

CONTENTS

Chairman Message

Notice of Annual General Meeting.....01

Directors' Report.....05

Auditor's Report - Standalone Financial Statements.....13

Standalone Financial Statements.....18

Auditor's Report - Consolidated Financial Statements.....40

Consolidated Financial Statements.....45

CORPORATE INFORMATION

ADVISORS

LEGAL

Sh. Chetan Sharma

Advocate,
6039, Lawyer's Chamber,
Judicial Complex Part-II,
Mini Secretariat, Ferozepur Road, Ldh.
Mob.: 98886-00731, 98556-11731

LABOUR LAWS

Sh. Anil Arora

Advocate,
B. D. Arora & Associates
17-B, Shastri Nagar,
Jyoti Colony, Ludhiana.
Ph.: 0161-2457930

SECRETARIAL MATTERS

Sh. P.S. Dua

Company Secretary
P. S. Dua & Associates
5, Sant Isher Singh Nagar,
Pakhawal Road, Ludhiana.
Ph.: 0161-4623424

STATUTORY AUDITORS

M/s SCV & Co. LLP

Chartered Accountants
B-41, Panchsheel Enclave,
New Delhi.
Ph.: 011-26499111

REGISTRAR & TRANSFER AGENT

Beetal Financial & Computer Services Pvt. Ltd.

Beetal House, 99 Madangir,
Behind Local Shopping Centre,
Near Dada Harsukh Dass Mandir, New Delhi
Ph.: 011-29961281

BANKERS

HDFC BANK
STATE BANK OF INDIA
ICICI BANK
IDBI BANK

NOTICE OF ANNUAL GENERAL MEETING



LUDHIANA STOCK AND CAPITAL LIMITED

CIN : U67120PB1981PLC004696
Regd. Office : Feroze Gandhi Market, Ludhiana
Tel.: 0161-2405756, 4662014, 4663014
Website : www.lse.co.in, E-mail : lse_cs@rediffmail.com

NOTICE

Notice is hereby given that the 41st Annual General Meeting of the Shareholders of Ludhiana Stock and Capital Limited (Formerly Ludhiana Stock Exchange Limited) will be held on 29th September, 2023, Friday at 04:30 P.M. at the registered office of the Company situated at 1st floor, LSE Building, Feroze Gandhi Market, Ludhiana to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt :-
 - a) The Audited Standalone Financial Statement of the Company for the financial year ended 31st March, 2023 together with the Reports of the Board of Directors and Auditors thereon; and
 - b) The Audited Consolidated Financial Statement of the Company for the financial year ended 31st March, 2023 and Reports of Auditors thereon.
2. To declare a dividend on Equity Shares of the Company for the financial year ended 31st March, 2023.
3. To appoint Mr. Tribhawan Singh Thapar, Director (DIN:- 00494576) as a Director liable to retire by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Mr. Rakesh Gupta, Director, (DIN:- 00458677) as a Director liable to retire by rotation and, being eligible, offers himself for re-appointment.

By order of the Board
of Ludhiana Stock and Capital Limited

Sd/-
Tribhawan Singh Thapar
Chairperson
(DIN - 00494576)

Registered office :
Feroze Gandhi Market, Ludhiana
CIN: U67120PB1981PLC004696
Email: lse_cs@rediffmail.com

PLACE : LUDHIANA
DATED : 30-08-2023

NOTICE OF ANNUAL GENERAL MEETING

IMPORTANT NOTES

1. A member entitled to attend and vote at the Annual General 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 duly stamped, completed and signed instrument of proxies in order to be valid and effective must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting. A Blank Proxy form is enclosed with notice.

A proxy so appointed shall not have any right to speak at the meeting.

- 1A. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Proxies submitted on behalf of the body corporates, must be supported by an appropriate resolution/authority, as applicable, issued on behalf of the appointing organization. A member holding more than 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 member.
- 1B. Every Corporate Member who intends to send its authorized representative to attend the meeting, is requested to send a duly certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing its representative to attend and vote at the Annual General Meeting.
2. To fill the vacant position(s) of the Director(s), if any, members of the company may file nominations for the post(s) of Director(s) along with fee of Rs. 1,00,000 by way of Cheque/DD (which shall be refunded if the person proposed gets elected as a director or gets more than twenty-five per cent of total valid votes cast on such resolution) up to 14th September, 2023 (Thursday), till 04:30 p.m., at the Registered Office of the Company.
3. Pursuant to Section 91 of the Companies Act, 2013 and Rule 10 of the Companies (Management and Administration) Rules, 2014, The Company's Share Transfer Books and the Register of Members will remain closed from 27th September, 2023 (Wednesday) to 29th September, 2023 (Friday) (both days inclusive).
4. The dividend on equity shares as recommended by the Board of Directors, if approved at the Annual General Meeting, will be paid to the members, whose names shall appear in Register of Members as on 27th September, 2023 (Wednesday) or Register of Beneficial Owners, maintained by the Depositories at the close of 27th September, 2023 (Wednesday). The dividend, will be paid subject to deduction of income tax at source ('TDS'), wherever applicable within a period of 30 days from the date of declaration to the members.

Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held in electronic form and to M/s. Beetal Financial and Computer Services Private Limited in case the shares are held in physical form, quoting their folio no.
5. The requirement to place the matter relating to appointment of Auditors for ratification by Members at every Annual General Meeting is done away vide Notification S.O. 1833(E) dated 7th May, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of the appointment of Auditors, who were appointed at 37th Annual General Meeting held on 27th September, 2019 for the period of 5 (five) consecutive years from conclusion of 37th Annual General Meeting till the conclusion of 42nd Annual General Meeting.
6. Pursuant to the provisions of Section 124 (5) of the Companies Act, 2013 read with rules made thereunder, the company has transferred all unclaimed dividend, which remain unclaimed for a period of 7 years, declared for the financial years 2009-10, 2010-11, 2011-12, 2014-15 & 2015-16 to Investor Education & Protection Fund (IEPF) established by the Central Government.
7. Section 124 (6) of the Companies Act, 2013 read with rules made thereunder provides that years or more shall be transferred by the company in the name of Investor Education & all shares in respect of which dividend has not been paid or claimed for seven consecutive Protection Fund. Further, section 125 of the Companies Act, 2013 provides that a shareholder whose dividend amount/shares have been transferred to the IEPF shall be entitled to claim refund there from. Concerned

NOTICE OF ANNUAL GENERAL MEETING

members/investors are advised to visit the weblink: <http://www.iepf.gov.in/IEPF/corporates.html> or contact the Company for lodging claim for refund of shares and / or dividend from the IEPF Authority (Web Form IEPF-5). In line with the IEPF Rules, the company would initiate steps for transfer of such shares, if any, to IEPF.

8. Members are requested to write to the Company at least 10 Days before Annual General Meeting for obtaining any information as regards to Accounts/ Queries on Annual Report, so that the same could be complied with in advance.
9. For convenience of the members and for proper conduct of the meeting, entry to the place of meeting will be regulated by the attendance slip, which is annexed to the Notice. Members/Proxies/Authorised Representatives should bring attendance slips, duly filled and signed for attending the meeting and handover the same at the entrance of the venue of the meeting.
10. In case of joint holders, the member whose name appears as the first holder or higher in the order of names as per the Register of Members of the Company will be entitled to vote.
11. A route map showing directions to the venue of the 41st AGM is given at the end of this Notice as per the requirement of the Secretarial Standard-2 on "General Meetings."
12. REQUEST TO SHAREHOLDERS:

- a. All correspondence regarding Shares of the Company should be addressed to the Company's Registrar and Transfer Agent (RTA), M/s. Beetal Financial and Computer Services Private Limited, Beetal House, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi 110 062 or e-mail at beetalrta@gmail.com or beetalsta@gmail.com.
- b. Members who hold shares in the physical form and wish to make/ change nomination in respect to their shareholding in the Company, as permitted under section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014, may submit the prescribed form SH-13/ SH-14 to the company.
- c. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in Securities Market. Members holding shares in electronic form are, therefore, requested to submit their Permanent Account Numbers to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their Permanent Account Numbers to the Company/ Registrar & Transfer Agents of the Company i.e. Beetal Financial and Computer Services Private Limited.

Further, pursuant to the applicable amendments from Finance Act, 2020 onwards, dividend income is taxable in the hands of the Shareholders and the Company is required to deduct tax at source from dividend paid to Members at the prescribed rates. Hence, Members are requested to submit self-attested copies of their PAN Cards.

- d. Members who have not registered their e-mail addresses so far are requested to register/ update their e-mail addresses for receiving all communications including Annual Report, Notices, Circulars etc. In respect of shares held in demat mode. e-mail addresses can be registered with depository and members who hold shares in physical form are requested to register their e-mail addresses with Beetal Financial and Computer Services Private Limited, Registrar & Share Transfer Agents of the Company.
- e. Pursuant to the Companies (Prospectus and Allotment of Securities) Third Amendment Rules, 2018, every unlisted public company is required to facilitate dematerialisation of all its existing securities. The Company has been registered with Central Depository Services (India) Limited (CDSL). The members can avail the Depository Services of CDSL. The ISIN of the company is INE562H01024.
- f. Members / Beneficial Owners are requested to quote their full names as per Company's record, Folio Nos. /DP and Client ID Nos., as the case may be, in all correspondence with the Company.
- g. Members are requested to quote their e-mail IDs and contact nos. for prompt replies to their communications.
- h. Members who have not yet encashed their dividend warrants for financial years 2016-17, 2017-18, 2018-19, 2019-20, 2020-21 & 2021-22 are requested to make their claims to the Company without delay. The names of shareholders, whose unpaid/unclaimed dividend have been pending and are placed at company's website- www.lse.co.in.

NOTICE OF ANNUAL GENERAL MEETING

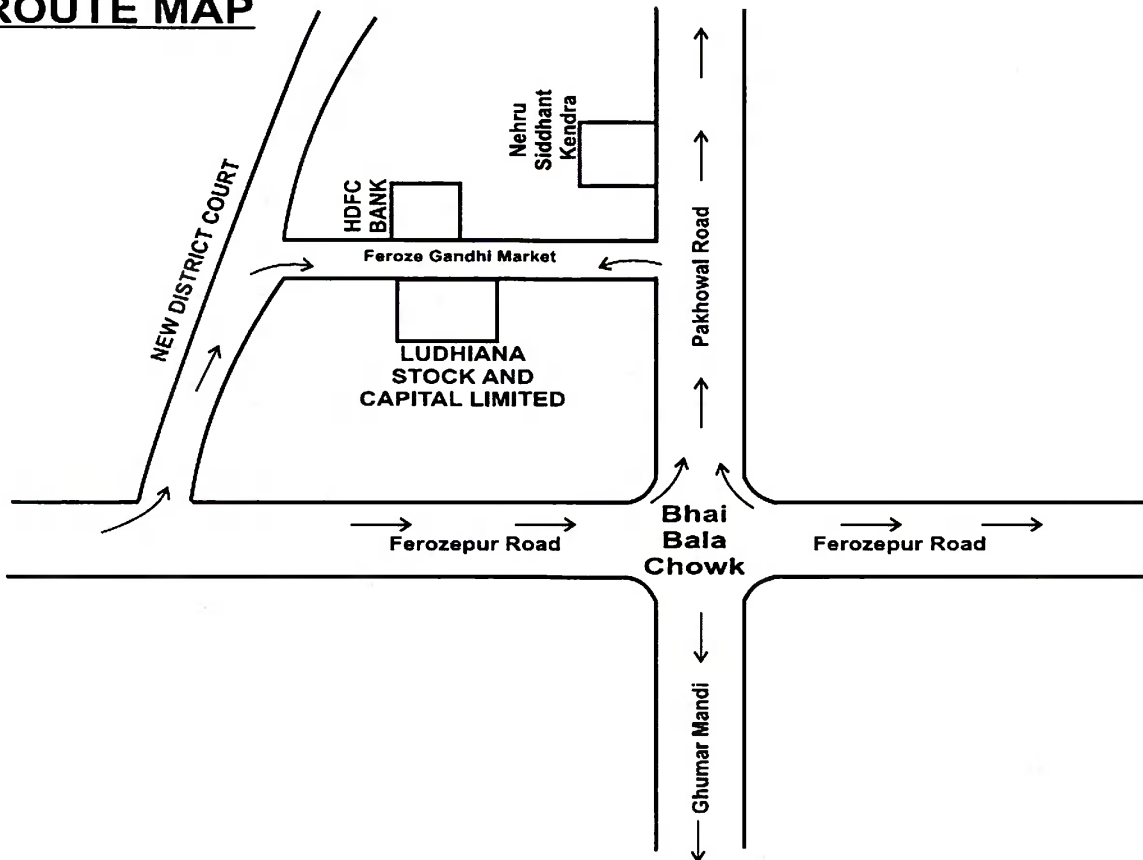
- i. Electronic copy of Annual Report for F.Y. 2022-23 is uploaded on the Company's website www.lse.co.in. Members can also access the financial statement of the Subsidiary Company i.e. LSC Securities Limited at the web-link: https://www.lse.co.in/pdf/SUBSIDIARY_FINANCIAL_STATEMENT_2022-23.pdf

By order of the Board
of Ludhiana Stock and Capital Limited

PLACE : LUDHIANA
DATED : 30-08-2023

Sd/-
Tribhawan Singh Thapar
Chairperson
(DIN - 00494576)

ROUTE MAP



DIRECTORS' REPORT

To
The Members
Ludhiana Stock and Capital Limited (CIN No. U67120PB1981PLC004696)
Ludhiana.

Your Directors present the 41st Annual Report of your company together with the Audited Standalone and Consolidated Financial Statements and the Auditors' Reports thereon, for the Financial Year ended 31st March, 2023. The summarized financial results for the Financial Year are as under:

Financial Summary (Standalone)

The Company's financial performance for the year ended March 31, 2023 is summarized below:

(Amount in Lacs)		
PARTICULARS	31.03.2023	31.03.2022
Profit Before Depreciation, Interest, Tax, Exceptional & Extraordinary Items	61.47	21.61
Depreciation	24.13	12.89
Exceptional Items	--	137.82
Interest	0.58	1.01
Profit Before Extraordinary Items, Tax	36.76	145.53
Extraordinary Items	--	58.27
Profit Before Tax	36.76	203.80
Provision for Taxation	24.26	41.27
Profit after tax	12.50	162.53
Add:- Balance brought forward from previous years	299.65	196.32
Balance Available for appropriations	312.15	358.85
Appropriations		
a. Dividend on Equity Shares (F.Y. 2021 -22/ 2020-21)	30.19	59.20
b. Transfer to General Reserve	--	--
Balance carried to Balance Sheet	281.96	299.65

Financial Summary (Consolidated)

Following Consolidated Financial Summary represents those of Ludhiana Stock and Capital Limited & its Subsidiary i.e. LSC Securities Limited (Formerly L.S.E Securities Ltd.) having CIN No. U67120PB2000PLC054428:

(Amount in Lacs)		
PARTICULARS	31.03.2023	31.03.2022
Profits Before Depreciation, Interest, Tax, Exceptional & Extraordinary Items	1064.42	972.43
Depreciation	45.72	25.67
Exceptional Item	--	137.82
Interest	766.70	441.53
Profit Before Extraordinary items, Tax & Minority Interest	252.00	367.40
Extraordinary Items (Income)	--	58.27
Profit Before Tax & Minority Interest	252.00	425.67
Provision for Taxation	86.68	95.99
Profit after tax & before Minority Interest	165.32	329.68
Minority's Interest	77.41	84.34
Profit after tax and Minority Interest	87.91	245.35
Add:- Transferred from Minority Interest	--	--
Add:- Balance brought forward from previous years	204.45	18.30
Balance Available for appropriations	292.36	263.65
Appropriations		
a. Interim Dividend on Equity Shares	--	--
b. Final Dividend on Equity Shares *	30.19	59.20
c. Corporate Dividend Tax thereon	--	--
d. Transfer to General Reserve	--	--
Balance carried to Balance Sheet	262.17	204.45

DIRECTORS' REPORT

Dividend & Reserves

Your Company paid a final Dividend of Rs. 51.00 per Equity Share (510%) of the face value of Rs. 10/- each, aggregating to Rs. 30.19Lacs for the financial year ended on March 31, 2022.

The Board, in its meeting held on August 30, 2023 has recommended final dividend @ 510 % i.e. Rs. 51/- per equity share of Rs. 10/- each on paid up share capital for the year ended 31st March, 2023. The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting to be held on 29th September, 2023. The total dividend, if declared, for the current year shall be Rs. 30.19 Lacs.

The dividend, if approved at the forthcoming Annual General Meeting, will be paid to those shareholders, whose names shall appear in Register of Members as on 27th September, 2023 (Wednesday) or Register of Beneficial Owners, maintained by the Depositories at the close of 27th September, 2023 (Wednesday).

During the year under review, the Board of Directors has decided not to transfer any amount to General Reserve. An amount of Rs. 281.96Lacs(Previous year: Rs.299.65 Lacs) is proposed to be retained as surplus in the Statement of Profit & Loss.

Results of Operations and the State of Company's affairs

Total Revenue during the financial year 2022-23 was Rs. 301.79Lacs against previous year's figure of Rs. 282.32 Lacs. The profit before Exceptional, Extraordinary items & Provision for taxation increased from Rs. 7.71 Lacs to Rs. 36.76 Lacs due to increase in rental income and lower expenses. Net Profit after Tax declined to Rs. 12.50 Lacs against Rs. 162.53 Lacs during previous year due to nil Exceptional item (Income) (Previous year: Rs. 137.82Lacs) & Extraordinary item (Income)(Previous year: Rs. 58.27 Lacs).

On consolidated basis for the financial year 2022-23, your company recorded pre-tax profit of Rs. 252.00 Lacs as against Rs. 425.67 Lacs for the financial year 2021-22. The net profit after tax is Rs. 87.91 Lacs as against previous financial year's profit of Rs. 245.35 Lacs.

Present Business & Future Outlook

As earlier reported, the company is pursuing its object of performing functions of a Holding Company by coordinating the policy and administration of existing subsidiary apart from providing infrastructure and related services to its members and contributing to the society by providing training to the students of various streams.

The Company has granted the loan amount of Rs. 600 Lacs (Rupees Six Hundred Lacs only) to the Subsidiary Company, M/s. LSC Securities Ltd. on 06.02.2023, specifically for its principal business activities at interest @ 8% P.A., initially for a period of 3 years vide Loan Agreement executed on 06.02.2023, which will ensure the Interest Income of Company.

Continuous Steps are being taken for further reduction of expenses and containing of overheads. Simultaneously, new business avenues are being explored and evaluated for the betterment of Company.

The 218.495kwp Roof-Top Solar Power Plant which was set up in the month of December, 2021, is constantly proving economy in semi variable costs by reducing Power consumption.

Taxation matters

- a). For the assessment years 2001-02, 2003-04, 2004-05, the department of Income Tax has filed appeals with Hon'ble Punjab and Haryana High Court, Chandigarh against the order of Appellate Tribunal and the Company is contesting the matter. The Amount being contested is Rs. 626.11 Lacs.
- b). As informed earlier, appeal had been filed by the company before Income Tax Appellate Tribunal (ITAT) for the assessment year 2005-06 against the order of CIT (A) for seeking relief under section 11 & 13 of the Income Tax Act, 1961. As the question of law involved in the appeal was identical to that in the cases pending in High Court stated in a) above, the Company filed a declaration u/s 158-A of the Income Tax Act, 1961 before the ITAT and the appeal was accepted in Company's favour.

Material Changes and commitments, if any, affecting the financial position of the company

No material changes and commitments affecting the financial position of the Company occurred between the end of financial year to which these financial statements relate and the date of this report.

Issue of Equity Shares with differential rights

During the year under review, the company has not issued shares with differential rights.

Issue of Sweat Equity Shares

During the year under review, the company has not issued any sweat equity shares.

Employee Stock Options

The company has not granted any stock option to its employee.

Buy back of equity shares

The Company has neither bought back any of its own shares nor has given any loan to the employees (including KMPs) of the Company for the purchase of the Company shares.

Change in Nature of Business

During the period under review, there had been no change in the nature of business of the Company.

Capital Structure

The paid up Equity Share Capital as at March 31, 2023 stood at Rs. 5.92Lacs consisting of 59,200 equity shares of Rs. 10/- each. During the period under review, there was no change in the Capital Structure of the Company.

Credit Rating of Securities

The Company is not required to obtain the credit rating of its securities.

DIRECTORS' REPORT

Transfers to the Investor Education & Protection Fund (IEPF)

During the financial year 2022-23, pursuant to the provisions of Section 124(5) of the Companies Act, 2013 ("The Act") read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("The Rules"), the dividend for the Financial year 2015-16 amounting to Rs. 1.95 Lacs was transferred to the Investor Education & Protection Fund ("IEPF") on 09.12.2022.

Details of shares/shareholders in respect of which dividend has not been claimed along with due dates for transfer of these unclaimed dividends to IEPF, are provided on our website at www.lse.co.in. The shareholders are requested to verify their records and claim their dividends of all the preceding seven years, if not claimed.

Detail of the shareholders, whose unpaid /unclaimed dividends have already been transferred to IEPF, has also been placed on Company's website www.lse.co.in.

Detail of Nodal Officer nominated pursuant to Rule 7(2A) of IEPF Rules, can be accessed at www.lse.co.in.

During the period under review, pursuant to the provisions of Section 124(6) of the Companies Act, 2013 read with Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, there had been no transfer/transmission of shares to the demat account of the IEPF Authority.

In case the shares or unclaimed dividend have been transferred to IEPF, the shareholders can claim the same by making an application directly to IEPF in the prescribed Web Form IEPF-5 under the IEPF Rules which is available on the website of IEPF i.e. www.iepf.gov.in.

Directors & Key Managerial Personnel:

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 and Article 73 of the Articles of Association of the Company, Mr. Tribhawan Singh Thapar (DIN:-00494576) & Mr. Rakesh Gupta (DIN:-00458677) will be retiring Directors by rotation at the ensuing Annual General Meeting and who being eligible, offer themselves for re-appointment.

Mr. Ved Parkash Gaur (DIN: 02439897) and Mr. Dharam Pal Gandhi (DIN: 00842613) were appointed as Professional Directors by Board of Directors effecting from 01.10.2022 in accordance with the provisions of Articles of Association of the Company and they shall hold the office up to the date of ensuing Annual General Meeting.

Declaration of Independent Directors

The provisions of Section 149 pertaining to the appointment of Independent Directors do not apply to our Company.

Board Meetings

During the financial year 2022-23, the Board of Directors met 8(Eight) times viz. on 07th June, 2022, 21st June, 2022, 29th August, 2022, 01st October, 2022, 11th October, 2022, 09th January, 2023, 23rd January, 2023 and 21st March, 2023.

Nomination and Remuneration Policy

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company and hence the Company has not devised any policy relating to appointment of Directors, payment of Managerial remuneration, Directors qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

Annual Evaluation of Board

The provisions of section 134(3) (p) relating to annual evaluation of Board, its Committees and of individual directors are not applicable to company.

Information pursuant to Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The Company has not appointed any employee(s) in receipt of remuneration exceeding the limits specified under Rule 5 (2) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

The statement showing the names of top ten employees in terms of remuneration drawn pursuant to Rule 5(2) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is attached as Annexure 'B' to this report.

Director's Responsibility Statement

Pursuant to Section 134 (3) (c) read with Section 134 (5) of the Companies Act, 2013, your Directors state that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed with proper explanation relating to material departures, if any;
- They have, in the selection of the accounting policies, consulted the Statutory Auditors and have 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 31st March, 2023 and of its Profit/Loss for the year ended on that date;
- They have taken proper and sufficient care to the best of their knowledge and ability 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; and
- They have prepared the annual accounts for the year ended 31st March, 2023 on a 'going concern' basis; and
- They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Internal Financial Controls

The Company has clear delegation of authority along with set policies and procedures. These are reviewed periodically by the Board of Directors. These measures help in ensuring adequacy of internal financial controls commensurate with the nature and scale of operations of the Company.

DIRECTORS' REPORT

Frauds reported by the Auditor

The Auditors have not reported any fraud to the Board under sub-section 12 of Section 143 of the Companies Act, 2013.

Subsidiary / Joint Ventures / Associate Companies

The Company has only one subsidiary named LSC Securities Limited (Formerly L.S.E Securities Ltd.). No other company became or ceased as subsidiary, joint venture or associate during the year.

A statement containing salient features of financial statements of LSC Securities Ltd. (Formerly L.S.E Securities Ltd.), in the prescribed format AOC-1, is appended as 'Annexure A' to the Board's report. The statement provides the detail of performance and financial position of the Subsidiary.

Performance of Subsidiary:

LSC Securities Limited (Formerly L.S.E Securities Ltd.) is registered as Stockbroker at BSE Ltd.(BSE), National Stock Exchange (NSE) and Metropolitan Stock Exchange of India Limited (MSEI). During the year under review, the Company recorded a business volume of Rs. 13,610.82 Crores (Previous year Rs. 18,251.62 Crores) and Rs.2,722.31 Crores (Previous year Rs. 4,148.16 Crores) in Capital Market Segment of NSE and BSE, respectively. It also recorded a business volume of Rs. 22,231.13 Crores (Previous year Rs. 20,738.15 Crores) in the Futures and Options Segment of NSE Limited. The business volume in Currency Derivatives was Rs. 909.70Crores (Previous year Rs. 445.51 Crores) in NSE.

During the year under review, your Subsidiary Company has opened 1237 (Previous year:1798)new accounts in CDSL and 229 (Previous year:307) accounts in NSDL. It also opened 1478(Previous year: 2391) new Trading Accounts.

Public Deposits

During the financial year under review, the Company has not accepted any deposit from the public within the meaning of section 73 & 74 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and as such, no amount on account of principal or interest on deposits from public was outstanding as on date of the Balance Sheet.

Particulars of Loans, Guarantees or Investments under section 186 of the Companies Act, 2013

During the period under review, the company has disbursed the loan amount of Rs. 600 Lacs (Rupees Six Hundred Lacs only) to the Subsidiary Company, M/s. LSC Securities Ltd. on 06.02.2023, specifically for its principal business activities at interest @ 8% P.A., initially for a period of 3 years vide Loan Agreement executed on 06.02.2023for which Shareholders' approval was already obtained vide Special Resolutions through Postal Ballot process under Section 185 & 186 of the Companies Act, 2013 on 30.09.2022.

Particulars of Contracts or arrangements with related parties:

All transactions with related parties entered during the Financial Year 2022-23 were on arm's length basis and were in the ordinary course of business and were in compliance with the applicable provisions of the Act. There were no materially significant related party transaction(s) made by the Company with Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large except the already entered transactions on Arm's Length basis pertaining to Commercial Space to M/s. LSC Securities Ltd., Subsidiary Company. Hence such particulars have been given in prescribed Form AOC-2 appended as 'Annexure C' to the Board's report.

Related party disclosures as per AS-18 have been provided in Note – 32 to the financial statements.

Corporate Social Responsibility

The Company has not developed and implemented any corporate Social Responsibility initiatives as the provisions of Section 135 of the Companies Act, 2013 are not applicable upon the Company.

Conservation of energy, technology absorption and foreign exchange earning & outgo:

In view of the nature of business activities of the Company, the information relating to conservation of energy and technology absorption, as required under Section 134 (3) (m) of the Act read with Rule 8 of the Companies (Accounts) Rules 2014, is not required to be given. The Company has, however, used information technology extensively in its operations.

Foreign Exchange Earnings and Outgo for the period under review was as under: 1. Foreign Exchange Earning: Nil 2. Outgo – Nil

Risk Management

The Board of Directors, from time to time, reviews the risks faced by the company and the corresponding risk mitigation plans deployed. However, Company has not come across any element of risk which may threaten the existence of the Company.

Disclosure of composition of Audit Committee and providing Vigil Mechanism

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2014 are not applicable to the Company. Hence, disclosures pursuant to Section 177 (8) & (9) of the Companies Act, 2013 are not required.

Significant and Material Orders

There are no significant and material orders passed by the Regulators or courts or tribunals impacting the going concern status and Company's operations in future.

Statutory Auditors

M/s. SCV & Co. LLP (previously known as M/s. S. C. Vasudeva & Co.), Chartered Accountants (Firm Registration No. 000235N/N500089), were appointed as Statutory Auditors of the company by the Members for a term of five consecutive years starting from the conclusion of 37th Annual General Meeting till the conclusion of 42nd Annual General Meeting of the company. **The requirement to place the matter relating to appointment of Auditors for ratification by Members at every Annual General Meeting has already been done away vide Notification S.O. 1833(E) dated 7th May, 2018 issued by the Ministry of Corporate Affairs, New Delhi.**

DIRECTORS' REPORT

Secretarial Auditor

The provisions of Section 204 of the Companies Act, 2013 relating to Secretarial Audit are not applicable to your Company.

Auditors' Report

The Notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

Compliance with Secretarial standards

The company has complied with applicable secretarial standards issued by the Institute of Companies Secretaries of India.

Annual Return

In terms of amended Section 92(3) of the Companies Act, 2013, the copy of draft Annual Return of the Company for the financial year 2022-23 in prescribed e-form MGT-7 is available on the website of the Company at the link: https://www.lse.co.in/pdf/ANNUAL_RETURN_2022-2023_MERGED.pdf

The said annual return shall be further updated as soon as possible but no later than sixty days from the date of the AGM.

Consolidated Financial Statement

The Consolidated Financial Statement of the company and its subsidiary prepared in accordance with the Companies Act, 2013 and applicable Accounting Standards along with relevant documents and the Auditors' Report forming part of this Annual Report. This statement is also available on the website of the Company and can be accessed at the website www.lse.co.in. The financial statement of the Subsidiary Company i.e. LSC Securities Limited can be accessed at the web-link: https://www.lse.co.in/pdf/SUBSIDIARY_FINANCIAL_STATEMENT_2022-23.pdf

Cost Records

The company is not required to maintain cost records under Section 148 (1) of the Companies Act, 2013.

Registrar and Share Transfer Agent

M/s.Beetal Financial & Computer Services Private Limited, Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukh Das Mandir, New Delhi-110062 is the Registrar and Transfer Agent of the Company.

Compliance of Provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place a Policy on Prevention of Sexual Harassment in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. No complaint has been received under this Policy during the financial year 2022-23.

Other Disclosures

1. There is no application made or proceedings pending under the Insolvency and Bankruptcy Code, 2016 during the financial year 2022-23.
2. There was no instance of one-time settlement with any Bank or Financial Institution.

Acknowledgment

The Board of Directors wishes to place on record its sincere gratitude to all our Stakeholders viz. Government, Bankers, Business Constituents and Shareholders for their continued and valuable co-operation and support to the Company and look forward to their continued support and co-operation in future too.

Directors also take this opportunity to express their deep appreciation for the devoted and sincere services rendered by the employees at all levels of the Company during the year.

For and on behalf of the Board of Directors
of Ludhiana Stock and Capital Limited

PLACE : LUDHIANA
DATED : 30-08-2023

Sd/-
Tribhawan Singh Thapar
Chairperson
(DIN - 00494576)

DIRECTORS' REPORT (ANNEXURE-A)

FORM AOC-1

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

Part "A" : Subsidiaries

Sr. No.	Rs. (in Lacs)
Name of the subsidiary	LSC Securities Ltd.*
The date since when subsidiary was acquired	Friday, January 07, 2000
Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	N.A
Reporting currency and Exchange rate as on the last of the relevant Financial year in the case of foreign subsidiaries.	N.A
Share capital	644.18
Reserves & surplus	1691.09
Total assets	25383.91
Total Liabilities	23048.64**
Investments	0.00
Turnover	1425.44***
Profit before taxation	222.15
Provision for taxation (Net)	61.84
Profit after taxation	160.31
Proposed Dividend***	14.49****
% of shareholding	51.71%
Names of the subsidiaries which are yet to commence operations	N.A
Names of subsidiaries which have been liquidated or sold during the year.	N.A

* Formerly known as L.S.E. Securities Ltd.

** Excluding Share Capital and Reserve & Surplus

*** Figures given are of total Revenue earned

**** Final dividend for F.Y. 2021-22 paid during the year. Further Board of Directors has Proposed the final dividend of Rs. 0.225/- per share (2.25%) for the F.Y. 2022-23 involving an outflow of Rs.14.49 lacs.

Part "B": Associate Companies and Joint Ventures

NIL

For and on behalf of the Board of Directors
of Ludhiana Stock and Capital Limited

PLACE : LUDHIANA
DATED : 30-08-2023

Sd/-
Tribhawan Singh Thapar
Chairperson
(DIN - 00494576)

DIRECTORS' REPORT (ANNEXURE-B)

Annexure 'B'
Statement of Employees under Rules 5 (2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Name	Designation	Remuneration (Rs.)	Qualification	Experience (Years)	Date of Commencement	Age (Years)	Last employment held
1	Des Raj	Jr. Engineer	368,904	I.T.I. Dip.	31	01.09.1992	58	Oriental Textile Processing Co. Pvt. Ltd.
2	Pankaj Jain	Manager (Accounts)	350,580	B.Com., C.A. Inter	15	01.01.2019	57	Ellora Shawls Pvt. Ltd.
3	Atul Chikersal	Executive	271,812	B.Sc. (Non-Medical)	22	25.09.2008	53	Neva Garments
4	Dhirender Negi	Sr. Technician	271,176	Under Matric	32	03.02.1990	59	First Employment
5	Ramesh Chand	Lift Operator	268,884	Under Matric	30	16.12.1992	57	PNB
6	Ram Pujan	Electrician	257,304	Under Matric	31	01.05.1992	54	Amber Electronics
7	Gurmail Singh	Sr. Technician	246,696	I.T.I. Dip.	34	01.07.1996	55	NFL Bhatinda
8	Kailash Singh	Electrician	236,916	B.A. & I.T.I.	31	20.06.2006	52	Asian Lake Health Food
9	Jaspal Singh	A.C. Operator	223,596	I.T.I. Dip.	29	01.10.2018	51	Arihant Textiles Industries
10	Sandeep	Secretarial Officer	210,144	M.Com (B.I.), CS	4	01.04.2019	30	Nahar Poly Films Ltd.

- Notes: (1). The nature of employment in all cases is contractual.
(2). None of the employees mentioned above is relative of any Director of the Company.
(3). None of the employees mentioned above is holding any share in the Company.

For and on behalf of the Board of Directors
of Ludhiana Stock and Capital Limited

PLACE : LUDHIANA
DATED : 30-08-2023

Sd/-
Tribhawan Singh Thapar
Chairperson
(DIN - 00494576)

DIRECTORS' REPORT (ANNEXURE-C)

FORM NO. AOC -2

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

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Name (s) of the related party & Nature of relationship	Nature of transactions	Transaction Value (Rs. in Lacs)	Duration of transactions	Salient terms of transactions	Justification for entering into such transactions	Date of approval by the Board	Amount paid as advances, if any (Rs. in Lacs)	Date on which the resolution was passed in General meeting as required under first proviso to section 188
NOT APPLICABLE									

2. Details of material contracts or arrangements or transactions at Arm's length basis.

SL. No.	Name (s) of the related party & Nature of relationship	Nature of transactions	Transaction Value (Rs. in Lacs)	Duration of transactions	Salient terms of transactions	Date of approval by the Board	Amount paid as advances, if any (Rs. in Lacs)
a)	M/s. LSC Securities Limited (Subsidiary Company)	Lease Arrangement for Commercial Space	63.03	From 01.04.2022 to 31.03.2023	The related party transaction was entered during the year, 2021-22 in Ordinary Course of business and on Arm's Length Basis	16 th February, 2021	Nil

For and on behalf of the Board of Directors
of Ludhiana Stock and Capital Limited

PLACE : LUDHIANA
DATED : 30-08-2023

Sd/-
Tribhawan Singh Thapar
Chairperson
(DIN - 00494576)

INDEPENDENT AUDITOR'S REPORT

Independent Auditors' Report
To the Members of
Ludhiana Stock and Capital Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Ludhiana Stock and Capital Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss and the Statement of Cash flows for the year then ended and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information. (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the accounting Standards prescribed under section 133 of the Act, of the state of affairs of the Company as at 31 March 2023, and the Profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. 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.

Information Other than the standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance 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. 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 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.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the standalone financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may

INDEPENDENT AUDITOR'S REPORT

cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that,
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance sheet, the statement of profit and Loss and the statement of cash flows dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act;
 - (e) On the basis of the written representations received from the directors as on 31st March 2023 taken on record by the Board of directors, none of the directors is disqualified as on 31st March 2023 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting;
 - (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, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. There is no pending litigation which has any impact on the financial position of the company.
 - ii. **The company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses.**
 - iii. **There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.**
 - iv. (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (ii) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (iii) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.
 - v. The dividend declared and paid during the year by the company is in compliance with section 123 of the Companies Act, 2013.
 - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rule, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the company with effect from 1st April, 2023 and accordingly, reporting under Rule 11(h) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March, 2023.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid remuneration to its directors during the year.

For SCV & Co. LLP
Chartered Accountants
F.R. No.: 000235N/N500089

Place: Ludhiana
Date: 30.08.2023

(Sanjiv Mohan)
Partner
M. No.086066

Ludhiana Stock and Capital Limited

INDEPENDENT AUDITOR'S REPORT ANNEXURE - A

Annexure – "A" to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Ludhiana Stock and Capital Limited of even date)

In respect of the Company's Property, Plant and Equipment and Intangible Assets:

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanation given to us, these Property, Plant and Equipment were physically verified by the Management during the year. No discrepancies were noticed on such verification.
- (c) Based on our examination of the documents provided to us, we report that, the title deeds of all the immovable properties disclosed in the standalone financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
- (e) Based on the information and explanations given to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) According to the information and explanations given to us, the company has not held any inventory during the year. Hence reporting under clause 3(ii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us, The Company has not been sanctioned working capital limits during the year, from banks on the basis of security of current assets. Hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made investments in, provided any security or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. The Company has granted loans to its subsidiary company during the year in respect of which the requisite information is as below:
 - (a) The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans to subsidiary is as per the table given below:

Particulars	Amount (Rs in Lakhs)	
		Loan
Aggregate amount provided during the year to subsidiary		600.00
Balance outstanding at balance sheet date		600.00

- (b) In respect of the aforesaid loan given during the year, the terms and conditions under which such loan is granted, are not prejudicial to the Company's interest, based on the information and explanations provided by the Company.
- (c) In respect of loan granted, the schedule of payment of principal and interest has been stipulated. The payment of interest is regular as stipulated. However, principal amount was not due for payment during the year under audit.
- (d) The reporting under clause 3(iii) (d), (e), (f) of the Order is not applicable.
- iv. According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has not made any investments, provided any loan, guarantee or security as specified under Sections 185 and has complied with section 186 of the Act
- v. According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the Rules framed thereunder.
- vi. According to the information and explanations given to us, the company is not required to maintain cost records as prescribed under section 148(1) of the Companies Act, 2013. Hence reporting under clause 3 (vi) of the Order is not applicable.
- vii. In respect of statutory dues:
 - (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and other statutory dues applicable to it with the appropriate authorities.
There were no undisputed amounts payable in respect of Goods and Service tax, 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 in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues referred to in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute.
- viii. According to the information and explanations given to us and records of the company examined, there are no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) According to the information and explanations given to us, the Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence,

INDEPENDENT AUDITOR'S REPORT ANNEXURE - A

- reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us, the Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(d) of the Order is not applicable.
- (e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary companies.
- x. (a) According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally convertible) during the year and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) According to the information and explanations given to us and based on our examination of records, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) According to the information and explanations given to us, the whistle blower policy is not applicable to the company. Hence reporting under clause 3(xi)(c) of the order is not applicable.
- xii. According to the information and explanation given to us, the Company is not a Nidhi Company. Hence reporting under clause 3(xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us and based on our examination of records of the company, the transactions with related parties are in compliance with section 188 of the Companies Act, 2013 and provisions of section 177 are not applicable to the company. The details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. According to information and explanations given to us, the provisions of section 138 of The Companies Act, 2013 with regard to internal audit system are not applicable to the company. Hence reporting under clause 3(xiv) of the order is not applicable.
- xv. According to 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 person connected with them. Accordingly, clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) Based on the information and explanations given to us, in our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence reporting under clause 3(xvi)(a) of the order is not applicable to the Company.
- (b) Based on information and explanation given to us, the company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934; and accordingly reporting under clause 3(xvi)(b) of the Order is not applicable.
- (c) Based on information and explanation given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, and accordingly reporting under clause 3(xvi)(c) of the Order is not applicable.
- (d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The company has not incurred cash losses in the financial year covered by our audit and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. According to the information and explanation given to us, the provisions of section 135 of The Companies Act, 2013 are not applicable to the company.
- xxi. According to the information and explanation given to us, there have not been any qualifications of adverse remarks by the respective auditors in the Companies (Auditor's report) order of its subsidiary company included in its consolidated financial statements.

For SCV & Co. LLP
Chartered Accountants
F.R. No.: 000235N/N500089

Place: Ludhiana
Date: 30.08.2023

(Sanjiv Mohan)
Partner
M. No.086066

INDEPENDENT AUDITOR'S REPORT ANNEXURE - B

Annexure – "B" TO THE INDEPENDENT AUDITORS REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Ludhiana Stock and Capital Limited on the standalone financial statements for the year ended March 31, 2023.)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial control over financial reporting of **Ludhiana Stock and Capital Limited** ("the Company") as of 31st March 2023 in conjunction with our audit of standalone financial statements of company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company Board of Directors 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting with respect to these standalone financial statement based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, 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 with reference to these standalone financial statement were 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone financial statements includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, 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 with reference to these standalone financial statements 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 explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, based on the internal control over financial reporting with reference to these financial statements 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 SCV & Co. LLP
Chartered Accountants
F.R. No.: 000235N/N500089

Place: Ludhiana
Date: 30.08.2023

(Sanjiv Mohan)
Partner
M. No. 086066

Ludhiana Stock and Capital Limited

BALANCE SHEET AS AT 31ST MARCH 2023

(All amounts in ₹ Lacs, unless otherwise stated)

PARTICULARS	Note No.	AS AT 31-03-2023	AS AT 31-03-2022
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
a) Share capital	3	6.02	6.02
b) Reserves and surplus	4	2176.79	2194.48
		<u>2182.81</u>	<u>2200.50</u>
2 Non-current liabilities			
a) Long-term borrowings		-	-
b) Deferred tax liability (Net)	5	8.84	5.54
c) Other long term liabilities	6	230.80	210.32
d) Long-term provisions		-	-
		<u>239.64</u>	<u>215.86</u>
3 Current liabilities			
a) Short-term borrowings		-	-
b) Trade payables	7		
i) Total outstanding dues of micro enterprises and small enterprises; and		-	-
ii) Total outstanding dues of creditors other than micro enterprise and small enterprise		6.29	5.86
c) Other current liabilities	8	51.80	52.85
d) Short-term provisions	9	0.70	0.72
		<u>58.80</u>	<u>59.43</u>
TOTAL		<u>2481.25</u>	<u>2475.79</u>
II ASSETS			
1 Non-current assets	10		
a) Property, Plant and Equipment and Intangible Assets			
i) Property, Plant and Equipment		849.21	873.29
ii) Intangible assets		-	-
		<u>849.21</u>	<u>873.29</u>
b) Non-current investments	11	345.18	345.18
c) Long-term loans and advances	12	679.25	67.22
d) Other non-current assets	13	181.85	586.10
		<u>2055.49</u>	<u>1871.79</u>
2 Current assets			
a) Current investments	14	53.71	53.71
b) Inventories		-	-
c) Trade receivables	15	9.68	6.05
d) Cash and cash equivalents	16(a)	96.40	13.00
e) Bank balances other than cash & cash equivalent	16(b)	241.35	504.72
f) Short-term loans and advances	17	23.29	25.18
g) Other current assets	18	1.33	1.33
		<u>425.76</u>	<u>604.00</u>
TOTAL		<u>2481.25</u>	<u>2475.79</u>

See accompanying notes to the financial statements

As per our separate report of even date
For SCV & Co. LLP
Chartered Accountants
Firm Regn. No. 000235N/N500089

(Sanjiv Mohan)
Partner
M. No. 086066

PLACE : LUDHIANA
DATED : 30-08-2023

For and on behalf of the Board of Directors
of Ludhiana Stock and Capital Limited

Sd/-
(Tribhawan Singh Thapar)
Chairperson
(DIN - 00494576)

Sd/-
(Ashok Kumar)
Director
(DIN - 01971376)

Sd/-
(Vikas Batra)
Director
(DIN - 01964260)

Sd/-
(Ashwani Kumar)
Corporate Advisor
(PAN - ACBPK0351M)

Sd/-
(Jaswinder Singh)
Manager Accounts
(PAN - BMTPS3113C)

STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH, 2023

(All amounts in ₹ Lacs, unless otherwise stated)

PARTICULARS	Note No.	For the year ended 31st March 2023	For the year ended 31st March 2022
i Revenue from operations	19	105.06	97.98
ii Income from investments and deposits	20	56.76	63.74
iii Other income	21	139.97	120.60
iv Total Income (i + ii + iii)		301.79	282.32
v Expenses :			
Employee benefits expense	22	48.10	45.44
Depreciation and amortization expense		24.13	12.89
Finance Cost	23	0.58	1.00
Other expenses	24	192.21	215.28
Total expenses		265.03	274.61
vi Profit before exceptional and extraordinary items and tax (iv - v)		36.76	7.71
vii Exceptional Items - Profit on Sale of Property, Plant and Equipment (Net)		-	137.82
viii Profit before extraordinary items and tax (vi + vii)		36.76	145.53
ix Extraordinary items - Unclaimed credit balances written back		-	58.27
x Profit before tax (viii + ix)		36.76	203.80
xi Tax expense :			
- Current tax		7.30	36.50
- Income Tax relating to prior years		13.66	-
- Deferred tax		3.30	4.77
xii Profit for the year (x - xi)		12.50	162.53
Earnings per share (of Rs. 10/- each) (Refer note no. 33)			
- Basic		21.12	274.55
- Diluted		21.12	274.55

See accompanying notes to the financial statements

As per our separate report of even date
For SCV & Co. LLP
Chartered Accountants
Firm Regn. No. 000235N/N500089

(Sanjiv Mohan)
Partner
M. No. 086066

PLACE : LUDHIANA
DATED : 30-08-2023

For and on behalf of the Board of Directors
of Ludhiana Stock and Capital Limited

Sd/-
(Tribhawan Singh Thapar)
Chairperson
(DIN - 00494576)

Sd/-
(Ashok Kumar)
Director
(DIN - 01971376)

Sd/-
(Vikas Batra)
Director
(DIN - 01964260)

Sd/-
(Ashwani Kumar)
Corporate Advisor
(PAN - ACBPK0351M)

Sd/-
(Jaswinder Singh)
Manager Accounts
(PAN - BMTPS3113C)

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2023

(All amounts in ₹ Lacs, unless otherwise stated)

PARTICULARS	2022-23	2021-22
1. Cash Flow from Operating Activity		
Profit before tax and after exceptional item	36.76	145.53
Adjustments for:		
Depreciation and amortization expenses	24.13	12.89
Interest Income	(49.26)	(56.25)
Finance Cost	0.58	1.00
Dividend Income	(7.49)	(7.49)
Profit/Loss on sale of current investments	-	0.25
Profit on sale of property, plant & equipment	-	(137.31)
Sundry balances written back	(0.69)	(5.69)
Loss on write off of asset	-	-
Operating Profit Before Working Capital changes	(4.02)	(47.08)
Changes in Working Capital :		
Adjustments for (increase)/decrease in operating assets :		
Trade receivables	(3.25)	2.01
Short Term Loans and Advances	(4.68)	2.73
Other current assets	-	-
Long Term loans and advances	0.67	(0.07)
Other non-current assets	(0.34)	(3.99)
Adjustments for increase/(decrease) in operating liabilities :		
Trade Payables	0.43	(0.35)
Short Term Provisions	(0.02)	(0.05)
Other Current Liabilities	0.85	(48.95)
Other long term liabilities	20.48	8.74
Cash Generated/(used) For Operations	18.17	(87.00)
Income tax paid (net)	(33.66)	(10.08)
Add : Extraordinary items and Non Recurring Items		
- Unclaimed credit balances written back	-	58.27
Net Cash generated/(used) For Operating Activity (A)	(15.49)	(38.81)
2. Cash Flow From Investing Activity		
Addition in Plant & Machinery		
Proceeds from Sale of Property, Plant and Equipment	-	145.39
Interest received	65.43	52.69
Dividend received	7.49	7.49
Proceeds from sale of Current investments	-	30.43
Purchase of Current investments	(600.00)	-
Purchase of Property, Plant and Equipment	(0.05)	(106.29)
Movement in bank deposits other than cash and cash equivalents	656.79	(36.72)
Increase/Decrease in earmarked deposits	1.58	1.78
Net Cash Flow From Investing Activity (B)	131.24	94.79

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2023

(All amounts in ₹ Lacs, unless otherwise stated)

PARTICULARS	2022-23	2021-22
3. Cash Flow From Financing Activity		
Dividend Paid	(31.77)	(60.98)
Finance Cost	(0.58)	-
Net Cash (used in)/generated from Financing Activity (C)	(32.36)	(60.98)
4. Net Increase/ (Decrease) in Cash and Cash Equivalents (A)+(B)+(C)	83.40	(5.00)
5. Cash and Cash Equivalents at the beginning of the year	13.00	18.00
6. Cash and Cash Equivalents at the end of the year (4)+(5)	96.40	13.00
Cash and Cash equivalents at the end of the year Comprises		
Cash on hand	0.17	0.27
Cheques in hand	0.25	-
Balances with Banks:		
-In current account	17.74	12.73
-Fixed deposits with banks having original maturity period of less than 3 months	78.24	-
	96.40	13.00

Notes:

The figures in brackets represent outflows/adjustments

As per our separate report of even date
For SCV & Co. LLP
Chartered Accountants
Firm Regn. No. 000235N/N500089

(Sanjiv Mohan)
Partner
M. No. 086066

PLACE : LUDHIANA
DATED : 30-08-2023

For and on behalf of the Board of Directors
of Ludhiana Stock and Capital Limited
(Formerly Ludhiana Stock Exchange Limited)

Sd/-
(Tribhawan Singh Thapar)
Chairperson
(DIN - 00494576)

Sd/-
(Ashok Kumar)
Director
(DIN - 01971376)

Sd/-
(Vikas Batra)
Director
(DIN - 01964260)

Sd/-
(Ashwani Kumar)
Corporate Advisor
(PAN - ACBPK0351M)

Sd/-
(Jaswinder Singh)
Manager Accounts
(PAN - BMTPS3113C)

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Ludhiana Stock and Capital Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956 on 17.10.1981. (At the time of incorporation the name of the company was Ludhiana Stock Exchange Limited ("the Company"))

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation of Financial Statements

The financial statements of the company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standard (AS) specified under section 133 of the Companies Act, 2013. The financial statements have been prepared on accrual basis under historical cost convention.

The accounting policies adopted in the preparation of the financial statement are consistent with those followed in previous year.

b) Use of Estimates

The preparation of financial statements, in conformity with the generally accepted accounting principles, requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known /materialize.

c) Revenue Recognition

Interest

I. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend

II. Dividend from investment is recognized when right to receive payment is established.

Fee from training and education cell

III. Fee from training and educational cell is recognized on the accrual basis depending upon the tenure of the training batch.

Insurance and Other Claims

IV. Revenue in respect of Insurance and other claims are recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof.

d) Property, Plant and Equipment

i) Tangible Assets

Tangible Assets are stated at cost, less accumulated depreciation. The Cost of an item of tangible assets comprises:

- a) its purchase price and any attributable expenditure (directly or indirectly) for bringing the asset to its working condition for its intended use.
- b) expenditure incurred on renovation/modernization of the existing property, plant and equipment is added to the book value of these assets where such renovation/modernization increases the future benefit from them beyond their previously assessed standard of performance.
- c) Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

ii) Intangible Assets

Intangibles assets are stated at cost less accumulated amount of amortization.

e) Depreciation

Depreciation on Property plant and equipment is provided on Written Down Value method in accordance with and in the manner specified in Schedule II to the Companies Act, 2013.

Depreciation on assets costing Rs. 5000/- or below is charged @ 100% per annum on proportionate basis.

f) Amortization

Intangible assets are amortized on straight line method over their estimated useful life.

g) Employee Benefits:

1) Short Term Employee Benefits:

Short Term Employee Benefits are recognized as an expense on an undiscounted basis in the statement of profit and loss of the year in which the related service is rendered. This also includes leave encashment which are expected to occur within twelve months after the end of the period in which employee render the related services.

2) Post Employment Benefits:

i) Defined Contribution Plans:

Provident Fund , Employee State Insurance Contribution (ESIC) are defined Contribution Plans:

The contribution to these Scheme are made in accordance with the provisions of Employees Provident Fund Act and Miscellaneous Provisions Act, 1952 and Employee State Insurance Corporation and is recognised as an expense in the statement of profit and loss.

iii) Defined Benefit Plans:

a. Gratuity:

NOTES FORMING PART OF FINANCIAL STATEMENTS

The Group Gratuity Scheme managed by Life Insurance Corporation of India is a defined benefit plan. The liability for gratuity is provided on the basis of actuarial valuation carried out by an independent actuary as at the balance sheet date using projected unit credit method. The present value of the company's obligation is determined on the basis of actuarial valuation at the year end and the fair value of plan assets is reduced from the gross obligations under the gratuity scheme to recognize the obligation on a net basis.

Actuarial Gain or Loss:

Actuarial gain or loss is recognized in the statement of profit and loss in the period in which they occur.

h) Investments

Long term investments are carried at cost, less provisions, if any, for diminution in value which is other than temporary. Current investments are carried at lower of cost and fair value.

i) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as a part of cost of such asset. Qualifying asset is one that takes substantial period of time to get ready for its intended use. Other borrowing costs, if any, are recognised as an expense in the period in which they are incurred.

j) Impairment of Assets

At each balance sheet date, an assessment is made whether any indication exists that an asset has been impaired. If any indication exists, an impairment loss i.e. the amount by which the carrying amount of an asset exceeds its recoverable amount is provided in the books of account.

k) Accounting for Taxes on Income

The accounting treatment followed for taxes on income is to provide for Current Tax and Deferred Tax. Current tax is the aggregate amount of income tax determined to be payable in respect of taxable income for a period in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is the tax effect of timing difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax is measured using tax rate and tax laws enacted or subsequently enacted as at reporting date.

l) Earnings per share

Basic earning per share is computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period and weighted average number of equity shares which would be issued on the conversion of all dilutive potential equity shares into equity shares.

m) Leases

Company as a lessor

Leases in which the company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a systematic basis over the term of the relevant lease.

n) Cash flow statement

The cash flow statement has been prepared using the indirect method in accordance with the Accounting Standard (AS) – 3 "Cash flow statements" prescribed in Companies (Accounts) Rules, 2014.

o) Cash and cash equivalent

Cash comprises of cash on hand and demand deposit with banks other than under lien and cash equivalents are short term, highly liquid investment that are readily convertible into known amount of cash and which are subject to insignificant risk of change in value.

p) Provisions and Contingent Liabilities

i) Provision is recognized (for liabilities that can be measured by using a substantial degree of estimation) when:

- a) the company has a present obligation as a result of a past event;
- b) a probable outflow of resources embodying economic benefits is expected to settle the obligation; and
- c) the amount of the obligation can be reliably estimated

ii) Contingent liability is disclosed in case there is :

- a)(i) possible obligation that arises from past events and existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise; or
(ii) a reliable estimate of the amount of the obligation cannot be made.
- b) a present obligation arising from past events but is not recognized
(i) when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
(ii) a reliable estimate of the amount of the obligation cannot be made.

q) Operating Cycles:

Based on the nature of activities of the company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and noncurrent.

r) Material Events:

Material events occurring after the balance sheet date are taken into cognizance in accordance with the principles laid down in AS4 "Contingencies and events occurring after the balance sheet date."

NOTES FORMING PART OF FINANCIAL STATEMENTS

3 Share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number	Amount	Number	Amount
Authorised :				
Equity shares of Rs.10/- each (par value)	50.00	500.00	50.00	500.00
Total	50.00	500.00	50.00	500.00
Issued :				
Equity shares of Rs.10/- each	0.70	7.00	0.70	7.00
Total	0.70	7.00	0.70	7.00
Subscribed :				
Equity shares of Rs.10/- each	0.60	6.02	0.60	6.02
Total	0.60	6.02	0.60	6.02
Paid up :				
Equity shares of Rs.10/- each	0.60	6.02	0.60	6.02
Less : Forfeited 1,000 equity shares of Rs.10/- each		0.10		0.10
	0.60	5.92	0.60	5.92
Add : Forfeited shares (Amount originally paid up)		0.10		0.10
Total	0.60	6.02	0.60	6.02

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Equity shares	As at 31 March 2023		As at 31 March 2022	
	Number	Amount	Number	Amount
At the beginning of the reporting period	0.60	6.02	0.60	6.02
Add: Issued during the period	-	-	-	-
Outstanding at the end of the reporting period	0.60	6.02	0.60	6.02

b. Rights, preferences and restrictions attached to equity shares

The company has one class of shares referred to as equity shares having a par value of Rs. 10/- each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of directors is subject to the approval of the shareholders in the ensuing annual general meeting and entitlement to dividend to an equity shareholder shall arise after such approval except in case of interim dividend.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

During the year ended on 31 March 2023 on account of final dividend for fiscal 2022 amounting to Rs. 30.19 lacs, has incurred a net cash outflows of Rs. 31.77 lacs.

The Board of Directors in its meeting recommended a final dividend of Rs. 51/- per share for the financial year ended March 2023. The payment is subject to the approval of shareholders at the ensuing AGM of the company; if approved, good result in net cash flow of Rs. 30.19 lacs.

Dividend

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividend are recorded as a liability on date of Declaration by the Company's Board of Directors.

The amount of per share dividend recognised as distributed to equity shareholders in accordance with Companies Act, 2013 is as follows :

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
	Amount	Amount
Final dividend for the year 2022	30.19	-
Final dividend for the year 2021	-	30.19

Company is required to pay dividend after deducting applicable withholding income tax

NOTES FORMING PART OF FINANCIAL STATEMENTS

c. Detail of Shares held by holding company/ ultimate holding company their subsidiaries and associates.

There is no holding or ultimate holding company of the company.

d. Details of shares held by each shareholder holding more than 5% shares : Nil

e. Aggregate number and class of shares allotted (a) as fully paid up pursuant to contract(s) without payment being received in cash, (b) as fully paid up by way of bonus shares and (c) aggregate number and class of shares bought back during the period of five years immediately preceding the balance sheet date:

F. Details of Shareholdings by the Promoters and Promoter's Group of the Company

Name	As at 31st March, 2023		As at 31st March, 2022		% change
	No of Shares	% of Total shares	No of Shares	% of Total shares	
Sat Pal Kanwar	240.00	0.41	240.00	0.41	(0.00)
Subash Chander Jain	120.00	0.20	120.00	0.20	(0.00)
Total	360.00	0.61	360.00	0.61	(0.00)

Name	As at 31st March, 2022		As at 31st March, 2021		% change
	No of Shares	% of Total shares	No of Shares	% of Total shares	
Sat Pal Kanwar	240.00	0.41	240.00	0.41	(0.00)
Subash Chander Jain	120.00	0.20	120.00	0.20	(0.00)
Raghubir Chand Singal	-	-	190.00	0.32	- 0.32.00
Total	360.00	0.61	550.00	0.93	- 0.32.00

Note. The disclosure of shareholding of Promoter and Promoter's Group is based on shareholding pattern filed on Ludhiana Stock and Capital Ltd Website (lse.co.in).

	As at 31 March 2023 Number of shares	As at 31 March 2022 Number of shares
A Equity shares allotted as fully paid up pursuant to contract (s) without payment being received in cash	-	-
B Equity shares allotted as fully paid up by way of bonus shares	-	-
C Equity shares bought back by the Company	-	-
	-	-

4. Reserves and surplus

Particulars	As at 31 March 2023	As at 31 March 2022
Capital reserve		
Balance as per last financial statements	1,527.22	1,527.22
	<u>1,527.22</u>	<u>1,527.22</u>
Other reserves :		
General reserve		
Balance as per last financial statements	367.61	367.61
	<u>367.61</u>	<u>367.61</u>
Surplus i.e. balance in statement of profit and loss		
Balance as per the last financial statements	299.65	196.32
Add : Profit for the year transferred from statement of profit and loss	12.50	162.53
	<u>312.15</u>	<u>358.85</u>
Less : Appropriations :		
Dividend	30.19	59.20
Closing Balance	<u>281.96</u>	<u>299.65</u>
Total	2,176.79	2,194.48

NOTES FORMING PART OF FINANCIAL STATEMENTS

5. Deferred tax liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred tax liability		
Arising on account of accelerated depreciation	8.84	5.54
	8.84	5.54

6. Other long-term liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Others :		
Retention money	34.35	34.35
Security from members	152.58	152.53
Security Trading Right	17.50	3.50
Security from others	26.37	19.94
	230.80	210.32

7. Trade payables

Particulars	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of micro enterprise and small enterprise (Refer note No. 31)	-	-
Total outstanding dues of creditors other than micro enterprise and small enterprise (Refer note No. 40)	6.29	5.86
	6.29	5.86

8. Other current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Unpaid dividend	8.55	10.12
Due to members	4.75	4.75
Other payables		
- Statutory remittances**	2.69	1.01
- Due to employees	5.75	5.22
- Expense payable	3.69	2.91
- Earnest money for membership	0.25	0.25
- Advances from members	6.24	6.24
- Security from members	19.64	19.40
- Cheques issued but not yet presented	0.03	-
- Other Advances	0.21	0.08
- Other payables	-	2.86
	51.80	52.86

** Statutory remittance includes contribution to provident fund, ESIC, tax deducted at source, Goods and service tax etc.
Unpaid dividend does not include any amount due and outstanding required to be credited to Investors' Education and Protection Fund.

9 Short-term provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits :		
Leave encashment	0.70	0.72
	0.7	0.72

10. PROPERTY, PLANT AND EQUIPMENT
The changes in the carrying value of Property, Plant and Equipment for the year ended 31 March 2023 are as follows:

PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK		
	Balance as at 1 April, 2022	Additions	Disposal	Balance as at 31 March, 2023	Balance as at 1 April, 2022	Depreciation/ amortisation expenses during the year	Eliminated on disposal of assets	Balance as at 31 March, 2023	Balance as at 31 March, 2022
a) Tangible assets									
Freehold Land	657.43	-	-	657.43	-	-	-	657.43	657.43
Buildings	360.41	-	-	360.41	261.96	4.76	-	266.72	98.45
Plant and Equipments	377.31	-	-	377.31	269.48	17.45	-	286.93	107.83
Office Equipments	56.47	0.05	-	56.53	47.40	1.83	-	49.23	7.29
Furniture and Fixtures	5.55	-	-	5.55	5.33	0.03	-	5.36	0.20
Vehicles	1.15	-	-	1.15	0.87	0.06	-	0.93	0.27
Total (a)	1458.33	0.05	-	1458.38	585.04	24.13	-	609.16	849.21
b) Intangible assets									
Computer Software	2.96	-	-	2.96	2.96	-	-	2.96	-
Total (b)	2.96	-	-	2.96	2.96	-	-	2.96	-
Grand Total (a + b)	1461.28	0	-	1461.33	587.93	24.13	-	612.12	873.29

The change in the carrying value of Property, Plant and Equipment for the year ended 31st March 2022 are as follows:-

PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK		
	Balance as at 1 April, 2021	Additions	Disposal	Balance as at 31 March, 2022	Balance as at 1 April, 2021	Depreciation/ amortisation expenses during the year	Eliminated on disposal of assets	Balance as at 31 March, 2022	Balance as at 31 March, 2021
a) Tangible assets									
Freehold Land	657.43	-	-	657.43	-	-	-	657.43	657.43
Buildings	385.14	-	24.72	360.41	275.11	5.53	18.69	261.96	98.45
Plant and Equipments	278.93	98.38	-	377.31	263.58	5.89	-	269.48	110.03
Office Equipments	83.93	7.91	35.36	56.47	79.63	1.36	33.59	47.40	15.35
Furniture and Fixtures	5.55	-	-	5.55	5.30	0.03	-	5.33	4.29
Vehicles	6.60	-	5.45	1.15	5.97	0.08	5.18	0.87	0.26
Total (a)	1417.57	106.23	65.53	1458.33	629.60	12.89	57.45	585.04	787.98
b) Intangible assets									
Computer Software	2.96	-	-	2.96	2.96	-	-	2.96	-
Total (b)	2.96	-	-	2.96	2.96	-	-	2.96	-
Grand Total (a + b)	1420.53	106.29	65.53	1461.28	632.55	12.89	57.45	587.99	787.98

Note

- Intangible assets are not internally generated.

NOTES FORMING PART OF FINANCIAL STATEMENTS

11 Non current investments		
Particulars	As at 31 March 2023	As at 31 March 2022
Long term investments		
Unquoted (Valued at cost unless stated otherwise)		
Investment in Equity Instrument		
Trade		
Investment in equity instruments of subsidiary company	345.18	345.18
33,31,075 (previous year 33,31,075) Equity shares of ₹ 10/- fully paid up of LSC Securities Limited (formerly L.S.E. Securities Limited)		
	345.18	345.18
Aggregate amount of unquoted investments	345.18	345.18
Aggregate provision for diminution in the value of investment	-	-
12 Long-term loans and advances		
Particulars	As at 31 March 2023	As at 31 March 2022
(Unsecured considered good)		
Security deposits	15.32	15.32
Advance income tax { net of provision for tax ' Rs. 7.30 lacs (Previous year Rs. 37.50 lac)}	63.62	50.92
Fair value of Plan Assets (Net) (Refer Note- 35)	0.32	0.99
Loans to Subsidiary	600.00	-
	679.26	67.22
13 Other non-current assets		
Particulars	As at 31 March 2023	As at 31 March 2022
(Unsecured considered good)		
Others :		
Members security:		
- Held as fixed deposits.	144.10	144.55
- Held as members investment	5.89	5.63
Security received from others (held as fixed deposits)	1.77	1.25
Deposits with maturity of more than twelve months	30.00	425.00
Interest accrued on fixed deposits	0.08	9.68
	181.85	586.10
14 Current Investments		
Particulars	As at 31 March 2023	As at 31 March 2022
Investments in bonds (Quoted)		
(Tax free bonds listed on Stock Exchange)		
8.76% 199 (Previous Year- 199) bonds face value of Rs. 5,000/- each of National Housing Bank	11.88	11.88
8.50% 150 (Previous Year- 150) bonds face value of Rs. 1,000/- each of National Highway Authority of India	1.74	1.74
7.35% 999 (Previous Year- 999) bonds face value of Rs. 1,000/- each of National Bank for Agriculture and Rural Development	10.60	10.60

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at 31 March 2023	As at 31 March 2022
7.39% 1,299 (Previous Year- 1299) bonds face value of Rs. 1,000/- each of Housing Urban Development Corporation	13.83	13.83
7.35% 999 (Previous Year- 999) bonds face value of Rs. 1,000/- each of Indian Railway Finance Corporation Limited	10.59	10.59
7.37% 300 (Previous Year- 300) bonds face value of Rs. 1,000/- each of National Highway Authority of India	3.18	3.18
7.43% 100 (Previous Year- 100) bonds face value of Rs. 1,000/- each of National Highway Authority of India	1.06	1.06
7.35% 78 (Previous Year- 78) bonds face value of Rs. 1,000/- each of Power Finance Corporation	0.83	0.83
	53.71	53.71
Aggregate amount of quoted investments	53.71	53.71
Aggregate market value of quoted investments	58.29	62.19
Aggregate provision for diminution in value of other current investment	-	-
The basis of valuation of individual investment	-	-

Fair value of investments in bonds is determined by reference to quotes from the financial institutions, i.e. net asset value (NAV) for investments on bonds declared by stock exchange.

15 Trade receivables

PARTICULARS	As at 31 March 2023	As at 31 March 2022
- Secured, considered good (Refer Note 39)	9.68	6.05
- Unsecured, considered good	-	-
- Doubtful	0.40	0.61
	10.07	6.66
Less - Allowances for doubtful advances	0.40	0.61
	9.68	6.05

16(a) Cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
1) Cash and cash equivalents		
a) Balances with banks		
- In current accounts	17.74	12.73
b) Cheques in hand	0.25	-
c) Cash in hand	0.17	0.27
d) Fixed deposits with banks having original maturity period of less than three months	78.24	-
	96.40	13.00

NOTES FORMING PART OF FINANCIAL STATEMENTS

16(b) Bank Balances other than Cash and Cash Equivalents

Earmarked balances with banks :				
- Dividend account		8.55		10.12
Deposit with maturity of more than three months but less than twelve months	232.80		494.60	
Deposits with maturity of more than twelve months	30.00		425.00	
Less: Shown under other Non-Current assets (Refer note 13)	(30.00)	232.80	(425.00)	494.60
		<u>241.35</u>		<u>504.72</u>

17 Short-term loans and advances

Particulars	As at 31 March 2023		As at 31 March 2022	
(Unsecured considered good)				
Loans and advances to related parties		7.24		0.90
Others:				
Loans and advances to employees'		0.46		0.54
Prepaid expenses		1.49		1.44
Interest accrued on:				
- Fixed deposits	12.37		18.93	
- Bonds	<u>1.10</u>	13.47	<u>1.10</u>	20.04
Other recoverables		0.63		2.26
		<u>23.29</u>		<u>25.18</u>

18 Other Current Assets

Particulars	As at 31 March 2023		As at 31 March 2022	
Members security:				
- Held as fixed deposits		1.33		1.33
		<u>1.33</u>		<u>1.33</u>

19 Revenue from operations

Particulars	For the year ended 31 March 2023		For the year ended 31 March 2022	
Other operating revenues :				
- Membership fee		2.95		2.96
- Transfer fee received		0.74		1.04
- Summer/Winter Training Fee		0.53		-
- Maintenance charges received		100.84		93.97
		<u>105.06</u>		<u>97.98</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS

20 Income from investments and deposits

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest received (Gross):		
- From banks	38.00	50.11
- From current investments	3.77	4.45
- From others	0.39	1.69
- Subsidiary	7.10	-
Dividend income from Non Current Investments		
- Subsidiary	7.49	7.49
	<u>56.76</u>	<u>63.74</u>

21 Other income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Rent received	129.96	107.12
Sundry balances written back	0.69	5.69
Miscellaneous receipts	9.31	7.79
	<u>139.97</u>	<u>120.60</u>

22 Employee benefits expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries and wages	40.33	38.17
Contribution to provident and other funds	5.24	4.96
Staff welfare	2.53	2.31
	<u>48.10</u>	<u>45.44</u>

23 Finance Cost

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest on Income Tax	0.58	1.00
	<u>0.58</u>	<u>1.00</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS

24 Other expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Electricity and water	73.72	87.20
Repairs and maintenance - Plant and machinery	5.68	25.77
Repairs and maintenance - Buildings	0.60	12.21
Insurance	2.32	2.65
Rates and taxes	3.09	3.11
Legal and professional	13.53	13.09
Travelling and conveyance	0.09	0.09
Printing and stationery	0.90	0.61
Payment to auditor's (note no. 34)	2.09	1.86
Meeting expenses	1.41	0.87
Directors' sitting fee	0.25	0.21
Computer Repair & Maintenance	0.11	0.09
Communication expenses	2.80	2.77
Security & Housekeeping Charges	53.69	52.11
Amount paid under Litigation (Refer Note 59)	19.40	-
Miscellaneous	12.54	11.89
Loss on sale of assets	-	0.51
Loss on sale of current investment (Net)	-	0.25
	192.21	215.28

NOTES FORMING PART OF FINANCIAL STATEMENTS

25. **Contingent Liabilities and commitments** Rs. Nil (Previous year nil) (to the extent not provided as no cash flow is expected)
26. The company is a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act, 1956. Accordingly, the company has complied with the Accounting Standards, as applicable to a Small and Medium sized company.
27. The company is presently performing functions of a holding company by coordinating the policy and administration of existing subsidiary apart from providing infrastructure and related services to its members and contributing to the society by providing summer training to the students of various streams.
28. "Current investment is an investment that is by its nature readily realizable and is intended to be held for not more than one year from the date on which investment is made".
The investments shown under the head Current Investments are held for more than one year, which are to be shown as Non Current Investments but as per decision taken by the management of the company these are intended to be held for sale as and when the company needs fund, therefore shown under head "Current Investments."
29. The company has granted the loan amount of Rs. 600 Lacs (Rupee Six Hundred Lacs Only) to the Subsidiary company, M/s. LSC Securities Ltd. Specifically for its principal business activities at interest 8% P.A., initially for the period of 3 years vide Loan Agreement executed on 06.02.2023. This is as per the disclosure required u/s Section 186(4) of The Companies Act, 2013.
30. The intangible asset which comprises of software had been amortized @ 20% on straight line basis as the useful life thereof has been estimated to be not more than five years.
31. **Disclosures required under Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006.**

Particulars	Year ended 31 st March, 2023	Year ended 31 st March, 2022
(a) Amount remaining unpaid to suppliers as at the end of year.		
- Principal amount	-	-
- Interest due thereon	-	-
(b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(d) Interest accrued and remaining unpaid at the end of the year		
- Interest accrued during the year	-	-
- Interest remaining unpaid as at the end of the year	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Note: The amounts have 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.

32. **Related Party Disclosure** In accordance with the accounting standard-18 "Related Party Disclosure"
- a) Disclosure of Related Parties and relation between the party.
Subsidiary: LSC Securities Limited
- b) The following transactions were carried out with related party in the ordinary course of business during the year:

Particulars	Subsidiary	
	Year ended 31 st March, 2023	Year ended 31 st March, 2022
Rent received including Maintenance charges (inclusive of taxes Rs. 8.14 lakhs previous year Rs. 8.14 lacs)	53.34	53.34
Reimbursement of Expenses received	9.69	12.48
Interest Received	7.10	-
Dividend received	7.49	7.49
Due from Subsidiary	7.24	0.90

NOTES FORMING PART OF FINANCIAL STATEMENTS

C) The related party relationship is as identified by the company and relied upon by the auditors.

Transactions with Key Managerial Personnel

Particulars	Year ended	Year ended
	31 st March, 2023	31 st March, 2022
Director's Sitting Fee	0.25	0.21

33. EARNING PER SHARE

The calculation of earning per share (EPS) as disclosed in the statement of profit and loss has been made in accordance with Accounting Standard (AS-20) on "Earnings per Share" notified by Companies (Accounting Standards) Rules, 2006.

Particulars	Year ended	Year ended
	31 st March, 2023	31 st March, 2022
Profit attributable to equity shareholders (Rs. In lakhs) (A)	12.50	162.53
Average number of Basic Equity Shares (B)	59,200	59,200
Average number of Dilutive Equity Shares (C)	59,200	59,200
Basic Earnings Per Share (A/B)	21.12	274.55
Diluted Earnings per Share (A/C)	21.12	274.55
Face Value of Per Equity Share (Rs.)	10.00	10.00

34. Payment to Auditors :

Particulars	Year ended	Year ended
	31 st March, 2023	31 st March, 2022
Audit Fee	1.50	1.25
Tax Audit Fee	0.30	0.30
Certificate Fee	0.10	0.10
Reimbursement of expenses	0.19	0.21

35. In accordance with the Accounting Standard (AS)- 28 on "Impairment of Assets" the company has assessed as on balance sheet date, whether there are any indications (as listed in paragraphs 8 to 10 of the standard) with regards to the impairment of any of the assets. Based on such assessment it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly no impairment loss has been provided in the books of account.

36. Employee Benefits:

The summarized position of post-employment benefits and long term employee benefits recognized in the statement of profit and loss and balance sheet as required in accordance with Accounting Standard – 15 Employee Benefits are as under :-

a) Change in the present value of the obligation:

Particulars	Gratuity (Funded)	
	2022-23	2021-22
Present Value of defined benefit obligation as at beginning of the year.	16.43	15.39
Interest Cost	1.19	1.12
Current Service Cost	0.89	0.86
Benefits Payments	(2.91)	(0.69)
Actuarial Loss / (Gain)	(0.28)	(0.25)
Present Value obligation as at end of the year.	15.32	16.43

NOTES FORMING PART OF FINANCIAL STATEMENTS

b) Change in the Fair Value of Plan Asset:

Particulars	Gratuity (Funded)	
	2022-23	2021-22
Fair value of Plan Assets as at beginning of the year	17.41	16.30
Expected return on Plan Assets	1.26	1.18
Contributions by the company	0.01	0.71
Actual Benefits paid	(2.91)	(0.69)
Actuarial (Loss)/gain	(0.15)	(0.09)
Fair value of Plan Assets as at end of the year	15.63	17.41

c) Amount recognized in Balance Sheet:

Particulars	Gratuity (Funded)	
	2022-23	2021-22
Present value of defined benefit obligation as at end of the year	15.32	16.43
Fair value of Plan Assets as at end of the year	15.63	17.41
Funded Status	0.32	0.99
Net Assets/ (Liability) recognized in Balance Sheet	0.32	0.99

d) Expense Recognized in Statement of Profit and Loss:

Particulars	Gratuity (Funded)	
	2022-23	2021-22
Current service cost	0.89	0.86
Interest cost	1.19	1.12
Expected return on Plan Assets	(1.26)	(1.18)
Net Actuarial Loss/(gain)	(0.13)	(0.16)
Total Expenses recognized in Statement of profit and loss	0.68	0.64

e) Principle actuarial assumptions at the Balance sheet date

Particulars	Gratuity (Funded)	
	2022-23	2021-22
Discount Rate (per annum)	7.25%	7.25%
Rate of increase in compensation levels (per annum)	5.00%	5.00%
Expected Rate of return on plan assets (per annum)	7.25%	7.25%
Expected Average remaining working lives of employees (years)	10.60	10.90
Method Used	Projected Unit Credit Method	Projected Unit Credit Method

- f) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employee market.
- g) During the year, the company has recognized an expense of Rs.3.38 lakhs (previous year Rs.3.18 lakhs/-) in respect of Contribution to Employees Provident Fund.
- h) Plan assets are maintained with Life Insurance Corporation of India (LIC). The details of Investments maintained by LIC have not been furnished to the company. The same have therefore not been disclosed.
- i) Amounts of defined benefits for the current and previous four years are as follows:

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particular	2022-23	2021-22	2020-21	2019-2020	2018-2019
Experience adjustment					
- On plan liabilities loss/(gain)	(0.28)	(0.25)	(0.53)	(0.24)	(0.12)
- On plan assets gain/(loss)	(0.15)	(0.09)	(0.22)	(0.02)	(0.21)
Present value of defined benefit obligations as at the end of the year	15.32	16.43	15.39	16.71	15.07
Fair value of plan assets as at the end of the year	15.63	17.41	16.31	18.04	17.48
Excess / (deficit) of plan assets over obligations	0.32	0.99	0.92	1.32	2.41

37. Figure in brackets indicate deductions. The amount has been rounded off to the nearest rupee in lakhs.

38. The detail of deferred tax liabilities and assets as per Accounting Standard – AS 22 on "Accounting for Taxes on Income" as at the end of each reporting period is as under.

Nature of Timing Difference	Deferred Tax Liability (Assets) as on 01.04.2022	Movement during the year	Deferred Tax Liability (Assets) as on 31.03.2023
Deferred Tax Liabilities			
(i) Related to Property plant and equipments	5.54	3.30	8.84
Less :Deferred Tax Assets	-	-	-
Deferred tax Liability (Net)	5.54	3.30	8.84

No provision for taxation has been made in absence of taxable income as per the provisions of Income Tax Act, 1961.

39. Trade receivables Ageing schedule
(i) As on 31st March, 2023

Particulars	Outstanding for following period from due date of payments						
	Not Due	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade Receivables - Considered Good (Secured)	-	5.37	2.11	1.41	0.35	0.43	9.68
(ii) Undisputed Trade Receivables - Considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered doubtful	-	-	-	-	-	0.40	0.40
Total (A)	-	5.37	2.11	1.41	0.35	0.83	10.07
Allowance for Bad and Doubtful Debts (B)	-	-	-	-	-	(0.40)	(0.40)
Total (A-B)	-	5.37	2.11	1.41	0.35	0.43	9.68

(ii) As on 31st March, 2022

Particulars	Outstanding for following period from due date of payments						
	Not Due	Less than 6 Months	6 Months to 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade Receivables - Considered Good (Secured)	-	4.06	1.31	0.43	0.13	0.11	6.05
(ii) Undisputed Trade Receivables - Considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered doubtful	-	-	-	-	-	0.61	0.61
Total (A)	-	4.06	1.31	0.43	0.13	0.72	6.66
Allowance for Bad and doubtful debts (B)	-	-	-	-	-	(0.61)	(0.61)
Total (A-B)	-	4.06	1.31	0.43	0.13	0.11	6.05

NOTES FORMING PART OF FINANCIAL STATEMENTS

40. Ageing schedule of Trade Payables from due date of payment

(i) As at 31st March, 2023

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	6.29	-	-	-	-	6.29
(iii) Disputed Dues-MSME	-	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	-	-	-
Total	6.29	-	-	-	-	6.29

(ii) As on 31st March, 2022

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	5.48	0.38	-	-	-	5.86
(iii) Disputed Dues-MSME	-	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	-	-	-
Total	5.48	0.38	-	-	-	5.86

41. The lease rent income recognized in the statement of profit and loss during the year amounts to Rs. 129.96 lakhs (previous Year Rs. 107.12 lakhs has been shown under Other Income in note no. 21. The other disclosures in respect of leases are not applicable.
42. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
43. As per Section 124 (6) of the Companies Act, 2013 (Act) provides that all shares in respect of which dividend has not been paid or claimed for 7 consecutive years or more shall be transferred to IEPF. The company has deposited unclaimed dividend of Financial Year 2014-15 during the year (on 03-03-2022) Amounting to Rs. 1.95 lakhs to the Investor Educations and Protection Fund in accordance with the relevant provisions of the Companies Act, 2013 and Rules.

S. No.	Particulars	Numerator	Denominator	31st March 2023	31 st March 2022	% Variance	Remarks
1	Current Ratio	Current Assets	Current Liabilities	7.24	10.16	-28.76%	Decline in ratio is due to decrease of Bank deposits (Current Assets) as loan is given to subsidiary company.
2	Debt service coverage ratio	Net Profit after taxes + Depreciation + interest	Interest + principal repayments	N.A	N.A	N.A	N.A
3	Debt equity ratio	Outstanding borrowings	shareholders' equity	N.A	N.A	N.A	N.A
4	Return on equity ratio	Net profit after taxes	Average shareholders' equity	0.57%	7.56%	-92.46%	Decline in ratio due to decrease in earning after tax caused by absence of Profit on Extraordinary & Exceptional items during the year.
5	Inventory turnover ratio	Cost of goods sold	Average inventory	N.A	N.A	N.A	N.A
6	Trade receivable turnover ratio	Net credit sales	Average accounts receivable	29.88	29.06	2.82%	N.A
7	Trade payables turnover ratio	Net credit purchase	Average Payables	11.38	11.10	2.50%	N.A

NOTES FORMING PART OF FINANCIAL STATEMENTS

8	Net capital turnover ratio	Net sales	working capital	0.52	0.31	66.82%	Increase in ratio is due to decline in average working capital caused by decrease in bank deposits & increase in sale of good and services due to increase in rental income
9	Net profit ratio	Net profit	Net sales	11.90%	165.89%	-92.83%	Decline in ratio due to decrease in net profit during the year due to decline of profit on extraordinary and exceptional items during the year.
10	Return on capital employed	Earning before interest & taxes	Tangible net worth +total debt + Deferred tax liability	1.70%	0.36%	375.02%	Increase in ratio due to increase in earning before interest & tax caused by increase in rental income.
11	Return on investment	Net Profit after taxes	Net block of PPE	1.47%	18.61%	-92.09%	Decline in ratio is due to decrease in Net profit after Tax caused by decrease of Profit on Extraordinary & Exceptions items during the year.

45. The Company has not traded or invested in Crypto currency or Virtual Currency, during the financial year ended 31st March, 2023.
46. The company does not have any Benami property, where any proceeding have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988).
47. The Hon'ble Supreme Court in a ruling during the year 2019 had passed a judgement on the definition and scope of 'Basic Wages' under the Employees' Provident Funds and Miscellaneous Provision Act, 1952. Pending issuance of guidelines by the regulatory authorities on the application of this ruling, the impact on the Company, if any, cannot be ascertained. The Company will update its provision, on receiving further clarity on this subject matter.
48. The Code on Social Security 2020 has been notified in the Official Gazette on 29th September 2020. The effective date from which the changes are applicable is yet to be notified. Impact if any of the change will be assessed and accounted in the period in which said Code becomes effective.
49. The company has not been declared as wilful defaulter by any bank or financial Institution or other lender.
50. The company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
51. There are no loans or advances in the nature of loans are granted to Promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:
- Repayable on demand; or
 - Without specifying any terms or period of repayment
52. The company has not advanced or loaned or invested funds (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding (whether recorded in writing or otherwise) that the Intermediary shall.
- directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
53. The company has not received any fund from any person or entity, including foreign entities (Funding parties) with the understanding (whether recorded in writing or otherwise) that the company shall.
- directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
54. The company does not have any charge or satisfaction which is yet to be registered with ROC beyond the statutory period.
55. The provisions of Section 135 of the Companies Act, 2013 with regard to corporate social responsibility are not applicable
56. The company does not have any such transactions which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
57. The other information required by the paragraph 5 of general instructions for preparation of the statement of profit and loss as per Schedule III of the Companies Act, 2013 is not applicable to the company.
58. Previous year's figures have been recast/regrouped wherever necessary, to make these comparable with current year's figures.
59. The Hon'ble judge (Junior Division), Ludhiana, Vide its decision dated 03-01-2020 has decreed the recovery suit filed by M/S Gimar fibers

NOTES FORMING PART OF FINANCIAL STATEMENTS

Ltd. The company has filed an appeal against the said order.

Subsequently, M/S Girnar fibers Ltd filed a suit for execution of the decree and the Company was advised to pay the decreed amount, under protest, pending outcome of its appeal. Accordingly the company paid an amount of Rs.5.00 lakhs towards Principle and Rs. 14.40 Lakhs towards interest and following the prudent accounting policy the same have been charged to profit and loss and shown under the 'Other Expenses'.

60. **Events occurring after the balance sheet date**

The Company has declared dividend of Rs.51/- per equity share of Rs. 10/- each aggregating Rs.30.19 lakhs for the financial year 2022-23 in its Board meeting held on 30th August 2023 Subject to the approval of shareholders at the ensuing Annual General Meeting.

As per our separate report of even date
For SCV & Co. LLP
Chartered Accountants
Firm Regn. No. 000235N/N500089

(Sanjiv Mohan)
Partner
M. No. 086066

PLACE : LUDHIANA
DATED : 30-08-2023

For and on behalf of the Board of Directors
of Ludhiana Stock and Capital Limited

Sd/-
(Tribhawan Singh Thapar)
Chairperson
(DIN - 00494576)

Sd/-
(Ashok Kumar)
Director
(DIN - 01971376)

Sd/-
(Vikas Batra)
Director
(DIN - 01964260)

Sd/-
(Ashwani Kumar)
Corporate Advisor
(PAN - ACBPK0351M)

Sd/-
(Jaswinder Singh)
Manager Accounts
(PAN - BMTPS3113C)

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS,

Ludhiana Stock and Capital Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of **Ludhiana Stock and Capital Limited** (" hereinafter referred to as the Holding Company") and its Subsidiary (the holding Company and its Subsidiary together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31 March 2023, the Consolidated Statement of Profit and Loss and the Consolidated Statement of Cash flows for the year ended, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated financial Statements").
2. In our opinion and to the best of our information and according to the explanations given to us the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2023, the consolidated statement of profit and its consolidated cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and audit evidence obtained by other auditor in terms of their report referred to in sub paragraph 12 of the other matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Other Information

4. The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If based on the work we have performed, and the report of the other auditor as furnished to us, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

5. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirement of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated 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. The respective Board of Directors of the companies included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 Holding Company, as aforesaid.
6. In preparing the consolidated financial statements, the Board of Directors of the companies included in the group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. The respective Board of Directors of the companies included in the group are responsible for overseeing the Company's financial reporting process of the group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may

CONSOLIDATED INDEPENDENT AUDITOR'S REPORT

involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
10. We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

12. We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets Rs. 25,383.92 lakhs as at 31st March, 2023, total revenue of Rs. 1,425.44 lakhs and net cash inflows amounting to Rs. 5,822.74 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by the other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, is in terms of sub section (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditors.
13. Our opinion on the Consolidated Financial Statements and our report on the Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work and the reports of the other auditor.

Report on Other Legal and Regulatory Requirements

14. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we report that there are no qualifications or adverse remarks included in CARO report in respect of standalone financial statements of the Holding Company which are included in these Consolidated Financial Statements.
15. As required by Section 143(3) of the Act, based on our audit, we report, that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books and the report of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated statement of profit and loss and the Consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account and records 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.
 - (e) On the basis of the written representations received from the directors of the holding company as on 31st March 2023 taken on record by the Board of Directors of the holding company, none of the directors is disqualified as on 31st March 2023 from being appointed as a Director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with 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 Consolidated financial statements disclose the impact, if any, of pending litigations on the Consolidated financial position of the Group. Refer note 27 of Consolidated financial statements.
 - ii) The Group was not required to recognize a provision as at March 31, 2023 under the applicable law or accounting standards, as it

CONSOLIDATED INDEPENDENT AUDITOR'S REPORT

does not have any material foreseeable losses on long-term contract. The Group did not have any derivative contracts as at March 31, 2023.

- iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year.
 - (iv)(a) The respective Managements of the Company and its subsidiaries whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The respective Managements of the Company and its subsidiaries whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiaries whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
 - (v) The dividend declared and paid during the year by the Holding Company is in compliance with Section 123 of the Act.
 - (vi) Proviso to Rule 3(1) of the Companies (Accounts) Rule, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the company with effect from 1st April, 2023 and accordingly, reporting under Rule 11(h) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March, 2023.
16. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, we report that no remuneration has been paid by the group to its directors during the year in accordance with provisions of section 197 of the Act.

For SCV & Co. LLP
Chartered Accountants
F.R. No.: 000235N/N500089

(Sanjiv Mohan)
Partner
M. No.086066

Place: Ludhiana
Date: 30.08.2023

CONSOLIDATED INDEPENDENT AUDITOR'S REPORT ANNEXURE-A

Annexure – “A” TO THE INDEPENDENT AUDITORS REPORT

(Referred to in paragraph 15(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Ludhiana Stock and Capital Limited on the consolidated financial statement for the year ended March 31, 2023.)

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

In conjunction with our audit of the consolidated financial statement of the Company as of and for the year ended 31st March, 2023 have audited the internal financial control over financial reporting of Ludhiana Stock and Capital Limited (“the Holding Company”) and its subsidiary company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding and its Subsidiary company which are incorporated in India, 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors in term of their reports referred to in Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control with reference to these financial statements 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 with reference to these financial statements 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 authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized 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 with reference to these financial statements

Because of the inherent limitations of internal financial controls with reference to these financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In Our opinion, the Holding Company and its subsidiary company, have, in all the material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31 March 2023, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by Institute of Chartered Accountants of India.

For SCV & Co. LLP
Chartered Accountants
F.R. No.: 000235N/N500089

Place: Ludhiana
Date: 30.08.2023

(Sanjiv Mohan)
Partner
M. No.086066

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2023

(All amounts in ₹ Lacs, unless otherwise stated)

Particulars	Note no.	As at 31 March 2023	As at 31 March 2022
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
a) Share capital	2	6.02	6.02
b) Reserves and surplus	3	2,856.07	2,798.35
		<u>2,862.09</u>	<u>2,804.37</u>
2 Minority Interest			
a) Share capital		311.07	311.07
b) Reserves and surplus		999.76	929.34
		<u>1,310.83</u>	<u>1,240.41</u>
3 Non-current liabilities			
a) Long-term borrowings		-	-
b) Deferred tax liabilities (net)	4	7.71	5.49
c) Other long term liabilities	5	433.12	291.18
d) Long-term provisions		-	-
		<u>440.83</u>	<u>296.67</u>
4 Current liabilities			
a) Short-term borrowings		-	-
b) Trade payables	6		
i) total outstanding dues of micro enterprises and small enterprises; and			
ii) total outstanding dues of creditors other than micro enterprise and small enterprise		4,626.97	5,238.93
c) Other current liabilities	7	17,666.28	13,603.44
d) Short-term provisions	8	4.63	4.36
		<u>22,297.88</u>	<u>18,846.72</u>
TOTAL		<u>26,911.62</u>	<u>23,188.18</u>
II ASSETS			
1 Non-current assets			
a) Property, Plant and Equipment and Intangible assets	9		
i) Property Plant and Equipment		881.29	914.98
ii) Intangible assets		12.00	1.08
		<u>893.29</u>	<u>916.06</u>
b) Non-current investments			
c) Long-term loans and advances	10	612.00	677.10
d) Other non-current assets	11	12,644.10	4,489.77
		<u>14,149.39</u>	<u>6,082.92</u>
2 Current assets			
a) Current investments	12	53.71	53.71
b) Inventories	13	0.18	0.08
c) Trade receivables	14	195.50	440.15
d) Cash and cash equivalents	15	11,568.22	14,424.35
e) Short-term loans and advances	16	654.40	568.76
f) Other current assets	17	290.22	1,618.20
		<u>12,762.23</u>	<u>17,105.25</u>
TOTAL		<u>26,911.62</u>	<u>23,188.18</u>

See accompanying notes to the financial statements

As per our separate report of even date
For SCV & Co. LLP
Chartered Accountants
Firm Regn. No. 000235N/N500089

(Sanjiv Mohan)
Partner
M. No 086066

PLACE : LUDHIANA
DATED : 30-08-2023

For and on behalf of the Board of Directors
of Ludhiana Stock and Capital Limited

Sd/-
(Tribhawan Singh Thapar)
Chairperson
(DIN - 00494576)

Sd/-
(Ashok Kumar)
Director
(DIN - 01971376)

Sd/-
(Vikas Batra)
Director
(DIN - 01964260)

Sd/-
(Ashwani Kumar)
Corporate Advisor
(PAN - ACBPK0351M)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2023

(All amounts in ₹ Lacs, unless otherwise stated)

PARTICULARS	Note No.	For the year ended 31st March 2023	For the year ended 31st March 2022
i Revenue from operations	18	354.91	335.91
ii Income from investments and deposits	19	1,198.74	880.63
iii Other income	20	113.78	244.69
iv Total revenue (i + ii +iii)		1,667.43	1,461.23
v Expenses :			
Employee benefits expense	21	172.75	164.68
Finance costs	22	766.70	441.53
Depreciation and amortization expense		45.72	25.67
Other expenses	23	430.25	599.77
Total expenses		1,415.42	1,231.65
vi Profit before exceptional and extraordinary items and tax (iv - v)		252.00	229.58
vii Exceptional items			
Profit on sale of Property Plant and Equipment (Net)		-	137.82
viii Profit before extraordinary items and tax (vi + vii)		252.00	367.40
ix Extraordinary items			
- Unclaimed credit balances written back		-	58.27
x Profit before tax (viii + ix)		252.00	425.67
xi Tax expense :			
- Current tax expense		70.22	57.26
- Deferred tax		2.22	5.48
- Tax expense relating to prior years		14.25	33.25
xii Profit after tax but before minority interest(vi - vii)		165.32	329.68
xiii Minority interest		77.41	84.34
xiv Profit after tax and minority interest(viii- ix)		87.91	245.34
Earnings per share (of Rs. 10/- each)			
- Basic		148.49	414.44
- Diluted		148.49	414.44

See accompanying notes to the financial statements

As per our separate report of even date
For SCV & Co. LLP
Chartered Accountants
Firm Regn. No. 000235N/N500089

(Sanjiv Mohan)
Partner
M. No. 086066

PLACE : LUDHIANA
DATED : 30-08-2023

For and on behalf of the Board of Directors
of Ludhiana Stock and Capital Limited

Sd/-
(Tribhawan Singh Thapar)
Chairperson
(DIN - 00494576)

Sd/-
(Ashok Kumar)
Director
(DIN - 01971376)

Sd/-
(Vikas Batra)
Director
(DIN - 01964260)

Sd/-
(Ashwani Kumar)
Corporate Advisor
(PAN - ACBPK0351M)

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2023

(All amounts in ₹ Lacs, unless otherwise stated)

Particulars	2022-23	2021-22
1. Cash Flow from Operating Activity		
Net Profit Before Tax and Minority Interest	252.00	367.40
Non-Cash & Non-Operating adjustments for:		
Depreciaton and amortisation expense	45.72	25.67
Interest income	(1,198.74)	(880.63)
Finance cost	766.70	441.59
(Gain)/Loss on sale of current investments	-	0.25
Sundry balances written off/ (written back)	(0.69)	(5.69)
Allowances for doubtful debts	-	224.74
Provision for Doubtful debts written back	-	(149.83)
Profit on sale of Property, plant and equipment	-	(137.31)
Operating Profit Before Working Capital changes	(135.01)	(113.81)
Changes in Working Capital:		
Adjustment for (Increase)/Decrease in operating assets:		
Trade receivables	245.02	152.22
Inventory	(0.10)	0.22
Loans and Advances	130.28	(90.93)
Other assets	441.89	1,479.09
Adjustment for Increase/(Decrease) in operating Liabilities:		
Trade Payables	(611.96)	2,144.04
Short term Provisions	0.27	(0.40)
Other Liabilities	4,967.15	3,688.99
Cash Generated/(used) For Operation	5,037.54	7,259.41
Income tax paid (net)	(148.99)	(113.76)
Add: Extraordinary items And Non Recurring Items		
-Proceeds from sale of unclaimed securities	-	58.27
Net Cash generated/(used) From Operating Activity (A)	4,888.55	7,203.93
2 Cash Flow From Investing Activity		
Proceeds from sale of Property, Plant and Equipment	-	
Interest received	1,062.35	614.88
Proceeds from sale of current investments	-	30.43
Purchase of property, plant and equipment	(22.95)	(137.83)
Movement in bank deposits other than cash and cash equivalents	(5,649.59)	(7,087.09)
Movement in earmarked balances	1.61	1.80
Net Cash Flow From Investing Activity (B)	(4,608.59)	(6,577.79)
3. Cash Flow From Financing Activity		
Finance Cost	(641.38)	(237.75)
Dividend Paid	(38.80)	(68.00)
Net Cash Flow From Financing Activity (C)	(680.18)	(305.75)

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2021

4.	Net Increase/(Decrease) in Cash & Cash Equivalents (A)+(B)+(C)	(400.22)	320.38
5.	Opening Balance of Cash & Cash Equivalents	811.05	345.28
6.	Closing Balance of Cash & Cash Equivalents (4)+(5)	410.83	665.66
	Cash and Cash equivalents at the end of the year*		
	*Comprises		
	Cash on hand	0.39	0.49
	Cheques in hand	24.39	43.03
	Balances with Banks:		
	-In current accounts	307.81	767.53
	- Fixed deposits with banks having original maturity period of less than 3 months	78.24	-
		410.83	811.05

As per our separate report of even date
For SCV & Co. LLP
Chartered Accountants
Firm Regn. No. 000235N/N500089

(Sanjiv Mohan)
Partner
M. No. 086066

PLACE : LUDHIANA
DATED : 30-08-2023

For and on behalf of the Board of Directors
of Ludhiana Stock and Capital Limited

Sd/-
(Tribhawan Singh Thapar)
Chairperson
(DIN - 00494576)

Sd/-
(Vikas Batra)
Director
(DIN - 01964260)

Sd/-
(Ashok Kumar)
Director
(DIN - 01971376)

Sd/-
(Ashwani Kumar)
Corporate Advisor
(PAN - ACBPK0351M)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation of Financial Statements

The consolidated financial statements of the company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standard(AS) specified under section 133 of Companies Act, 2013. The financial statements have been prepared on accrual basis under historical cost convention.

b) Use of Estimates

The preparation of consolidated financial statements, in conformity with the generally accepted accounting principles, requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results materialize.

c) Revenue Recognition

- a. Income from Turnover Charges on Stock Broking business is recognized as per contracted rates at the execution of transactions on behalf of customers on the trade date and is reflected net of expenses for Turnover charges and Goods and Service Tax.
- b. Income in respect of zero holding depository accounts is accounted for at the time of reasonable certainty of its collection.
- c. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- d. Dividend from investment is recognized when the right to receive the payment is established.
- e. Fee from training and educational cell is recognized on the accrual basis depending upon the tenure of the training batch.
- f. Insurance and other claims are recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof.
- g. Maintenance charges received are recognized on accrual basis.

d) Property, Plant and Equipment

(I) Tangible Assets

Tangible Assets are stated at cost, less accumulated depreciation. The Cost of an item of tangible assets comprises:

- a) its purchase price and any attributable expenditure (directly or indirectly) for bringing the asset to its working condition for its intended use.
- b) expenditure incurred on renovation/modernization of the existing property, plant and equipment is added to the book value of these assets where such renovation/modernization increases the future benefit from them beyond their previously assessed standard of performance.
- c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period.
- d) Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

(II) Intangible Assets

Intangibles assets are stated at cost less accumulated amount of amortization.

e) Depreciation

Depreciation is provided on Written Down Value method in accordance with and in the manner specified in Schedule II to the Companies Act, 2013.

Depreciation on assets costing Rs. 5000/- or below is charged @ 100% per annum on proportionate basis.

f) Amortization

Intangible assets are amortized on straight line method over their estimated useful life.

g) Inventories

Stock of Stationery is valued at cost. The cost in respect of inventory is computed on FIFO basis.

h) Employee Benefits:

I) Short Term Employee Benefits:

Short Term Employee Benefits are recognized as an expense on an undiscounted basis in the statement of profit and loss of the year in which the related service is rendered. This includes leave encashment which are expected to occur within twelve months after the end of the period in which employee render the related services.

II) Post Employment Benefits:

i) Defined Contribution Plans:

Provident Fund, Employee State Insurance Contribution (ESIC) are defined Contribution Plans:

The contribution to these scheme are made in accordance with the provisions of Employees Provident Fund Act and Miscellaneous Provisions Act, 1952 and Employee State Insurance Corporation and is recognised as an expense in the statement of profit and loss.

ii) Defined Benefit Plans:

Gratuity:

The Group Gratuity Scheme managed by Life Insurance Corporation of India is a defined benefit plan. The liability for gratuity is provided on the basis of actuarial valuation carried out by an independent actuary as at the balance sheet date using projected unit credit method. The

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

present value of the company's obligation is determined on the basis of actuarial valuation at the year end and the fair value of plan assets is reduced from the gross obligations under the gratuity scheme to recognize the obligation on a net basis.

iii) **Actuarial Gain or Loss:**

Actuarial gain or loss is recognized in the statement of profit and loss in the period in which they occur.

i) **Investments.**

Long term investments are carried at cost, less provisions, if any, for diminution in value which is other than temporary. Current investments are carried at lower of cost and fair value.

j) **Borrowing Costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset. Qualifying asset is one that takes substantial period of time to get ready for its intended use. Other borrowing costs, if any, are recognized as an expense in the period in which they are incurred.

k) **Impairment of Assets**

At each balance sheet an assessment is made whether any indication exists that an assets has been impaired. If any such indication exists, an impairment loss i.e. the amount by which the carrying amount of an asset exceeds its recoverable amount is provided in the books of account.

l) **Accounting for Taxes on Income**

The accounting treatment followed for taxes on income is to provide for Current Tax and Deferred Tax. Current Tax is the aggregate amount of income-tax determined to be payable in respect of taxable income for a period in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is the tax effect of timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using tax rate and tax laws enacted or subsequently enacted as at reporting date.

m) **Earning per Share**

Basic earning per share is computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period and weighted average number of equity shares which would be issued on the conversion of all dilutive potential equity shares into equity shares.

n) **Leases**

Company as a lessor

Leases in which the company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a systematic basis over the term of the relevant lease.

o) **Cash flow statement**

The cash flow statement has been prepared using the indirect method in accordance with the Accounting Standard (AS) – 3 "Cash flow statements" prescribed in Companies (Accounts) Rules, 2014.

p) **Cash and cash equivalent**

Cash comprises of cash on hand and demand deposit with banks other than under lien and cash equivalents are short term, highly liquid investment that are readily convertible into known amount of cash and which are subject to insignificant risk of change in value.

q) **Provisions and Contingent Liabilities**

i) Provision is recognized (for liabilities that can be measured by using a substantial degree of estimation when:

- (a) the company has a present obligation as a result of a past event;
- (b) a probable outflow of resources embodying economic benefits is expected to settle the obligation; and
- (c) the amount of the obligation can be reliably estimated

ii) Contingent liability is disclosed in case there is :

- (a) (i) possible obligation that arises from past events and existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise; or
- (ii) a reliable estimate of the amount of the obligation cannot be made.
- (b) a present obligation arising from past events but is not recognized
 - (i) when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) a reliable estimate of the amount of the obligation cannot be made.

r) **Operating Cycles:**

Based on the nature of activities of the company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and noncurrent.

s) **Material Events:**

Material events occurring after the balance sheet date are taken into cognizance in accordance with the principles laid down in AS4 "Contingencies and events occurring after the balance sheet date"

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

2 Share capital

(All amounts in ₹ Lacs, unless otherwise stated)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number	Rs.	Number	Rs.
Authorised :				
Equity shares of Rs.10/- each (par value)	50.00	500.00	50.00	500.00
Total	50.00	500.00	50.00	500.00
Issued :				
Equity shares of Rs. 10/- each	0.70	7.00	0.70	7.00
Total	0.70	7.00	0.70	7.00
Subscribed :				
Equity shares of Rs. 10/- each	0.60	6.02	0.60	6.02
Total	0.60	6.02	0.60	6.02
Paid up :				
Equity shares of Rs. 10/- each	0.60	6.02	0.60	6.02
Less : Forfeited 1,000 equity shares of Rs. 10/- each		0.10		0.10
	0.60	5.92	0.60	5.92
Add : Forfeited shares (Amount originally paid up)		0.10		0.10
Total	0.60	6.02	0.60	6.02

a Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Equity shares	As at 31 March 2023		As at 31 March 2022	
	Number	Rs.	Number	Rs.
At the beginning of the reporting period	0.60	6.02	0.60	6.02
Add: Issued during the period	-	-	-	-
Outstanding at the end of the reporting period	0.60	6.02	0.60	6.02

b. Rights, preferences and restrictions attached to equity shares

The company has one class of shares referred to as equity shares having a par value of Rs. 10/- each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of directors is subject to the approval of the shareholders in the ensuing annual general meeting and then equity shareholder is entitled for dividend.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

During the year ended on 31 March 2023 the company has paid an amount of Rs.30.19 lakhs (Rs. 51 per equity share) as final dividend for the financial year 2021-22 to the equity shareholders of the Company, out of which unpaid dividend is Rs 1.02 lakhs as on 31st March 2023.

Dividend

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividend are recorded as a liability on date of declaration by the Company's Board of Directors.

The amount of per share dividend recognised as distributed to equity shareholders in accordance with Company Act, 2013 is as follows :-

	Year Ended 31 march 2023	Year Ended 31 march 2022
Final Dividend for the year 2022	30.19	-
Final Dividend for the year 2021	-	30.19
Company is required to pay dividend after deducting applicable withholding income tax		

c. Details of shares held by holding company /ultimate holding company their subsidiaries and associates

There is no holding or ultimate holding company of the company.

d. Details of shares held by each shareholder holding more than 5% shares : Nil

e. Aggregate number and class of shares allotted (a) as fully paid up pursuant to contract(s) without payment being received in cash, (b) as fully paid up by way of bonus shares and (c) aggregate number and class of shares bought back during the period of five years immediately preceding the balance sheet date:

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	As at 31 March 2023 Number of shares	As at 31 March 2022 Number of shares
A. Equity shares allotted as fully paid up pursuant to contract (s) without payment being received in cash	-	-
B. Equity shares allotted as fully paid up by way of bonus shares	-	-
C. Equity shares bought back by the Company	-	-
	<u> </u>	<u> </u>

F. Details of Shareholdings by the Promoters and Promoter's Group of the Company

Name	As at 31st March, 2023		As at 31st March, 2022		% change
	No of Shares	% of Total shares	No of Shares	% of Total shares	
Sat Pal Kanwar	240.00	0.41	240.00	0.41	0.00
Subash Chander Jain	120.00	0.20	120.00	0.20	0.00
Total	360.00	0.61	360.00	0.61	0.00

Name	As at 31st March, 2022		As at 31st March, 2021		% change
	No of Shares	% of Total shares	No of Shares	% of Total shares	
Sat Pal Kanwar	240.00	0.00	240.00	0.41	0.00
Subash Chander Jain	120.00	0.00	120.00	0.20	0.00
Raghubir Chand Singal	-	-	190.00	0.32	-0.32
Total	360.00	0.61	550.00	0.93	-0.32

Note: The disclosure of shareholding of Promoter and Promoter's Group is based on shareholding pattern filed on Ludhiana Stock and Capital Ltd Website (lse.co.in).

3 Reserves and surplus

Particulars	As at 31 March 2023	As at 31 March 2022
Capital reserve		
Balance as per last financial statements	1539.67	1539.67
	<u>1539.67</u>	<u>1539.67</u>
Capital redemption reserve		
Balance as per last financial statements	7.90	7.90
	<u>7.90</u>	<u>7.90</u>
Other reserves :		
General reserve		
Balance as per last financial statements	1017.72	1017.72
Add: Transferred from surplus in statement of profit and loss	-	-
	<u>1017.72</u>	<u>1017.72</u>
Share premium		
Balance as per last financial statements	28.62	28.62
Surplus i.e. balance in statement of profit and loss		
Balance as per the last financial statements	204.45	18.30
Add: Profit for the year transferred from statement of profit and loss	87.91	245.35
Less: Appropriations:		
Final dividend on equity shares	30.19	59.20
Closing Balance	<u>262.16</u>	<u>204.45</u>
Total	<u>2856.07</u>	<u>2798.35</u>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

4 Deferred tax liabilities (net) (All amounts in ₹ Lacs, unless otherwise stated)

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred tax liabilities		
Arising on account of accelerated depreciation	8.84	5.54
Deferred tax Assets		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	(1.13)	(0.05)
Net deferred tax	7.71	5.49

5 Other long-term liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Others :		
Retention money	34.35	34.35
Security from members	354.90	233.39
Security Trading Right	17.50	3.50
Security from others	26.37	19.94
	433.12	291.18

6 Trade payables

Particulars	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of micro enterprise and small enterprise (Refer note No. 36)	-	-
Total outstanding dues other than micro enterprise and small enterprise	4626.97	5238.93
	4626.97	5238.93

7 Other current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Income received in advance	14.83	15.17
Unpaid dividend	10.20	11.81
Due to Members	4.75	4.75
Other payables		
- Statutory remittances**	67.34	48.24
- Due to employees	5.75	5.22
- Expense payable	131.98	111.10
- Cheques issued but not presented	0.03	4.28
- Earnest money for membership	0.25	0.25
- Advances from members	6.24	6.24
- Security from members	16943.56	13014.08
- Other advances	0.21	-
- Other payables	-	2.86
- Amount payable against old client ageing	31.24	54.80
- Interest payable on client margin	449.88	324.56
	17666.28	13603.36

** Statutory remittance includes contribution to provident fund, ESIC, tax deducted at source, Goods and service tax etc.
Unpaid dividend does not include any amount due and outstanding required to be credited to Investors' Education and Protection Fund.

8 Short-term provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits :		
- Leave encashment	4.63	4.36
	4.63	4.36

9 PROPERTY, PLANT AND EQUIPMENT

The Change in the carrying value of Property, Plant and Equipment for the year ended 31 March 2023 are as follows:

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION			NET BLOCK		
	Balance as at 1 April, 2022	Additions	Disposal	Balance as at 31 March, 2023	Balance as at 1 April, 2022	Depreciation/ amortisation expenses during the year	Eliminated on disposal of assets	Balance as at 31 March, 2023	Balance as at 31 March, 2023	Balance as at 31 March, 2022
a) Tangible assets										
Freehold Land	657.43	-	-	657.43	-	-	-	-	657.43	657.43
Buildings	360.41	-	-	360.41	261.96	4.76	-	266.72	93.70	98.45
Plant and Equipments	377.31	-	-	77.31	269.48	17.45	-	286.93	90.38	107.83
Office Equipments	305.71	7.59	-	313.31	258.39	18.58	-	276.98	36.33	47.32
Furniture and Fixtures	27.84	0.36	-	28.21	24.18	0.79	-	24.97	3.23	3.66
Vehicles	1.24	-	-	1.24	0.97	0.06	-	1.03	0.22	0.28
Total (a)	1,729.95	7.95	-	1,737.91	814.98	41.64	-	856.62	881.29	914.98
b) Intangible assets										
Computer Software	86.26	15.00	-	101.26	85.18	4.08	-	89.26	12.00	1.08
Total (b)	86.26	15.00	-	101.26	85.18	4.08	-	89.26	12.00	1.08
Grand Total (a + b)	1,816.22	22.95	-	1,839.17	900.16	45.72	-	945.88	893.29	916.06

The Change in the carrying value of Property, Plant and Equipment for the year ended 31 March 2022 are as follows: -

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION			NET BLOCK		
	Balance as at 1 April, 2021	Additions	Disposal	Balance as at 31 March, 2022	Balance as at 1 April, 2021	Depreciation/ amortisation expenses during the year	Eliminated on disposal of assets	Balance as at 31 March, 2022	Balance as at 31 March, 2022	Balance as at 31 March, 2021
a) Tangible assets										
Freehold Land	657.43	-	-	657.43	-	-	-	-	657.43	657.43
Buildings	385.14	-	24.72	360.41	275.11	5.53	18.69	261.96	98.45	110.03
Plant and Equipments	278.93	98.38	-	377.31	263.58	5.89	-	269.48	107.83	15.35
Office Equipments	301.78	39.29	35.36	305.71	280.04	11.95	33.59	258.39	47.32	21.75
Furniture and Fixtures	27.69	0.16	-	27.84	23.14	1.04	-	24.18	3.66	4.55
Vehicles	6.69	-	5.45	1.24	6.06	0.08	5.18	0.97	0.28	0.63
Total (a)	1,657.66	137.83	65.53	1,729.95	847.93	4.50	57.45	814.98	914.98	809.73
b) Intangible assets										
Computer Software	86.26	-	-	86.26	84.01	1.17	-	85.18	1.08	2.25
Total (b)	86.26	-	-	86.26	84.01	1.17	-	85.18	1.08	2.25
Grand Total (a + b)	1,743.92	137.83	65.53	1,816.22	931.94	25.67	57.45	900.16	916.06	811.98

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

10 Long-term loans and advances

Particulars	As at 31 March 2023	As at 31 March 2022
(Unsecured considered good)		
Security deposits	334.32	463.27
Loans and advances to employees	-	-
MAT credit Entitlement	15.63	43.97
Advance income tax { net of provision for tax Rs. 190.98 lakhs (Previous year Rs. 190.30 lakhs)}	256.81	163.96
Fair value of Plan assets	5.23	5.91
	612.00	677.10

11 Other non-current assets

Particulars	As at 31 March 2023	As at 31 March 2022
(Unsecured considered good)		
Others :		
Members security :		
- Held as fixed deposits	144.10	144.55
- Held as members investment	5.89	5.63
Security received from others (as fixed deposits)	1.77	1.25
Non current bank balances*	12250.37	4146.48
Interest accrued on fixed deposits (own funds)	241.96	191.87
	12644.10	4489.77

* Earmarked against margins given to NSE/BSE

12 Current Investments

Particulars	As at 31 March 2023	As at 31 March 2022
Investments in bonds (quoted)		
(Tax free bonds listed on stock exchange)		
8.76% 199 (Previous Year - 199) bonds face value of Rs. 5,000/- each of National Housing Bank	11.88	11.88
8.50% 150 (Previous Year - 150) bonds face value of Rs. 1,000/- each of National Highway Authority of India	1.74	1.74
7.35% 999 (Previous Year - 999) bonds face value of Rs. 1,000/- each of National Bank for Agriculture and Rural Development	10.60	10.60
7.39% 1,299 (Previous Year - 1299) bonds face value of Rs. 1,000/- each of Housing Urban Development Corporation	13.83	13.83
7.35% 999 (Previous Year - 999) bonds face value of Rs. 1,000/- each of Indian Railway Finance Corporation Limited	10.59	10.59
7.37% 300 (Previous Year - 300) bonds face value of Rs. 1,000/- each of National Highway Authority of India	3.18	3.18
7.43% 100 (Previous Year - 100) bonds face value of Rs. 1,000/- each of National Highway Authority of India	1.06	1.06
7.35% 78 (Previous Year - 78) bonds face value of Rs. 1,000/- each of Power Finance Corporation	0.83	0.83
	53.71	53.71
Aggregate amount of quoted investments	53.71	53.71
Aggregate market value of quoted investments	62.19	62.19
Aggregate provision for diminution in value of other current investments	-	-
The basis of valuation of individual investment	-	-
Fair value of investments in bonds is determined by reference to quotes from the financial institutions, i.e net asset value (NAV) for investments in bonds declared by Stock Exchange		

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

13 Inventories

Particulars	As at 31 March 2023	As at 31 March 2022
Inventories (at cost or net realisable value, whichever is lower):		
Stationery stock	0.18	0.08
	<u>0.18</u>	<u>0.08</u>

14 Trade receivables

PARTICULARS	As at 31 March 2023	As at 31 March 2022
- Secured, considered good (Refer note 39)	86.84	336.86
- Unsecured, considered good	108.66	103.29
- Doubtful	0.40	0.61
	<u>195.90</u>	<u>440.75</u>
Less : Allowances for doubtful debts	<u>(0.40)</u>	<u>(0.61)</u>
	<u>195.50</u>	<u>440.15</u>
	<u>195.50</u>	<u>440.15</u>

15 Cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
1. Cash and cash equivalents		
a) Balances with banks		
- In current accounts	307.81	767.53
b) Cash in hand	0.39	0.49
c) Cheques deposited but not cleared	24.39	43.03
d) Fixed deposits with banks having original Maturity period of less than three months	78.24	-
	<u>410.83</u>	<u>811.05</u>
2. Other Bank balances		
a) Earmarked balances with banks :		
- Dividend account	10.20	11.81
- Deposit with maturity of not more than 12 months	10914.28	514.60
- Deposit with maturity of not more than 12 months	12220.37	4146.48
b) Other balances with banks:		
- Deposit with maturity of not more than 12 months	232.90	13086.89
- Deposit with maturity of not more than 12 months	30.00	-
Less : Shown under other Non-Current assets (Refer note 11)	<u>(12250.37)</u>	<u>(4146.48)</u>
	<u>11157.39</u>	<u>13613.30</u>
	<u>11668.22</u>	<u>14424.35</u>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

16 Short-term loans and advances

Particulars	As at 31 March 2023		As at 31 March 2022	
(Unsecured considered good)				
Others:				
Loans and advances to employees		1.36		1.44
Prepaid expenses		52.52		38.61
Interest accrued on :				
- Fixed deposits	567.52		481.22	
- Bonds	<u>1.10</u>	568.62	<u>1.10</u>	482.32
Other recoverables :				
- Considered good	31.89	31.89	46.40	46.40
		<u>654.40</u>		<u>568.76</u>

17 Other current assets

Particulars	As at 31 March 2023		As at 31 March 2022	
Members FDR kept as margin		106.33		399.41
Option margin with NSE		9.81		51.14
Additional surveillance deposit GSM		-		0.77
Margin with edelwiess		-		107.04
Scripts held on behalf of clients		174.08		1,059.84
		<u>290.22</u>		<u>1,618.20</u>

18 Revenue from operations

Particulars	As at 31 March 2023		As at 31 March 2022	
Sale of services :				
- Turnover charges		137.59		160.06
- Depository income		66.76		87.60
Other operating revenues :				
- Membership fee		2.95		2.96
- Summer/ Winter Training Fee		0.53		-
- Transfer fee received		0.74		1.04
- Maintenance Charges received		91.11		84.24
- Relating to National Stock Exchange of India Limited, Mumbai		55.22		-
		<u>364.91</u>		<u>335.91</u>

19 Income from investments and deposits

Particulars	As at 31 March 2023		As at 31 March 2022	
Interest received :				
- From banks (Gross)		1194.58		874.49
- From investment in tax free bonds		3.77		4.45
- From others		0.39		1.69
Dividend income from investments		-		-
		<u>1198.74</u>		<u>880.63</u>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

20 Other income

Particulars	As at 31 March 2023	As at 31 March 2022
Rent received	94.49	71.64
Sundry balances written back	0.69	5.69
Less: Sundry balances written off	-	-
Previous Year Income	-	9.73
Provision for doubtful debts written back	-	149.83
Miscellaneous	18.59	7.79
	<u>113.78</u>	<u>244.69</u>

21 Employee benefits expense

Particulars	As at 31 March 2023	As at 31 March 2022
Salaries and wages	148.64	142.91
Contribution to provident and other funds	15.81	15.26
Staff welfare expenses	5.51	5.13
Contribution/ (Adjustment) to Gratuity Fund	2.79	1.38
	<u>172.75</u>	<u>164.68</u>

22 Finance costs

Particulars	As at 31 March 2023	As at 31 March 2022
Interest Expenses	1.99	2.44
Interest on Self Assessment Tax	-	3.53
Bank Guarantee Charges	9.82	-
Interest paid to clients	754.33	435.11
Other Bank Charges	0.56	0.46
	<u>766.70</u>	<u>441.53</u>

23 Other expenses

Particulars	As at 31 March 2023	As at 31 March 2022
Electricity and water	83.77	97.23
Rent	1.39	2.69
Repairs and maintenance - Plant and machinery	5.68	25.77
Repairs and maintenance - Buildings	1.82	12.62
Insurance	2.37	2.76
Rates and taxes	5.80	5.84
Legal and professional	30.66	30.01
Travelling and conveyance :		
- Others	0.15	0.41
Printing and stationery	3.50	3.72
Auditors' Remuneration :	3.42	3.09
Internal Auditors' Remuneration :		
- Audit fee	2.25	2.25
Meeting expenses	1.78	1.01
Directors' sitting fee	0.25	0.21
Communication expenses	10.09	9.36
Computer Maintenance charges	97.97	46.81
Balances written off	-	224.74
Amount Paid Under Litigation	19.40	-
Security & housekeeping charges	53.69	52.11
Loss on sale of assets	-	0.51
Loss on sale of current investment (net)	-	0.25
Turnover fee to stock exchange	47.37	17.46
Depository and other charges	26.91	32.04
Miscellaneous	31.97	28.87
	<u>430.25</u>	<u>599.77</u>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

24. Consolidation Information:

- i) The consolidated financial statements present the consolidated accounts of Ludhiana Stock and Capital Limited (The Company) with its subsidiary i.e., LSC Securities Limited.
- ii) The holding company holds 51.71% (Previous Year 51.71%) share in the Subsidiary Company.

25. Principles of Consolidation

- i) The financial statements of the Company and its subsidiary are 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 intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements"
- ii) The Consolidated financial statements are prepared using uniform accounting policies for the transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- iii) The difference between the cost of investment and the parent's portion of equity in the subsidiary companies as on the date of the holding-subsidary relationship coming into existence and at anytime thereafter is recognized as capital reserve/goodwill as the case may be.
- iv) Investments made by the parent company in the subsidiary companies subsequent to the holding - subsidiary relationship coming into existence are eliminated while preparing the consolidated financial statements.
- v) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- vi) Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders

26. Consolidated financial statements have been prepared after making the following adjustments: -

- i) The rent received by the holding company amounting to Rs. 38.48 lakhs (previous year Rs. 38.48 lakhs) from its subsidiary company included in the note no. 21 "Other Income" in its individual balance sheet has been eliminated on consolidation.
- ii) The maintenance charges received by the holding company amounting to Rs. 6.73 lakhs (previous year Rs. 6.73 lakhs) respectively from its subsidiary company included in the note no. 20 "Income from investments and deposits" in its individual balance sheet has been eliminated on consolidation.
- iii) The Interest received by the holding company amounting to Rs. 7.10 lakhs (previous year Nil) respectively to its subsidiary company included in the note no. 19 "Revenue from Operation" in its standalone balance sheet has been eliminated on consolidation.
- iv) The dividend received by the holding company amounting to Rs. 7.49 lakhs (previous year Rs. 7.49 lakhs) from its subsidiary company included in note no. 20 "Income from Investments and Deposits" in its individual balance sheet has been eliminated on consolidation.
- v) The parent's portion of the final dividend amounting to Rs. 7.49 lakhs (previous year Rs. 7.49 lakhs) has been reduced from the aggregate of the final dividend as reflected in the financial statement of the subsidiary company, as a result of which the profit carried to the consolidated balance sheet stands increased to that extent.

27. Contingent liabilities in respect of (to the extent not provided for): Nil (Previous year Nil)

(No outflow is expected in view of the past history relating to these items)

In respect of Subsidiary Company:

There are income tax demands amounting to Rs. 125 lakhs which have either been adjusted against the refunds due by the tax authorities or still outstanding. No provision has been made for the same since the management is confident to recover these amounts after rectification of errors in processing of returns.

28. The intangible assets which comprises of software and licenses have been amortized @20% on straight line basis as the useful life thereof has been estimated to be not more than five years.

29. Related Party Disclosure:

- i) Disclosure of Related Parties and relation between the parties.

Key Management Personnel

Mr. Sumit Malhotra

Company Secretary

- ii) The following transactions were carried out with related parties in the ordinary course of business:

Particulars	Key Management Personnel (KMP)	
	2022-23	2021-22
Payment to KMP as remuneration	6.21	4.90
Directors Sitting Fees	0.25	0.21

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

iii) The related party relationship is as identified by the company and relied upon by the auditors

30. In accordance with the Accounting Standard (AS-28) on "Impairment of Assets" the company has assessed as on balance sheet date, whether there are any indications (as listed in paragraphs 8 to 10 of the standard) with regards to the impairment of any of the assets. Based on such assessment it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly, no impairment loss has been provided in the books of account.

31. Earnings Per Share:

The calculation of earnings per share (EPS) as disclosed has been made in accordance Accounting Standard (AS) 20 on "Earnings Per Share" notified by Companies (Accounting Standards) Rules, 2006 :

S.No.	PARTICULARS	2022-23	2021-22
1.	Average Number of Equity Shares of Rs.10/- each (no.)	59200	59200
2.	Net Profit after tax & minority interest attributable to equity share holders (Rs. in lacs)	87.91	245.35
3.	Earnings per share (Basic)	148.49	414.44
4.	Earnings per share (Diluted)	148.49	414.44
5.	Nominal Value of per Equity Share (Rs.)	10/-	10/-

32. The Holding company is presently performing functions of a holding company by coordinating the policy and administration of existing subsidiary apart from providing infrastructure and related services to its members and contributing to the society by providing summer training to the students of various streams.

33. Payment to Auditors:

Particulars	As at 31 st March 2023	As at 31 st March 2022
Audit Fee	2.65	2.30
Tax Audit Fee	0.30	0.30
In other capacity	0.15	0.18
Reimbursement of Expenses	0.32	0.31

34. The accounting policy in respect of Provision for Leave with encashment:

i) In respect of holding company:

The holding company has made provisions for the leave earned by employees during the year on accrual basis.

ii) In Respect of Subsidiary Company:

The Subsidiary company has policy of accumulation of earned leaves and has made provision at the year end based on independent actuarial valuation.

35. "Current investment is an investment that is by its nature readily realizable and is intended to be held for not more than one year from the date on which investment is made".

The investments shown under the head Current Investments are held for more than one year, which are to be shown as Non-Current Investments but as per decision taken by the management of the company these are intended to be held for sale as and when the company needs fund, therefore shown under head "Current Investments."

36. Disclosures required under Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006.

The details relating to micro, small and medium enterprises are as hereunder:

Particulars	Year ended 31 st March, 2023	Year ended 31 st March, 2022
(a) Amount remaining unpaid to suppliers as at the end of year.		
- Principal amount	-	-
- Interest due thereon	-	-
(b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(d) Interest accrued and remaining unpaid at the end of the year		
- Interest accrued during the year	-	-
- Interest remaining unpaid as at the end of the year	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Dues to Micro, Small and Medium Enterprise have been determined to the extent such parties have been identified on the basis of the information collected by the management. This has been relied upon by the auditors.

37. Figures pertaining to the subsidiary company has been regrouped/recast, wherever necessary to bring these in line with the parent company's financial statements.
38. The detail of deferred tax liabilities and assets as per Accounting Standard – AS 22 on "Accounting for Taxes on Income" as at the end of each reporting period is as under.

Nature of Timing Difference	Deferred Tax Liability (Assets) as on 01.04.2022	Movement during the year	Deferred Tax Liability (Assets) as on 31.03.2023
Deferred Tax Liabilities			
(i) Related to Property plant and equipment	5.54	3.30	8.84
Less :Deferred Tax Assets			
Impact of expenditure charged to the statement of profit and loss in current year but allowed for tax purposes on payment basis.	(0.05)	(1.08)	(1.13)
Deferred tax Liability/Asset (Net)	5.49	2.22	7.71

In respect of Holding company no provision for taxation has been made in absence of taxable income as per the provisions of Income Tax Act, 1961.

39. Trade receivables Ageing schedule

(i) As on 31st March, 2023

Particulars	Outstanding for following period from due date of payments						
	Not Due	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade Receivables-Considered Good (Secured)	-	45.20	52.77	16.71	21.64	59.18	195.50
(ii) Undisputed Trade Receivables-Considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables-Considered Good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables- Considered doubtful	-	-	-	-	-	0.40	0.40
Total (A)	-	45.20	52.77	16.71	21.64	59.58	195.90
Allowance for Bad and Doubtful Debts (B)	-	-	-	-	-	(0.40)	(0.40)
Total (A-B)	-	45.20	52.77	16.71	21.64	59.18	195.50

(ii) As on 31st March, 2022

Particulars	Outstanding for following period from due date of payments						
	Not Due	Less than 6 Months	6 Months to 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade Receivables - Considered Good (Secured)	-	317.60	16.61	21.71	20.40	63.82	440.14
(ii) Undisputed Trade Receivables-Considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered doubtful	-	-	-	-	-	0.61	0.61
Total (A)	-	317.60	16.61	21.71	20.40	64.43	440.75
Allowance for Bad and doubtful debts (B)	-	-	-	-	-	(0.61)	(0.61)
Total (A-B)	-	317.60	16.61	21.71	20.40	63.82	440.14

40. Ageing schedule of Trade Payables from due date of payment

(i) As at 31st March, 2023

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	6.29	4559.82	21.70	-	-	4627.82
(iii) Disputed Dues-MSME	-	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	-	-	-
Total	6.29	4559.82	21.70	-	-	4627.82

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(ii) As on 31st March, 2022

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
(i) MSME	-	-	-	-	-	-
(II) Others	5.48	5187.54	45.91	-	-	5238.93
(iii) Disputed Dues-MSME	-	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	-	-	-
Total	5.48	5187.54	45.91	-	-	5238.93

41. FDR's of Rs. 539.88 Lakhs (Prev. Year Rs. 1,011 lakhs) have been pledged with HDFC Bank to secure overdraft facilities to the tune of Rs. 480 Lakhs (Prev. Year Rs.909.90 lakhs). Company also pledged FDR's of Rs.1,000 Lakhs (Prev. Year Rs. Nil) to secure Bank guarantee deposited with National Stock Exchange of India Ltd. amounting to Rs.2,000 Lakhs (Prev. Year Rs. Nil).

The Company has deposited FDRs in its name with National Stock Exchange of India Ltd amounting to Rs. 21,573.03 Lakhs (Prev. Year Rs. 15,750.41 Lakhs), with Edelweiss Custodial Services Limited.(PCM) amounting to Rs. Nil /-(Prev. Year Rs. 25.21 Lakhs) and with BSE Limited amounting to Rs.13.75 Lakhs (Prev. Year Rs.13.75 Lakhs) for Base Minimum/Additional Capital and are shown under the head Fixed Deposit with scheduled banks & FDRs amounting to Rs. 8.00 Lakhs (Previous Year Rs. 8.00 Lakhs) have been kept as Membership Security with NSE for CD Segment.

The Sundry Debtors relating to the Clients Trading in Securities through the Company are secured against their securities lying with the Company and under the Clause 15 of the Tripartite Agreement between LSC Securities Limited and its Sub-Brokers and Clients.

42. The Holding company and its subsidiary company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

43. In respect of Holding Company:

As per Section 124 (6) of the Companies Act, 2013 (Act) provides that all shares in respect of which dividend has not been paid or claimed for 7 consecutive years or more shall be transferred to IEPF. The company has deposited unclaimed dividend of Financial Year 20214-15 during the year Amounting to Rs. 1.95 lakhs to the Investor Educations and Protection Fund in accordance with the relevant provisions of the Companies Act, 2013 and Rules.

In respect of Subsidiary Company:

There are no amounts that are due to be transferred to the Investor Protection Fund in accordance with relevant provisions of the Companies act 2013 and rules made thereunder by the holding company and subsidiary company.

44. **Key Financial Ratios:**

S. No.	Particulars	Numerator	Denominator	31 March 2023	31 March 2022	% Variance	Remarks
1	Current Ratio	Current Assets	Current Liabilities	0.57	0.91	-36.94%	Decrease in ratio is due to decrease in current assets and higher current liabilities.
2	Debt service coverage ratio	Net Profit after taxes + Depreciation + interest	Interest + principal repayments	N.A	N.A	N.A	N.A
3	Debt equity ratio	Outstanding borrowings	shareholders' equity	N.A	N.A	N.A	N.A
4	Return on equity ratio	Net profit after taxes	Average shareholders' equity	3.10%	9.05%	-65.71%	Decline in ratio due to decrease in earning after tax caused by absence of profit on extraordinary and exceptions items during the year.
5	Inventory turnover ratio	Cost of goods sold	Average inventory	N.A	N.A	N.A	N.A
6	Trade receivable turnover ratio	Net credit sales	Average accounts receivable	1.41	0.74	92.11%	Increase in ratio is due to decrease in trade receivable of the subsidiary company
7	Trade payables turnover ratio	Net credit purchase	Average Payables	0.02	0.02	-13.18%	
8	Net capital turnover ratio	Net sales	working capital	-0.08	-0.15	-46.99%	Decline in ratio is due to decrease in average working capital employed of subsidiary company
9	Net profit ratio	Net profit	Net sales	24.77%	73.04%	-66.09%	Decline in ratio is due to decrease in net profit caused by decline of profit on extraordinary & exceptional item during the year.
10	Return on capital employed	Earning before interest & taxes	Tangible net worth + total debt + Deferred tax liability	33.22%	28.88%	15.06%	
11	Return on investment	Net Profit after taxes	Net block of PPE	9.84%	26.78%	-63.26%	Decline in ratio is due to decrease in earning after tax caused by absence of profit on extraordinary & exceptional item during the year.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

45. Events occurring after the balance sheet date

- 1) The Holding Company has declared dividend of Rs. 51/- per equity share of Rs. 10/- each aggregating Rs.30.19 lakhs for the financial year 2022-23 in its Board meeting held on 30th August 2023 Subject to the approval of shareholders at the ensuing Annual General Meeting.
- 2) The Subsidiary Company has in its meeting held on 18.08.2023 Proposed the final dividend of Rs. 0.225 per share(2.25%) for the year ended 31st March, 2023 subject to the approval of shareholders at the 24th AGM. If approved, the final dividend will result in cash flow of Rs. 14.49/- (Rs. in Lacs)
46. The Holding company and Subsidiary company is a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act, 1956. Accordingly, the companies have complied with the Accounting Standards, as applicable to a Small and Medium sized company.
47. The information required by the paragraph 5 of general instructions for preparation of the statement of profit and loss as per Schedule III of the Companies Act, 2013 is not applicable to the Holding company and subsidiary company.
48. Previous year's figures have been regrouped/restated wherever necessary to confirm to its classification of the current year.
49. The Holding and Subsidiary company does not have any such transactions which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
50. The Holding and Subsidiary Company has not traded or invested in Crypto currency or Virtual Currency, during the financial year ended 31st March, 2023.
51. The Holding and Subsidiary company does not have any Benami property, where any proceeding have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45of 1988).
52. The Holding and Subsidiary company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
53. There are no loans or advances in the nature of loans are granted to Promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:
 - (a) Repayable on demand; or
 - (b) Without specifying any terms or period of repayment
54. The Holding and Subsidiary company has not advanced or loaned or invested funds (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding (whether recorded in writing or otherwise) that the Intermediary shall.
 - (a) directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
55. The Holding and Subsidiary company has not received any fund from any person or entity, including foreign entities(Funding parties) with the understanding (whether recorded in writing or otherwise) that the company shall.
 - (a) directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
56. The Holding and Subsidiary company does not have any charge or satisfaction which is yet to be registered with ROC beyond the statutory period.
57. The provisions of Section 135 of the Companies Act, 2013 with regard to corporate social responsibility are not applicable on both Holding and Subsidiary company.
58. Figures in brackets indicate deductions. The amount has been rounded off to the nearest rupees in lakhs.

As per our separate report of even date
For SCV & Co. LLP
Chartered Accountants
Firm Regn. No. 000235N/N500089

(Sanjiv Mohan)
Partner
M. No. 086066

PLACE : LUDHIANA
DATED : 30-08-2023

For and on behalf of the Board of Directors
of Ludhiana Stock and Capital Limited

Sd/-
(Tribhawan Singh Thapar)
Chairperson
(DIN - 00494576)

Sd/-
(Ashok Kumar)
Director
(DIN - 01971376)

Sd/-
(Vikas Batra)
Director
(DIN - 01964260)

Sd/-
(Ashwani Kumar)
Corporate Advisor
(PAN - ACBPK0351M)



LUDHIANA STOCK AND CAPITAL LIMITED

CIN : U67120PB1981PLC004696
Regd Office: Feroze Gandhi Market, Ludhiana-141001

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]

CIN	: U67120PB1981PLC004696
Name of the Company	: LUDHIANA STOCK AND CAPITAL LIMITED
Registered office	: Feroze Gandhi Market, Ludhiana

Name of the member (s):
Registered address:
E-mail ID::
Folio No./ Client ID:
DP ID:

I/We, being the member (s) of _____ shares of the above named company, hereby appoint:

- | | |
|-----------------|-------------------------------------|
| 1) Name:..... | Address: |
| E-mail ID:..... | Signature: or falling him/her |
| 2) Name:..... | Address: |
| E-mail ID:..... | Signature: or falling him/her |
| 3) Name:..... | Address: |
| E-mail ID:..... | Signature: |

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 41st Annual General Meeting of the Company, to be held on the 29th day of September, 2023 (Friday) at 04:30 p.m. at the Registered Office of the Company at 1st Floor, LSE Building, Feroze Gandhi Market, Ludhiana -141001, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Nos.

- 1
- 2
- 3
- 4
- 5
- 6

Affix
Revenue
Stamp

Signature of Shareholder

Signed this..... day of..... 2023

Signature of First Proxy holder

Signature of Second Proxy holder

Signature of Third Proxy holder

Notes:

1. 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.
2. A proxy need not be a member of the Company.
3. A person can act as a 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.
4. Appointing a proxy does not prevent a member from attending the meeting in person, if he/she so wishes.



LUDHIANA STOCK AND CAPITAL LIMITED

CIN : U67120PB1981PLC004696

Regd Office: Feroze Gandhi Market, Ludhiana-141001

ATTENDANCE SLIP

(PLEASE BRING THIS AGM ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL)

Name of first name Shareholder (in block letters) :

Name of Joint Shareholder(s), if any :

Registered Address :

Registered Folio No. /DP Id / Client Id :

No. of Equity Share(s) :

Name of the Proxy/Representative(s), if any :

I hereby record my presence at the 40th Annual General Meeting of the Company, being held on 29th day of September, 2023 (Friday) at 04:30 p.m. at 1st Floor, LSE Building, Feroze Gandhi Market, Ludhiana-141001.

Member's/Proxy's name in Block Letters

Member's/Proxy's Signature

Note: Please fill this attendance slip and hand it over at the entrance of the hall

