

LSC SECURITIES LIMITED

(FORMERLY: L.S.E. SECURITIES LIMITED)

CIN:U67120PB2000PLC054428

Regd. Off.: First Floor, LSE Building, Feroze Gandhi Market, Ludhiana (Pb.)-141001

Ph. 0161-5021018/4663014, E-mail: cs@lssl.com, Website: www.lse.co.in

NOTICE OF POSTAL BALLOT

[Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014]

Dear Members,

Notice is hereby given that pursuant to the provisions of the Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act"), read with the Companies (Management and Administration) Rules, 2014 (the "Rules") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to other applicable laws, standards, rules and regulations, if any, LSC Securities Limited (the "Company") hereby seeks your approval for the special business as considered in the resolution appended below through Postal Ballot.

The explanatory statement pertaining to the said resolution setting out the material facts concerning the items and the reasons thereof, as required in terms of Section 102 of the Act, is annexed hereto 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 Form, 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. 06:00 P.M. on or before 15th December, 2022 (Thursday). Postal Ballot Forms received after that date will be strictly treated as if a reply from such members 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. 01:- TO APPROVE TAKING/AVAILING LOAN (INTER-CORPORATE LOAN) FROM LUDHIANA STOCK AND CAPITAL LIMITED (CIN: U67120PB1981PLC004696) ("HOLDING COMPANY")

TO CONSIDER AND, IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 (the "Act") and rules made thereunder, approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/arrangement(s)/transaction(s)/ and to take financial services/assistance/corporate guarantee/inter-corporate loan and any other type of financial assistance for the principal business of the Company from Ludhiana Stock and Capital Limited, (the "Holding Company") having CIN No. U67120PB1981PLC004696, a related party within the meaning of Section 2(76) of the Act, on such terms and conditions as provided in explanatory statement annexed herewith."

"RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall deem to include any person(s) authorized and/or Committee which the Board may constitute or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) be and is hereby authorized to do all such acts, deeds, matters and things, as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected therewith or incidental

thereto, and also to settle any issue, question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem fit or desirable, subject to compliance with the applicable laws and regulations, without the Board being required to seek any further consent/approval of the Shareholders/Members.”

**By Order of the Board of Directors
For LSC SECURITIES LIMITED**

**PLACE: LUDHIANA
DATE: 18.10.2022**

**Sd/-
ASHWANI KUMAR AGGARWAL
CHAIRPERSON
(DIN: 02375750)**

NOTES:

1. An Explanatory Statement pursuant to Section 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 our Registrar and Transfer Agent i.e. M/s Beetal Financial & Computer Services Pvt. Ltd. as at the close of business hours on Friday, 11th November, 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 cs@lssl.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(s)/Company Secretary of the Company.
5. The result of the Postal Ballot will be announced by the Chairperson or in his absence by any of duly authorized Director(s)/ Company Secretary on 19th December, 2022 (Monday) at 04:00 P.M. at the Registered Office of the Company and will 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. 15th 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. 15th December, 2022 (Thursday).
10. A member cannot exercise his/her vote by Proxy on Postal Ballot.

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 1

TO APPROVE TAKING/AVAILING LOAN (INTER-CORPORATE LOAN) FROM LUDHIANA STOCK AND CAPITAL LIMITED (CIN: U67120PB1981PLC004696) (“HOLDING COMPANY”)

The Board of Director of the Company is of considerable view, that the Company is in dire need of funds, to develop and maintain its business in view of regulatory amendments and other business factors. The Board of Directors in its meeting held on 18.10.2022 decided to take inter-corporate loan from its holding company on the terms & conditions given below for its principal business.

It may please be noted that Company already had lease agreement with its holding Company by which area at the Ground Floor (DP) & First Floor of the Building measuring 889 Sq. Ft. & 3986 Sq. Ft. respectively, has been taken on lease as per terms and conditions agreed contained in lease agreement dated 25.01.2019 and 04.10.2021.

The Board of Director is of the view that availing of inter-corporate loan form holding company at terms and conditions mentioned below are in the interest of Company and the Board seeks prior approval of shareholders for this transaction as a Good Corporate Governance and in the interest of transparency.

The terms and conditions of the proposed transactions are provided here under:

Amount of Loan: Rs. 6 Crores;

Tenure of Loan: The loan shall be for a period of 3 years which can be extended further with mutual consent;

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 an 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;

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;

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;

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;

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;

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;

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

Mr. Tribhawan Singh Thapar, Mr. Ashok Kumar and Mr. Rakesh Gupta, Director of the Company, being directors in both companies i.e. LSC Securities Limited and Ludhiana Stock and Capital Limited may be deemed to be concerned or interested in the aforesaid resolution.

None of the Directors, Key Managerial Personnel of the Company, or their relatives are in any way concerned or interested, financially or otherwise in this resolution, except as Members to the extent of their shareholding in the Company.

Your Board of Directors recommends passing of resolution set out in Item No. 1 for approval of the members of the Company as Special Resolution through Postal Ballot Process.

**By Order of the Board of Directors
For LSC SECURITIES LIMITED**

**Sd/-
ASHWANI KUMAR AGGARWAL
CHAIRPERSON
(DIN: 02375750)**

**PLACE: LUDHIANA
DATE: 18.10.2022**