



LUDHIANA STOCK AND CAPITAL LIMITED
 (Formerly Ludhiana Stock Exchange Limited)
 CIN- U67120PB1981PLC004696

Registered office:- Feroze Gandhi Market, Ludhiana-141001
 Tel:- 0161-2405756, E-mail:- lse_cs@rediffmail.com,
 Website:- www.lse.co.in

POSTAL BALLOT NOTICE

[NOTICE PURSUANT TO SECTION 110 OF THE COMPANIES ACT, 2013, READ WITH RULE 22 OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014]

Dear Member(s),

Notice is hereby given pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act"), read with the Companies (Management and Administration) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and all other applicable laws and regulations, that the Special resolution in relation to the following special business is proposed to be passed by the Members through Postal Ballot.

The explanatory statement pertaining to the said resolution setting out the material facts and the reasons thereof, as required in terms of Section 102 of the Act, is annexed here below along with a postal ballot form (the "Form") for your consideration.

Members exercising their votes by postal ballot are requested to carefully read the instructions printed on the back side of the Postal Ballot Form and record their assent (for) or dissent (against) therein and return the same in original duly completed and signed in the attached self-addressed, postage pre-paid envelope (if posted in India) so as to reach the Scrutinizer not later than the close of working hours i.e. 05:00 p.m. on or before 01st December, 2022 (Thursday). Postal Ballot Forms received after that date and time will be strictly treated as if a reply from such Member has not been received.

In the event, the proposed resolution is assented to by a requisite majority of the members by means of Postal Ballot, it shall be deemed to have been passed on the last date specified for receipt of duly completed postal ballot forms.

SPECIAL BUSINESS:

ITEM NO. 1-

TO OBTAIN SHAREHOLDERS' APPROVAL FOR THE GRANT OF INTER-CORPORATE LOAN TO SUBSIDIARY COMPANY, LSC SECURITIES LTD.

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

"RESOLVED THAT in accordance with applicable provisions of the Companies Act, 2013, if any, consent of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board", which term shall be deemed to include, unless the context otherwise requires, any committee of the Board), to give loan(s) [inter-corporate loan] of Rs. 6 Crores (Rupees Six crores only) to its Subsidiary Company, LSC Securities Limited, having CIN: U67120PB2000PLC054428, as per terms and conditions and other details explained in the explanatory statement provided hereunder.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to file necessary returns/ forms with the Ministry of Corporate Affairs and/or Registrar of Companies and to do all such acts, deeds and things as may be considered necessary, incidental and ancillary in order to give effect to this Resolution."

<p>LUDHIANA STOCK AND CAPITAL LIMITED (Formerly Ludhiana Stock Exchange Limited) CIN:- U67120PB1981PLC004696 Regd. Office:- Feroze Gandhi Market, Ludhiana, Tel:- 0161-2405756, 4662014 Website:- www.lse.co.in E-mail:- lse_cs@rediffmail.com</p> <p>PLACE :- Ludhiana DATE:- 11-10-2022</p>	<p style="text-align: center;">By order of the Board of Directors For Ludhiana Stock and Capital Limited</p> <p style="text-align: right;">Tribhawan Singh Thapar Chairperson DIN: 00494576</p>
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NOTES :

1. An Explanatory Statement pursuant to Sections 102 & 110 of the Act, setting out the material facts and reasons for the proposed special resolution above, is appended herein below along with Form for your consideration.
2. The Postal Ballot Notice along with the Postal Ballot Form is being sent to the Members whose names appear in the Register of Members received from Central Depository Services (India) Limited as at the close of business hours on Friday, 30th September, 2022 ('cut-off date'). Members as on the cut-off date would be entitled to vote for the purpose of Postal Ballot and a person who is not a Member as on the cut-off date should treat this Postal Ballot Notice for information purpose only. The Postal Ballot notice shall also be available on the company's website & any member desirous of obtaining duplicate postal ballot form, he/she may download the same from the company's website i.e. www.lse.co.in or write an e-mail at lse_cs@rediffmail.com.
3. The Postal Ballot Notice is being sent to the Members, along with postage pre-paid self-addressed Business Reply Envelope ('BRE') by permitted mode.
4. The Board of Directors of the Company has appointed Ms. Tanveer Kaur, Practicing Company Secretary [C.P. No. 23138], Ludhiana as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner and to scrutinize the ballot papers received from the Members. After completion of scrutiny, the Scrutinizer will submit her report to the Chairperson and in his absence, to the authorised Director of the Company.
5. The result of the Postal Ballot will be declared on 05th December, 2022 (Monday) at 04:30 p.m. at the Registered Office of the Company and shall also be posted, along with the Scrutinizer's report, on the Company's website www.lse.co.in.
6. A copy of each of all the material documents referred to in the accompanying Explanatory Statement is open for inspection at the Registered Office of the Company between 10.30 a.m. to 12.30 p.m. on any working day till the last date for receiving Postal Ballot Forms i.e. 01st December, 2022 (Thursday).
7. The Postal Ballot form and the self-addressed business reply envelope are enclosed for use of members. Shareholders/Members are requested to carefully read the instructions printed on the back side of the Postal Ballot Form before exercising their votes.
8. Resolution passed by the requisite majority by the Members through Postal Ballot shall be deemed to have been duly passed at a General Meeting convened in that behalf.
9. The resolution, if passed by requisite majority, will be deemed to be passed on the last date specified for receipt of duly completed Postal Ballot Form i.e. 01st December, 2022 (Thursday).
10. A member cannot exercise his/her vote by Proxy on Postal Ballot.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**Item no. 1**

The Company has obtained the approval of shareholders by way of special resolution under Section 185 & 186 of the Companies Act, 2013 for providing loan to its subsidiary Company, LSC Securities Limited, having CIN: U67120PB2000PLC054428 at the 40th Annual General Meeting held on 30th September, 2022. Consequently, the Board of Directors in its meeting held on 01st October, 2022, agreed to provide an inter corporate loan of Rs. 6 crores to LSC Securities Limited and has also finalized other terms and conditions in regard to this.

The Board decided to execute formal agreement in this regard containing all the terms and conditions in the interest of transparency.

It may please be noted that earlier the Company already had lease agreement with its subsidiary by which area at the Ground Floor (DP) & First Floor of the Building measuring 889 Sq. Ft. & 3986 Sq. Ft. respectively, has been leased out to the subsidiary as per terms and conditions agreed/contained in the lease agreement dated 25th January, 2019, which has also been approved by the shareholders by way of Special Resolution under Section 188 of the Companies Act, 2013 through Postal Ballot Process on 17th May, 2018.

The Board of Directors in the interest of transparency & as a matter of good corporate governance is seeking specific approval to the proposed transaction and its terms and conditions by way of special resolution.

The terms and conditions of the proposed transaction are as under:

1. **Amount of Loan:** Rs. 6 Crores;
2. **Tenure of Loan:** The loan shall be for a period of 3 years which can be extended further with mutual consent;
3. **Recall of Loan:** The loan can be recalled by giving 3 Months' notice. An earlier recall can be allowed by mutual consent. Further, the Lender shall be at liberty to recall the loan in case of default of interest for more than 1 (one) Month.

In case, the Lender is of the view that there is a unsatisfactory financial discipline on the part of borrower, it shall be at liberty to recall the loan forthwith and in that case any interest accrued & unpaid, whether due or not (subject to maximum interest of one quarter only) shall stand waived;

4. **Prepayment of Loan:** The Borrower may repay the partial or entire loan amount along with outstanding interest, if any, at any time by giving one month advance notice to the Lender;
5. **Interest:** The loan shall bear an interest @ 8% P.A. This rate of Interest shall be reviewed with mutual consent at the end of each quarter, subject to the condition that it shall not be less than the rates of prevailing yield of Govt. Securities closest to the tenure of the loan;
6. **Payment of Interest:** This interest shall be payable quarterly after deduction of tax as per prevailing rules within 7 days by the end of quarter. After the completion of seven days, Interest @ 12% shall be charged till the interest is received;
7. **Others:** Before availing the loan, the Borrower will furnish an undertaking that the loan amount shall be utilized for its principal business activities and also that Borrowing company has obtained all the approvals/permissions and complied with all the rules and regulations, if any required, relating to availment of loan by Borrower;
8. **Settlement of Disputes:** Every difference or dispute which may hereafter arise between the parties hereto or their respective representatives in relation to this agreement or arising thereout, whether as to the constructions or operations thereof, or the respective rights and liabilities thereunder or any thing done hereunder or otherwise, shall be referred to a sole arbitrator at sole discretion of lender and in accordance with, and subject to, the provisions of the Arbitration and Conciliation Act, 1996. The Award Of Arbitrator shall be final, accepted and binding on both the parties;
9. **Counterparts:** The original Loan Agreement shall be retained by the Lender and a copy thereof duly attested by Notary Public shall be kept by the Borrower and such copy shall be treated as original for all purposes by the parties.

The draft loan agreement and the relevant documents in respect of the said item are open for inspection by the members at the Registered Office of the Company on any working day between 10:30 a.m. and 12:30 p.m. up to the last date of receipt of Postal Ballot Forms i.e. 01.12.2022.

The Board of Directors considers it in the interest of the Company and recommends resolution as set out in item no. 1 for approval of the members of the Company by way of Special Resolution through Postal Ballot Process.

None of the Directors, Key Managerial Personnel of the Company or their relatives or any of other officials of the Company as contemplated in the provisions of Section 102 of the Companies Act, 2013 is, in any way, financially or otherwise, concerned or interested in the resolution(s), except Mr. Tribhawan Singh Thapar, Mr. Ashok Kumar and Mr. Rakesh Gupta, who are also on the Board of LSC Securities Limited.

**By Order of the Board of Directors
For Ludhiana Stock and Capital Limited**

**Place:- Ludhiana
Date:-11-10-2022**

**TRIBHAWAN SINGH THAPAR
CHAIRPERSON
(DIN: 00494576)**