>				
	a) At the Beginning of the Year	120000	2.408		
	b) Changes during the year	No Changes during the year			
	c) At the End of the Year			120000	2.408
<b>13.</b>	<b>POONAM BAJAJ</b>				
	a) At the Beginning of the Year	100000	2.007		
	b) Changes during the year	No Changes during the year			
	c) At the End of the Year			100000	2.007

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>14.</b>	<b>RAJESH KUMAR BAJAJ</b>				
	a) At the Beginning of the Year	460800	9.247		
	b) Changes during the year	No Changes during the year			
	c) At the End of the Year			460800	9.247
<b>15.</b>	<b>RIDHI SIDHI DISTRIBUTOR (P) LTD.</b>				
	a) At the Beginning of the Year	252881	5.075		
	b) Changes during the year	No Changes during the year			
	c) At the End of the Year			252881	5.075
<b>16.</b>	<b>SANJAY KUMAR JAIN</b>				
	a) At the Beginning of the Year	90000	1.806		
	b) Changes during the year	No Changes during the year			
	c) At the End of the Year			90000	1.806
<b>17.</b>	<b>SARLA LOHIA</b>				
	a) At the Beginning of the Year	205100	4.116		
	b) Changes during the year	No Changes during the year			
	c) At the End of the Year			205100	4.116
<b>18.</b>	<b>SHIV LALIT CONSULTANCY PRIVATE LIMITED</b>				
	a) At the Beginning of the Year	265000	5.318		
	b) Changes during the year	No Changes during the year			
	c) At the End of the Year			265000	5.318
<b>19.</b>	<b>SNEHDEEP COMMERCE PRIVATE LIMITED</b>				
	a) At the Beginning of the Year	60000	1.204		
	b) Changes during the year	No Changes during the year			
	c) At the End of the Year			60000	1.204
<b>20.</b>	<b>SUDHEER KUMAR JAIN</b>				
	a) At the Beginning of the Year	312000	6.261		
	b) Changes during the year	No Changes during the year			
	c) At the End of the Year			312000	6.261
<b>21.</b>	<b>SUNITA BAJAJ</b>				
	a) At the Beginning of the Year	140700	2.824		
	b) Changes during the year	No Changes during the year			
	c) At the End of the Year			140700	2.824
<b>22.</b>	<b>TRADE CITY BARTER PRIVATE LIMITED</b>				
	a) At the Beginning of the Year	205000	4.114		
	b) Changes during the year	No Changes during the year			
	c) At the End of the Year			205000	4.114
	<b>TOTAL</b>	<b>3391317</b>	<b>68.058</b>	<b>3391317</b>	<b>68.058</b>

**D) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holder of GDRs and ADRs):**

Sl. No.	Name of the Shareholders	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>ANJANIPUTRA TRADECOM PRIVATE LIMITED.</b>				
	a) At the Beginning of the Year	98799	1.983		
	b) Changes during the year	No Changes during the year			
	c) At the End of the Year			98799	1.983
<b>2.</b>	<b>GANGA NIKETAN PRIVATE LTD.</b>				
	a) At the Beginning of the Year	97247	1.952		
	b) Changes during the year	No Changes during the year			
	c) At the End of the Year			97247	1.952
<b>3.</b>	<b>HALLMARK MERCHANTS PVT. LTD.</b>				
	a) At the Beginning of the Year	132021	2.649		
	b) Changes during the year	No Changes during the year			
	c) At the End of the Year			132021	2.649
<b>4.</b>	<b>PANCHMUKHI INFRASTRUCTURE PRIVATE LIMITE</b>				
	a) At the Beginning of the Year	99493	1.997		
	b) Changes during the year	No Changes during the year			
	c) At the End of the Year			99493	1.997
<b>5.</b>	<b>PUSHTI DISTRIBUTORS PVT. LTD.</b>				
	a) At the Beginning of the Year	83800	1.682		
	b) Changes during the year	No Changes during the year			
	c) At the End of the Year			83800	1.682
<b>6.</b>	<b>SANJAY KUMAR BIYALA</b>				
	a) At the Beginning of the Year	75000	1.505		
	b) Changes during the year	No Changes during the year			
	c) At the End of the Year			75000	1.505
<b>7.</b>	<b>SANJAY M CREDIT (P) LTD.</b>				
	a) At the Beginning of the Year	98801	1.983		
	b) Changes during the year	No Changes during the year			
	c) At the End of the Year			98801	1.983
<b>8.</b>	<b>SAPTARSHI VANIJYA PVT. LTD.</b>				
	a) At the Beginning of the Year	98943	1.986		
	b) Changes during the year	No Changes during the year			
	c) At the End of the Year			98943	1.986
<b>9.</b>	<b>SUKHJIT TIEUPPVT. LTD.</b>				
	a) At the Beginning of the Year	100218	2.011		
	b) Changes during the year	No Changes during the year			
	c) At the End of the Year			100218	2.011

Sl. No.	Name of the Shareholders	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>10.</b>	<b>WISDOM DISTRIBUTORS PRIVATE LIMITED</b>				
	a) At the Beginning of the Year	98321	1.973		
	b) Changes during the year	<b>No Changes during the year</b>			
	c) At the End of the Year			98321	1.973
	<b>TOTAL</b>	<b>982643</b>	<b>19.720</b>	<b>982643</b>	<b>19.720</b>

**E) Shareholding of Directors and Key Managerial Personal:**

Sl. No.	Name of the Shareholders	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>HARI KISHAN LOHIA</b>				
	a) At the Beginning of the Year	431000	8.649		
	b) Changes during the year	<b>No Changes during the year</b>			
	c) At the End of the Year			431000	8.649
<b>2</b>	<b>MAHESH KUMAR BAJAJ</b>				
	a) At the Beginning of the Year	390400	7.835		
	b) Changes during the year	<b>No Changes during the year</b>			
	c) At the End of the Year			390400	7.835
<b>3</b>	<b>RAJ ESH KUMAR BAJAJ</b>				
	a) At the Beginning of the Year	460800	9.247		
	b) Changes during the year	<b>No Changes during the year</b>			
	c) At the End of the Year			460800	9.247
<b>4</b>	<b>SUDHEER KUMAR JAIN</b>				
	a) At the Beginning of the Year	312000	6.261		
	b) Changes during the year	<b>No Changes during the year</b>			
	c) At the End of the Year			312000	6.261

Other than Mr. Hari Kishan Lohia, Mr. Mahesh Kumar Bajaj, Mr. Rajesh Kumar Bajaj and Mr. Sudheer Kumar Jain, no other Director and Key Managerial Personnel held any share (s) in the Company either at the beginning of the financial year, during the financial year or as at the end of the financial year 2017-18



**V) INDEBTEDNESS****-Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding deposits (₹)	Unsecured Loans (₹)	Deposits (₹)	Total Indebtedness (₹)
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	18,59,29,722	20,00,000	-	18,79,29,722
ii) Interest due but not paid	7,43,055	-	-	7,43,055
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>18,66,72,777</b>	<b>20,00,000</b>	<b>-</b>	<b>18,86,72,777</b>
<b>Change in Indebtedness during the financial year</b>				
<b>* Addition</b>				
i) Principal Amount	5,27,99,12,811	30,26,59,000	-	5,58,25,71,811
ii) Interest due but not paid	1,27,251	-	-	1,27,251
iii) Interest accrued but not due	-	-	-	-
	5,28,00,40,062	30,26,59,000	-	5,58,26,99,062
<b>* Reduction</b>				
i) Principal Amount	5,43,14,64,978	30,26,59,000	-	5,73,41,23,978
ii) Interest due but not paid	7,43,055	-	-	7,43,055
iii) Interest accrued but not due	-	-	-	-
	5,43,22,08,033	30,26,59,000	-	5,73,48,67,033
<b>Net Change</b>	<b>143598355</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	3,43,77,556	20,00,000	-	3,63,77,556
ii) Interest due but not paid	1,27,251	-	-	1,27,251
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>3,45,04,807</b>	<b>20,00,000</b>	<b>-</b>	<b>3,65,04,807</b>

**VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-****A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:**

SN.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount (₹)
		Hari Kishan Lohia, Whole-time Director (Retail Trade)	Mahesh Kumar Bajaj, Whole-time Director (Arbitrage)	Rajesh Kumar Bajaj, Whole-time Director (Research)	Sudheer Kumar Jain, Whole-time Director	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8,07,333	6,92,000	14,41,667	22,50,000	51,91,000

SN.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount (₹)
		Hari Kishan Lohia, Whole-time Director (Retail Trade)	Mahesh Kumar Bajaj, Whole-time Director (Arbitrage)	Rajesh Kumar Bajaj, Whole-time Director (Research)	Sudheer Kumar Jain, Whole-time Director	
	(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	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	<b>Total(A)</b>	<b>8,07,333</b>	<b>692,000</b>	<b>14,41,667</b>	<b>22,50,000</b>	<b>51,91,000</b>
	Ceiling as per the Act	10% of the net profits of the Company calculated as per section 198 of the Companies Act, 2013)				

**B. REMUNERATION TO OTHER DIRECTORS**

S. N.	Particulars of Remuneration	Name of Directors			Total Amount (₹)
		Ashish Kumar Gupta	Sameer Bajaj	Sarita Ojha	
<b>1</b>	<b>Independent Directors</b>				
	Fee for attending board committee meetings	40,000	60,000	60,000	1,20,000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total(1)</b>	<b>40,000</b>	<b>60,000</b>	<b>60,000</b>	<b>1,20,000</b>
<b>2</b>	<b>Other Non-Executive Directors</b>				
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>	<b>40,000</b>	<b>60,000</b>	<b>60,000</b>	<b>1,20,000</b>
	<b>Total Managerial Remuneration</b>	<b>40,000</b>	<b>60,000</b>	<b>60,000</b>	<b>1,20,000</b>
	Overall Ceiling as per the Act (%)	1% of the net profits of the Company calculated as per section 198 of the			

**C. TOTAL MANAGERIAL REMUNERATION TO DIRECTORS:**

Sr. No.	Name	Amount (₹)
1.	Mr. Hari Kishan Lohia, Whole-time Director (w.e.f. 15/04/2017)	807,333
2.	Mr. Mahesh Kumar Bajaj, Whole-time Director (w.e.f. 15/04/2017)	692,000
3.	Mr. Rajesh Kumar Bajaj, Whole-time Director (w.e.f. 15/04/2017)	1441,667
4.	Mr. Sudheer Kumar Jain, Whole-time Director	2250,000
5.	Mr. Sameer Bajaj	60,000
6.	Mrs. Sarita Ojha	60,000
7.	Mr. Ashish Kumar Gupta	40,000
	Total Remuneration to Directors	5,351,000

Overall ceiling as per the Act (%) -

11% of the Net Profit of the Company calculated as per section 198 of the Companies Act, 2013.

Mr. Vineet Goenka, Non-Executive Director of the Company do not accept sitting fees and/ or commission on the Net Profits of the Company

**D. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

SN	Particulars of Remuneration	Key Managerial Personnel			Total (₹)
		CEO	CS	CFO	
			Narendra Kumar Rai	Sujit Kumar Sharma	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	N.A.	6,62,200	3,35,239	9,97,439
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	N.A.	17,719	17,871	35,590
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	N.A.	-	-	-
2	Stock Option	N.A.	-	-	-
3	Sweat Equity	N.A.	-	-	-
4	Commission	N.A.	-	-	-
	- as % of profit	N.A.	-	-	-
	others, specify...	N.A.	-	-	-
5	Others, please specify	N.A.	-	-	-
	Total	N.A.	6,79,919	3,53,110	10,33,029

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

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty			None		
Punishment			None		
Compounding			None		
<b>B. DIRECTORS</b>					
Penalty			None		
Punishment			None		
Compounding			None		
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			None		
Punishment			None		
Compounding			None		

For and on behalf of the Board

Place : Kolkata  
Dated : 30th May, 2018

**Mr. Mahesh Kumar Bajaj**  
*Whole-time Director*  
DIN: 00080157

**Sudheer Kumar Jain**  
*Whole-time Director*  
DIN: 00075103

## INDEPENDENT AUDITOR'S REPORT

TO  
THE MEMBERS OF  
**LOHIA SECURITIES LIMITED**

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Lohia Securities Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

### Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2018;
- (b) in the case of Statement of Profit and Loss, of the Profit for the year ended on that date; and;
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with books of account.
  - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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"; and
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 28(ii) to the financial statements.
    - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **VASUDEO & ASSOCIATES**  
Chartered Accountants  
(Firm Reg. No. 319299E)

Ritesh Agarwal  
(Partner)  
Membership No. 311866

Place : Kolkata  
Dated: The 30th day of May' 2018

## Annexure “A” to the Independent Auditor’s Report

The Annexure referred to in our report to the members of the Company on the standalone financial statements for the year ended on March 31, 2018. In term of the information and explanations given to us and books of account examined by us in the normal course of audit and to the best of our knowledge and belief, we report that:

- 1) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. A major portion of fixed assets has been physical verified by the management in accordance with a phased programme of verification adopted by the company. In our opinion, the frequency of verification is reasonable. To the best of our knowledge, no material discrepancies have been noticed on such verification.

According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the Company except an office situated at 6 Lyons Range, Kolkata of which company has binding agreement with the vendor but the property is yet to be conveyance.

- 2) The company does not have any inventories as defined in AS-2 Valuation of Inventories and hence in our opinion Para 3(ii) of the Order does not apply to the company.
- 3) The company has not granted any loans or advances in the nature of loans to parties covered in the registered maintained under section 189 of the Companies Act, 2013. Hence, the question of reporting whether the terms and conditions of loans are prejudicial to the interests of the company, whether reasonable steps for recovery of overdues of such loans are taken does not arise.
- 4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- 5) Based on our scrutiny of the company records and according to the information and explanations provided by the management, in our opinion, the company has not accepted any deposits so far upto 31st March 2018.
- 6) According to the information & explanations provided by the management, the company is not engaged in production of any such goods or provisions of any such services for which the central government has prescribed particulars relating to utilization of material or labour or other items of cost. Hence the provisions of section 148(1) of the Act do not apply to the company. In our opinion, no comment on maintenance of cost records under section 148(1) of the Act is required.
- 7) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues applicable to it.

According to the information and explanations given, no undisputed amounts payable in respect of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax were outstanding as at 31st March, 2018 for a period of more than six months from the date they became payable.

According to the records of the company, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute except the following:

**Annexure “A” to the Independent Auditor’s Report (Contd.)****Statement of Disputed Dues:**

Nature of Statute	Nature of Dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Act, 1961	Income Tax	1,05,35,490/-	A.Y. 2010-11	CIT (Appeals), Kolkata	Refer Note 28(ii) of the standalone financial statements
		43,74,200/-	A.Y. 2011-12	CIT (Appeals), Kolkata	

- 8) According to records of the company, the company has not borrowed from financial institutions or government or debenture holders till 31st March 2018. Hence in our opinion, the questions of reporting on defaults in repayment of loans or borrowing to a financial institutions, government or dues to debenture holders does not arise.

Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of loans or borrowing to bank.

- 9) According to the records of the company, the company has not raised any moneys by way of Initial Public Offer or Further Public Offer.

According to the information and explanations received by us, moneys raised by way of Term Loan have been applied for the purpose for which they were raised.

- 10) Based upon the audit procedures performed and information and explanations given by the management, we report that neither fraud on the company by its officers or employees nor any fraud by the company has been noticed or reported during the course of our audit.

- 11) According to the information and explanations given to us and based on our examination of the records of the Company, 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.

- 12) In our opinion, and to the best of our information & explanations provided by the management, the company is not a nidhi company. Accordingly the requirement of clause 3(xii) of the order do not apply to the company.

- 13) 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 where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- 14) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

- 15) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

- 16) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For VASUDEO & ASSOCIATES**  
Chartered Accountants  
(Firm Reg. No. 319299E)

Ritesh Agarwal  
(Partner)  
Membership No. 311866

Place : Kolkata  
Dated: The 30th day of May' 2018



## **Annexure “B” to the Standalone 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”)**

We have audited the internal financial controls over financial reporting of Lohia Securities Limited (“the Company”) as of March 31, 2018 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 issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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.

**Annexure “B” to the Standalone Independent Auditor’s Report (Comtd.)****Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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 **VASUDEO & ASSOCIATES**  
Chartered Accountants  
(Firm Reg. No. 319299E)

Place : Kolkata  
Dated: The 30th day of May’ 2018

Ritesh Agarwal  
(Partner)  
Membership No. 311866

**BALANCE SHEET AS AT 31ST MARCH, 2018**

(Amount in ₹)

Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) SHAREHOLDER'S FUND</b>			
(a) Share Capital	3	4,98,72,500	4,98,72,500
(b) Reserves and Surplus	4	29,39,31,474	27,56,75,727
<b>(2) NON CURRENT LIABILITIES</b>			
(a) Long Term Borrowings	5	4,61,801	7,19,768
<b>(3) CURRENT LIABILITIES</b>			
(a) Short Term Borrowings	6	3,55,94,748	18,79,74,928
(b) Trade Payables	7	2,87,151	39,51,005
(c) Other Current Liabilities	8	6,88,24,989	1,66,24,447
(d) Short Term Provisions	9	12,00,731	35,63,245
<b>TOTAL</b>		<b>45,01,73,394</b>	<b>53,83,81,620</b>
<b>II. ASSETS</b>			
<b>(1) NON CURRENT ASSETS</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible Assets	10	60,87,102	71,86,651
(ii) Intangible Assets	10	3,69,834	4,57,824
(b) Non Current Investment	11	12,42,46,800	12,42,46,800
(c) Deferred Tax Assets	12	13,29,473	17,31,034
(d) Long Term Loan & Advances	13	4,17,82,100	4,75,66,171
<b>(2) CURRENT ASSETS</b>			
(a) Inventories	14	3,25,91,169	3,32,18,893
(b) Trade Receivables	15	3,16,98,937	1,42,78,226
(c) Cash and Bank Balances	16	18,54,11,544	28,40,36,806
(d) Short Term Loans & Advances	17	2,45,56,706	2,37,68,861
(e) Other Current Assets	18	20,99,729	18,90,354
<b>TOTAL</b>		<b>45,01,73,394</b>	<b>53,83,81,620</b>
Corporate Information	1		
Significant Accounting Policies	2		

The notes form an integral part of these financial statements 1 to 36

As per our attached report of even date

For **Vasudeo & Associates**

Chartered Accountants

(Firm Registration No. 319299E)

For and on behalf of the Board

**Ritesh Agarwal**

Partner

Membership No. 311866

Place : Kolkata

Dated : 30th May, 2018

**Sudheer Kumar Jain**

Director

(DIN: 00075103)

**Mahesh Kumar Bajaj**

Director

(DIN: 00080157)

**Narendra Kumar Rai**

Company Secretary

**Sujit Kumar Sharma**

CFO

**STATEMENT OF PROFIT & LOSS** FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in ₹)

Particulars	Note No.	Figures for the year ended 31.03.2018	Figures for the year ended 31.03.2017
<b>I REVENUE FROM OPERATION</b>	19	59,89,26,918	70,38,46,142
II. Other Income	20	2,39,37,209	1,03,37,181
<b>III. Total Revenue (I+II)</b>		<b>62,28,64,127</b>	<b>71,41,83,323</b>
<b>IV EXPENSES</b>			
(a) Purchases of Stock In Trade	21	37,10,55,085	51,69,54,370
(b) (Increase)/Decrease in Inventories	22	6,27,724	(1,12,13,628)
(c) Employee Benefit Expenses	23	9,71,73,240	3,51,89,222
(d) Finance Cost	24	2,13,35,302	90,90,174
(e) Depreciation & Amortization Expenses	10	16,74,053	22,69,119
(f) Other Expenses	25	10,31,54,240	12,01,25,366
<b>Total Expenses (a to f)</b>		<b>59,50,19,644</b>	<b>67,24,14,623</b>
<b>V Profit / (Loss) before exceptional and extraordinary items and tax (III-IV)</b>		<b>2,78,44,483</b>	<b>4,17,68,700</b>
VI Exceptional Items		-	-
<b>VII Profit/(Loss) before extraordinary items and tax (V-VI)</b>		<b>2,78,44,483</b>	<b>4,17,68,700</b>
VIII Extraordinary Items		-	-
<b>IX Profit / (Loss) before Tax (VII-VIII)</b>		<b>2,78,44,483</b>	<b>4,17,68,700</b>
<b>X Tax Expenses</b>			
-Current Tax		1,00,81,772	1,39,88,212
-Deferred Tax		4,01,561	79,304
-Income Tax / FBT for earlier years		(20,95,328)	(4,70,718)
<b>XI Profit / (Loss) for the period (IX-X)</b>		<b>1,94,56,478</b>	<b>2,81,71,902</b>
<b>XII Earning per Equity Share</b>	26		
(1) Basic (Equity Share Face Value ₹ 10/- each)		3.90	5.65
(2) Diluted (Equity Share Face Value ₹ 10/- each)		3.90	5.65

Corporate Information 1

Significant Accounting Policies 2

The notes form an integral part of these financial statements 1 to 36

As per our attached report of even date

For **Vasudeo & Associates**

Chartered Accountants

(Firm Registration No. 319299E)

For and on behalf of the Board

**Ritesh Agarwal**

Partner

Membership No. 311866

Place : Kolkata

Dated : 30th May, 2018

**Sudheer Kumar Jain**

Director

(DIN: 00075103)

**Mahesh Kumar Bajaj**

Director

(DIN: 00080157)

**Narendra Kumar Rai**

Company Secretary

**Sujit Kumar Sharma**

CFO

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018**

(Amount in ₹)

Particulars	2017-18	2016-17
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax & Extraordinary Items	2,78,44,483	4,17,68,700
Adjustment for :		
Depreciation & Amortization Expenses	16,74,053	22,69,119
Interest Expenses on Loan	1,76,11,914	68,08,493
Interest Expenses on Margin Deposits from Clients & Trading Member	20,78,159	3,71,993
Interest Received on Bank Deposits & Deposits with Clearing Member	(2,21,25,759)	(97,05,789)
Loss/(Profit) on sale of Fixed Assets	-	3,831
Provision for Bad & Doubtful Debts / (W/back)	13,37,977	(2,21,284)
Bad Debts	-	49,989
Dividend Income from Non current Investment	(5,000)	(5,000)
<b>Operating Profit before Working Capital Adjustment</b>	<b>2,84,15,827</b>	<b>4,13,40,052</b>
Changes in Working Capital		
(Increase)/Decrease in Inventories	6,27,724	(1,12,13,628)
(Increase)/Decrease in Trade Receivables	(1,87,58,688)	(30,06,003)
(Increase)/Decrease in Deposits & Other Advances	49,96,226	(1,11,21,526)
(Increase)/Decrease in Other Current Assets	(8,160)	72,156
Increase/(Decrease) in Short Term Provisions	(23,62,514)	-
Increase/(Decrease) in Trade Payables	(36,63,854)	27,44,673
Increase/(Decrease) in Other Current Liabilities	5,22,00,542	1,84,230
<b>Cash Generated from Operation</b>	<b>6,14,47,103</b>	<b>1,89,99,954</b>
Less: Payment of Taxes	1,15,49,689	99,54,249
<b>Net cash flow from operating activities (A)</b>	<b>4,98,97,414</b>	<b>90,45,705</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Tangible Fixed Assets	(4,86,514)	(19,64,324)
Purchase of Intangible Fixed Assets	-	(1,50,000)
Sales Proceeds of Tangible Fixed Assets	-	2,000
Purchase of Non current Investments	-	(86,80,000)
Dividend Income from Non current Investment	5,000	5,000
Interest Received on Bank Deposits & Deposits with Clearing Member net off interest paid on Margin Deposits from Clients & Trading Member	2,00,47,600	93,33,796
(Increase)/Decrease in Bank Deposits (incl. accrued interest)	9,05,95,524	(13,54,12,610)
<b>Net cash realised from Investing Activities (B)</b>	<b>11,01,61,610</b>	<b>(13,68,66,138)</b>

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018**

(Amount in ₹)

Particulars	2017-18	2016-17
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/(Decrease) in Long Term Borrowings	-	(2,13,489)
Increase/(Decrease) in Short Term Borrowings	(15,23,80,180)	14,29,34,949
Interest Expenses on Loan	(1,76,11,914)	(68,08,493)
<b>Net cash realised from financing activities (C)</b>	<b>(16,99,92,094)</b>	<b>13,59,12,967</b>
<b>Net increase/(Decrease) in cash and cash equivalent</b>	<b>(99,33,070)</b>	<b>80,92,534</b>
Opening Cash & Cash Equivalent	1,64,86,806	83,94,272
Closing Cash & Cash Equivalent	<b>65,53,735</b>	<b>1,64,86,806</b>
<b>CLOSING CASH &amp; CASH EQUIVALENT</b>		
Cash at Bank	82,70,578	1,62,50,909
Cheque in Hand	-	10,934
Cash in Hand	3,17,880	2,24,963
	<b>85,88,458</b>	<b>1,64,86,806</b>

As per our attached report of even date

For **Vasudeo & Associates**

Chartered Accountants

(Firm Registration No. 319299E)

**Ritesh Agarwal**

Partner

Membership No. 311866

Place : Kolkata

Dated : 30th May, 2018

For and on behalf of the Board

**Sudheer Kumar Jain**

Director

(DIN: 00075103)

**Mahesh Kumar Bajaj**

Director

(DIN: 00080157)

**Narendra Kumar Rai**

Company Secretary

**Sujit Kumar Sharma**

CFO

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****1 CORPORATE INFORMATION**

Lohia Securities Limited ("the company") is engaged in the business of share trading and share broking and its related services in India for the last 23 years. The company offers financial services such as broking for equity, derivatives and currency future, custody accounts, financial product distribution etc. The shares of the company are listed in Calcutta Stock Exchange and Bombay stock Exchange (under permitted category).

**2 SIGNIFICANT ACCOUNTING POLICIES****(a) Basis of Preparation**

The Financial Statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (GAAP) to comply with the Accounting Standard notified under the Companies (Accounting Standard) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

**(b) Use of Estimates**

The preparation of the financial statements in conformity with the accounting standards generally accepted in India requires the management to make estimates that affect the reported amount of assets & liabilities disclosure of contingent liabilities as at the date of the financial statement and reported amounts of revenue and expenses for the year. Actual results could differ from these estimates.

**(c) Fixed Assets & Depreciation**

- (i) Fixed Assets are stated at their original cost of acquisition less accumulated depreciation.
- (ii) Depreciation on Tangible Fixed Assets has been provided on written down value method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation on Tangible Fixed Assets added / disposed of during the year is provided on prorata basis with reference to the date of addition / disposal.
- (iii) Intangible assets (except Membership Fees) have been amortized over the period of four financial years. Membership fees have been amortized over the period of ten financial years.

**(d) Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions on non-cash nature and any deferrals or accrual of past or future cash receipts or payments.

**(e) Cash and Cash Equivalents (for purposes of Cash Flow Statement)**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amount of cash which are subject to insignificant risk of changes in value.

**(f) Inventories**

Inventories (Shares) are valued at lower of cost or market price on category wise. The costs of the shares are determined on First in & First out Basis. Inventories of unquoted shares are valued at cost as market value is not available for the same.

**(g) Investments**

Long term Investments are stated at cost less provision for diminution, other than temporary, in the value of Investments.

**(h) Revenue Recognition:**

- (i) Brokerage income is recognized on the trade date of transaction upon confirmation of transactions by the stock exchanges and clients. Income from depository services and late payment charges are

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

recognized on the basis of agreement entered into with clients and when right to receive the income is established. Commission income from financial products distribution is recognized on the basis of agreement entered with principal and when the right to receive the income is established.

- (ii) Dividend income is accounted for when the right to receive the income is established.
- (iii) Interest Income is accounted on accrual basis.

### (i) Retirement Benefit

#### (i) Defined Contribution Plan:

Company's contribution paid/payable during the year to the Provident Fund is charged to Statement of Profit and Loss. The Company's contribution to Employee's State Insurance Scheme is also charged to Statement of Profit & Loss of the year to which the contributions relate.

#### (ii) Defined Benefit Plan:

The Company has opted for a Group Gratuity-cum Life Assurance Scheme of the Life Insurance Corporation of India (LIC), and contribution towards gratuity liability as determined by LIC as required under AS-15 (Revised) i.e under Projected Unit Credit method is charged to the Statement of Profit & Loss.

As far as company's liabilities towards leave encashment, company has the policy of paying the leave encashment at the end of the financial year.

### (j) Derivative Market Trading

- (i) In respect of Option Contract, premium for contract expiring beyond the Balance Sheet date has been treated as current asset / current liabilities.
- (ii) In respect of Futures Contract for contract expiring beyond the Balance Sheet date, net of Mark to Market Debit balance and Mark to Market Credit balance has been treated as current assets / current liabilities.

### (k) Earnings Per Share

Basic and diluted earnings per share are computed in accordance with Accounting Standard 20 "Earnings per Share".

Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year except where the results are anti-dilutive.

### (l) Taxation

Provision of current tax is made with reference to taxable income computed for the accounting period for which the financial statements are prepared by applying the tax rates as applicable. The deferred tax charge is recognized using the enacted tax rate. Deferred Tax Assets are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

At each balance sheet date the Company re- assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred Tax Assets/Liabilities are reviewed as at balance sheet date based on the developments during the year and reassess assets/liabilities in terms of AS-22 issued by ICAI.



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)**

(Amount in ₹)

<b>3 SHARE CAPITAL</b>				
Particulars	As at 31st March 2018		As at 31st March 2017	
	No. of shares	Amount in ₹	No. of shares	Amount in ₹
<b>a) Authorised Capital</b>				
Equity Share Capital of ₹ 10 each with voting right	7500000	7,50,00,000	7500000	7,50,00,000
<b>b) Issued, Subscribed and Fully Paid up Capital</b>				
Equity Share Capital of ₹ 10 each with voting right	4983000	4,98,30,000	4983000	4,98,30,000
<b>c) Par Value per Share</b>		₹ 10		₹ 10
<b>d) Reconciliation of Number of Shares and amount outstanding at the beginning and at the end of the year</b>				
No. and amount of the share at the beginning of the year	4983000	4,98,30,000	4983000	4,98,30,000
Adjustment (If any)	0	-	0	-
No. and amount of the share at the end of the year	4983000	4,98,30,000	4983000	4,98,30,000
<b>e) Rights Attached to the Shares</b>				
Each Share confers the right to one vote. Shareholders have the right to receive the dividend.				
<b>f) Shares held by the Subsidiary Company</b>				
Name of the Company	As at 31st March 2018		As at 31st March 2017	
	No. of shares	% Holding	No. of shares	% Holding
Trade City Barter (P) Ltd	205000	4.11	205000	4.11
<b>g) Details of the Shareholder holding shares more than 5 %</b>				
Name of the Shareholders				
Hari Kishan Lohia	431000	8.65	431000	8.65
Mahesh Kumar Bajaj	390400	7.83	390400	7.83
Rajesh Kumar Bajaj	460800	9.25	460800	9.25
Sudheer Kumar Jain	312000	6.26	312000	6.26
Ridhi Sidhi Distributors (P) Ltd	252881	5.07	252881	5.07
Shiv Lalit Consultancy (P) Ltd	265000	5.32	265000	5.32
<b>h) Details of Forfeited Shares</b>				
Class of Share	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares	Amount originally paid up ₹	No. of Shares	Amount originally paid up ₹
Equity Share with voting rights	17000	42,500	17000	42,500

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)**

(Amount in ₹)

<b>4 RESERVES &amp; SURPLUS</b>		
Particulars	2017-18	2016-17
<b>Securities Premium Reserve</b>		
Balance as per the last financial statements	1,93,72,500	1,93,72,500
<b>General Reserves</b>		
Balance as per the last financial statements	9,50,00,000	9,50,00,000
<b>Surplus / (Deficit) in the statement of Profit and Loss</b>		
Balance as per the last financial statements	16,13,03,227	13,31,31,325
Profit/(Loss) during the year	1,94,56,478	2,81,71,902
Proposed Dividend	(9,96,000)	-
Dividend Distribution Tax	(2,04,731)	-
Closing Balance	<b>17,95,58,974</b>	<b>16,13,03,227</b>
<b>Total of Reserve &amp; Surplus</b>	<b>29,39,31,474</b>	<b>27,56,75,727</b>

<b>5 LONG TERM BORROWINGS</b>		
Term Loans (Secured)		
From HDFC Bank Ltd. #	4,61,801	7,19,768
	4,61,801	7,19,768

# Nature of Security and terms of repayment for Long Term secured borrowings

Nature of Security: Loan amounting ₹ 4,61,801/- (P.Y. ₹ 7,19,768/-) from HDFC Bank Ltd. is secured against hypothecation of Motor Vehicle.

Terms of Repayment: Repayable in 60 monthly installments commencing from November' 2015. Last installment due on 05.10.2020.

Installments falling due in respect of all the above loans upto 31.03.2019 have been grouped under "Current Maturities of Long Term Debt" (Refer Note 8)

<b>6 SHORT TERM BORROWINGS</b>		
Secured Loan		
Loan from HDFC Bank Ltd. #	2,82,50,000	16,27,50,000
Bank Overdraft with HDFC Bank Ltd. ##	53,44,748	2,32,24,928
Loan repayable on demand (Unsecured)		
From Others	20,00,000	20,00,000
	<b>3,55,94,748</b>	<b>18,79,74,928</b>

# Loan from HDFC Bank Ltd. is secured against pledge of Fixed Deposits amounting to ₹ 1,41,25,000/- (P.Y. ₹ 8,13,75,000/-).

## Bank overdraft with HDFC Bank Ltd. is secured against personal guarantee of Directors and corporate guarantee & office premises of M/s. Trade City Real Estate Pvt. Ltd., a wholly owned subsidiary company and pledge of shares (Refer Note No. 14) as on 31.03.2018.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)**

(Amount in ₹)

<b>7 TRADE PAYABLES</b>		
Particulars	2017-18	2016-17
Trade Payable for Goods and Services		
Payable to Exchanges & Clearing Member	32	34,40,563
Payable to Clients - Related Parties #	-	36,570
Payable to Clients - Others	2,87,119	4,73,872
	<b>2,87,151</b>	<b>39,51,005</b>

# Trade Payable to related parties includes Subsidiary Company, enterprises over which Key Managerial Personnel or relatives of Key Managerial Personnel exercises significant influence.

<b>8 OTHER CURRENT LIABILITIES</b>		
Current Maturities of Long Term Debts	2,57,966	2,34,677
Interest accrued but not due		
Payable to Bank on Term Loan	4,779	6,337
Payable to Others on Margin Deposit	4,03,233	-
Interest accrued and due on Margin Deposit to Others	2,64,897	87,509
Interest accrued and due on Borrowings from Bank	1,27,251	7,43,055
Advance Received from Clients		
From Director and Related Parties #	197	665
From Others	1,07,393	1,03,714
Margin Deposits from Clients		
From Related Parties #	23,000	4,74,000
From Others	5,55,87,821	86,75,321
Book Overdraft with HDFC Bank Ltd.	8,54,980	-
Liabilities for Expenses		
Payable to Others	47,78,773	43,47,678
Statutory Dues Payable	50,15,412	19,51,491
Net Option Premium Received Carried Forward	13,99,287	-
	<b>6,88,24,989</b>	<b>1,66,24,447</b>

# Advances Received and Margin Deposit from Clients from related parties includes relatives of Key Managerial Personnel (KMP) and enterprises over which KMP or relatives of KMP exercises significant influence.

<b>9 SHORT TERM PROVISIONS</b>		
"Provision for Income Tax (Net of T.D.S & Advance Tax ₹ Nil, P.Y. ₹ 59,89,364/-)"	-	35,63,245
Provision for Dividend	9,96,000	-
Provision for Dividend Distribution Tax	2,04,731	-
	<b>12,00,731</b>	<b>35,63,245</b>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in ₹)

10	TANGIBLE ASSETS									
PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1.04.2017	Addition	Disposal/ Deduction	As at 31.03.2018	As at 1.04.2017	For the Year	Adjustment for Disposal	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Office	48,93,081	-	-	48,93,081	31,69,560	74,441	-	32,44,001	16,49,080	17,23,521
Furniture & Fixtures	1,19,27,763	-	-	1,19,27,763	1,11,54,363	1,08,475	-	1,12,62,838	6,64,925	7,73,400
Vehicles	63,84,309	-	-	63,84,309	43,78,952	5,96,022	-	49,74,974	14,09,335	20,05,357
Office Equipment	39,72,373	67,675	-	40,40,048	37,03,140	50,521	-	37,53,661	2,86,387	2,69,233
Computer & Accessories	3,88,02,452	3,35,245	-	3,91,37,697	3,71,88,137	6,05,440	-	3,77,93,577	13,44,120	16,14,315
Air Conditioner	39,63,962	83,594	-	40,47,556	36,46,910	54,843	-	37,01,753	3,45,803	3,17,052
Electrical Installation	48,25,685	-	-	48,25,685	45,07,110	54,080	-	45,61,190	2,64,495	3,18,575
Generator	17,73,454	-	-	17,73,454	16,08,256	42,241	-	16,50,497	1,22,957	1,65,198
Total	7,65,43,079	4,86,514	-	7,70,29,593	6,93,56,428	15,86,063	-	7,09,42,491	60,87,102	71,86,651
Previous Year	7,46,04,755	19,64,324	26,000	7,65,43,079	6,72,61,468	21,15,129	20,169	6,93,56,428	71,86,651	73,43,287
INTANGIBLE ASSETS										
Computer Software	83,45,963	-	-	83,45,963	82,08,139	47,990	-	82,56,129	89,834	1,37,824
Membership Fees	11,00,000	-	-	11,00,000	7,80,000	40,000	-	8,20,000	2,80,000	3,20,000
Total	94,45,963	-	-	94,45,963	89,88,139	87,990	-	90,76,129	3,69,834	4,57,824
Previous Year	92,95,963	1,50,000	-	94,45,963	88,34,149	1,53,990	-	89,88,139	4,57,824	4,61,814

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)**

(Amount in ₹)

<b>11 NON CURRENT INVESTMENTS</b>				
Particulars	2017-18		2016-17	
	No. of shares	Amount in ₹	No. of shares	Amount in ₹
<b>Investments in Equity Instruments (At cost)</b>				
<b>(Quoted, Non-Trade Investments)</b>				
Face Value of ₹ 10/- each fully paid up				
Siddheshwari Garments Ltd.	8700	87,000	8700	87,000
<b>Investment in Quoted Equity Instruments (I)</b>		<b>87,000</b>		<b>87,000</b>
<b>(Unquoted, Trade Investments)</b>				
In Wholly Owned Subsidiaries				
Face Value of ₹ 10/- each fully paid up				
Trade City Securities Pvt. Ltd.	3250000	3,25,00,000	3250000	3,25,00,000
Trade City Real Estate Pvt. Ltd.	1450000	5,07,50,000	1450000	5,07,50,000
Trade City Commodities Pvt. Ltd.	1555000	2,08,25,000	1555000	2,08,25,000
Trade City Barter Pvt. Ltd.	705200	1,84,59,800	705200	1,84,59,800
In Others				
Face Value of ₹ 1/- each fully paid up				
The Calcutta Stock Exchange Association Ltd.	250	5,00,000	250	5,00,000
<b>(Unquoted, Non-Trade Investments)</b>				
Face Value of ₹ 5/- each fully paid up				
Nimbus Communication Ltd.	5000	11,25,000	5,000	11,25,000
<b>Investment in Unquoted Equity Instruments (II)</b>		<b>12,41,59,800</b>		<b>12,41,59,800</b>
<b>Total Non Current Investment (I+II)</b>		<b>12,42,46,800</b>		<b>12,42,46,800</b>
<b>Aggregate market value of Quoted Shares</b>		<b>26,535</b>		<b>26,535</b>

<b>12 DEFERRED TAX ASSETS</b>		
On account of Depreciation	13,29,473	17,31,034
	<b>13,29,473</b>	<b>17,31,034</b>

<b>13 LONG TERM LOANS AND ADVANCES</b>		
<b>(Unsecured considered good)</b>		
Security Deposits for Office on Rent		
To Subsidiary Company	12,50,000	12,50,000
To Others	35,00,000	35,00,000
Security Deposits with Exchanges & Clearing Members	3,45,69,880	4,03,55,551
Security Deposits with Others	24,62,220	24,60,620
	<b>4,17,82,100</b>	<b>4,75,66,171</b>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)**

(Amount in ₹)

**14 INVENTORIES**

Particulars	2017-18		2016-17	
	Qty.	Amount in ₹	Qty.	Amount in ₹
Shares (Non Trade, Quoted) Fully Paid up				
3I Infotech Ltd.	737	3,707	0	-
Ador Welding Ltd.	1000	3,73,700	0	-
Aksh Optifibre Ltd.	1100	34,485	9400	1,22,670
Alok Industries Ltd.	10746	32,131	0	-
Ankit Metal & Power Ltd.	5000	8,000	5000	8,000
Archidply Industries Ltd.	0	-	250	10,450
Archies Ltd.	2500	79,625	6000	1,38,269
Arvind Remedies Ltd.	10000	40,100	10000	40,100
Asahi India Glass Ltd.	0	-	1000	2,20,702
Assam Company India Ltd.	0	-	2000	16,300
Balrampur Chini Mills Ltd.	100	7,565	0	-
Bank of Baroda	0	-	300	50,765
Baroda Rayon Corporation Ltd	485	1,431	485	1,431
Bharat Heavy Electricals Ltd.	500	40,675	0	-
Bharati Defence and Infrastructure Ltd	0	-	3000	46,100
Bhoruka Aluminum Ltd.	8000	4,000	8000	4,000
Birla Corporation Ltd.	0	-	1907	13,75,567
Birla Power Solutions Ltd.	30000	2,700	30000	2,700
Brushman (India) Ltd	9800	6,762	9800	6,762
Capacit'E Infraprojects Ltd.	2600	7,86,630	0	-
Central Bank Of India	15000	10,85,250	0	-
Cochin Minerals & Rutile Ltd	1000	1,01,050	1000	67,950
Dabur India Ltd	0	-	106	29,060
Den Networks Ltd.	2900	2,93,335	0	-
Digjam Ltd.	30050	2,69,122	0	-
Dolat Investments Ltd	1850	19,684	50000	87,500
DPSC Ltd.	3000	81,450	5000	2,21,306
Dr. Reddy's Laboratories Ltd.	0	-	100	2,71,250
Dune Mercantile Ltd	3	38	3	38
Eclerx Services Ltd.	83	99,725	0	-
Electrosteel Steels Ltd.	3000	7,200	0	-
Everest Industries Ltd.	500	2,38,575	0	-
Fineotex Chemical Ltd.	0	-	1000	33,400
Foundry Fuel Products Ltd	4093	24,558	5993	35,958

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)**

(Amount in ₹)

Particulars	2017-18		2016-17	
	Qty.	Amount in ₹	Qty.	Amount in ₹
G V Films Ltd	15000	10,350	15000	5,700
Gati Ltd.	0	-	3000	4,25,000
GMR Infrastructure Ltd.	0	-	47500	7,73,125
Godrej Properties Ltd	0	-	500	1,91,903
Gokaldas Exports Ltd.	38787	33,60,894	13669	8,05,748
Gradiente Infotainment Ltd	95735	84,247	115382	1,01,776
Granules India Ltd.	500	51,625	0	-
Grasim Industries Ltd.	2	2,102	0	-
Greenlam Industries Ltd.	1106	13,24,767	1106	5,41,515
Gujarat Nre Coke Ltd.	1	2	0	-
Gulshan Polyols Ltd.	0	-	1000	87,332
Havells India Ltd.	44	21,465	0	-
HBL Power Systems Ltd.	61062	26,97,087	37259	15,84,798
HCL Infosystems Ltd.	500	25,475	0	-
Himachal Futuristic Communications Ltd.	7000	1,81,050	7000	93,475
Hindustan Construction Company Ltd.	2	44	58000	23,61,374
Hindustan Copper Ltd.	1000	62,900	0	-
Hov Services Ltd.	70	16,205	600	93,704
Huhtamaki Ppl Ltd.	1000	3,21,300	0	-
ICICI Bank Ltd.	825	2,29,639	750	2,06,213
IDBI Bank Ltd.	1028	74,222	0	-
IDFC Bank Ltd.	3498	1,65,630	7498	3,96,771
IDFC Ltd.	0	-	3000	1,46,016
IFCI Ltd.	2000	39,100	5000	1,49,271
IG Petrochemicals Ltd.	0	-	802	2,67,793
IL & FS Transportation Networks Ltd.	0	-	3000	2,90,859
Indage Restaurants & Leisure Ltd	85500	6,91,695	85500	6,91,695
Indiabulls Real Estate Ltd.	3000	5,44,350	0	-
Indo Rama Synthetics (India) Ltd.	41423	12,07,480	0	-
Infibeam Incorporation Ltd.	0	-	1200	11,26,856
Information Technologies India Ltd	100	105	100	105
Innovassynth Investments Ltd	227	1,800	227	1,489
Integra Garments And Textiles Ltd	1265	1,404	1265	1,404
Intellect Design Arena Ltd.	0	-	2200	2,65,980
Intradeco Ltd.	8333	2,167	8333	2,167
Jai Mata Glass Ltd.	5000	950	5000	550
Jaiprakash Associates Ltd.	5250	99,225	5250	69,563

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)**

(Amount in ₹)

Particulars	2017-18		2016-17	
	Qty.	Amount in ₹	Qty.	Amount in ₹
Jaykay Enterprises Ltd.	21111	1,21,810	19369	71,020
Jaysynth Dyestuff (India) Ltd.	725	49,699	4000	31,600
Jhagadia Copper Ltd.	7866	9,833	7866	9,833
JK Paper Ltd.	500	67,550	0	-
Kaashyap Technologies Ltd.	43721	7,433	43721	7,433
Kennametal India Ltd	2374	16,83,878	0	-
Kinetic Engineering Ltd	18408	12,69,232	0	-
Kingfishers Airlines Ltd.	1300	1,768	1300	1,768
Kirloskar Brothers Ltd.	0	-	1406	3,07,784
Kirloskar Electric Co Ltd	0	-	12000	4,58,000
KSK Energy Ventures Ltd.	5000	42,750	0	-
Larsen & Toubro Infotech Ltd.	0	-	150	1,04,239
Lupin Ltd.	200	1,47,170	0	-
Magnum Ventures Ltd.	0	-	1000	2,950
Mahanagar Gas Ltd.	0	-	35	18,655
Mahindra Holidays & Resorts India Ltd.	4000	11,73,000	6200	25,55,616
Mahindra Lifespace Developer Ltd.	0	-	500	1,91,600
Manaksia Industries Ltd.	0	-	10000	7,25,000
Marico Ltd.	0	-	4	1,163
Mcleod Russel India Ltd.	400	57,520	0	-
Meghmani Organics Ltd.	2500	2,10,650	0	-
MT Educare Ltd.	1160	81,432	0	-
Mukund Ltd	0	-	1000	82,000
Nagarjuna Fertilizers And Chemicals Ltd.	7040	1,08,064	0	-
Nestle India Ltd.	0	-	15	97,672
Network18 Media & Investment Ltd.	0	-	6000	1,97,400
Nextgen Animation Media Ltd.	80	136	80	136
NHPC Ltd.	84	2,327	10	306
Oil India Ltd.	0	-	1	333
Orient Cement Ltd.	6110	8,51,429	6110	2,79,605
Orient Paper & Industries Ltd.	0	-	2998	2,15,364
Paramount Communication Ltd.	0	-	2000	5,200
Pennar Aluminum Company Ltd.	3500	840	3500	840
Porwal Auto Components Ltd.	0	-	950	8,018
Prism Cement Ltd	23900	25,91,955	0	-
Pritika Auto Industries Ltd	1216	2,27,331	0	-
Prudential Sugar Corporation Ltd.	200	274	200	274



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)**

(Amount in ₹)

Particulars	2017-18		2016-17	
	Qty.	Amount in ₹	Qty.	Amount in ₹
Punjab National Bank	500	47,650	0	-
Ram Minerals And Chemicals Ltd	200	1,216	0	-
Rashtriya Chemicals And Fertilizers Ltd.	1000	73,200	2	117
Raymond Ltd.	50	44,888	0	-
Reliance Industrial Infrastructure Ltd.	0	-	300	1,35,153
Reliance Power Ltd.	0	-	1027	47,167
Religare Enterprises Ltd.	3605	1,94,710	0	-
S Kumars Nationwide Ltd.	9000	21,150	9000	21,150
Sahara One Media & Entertainment Ltd	95	6,826	95	6,826
Sahnti Gears Ltd	0	-	3000	3,27,750
Salzer Electronics Ltd	0	-	200	48,400
Sangam (India) Ltd	8143	9,84,082	0	-
Sanraa Media Ltd.	50000	3,000	50000	3,000
Shanthi Gears Ltd.	43455	56,18,732	0	-
Shree Mahaganga Sugar Ltd.	2000	860	2000	860
Shree Synthetics Ltd.	20	19	20	19
Shristi Infrastructure Development Corporation Ltd.	300	83,385	300	88,800
Sical Logistics Ltd.	0	-	18290	47,30,509
Simplex Projects Ltd	0	-	1000	30,100
SPML Infra Ltd.	0	-	2000	1,19,975
Subex Ltd.	3000	23,100	0	-
Sunil Hitech Engineers Ltd	0	-	723	8,676
Sunstar Realty Development Ltd	5	30	0	-
Surat Textiles Mills Ltd.	8000	31,600	10000	14,400
Suzlon Energy Ltd.	1000	10,700	9000	1,66,700
Syncom Formulations (India) Ltd.	0	-	38000	76,840
Tai Industries Ltd	1300	25,610	0	-
Tata Power Company Ltd.	900	71,100	0	-
Techtran Poly lenses Ltd.	1650	16,038	1650	16,038
Teledata Info Marin Ltd	1000	5,030	1000	5,030
Texmaco Rail & Engineering Ltd.	2500	2,08,500	0	-
The South Indian Bank Ltd	0	-	1	20
The Tinplate Company Of India Ltd.	150	28,058	0	-
TIL Ltd.	1755	7,83,784	1000	2,79,987
Titan Company Ltd.	6	5,654	0	-
Tree House Education & Accessories Ltd.	1000	9,100	20000	4,40,000

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)**

(Amount in ₹)

Particulars	2017-18		2016-17	
	Qty.	Amount in ₹	Qty.	Amount in ₹
Tribhovandas Bhimji Zaveri Ltd.	500	42,625	0	-
TV18 Broadcast Ltd.	0	-	5000	1,89,405
TVS Motor Company Ltd	0	-	172	75,444
Unitech Ltd.	2000	11,100	2000	8,900
United Spirits Ltd.	0	-	100	2,28,523
Uttam Value Steels Ltd.	20000	4,200	0	-
Valiant Communications Ltd.	3600	1,95,840	9400	2,19,960
Veronica Production Ltd	1000	1,900	1000	1,900
Viceroy Hotels Ltd.	34774	4,27,720	0	-
Welspun Enterprises Ltd.	100	14,135	100	3,115
Welspun India Ltd.	0	-	79000	70,73,729
Zee Media Corporation Ltd.	700	26,635	0	-
<b>Aggregate amount of quoted Investments (A)</b>	<b>878008</b>	<b>3,25,87,030</b>	<b>975280</b>	<b>3,32,14,754</b>
<b>Shares (Non Trade, Unquoted) Fully Paid up)</b>				
Anco Communications Ltd.	1000	2,150	1000	2,150
Bharat Starch Product Ltd.	11	1,989	11	1,989
Nagarjuna Fertilizer & Chemicals Ltd	0	-	7040	-
<b>Aggregate amount of unquoted Investments (B)</b>	<b>1011</b>	<b>4,139</b>	<b>8051</b>	<b>4,139</b>
<b>Total (A+B)</b>	<b>879019</b>	<b>3,25,91,169</b>	<b>983331</b>	<b>3,32,18,893</b>

The Company has pledged the following equity shares with HDFC Bank Ltd. as a security against bank overdraft facility as mentioned below:

Name of the Scripts	2017-18 No. of Shares	2016-17 No. of Shares
Nestle India Ltd.	0	15
Orient Cement Ltd.	0	5000

The Company has given the following equity shares with IL&FS Securities Services Ltd. as margin as mentioned below:

Aksh Optifibre Ltd.	0	8000
Gati Ltd.	0	3000
Greenlam Industries Ltd.	1000	0
HBL Power Systems Ltd.	47000	0
IDFC Bank Ltd.	0	7000
IDFC Ltd.	0	3000
Sical Logistics Ltd.	0	5000
Shanti Gears Ltd.	40000	0
Tree House EDU Ltd	0	20000
TV18 Broadcast Ltd.	0	5000
Welspun India Ltd.	0	79000

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)**

(Amount in ₹)

<b>15 TRADE RECEIVABLES</b>		
<b>Unsecured Considered doubtful</b>		
Outstanding for a period exceeding six months from the date they are due for payment	22,27,150	8,89,174
<b>Unsecured Considered good</b>		
Outstanding for a period exceeding six months from the date they are due for payment		
From Directors	3,098	6,448
From Related Parties #	23,983	17,997
From Others	15,08,673	30,55,191
Other Receivables		
From Directors	1,926	479
From Subsidiary Companies	-	3,739
From Related Parties #	8,400	4,140
From Others	3,01,52,857	1,11,90,232
	<b>3,39,26,087</b>	<b>1,51,67,400</b>
Less: Provision for Bad & Doubtful Debts	22,27,150	8,89,174
	<b>3,16,98,937</b>	<b>1,42,78,226</b>

# Trade Receivables due from related parties includes relatives of Key Managerial Personnel (KMP) and enterprises over which KMP or relatives of KMP exercises significant influence.

<b>16 CASH AND BANK BALANCES</b>		
<b>a) Cash &amp; Cash Equivalents</b>		
Balances with Banks on Current Accounts	82,70,578	1,62,50,909
Cheque in Hand	-	10,934
Cash in Hand (As certified by Management)	3,17,880	2,24,963
Cash & Cash Equivalents (a)	<b>85,88,458</b>	<b>1,64,86,806</b>
<b>b) Other Bank Balances #</b>		
Deposit with original maturity for more than 12 months #	17,68,23,086	26,75,50,000
Other Bank Balances (b)	17,68,23,086	26,75,50,000
<b>Total Cash &amp; Bank Balances (a+b)</b>	<b>18,54,11,544</b>	<b>28,40,36,806</b>

# Deposit with original maturity for more than 12 months represents

- Fixed Deposit Receipts of ₹ 312.50 Lakh (P.Y. ₹ 1657.50 Lakh) has been pledged with National Securities Clearing Corporation Ltd. towards Margin Money.
- Fixed Deposit Receipts of ₹ 8 Lakh (P.Y. ₹ 8 Lakh) has been pledged with MCX Stock Exchange Ltd. towards Margin Money.
- Bank Guarantee of ₹ 1570 Lakh (P.Y. ₹ 225 Lakh) from HDFC Bank Ltd. against pledge of Fixed Deposit receipts of ₹ 785 Lakh (P.Y. ₹ 112.50 Lakh). The Bank Guarantees has been given as Margin Money in favour of National Securities Clearing Corporation Ltd.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)**

(Amount in ₹)

- e) Bank Guarantee of ₹ 117.50 Lakh (P.Y. ₹ 117.5 Lakh) from HDFC Bank Ltd. against pledge of Fixed Deposit receipts of ₹ 58.75 Lakh (P.Y. ₹ 58.75 Lakh). The Bank Guarantees has been given as Margin Money and Trade Guarantee Fund in favour of BSE Ltd.
- f) Fixed Deposit Receipts of ₹ 141.25 Lakh (P.Y. ₹ 813.75 Lakh) has been pledged with HDFC Bank Ltd. for obtaining loan of ₹ 282.50 Lakh (P.Y. ₹ 1627.50 Lakh) as refer in Note No. 6.
- g) Bank Guarantee of ₹ 50 Lakh (P.Y. ₹ 50 Lakh) from ICICI Bank Ltd. against pledge of Fixed Deposit receipts of ₹ 26.73 Lakh (P.Y. ₹ 25 Lakh). The Bank Guarantees has been given as Margin Money in favour of National Securities Clearing Corporation Ltd.

**17 SHORT TERM LOANS AND ADVANCES****(Unsecured Considered Good)**

Particulars	2017-18	2016-17
Balance with Revenue Authorities (Net of Provision ₹ 1,00,81,772/-, P.Y. ₹ Nil)	1,78,37,335	1,74,09,293
MAT Credit Entitlement	4,794	-
Prepaid Expenses	33,42,819	40,49,066
Mark to Mark Loss for Unexpired Derivative Contracts	10,38,398	1,40,308
Net Option Premium Paid Carried Forward	-	3,47,311
Other Advances	23,33,360	18,22,883
	<b>2,45,56,706</b>	<b>2,37,68,861</b>

**18 OTHER CURRENT ASSETS**

Accrued Interest on Fixed Deposits	20,09,056	18,77,665
Stamp In Hand	20,849	12,689
GST Credit not yet claimed	69,824	-
	<b>20,99,729</b>	<b>18,90,354</b>

**19 REVENUE FROM OPERATIONS**

From Sales of Product		
Sales of Shares	37,38,26,727	35,30,00,355
Sales of Mutual Funds / Government Securities	-	16,37,62,474
Profit/(Loss) from Equity Derivative Transactions	18,18,75,428	16,87,74,471
Profit/(Loss) from Currency Derivative Transactions	15,45,909	32,76,612
Profit/(Loss) from Non Delivery Transactions	17,67,855	(84,45,342)
From Sale of Services		
Brokerage Income	3,44,08,510	1,99,15,287
Depository Income	22,08,309	18,53,931
Other Operating Revenue		
Demat Charges Recovered	62,839	45,770
Other Charges Recovered from clients	32,21,341	16,55,946
Incentive / Passive Transaction Charges on Trading	10,000	6,638
	<b>59,89,26,918</b>	<b>70,38,46,142</b>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)**

(Amount in ₹)

<b>20 OTHER INCOME</b>		
Particulars	2017-18	2016-17
Interest Income		
on Fixed Deposits	2,04,29,320	95,12,207
on Deposits with Clearing Member	16,96,439	1,93,582
on Other Deposits	96,134	36,897
on Income Tax Refund	11,83,915	67,943
Dividend from Non Current Investments	5,000	5,000
Dividend from Shares lying as Inventories	1,30,295	3,00,045
Profit on sale of Investments	3,95,802	-
Provision for Bad & Doubtful Debts W/Back	-	2,21,284
Other Miscellaneous Income	304	223
	<b>2,39,37,209</b>	<b>1,03,37,181</b>

<b>21 PURCHASE OF STOCK IN TRADE</b>		
Purchases of Shares	37,10,55,085	35,34,54,370
Purchases of Mutual Funds / Government Securities	-	16,35,00,000
	<b>37,10,55,085</b>	<b>51,69,54,370</b>

<b>22 (INCREASE)/DECREASE IN STOCK IN TRADE</b>		
Opening Stock in trade	3,32,18,893	2,20,05,265
Less: Closing Stock in trade	3,25,91,169	3,32,18,893
	<b>6,27,724</b>	<b>(1,12,13,628)</b>

<b>23 EMPLOYEE BENEFIT EXPENSES</b>		
Salary & Bonus	9,02,87,272	3,14,84,644
Contribution to Provident and Other Funds	45,09,682	11,22,057
Staff Welfare Expenses	23,76,286	25,82,521
	<b>9,71,73,240</b>	<b>3,51,89,222</b>

# Salary & Bonus include ₹ 51,91,000/- (P.Y. ₹ 9,00,000/-) paid to Directors towards managerial remuneration.

<b>24 FINANCE COST</b>		
Interest Expenses		
on Loan from Banks	1,51,27,505	47,72,094
on Loan from Others	24,84,409	20,36,399
on Others	25,54,642	3,75,015
Other Borrowings Cost		
Bank Guarantee Commission	11,68,746	19,06,666
	<b>2,13,35,302</b>	<b>90,90,174</b>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)**

(Amount in ₹)

<b>25 OTHER EXPENSES</b>		
<b>Particulars</b>	<b>2017-18</b>	<b>2016-17</b>
Rent	37,38,303	37,25,019
Rates & Taxes	3,34,44,826	2,40,86,189
Repair & Maintenance	45,99,383	41,17,381
Insurance Charges	1,05,183	74,191
SEBI & Exchanges Transaction Charges	2,49,02,077	1,55,76,641
SEBI & Exchanges Other Charges	6,22,018	5,71,111
Communication & Connectivity Expenses	35,11,171	28,77,728
Electricity Charges	48,68,202	49,65,902
Legal & Professional Charges	1,60,22,508	5,56,70,341
Broker Note Stamp Expenses	21,07,670	16,43,539
Loss on sale of Tangible Assets	-	3,831
Donation	2,10,650	31,100
Bad Debts	-	49,989
Provision for Bad and Doubtful Debts	13,37,977	-
Miscellaneous Expenses	75,76,772	65,23,404
Payment to Auditors		
For Statutory Audit	80,000	80,400
For Tax Audit	20,000	20,100
For Others	7,500	1,08,500
	<b>10,31,54,240</b>	<b>12,01,25,366</b>

<b>26 EARNING PER EQUITY SHARE</b>		
a) Profit / (Loss) for the period	1,94,56,478	2,81,71,902
b) Weighted Average Number of Equity Shares	4983000	4983000
Basic EPS (a/b)	3.90	5.65
c) Weighted Average Number of Equity Shares	4983000	4983000
Diluted EPS (a/c)	3.90	5.65

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)**

(Amount in ₹)

27	<b>QUANTITATIVE DETAILS OF ITEM TRADED DURING THE YEAR ENDED 31ST MARCH, 2018</b>			
Particulars	2017-18		2016-17	
	Qty.	Amount in ₹	Qty.	Amount in ₹
Equity Shares				
Opening Stock	983331	3,32,18,893	961365	2,20,05,265
Purchases	5060785	37,10,55,085	8717376	35,34,54,370
Sales	5165097	37,38,26,727	8695410	35,30,00,355
Closing Stock	879019	3,25,91,169	983331	3,32,18,893
Mutual Funds/Governemnt Securities				
Opening Stock	0	-	0	-
Purchases	0	-	41749.1	16,35,00,000
Sales	0	-	41749.1	16,37,62,474
Closing Stock	0	-	0	-

**28 CONTINGENT LIABILITIES****i) Bank Guarantee:**

- The Company has taken Bank Guarantee of ₹ 1570 Lakh from HDFC Bank Ltd. against pledge of Fixed Deposit receipts of ₹ 785 Lakh which has been given as margin money in favour of National Securities Clearing Corporation Ltd.
- Bank Guarantee of ₹ 117.50 Lakh from HDFC Bank Ltd. against pledge of Fixed Deposit receipts of ₹ 58.75 Lakh which has been given as margin money and Trade Guarantee Fund in favour of BSE Ltd.
- The Company has taken Bank Guarantee of ₹ 50 Lakh from ICICI Bank Ltd. against pledge of Fixed Deposit receipts of ₹ 26.73 Lakh which has been given as margin money in favour of National Securities Clearing Corporation Ltd.

**ii) Income Tax:**

- The Company has received demand amounting to ₹ 82,592/- from Income Tax Department relating to assessment of T.D.S from the F.Y. 2007-2008 to F.Y. 2013-2014 against which Company will file necessary rectification within appropriate time.
- The company has received demand amounting to ₹ 1,05,35,490/- (including Interest of ₹ 17,55,900/- u/s 220(2) of the Income Tax Act, 1961) from Income Tax Department relating to A.Y. 2010-11 u/s 143(3) of the Income Tax Act, 1961 against which Company has filed an appeal with CIT (Appeals), Kolkata. However, Income Tax Refund of A.Y. 2012-13 amounting to ₹ 30,07,030/- has been already adjusted by Department and ₹ 58,25,000/- has been paid by the company against the said demand.
- The company has received demand amounting to ₹ 43,74,200/- from Income Tax Department relating to A.Y. 2011-12 u/s 143(3) of the Income Tax Act, 1961 against which Company has filed an appeal with CIT (Appeals) - VI, Kolkata. However, Income Tax Refund of A.Y. 2012-13 amounting to ₹ 26,99,010/- and of A.Y. 2008-09 amounting to ₹ 14,45,439/- has been already adjusted by Department and ₹ 10,00,000/- has been paid by the company against the said demand.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)**

(Amount in ₹)

**29 OUTSTANDING CONTRACTS**

Outstanding Contracts of the clients for the settlement period for which settlement has not taken place has not been considered for the purpose of financial statement made upto 31st March 2018. However brokerage and other charges receivables on such contracts have been accounted for.

**30 SEGMENT REPORTING**

The company's operation predominantly comprises of only one segment "Activity relating to Capital Market" and therefore segment reporting is not applicable to the company.

**31 EXPENDITURE IN FOREIGN CURRENCY:**

Travelling Expenses incurred in Foreign Currency: ₹ Nil in F.Y. 2017-18 (P.Y. ₹ 3,99,019/-).

**32 EMPLOYEE BENEFIT****Defined Contribution Plan**

Particulars		2017-18	2016-17
1	Contribution to Provident Fund	4,76,783	4,58,102
2	Contribution to Employee State Insurance	3,10,595	1,72,251

- B. The company has a defined benefit gratuity plan. Every employee who has completed five years or more of services gets Gratuity on terms not lower than the amount payable under the Payment of Gratuity Act, 1972. The aforesaid scheme is funded with LIC. However, LIC has not provided actuarial valuation report of gratuity liability as at 31.03.2018 and therefore, the Company has done actuarial valuation of gratuity liability as on 31.03.2018 from Mr. Bhudev Chatterjee so the company has booked gratuity liability of ₹ 28,25,378/- in financial statements. The following table summarizes the components of net benefit expenses recognized in profit & loss statement.

**I Net Employee Expenses/(benefit)**

1	Current Service Cost	38,75,890	6,47,661
2	Interest cost on benefit obligation	4,90,969	4,41,950
3	Expected Return on plan assets	(4,90,589)	(4,88,698)
4	Net Actuarial (gain)/Loss recognised in the year	(1,53,966)	(1,47,420)
5	Total employee expenses recognised in Profit & Loss Statement	37,22,304	4,53,493

**II Actual Return on Plan Assets**

1	Return on Plan Assets (Expected / Actual)	4,88,698	4,88,698
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**III Benefit Assets/(Liability)**

1	Defined Benefit Obligation	1,05,89,110	63,76,217
2	Fair Value of Plan Assets	77,63,732	65,32,474
3	Benefit Assets/(Liability)	(28,25,378)	1,56,257



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)**

(Amount in ₹)

**IV Movement in benefit/Liability**

Particulars		2017-18	2016-17
1	Opening defined Benefit Obligation	63,76,217	55,24,372
2	Interest Cost	4,90,969	4,41,950
3	Current Service Cost	38,75,890	6,47,661
4	Benefits Paid	-	(90,346)
5	Actuarial (gains)/Loss on obligation	(1,53,966)	(1,47,420)
6	Closing Benefit Obligation	1,05,89,110	63,76,217

**V Movement in fair value of plan assets**

1	Opening fair value of Plan Assets	65,32,474	56,20,498
2	Return on Plan Assets (Actual)	-	4,88,698
3	Return on Plan Assets (Expected)	4,90,589	-
4	Contribution by Employer	7,40,669	5,13,624
5	Benefits Paid	-	(90,346)
6	Closing Fair Value of Plan Assets	77,63,732	65,32,474

**VI The Principal actuarial assumptions are as follow**

1	Discount Rate	8%	8%
2	Salary Escalation	6.50%	6.70%
3	Withdrawal Rate	1%-3% depending on age	1%-3% depending on age

**VII The major categories of Plan Assets as a percentage of fair value of the total plan assets**

1	Investments with Insurer	100%	100%
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Note: The company contributes ₹ 7,40,669/- (P.Y. ₹ 6,03,230/-) to Gratuity Fund in F.Y. 2017-18.

**33 DUE TO MICRO, SMALL AND MEDIUM ENTERPRISES**

Based on the information available with the company, the balance due to Micro and Small enterprises, as defined under the Micro, Small, and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) is ₹ Nil (P.Y. ₹ Nil). Further, no interest during the year has been paid or payable under the terms of the MSMED Act, 2006. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)**

(Amount in ₹)

**34 RELATED PARTY DISCLOSURE**

Related party disclosure as identified by the management in accordance with the Accounting Standard (AS) 18 on "Related Party Disclosures" and as per Section 188 of the Companies Act' 2013 are as follows:

<b>A) Name of the related parties &amp; their relationship</b>	
<b>i) Key Managerial Personnel (KMP):</b>	
a) Mr. Hari Kishan Lohia	e) Mr. Sameer Bajaj
b) Mr. Mahesh Kumar Bajaj	f) Mr. Vineet Goenka
c) Mr. Rajesh Kumar Bajaj	g) Mrs. Sarita Ojha
d) Mr. Sudheer Kumar Jain	h) Mr. Ashish Kumar Gupta
<b>ii) Wholly Owned Subsidiary Companies:</b>	
a) Trade City Barter (P) Ltd	c) Trade City Real Estate (P) Ltd
b) Trade City Commodities (P) Ltd	d) Trade City Securities (P) Ltd
<b>iii) Associate Company:</b>	
a) Daadi Stock Broking (P) Ltd (Till 29.03.2017)	
<b>iv) Relatives of Key Managerial Personnel (KMP):</b>	
a) Abhishek Lohia	m) Padam Chand Jain
b) Amit Lohia	n) Poonam Bajaj
c) Ankit Lohia	o) Prerna Bajaj
d) Ayushi Jain	p) Rajdulari Devi Bajaj
e) Bajrang Lal Bajaj	q) Ramesh Kumar Lohia
f) Bhawari Devi Jain	r) Sanjay Kumar Jain
g) Chirag Bajaj	s) Sarla Lohia
h) Harshita Bajaj	t) Sunita Bajaj
i) Mayank Bajaj	u) Surbhi Jain
j) Megha Bajaj	v) Tanvi Jain
k) Murarilal Bajaj	w) Usha Jain
l) Neena Jain	
<b>v) Enterprises over which KMP or relatives of KMP exercises significant influence:</b>	
a) Analysis Software (P) Ltd	o) Narayani Infrastructure & Logistics (P) Ltd.
b) Bajaj Overseas and Finance (P) Ltd	p) Narayani Publishers & Media Support (P) Ltd.
c) Bajaj Portfolio Services (P) Ltd	q) Rajesh Kumar Bajaj (HUF)
d) Daadi Stock Broking (P) Ltd	r) Ridhi Sidhi Distributors (P) Ltd
e) Hari Kishan Lohia (HUF)	s) Sajjan Kumar Bajaj (HUF)
f) Lohia Fiscal Markets (P) Ltd	t) Sameer Bajaj (HUF)
g) Lohia Fiscal Markets (P) Ltd	u) Sanjay Kumar Jain (HUF)
h) Lohia Stock Broking (P) Ltd.	v) Satya Narayan Bajaj (HUF)
i) Luminant Commotrade (P) Ltd.	w) Shiv Lalit Consultancy (P) Ltd
j) Madhusudan Enclave (P) Ltd	x) SNB Share Broking (P) Ltd
k) Mahesh Kumar Bajaj (HUF)	y) Snehdeep Commerce (P) Ltd
l) Narayani Commodities (P) Ltd.	z) Sudheer Kumar Jain (HUF)
m) Neat Technical (P) Ltd.	aa) Vineet Goenka (HUF)
n) Padam Chand Jain (HUF)	

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)**

(Amount in ₹)

**B) Transactions with Related Parties:**

Name of the Related Parties	Nature of Transaction	2017-18	2016-17
Rajesh Kumar Bajaj	Director Remuneration	14,41,667	-
	Brokerage Income	770	3,232
	Depository Charges Income	3,264	1,092
Sudheer Kumar Jain	Director Remuneration	22,50,000	9,00,000
	Brokerage Income	211	-
	Depository Charges Income	1,915	1,915
	Cash Margin Deposit taken for trading	-	5,00,000
	Refund of Cash Margin Deposit taken for trading	-	5,00,000
Mahesh Kumar Bajaj	Director Remuneration	6,92,000	-
	Brokerage Income	34,024	4,313
	Depository Charges Income	4,096	2,073
Hari Kishan Lohia	Director Remuneration	8,07,333	-
	Depository Charges Income	124	727
	Brokerage Income	39	2,104
Sameer Bajaj	Brokerage Income	999	96
	Depository Charges Income	537	496
	Director Sitting Fees	60,000	60,000
Vineet Goenka	Depository Charges Income	17	119
Ashish Kumar Gupta	Director Sitting Fees	40,000	-
Sarita Ojha	Director Sitting Fees	60,000	60,000
Trade City Barter (P) Ltd.	Brokerage Income	21,025	166
	Depository Charges Income	826	1,011
	Cash Margin Deposit taken for trading	95,30,000	-
	Refund of Cash Margin Deposit taken for trading	95,30,000	-
Trade City Securities (P) Ltd.	Depository Charges Income	56,840	72,793
	Margin Deposit taken (Cash & Fixed Deposit) for trading	-	1,17,27,376
	Refund of Margin Deposit taken (Cash & Fixed Deposit) for trading	-	1,76,25,329
	Interest paid on Margin Deposit taken as Fixed Deposit	-	1,27,413
Trade City Real Estate (P) Ltd.	Brokerage Income	420	-
	Depository Charges Income	695	916
	Rent Paid	8,64,000	8,64,000
Bajaj Portfolio Services (P) Ltd	Brokerage Income	8	1,498
	Depository Charges Income	638	1,022

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)**

(Amount in ₹)

Name of the Related Parties	Nature of Transaction	2017-18	2016-17
Analysis Software Pvt Ltd	Brokerage Income	3,32,353	8,917
	Depository Charges Income	6,820	2,222
	Cash Margin Deposit taken for trading	17,75,192	1,00,000
	Refund of Cash Margin Deposit taken for trading	18,51,192	1,000
Bajaj Overseas and Finance (P) Ltd	Brokerage Income	2,35,926	1,58,418
	Depository Charges Income	4,540	4,652
	Cash Margin Deposit taken for trading	12,60,000	6,85,000
	Refund of Cash Margin Deposit taken for trading	15,20,000	4,25,000
Daadi Stock Broking (P) Ltd.	Refund of Security Deposit	-	30,50,000
	Brokerage Income	56,452	2,963
	Depository Charges Income	731	954
	Cash Margin Deposit taken for trading	1,27,50,047	-
	Refund of Cash Margin Deposit taken for trading	1,27,50,047	-
Lohia Fiscal Markets (P) Ltd.	Brokerage Income	1,84,048	3,574
	Depository Charges Income	3,327	1,111
	Cash Margin Deposit taken for trading	25,75,000	-
	Refund of Cash Margin Deposit taken for trading	25,75,000	-
	Interest paid on Margin Deposit taken as Fixed Deposit	59,523	-
Lohia Stock Broking (P) Ltd.	Brokerage Income	39,071	-
	Depository Charges Income	2,420	-
Luminant Commotrade (P) Ltd.	Brokerage Income	184	-
	Depository Charges Income	647	230
Madhusudan Enclave (P) Ltd	Brokerage Income	3,87,147	2,693
	Depository Charges Income	10,726	1,808
	Cash Margin Deposit taken for trading	18,39,000	50,000
	Refund of Cash Margin Deposit taken for trading	18,79,000	10,000
Narayani Commodities (P) Ltd	Brokerage Income	1,510	38
	Depository Charges Income	1,013	1,013
Neat Technical (P) Ltd.	Depository Charges Income	628	-
Narayani Infrastructure & Logistics (P) Ltd	Depository Charges Income	628	925
Narayani Publishers & Media Support (P) Ltd	Depository Charges Income	1,047	925

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)**

(Amount in ₹)

Name of the Related Parties	Nature of Transaction	2017-18	2016-17
Ridhi Sidhi Distributors (P) Ltd	Brokerage Income	15,858	4,742
	Cash Margin Deposit taken for trading	-	82,00,000
	Refund of Cash Margin Deposit taken for trading	-	82,00,000
	Depository Charges Income	1,874	1,138
Shiv Lalit Consultancy (P) Ltd.	Brokerage Income	1,000	2,500
	Depository Charges Income	713	920
	Cash Margin Deposit taken for trading	-	89,50,000
	Refund of Cash Margin Deposit taken for trading	-	89,50,000
SNB Share Broking (P) Ltd	Brokerage Income	6,737	20,838
	Depository Charges Income	2,091	2,611
Snehdeep Commerce (P) Ltd.	Brokerage Income	-	1,110
	Depository Charges Income	1,110	5,571
Hari Kishan Lohia (HUF)	Brokerage Income	1,715	367
	Depository Charges Income	62	399
	Cash Margin Deposit taken for trading	5,20,000	-
	Refund of Cash Margin Deposit taken for trading	5,20,000	-
Mahesh Kumar Bajaj (HUF)	Brokerage Income	680	-
	Depository Charges Income	208	837
Padam Chand Jain (HUF)	Brokerage Income	3,592	-
	Depository Charges Income	778	1,511
	Cash Margin Deposit taken for trading	-	46,00,000
	Refund of Cash Margin Deposit taken for trading	-	46,00,000
Rajesh Kumar Bajaj (HUF)	Brokerage Income	770	-
	Depository Charges Income	856	380
Sajjan Kumar Bajaj (HUF)	Depository Charges Income	1,072	739
Sameer Bajaj (HUF)	Brokerage Income	2,689	301
	Depository Charges Income	583	663
Sanjay Kumar Jain (HUF)	Depository Charges Income	871	-
Satya Narayan Bajaj (HUF)	Brokerage Income	2,722	644
	Depository Charges Income	111	418
	Cash Margin Deposit taken for trading	1,50,000	-
	Refund of Cash Margin Deposit taken for trading	1,50,000	-
Sudheer Kumar Jain (HUF)	Brokerage Income	678	-
	Depository Charges Income	1,298	1,766
Vineet Goenka HUF	Depository Charges Income	53	-

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)**

(Amount in ₹)

Name of the Related Parties	Nature of Transaction	2017-18	2016-17
Ankit Lohia	Brokerage Income	2,151	1,033
	Depository Charges Income	46	350
	Salary	7,20,000	6,00,000
Abhishek Lohia	Brokerage Income	1,506	6,943
	Depository Charges Income	72	478
	Cash Margin Deposit taken for trading	1,85,000	4,23,000
	Refund of Cash Margin Deposit taken for trading	1,85,000	4,23,000
Amit Lohia	Brokerage Income	790	17,459
	Depository Charges Income	19	-
	Cash Margin Deposit taken for trading	38,000	3,55,000
	Refund of Cash Margin Deposit taken for trading	38,000	3,55,000
	Salary	7,20,000	2,30,000
Ayushi Jain	Depository Charges Income	939	1,316
Bajrang Lal Bajaj	Depository Charges Income	166	718
Bhawari Devi Jain	Brokerage Income	313	1,680
	Depository Charges Income	3,619	3,029
	Cash Margin Deposit taken for trading	2,00,000	18,00,000
	Refund of Cash Margin Deposit taken for trading	2,00,000	18,00,000
Chirag Bajaj	Brokerage Income	2,243	-
	Depository Charges Income	847	9
	Salary	7,00,000	2,30,000
Harshita Bajaj	Brokerage Income	294	-
	Depository Charges Income	468	-
Mayank Bajaj	Brokerage Income	223	815
	Depository Charges Income	64	1,046
	Salary	5,40,000	5,40,000
Megha Bajaj	Brokerage Income	-	1,631
	Depository Charges Income	-	578
Murarilal Bajaj	Depository Charges Income	62	493
	Professional Charges	2,40,000	3,75,000
Neena Jain	Brokerage Income	836	1,465
	Depository Charges Income	2,335	2,804
	Cash Margin Deposit taken for trading	-	5,00,000
	Refund of Cash Margin Deposit taken for trading	-	5,00,000
Padam Chand Jain	Depository Charges Income	1,445	1,794

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)**

(Amount in ₹)

Name of the Related Parties	Nature of Transaction	2017-18	2016-17
Poonam Bajaj	Brokerage Income	3,49,003	1,50,066
	Depository Charges Income	4,130	3,451
	Cash Margin Deposit taken for trading	10,14,118	9,80,000
	Refund of Cash Margin Deposit taken for trading	10,14,118	9,05,000
Perna Bajaj	Depository Charges Income	9	373
	Professional Charges	-	5,000
	Salary	4,00,000	-
Rajdulari Devi Bajaj	Depository Charges Income	9	1,295
Ramesh Kumar Lohia	Brokerage Income	5,924	3,327
	Depository Charges Income	572	591
	Salary	2,18,366	2,21,406
Sanjay Kumar Jain	Brokerage Income	809	-
	Depository Charges Income	806	1,258
Surbhi Jain	Brokerage Income	709	-
	Depository Charges Income	1,230	1,555
	Cash Margin Deposit taken for trading	-	3,00,000
	Refund of Cash Margin Deposit taken for trading	-	3,00,000
Sunita Bajaj	Brokerage Income	1,977	191
	Depository Charges Income	422	566
Sarla Lohia	Brokerage Income	55	-
	Depository Charges Income	80	-
	Cash Margin Deposit taken for trading	2,00,000	-
	Refund of Cash Margin Deposit taken for trading	2,00,000	-
Tanvi Jain	Brokerage Income	-	208
	Depository Charges Income	929	1,458
Usha Jain	Brokerage Income	303	-
	Depository Charges Income	1,141	1,614

**C. i) Amount due from Key Managerial Personnel:**

Name of the Related Party	2017-18
Rajesh Kumar Bajaj	2,162
Sudheer Kumar Jain	343
Mahesh Kumar Bajaj	1,259
Sameer Bajaj	109
Vineet Goenka	1,151

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)**

(Amount in ₹)

**ii) Amount due to Key Managerial Personnel:**

Name of the Related Party	2017-18
Hari Kishan Lohia	8

**iii) Amount due from enterprises over which KMP or relatives of KMP exercises significant influence:**

Analysys Software Pvt Ltd	610
Bajaj Overseas & Finance (P) Ltd.	57
Daadi Stock Broking (P) Ltd.	76
Lohia Fiscal Markets (P) Ltd.	18
Lohia Stock Broking (P) Ltd.	91
Madhusudan Enclave (P) Ltd	2,611
Narayani Commodities (P) Ltd	5,313
Narayani Infrastructure & Logistics (P) Ltd	4,938
Narayani Publishers & Media Support (P) Ltd	5,718
Padam Chand Jain (HUF)	92
Ridhi Sidhi Distributor Pvt Ltd	388
Rajesh Kumar Bajaj (HUF)	3,971
Sameer Bajaj (HUF)	164
Sanjay Kumar Jain (HUF)	92
Sajjan Kumar Bajaj (HUF)	70
Shiv Lalit Consultancy (P) Ltd.	59
Snehdeep Commerce (P) Ltd	92
Sudheer Kumar Jain (HUF)	143
Vineet Goenka (HUF)	1,755

**iv) Amount due from Relatives of Key Managerial Personnel:**

Ayushi Jain	126
Bhawari Devi Jain	229
Chirag Bajaj	196
Harshita Bajaj	168
Murarilal Bajaj	940
Neena Jain	165
Padam Chand Jain	251
Poonam Bajaj	1,240
Sanjay Kumar Jain	92
Sunita Bajaj	3,857
Surbhi Jain	244
Tanvi Jain	92
Usha Jain	92

**D. Provision to be made with regard to Outstanding Amount : ₹ Nil**



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)**

(Amount in ₹)

**35 IN RESPECT OF OPTION CONTRACT, POSITION OF OPEN INTEREST AS ON THE BALANCE SHEET DATE IS AS UNDER:-****Option Contract in respect of which premium is received:**

Particulars of Stock & Index Option	Net Premium Received (₹)
OPTCUR USDINR 25Apr18 64.50 CE	1,25,800
OPTCUR USDINR 25Apr18 65.00 CE	67,630
OPTSTK ADANIENT 26Apr18 170.00 CE	32,200
OPTSTK ADANIENT 26Apr18 200.00 CE	3,200
OPTSTK ADANIENT 31May18 180.00 CE	6,200
OPTIDX BANKNIFTY 26Apr18 26500.00 CE	18,242
OPTSTK BHARTIARTL 26Apr18 460.00 CE	11,900
OPTSTK CIPLA 26Apr18 560.00 CE	9,150
OPTSTK COALINDIA 26Apr18 310.00 CE	3,300
OPTSTK GMRINFRA 26Apr18 17.50 CE	38,250
OPTSTK GMRINFRA 26Apr18 20.00 CE	11,250
OPTSTK HCC 26Apr18 32.50 CE	4,500
OPTSTK HCC 26Apr18 35.00 CE	6,000
OPTSTK ICICIBANK 26Apr18 360.00 CE	3,300
OPTSTK IDFCBANK 26Apr18 52.50 CE	11,700
OPTSTK IOC 26Apr18 200.00 CE	7,350
OPTSTK ITC 26Apr18 280.00 CE	12,960
OPTSTK JPASSOCIAT 26Apr18 12.50 PE	25,500
OPTSTK JPASSOCIAT 26Apr18 25.00 CE	30,600
OPTSTK NATIONALUM 26Apr18 70.00 CE	14,800
OPTSTK NHPC 26Apr18 25.00 PE	21,600
OPTIDX NIFTY 26Apr18 9500.00 PE	8,940
OPTIDX NIFTY 26Apr18 10000.00 PE	58,215
OPTIDX NIFTY 26Apr18 10200.00 PE	7,85,820
OPTIDX NIFTY 26Apr18 10200.00 CE	6,42,420
OPTSTK NTPC 26Apr18 180.00 CE	9,400
OPTSTK ONGC 26Apr18 200.00 CE	7,875
OPTSTK PNB 26Apr18 130.00 CE	6,000
OPTSTK RELIANCE 26Apr18 1040.00 CE	14,250
OPTSTK SOUTHBANK 26Apr18 20.00 PE	8,285
OPTSTK SOUTHBANK 26Apr18 22.50 CE	1,15,994
OPTSTK SOUTHBANK 26Apr18 27.50 CE	19,885
OPTSTK SUZLON 26Apr18 10.00 CE	1,31,250
OPTSTK SUZLON 26Apr18 17.50 PE	8,97,750
OPTSTK TATAMOTORS 26Apr18 400.00 CE	3,900
OPTSTK TATASTEEL 26Apr18 640.00 CE	14,005

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)**

(Amount in ₹)

**Option Contract in respect of which premium is paid:**

Particulars of Stock & Index Option	Net Premium Paid (₹)
OPTCUR USDINR 25Apr18 63.25 PE	12,500
OPTSTK ADANIENT 26Apr18 175.00 CE	9,600
OPTSTK ADANIENT 31May18 170.00 CE	31,600
OPTSTK BALRAMCHIN 26Apr18 80.00 CE	16,800
OPTIDX BANKNIFTY 26Apr18 26000.00 CE	26,902
OPTSTK CIPLA 26Apr18 580.00 CE	8,800
OPTSTK COALINDIA 26Apr18 300.00 CE	3,520
OPTSTK GMRINFRA 26Apr18 17.50 PE	1,68,750
OPTSTK HCC 26Apr18 27.50 CE	21,000
OPTSTK HCC 26Apr18 30.00 CE	57,750
OPTSTK HCC 26Apr18 35.00 PE	1,40,250
OPTSTK ICICIBANK 26Apr18 350.00 CE	2,750
OPTSTK IFCI 26Apr18 17.50 PE	24,200
OPTSTK IFCI 26Apr18 20.00 CE	1,82,600
OPTSTK IFCI 26Apr18 22.50 CE	19,800
OPTSTK IFCI 26Apr18 25.00 CE	29,700
OPTSTK IFCI 26Apr18 27.50 CE	7,700
OPTSTK IOC 26Apr18 190.00 CE	5,400
OPTSTK IRB 26Apr18 230.00 CE	73,750
OPTSTK JPASSOCIAT 26Apr18 20.00 CE	27,200
OPTSTK LT 26Apr18 1300.00 CE	60,000
OPTSTK NHPC 26Apr18 27.50 CE	2,76,750
OPTSTK NHPC 26Apr18 27.50 PE	74,250
OPTIDX NIFTY 26Apr18 9000.00 PE	2,063
OPTIDX NIFTY 26Apr18 9800.00 PE	13,961
OPTIDX NIFTY 26Apr18 11500.00 CE	2,760
OPTSTK NTPC 26Apr18 175.00 CE	22,400
OPTSTK ONGC 26Apr18 190.00 CE	30,375
OPTSTK RELIANCE 26Apr18 980.00 CE	6,800
OPTSTK RELIANCE 26Apr18 1000.00 CE	7,950
OPTSTK SOUTHBANK 26Apr18 22.50 PE	49,712
OPTSTK SOUTHBANK 26Apr18 25.00 CE	1,92,218
OPTSTK SUZLON 26Apr18 10.00 PE	26,250
OPTSTK SUZLON 26Apr18 12.50 CE	1,05,000
OPTSTK TATAMOTORS 26Apr18 380.00 CE	3,000
OPTSTK TATASTEEL 26Apr18 600.00 CE	38,673
OPTSTK UNIONBANK 26Apr18 120.00 CE	7,400

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)**

(Amount in ₹)

**Net Open Position in respect of Future contracts are as follows:**

Particulars of Stock & Index Future	Long/(Short) (₹)
FUTCUR EURINR 25Apr18	(3)
FUTCUR USDINR 25Apr18	(30)
FUTSTK ADANI PORTS 26Apr18	(2,500)
FUTSTK ALBK 26Apr18	20,000
FUTSTK ASHOKLEY 26Apr18	(7,000)
FUTSTK ASIANPAINT 26Apr18	(600)
FUTSTK AXISBANK 26Apr18	(2,400)
FUTSTK BALRAMCHIN 26Apr18	3,500
FUTIDX BANKNIFTY 26Apr18	(40)
FUTSTK BEL 26Apr18	24,750
FUTSTK BHEL 26Apr18	75,000
FUTSTK CANFINHOME 26Apr18	2,500
FUTSTK COLPAL 26Apr18	(700)
FUTSTK DISHTV 26Apr18	35,000
FUTSTK EICHERMOT 26Apr18	(25)
FUTSTK EQUITAS 26Apr18	3,200
FUTSTK FEDERALBNK 26Apr18	27,500
FUTSTK GMRINFRA 26Apr18	5,85,000
FUTSTK GODREJIND 26Apr18	(3,000)
FUTSTK HCC 26Apr18	45,000
FUTSTK HCLTECH 26Apr18	(700)
FUTSTK HEROMOTOCO 26Apr18	(200)
FUTSTK HINDALCO 26Apr18	14,000
FUTSTK HINDUNILVR 26Apr18	(600)
FUTSTK IDEA 26Apr18	28,000
FUTSTK IDFCBANK 26Apr18	63,000
FUTSTK INDIACEM 26Apr18	7,000
FUTSTK INDIANB 26Apr18	(4,000)
FUTSTK INDUSINDBK 26Apr18	(900)
FUTSTK JSWSTEEL 26Apr18	3,000
FUTSTK LICHSGFIN 26Apr18	4,400
FUTSTK LUPIN 26Apr18	2,400
FUTSTK MCX 26Apr18	2,000
FUTSTK MOTHERSUMI 26Apr18	(1,600)
FUTSTK NHPC 26Apr18	(1,35,000)
FUTSTK PNB 26Apr18	4,000
FUTSTK RELCAPITAL 26Apr18	750
FUTSTK RELIANCE 26Apr18	17,000

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)**

(Amount in ₹)

Particulars of Stock & Index Future	Long/(Short) (₹)
FUTSTK RPOWER 26Apr18	13,000
FUTSTK SOUTHBANK 26Apr18	(33,141)
FUTSTK SREINFRA 26Apr18	5,000
FUTSTK SUNPHARMA 26Apr18	2,200
FUTSTK SUZLON 26Apr18	35,000
FUTSTK TATAELXSI 26Apr18	800
FUTSTK TATAMOTORS 26Apr18	(1,500)
FUTSTK TATAPOWER 26Apr18	1,08,000
FUTSTK TATASTEEL 26Apr18	(1,061)
FUTSTK TECHM 26Apr18	(1,200)
FUTSTK TITAN 26Apr18	(3,000)
FUTSTK TORNTPOWER 26Apr18	3,000
FUTSTK TVSMOTOR 26Apr18	(1,000)
FUTSTK VEDL 26Apr18	1,750
FUTSTK YESBANK 26Apr18	(1,750)

**36**

The figures for the previous year have been rearranged and/or regrouped wherever considered necessary.

Signature to Note 1 to 36

As per our attached report of even date

For **Vasudeo & Associates**

*Chartered Accountants*

(Firm Registration No. 319299E)

**Ritesh Agarwal**

*Partner*

Membership No. 311866

Place : Kolkata

Dated : 30th May, 2018

For and on behalf of the Board

**Sudheer Kumar Jain**

*Director*

(DIN: 00075103)

**Mahesh Kumar Bajaj**

*Director*

(DIN: 00080157)

**Narendra Kumar Rai**

*Company Secretary*

**Sujit Kumar Sharma**

*CFO*

**INDEPENDENT AUDITOR'S REPORT****TO  
THE MEMBERS OF  
LOHIA SECURITIES LIMITED****Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of LOHIA SECURITIES LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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; the 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Opinion**

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2018, and their consolidated profit and their consolidated cash flows for the year ended on that date.

**Other Matters**

- (a) We did not audit the financial statements of “4” subsidiaries whose financial statements reflect total assets of ₹ 11,98,66,066/- as at 31st March, 2018, total revenues of ₹ 40,96,098/- and net cash flows amounting to ₹ 85,57,952/- for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have 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 these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

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

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2018 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”; and
  - (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditor’s) Rules, 2014, 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 - Refer Note 37(iii) to the consolidated financial statements.

- (ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India.

For VASUDEO & ASSOCIATES  
CHARTERED ACCOUNTANTS  
(Firm Reg. No. 319299E)

Ritesh Agarwal  
(Partner)  
Membership No. 311866

Place: Kolkata  
Dated: The 30<sup>th</sup> day of May' 2018

**Annexure “A”****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Lohia Securities Limited (“the Company”) and its subsidiaries as of March 31, 2018 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company and its subsidiaries all incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by these entities, 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, 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 other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group’s and its subsidiaries incorporated in India, internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.



### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in the Other Matters paragraph, the Holding Company and its subsidiaries which are 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 March 31, 2018, 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.

### **Other Matters**

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to standalone financial statements of “4” subsidiaries which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies.

Place: Kolkata  
Dated: The 30<sup>th</sup> day of May’ 2018

For VASUDEO & ASSOCIATES  
CHARTERED ACCOUNTANTS  
(Firm Reg. No. 319299E)

Ritesh Agarwal  
(Partner)  
Membership No. 311866

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2018**

(Amount in ₹)

Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017
<b>I. EQUITY AND LIABILITIES</b>			
(1) SHAREHOLDER'S FUND			
(a) Share Capital	2	4,78,22,500	4,78,22,500
(b) Reserves and Surplus	3	26,41,36,127	25,36,81,202
<b>(2) NON CURRENT LIABILITIES</b>			
(a) Long Term Borrowings	4	1,38,31,801	1,34,19,768
(b) Long Term Provisions	5	4,08,982	3,34,988
<b>(3) CURRENT LIABILITIES</b>			
(a) Short-term borrowings	6	4,58,44,748	19,08,74,928
(b) Trade Payables	7	3,47,454	39,90,202
(c) Other Current Liabilities	8	6,98,25,817	1,78,29,069
(d) Short-term provisions	9	12,37,231	35,83,120
<b>TOTAL</b>		<b>44,34,54,660</b>	<b>53,15,35,777</b>
<b>II. ASSETS</b>			
<b>(1) NON CURRENT ASSETS</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible Assets	10	1,02,64,298	1,16,04,159
(ii) Intangible Assets	11	6,19,834	7,07,824
(b) Non Current Investment	12	5,08,67,370	5,15,65,002
(c) Deferred Tax Assets	13	48,96,101	1,01,56,659
(d) Long Term Loan & Advances	14	6,15,05,351	6,72,76,791
<b>(2) CURRENT ASSETS</b>			
(a) Inventories	15	3,34,71,331	3,33,21,073
(b) Trade Receivables	16	3,92,89,878	1,63,95,669
(c) Cash & Cash Equivalent	17	19,33,55,071	29,97,25,784
(d) Short Term Loans & Advances	18	4,69,95,895	3,87,44,451
(e) Other Current Assets	19	21,89,531	20,38,365
<b>TOTAL</b>		<b>44,34,54,660</b>	<b>53,15,35,777</b>

Significant Accounting Policies

1

The notes form an integral part of these financial statements 1 to 40

As per our attached report of even date

For **Vasudeo & Associates**

Chartered Accountants

(Firm Registration No. 319299E)

**Ritesh Agarwal**

Partner

Membership No. 311866

Place : Kolkata

Dated : 30th May, 2018

For and on behalf of the Board

**Sudheer Kumar Jain**

Director

(DIN: 00075103)

**Mahesh Kumar Bajaj**

Director

(DIN: 00080157)

**Narendra Kumar Rai**

Company Secretary

**Sujit Kumar Sharma**

CFO

**CONSOLIDATED STATEMENT OF PROFIT & LOSS** FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in ₹)

Particulars	Note No.	Figures for the year ended 31.03.2018	Figures for the year ended 31.03.2017
<b>I REVENUE FROM OPERATION</b>	20	59,95,63,608	70,75,23,184
II. Other Income	21	2,64,82,524	1,39,63,686
<b>III. Total Revenue (I+II)</b>		<b>62,60,46,132</b>	<b>72,14,86,870</b>
<b>IV EXPENSES</b>			
(a) Purchases of Stock In Trade	22	37,28,40,302	51,69,54,370
(b) (Increase)/Decrease in Inventories	23	(1,50,258)	(1,06,92,657)
(c) Employee Benefit Expenses	24	9,84,32,081	3,78,68,128
(d) Finance Cost	25	2,34,20,772	1,12,31,486
(e) Depreciation & Amortization Expenses	26	26,11,997	32,34,140
(f) Other Expenses	27	10,38,13,556	12,27,16,980
<b>Total Expenses (a to f)</b>		<b>60,09,68,450</b>	<b>68,13,12,447</b>
<b>V Profit / (Loss) before exceptional and extraordinary items and tax (III-IV)</b>		<b>2,50,77,682</b>	4,01,74,423
VI Exceptional Items		-	-
<b>VII Profit/(Loss) before extraordinary items and tax (V-VI)</b>		2,50,77,682	4,01,74,423
VIII Extraordinary Items		-	-
<b>IX Profit / (Loss) before Tax (VII-VIII)</b>		2,50,77,682	4,01,74,423
<b>X Tax Expenses</b>			
-Current Tax		1,01,06,622	1,40,62,212
-Deferred Tax		52,60,558	9,55,908
-Income Tax / FBT for earlier years		(19,45,154)	(4,73,514)
<b>XI Profit / (Loss) for the period (IX-X)</b>		1,16,55,656	2,56,29,817
XII Share of Profit from Associate Company		-	-
<b>XIII Profit / (Loss) for the period (XI+XII)</b>		1,16,55,656	2,56,29,817
<b>XIV Earning per Equity Share</b>	28		
(1) Basic (Equity Share Face Value ₹ 10/- each)		2.44	5.36
(2) Diluted (Equity Share Face Value ₹ 10/- each)		2.44	5.36

Significant Accounting Policies

1

The notes form an integral part of these financial statements 1 to 40

As per our attached report of even date

For **Vasudeo & Associates**

Chartered Accountants

(Firm Registration No. 319299E)

**Ritesh Agarwal**

Partner

Membership No. 311866

Place : Kolkata

Dated : 30th May, 2018

For and on behalf of the Board

**Sudheer Kumar Jain**

Director

(DIN: 00075103)

**Mahesh Kumar Bajaj**

Director

(DIN: 00080157)

**Narendra Kumar Rai**

Company Secretary

**Sujit Kumar Sharma**

CFO

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018**

(Amount in ₹)

Particulars	2017-18	2016-17
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) Before Tax & Extraordinary Items	2,50,77,682	4,01,74,423
Adjustment for :		
Depreciation & Amortisation Expenses	26,11,997	32,34,140
Provision for Gratuity Expenses/(written back)	73,994	(2,73,320)
Provision for Standard Assets / (Written back)	16,625	(513)
Interest Expenses on Loan	1,96,57,877	87,66,467
Interest Expenses on Margin Deposits from Clients & Trading Member	99,509	4,99,406
Interest Received on Bank Deposits & Deposits with Clearing Member	(2,25,07,820)	(1,00,76,646)
Loss/(Profit) on sale of Non current Investments	(6,67,412)	(11,21,747)
Loss/(Profit) on sale of Fixed Assets	-	(1,21,709)
Provision for Bad & Doubtful Debts	13,37,977	-
Bad Debts	-	2,44,746
Dividend Income from Non current Investment	(8,950)	(5,000)
<b>Operating Profit before Working Capital Adjustment</b>	<b>2,56,91,479</b>	<b>4,13,20,247</b>
Changes in Working Capital		
(Increase)/Decrease in Inventories	(1,50,258)	(1,06,92,657)
(Increase)/Decrease in Trade Receivables	(2,42,32,186)	5,46,881
(Increase)/Decrease in Deposits & Other Advances	(24,80,004)	(1,18,47,237)
(Increase)/Decrease in Other Current Assets	(22,533)	77,296
Increase/(Decrease) in Trade Payables	(36,42,748)	(4,75,058)
Increase/(Decrease) in Other Current Liabilities	5,19,73,459	(29,97,065)
<b>Cash Generated from Operation</b>	<b>4,71,37,209</b>	<b>1,59,32,407</b>
Less: Payment of Taxes	1,17,24,713	1,01,01,468
<b>Net cash flow from operating activities (A)</b>	<b>3,54,12,496</b>	<b>58,30,939</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Tangible Fixed Assets	(4,86,514)	(19,64,324)
Purchase of Intangible Fixed Assets	-	(1,50,000)
Sale Proceeds of Tangible Fixed Assets	-	1,87,000
Sale Proceeds of Non current Investments	35,10,33,434	44,30,000
Purchase of Non current Investments	(35,03,66,022)	-
Dividend Income from Non current Investment	8,950	5,000
Interest Received on Bank Deposits & Deposits with Clearing Member net off interest paid on Margin Deposits from Clients & Trading Member	2,24,08,311	95,77,240
(Increase)/Decrease in Bank Deposits (incl. accrued interest)	8,97,85,781	(13,54,22,750)
<b>Net cash realised from/(used in) Investing Activities (B)</b>	<b>11,23,83,940</b>	<b>(12,33,37,834)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/(Decrease) in Borrowings	(14,45,94,858)	13,46,71,460
Interest Expenses on Loan	(1,96,57,877)	(87,66,467)
<b>Net cash realised from / (used in) financing activities (C)</b>	<b>(16,42,52,735)</b>	<b>12,59,04,993</b>

(Amount in ₹)

Particulars	2017-18	2016-17
<b>Net increase/(Decrease) in cash and cash equivalent</b>	<b>(1,64,56,299)</b>	<b>83,98,098</b>
Opening Cash & Cash Equivalent	2,76,13,284	1,92,15,186
<b>Closing Cash &amp; Cash Equivalent</b>	<b>1,11,56,985</b>	<b>2,76,13,284</b>
CLOSING CASH & CASH EQUIVALENT		
Cash at Bank	1,06,43,635	2,71,52,875
Cheque in Hand	-	10,934
Cash in Hand	5,13,350	4,49,475
	<b>1,11,56,985</b>	<b>2,76,13,284</b>

As per our attached report of even date  
For **Vasudeo & Associates**  
Chartered Accountants  
(Firm Registration No. 319299E)

**Ritesh Agarwal**  
Partner  
Membership No. 311866  
Place : Kolkata  
Dated : 30th May, 2018

For and on behalf of the Board

**Sudheer Kumar Jain**  
Director  
(DIN: 00075103)

**Mahesh Kumar Bajaj**  
Director  
(DIN: 00080157)

**Narendra Kumar Rai**  
Company Secretary

**Sujit Kumar Sharma**  
CFO

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****1 SIGNIFICANT ACCOUNTING POLICIES****(a) Basis of Consolidation**

The consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS 21) – “Consolidated Financial Statements”, notified by the Companies (Accounting Standards) Rules 2006.

The consolidated financial statements have been prepared applying uniform accounting policies for like transaction and events in similar circumstances and appropriate adjustments are made if the differences in accounting policies have a material impact.

The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and transactions resulting in unrealized profit/loss.

The excess of cost of investment over the Company’s share in the net assets of subsidiaries at the date on which investment is made is recognized as ‘goodwill’ and the excess of the company share over the cost of investment is treated as Capital Reserve. Capital Reserve is separately disclosed after netting of Goodwill in the Consolidated Financial Statements.

**(b) Fixed Assets & Depreciation**

Fixed Assets are stated at their original cost of acquisition less accumulated depreciation.

Depreciation on Tangible Fixed Assets has been provided on written down value method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation on Tangible Fixed Assets added / disposed of during the year is provided on prorata basis with reference to the date of addition / disposal.

Intangible assets (except Membership Fees) have been amortized over the period of four financial years. Membership fees have been amortized over the period of ten financial years.

**(c) Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions on non-cash nature and any deferrals or accrual of past or future cash receipts or payments.

**(d) Cash and Cash Equivalents (for purposes of Cash Flow Statement)**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amount of cash which are subject to insignificant risk of changes in value.

**(e) Inventories**

Inventories (Shares) are valued at lower of cost or market price on category wise.

The costs of the shares are determined on First in & First out Basis.

Inventories of unquoted shares are valued at cost as market value is not available for the same.

**(f) Investments**

Long term Investments are stated at cost less provision for diminution in the value other than temporary, in the value of Investments.

Investment in property is carried at cost.

In M/S Trade City Real Estate Pvt Ltd, investment in immovable properties are carried at cost less accumulated depreciation. Cost includes cost of acquisition plus incidental expenses incurred in connection with such acquisition till the date of possession.

**(g) Revenue Recognition**

Brokerage income is recognized on the trade date of transaction upon confirmation of transactions by the

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

stock exchanges and clients. Income from depository services and late payment charges are recognized on the basis of agreement entered into with clients and when right to receive the income is established. Commission income from financial products distribution is recognized on the basis of agreement entered with principal and when the right to receive the income is established.

Dividend income is accounted for when the right to receive the income is established.

Interest Income is accounted on accrual basis.

**(h) Derivative Market Trading**

In respect of Option Contract, premium for contract expiring beyond the Balance Sheet date has been treated as current asset / current liabilities.

In respect of Futures Contract for contract expiring beyond the Balance Sheet date, net of Mark to Market Debit balance and Mark to Market Credit balance has been treated as current assets / current liabilities.

In M/s. Trade City Commodities (P) Ltd., in respect of Futures Contract for contract expiring beyond the Balance Sheet date, Mark to Market Debit balance has been recognized in Statement of Profit & Loss and Mark to Market credit balance has been treated as current liabilities as per the guidance note issued by ICAI on accounting of future and option derivative contract. In respect of option contract , premium for contract expiring beyond the balance sheet date has been treated as current assets / current liabilities.

**(i) Earnings Per Share**

Basic and diluted earnings per share are computed in accordance with Accounting Standard 20 "Earnings per Share". Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year except where the results are anti-dilutive.

**(j) Taxation**

Provision of current tax is made with reference to taxable income computed for the accounting period for which the financial statements are prepared by applying the tax rates as applicable. The deferred tax charge is recognized using the enacted tax rate. Deferred Tax Assets are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized. At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred Tax Assets/Liabilities are reviewed as at balance sheet date based on the developments during the year and reassess assets/liabilities in terms of AS-22 issued by ICAI.

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in ₹)

### 2 SHARE CAPITAL

Particulars	As at 31st March 2018		As at 31st March 2017	
	No. of shares	Amount in ₹	No. of shares	Amount in ₹
<b>a) Authorised Capital</b>				
Equity Share Capital of ₹ 10 each with voting right	7500000	7,50,00,000	7500000	7,50,00,000
<b>b) Issued, Subscribed and Fully Paid up Capital</b>				
Equity Share Capital of ₹ 10 each with voting right	4778000	4,77,80,000	4778000	4,77,80,000
<b>c) Par Value per Share</b>		₹10		₹10

#### d) Reconciliation of Number of Shares and amount outstanding at the beginning and at the end of the year

Number and amount of the share at the beginning of the year	4778000	4,77,80,000	4778000	4,77,80,000
Adjustment (If any)	-	-	-	-
Number and amount of the share at the end of the year	4778000	4,77,80,000	4778000	4,77,80,000

#### e) Rights Attached to the Shares

Each Share confers the right to one vote. Shareholders have the right to receive the dividend

#### f) Details of the Shareholder holding shares more than 5 %

Name of Shareholders	No of shares	% Holding	No of shares	% Holding
Hari Kishan Lohia	431000	9.02	431000	9.02
Mahesh Kumar Bajaj	390400	8.17	390400	8.17
Rajesh Kumar Bajaj	460800	9.64	460800	9.64
Sudheer Kumar Jain	312000	6.53	312000	6.53
Ridhi Sidhi Distributors (P) Ltd	252881	5.29	252881	5.29
Shiv Lalit Consultancy (P) Ltd	265000	5.55	265000	5.55

#### g) Details of Forfeited Shares

Class of Share	As at 31st March 2018		As at 31st March 2017	
	No. of shares	Amount originally paid up ₹	No. of shares	Amount originally paid up ₹
Equity Share with voting rights	17000	42,500	17000	42,500



## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in ₹)

<b>3 RESERVES &amp; SURPLUS</b>		
Particulars	2017-18	2016-17
<b>Securities Premium Reserve</b>		
Balance as per the last financial statements	1,85,51,631	1,85,51,631
<b>General Reserve</b>		
Balance as per the last financial statements	9,10,86,129	9,10,86,129
<b>Statutory Fund</b>		
Balance as per the last financial statements	11,51,956	11,31,956
Addition during the year	-	20,000
Closing Balance	11,51,956	11,51,956
<b>Capital Reserves on Consolidation</b>		
Balance as per the last financial statements	1,07,26,616	1,07,26,616
<b>Surplus / (Deficit) in the statement of Profit and Loss</b>		
Balance as per the last financial statements	13,21,64,870	10,99,20,087
Profit/(Loss) for the period	1,16,55,656	2,56,29,817
Proposed Dividend	(9,96,000)	
Dividend Distribution Tax	(2,04,731)	-
Transfer to Reserve fund	-	(20,000)
Elimination of profit on cessation of associates	-	(33,65,034)
Closing Balance	<b>14,26,19,795</b>	<b>13,21,64,870</b>
Total of Reserve & Surplus	<b>26,41,36,127</b>	<b>25,36,81,202</b>

<b>4 LONG TERM BORROWINGS</b>		
Term Loans (Secured)		
From HDFC Bank Ltd. #	4,61,801	7,19,768
Loan from Others (Unsecured)	1,33,70,000	1,27,00,000
	<b>1,38,31,801</b>	<b>1,34,19,768</b>

# Nature of Security and terms of repayment for Long Term secured borrowings

Nature of Security: Loan amounting ₹ 4,61,801/- (P.Y. ₹ 7,19,768/-) from HDFC Bank Ltd. is secured against hypothecation of Motor Vehicle.

Terms of Repayment: Repayable in 60 monthly installments commencing from November' 2015. Last installment due on 05.10.2020.

Installments falling due in respect of all the above loans upto 31.03.2019 have been grouped under "Current Maturities of Long Term Debt" (Refer Note 8)

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in ₹)

### 5 LONG TERM PROVISIONS

Particulars	2017-18	2016-17
Provision for Gratuity	4,08,982	3,34,988
	<b>4,08,982</b>	<b>3,34,988</b>

### 6 SHORT TERM BORROWINGS

Secured Loan		
Loan from HDFC Bank Ltd. #	2,82,50,000	16,27,50,000
Bank Overdraft with HDFC Bank Ltd. ##	53,44,748	2,32,24,928
Loan repayable on demand (Unsecured)		
From Others	1,22,50,000	49,00,000
	<b>4,58,44,748</b>	<b>19,08,74,928</b>

# Loan from HDFC Bank Ltd. is secured against pledge of Fixed Deposits amounting to ₹ 141.25 Lakh (P.Y. ₹ 813.75 Lakh).

## Bank overdraft with HDFC Bank Ltd. is secured against personal guarantee of Directors and office premises of M/s. Trade City Real Estate Pvt. Ltd., a wholly owned subsidiary company and pledge of shares (Refer Note No. 15) as on 31.03.2018.

### 7 TRADE PAYABLES

Trade Payable for Goods and Services		
Payable to Exchanges & Clearing Member	60,335	34,52,259
Payable to Clients - Related Parties #	-	36,570
Payable to Clients - Others	2,87,119	5,01,373
	<b>3,47,454</b>	<b>39,90,202</b>

# Trade Payable to related parties includes enterprises over which Key Managerial Personnel or relatives of Key Managerial Personnel exercises significant influence.

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in ₹)

<b>8 OTHER CURRENT LIABILITIES</b>		
Current Maturities of Long Term Debts	2,57,966	2,34,677
Interest Accrued but not due		
Payable to Bank on Term Loan	4,779	6,337
Payable to Others on Loan	-	2,047
Payable to Others on Margin Deposit	4,03,233	-
Interest accrued and due on Borrowings from Bank	1,27,251	7,43,055
Interest accrued and due on Margin Deposit to Others	2,64,897	87,509
Advance Received from Clients		
From Director and Related Parties #	197	665
From Others	1,07,393	1,03,714
Margin Deposits from Clients		
From Related Party #	23,000	4,74,000
From Others	5,56,37,821	86,75,321
Book Overdraft with HDFC Bank Ltd.	8,54,980	-
Statutory Dues Payable	51,71,339	22,36,641
Liabilities for Expenses - Payable to Others	55,73,674	52,65,103
Mark to Mark Profit for Unexpired Future Contracts	-	-
Net Option Premium Received Carried Forward	13,99,287	-
	<b>6,98,25,817</b>	<b>1,78,29,069</b>

# Advances Received and Margin Deposit from Clients from related parties includes relatives of Key Managerial Personnel (KMP) and enterprises over which KMP or relatives of KMP exercises significant influence.

<b>9 SHORT TERM PROVISIONS</b>		
Provision for Standard Assets	36,500	19,875
Provision for Income Tax	-	35,63,245
Provision for Dividend	9,96,000	-
Provision for Dividend Distribution Tax	2,04,731	-
	<b>12,37,231</b>	<b>35,83,120</b>

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in ₹)

10	TANGIBLE ASSETS									
PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1.04.2017	Addition	Disposal/ Deduction	As at 31.03.2018	As at 1.04.2017	For the Year	Adjustment for Disposal	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Office & Flat	52,03,081	-	-	52,03,081	32,87,615	85,112	-	33,72,727	18,30,354	19,15,466
Leasehold Office	74,62,957	-	-	74,62,957	35,43,818	1,97,938	-	37,41,756	37,21,201	39,19,139
Furniture & Fixtures	1,19,90,987	-	-	1,19,90,987	1,12,14,426	1,08,475	-	1,13,22,901	6,68,086	7,76,561
Vehicles	63,84,309	-	-	63,84,309	43,78,952	5,96,022	-	49,74,974	14,09,335	20,05,357
Office Equipment	44,55,486	67,675	-	45,23,161	41,62,097	50,521	-	42,12,618	3,10,543	2,93,389
Computer & Accessories	4,23,97,552	3,35,245	-	4,27,32,797	4,06,56,740	6,05,440	-	4,12,62,180	14,70,617	17,40,812
Air Conditioner	41,04,762	83,594	-	41,88,356	37,64,916	60,668	-	38,25,584	3,62,772	3,39,846
Electrical Installation	48,85,685	-	-	48,85,685	45,56,722	57,458	-	46,14,180	2,71,505	3,28,963
Generator	22,14,454	-	-	22,14,454	19,36,527	64,741	-	20,01,268	2,13,186	2,77,927
VSAT Equipments	1,33,982	-	-	1,33,982	1,27,283	-	-	1,27,283	6,699	6,699
<b>Total</b>	8,92,33,255	4,86,514	-	8,97,19,769	7,76,29,096	18,26,375	-	7,94,55,471	1,02,64,298	1,16,04,159
<b>Previous Year</b>	8,79,29,254	19,64,324	6,60,323	8,92,33,255	7,58,41,610	23,82,518	5,95,032	7,76,29,096	1,16,04,159	1,20,87,644

11	INTANGIBLE ASSETS									
Computer Software	93,89,467	-	-	93,89,467	92,51,643	47,990	-	92,99,633	89,834	1,37,824
Membership Fees*	18,50,000	-	-	18,50,000	12,80,000	40,000	-	13,20,000	5,30,000	5,70,000
<b>Total</b>	1,12,39,467	-	-	1,12,39,467	1,05,31,643	87,990	-	1,06,19,633	6,19,834	7,07,824
<b>Previous Year</b>	1,10,89,467	1,50,000	-	1,12,39,467	1,03,77,653	1,53,990	-	1,05,31,643	7,07,824	7,11,814

\* Membership Fees include ₹ 2,50,000/- paid to Indian Commodity Exchange Ltd. As the membership has not been activated the fees paid therefore has not been amortised during the year.

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**  
(Amount in ₹)

<b>12 NON CURRENT INVESTMENTS</b>					
Particulars		2017-18		2016-17	
		No. of shares	Amount in ₹	No. of shares	Amount in ₹
<b>Investments in Property (At cost)</b>					
Land			7,45,199		7,45,199
Commercial Property (Refer Sub-note below)			4,17,93,664		4,24,91,296
<b>Investments in Property (A)</b>			<b>4,25,38,863</b>		<b>4,32,36,495</b>
<b>Investments in Equity Instruments (At cost)</b>					
<b>(Quoted, Non-Trade Investments)</b>					
Face Value of ₹ 10/- each fully paid up					
Siddheshwari Garments Ltd.		8700	87,000	8700	87,000
<b>Investment in Quoted Equity Instruments (I)</b>			<b>87,000</b>		<b>87,000</b>
<b>(Unquoted, Trade Investments)</b>					
In Other Companies (fully paid up)					
Daadi Stock Broking (P) Ltd.	10	200000	66,16,507	200000	66,16,507
The Calcutta Stock Exchange Association Ltd	1	250	5,00,000	250	5,00,000
Nimbus Communication Ltd.	5	5000	11,25,000	5,000	11,25,000
<b>Investment in Unquoted Equity Instruments (II)</b>			<b>82,41,507</b>		<b>82,41,507</b>
<b>Investments in Equity Instruments (B=I+II)</b>			<b>83,28,507</b>		<b>83,28,507</b>
<b>Total Non Current Investment (A+B)</b>			<b>5,08,67,370</b>		<b>5,15,65,002</b>
<b>Aggregate market value of Quoted Shares</b>			<b>26,535</b>		<b>26,535</b>
<b>Sub-Note</b>					
<b>Commercial Property comprises of</b>					
<b>Gross Block</b>					
At the beginning of the year			4,40,60,968		4,40,60,968
Add: Additions during the year			-		-
At the end of the year			<b>4,40,60,968</b>		<b>4,40,60,968</b>
<b>Less: Depreciation</b>					
At the beginning of the year			15,69,672		8,72,040
Add: For the Year			6,97,632		6,97,632
At the end of the year			<b>22,67,304</b>		<b>15,69,672</b>
<b>Net Block</b>					
At the beginning of the year			4,24,91,296		4,31,88,928
At the end of the year			4,17,93,664		4,24,91,296

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in ₹)

### 13 DEFERRED TAX ASSETS

Particulars	2017-18	2016-17
On account of Depreciation	13,48,417	18,21,740
On account of Carry Forward Losses	35,47,684	83,34,919
	<b>48,96,101</b>	<b>1,01,56,659</b>

### 14 LONG TERM LOANS AND ADVANCES

(Unsecured considered good)

Capital Advances	38,85,000	38,85,000
Security Deposits for Office on Rent		
To Others	35,00,000	35,00,000
Security Deposits with Exchanges & Clearing Members	5,04,44,880	5,62,30,551
Security Deposits with Others	36,75,471	36,61,240
	<b>6,15,05,351</b>	<b>6,72,76,791</b>

### 15 INVENTORIES

Particulars	2017-18		2016-17	
	Qty.	Amount in ₹	Qty.	Amount in ₹
<b>Bonds (Non Trade, Quoted) Fully Paid up</b>				
IRB InvIT Fund	10000	8,20,400	0	-
<b>Shares (Non Trade, Quoted) Fully Paid up</b>				
3I Infotech Ltd.	737	3,707	0	-
Ador Welding Ltd.	1000	3,73,700	0	-
Aksh Optifibre Ltd.	1100	34,485	9400	1,22,670
Alok Industries Ltd.	10746	32,131	0	-
Ankit Metal & Power Ltd.	5000	8,000	5000	8,000
Archidply Industries Ltd.	0	-	250	10,450
Archies Ltd.	2500	79,625	6000	1,38,269
Arvind Remedies Ltd.	10000	40,100	10000	40,100
Asahi India Glass Ltd.	0	-	1000	2,20,702
Assam Company India Ltd.	0	-	2000	16,300
Balrampur Chini Mills Ltd.	100	7,565	0	-
Bank of Baroda	0	-	300	50,765
Baroda Rayon Corporation Ltd	485	1,431	485	1,431
Bharat Heavy Electricals Ltd.	500	40,675	0	-
Bharati Defence and Infrastructure Ltd	0	-	3000	46,100
Bhoruka Aluminum Ltd.	8000	4,000	8000	4,000

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in ₹)

Particulars	2017-18		2016-17	
	Qty.	Amount in ₹	Qty.	Amount in ₹
Birla Corporation Ltd.	0	-	1907	13,75,567
Birla Power Solutions Ltd.	30000	2,700	30000	2,700
Brushman (India) Ltd	9800	6,762	9800	6,762
Capacit'E Infraprojects Ltd.	2600	7,86,630	0	-
Central Bank Of India	15000	10,85,250	0	-
Cochin Minerals & Rutile Ltd	1000	1,01,050	1000	67,950
Dabur India Ltd	0	-	106	29,060
Den Networks Ltd.	2900	2,93,335	0	-
Digjam Ltd.	30050	2,69,122	0	-
Dolat Investments Ltd	1850	19,684	50000	87,500
DPSC Ltd.	3000	81,450	5000	2,21,306
Dr. Reddy's Laboratories Ltd.	0	-	100	2,71,250
Dune Mercantile Ltd	3	38	3	38
Eclerx Services Ltd.	83	99,725	0	-
Electrosteel Steels Ltd.	3000	7,200	0	-
Everest Industries Ltd.	500	2,38,575	0	-
Fineotex Chemical Ltd.	0	-	1000	33,400
Foundry Fuel Products Ltd	17113	84,320	35355	1,38,138
G V Films Ltd	15000	10,350	15000	5,700
Gati Ltd.	0	-	3000	4,25,000
GMR Infrastructure Ltd.	0	-	47500	7,73,125
Godrej Properties Ltd	0	-	500	1,91,903
Gokaldas Exports Ltd.	38787	33,60,894	13669	8,05,748
Gradiente Infotainment Ltd	95735	84,247	115382	1,01,776
Granules India Ltd.	500	51,625	0	-
Grasim Industries Ltd.	2	2,102	0	-
Greenlam Industries Ltd.	1106	13,24,767	1106	5,41,515
Gujarat Nre Coke Ltd.	1	2	0	-
Gulshan Polyols Ltd.	0	-	1000	87,332
Havells India Ltd.	44	21,465	0	-
HBL Power Systems Ltd.	61062	26,97,087	37259	15,84,798
HCL Infosystems Ltd.	500	25,475	0	-
Himachal Futuristic Communications Ltd.	7000	1,81,050	7000	93,475
Hindustan Construction Company Ltd.	2	44	58000	23,61,374
Hindustan Copper Ltd.	1000	62,900	0	-
Hov Services Ltd.	70	16,205	600	93,704
Huhtamaki Ppl Ltd.	1000	3,21,300	0	-

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS** FOR THE YEAR ENDED 31ST MARCH, 2018  
(Amount in ₹)

Particulars	2017-18		2016-17	
	Qty.	Amount in ₹	Qty.	Amount in ₹
ICICI Bank Ltd.	825	2,29,639	750	2,06,213
IDBI Bank Ltd.	1028	74,222	0	-
IDFC Bank Ltd.	3498	1,65,630	7498	3,96,771
IDFC Ltd.	0	-	3000	1,46,016
IFCI Ltd.	2000	39,100	5000	1,49,271
IG Petrochemicals Ltd.	0	-	802	2,67,793
IL & FS Transportation Networks Ltd.	0	-	3000	2,90,859
Indage Restaurants & Leisure Ltd	85500	6,91,695	85500	6,91,695
Indiabulls Real Estate Ltd.	3000	5,44,350	0	-
Indo Rama Synthetics (India) Ltd.	41423	12,07,480	0	-
Infibeam Incorporation Ltd.	0	-	1200	11,26,856
Information Technologies India Ltd	100	105	100	105
Innovassynth Investments Ltd	227	1,800	227	1,489
Integra Garments And Textiles Ltd	1265	1,404	1265	1,404
Intellect Design Arena Ltd.	0	-	2200	2,65,980
Intradeco Ltd.	8333	2,167	8333	2,167
Jai Mata Glass Ltd.	5000	950	5000	550
Jaiprakash Associates Ltd.	5250	99,225	5250	69,563
Jaykay Enterprises Ltd.	21111	1,21,810	19369	71,020
Jaysynth Dyestuff (India) Ltd.	725	49,699	4000	31,600
Jhagadia Copper Ltd.	7866	9,833	7866	9,833
JK Paper Ltd.	500	67,550	0	-
Kaashyap Technologies Ltd.	43721	7,433	43721	7,433
Kennametal India Ltd	2374	16,83,878	0	-
Kinetic Engineering Ltd	18408	12,69,232	0	-
Kingfishers Airlines Ltd.	1300	1,768	1300	1,768
Kirloskar Brothers Ltd.	0	-	1406	3,07,784
Kirloskar Electric Co Ltd	0	-	12000	4,58,000
KSK Energy Ventures Ltd.	5000	42,750	0	-
Larsen & Toubro Infotech Ltd.	0	-	150	1,04,239
Lupin Ltd.	200	1,47,170	0	-
Magnum Ventures Ltd.	0	-	1000	2,950
Mahanagar Gas Ltd.	0	-	35	18,655
Mahindra Holidays & Resorts India Ltd.	4000	11,73,000	6200	25,55,616
Mahindra Lifespace Developer Ltd.	0	-	500	1,91,600
Manaksia Industries Ltd.	0	-	10000	7,25,000
Marico Ltd.	0	-	4	1,163



## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in ₹)

Particulars	2017-18		2016-17	
	Qty.	Amount in ₹	Qty.	Amount in ₹
McLeod Russel India Ltd.	400	57,520	0	-
Meghmani Organics Ltd.	2500	2,10,650	0	-
MT Educare Ltd.	1160	81,432	0	-
Mukund Ltd	0	-	1000	82,000
Nagarjuna Fertilizers And Chemicals Ltd.	7040	1,08,064	0	-
Nestle India Ltd.	0	-	15	97,672
Network18 Media & Investment Ltd.	0	-	6000	1,97,400
Nextgen Animation Media Ltd.	80	136	80	136
NHPC Ltd.	84	2,327	10	306
Oil India Ltd.	0	-	1	333
Orient Cement Ltd.	6110	8,51,429	6110	2,79,605
Orient Paper & Industries Ltd.	0	-	2998	2,15,364
Paramount Communication Ltd.	0	-	2000	5,200
Pennar Aluminum Company Ltd.	3500	840	3500	840
Porwal Auto Components Ltd.	0	-	950	8,018
Prism Cement Ltd	23900	25,91,955	0	-
Pritika Auto Industries Ltd	1216	2,27,331	0	-
Prudential Sugar Corporation Ltd.	200	274	200	274
Punjab National Bank	500	47,650	0	-
Ram Minerals And Chemicals Ltd	200	1,216	0	-
Rashtriya Chemicals And Fertilizers Ltd.	1000	73,200	2	117
Raymond Ltd.	50	44,888	0	-
Reliance Industrial Infrastructure Ltd.	0	-	300	1,35,153
Reliance Power Ltd.	0	-	1027	47,167
Religare Enterprises Ltd.	3605	1,94,710	0	-
S Kumars Nationwide Ltd.	9000	21,150	9000	21,150
Sahara One Media & Entertainment Ltd	95	6,826	95	6,826
Sahnti Gears Ltd	0	-	3000	3,27,750
Salzer Electronics Ltd	0	-	200	48,400
Sangam (India) Ltd	8143	9,84,082	0	-
Sanraa Media Ltd.	50000	3,000	50000	3,000
Shanthi Gears Ltd.	43455	56,18,732	0	-
Shree Mahaganga Sugar Ltd.	2000	860	2000	860
Shree Synthetics Ltd.	20	19	20	19
Shristi Infrastructure Development Corporation Ltd.	300	83,385	300	88,800
Sical Logistics Ltd.	0	-	18290	47,30,509

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**  
(Amount in ₹)

Particulars	2017-18		2016-17	
	Qty.	Amount in ₹	Qty.	Amount in ₹
Simplex Projects Ltd	0	-	1000	30,100
SPML Infra Ltd.	0	-	2000	1,19,975
Subex Ltd.	3000	23,100	0	-
Sunil Hitech Engineers Ltd	0	-	723	8,676
Sunstar Realty Development Ltd	5	30	0	-
Surat Textiles Mills Ltd.	8000	31,600	10000	14,400
Suzlon Energy Ltd.	1000	10,700	9000	1,66,700
Syncom Formulations (India) Ltd.	0	-	38000	76,840
Tai Industries Ltd	1300	25,610	0	-
Tata Power Company Ltd.	900	71,100	0	-
Techtran Polylenses Ltd.	1650	16,038	1650	16,038
Teledata Info Marin Ltd	1000	5,030	1000	5,030
Texmaco Rail & Engineering Ltd.	2500	2,08,500	0	-
The South Indian Bank Ltd	0	-	1	20
The Tinsplate Company Of India Ltd.	150	28,058	0	-
TIL Ltd.	1755	7,83,784	1000	2,79,987
Titan Company Ltd.	6	5,654	0	-
Tree House Education & Accessories Ltd.	1000	9,100	20000	4,40,000
Tribhovandas Bhimji Zaveri Ltd.	500	42,625	0	-
TV18 Broadcast Ltd.	0	-	5000	1,89,405
TVS Motor Company Ltd	0	-	172	75,444
Unitech Ltd.	2000	11,100	2000	8,900
United Spirits Ltd.	0	-	100	2,28,523
Uttam Value Steels Ltd.	20000	4,200	0	-
Valiant Communications Ltd.	3600	1,95,840	9400	2,19,960
Veronica Production Ltd	1000	1,900	1000	1,900
Viceroy Hotels Ltd.	34774	4,27,720	0	-
Welspun Enterprises Ltd.	100	14,135	100	3,115
Welspun India Ltd.	0	-	79000	70,73,729
Zee Media Corporation Ltd.	700	26,635	0	-
<b>Aggregate amount of quoted Investments (A)</b>	<b>901028</b>	<b>3,34,67,192</b>	<b>1004642</b>	<b>3,33,16,934</b>
<b>Shares (Non Trade, Unquoted) Fully Paid up)</b>				
Anco Communications Ltd.	1000	2,150	1000	2,150
Bharat Starch Product Limited	11	1,989	11	1,989
Nagarjuna Fertilizer & Chemicals Ltd	0	-	7040	-
<b>Aggregate amount of unquoted Investments (B)</b>	<b>1011</b>	<b>4,139</b>	<b>8051</b>	<b>4,139</b>
<b>Total (A+B)</b>	<b>902039</b>	<b>3,34,71,331</b>	<b>1012693</b>	<b>3,33,21,073</b>

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in ₹)

The Company has pledged the following equity shares with HDFC Bank Ltd. as a security against bank over draft facility as mentioned below:

Name of the Scripts	2017-18 No. of Shares	2016-17 No. of Shares
Nestle India Ltd.	0	15
Orient Cement Ltd.	0	5000

The Company has given the following equity shares with IL&FS Securities Services Ltd. as margin as mentioned below:

Aksh Optifibre Ltd.	0	8000
Gati Ltd.	0	3000
Greenlam Industries Ltd.	1000	0
HBL Power Systems Ltd.	47000	0
IDFC Bank Ltd.	0	7000
IDFC Ltd.	0	3000
Sical Logistics Ltd.	0	5000
Shanti Gears Ltd.	40000	0
Tree House EDU Ltd	0	20000
TV18 Broadcast Ltd.	0	5000
Welspun India Ltd.	0	79000

### 16 TRADE RECEIVABLES

<b>Unsecured Considered doubtful</b>		
Outstanding for a period exceeding six months from the date they are due for payment	26,96,123	18,00,893
<b>Unsecured Considered good</b>		
Outstanding for a period exceeding six months from the date they are due for payment		
From Directors	3,098	6,448
From Related Parties #	23,983	17,997
From Others	16,00,305	31,42,644
Other Receivables		
From Directors	1,926	479
From Related Parties #	8,400	4,141
From Others	3,76,52,166	1,32,23,960
	4,19,86,001	1,81,96,562
Less: Provision for Bad & Doubtful Debts	26,96,123	18,00,893
	<b>3,92,89,878</b>	<b>1,63,95,669</b>

# Trade Receivables due from related parties includes relatives of Key Managerial Personnel (KMP) and enterprises over which KMP or relatives of KMP exercises significant influence.

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in ₹)

### 17 CASH AND BANK BALANCES

Particulars	2017-18	2016-17
<b>a) Cash &amp; Cash Equivalents</b>		
Balances with Banks on Current Accounts	1,06,43,635	2,71,52,875
Cheque in Hand	-	10,934
Cash in Hand (As certified by Management)	5,13,350	4,49,475
<b>Cash &amp; Cash Equivalents (a)</b>	<b>1,11,56,985</b>	<b>2,76,13,284</b>
<b>b) Other Bank Balances #</b>		
Deposit with original maturity for more than 12 months #	18,21,98,086	27,21,12,500
Other Bank Balances (b)	18,21,98,086	27,21,12,500
<b>Total Cash &amp; Bank Balances (a+b)</b>	<b>19,33,55,071</b>	<b>29,97,25,784</b>

### 18 SHORT TERM LOANS AND ADVANCES

(Unsecured Considered Good)

Deposit with Exchange & Clearing Member	39,50,367	20,75,000
Deposit with Others	-	14,73,449
Security Deposits with Others	2,500	2,500
Loan Given to Others	1,46,00,000	79,50,000
Balance with Revenue Authorities	1,93,63,673	1,86,95,526
MAT Credit Entitlement	17,63,621	17,58,827
Prepaid Expenses	34,65,166	40,99,086
Mark to Mark Loss for Unexpired Future Contracts	10,38,398	1,40,308
Net Option Premium Paid for unexpired Options Contracts	-	3,85,035
Other Advances	28,12,170	21,64,720
	<b>4,69,95,895</b>	<b>3,87,44,451</b>

### 19 OTHER CURRENT ASSETS

Accrued Interest on Fixed Deposits	20,69,572	19,40,939
Stamp In Hand	49,559	97,426
GST Credit not yet claimed	70,400	-
	<b>21,89,531</b>	<b>20,38,365</b>

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in ₹)

<b>20 REVENUE FROM OPERATIONS</b>		
<b>Particulars</b>	<b>2017-18</b>	<b>2016-17</b>
<b>From Sales of Products</b>		
Sales of Shares	37,47,71,710	35,35,15,679
Sales of Mutual Fund / Government Securities	-	16,37,62,474
Profit/(Loss) from Equity Derivative Transactions	18,10,58,919	16,88,72,870
Profit/(Loss) from Currency Derivative Transactions	15,45,909	32,76,612
Profit/(Loss) from Commodities Derivative Transactions	4,25,294	9,33,417
Profit/(Loss) from Non Delivery Transactions	17,67,855	(84,45,242)
<b>From Sale of Services</b>		
Brokerage Income	3,44,45,918	2,21,18,624
Depository Income	21,58,216	17,77,486
<b>Other Operating Revenue</b>		
Demat Charges Recovered	62,839	48,680
Other Charges Recovered from clients	33,16,948	16,55,946
Incentive / Passive Transaction Charges on Trading	10,000	6,638
	<b>59,95,63,608</b>	<b>70,75,23,184</b>
<b>21 OTHER INCOME</b>		
Interest Income		
on Fixed Deposits	2,08,11,381	98,83,064
on Deposits with Clearing Member	16,96,439	1,93,582
on Other Deposits	1,10,169	50,214
on Loan Given	12,86,521	8,29,329
on Income Tax Refund	11,87,766	75,151
on shares lying as Inventories	54,500	-
Dividend from Share lying as Non Current Investments	8,950	5,000
Dividend from Shares lying as Inventories	1,34,245	3,03,955
Profit on Sale of Non Current Investment	6,67,412	11,21,747
Liabilities No Longer Required Written Back	17,000	1,07,815
Profit on Sale of Fixed Assets	-	1,21,709
Provision for Standard Assets written back	-	513
Provision for Bad & Doubtful Debts written back	4,42,745	12,60,363
Refund of Principal amount from Infrastructure Investment Trust	21,000	-
Other Miscellaneous Income	44,396	11,244
	<b>2,64,82,524</b>	<b>1,39,63,686</b>

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in ₹)

### 22 PURCHASE OF STOCK IN TRADE

Particulars	2017-18	2016-17
Purchases of Shares	37,18,20,302	35,34,54,370
Purchases of Mutual Funds / Government Securities	10,20,000	16,35,00,000
	<b>37,28,40,302</b>	<b>51,69,54,370</b>

### 23 (INCREASE)/DECREASE IN STOCK IN TRADE

Opening Stock in trade	3,33,21,073	2,26,28,416
Less: Closing Stock in trade	3,34,71,331	3,33,21,073
	<b>(1,50,258)</b>	<b>(1,06,92,657)</b>

### 24 EMPLOYEE BENEFIT EXPENSES

Salary & Bonus	9,14,58,799	3,40,18,230
Contribution to Provident and Other Funds	45,84,576	12,13,668
Staff Welfare Expenses	23,88,706	26,36,230
	<b>9,84,32,081</b>	<b>3,78,68,128</b>

### 25 FINANCE COST

Interest Expenses		
on Loan from Banks	1,51,34,692	47,72,094
on Loan from Others	45,23,185	39,94,373
on Others	25,54,811	5,02,950
Other Borrowings Cost		
Bank Guarantee Commission	12,08,084	19,62,069
	<b>2,34,20,772</b>	<b>1,12,31,486</b>

### 26 DEPRECIATION & AMORTISATION EXPENSES

Depreciation on Tangible Assets	18,26,375	23,82,518
Amortisation on Intangible Assets	87,990	1,53,990
Depreciation on Long term Investments	6,97,632	6,97,632
	<b>26,11,997</b>	<b>32,34,140</b>

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in ₹)

<b>27 OTHER EXPENSES</b>		
<b>Particulars</b>	<b>2017-18</b>	<b>2016-17</b>
Rent	28,76,344	28,63,009
Rates & Taxes	3,36,75,333	2,41,48,255
Repair & Maintenance	46,13,231	51,91,108
Insurance Charges	1,17,241	88,712
Loss on sale of Investments	52,000	-
SEBI & Exchanges Transaction Charges	2,49,78,887	1,56,50,237
SEBI & Exchanges Other Charges	7,28,983	10,09,503
Communication & Connectivity Expenses	39,28,724	35,06,385
Electricity Charges	48,68,202	49,65,902
Legal & Professional Charges	1,61,02,008	5,58,11,841
Broker Note Stamp Expenses	21,08,126	17,09,057
Donation	2,10,650	31,100
Provision for Bad & Doubtful Debts	13,37,977	-
Provision for Standard Assets	16,625	-
Bad Debts	-	2,44,746
Miscellaneous Expenses	79,19,225	71,45,250
Payment to Auditors		
-Statutory Audit Fees	1,67,200	1,66,400
-Tax Audit Fees	25,000	63,100
-Others	87,800	1,22,375
	<b>10,38,13,556</b>	<b>12,27,16,980</b>

<b>28 EARNING PER EQUITY SHARE</b>		
a) Profit / (Loss) for the period	1,16,55,656	2,56,29,817
b) Weighted Average Number of Equity Shares	4778000	4778000
Basic EPS (a/b)	2.44	5.36
c) Weighted Average Number of Equity Shares	4778000	4778000
Diluted EPS (a/c)	2.44	5.36

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in ₹)

### 29 ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT 2013, OF ENTERPRISES CONSOLIDATED AS SUBSIDIARY / ASSOCIATES:

Name of the Enterprise	Net Assets i.e. Total assets minus Total liabilities		Share in Profit or loss	
	As % of consolidated net assets	Amount in ₹	As % of consolidated profit or loss	Amount in ₹
<b>Parent</b>				
Lohia Securities Limited	110.21%	34,38,03,974	166.93%	1,94,56,478
<b>Subsidiaries</b>				
Indian				
Trade City Barter Pvt. Ltd.	6.92%	2,15,97,336	-1.77%	(2,06,565)
Trade City Commodities Pvt. Ltd.	2.62%	81,86,799	-43.44%	(50,63,538)
Trade City Real Estate Pvt. Ltd.	13.93%	4,34,50,299	-15.59%	(18,16,687)
Trade City Securities Pvt. Ltd.	6.49%	2,02,55,019	-6.13%	(7,14,032)
<b>Minority Interests in all subsidiaries</b>	0.00%	-	0.00%	-
<b>Associates (Investment as per the equity method)</b>	--	--	--	--

### 30 DETAILS OF SUBSIDIARIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Name of the Subsidiaries	Country of Incorporation	Share of ownership
Trade City Securities (P) Ltd.	India	100%
Trade City Commodities (P) Ltd.	India	100%
Trade City Real Estate (P) Ltd.	India	100%
Trade City Barter (P) Ltd.	India	100%

### 31 OUTSTANDING CONTRACTS

Outstanding Contracts of the clients for the settlement period for which settlement has not taken place has not been considered for the purpose of financial statement made upto 31st March 2018. However brokerage and other charges receivables on such contracts have been accounted for.

### 32 CAPITAL COMMITMENTS

Estimated capital Commitments amounting to ₹ 3.25 Lacs (Net of advances) (P.Y. ₹ 3.25 Lacs) are remaining to be executed and not provided for.



## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in ₹)

33

M/s. Trade City Barter (P) Ltd have 2,05,000 equity shares of Lohia Securities Limited, henceforth share capital of the company to the extent held by Trade City Barter (P) Ltd has been reduced during consolidation.

### 34 EXPENDITURE IN FOREIGN CURRENCY:

Travelling Expenses incurred in Foreign Currency: ₹ Nil in F.Y. 2017-18 (P.Y. ₹ 3,99,019/-).

### 35 DEPOSIT WITH ORIGINAL MATURITY FOR MORE THAN 12 MONTHS REPRESENTS

- a) Fixed Deposit Receipts of ₹ 312.50 Lakh (P.Y. ₹ 1657.50 Lakh) has been pledged with National Securities Clearing Corporation Ltd. towards Margin Money.
- b) Fixed Deposit Receipts of ₹ 8 Lakh (P.Y. ₹ 8 Lakh) has been pledged with MCX Stock Exchange Ltd. towards Margin Money.
- c) Bank Guarantee of ₹ 1570 Lakh (P.Y. ₹ 225 Lakh) from HDFC Bank Ltd. against pledge of Fixed Deposit receipts of ₹ 785 Lakh (P.Y. ₹ 112.50 Lakh). The Bank Guarantees has been given as Margin Money in favour of National Securities Clearing Corporation Ltd.
- d) Bank Guarantee of ₹ 117.50 Lakh (P.Y. ₹ 117.5 Lakh) from HDFC Bank Ltd. against pledge of Fixed Deposit receipts of ₹ 58.75 Lakh (P.Y. ₹ 58.75 Lakh). The Bank Guarantees has been given as Margin Money and Trade Guarantee Fund in favour of BSE Ltd.
- e) Fixed Deposit Receipts of ₹ 141.25 Lakh (P.Y. ₹ 813.75 Lakh) has been pledged with HDFC Bank Ltd. for obtaining loan of ₹ 282.50 Lakh (P.Y. ₹ 1627.50 Lakh) as refer in Note No. 6.
- f) Bank Guarantee of ₹ 50 Lakh (P.Y. ₹ 50 Lakh) from ICICI Bank Ltd. against pledge of Fixed Deposit receipts of ₹ 26.73 Lakh (P.Y. ₹ 25 Lakh). The Bank Guarantees has been given as Margin Money in favour of National Securities Clearing Corporation Ltd.
- g) Bank Guarantee of ₹ Nil (P.Y. ₹ 43,75,000/-) from HDFC Bank Ltd. against pledge of Fixed Deposit receipts of ₹ Nil (P.Y. ₹ 21,87,500/-). The Bank Guarantees has been given as Margin Money and Trade Guarantee Fund in favour of Indian Clearing Corporation Ltd. (ICCL) and BSE Ltd.
- h) Bank Guarantee of ₹ Nil (P.Y. ₹ 25 Lakh) from HDFC Bank Ltd. against pledge of Fixed Deposit receipts of ₹ Nil (P.Y. ₹ 12.50 Lakh). The Bank Guarantees has been given as Margin Money in favour of National Securities Clearing Corporation Ltd.
- i) Fixed Deposit Receipts of ₹ 25 Lakh (P.Y. ₹ Nil) has been pledged with National Securities Clearing Corporation Ltd. towards Margin Money.
- j) Fixed Deposit Receipts of ₹ 3.75 Lakh (P.Y. ₹ 3.75 Lakh) has been pledged with Multi Commodity Exchange of India Ltd. towards Margin Money.
- k) Bank Guarantee of ₹ 50 Lakh (P.Y. ₹ 15 Lakh) from HDFC Bank Ltd. against pledge of Fixed Deposit receipts of ₹ 25 Lakh (P.Y. ₹ 7.50 Lakh). The Bank Guarantees has been given as Margin Money in favour of National Commodity & Derivatives Exchange Ltd.

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in ₹)

### 36 RELATED PARTY DISCLOSURE

Related party disclosure as identified by the management in accordance with the Accounting Standard (AS) 18 on "Related Party Disclosures" and as per Section 188 of the Companies Act' 2013 are as follows:

<b>A) Name of the related parties &amp; their relationship</b>	
<b>i) Key Managerial Personnel (KMP):</b>	
a) Mr. Hari Kishan Lohia	e) Mr. Sameer Bajaj
b) Mr. Mahesh Kumar Bajaj	f) Mr. Vineet Goenka
c) Mr. Rajesh Kumar Bajaj	g) Mrs. Sarita Ojha
d) Mr. Sudheer Kumar Jain	h) Mr. Ashish Kumar Gupta
<b>ii) Wholly Owned Subsidiary Companies:</b>	
a) Trade City Barter (P) Ltd	c) Trade City Real Estate (P) Ltd.
b) Trade City Commodities (P) Ltd	d) Trade City Securities (P) Ltd
<b>iii) Associate Company:</b>	
a) Daadi Stock Broking (P) Ltd (Till 29.03.2017)	
<b>iv) Relatives of Key Managerial Personnel (KMP):</b>	
a) Abhishek Lohia	m) Padam Chand Jain
b) Amit Lohia	n) Poonam Bajaj
c) Ankit Lohia	o) Prerna Bajaj
d) Ayushi Jain	p) Rajdulari Devi Bajaj
e) Bajrang Lal Bajaj	q) Ramesh Kumar Lohia
f) Bhawari Devi Jain	r) Sanjay Kumar Jain
g) Chirag Bajaj	s) Sarla Lohia
h) Harshita Bajaj	t) Sunita Bajaj
i) Mayank Bajaj	u) Surbhi Jain
j) Megha Bajaj	v) Tanvi Jain
k) Murarilal Bajaj	w) Usha Jain
l) Neena Jain	
<b>v) Enterprises over which KMP or relatives of KMP exercises significant influence:</b>	
a) Analysis Software (P) Ltd	o) Narayani Infrastructure & Logistics (P) Ltd.
b) Bajaj Overseas and Finance (P) Ltd	p) Narayani Publishers & Media Support (P) Ltd.
c) Bajaj Portfolio Services (P) Ltd	q) Ridhi Sidhi Distributor (P) Ltd
d) Daadi Stock Broking (P) Ltd	r) Sajjan Kumar Bajaj (HUF)
e) Hari Kishan Lohia (HUF)	s) Sameer Bajaj (HUF)
f) Lohia Fiscal Markets (P) Ltd	t) Sanjay Kumar Jain (HUF)
g) Lohia Stock Broking (P) Ltd.	u) Satya Narayan Bajaj (HUF)
h) Luminant Commotrade (P) Ltd.	v) Shiv Lalit Consultancy (P) Ltd
i) Madhusudan Enclave (P) Ltd	w) SNB Share Broking (P) Ltd
j) Mahesh Kumar Bajaj (HUF)	x) Snehdeep Commerce (P) Ltd
k) Narayani Commodities (P) Ltd.	y) Sudheer Kumar Jain (HUF)
l) Neat Technical (P) Ltd.	z) Vineet Goenka (HUF)
m) Padam Chand Jain (HUF)	
n) Rajesh Kumar Bajaj (HUF)	

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

(Amount in ₹)

**B) Transactions with Related Parties:**

<b>Name of the Related Parties</b>	<b>Nature of Transaction</b>	<b>2017-18</b>	<b>2016-17</b>
Rajesh Kumar Bajaj	Director Remuneration	14,41,667	-
	Brokerage Income	770	3,232
	Depository Charges Income	3,264	1,092
Sudheer Kumar Jain	Director Remuneration	22,50,000	9,00,000
	Brokerage Income	211	-
	Depository Charges Income	1,915	1,915
	Cash Margin Deposit taken for trading	-	5,00,000
	Refund of Cash Margin Deposit taken for trading	-	5,00,000
Mahesh Kumar Bajaj	Director Remuneration	6,92,000	6,00,000
	Brokerage Income	34,024	4,313
	Depository Charges Income	4,096	2,073
Hari Kishan Lohia	Director Remuneration	8,07,333	6,00,000
	Depository Charges Income	124	727
	Brokerage Income	39	2,104
Sameer Bajaj	Brokerage Income	999	96
	Depository Charges Income	537	496
	Director Sitting Fees	60,000	60,000
Vineet Goenka	Depository Charges Income	17	119
Ashish Kumar Gupta	Director Sitting Fees	40,000	-
Sarita Ojha	Director Sitting Fees	60,000	60,000
Bajaj Portfolio Services (P) Ltd	Brokerage Income	8	1,498
	Depository Charges Income	638	1,022
Analysis Software Pvt Ltd	Brokerage Income	3,32,353	10,216
	Depository Charges Income	6,820	2,222
	Cash Margin Deposit taken for trading	17,75,192	1,00,000
	Refund of Cash Margin Deposit taken for trading	18,51,192	1,000
Bajaj Overseas and Finance (P) Ltd	Brokerage Income	2,35,926	1,61,727
	Depository Charges Income	4,540	4,652
	Cash Margin Deposit taken for trading	12,60,000	6,85,000
	Refund of Cash Margin Deposit taken for trading	15,20,000	4,25,000
Daadi Stock Broking (P) Ltd.	Refund of Security Deposit	-	30,50,000
	Brokerage Income	56,452	2,963
	Depository Charges Income	731	954
	Cash Margin Deposit taken for trading	1,27,50,047	-
	Refund of Cash Margin Deposit taken for trading	1,27,50,047	-

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**  
(Amount in ₹)

Name of the Related Parties	Nature of Transaction	2017-18	2016-17
Lohia Fiscal Markets (P) Ltd.	Brokerage Income	1,84,048	3,574
	Depository Charges Income	3,327	1,111
	Cash Margin Deposit taken for trading	25,75,000	-
	Refund of Cash Margin Deposit taken for trading	25,75,000	-
	Interest paid on Margin Deposit taken as Fixed Deposit	59,523	-
Lohia Stock Broking (P) Ltd.	Brokerage Income	39,071	-
	Depository Charges Income	2,420	-
Luminant Commotrade (P) Ltd.	Brokerage Income	184	-
	Depository Charges Income	647	230
Madhusudan Enclave (P) Ltd	Brokerage Income	3,87,147	4,434
	Depository Charges Income	10,726	1,808
	Cash Margin Deposit taken for trading	18,39,000	50,000
	Refund of Cash Margin Deposit taken for trading	18,79,000	10,000
Narayani Commodities (P) Ltd	Brokerage Income	1,510	38
	Depository Charges Income	1,013	1,013
Neat Technical (P) Ltd.	Depository Charges Income	628	-
Narayani Infrastructure & Logistics (P) Ltd	Depository Charges Income	628	925
Narayani Publishers & Media Support (P) Ltd	Depository Charges Income	1,047	925
Ridhi Sidhi Distributor (P) Ltd	Brokerage Income	15,858	4,742
	Cash Margin Deposit taken for trading	-	82,00,000
	Refund of Cash Margin Deposit taken for trading	-	82,00,000
	Depository Charges Income	1,874	1,138
Shiv Lalit Consultancy (P) Ltd.	Brokerage Income	1,000	2,500
	Depository Charges Income	713	920
	Cash Margin Deposit taken for trading	-	89,50,000
	Refund of Cash Margin Deposit taken for trading	-	89,50,000
SNB Share Broking (P) Ltd	Brokerage Income	6,737	21,881
	Depository Charges Income	2,091	2,611
Snehdeep Commerce (P) Ltd.	Brokerage Income	-	1,110
	Depository Charges Income	1,110	5,571
Hari Kishan Lohia (HUF)	Brokerage Income	1,715	367
	Depository Charges Income	62	399
	Cash Margin Deposit taken for trading	5,20,000	-
	Refund of Cash Margin Deposit taken for trading	5,20,000	-

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in ₹)

Name of the Related Parties	Nature of Transaction	2017-18	2016-17
Mahesh Kumar Bajaj (HUF)	Brokerage Income	680	-
	Depository Charges Income	208	837
Padam Chand Jain (HUF)	Brokerage Income	3,592	-
	Depository Charges Income	778	1,511
	Cash Margin Deposit taken for trading	-	46,00,000
	Refund of Cash Margin Deposit taken for trading	-	46,00,000
Rajesh Kumar Bajaj (HUF)	Brokerage Income	770	-
	Depository Charges Income	856	380
Sajjan Kumar Bajaj (HUF)	Depository Charges Income	1,072	739
Sameer Bajaj (HUF)	Brokerage Income	2,689	301
	Depository Charges Income	583	663
Sanjay Kumar Jain (HUF)	Depository Charges Income	871	-
Satya Narayan Bajaj (HUF)	Brokerage Income	2,722	644
	Depository Charges Income	111	418
	Cash Margin Deposit taken for trading	1,50,000	-
	Refund of Cash Margin Deposit taken for trading	1,50,000	-
Sudheer Kumar Jain (HUF)	Brokerage Income	678	-
	Depository Charges Income	1,298	1,766
Vineet Goenka HUF	Depository Charges Income	53	-
Ankit lohia	Brokerage Income	2,151	1,033
	Depository Charges Income	46	350
	Salary	7,20,000	6,00,000
Abhishek Lohia	Brokerage Income	1,506	6,943
	Depository Charges Income	72	478
	Cash Margin Deposit taken for trading	1,85,000	4,23,000
	Refund of Cash Margin Deposit taken for trading	1,85,000	4,23,000
Amit Lohia	Brokerage Income	790	17,459
	Depository Charges Income	19	-
	Cash Margin Deposit taken for trading	38,000	3,55,000
	Refund of Cash Margin Deposit taken for trading	38,000	3,55,000
	Salary	7,20,000	2,30,000
Ayushi Jain	Depository Charges Income	939	1,316
Bajrang Lal Bajaj	Depository Charges Income	166	718
Bhawari Devi Jain	Brokerage Income	313	1,680
	Depository Charges Income	3,619	3,029
	Cash Margin Deposit taken for trading	2,00,000	18,00,000
	Refund of Cash Margin Deposit taken for trading	2,00,000	18,00,000

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

(Amount in ₹)

Name of the Related Parties	Nature of Transaction	2017-18	2016-17
Chirag Bajaj	Brokerage Income	2,243	-
	Depository Charges Income	847	9
	Salary	7,00,000	2,30,000
Harshita Bajaj	Brokerage Income	294	-
	Depository Charges Income	468	-
Mayank Bajaj	Brokerage Income	223	1,480
	Depository Charges Income	64	1,046
	Salary	5,40,000	5,40,000
Megha Bajaj	Brokerage Income	-	1,631
	Depository Charges Income	-	578
Murarilal Bajaj	Depository Charges Income	62	493
	Professional Charges	2,40,000	3,75,000
Neena Jain	Brokerage Income	836	1,465
	Depository Charges Income	2,335	2,804
	Cash Margin Deposit taken for trading	-	5,00,000
	Refund of Cash Margin Deposit taken for trading	-	5,00,000
Padam Chand Jain	Depository Charges Income	1,445	1,794
Poonam Bajaj	Brokerage Income	3,49,003	1,50,822
	Depository Charges Income	4,130	3,451
	Cash Margin Deposit taken for trading	10,14,118	9,80,000
	Refund of Cash Margin Deposit taken for trading	10,14,118	9,05,000
Perna Bajaj	Depository Charges Income	9	373
	Professional Charges	-	5,000
	Salary	4,00,000	-
Rajdulari Devi Bajaj	Depository Charges Income	9	1,295
Ramesh Kumar Lohia	Brokerage Income	5,924	3,327
	Depository Charges Income	572	591
	Salary	2,18,366	2,21,406
Sanjay Kumar Jain	Brokerage Income	809	-
	Depository Charges Income	806	1,258
Surbhi Jain	Brokerage Income	709	-
	Depository Charges Income	1,230	1,555
	Cash Margin Deposit taken for trading	-	3,00,000
	Refund of Cash Margin Deposit taken for trading	-	3,00,000
Sunita Bajaj	Brokerage Income	1,977	191
	Depository Charges Income	422	566

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in ₹)

Name of the Related Parties	Nature of Transaction	2017-18	2016-17
Sarla Lohia	Brokerage Income	55	-
	Depository Charges Income	80	-
	Cash Margin Deposit taken for trading	2,00,000	-
	Refund of Cash Margin Deposit taken for trading	2,00,000	-
Tanvi Jain	Brokerage Income	-	208
	Depository Charges Income	929	1,458
Usha Jain	Brokerage Income	303	-
	Depository Charges Income	1,141	1,614

### C. i) Amount due from Key Managerial Personnel:

Name of the Related Party	2017-18
Rajesh Kumar Bajaj	2,162
Sudheer Kumar Jain	343
Mahesh Kumar Bajaj	1,259
Sameer Bajaj	109
Vineet Goenka	1,151

### ii) Amount due to Key Managerial Personnel:

Hari Kishan Lohia	8
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### iii) Amount due from enterprises over which KMP or relatives of KMP exercises significant influence:

Analysys Software Pvt Ltd	610
Bajaj Overseas & Finance (P) Ltd.	57
Daadi Stock Broking (P) Ltd.	76
Lohia Fiscal Markets (P) Ltd.	18
Lohia Stock Broking (P) Ltd.	91
Madhusudan Enclave (P) Ltd	2,611
Narayani Commodities (P) Ltd	5,313
Narayani Infrastructure & Logistics (P) Ltd	4,938
Narayani Publishers & Media Support (P) Ltd	5,718
Padam Chand Jain (HUF)	92
Ridhi Sidhi Distributor Pvt Ltd	388
Rajesh Kumar Bajaj (HUF)	3,971
Sameer Bajaj (HUF)	164
Sanjay Kumar Jain (HUF)	92
Sajjan Kumar Bajaj (HUF)	70
Shiv Lalit Consultancy (P) Ltd.	59
Snehdeep Commerce (P) Ltd	92
Sudheer Kumar Jain (HUF)	143
Vineet Goenka (HUF)	1,755

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

(Amount in ₹)

**vi) Amount due from Relatives of Key Managerial Personnel:**

<b>Name of the Related Party</b>	<b>2017-18</b>
Ayushi Jain	126
Bhawari Devi Jain	229
Chirag Bajaj	196
Harshita Bajaj	168
Murarilal Bajaj	940
Neena Jain	165
Padam Chand Jain	251
Poonam Bajaj	1,240
Sanjay Kumar Jain	92
Sunita Bajaj	3,857
Surbhi Jain	244
Tanvi Jain	92
Usha Jain	92

**D. Provision to be made with regard to Outstanding Amount : ₹ Nil****37 CONTINGENT LIABILITIES****i) Bank Guarantees**

<b>Particulars</b>	<b>Amount (₹)</b>
Bank Guarantee in favour of National Securities Clearing Corporation Ltd.	16,20,00,000
Bank Guarantee in favour of Indian Clearing Corporation Ltd and BSE Ltd.	1,17,50,000
Bank Guarantee in favour of National Commodity & Derivatives Exchange Ltd.	50,00,000

**ii) Corporate Guarantee**

Guarantee in favour of HDFC Bank Ltd.	5,00,00,000
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**iii) Income Tax**

T.D.S (F.Y. 2007-08 to F.Y. 2013-14)	82,592
Income Tax for the A.Y. 2010-11 of Lohia Securities Ltd. (against which Income Tax Refund of A.Y. 2012-13 amounting to ₹ 30,07,030/- has been already adjusted by Department and ₹ 58,25,000/- has been paid by the company against the said demand.)	1,05,35,490
Income Tax for the A.Y. 2011-12 of Lohia Securities Ltd. (against which Income Tax Refund of A.Y. 2012-13 amounting to ₹ 26,99,010/- and of A.Y. 2008-09 amounting to ₹ 14,45,439/- has been already adjusted by Department and ₹ 10,00,000/- has been paid by the company against the said demand.)	43,74,200
Income Tax for the A.Y. 2012-13 of Trade City Barter (P) Ltd	3,19,832
Income Tax for the A.Y. 2012-13 of Trade City Commodities (P) Ltd	5,88,860
Income Tax for the A.Y. 2010-11 of Trade City Real Estate (P) Ltd	9,43,940
Income Tax for the A.Y. 2009-10 of Trade City Real Estate (P) Ltd	39,850



**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS** FOR THE YEAR ENDED 31ST MARCH, 2018  
(Amount in ₹)

**38 IN RESPECT OF OPTION CONTRACT, POSITION OF OPEN INTEREST AS ON THE  
BALANCE SHEET DATE IS AS UNDER:-**

Option Contract in respect of which premium is received as on 31st March, 2018 :

Particulars of Stock & Index Option	Net Premium Received (₹)
OPTCUR USDINR 25Apr18 64.50 CE	1,25,800
OPTCUR USDINR 25Apr18 65.00 CE	67,630
OPTSTK ADANIENT 26Apr18 170.00 CE	32,200
OPTSTK ADANIENT 26Apr18 200.00 CE	3,200
OPTSTK ADANIENT 31May18 180.00 CE	6,200
OPTIDX BANKNIFTY 26Apr18 26500.00 CE	18,242
OPTSTK BHARTIARTL 26Apr18 460.00 CE	11,900
OPTSTK CIPLA 26Apr18 560.00 CE	9,150
OPTSTK COALINDIA 26Apr18 310.00 CE	3,300
OPTSTK GMRINFRA 26Apr18 17.50 CE	38,250
OPTSTK GMRINFRA 26Apr18 20.00 CE	11,250
OPTSTK HCC 26Apr18 32.50 CE	4,500
OPTSTK HCC 26Apr18 35.00 CE	6,000
OPTSTK ICICIBANK 26Apr18 360.00 CE	3,300
OPTSTK IDFCBANK 26Apr18 52.50 CE	11,700
OPTSTK IOC 26Apr18 200.00 CE	7,350
OPTSTK ITC 26Apr18 280.00 CE	12,960
OPTSTK JPASSOCIAT 26Apr18 12.50 PE	25,500
OPTSTK JPASSOCIAT 26Apr18 25.00 CE	30,600
OPTSTK NATIONALUM 26Apr18 70.00 CE	14,800
OPTSTK NHPC 26Apr18 25.00 PE	21,600
OPTIDX NIFTY 26Apr18 9500.00 PE	8,940
OPTIDX NIFTY 26Apr18 10000.00 PE	58,215
OPTIDX NIFTY 26Apr18 10200.00 PE	7,85,820
OPTIDX NIFTY 26Apr18 10200.00 CE	6,42,420
OPTSTK NTPC 26Apr18 180.00 CE	9,400
OPTSTK ONGC 26Apr18 200.00 CE	7,875
OPTSTK PNB 26Apr18 130.00 CE	6,000
OPTSTK RELIANCE 26Apr18 1040.00 CE	14,250
OPTSTK SOUTHBANK 26Apr18 20.00 PE	8,285
OPTSTK SOUTHBANK 26Apr18 22.50 CE	1,15,994
OPTSTK SOUTHBANK 26Apr18 27.50 CE	19,885
OPTSTK SUZLON 26Apr18 10.00 CE	1,31,250
OPTSTK SUZLON 26Apr18 17.50 PE	8,97,750
OPTSTK TATAMOTORS 26Apr18 400.00 CE	3,900
OPTSTK TATASTEEL 26Apr18 640.00 CE	14,005

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in ₹)

Option Contract in respect of which premium is paid as on 31.03.2018:

Particulars of Stock & Index Option	Net Premium paid (₹)
OPTCUR USDINR 25Apr18 63.25 PE	12,500
OPTSTK ADANIENT 26Apr18 175.00 CE	9,600
OPTSTK ADANIENT 31May18 170.00 CE	31,600
OPTSTK BALRAMCHIN 26Apr18 80.00 CE	16,800
OPTIDX BANKNIFTY 26Apr18 26000.00 CE	26,902
OPTSTK CIPLA 26Apr18 580.00 CE	8,800
OPTSTK COALINDIA 26Apr18 300.00 CE	3,520
OPTSTK GMRINFRA 26Apr18 17.50 PE	1,68,750
OPTSTK HCC 26Apr18 27.50 CE	21,000
OPTSTK HCC 26Apr18 30.00 CE	57,750
OPTSTK HCC 26Apr18 35.00 PE	1,40,250
OPTSTK ICICIBANK 26Apr18 350.00 CE	2,750
OPTSTK IFCI 26Apr18 17.50 PE	24,200
OPTSTK IFCI 26Apr18 20.00 CE	1,82,600
OPTSTK IFCI 26Apr18 22.50 CE	19,800
OPTSTK IFCI 26Apr18 25.00 CE	29,700
OPTSTK IFCI 26Apr18 27.50 CE	7,700
OPTSTK IOC 26Apr18 190.00 CE	5,400
OPTSTK IRB 26Apr18 230.00 CE	73,750
OPTSTK JPASSOCIAT 26Apr18 20.00 CE	27,200
OPTSTK LT 26Apr18 1300.00 CE	60,000
OPTSTK NHPC 26Apr18 27.50 CE	2,76,750
OPTSTK NHPC 26Apr18 27.50 PE	74,250
OPTIDX NIFTY 26Apr18 9000.00 PE	2,063
OPTIDX NIFTY 26Apr18 9800.00 PE	13,961
OPTIDX NIFTY 26Apr18 11500.00 CE	2,760
OPTSTK NTPC 26Apr18 175.00 CE	22,400
OPTSTK ONGC 26Apr18 190.00 CE	30,375
OPTSTK RELIANCE 26Apr18 980.00 CE	6,800
OPTSTK RELIANCE 26Apr18 1000.00 CE	7,950
OPTSTK SOUTHBANK 26Apr18 22.50 PE	49,712
OPTSTK SOUTHBANK 26Apr18 25.00 CE	1,92,218
OPTSTK SUZLON 26Apr18 10.00 PE	26,250
OPTSTK SUZLON 26Apr18 12.50 CE	1,05,000
OPTSTK TATAMOTORS 26Apr18 380.00 CE	3,000
OPTSTK TATASTEEL 26Apr18 600.00 CE	38,673
OPTSTK UNIONBANK 26Apr18 120.00 CE	7,400

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

(Amount in ₹)

**Net Open Position in respect of Future contracts are as follows:**

Particulars of Stock & Index Future	Long / (Short)
FUTCUR EURINR 25Apr18	(3)
FUTCUR USDINR 25Apr18	(30)
FUTSTK ADANI PORTS 26Apr18	(2,500)
FUTSTK ALBK 26Apr18	20,000
FUTSTK ASHOKLEY 26Apr18	(7,000)
FUTSTK ASIANPAINT 26Apr18	(600)
FUTSTK AXISBANK 26Apr18	(2,400)
FUTSTK BALRAMCHIN 26Apr18	3,500
FUTIDX BANKNIFTY 26Apr18	(40)
FUTSTK BEL 26Apr18	24,750
FUTSTK BHEL 26Apr18	75,000
FUTSTK CANFINHOME 26Apr18	2,500
FUTSTK COLPAL 26Apr18	(700)
FUTSTK DISHTV 26Apr18	35,000
FUTSTK EICHERMOT 26Apr18	(25)
FUTSTK EQUITAS 26Apr18	3,200
FUTSTK FEDERALBNK 26Apr18	27,500
FUTSTK GMRINFRA 26Apr18	5,85,000
FUTSTK GODREJIND 26Apr18	(3,000)
FUTSTK HCC 26Apr18	45,000
FUTSTK HCLTECH 26Apr18	(700)
FUTSTK HEROMOTOCO 26Apr18	(200)
FUTSTK HINDALCO 26Apr18	14,000
FUTSTK HINDUNILVR 26Apr18	(600)
FUTSTK IDEA 26Apr18	28,000
FUTSTK IDFCBANK 26Apr18	63,000
FUTSTK INDIACEM 26Apr18	7,000
FUTSTK INDIANB 26Apr18	(4,000)
FUTSTK INDUSINDBK 26Apr18	(900)
FUTSTK JSWSTEEL 26Apr18	3,000
FUTSTK LICHSGFIN 26Apr18	4,400
FUTSTK LUPIN 26Apr18	2,400
FUTSTK MCX 26Apr18	2,000
FUTSTK MOTHERSUMI 26Apr18	(1,600)
FUTSTK NHPC 26Apr18	(1,35,000)
FUTSTK PNB 26Apr18	4,000
FUTSTK RELCAPITAL 26Apr18	750
FUTSTK RELIANCE 26Apr18	17,000
FUTSTK RPOWER 26Apr18	13,000

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in ₹)

Particulars of Stock & Index Future	Long / (Short)
FUTSTK SOUTHBANK 26Apr18	(33,141)
FUTSTK SREINFRA 26Apr18	5,000
FUTSTK SUNPHARMA 26Apr18	2,200
FUTSTK SUZLON 26Apr18	35,000
FUTSTK TATAELXSI 26Apr18	800
FUTSTK TATAMOTORS 26Apr18	(1,500)
FUTSTK TATAPOWER 26Apr18	1,08,000
FUTSTK TATASTEEL 26Apr18	(1,061)
FUTSTK TECHM 26Apr18	(1,200)
FUTSTK TITAN 26Apr18	(3,000)
FUTSTK TORNTPOWER 26Apr18	3,000
FUTSTK TVSMOTOR 26Apr18	(1,000)
FUTSTK VEDL 26Apr18	1,750
FUTSTK YESBANK 26Apr18	(1,750)

### 39 DUE TO MICRO, SMALL AND MEDIUM ENTERPRISES

Based on the information available with the company, the balance due to Micro and Small enterprises, as defined under the Micro, Small, and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) is ₹ Nil (P.Y. ₹ Nil). Further, no interest during the year has been paid or payable under the terms of the MSMED Act, 2006. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

**40** The figures for the previous year have been rearranged and/or regrouped wherever considered necessary.

The notes form an integral part of these financial statements 1 to 40

As per our attached report of even date

For **Vasudeo & Associates**

*Chartered Accountants*

(Firm Registration No. 319299E)

**Ritesh Agarwal**

*Partner*

Membership No. 311866

Place : Kolkata

Dated : 30th May, 2018

For and on behalf of the Board

**Sudheer Kumar Jain**

*Director*

(DIN: 00075103)

**Mahesh Kumar Bajaj**

*Director*

(DIN: 00080157)

**Narendra Kumar Rai**

*Company Secretary*

**Sujit Kumar Sharma**

*CFO*

**LOHIA SECURITIES LIMITED**  
(CIN: L67120WB1995PLC067195)

Annexure "A"

**FORM AOC -1**  
**Statement Containing Salient features of the Financial Statement**  
**of Subsidiaries/ Associates Companies/ Joint Ventures**

**Part A: Subsidiaries**

1	Name of the Subsidiary Company	Trade City Securities (P) Ltd.	Trade City Commodities (P) Ltd.	Trade City Barter (P) Ltd.	Trade City Real Estate (P) Ltd.
2	The Financial Year of the Subsidiary Company.	31.03.2018	31.03.2018	31.03.2018	31.03.2018
3	Reporting Currency	Rupees	Rupees	Rupees	Rupees
4	Share Capital	32,500,000	15,550,000	7,052,000	14,500,000
5	Reserve & Surplus	(12,244,981)	(7,363,201)	14,545,336	28,950,299
6	Total Assets	23,075,812	16,675,529	21,858,216	58,256,509
7	Total Liabilities	2,820,793	8,488,730	260,880	14,806,210
8	Investments	-	-	2,800,000	49,155,370
9	Turnover	789,986	666,193	1,663,685	976,234
10	Profit before Taxation	(463,842)	(800,021)	(31,551)	(1,471,387)
11	Provision for Taxation	-	-	24,850	-
12	Profit after Taxation	(714,032)	(5,063,538)	(206,565)	(1,816,687)
13	Proposed Dividend	NIL	NIL	NIL	NIL
14	% of Share Holding	100%	100%	100%	100%

## NOTES

[illegible]

**NOTES**

**LOHIA SECURITIES LTD.**

CIN: L67120WB1995PLC067195

Regd. Office: 4 Biplabi Trailokya Maharaj Sarani (Brabourne Road), 5th floor, Kolkata- 700 001

Phone No.: (033) 4002 6600/ 6700; E-mail: [info@lohiasecurities.com](mailto:info@lohiasecurities.com), Website: [www.lohiasecurities.com](http://www.lohiasecurities.com)

<b>ATTENDANCE SLIP</b> I/ We hereby record my/ our presence at the 24 <sup>th</sup> Annual General Meeting (AGM) of Lohia Securities Ltd. being held at 4 Biplabi Trailokya Maharaj Sarani (Brabourne Road), 5 <sup>th</sup> floor, Kolkata 700 001	Folio No/ DP ID & Client ID:
	Share Holding:
	Serial No.:
	Name:
	Name of Joint Holder(s), if any
Address:	

\_\_\_\_\_  
Proxy's Name in Block Letters\_\_\_\_\_  
Shareholder's/ Proxy's Signature

Note: Please bring the Attendance Slip duly signed to the meeting and hand it over at the Entrance of the Meeting Hall.  
Duplicate Slips will not be issued at the Venue of the AGM.

**ELECTRONIC VOTING PARTICULARS**

EVSN (Electronic Voting Sequence Number)	User ID	PAN/ Sequence Number
<b>180806014</b>		

**LOHIA SECURITIES LTD.**

CIN: L67120WB1995PLC067195

Regd. Office: 4 Biplabi Trailokya Maharaj Sarani (Brabourne Road), 5th floor, Kolkata- 700 001

Phone No.: (033) 4002 6600/ 6700; E-mail: [info@lohiasecurities.com](mailto:info@lohiasecurities.com), Website: [www.lohiasecurities.com](http://www.lohiasecurities.com)**FORM NO. MGT - 11 (Proxy Form)**

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

<b>Name of the Member(s)</b>	
<b>Registered Address</b>	
<b>E-mail ID</b>	
<b>Folio No. / *DP-ID &amp; Client</b>	

*\*Applicable for Investors holding shares in electronic form.*

I / We, being the member (s) of ..... shares of the above named company, hereby appoint:

1.	<b>Name:</b>	<b>E-mail Id:</b>
	<b>Address:</b>	
	<b>Signature:</b>	

Or falling him/ her

2.	<b>Name:</b>	<b>E-mail Id:</b>
	<b>Address:</b>	
	<b>Signature:</b>	

Or falling him/ her

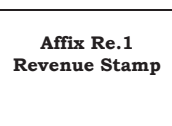
3.	<b>Name:</b>	<b>E-mail Id:</b>
	<b>Address:</b>	
	<b>Signature:</b>	



as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Saturday, the 22nd day of September, 2018 at 10.30 A.M. at 4 Biplabi Trailokya Maharaj Sarani (Brabourne Road), 5<sup>th</sup> floor, Kolkata 700 001, and at any adjournment thereof in respect of such resolutions as is/are indicated below:-

\*\* I/We wish my/our above Proxy to vote in the manner as indicated in the box below:-

Item No.	Resolution(s)	For	Against
	ORDINARY BUSINESS:		
1.	Ordinary Resolution for Adoption of audited financial statements for the year ended March 31, 2018 and the Reports of the Board of Directors and Auditors thereon		
2.	Ordinary Resolution for Adoption of audited consolidated financial statements of the Company and the reports of auditors thereon for the year ended March 31, 2018.		
3.	Ordinary Resolution for approving declaration of Final dividend on equity shares as recommended by the directors @Re.0.20 (Twenty paise) per equity shares of face value of Rs. 10/- each for the year ended 31 <sup>st</sup> March 2018		
4.	Ordinary Resolution for re-appointment of Mr. Sudheer Kumar Jain (DIN: 00075103) as a Director liable to retire.		
5.	Ordinary Resolution for ratification of appointment of M/s. Vasudeo & Associates, Chartered Accountants (Firm Registration No. 319299E as Statutory Auditor for a period of five years.		



Signed this ..... day of ..... 2018.

-----  
 Signature of Shareholder                      Signature of Proxy holder(s):

#### Notes:

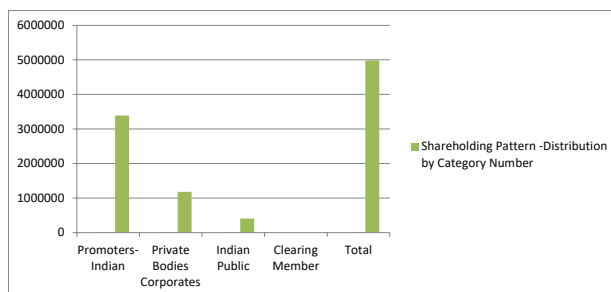
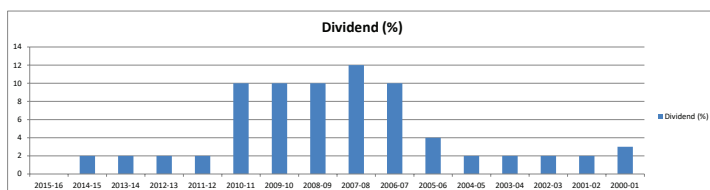
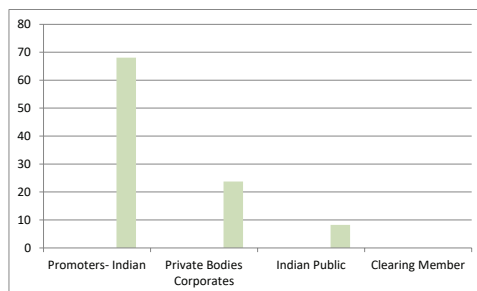
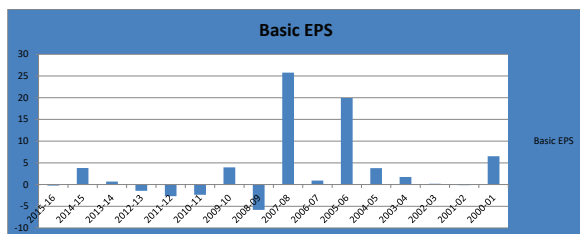
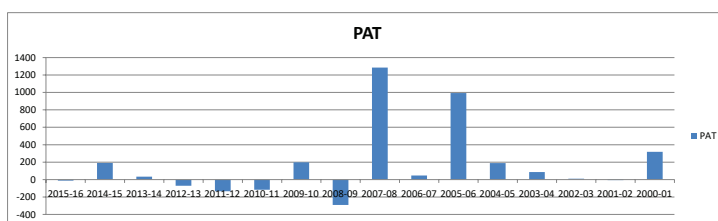
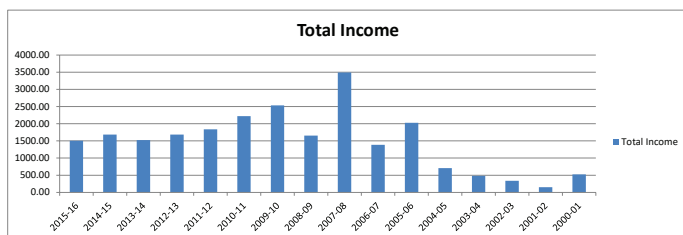
- This form should be signed across the stamp as per specimen signature registered with the Company.
- ***This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.***
- A proxy need not be a member of the Company.
- A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- \*\*This is only optional. Please put an 'x' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

#### IMPORTANT INFORMATION FOR MEMBERS

Securities and Exchange Board of India (SEBI) vide its Circular bearing No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20<sup>th</sup> April 2018 has mandated exercising of enhanced due diligence while effecting payment of Dividend wherever bank account details and Income Tax Permanent Account Number (PAN) have not been made available by the members. In case these details have not been furnished by you as yet, please immediately furnish those either to the Company or Registrar and Share Transfer Agent. These details will enable us to effect payment of Dividend through NACH (National Automated Clearing House).

Furthermore, as directed by SEBI vide Gazette Notification dated 8<sup>th</sup> June, 2018, transfer of equity shares held in physical form will not be permissible on and from 5<sup>th</sup> December, 2018. In case you are holding equity shares in physical form, please have them dematerialized as soon as possible.

For any assistance in connection with the aforesaid, please write to [Narendra.raai@lohiasecurities.com](mailto:Narendra.raai@lohiasecurities.com) or contact +91 33 40026600.



*If Undelivered, please return to :*



**Lohia Securities Ltd.**

4, Biplabi Trailokya Maharaj Sarani  
(Brabourne Road), 5th Floor, Kolkata - 700 001  
Tel : +91 33 4002 6600 / 6700

*print@manjari.net*