

INDEPENDENT AUDITOR'S REPORT

To the Members of
Ludhiana Stock and Capital Limited
(Formerly Ludhiana Stock Exchange 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 31st March 2020, the Statement of Profit and Loss, the Statement of Cash flows for the year then ended, and notes to standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "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 specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, of the state of affairs of the Company as at 31st March 2020, its profit and its cash flows for the year ended on that date.

Basis for Opinion

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 standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone Financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's 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 express any form of assurance conclusion thereon.

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

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 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, 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 is 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 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

INDEPENDENT AUDITOR'S REPORT

continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraph 3 and 4 of the Order.
2. 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;
 - (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, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on 31st March 2020 taken on record by the Board of directors, none of the directors is disqualified as on 31st March 2020 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 the requirements of section 197(16) of the Act,

In our opinion and to best of our information and according to the explanations given to us, we report that no remuneration has been paid by the Company to its directors during the year and therefore provisions of section 197 of the Act are not applicable.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and according to the explanations given to us:
 - i. The company has disclosed the impact of pending litigation on the financial position of the company. (Refer Note 24 to the standalone financial statements).
 - ii. **The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses. (Refer note 39 to the standalone financial statements).**
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. (Refer note 40 to the standalone financial statements).

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

Place: Ludhiana
Date: 07.11.2020

(Sanjiv Mohan)
Partner
M. No.086066

INDEPENDENT AUDITOR'S REPORT ANNEXURE - A

(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)

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
b) According to the information and explanations given to us, the Company has physically verified the assets during the year. No discrepancies were noticed on such physical verification.
c) According to information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
- (ii) The Company has not held any inventory during the year. Therefore the provisions of the paragraph 3(ii) are not applicable to the Company.
- (iii) According to the information and explanations given to us, we report that the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore the provisions of paragraph 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has not granted loans to directors or any other person in whom director is interested and also has not made loans, guarantees or provided security in connection with loan to any person or other body corporate and has not acquired securities of any other body corporate during the financial year. Therefore, the provisions of section 185 and section 186 of the Companies Act, 2013 are not applicable to the Company. Thus paragraph 3(iv) of the Order is not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted deposits covered under the provisions of sections 73 to 76, other relevant provisions of the Companies Act, 2013 and the rules framed thereunder. According to the information and explanations given to us, the order under the aforesaid sections has not been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company.
- (vi) The provisions of paragraph 3(vi) of the Order regarding the maintenance of cost records are not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of the records of the Company examined by us, in our opinion, the Company has been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, cess, goods and service tax and other applicable statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts in respect of statutory dues payable were outstanding as on the last day of the financial year concerned for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us, there are no dues of income tax, duty of custom, cess and other statutory dues 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 based on our examination of the records of the company, the Company has not defaulted in repayment of loan from banks or financial institutions and has also not issued any debentures during the previous year or in the preceding year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not taken any term loan during the year. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year. Therefore the provisions of paragraph 3(ix) are not applicable to the Company.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanation given to us, the Company has not paid managerial remuneration during the year. Therefore the provisions of paragraph 3(xi) of the Order are not applicable.
- (xii) According to the information and explanation given to us, the company is not a Nidhi Company. Therefore the provisions of paragraph 3(xii) of the Order are not applicable.
- (xiii) According to the information and explanations given to us, and based on our examinations of the records of the company, transactions with the related parties are in compliance with section 177 and section 188 of the Act, where applicable and the details of the transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Thus the provisions of paragraph 3(xiv) of the Order are 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 director or person connected with him. Accordingly, provisions of paragraph 3 (xv) of the Order are not applicable.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Place: Ludhiana
Date: 07.11.2020

(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 of even date)

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”)

We have audited the internal financial control over financial reporting of Ludhiana Stock and Capital Limited (“the Company”) as of 31st March 2020 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's 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 the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with respect to these standalone 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”) 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 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 with reference to these standalone 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 with reference to these standalone financial statements, 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 system 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 with reference to these standalone financial statements

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 with reference to these standalone financial statements 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.

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

Place: Ludhiana
Date: 07.11.2020

(Sanjiv Mohan)
Partner
M. No.086066

BALANCE SHEET AS AT 31ST MARCH 2020

(Amount in ₹)

PARTICULARS	Note No.	AS AT 31-03-2020	AS AT 31-03-2019
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
a) Share capital	3	602,000	602,000
b) Reserves and surplus	4	197,143,237	196,437,947
		<u>197,745,237</u>	<u>197,039,947</u>
2 Non-current liabilities			
a) Long-term borrowings		-	-
b) Deferred tax liabilities (Net)	5	106,562	81,721
c) Other long term liabilities	6	19,404,484	18,030,566
d) Long-term provisions		-	-
		<u>19,511,046</u>	<u>18,112,287</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		1,020,894	667,539
c) Other current liabilities	8	7,429,779	8,168,905
d) Short-term provisions	9	57,526	50,287
		<u>8,508,199</u>	<u>8,886,731</u>
TOTAL		<u>225,764,483</u>	<u>224,038,965</u>
II ASSETS			
1 Non-current assets			
a) Property, Plant and Equipment	10		
i) Tangible assets		79,449,575	80,167,383
ii) Intangible assets		-	-
		<u>79,449,575</u>	<u>80,167,383</u>
b) Non-current investments	11	34,517,625	34,517,625
c) Long-term loans and advances	12	10,738,082	10,294,581
d) Other non-current assets	13	21,242,710	26,654,753
		<u>145,947,993</u>	<u>151,634,342</u>
2 Current assets			
a) Current investments	14	10,738,954	6,810,935
b) Inventories		-	-
c) Trade receivables	15	623,472	872,778
d) Cash and cash equivalents	16	696,218	2,109,926
e) Bank balances other than (d) above	16a	63,098,492	59,661,385
f) Short-term loans and advances	17	4,476,137	2,548,576
g) Other current assets	18	183,218	401,022
		<u>79,816,490</u>	<u>72,404,623</u>
TOTAL		<u>225,764,483</u>	<u>224,038,965</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 : 07-11-2020

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

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

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

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

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

Sd/-
(Pankaj Jain)
Manager Accounts
(PAN - AAPPJ9925N)

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2020

				(Amount in ₹)	
PARTICULARS	Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019		
i	Revenue from operations	19	981,259	886,912	
ii	Income from investments and deposits	20	7,000,610	23,962,526	
iii	Other income	21	17,907,623	13,305,832	
iv	Total revenue (i + ii + iii)		<u>25,889,492</u>	<u>38,155,270</u>	
v	Expenses :				
	Employee benefits expense	22	4,434,858	4,227,548	
	Depreciation and amortization expense		740,886	837,294	
	Other expenses	23	19,983,617	19,874,395	
	Total expenses		<u>25,159,361</u>	<u>24,939,237</u>	
vi	Profit/(Loss) before tax (iv - v)		730,130	13,216,033	
vii	Tax expense :				
	- Current tax		-	-	
	- Income Tax relating to prior years			(965,903)	
	- Deferred tax		24,841	67,124	
viii	Profit for the year (vi - vii)		<u>705,289</u>	<u>14,114,812</u>	
	Earnings per share (of Rs. 10/- each) (Refer note no. 32)				
	- Basic		11.91	238.43	
	- Diluted		11.91	238.43	

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 : 07-11-2020

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/-
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(Vikas Batra)
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(DIN - 01964260)

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

Sd/-
(Pankaj Jain)
Manager Accounts
(PAN - AAPPJ9925N)

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2020

(Amount in ₹)

PARTICULARS	2019-20	2018-19
1. Cash Flow from Operating Activity		
Profit before tax	730,130	13,216,033
Adjustments for:		
Depreciation and amortization expenses	740,886	837,294
Interest Income	(6,309,639)	(3,547,160)
Dividend Income	(666,215)	(13,324,300)
Profit on sale of current investments	(24,755)	(7,091,066)
Allowances for doubtful debts	31,642	-
Profit on sale of Property, plant and equipment	-	(80,620)
Sundry balances written back	(228,847)	(321,044)
Operating Profit Before Working Capital changes	(5,726,798)	(10,310,863)
Changes in Working Capital :		
Adjustments for (increase)/decrease in operating assets :		
Trade receivables	217,664	(633,480)
Short Term Loans and Advances	(21,704)	(113,000)
Other current assets	217,804	(341,129)
Long Term loans and advances	108,384	83,745
Other non-current assets	(256,338)	(132,718)
Adjustments for increase/(decrease) in operating liabilities :		
Trade Payables	353,355	44,561
Short Term Provisions	7,239	(21,198)
Other Current Liabilities	(492,011)	934,639
Other long term liabilities	1,373,919	434,521
Cash Generated/(used) For Operations	(4,218,487)	(10,054,922)
Income tax paid (net)	(551,885)	(762)
Net Cash generated/(used) For Operating Activity (A)	(4,770,371)	(10,055,684)
2. Cash Flow From Investing Activity		
Proceeds from sale of Property, Plant and Equipment	-	105,993
Interest received	5,578,895	1,469,184
Dividend received	666,215	13,324,300
Proceeds from sale of Current investments	396,737	69,163,057
Purchase of Current investments	(4,300,000)	-
Purchase of Property, Plant and Equipment	(23,078)	(62,390)
Movement in bank deposits other than cash and cash equivalents	11,475,000	-
Proceeds from encashment of Bank deposits	(10,447,607)	(68,500,000)
Bank Deposits made during the year	10,500	(123,325)
Increase/decrease in earmarked deposits		
Net Cash Flow From Investing Activity (B)	3,356,662	15,376,819

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2020

(Amount in ₹)

PARTICULARS	2019-20	2018-19
3. Cash Flow From Financing Activity		
Dividend Paid	-	(7,276,675)
Net Cash (used in)/generated from Financing Activity (C)	-	(7,276,675)
4. Net Increase/ (Decrease) in Cash and Cash Equivalents (A)+(B)+(C)	(1,413,709)	(1,955,540)
5. Cash and Cash Equivalents at the beginning of the year	2,109,926	4,065,467
6. Cash and Cash Equivalents at the end of the year (4)+(5)	696,218	2,109,926
Cash and Cash equivalents at the end of the year*		
*Comprises		
Cash on hand	43,895	29,315
Cheques in hand	-	784,596
Balances with Banks:		
-In current account	652,323	1,296,015
	696,218	2,109,926

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 : 07-11-2020

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

Sd/-
(Tribhawan Singh Thapar)
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Sd/-
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(DIN - 01964260)

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

Sd/-
(Pankaj Jain)
Manager Accounts
(PAN - AAPPJ9925N)

NOTES FORMING PART OF FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Ludhiana Stock and Capital Limited (Formerly known as Ludhiana Stock Exchange Limited) ("the Company") is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956 on 17.10.1981. The Company is engaged in 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.

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) 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 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 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.

ii) Defined Benefit Plans:

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.

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.

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 2020		As at 31 March 2019	
	Number	Amount (Rs.)	Number	Amount (Rs.)
Authorised :				
Equity shares of Rs.10/- each (par value)	5,000,000	50,000,000	5,000,000	50,000,000
Total	5,000,000	50,000,000	5,000,000	50,000,000
Issued :				
Equity shares of Rs.10/- each	70,000	700,000	70,000	700,000
Total	70,000	700,000	70,000	700,000
Subscribed :				
Equity shares of Rs.10/- each	60,200	602,000	60,200	602,000
Total	60,200	602,000	60,200	602,000
Paid up :				
Equity shares of Rs.10/- each	60,200	602,000	60,200	602,000
Less : Forfeited 1,000 equity shares of Rs.10/- each		10,000		10,000
	60,200	592,000	60,200	592,000
Add : Forfeited shares (Amount originally paid up)		10,000		10,000
Total	60,200	602,000	60,200	602,000

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 2020		As at 31 March 2019	
	Number	Amount (Rs.)	Number	Amount (Rs.)
At the beginning of the reporting period	60,200	602,000	60,200	602,000
Add: Issued during the period	-	-	-	-
Outstanding at the end of the reporting period	60,200	602,000	60,200	602,000

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 2020, the company has paid an amount of Rs. Nil (previous year Rs. 125) per equity share as interim dividend for the financial year 2018-19 to the equity shareholders of the Company.

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:

	As at 31st March 2020	As at 31st March 2019
	Number of shares	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	-	-
	-	-

NOTES FORMING PART OF FINANCIAL STATEMENTS

4 Reserves and surplus

Particulars	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
Capital reserve		
Balance as per last financial statements	152,721,795	152,721,795
	<u>152,721,795</u>	<u>152,721,795</u>
Other reserves :		
General reserve		
Balance as per last financial statements	36,761,316	36,761,316
	<u>36,761,316</u>	<u>36,761,316</u>
Surplus i.e. balance in statement of profit and loss		
Balance as per the last financial statements	6,954,837	240,025
Add : Profit for the year transferred from statement of profit and loss	705,289	14,114,812
	<u>7,660,126</u>	<u>14,354,837</u>
Less : Appropriations :		
Dividend paid (Interim)	-	7,400,000
Closing Balance	<u>7,660,126</u>	<u>6,954,837</u>
Total	<u>197,143,237</u>	<u>196,437,947</u>

5 Deferred tax liabilities

Particulars	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
Deferred tax liabilities		
Impact of difference between book balance and tax balance of Property, plant and equipment	106,562	81,721
	<u>106,562</u>	<u>81,721</u>

6 Other long-term liabilities

Particulars	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
Others :		
Retention money	3,435,054	3,435,054
Security from members	13,975,178	13,743,840
Security from others	1,994,252	851,672
	<u>19,404,484</u>	<u>18,030,566</u>

7 Trade payables

Particulars	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
Total outstanding dues of micro enterprise and small enterprise (Refer note No. 30)	-	-
Total outstanding dues of creditors other than micro enterprise and small enterprise	1,020,894	667,539
	<u>1,020,894</u>	<u>667,539</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS

8 Other current liabilities

Particulars	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
Unpaid dividend	1,150,885	1,161,385
Due to members	475,000	475,000
Other payables		
- Statutory remittances**	102,961	113,250
- Due to employees	299,868	621,016
- Expense payable	299,478	722,874
- Earnest money for membership	25,000	25,000
- Advances from members	2,467,200	2,503,351
- Security from members	2,249,550	2,249,550
- Cheques issued but not yet presented	28,067	7,989
- Other Advances	12,712	8,474
- Other payables	319,058	281,016
	7,429,779	8,168,905

** 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 2020 (Rs.)	As at 31 March 2019 (Rs.)
Provision for employee benefits :		
Leave encashment	57,526	50,287
	57,526	50,287

NOTES FORMING PART OF FINANCIAL STATEMENTS

10 PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK		
	Balance as at 1 April, 2019	Additions	Disposal	Balance as at 31 March, 2020	Balance as at 1 April, 2019	Depreciation/ amortisation expenses during the year	Eliminated on disposal of assets	Balance as at 31 March, 2020	Balance as at 31 March, 2019
a) Tangible assets									
Freehold Land	65,742,904	-	-	65,742,904	-	-	-	65,742,904	65,742,904
Buildings	38,513,591	-	-	38,513,591	26,365,372	586,980	-	11,561,239	12,148,219
Plant and Equipments	27,893,316	-	-	27,893,316	26,147,219	119,122	-	1,626,975	1,746,097
Office Equipments	8,419,982	11,228	-	8,431,210	7,999,372	15,926	-	415,912	420,610
Furniture and Fixtures	543,490	11,850	-	555,340	520,625	4,787	-	29,928	22,865
Vehicles	659,650	-	-	659,650	572,962	14,071	-	72,617	86,688
Total (a)	141,772,933	23,078	-	141,796,011	61,605,550	740,886	-	62,346,436	79,449,575
b) Intangible assets									
Computer Software	295,500	-	-	295,500	295,500	-	-	295,500	-
Total (b)	295,500	-	-	295,500	295,500	-	-	295,500	-
Grand Total (a + b)	142,068,433	23,078	-	142,091,511	61,901,050	740,886	-	62,641,936	80,167,383
Previous year	142,112,036	62,390	105,993	142,068,433	61,144,377	837,294	80,620	61,901,050	80,167,383

Note

- Intangible assets are not internally generated.

NOTES FORMING PART OF FINANCIAL STATEMENTS

11 Non current investments			
Particulars	As at 31 March 2020	As at 31 March 2019	
	(Rs.)	(Rs.)	
Long term investments			
Unquoted (Valued at cost unless stated otherwise)			
Trade			
Investment in equity instruments of subsidiary company	34,517,625	34,517,625	
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)			
	<u>34,517,625</u>	<u>34,517,625</u>	
Aggregate amount of unquoted investments	34,517,625	34,517,625	
12 Long-term loans and advances			
Particulars	As at 31 March 2020	As at 31 March 2019	
	(Rs.)	(Rs.)	
(Unsecured considered good)			
Security deposits	1,531,534	1,531,534	
Advance income tax { net of provision for tax ' Rs. Nil/- (Previous year Rs. Nil/-)}	9,074,181	8,522,296	
Fair value of Plan Assets (Net) (Refer Note- 35)	132,367	240,751	
	<u>10,738,082</u>	<u>10,294,581</u>	
13 Other non-current assets			
Particulars	As at 31 March 2020	As at 31 March 2019	
	(Rs.)	(Rs.)	
(Unsecured considered good)			
Others :			
Members security:			
- Held as fixed deposits.	13,216,878	12,935,540	
- Held as members investment	694,571	694,571	
Security received from others (held as fixed deposits)	124,672	124,672	
Deposits with maturity of more than twelve months	7,000,000	11,475,000	
Recoverable From Customer Protection Fund	-	25,000	
Interest accrued on fixed deposits	206,589	1,399,970	
	<u>21,242,710</u>	<u>26,654,753</u>	
14 Current Investments			
Particulars	As at 31 March 2020	As at 31 March 2019	
	(Rs.)	(Rs.)	
At cost or fair value whichever is less			
Investments in Mutual Funds (Unquoted)			
Nil (Previous Year- 148.923) units of face value of Rs.1000/- each fully paid up of UTI-Treasury Advantage Fund-Institutional Plan- Direct Plan- Growth	-	371,982	
1351.927 units (Previous year - NIL) of face value of Rs.1000 each fully paid up of UTI Liquid Cash Plan - Direct Growth	4,300,000	-	
Investments in bonds (Quoted)			
8.76% 199 (Previous Year- 199) bonds face value of Rs. 5,000/- each of National Housing Bank	1,188,402	1,188,402	

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
8.20% 999 (Previous Year- 999) bonds face value of Rs. 1,000/- each of National Highway Authority of India	1,067,869	1,067,869
8.50% 150 (Previous Year- 150) bonds face value of Rs. 1,000/- each of National Highway Authority of India	173,725	173,725
7.35% 999 (Previous Year- 999) bonds face value of Rs. 1,000/- each of National Bank for Agriculture and Rural Development	1,059,632	1,059,632
7.39% 1,299 (Previous Year- 1299) bonds face value of Rs. 1,000/- each of Housing Urban Development Corporation	1,383,316	1,383,316
7.35% 999 (Previous Year- 999) bonds face value of Rs. 1,000/- each of Indian Railway Finance Corporation Limited	1,058,572	1,058,572
7.37% 300 (Previous Year- 300) bonds face value of Rs. 1,000/- each of National Highway Authority of India	317,707	317,707
7.43% 100 (Previous Year- 100) bonds face value of Rs. 1,000/- each of National Highway Authority of India	106,447	106,447
7.35% 78 (Previous Year- 78) bonds face value of Rs. 1,000/- each of Power Finance Corporation	83,283	83,283
	10,738,954	6,810,935
Aggregate amount of unquoted investments	4,300,000	371,982
Aggregate amount of quoted investments	6,438,954	6,438,954
Aggregate market value of quoted investments	6,975,696	6,832,300
Aggregate provision for diminution in value of other current investments	-	-

15 Trade receivables

PARTICULARS	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
Trade receivables outstanding for a period exceeding six months from the date they are due for payment :		
- Secured, considered good	213,866	252,263
- Unsecured, considered good	83,446	-
- Unsecured, considered doubtful	92,412	60,770
	<u>389,724</u>	<u>313,033</u>
Less : Allowances for doubtful advances	92,412	60,770
	297,312	252,263
Other trade receivables		
- Secured, Considered Good	242,422	620,515
- Unsecured, Considered Good	83,738	-
	<u>326,160</u>	<u>620,515</u>
	623,472	872,778

NOTES FORMING PART OF FINANCIAL STATEMENTS

16 Cash and cash equivalents

Particulars	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
Cash and cash equivalents		
a) Balances with banks		
- In current accounts	652,323	1,296,015
b) Cash in hand	43,895	29,315
c) Cheques in hand	-	784,596
	696,218	2,109,926

16a Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
Other Bank balances		
Earmarked balances with banks :		
- Dividend account	1,150,885	1,161,385
Deposit with maturity of more than three months but less than twelve months	61,947,607	58,500,000
	63,098,492	59,661,385

17 Short-term loans and advances

Particulars	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
(Unsecured considered good)		
Loans and advances to related parties (Refer Note- 31)	79,936	80,907
Others:		
Loans and advances to employees'	63,270	40,653
Prepaid expenses	165,339	178,091
Interest accrued on:		
- Fixed deposits	4,003,425	2,079,257
- Bonds	151,357	151,400
	4,154,782	2,230,657
Other recoverables :		
- Considered good	12,810	18,268
	4,476,137	2,548,576

18 Other Current Assets

Particulars	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
Members security:		
- Held as fixed deposits	183,218	183,218
Balance and deposits with Government Authorities or Others	-	217,804
	183,218	401,022

NOTES FORMING PART OF FINANCIAL STATEMENTS

19 Revenue from operations

Particulars	For the year ended 31 March 2020 (Rs.)	For the year ended 31 March 2019 (Rs.)
Other operating revenues :		
- Membership fee	296,000	300,000
- Transfer fee received	101,696	61,017
- Training and education cell	583,563	525,895
	<u>981,259</u>	<u>886,912</u>

20 Income from investments and deposits

Particulars	For the year ended 31 March 2020 (Rs.)	For the year ended 31 March 2019 (Rs.)
Interest received (Gross):		
- From banks { TDS Rs.5,75,923 /- (previous year Rs. 2,99,403/-)}	5,759,210	2,994,003
- From investment in Bonds	459,407	458,937
- From others	91,022	94,220
Dividend income from Non Current Investments		
- Subsidiary	666,215	13,324,300
Profit on sale of Current Investments		
- Mutual Funds	24,755	7,091,066
	<u>7,000,610</u>	<u>23,962,526</u>

21 Other income

Particulars	For the year ended 31 March 2020 (Rs.)	For the year ended 31 March 2019 (Rs.)
Rent received	8,622,406	4,581,345
Profit on sale of property, plant and equipment	-	80,620
Maintenance charges received	8,570,450	7,870,624
Sundry balances written back	247,115	321,044
Less: Sundry balances written off	<u>(18,268)</u>	<u>-</u>
Miscellaneous receipts	485,920	452,199
	<u>17,907,623</u>	<u>13,305,832</u>

22 Employee benefits expense

Particulars	For the year ended 31 March 2020 (Rs.)	For the year ended 31 March 2019 (Rs.)
Salaries and wages	3,650,948	3,511,109
Contribution to provident and other funds	558,939	502,534
Staff welfare	224,971	213,905
	<u>4,434,858</u>	<u>4,227,548</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS

23 Other expenses

Particulars	For the year ended 31 March 2020 (Rs.)	For the year ended 31 March 2019 (Rs.)
Electricity and water	10,119,025	10,841,215
Repairs and maintenance - Plant and machinery	250,301	783,648
Repairs and maintenance - Buildings	896,965	89,469
Insurance	185,431	201,263
Rates and taxes	296,335	238,480
Legal and professional	1,319,776	1,155,410
Travelling and conveyance	6,668	11,525
Printing and stationery	81,848	73,867
Payment to auditor's (note no. 33)	153,332	133,467
Meeting expenses	61,681	55,349
Directors' sitting fee	21,000	28,000
Communication expenses	202,228	327,527
Allowances for Doubtful Debts	31,642	-
Security charges	4,739,106	4,612,539
Service tax settled and paid under SVLDRS-2019-SC	435,608	-
Training and education cell expenses	63,176	58,503
Miscellaneous	1,119,495	1,264,133
	19,983,617	19,874,395

NOTES FORMING PART OF FINANCIAL STATEMENTS

24. **Contingent Liabilities and commitments** (to the extent not provided as no cash flow is expected)

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

Claims against the company not acknowledged as debt in respect of M/s Girnar Fibres Limited amounting to Rs. 11,07,850/- with the interest @ 6% per annum from the due date of payment till the realization of the amount. M/s GirnarFibres Limited. a public company had filed a recovery suit against the company for the recovery of an amount of Rs. 11,07,850/- being the security deposited with the Ludhiana Stock Exchange (LSE) for listing of its shares when that company came out with Rights cum Public Issue in year 1995. Subsequently a penalty of Rs. 5 lakhs was imposed by LSE on the said Company for non-compliance of some post-listing requirements and breach of Listing Agreement. The said penalty was adjusted against the security deposit and the balance amount of Rs. 6,07,850/- was finally transferred to SEBI on 22.02.2014 to comply with the conditions laid down in Exit Policy.

The Hon'ble court of Civil Judge (Junior Division), Ludhiana, vide its decision dated 03.01.2020, has decreed the recovery suit for the principal amount of Rs. 11,07,850/- with the interest @ 6% per annum from the due date of payment till the realization of the amount. The Company has filed an appeal against the said order.

According to the legal opinion obtained by the company it has been advised that the decision is bad in law and company is not liable to pay the dues claimed by M/s Girnar Fibres Limited. Accordingly no provision has been made for the aforesaid liability in the books of account as the company is confident to get the desired relief.

25. 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.

26. 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.

27. "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."

28.i) The company had received scrips of various companies from members as security against the performance of the contracts, deposited towards Base Minimum Capital(BMC), Additional Base Minimum Capital and other margins etc. Such scrips are lying in the company have been recorded in the memoranda records maintained by the company. No accounting entries passed in the books of account.

ii) In case of defaulters and suspended members the company got the scrips transferred in its name accounting entries for such scrips are made in respect of defaulting members and suspended members by crediting "Members' security (in kind) account" and debiting "Members' investment account." The scrips in such cases have been valued at the quoted price prevailing on the day of tendering of transfer deeds.

29. 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.

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

Particulars	(Amount in Rs.)	
	As at 31 March, 2020	As at 31 March, 2019
Principal amount remaining unpaid to any supplier as at the end of accounting year	-	-
Interest due on remaining unpaid to any supplier as at the end of the accounting year	-	-
The amount of interest paid along with the amounts of the the payment made to the supplier beyond the appointed day during accounting year	-	-
The amount of interest due and payable for the accounting year	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

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.

31. **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

NOTES FORMING PART OF FINANCIAL STATEMENTS

b) The following transactions were carried out with related party in the ordinary course of business during the year:

Particulars	Subsidiary	
	31 March 2020	31 March 2019
Rent received including Maintenance charges (inclusive of taxes Rs.8,13,648/- previous year Rs. 8,13,648/-)	53,33,902	53,33,902
Reimbursement of Expenses received	12,05,752	11,66,683
Dividend received	6,66,215	1,33,24,300
D.P. charges paid	64	485.20
Communication charges paid	9824	Nil
Due from Subsidiary	79,936	80,907

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

32. 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	31 March 2020	31 March 2019
Profit attributable to equity shareholders (Rs.) (A)	7,05,289	1,41,14,812
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)	11.91	238.43
Diluted Earnings per Share (A/C)	11.91	238.43
Face Value of Per Equity Share (Rs.)	10.00	10.00

33. Payment to Auditors:

Particulars	As at 31 March 2020	As at 31 March 2019
Audit Fee	80,000	80,000
Tax Audit Fee	15,000	15,000
Income Tax matters	15,000	15,000
In other capacity	10,000	10,000
Reimbursement of Expenses	33,332	13,467

34. 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.

35. 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) Changes in the present value of obligation:

(Amount in Rs.)

Particulars	Gratuity (Funded)	
	2019-2020	2018-2019
Present Value of defined benefit obligation as at beginning of the year.	15,07,364	14,92,935
Interest Cost	1,05,516	1,15,702
Current Service Cost	93,916	82,131
Benefits Payments	(69,952)	(1,94,712)
Actuarial Loss / (Gain)	34,291	11,308
Present Value obligation as at end of the year.	16,71,135	15,07,364

NOTES FORMING PART OF FINANCIAL STATEMENTS

b) Changes in the Present Value of Plan Asset:

(Amount in Rs.)

Particulars	Gratuity (Funded)	
	2019-2020	2018-2019
Fair value of Plan Assets as at beginning of the year	17,48,115	18,17,431
Expected return on Plan Assets	1,22,368	1,40,851
Contributions by the company	5,222	5,365
Actual Benefits paid	(69,952)	(1,94,712)
Actuarial (Loss)/gain	(2,251)	(20,820)
Fair value of Plan Assets as at end of the year	18,03,502	17,48,115

c) Amount recognized in Balance Sheet :

(Amount in Rs.)

Particulars	Gratuity (Funded)	
	2019-2020	2018-2019
Present value of defined benefit obligation as at end of the year	16,71,135	15,07,364
Fair value of Plan Assets as at end of the year	18,03,502	17,48,115
Funded Status	1,32,367	2,40,751
Net Assets/ (Liability) recognized in Balance Sheet	1,32,367	2,40,751

d) Expense Recognized in Statement of Profit and Loss:

(Amount in Rs.)

Particulars	Gratuity (Funded)	
	2019-2020	2018-2019
Current service cost	93,916	82,131
Interest cost	1,05,516	1,15,702
Expected return on Plan Assets	(1,22,368)	(1,40,851)
Net Actuarial Loss/(gain)	36,542	32,128
Total Expenses recognized in Statement of profit and loss	1,13,606	89,110

e) Principle actuarial assumptions at the balance sheet date :

Particulars	Gratuity (Funded)	
	2019-2020	2018-2019
Discount Rate (per annum)	7.00%	7.75%
Rate of increase in compensation levels (per annum)	5.00%	5.00%
Expected Rate of return on plan assets (per annum)	7.00%	7.75%
Expected Average remaining working lives of employees (years)	10.50	10.70
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.3,22,781/- (previous year Rs.2,64,234/-) in respect of Contribution to Employees Provident Fund.
- h) The 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.

NOTES FORMING PART OF FINANCIAL STATEMENTS

i) Amounts of defined benefits for the current and previous four years are as follows:

	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016
Experience adjustment					
- On plan liabilities loss/(gain)	(24,296)	(11,971)	92,295	(2,54,845)	4,67,040
- On plan assets gain/(loss)	(2,251)	(20,820)	35,638	80,111	-
Present value of defined benefit obligations as at the end of the year	16,71,135	15,07,364	14,92,935	19,54,553	22,07,837
Fair value of plan assets as at the end of the year	18,03,502	17,48,115	18,17,431	19,04,783	19,85,984
Excess / (deficit) of plan assets over obligations	1,32,367	2,40,751	3,24,496	-49,770	(2,21,853)

36. Figures in brackets indicate deductions. The amount has been rounded off to the nearest rupee.

37. 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 01.04.2019	Movement during the year	Deferred Tax Liability (Assets) as on 31.03.2020
Deferred Tax Liabilities			
(i) Related to Property plant and equipments	81,721	24,841	1,06,562
Less :Deferred Tax Assets	-	-	-
Deferred tax Liability (Net)	81,721	24,841	1,06,562

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

38. The lease rent income recognized in the statement of profit and loss during the year amounts to Rs. 86,22,406/- (previous Year Rs. 45,81,345/-) has been shown under Other Income in note no. 21.

39. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

40. The company has deposited unclaimed dividend of the year 2011-12 amounting to Rs. 10,500/- during the year to the Investor Educations and Protection Fund in accordance with the relevant provisions of the Companies Act, 2013 and Rules made thereunder.

41. The Company has elected to exercise option permitted under Section 115BAA of the Income Tax Act, 1961. Accordingly, the Company has recognised provision for income tax and re-measured its deferred tax liability on the basis of the rates prescribed in the said section.

42. Events occurring after the balance sheet date

The company has declared dividend of Rs. 25/- per Equity Share of Rs. 10/- each, aggregating Rs. 14,80,000/- for the financial year 2019-20 in its board meeting held on 7th November, 2020, subject to the approval of shareholders at the ensuing Annual General Meeting.

43. 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 company.

44. Previous year's figures have been recast/regrouped wherever necessary, to make these comparable with current year's figures.

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 : 07-11-2020

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/-
(Pankaj Jain)
Manager Accounts
(PAN - AAPPJ9925N)

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

We have audited the accompanying consolidated financial statements of Ludhiana Stock and Capital Limited ('hereinafter referred to as the Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the group") which comprise the Consolidated Balance Sheet as at 31st March 2020, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Cash flows for the year then ended and notes to the consolidated financial statements, including a summary of the significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act, read with rules 7 of the Companies (Accounts) Rules, 2014, of their consolidated state of affairs of the Company as at 31st March 2020, the consolidated profits and its consolidated cash flow for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's 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 and, in doing so, consider whether the other information is materially inconsistent with the consolidated

financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the consolidated financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 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 ability of the Group to continue as a

CONSOLIDATED INDEPENDENT AUDITOR'S REPORT

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 consolidated financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other Matter

We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets Rs. 171.73 crore as at 31st March, 2020, total revenues of Rs. 4.67 crore and net cash out flows amounting to Rs. 15.20 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub section (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report of the other auditors.

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 auditors and the financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.
 - (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 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 2020 taken on record by the Board of directors of the holding company and the reports of the statutory auditor of its subsidiary company, none of the directors of the Group is disqualified as on 31st March 2020 from being appointed as a Director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our report in "Annexure A".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended

In our opinion and to best of our information and according to the explanations given to us, we report that no remuneration has been paid by the Holding company to its directors, therefore provisions of section 197 of the act are not applicable. As per the report of the auditor of subsidiary company remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the

Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us as well as based on the report of statutory auditor of subsidiary company:

- (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the holding company and subsidiary company. Refer Note 28 to the consolidated financial statements.
- (ii) 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. Refer Note 42 to the consolidated financial statements.
- (iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund, by the holding Company and its subsidiary company. Refer Note 43 to the consolidated financial statements.

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

(Sanjiv Mohan)
Partner
M. No.086066

Place: Ludhiana
Date: 07.11.2020

CONSOLIDATED INDEPENDENT AUDITOR'S REPORT ANNEXURE-A

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

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 statements of the Company as of and for the year ended 31st March 2020, we have audited the internal financial controls over financial reporting of Ludhiana Stock and Capital Limited ("the Holding Company") and its subsidiary company which is company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the holding Company and its subsidiary company which are companies incorporated in India, are 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated 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 with reference to these consolidated financial statements, 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 consolidated financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated 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 consolidated 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 consolidated 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 consolidated financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these consolidated financial statements

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

Opinion

In our opinion, the holding company and its subsidiary company which is a company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting with reference to these financial statements were operating effectively as at 31 March 2020, 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 ICAI.

Other Matter

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to subsidiary company which is company incorporated in India, is based on the corresponding report of the auditor of the said company incorporated in India.

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

Place: Ludhiana
Date: 17.08.2019

(Sanjiv Mohan)
Partner
M. No.086066

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2020

Particulars	Note no.	As at 31 March 2020	As at 31 March 2019
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
a) Share capital	2	602,000	602,000
b) Reserves and surplus	3	240,110,451	239,360,645
		<u>240,712,451</u>	<u>239,962,645</u>
2 Minority Interest			
a) Share capital		31,107,000	31,107,000
b) Reserves and surplus		76,666,137	76,624,567
		<u>107,773,137</u>	<u>107,731,567</u>
3 Non-current liabilities			
a) Long-term borrowings		-	-
b) Deferred tax liabilities (net)	4	-	13,721
c) Other long term liabilities	5	56,505,041	57,126,003
d) Long-term provisions		-	-
		<u>56,505,041</u>	<u>57,139,724</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		226,673,107	165,974,384
c) Other current liabilities	7	1,276,067,003	1,984,573,023
d) Short-term provisions	8	649,918	639,377
		<u>1,503,390,028</u>	<u>2,151,186,784</u>
TOTAL		<u>1,908,380,657</u>	<u>2,556,020,721</u>
II ASSETS			
1 Non-current assets			
a) Property, Plant and Equipment	9		
i) Tangible assets		81,520,685	82,276,082
ii) Intangible assets		342,272	781,052
		<u>81,862,957</u>	<u>83,057,134</u>
b) Non-current investments		-	-
c) Deferred tax asset (net)	10	133,438	-
d) Long-term loans and advances	11	48,382,332	59,513,786
e) Other non-current assets	12	162,307,527	70,581,987
		<u>292,686,254</u>	<u>213,152,907</u>
2 Current assets			
a) Current investments	13	20,738,954	16,810,936
b) Inventories	14	105	13,720
c) Trade receivables	15	86,470,169	106,892,279
d) Cash and cash equivalents	16	203,753,944	26,565,389
e) Bank balances other than (d) above	16a	209,189,092	327,068,585
f) Short-term loans and advances	17	14,697,146	20,764,353
g) Other current assets	18	1,080,844,994	1,844,752,552
		<u>1,615,694,404</u>	<u>2,342,867,814</u>
TOTAL		<u>1,908,380,657</u>	<u>2,556,020,721</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 : 07-11-2020

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)

CONSOLIDATED STATEMENT OF PROFIT & LOSS AS AT 31ST MARCH 2020

Particulars	Note no.	For the year ended 31 March 2020	For the year ended 31 March 2019
i Revenue from operations	19	24,545,776	17,978,526
ii Income from investments and deposits	20	28,030,205	32,292,225
iii Other income	21	14,127,146	9,667,787
iv Total revenue (i + ii +iii)		66,703,127	59,938,538
v Expenses :			
Employee benefits expense	22	18,713,052	19,859,361
Finance costs	23	101,514	61,913
Depreciation and amortization expense		1,742,563	1,962,796
Other expenses	24	40,674,527	34,375,586
Total expenses		61,231,656	56,259,656
vi Profit before exceptional items, tax and minority interest(iv - v)		5,471,470	3,678,882
vii Tax expense :			
- Current tax expense		3,918,000	1,001,000
- Tax expense relating to prior years		22,244	(438,983)
- Deferred tax		(147,159)	(13,876)
viii Profit after tax but before minority interest(vi - vii)		1,678,385	3,130,741
ix Minority interest		791,614	1,130,085
x Profit after tax and minority interest(viii- ix)		886,771	2,000,656
Earnings per share (of Rs. 10/- each)			
- Basic		14.98	33.79
- Diluted		14.98	33.79

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 : 07-11-2020

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)

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2020

(Amount in ₹)

Particulars	2019-20	2018-19
1. Cash Flow from Operating Activity		
Net Profit Before Tax excluding Minority Interest	5,471,470	3,678,882
Non-Cash & Non-Operating adjustments for:		
Depreciaton and amortisation	1,742,563	1,962,796
Interest income	(28,005,450)	(25,201,159)
Finance cost	101,514	61,913
Net (gain) on sale of current investments	(24,755)	(7,091,066)
Net (gain)/loss on sale of property, plant and equipment	-	(80,620)
Sundry balances written back	(228,847)	(321,044)
Allowances for doubtful debts	7,522,927	-
Bad debts written off/(Recovered)	941,538	-
Interest on Income tax Refund		(49,399)
Provision for leave encashment	127,512	234,108
<i>Operating Profit Before Working Capital changes</i>	(12,351,527)	(26,805,589)
<u>Adjusments for (Increase)/Decrease in Operating Assets:</u>		
Trade receivables	11,957,645	21,759,028
Inventory	13,615	(202)
Loans & Advances	10,751,840	6,149,608
Other Assets	56,895,203	5,381,225
<u>Adjustment for Increase/(Decrease) in operating Liabilities:</u>		
Trade and other Payables	60,698,723	(34,464,463)
Provisions	(116,971)	(244,398)
Other Liabilities	3,114,298	(2,168,857)
<i>Cash Generated From Operation</i>	130,962,826	(30,393,648)
Less: Direct Tax expenses	(1,051,885)	(7,695,027)
Cash Flow Before Extra-Ordinary Items	129,910,941	(38,088,675)
Less: Items of exceptional nature		
Compensation paid to CMC Ltd.		-
Net Cash Flow From Operating Activity (A)	129,910,941	(38,088,675)

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2020

(Amount in ₹)

2.	Cash Flow From Investing Activity		
	Sale Proceeds of property, plant and equipment	-	105,993
	Interest Received	25,113,294	20,964,149
	Interest on Income Tax Refund	-	49,399
	Proceeds from sale of current investments	396,737	69,163,056
	Purchase of current investments	(4,300,000)	-
	Purchase of property, plant and equipment	(548,386)	(1,551,839)
	Movement in bank deposits other than cash and cash equivalents		
	Proceeds from encashment of bank deposits	54,525,000	37,775,000
	Bank deposits made during the year	(26,997,607)	(68,457,310)
	Increase/decrease in earmarked deposits	77,100	(257,925)
	Net Cash Flow From Investing Activity (B)	48,266,138	57,790,523
3.	Cash Flow From Financing Activity		
	Finance Cost	(101,514)	(61,913)
	Dividend Paid	(887,009)	(25,015,980)
	Dividend Distribution Tax	-	-
	Net Cash Flow From Financing Activity (C)	(988,523)	(25,077,893)
4.	Net Inc./Dec. in Cash & Cash Equivalents (A)+(B)+(C)	177,188,556	(5,376,045)
5.	Opening Balance of Cash & Cash Equivalents	26,565,389	31,941,434
6.	Closing Balance of Cash & Cash Equivalents (4)+(5)	203,753,944	26,565,389

Cash and Cash equivalents at the end of the year*

*Comprises

Cash on hand	102,289	48,289
Cheques in hand	3,856,664	6,158,256
Balances with Banks:		
-In current accounts	199,794,991	20,358,844
	<u>203,753,944</u>	<u>26,565,389</u>

Notes:

- 1) The figures in brackets represent outflows/adjustments.
- 2) Previous period's figures have been regrouped/reclassified, wherever necessary to confirm to current year presentation.

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 : 07-11-2020

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

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 materialise.

c) Revenue Recognition

- 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.
- Income in respect of zero holding depository accounts is accounted for at the time of reasonable certainty of its collection.
- Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- Dividend from investment is recognized when the right to receive the payment is established.
- Fee from training and educational cell is recognized on the accrual basis depending upon the tenure of the training batch.
- 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

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

- its purchase price and any attributable expenditure (directly or indirectly) for bringing the asset to its working condition for its intended use.
- 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.
- 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.
- 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.

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) Amortisation

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

g) Inventories

Stock of Stationery is valued at cost or net realisable value whichever is lower. 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 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:

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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 capitalised 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 recognised 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

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number	Rs.	Number	Rs.
Authorised :				
Equity shares of Rs. 10/- each (par value)	5,000,000	50,000,000	5,000,000	50,000,000
Total	5,000,000	50,000,000	5,000,000	50,000,000
Issued :				
Equity shares of Rs. 10/- each	70,000	700,000	70,000	700,000
Total	70,000	700,000	70,000	700,000
Subscribed :				
Equity shares of Rs. 10/- each	60,200	602,000	60,200	602,000
Total	60,200	602,000	60,200	602,000
Paid up :				
Equity shares of Rs. 10/- each	60,200	602,000	60,200	602,000
Less : Forfeited 1,000 equity shares of Rs. 10/- each		10,000		10,000
	60,200	592,000	60,200	592,000
Add : Forfeited shares (Amount originally paid up)		10,000		10,000
Total	60,200	602,000	60,200	602,000

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 2020		As at 31 March 2019	
	Number	Rs.	Number	Rs.
At the beginning of the reporting period	60,200	602,000	60,200	602,000
Add: Issued during the period	-	-	-	-
Outstanding at the end of the reporting period	60,200	602,000	60,200	602,000

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.

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:

	As at 31 March 2020 Number of shares	As at 31 March 2019 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	-	-
	-	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

3 Reserves and surplus

Particulars	As at 31 March 2020 Rs.	As at 31 March 2019 Rs.
Capital reserve		
Balance as per last financial statements	153,966,787	153,966,787
	<u>153,966,787</u>	<u>153,966,787</u>
Capital redemption reserve		
Balance as per last financial statements	790,460	790,460
	<u>790,460</u>	<u>790,460</u>
Other reserves :		
General reserve		
Balance as per last financial statements	41,771,592	41,771,592
Add: Transferred from surplus in statement of profit and loss	60,000,000	-
	<u>101,771,592</u>	<u>41,771,592</u>
Share premium		
Balance as per last financial statements	2,862,000	2,862,000
Surplus i.e. balance in statement of profit and loss		
Balance as per the last financial statements	39,969,806	48,107,999
Add : Profit for the year transferred from statement of profit and loss	886,771	2,000,656
Less : Appropriations :		
Interim dividend on equity shares	-	7,400,000
Corporate dividend tax (Refer note 27(v))	136,965	2,738,849
Transferred to general reserve	60,000,000	-
Closing Balance	<u>(19,280,388)</u>	<u>39,969,806</u>
Total	<u>240,110,451</u>	<u>239,360,645</u>

4 Deferred tax liabilities (net)

Particulars	As at 31 March 2020 Rs.	As at 31 March 2019 Rs.
Deferred tax liabilities		
Impact of difference between book balance and tax balance of Property, Plant and Equipment	-	33,721
On account of excess allowance U/S 40A(7) of The Income Tax Act, 1961	-	143,000
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	-	(163,000)
Net deferred tax	<u>-</u>	<u>13,721</u>

5 Other long-term liabilities

Particulars	As at 31 March 2020 Rs.	As at 31 March 2019 Rs.
Others :		
Retention money	3,435,054	3,435,054
Security from members	51,075,735	52,839,277
Security from others	1,994,252	851,672
	<u>56,505,041</u>	<u>57,126,003</u>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

6 Trade payables

Particulars	As at 31 March 2020 Rs.	As at 31 March 2019 Rs.
Total outstanding dues of micro enterprise and small enterprise (Refer note No. 37)	-	-
Total outstanding dues other than micro enterprise and small enterprise	226,673,107	165,974,384
	226,673,107	165,974,384

7 Other current liabilities

Particulars	As at 31 March 2020 Rs.	As at 31 March 2019 Rs.
Income received in advance	1,642,607	1,726,856
Unpaid dividend	1,316,485	1,393,585
Due to Members	475,000	475,000
Other payables		
- Statutory remittances**	1,816,601	2,974,016
- Due to employees	299,868	621,016
- Expense payable	7,954,245	5,648,040
- Cheques issued but not presented	4,776,695	5,560,115
- Earnest money for membership	25,000	25,000
- Advances from members	2,467,200	2,503,351
- Security from members	1,250,552,294	1,959,139,157
- Other payables	4,741,008	4,506,887
	1,276,067,003	1,984,573,023

** 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 2020 Rs.	As at 31 March 2019 Rs.
Provision for employee benefits :		
- Leave encashment	649,918	639,377
	649,918	639,377

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Amount in Rs.)

9 PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK	
	Balance as at 1 April, 2019	Additions	Disposal	Balance as at 1 April, 2019	Depreciation/ amortisation expenses during the year	Eliminated on disposal of assets	Balance as at 31 March, 2020	Balance as at 31 March, 2019
a) Tangible assets								
Freehold Land	65,742,904	-	-	-	-	-	65,742,904	65,742,904
Buildings	38,513,591	-	-	26,365,371	586,980	-	11,561,240	12,148,220
Plant and Equipments	27,893,316	-	-	26,147,221	119,122	-	1,626,973	1,746,095
Office Equipments	29,281,200	522,236	-	27,442,533	412,245	-	1,948,658	1,838,667
Furniture and Fixtures	2,649,412	26,150	-	1,938,726	170,227	-	566,609	710,686
Vehicles	669,465	-	-	579,956	15,209	-	74,300	89,509
Total (a)	164,749,888	548,386	-	82,473,807	1,303,783	-	81,520,685	82,276,082
b) Intangible assets								
Computer Software	8,626,131	-	-	7,845,079	438,780	-	342,272	781,052
Total (b)	8,626,131	-	-	7,845,079	438,780	-	342,272	781,052
Grand Total (a + b)	173,376,019	548,386	-	90,318,886	1,742,563	-	81,862,957	83,057,134
Previous year	171,930,173	1,551,839	105,993	88,436,710	1,962,796	80,620	83,057,134	-

Notes

- Intangible assets are not internally generated.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

10 Deferred tax assets (net)

Particulars	As at 31 March 2020 Rs.	As at 31 March 2019 Rs.
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	167,000	-
Deferred tax liabilities		
Impact of difference between book balance and tax balance of Property, Plant and Equipment	(1,438)	-
On account of excess allowance U/S 40A(7) of The Income Tax Act, 1961	35,000	-
Net deferred tax	133,438	-

11 Long-term loans and advances

Particulars	As at 31 March 2020 Rs.	As at 31 March 2019 Rs.
(Unsecured considered good)		
Security deposits	26,401,534	36,405,603
Loans and advances to employees	992,759	914,107
MAT credit Entitlement	8,272,984	9,547,282
Advance income tax { net of provision for tax Rs. 39,18,000 (Previous year Rs. 1,32,35,906/-)}	12,455,103	11,887,612
Fair value of Plan assets	259,952	759,182.00
	48,382,332	59,513,786

12 Other non-current assets

Particulars	As at 31 March 2020 Rs.	As at 31 March 2019 Rs.
(Unsecured considered good)		
Others :		
Members security :		
- Held as fixed deposits	13,216,878	12,935,540
- Held as members investment	694,571	694,571
Security received from others (as fixed deposits)	124,672	124,672
Non current bank balances	144,800,000	54,525,000
Recoverable From Customer Protection Fund	-	-
Less : Allowances for doubtful debts	-	25,000
Interest accrued on fixed deposits (own funds)	3,471,406	2,277,204
	162,307,527	70,581,987

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

13 Current Investments

Particulars	As at 31 March 2020 Rs.	As at 31 March 2019 Rs.
Investments in Mutual Fund (unquoted)		
Nil (Previous Year- 148.923) units of face value of Rs.1000/- each fully paid up of UTI-Treasury Advantage Fund-Institutional Plan- Direct Plan- Growth	-	371,982
1351.927 units (Previous year - NIL) of face value of Rs.1000 each fully paid up of UTI Liquid Cash Plan - Direct Growth	4,300,000	-
20842.817 Units (Previous Year 20842.817) of Rs. 10/- each fully paid up of ICICI Prudential Mutual fund Liquid Direct Growth	5,000,000	5,000,000
1551.223 Units (Previous Year 1551.223) of Rs. 10/- each fully paid up of HDFC Mutual Fund Liquid Direct Growth	5,000,000	5,000,000
Investments in bonds (quoted)		
8.76% 199 (Previous Year- 199) bonds face value of Rs. 5,000/- each of National Housing Bank	1,188,402	1,188,402
8.20% 999 (Previous Year- 999) bonds face value of Rs. 1,000/- each of National Highway Authority of India	1,067,869	1,067,869
8.50% 150 (Previous Year- 150) bonds face value of Rs. 1,000/- each of National Highway Authority of India	173,725	173,725
7.35% 999 (Previous Year- 999) bonds face value of Rs. 1,000/- each of National Bank for Agriculture and Rural Development	1,059,632	1,059,632
7.39% 1,299 (Previous Year- 1299) bonds face value of Rs. 1,000/- each of Housing Urban Development Corporation	1,383,316	1,383,316
7.35% 999 (Previous Year- 999) bonds face value of Rs. 1,000/- each of Indian Railway Finance Corporation Limited	1,058,572	1,058,572
7.37% 300 (Previous Year- 300) bonds face value of Rs. 1,000/- each of National Highway Authority of India	317,707	317,707
7.43% 100 (Previous Year- 100) bonds face value of Rs. 1,000/- each of National Highway Authority of India	106,447	106,447
7.35% 78 (Previous Year- 78) bonds face value of Rs. 1,000/- each of Power Finance Corporation	83,283	83,283
	20,738,954	16,810,936
Aggregate amount of unquoted investments	14,300,000	10,371,982
Aggregate amount of quoted investments	6,438,954	6,438,954
Aggregate market value of quoted investments	6,975,696	6,832,300
Aggregate provision for diminution in value of other current investments	-	-

Also Refer Note No. 36

14 Inventories

Particulars	As at 31 March 2020 Rs.	As at 31 March 2019 Rs.
Inventories (at cost or net realisable value, whichever is lower):		
Stationery stock	105	13,720
	105	13,720

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

15 Trade receivables

PARTICULARS	As at 31 March 2020 Rs.	As at 31 March 2019 Rs.
Trade receivables outstanding for a period exceeding six months from the date they are due for payment :		
- Secured, considered good	14,611,592	
- Unsecured, considered good	15,066,016	
- Unsecured, considered doubtful	7,583,697	
	<u>37,261,305</u>	-
Less : Allowances for doubtful debts	<u>(7,583,697)</u>	57,558,334
Other trade receivables		
- Secured, Considered Good	45,199,205	
- Unsecured, Considered Good	11,593,356	
	<u>56,792,561</u>	49,333,945
	<u>86,470,169</u>	<u>106,892,279</u>

16 Cash and cash equivalents

Particulars	As at 31 March 2020 Rs.	As at 31 March 2019 Rs.
Cash and cash equivalents		
a) Balances with banks		
- In current accounts	199,794,991	20,358,844
b) Cash in hand	102,289	48,289
c) Cheques deposited but not cleared	3,856,664	6,158,256
	<u>203,753,944</u>	<u>26,565,389</u>

16a Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2020 Rs.	As at 31 March 2019 Rs.
Other Bank balances		
Earmarked balances with banks :		
- Dividend account	1,316,485	1,393,585
- Deposit with maturity of not more than one year	138,925,000	260,175,000
Deposit with maturity of more than three months but less than twelve months	68,947,607	65,500,000
	<u>209,189,092</u>	<u>327,068,585</u>

17 Short-term loans and advances

Particulars	As at 31 March 2020 Rs.	As at 31 March 2019 Rs.
(Unsecured considered good)		
Others:		
Loans and advances to employees	262,899	306,684
Prepaid expenses	3,134,986	3,086,062
Interest accrued on :		
- Fixed deposits	10,141,194	
- Bonds	151,357	
	<u>10,292,551</u>	14,165,674
Other recoverables :		
- Considered good	1,006,710	3,205,933
	<u>14,697,146</u>	<u>20,764,353</u>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

18 Other current assets

Particulars	As at 31 March 2020 Rs.	As at 31 March 2019 Rs.
(Unsecured considered good)		
Accrued interest on deposits with IL & FS	55,057	33,808
Margins collected by IL & FS	15,700,000	15,700,000
Margin collected by BSE	100,000	100,000
Balances and deposits with Government Authorities	-	217,804
Members FDR kept as margin	431,869,650	528,327,789
Members scrips kept as margin	481,283,156	612,402,266
Option margin with NSE	35,582,657	-
Additional surveillance deposit GSM	4,912	-
Margin with edelwiess	7,716,093	-
Scrips held on behalf of clients	108,533,469	687,970,885
	<u>1,080,844,994</u>	<u>1,844,752,552</u>

19 Revenue from operations

Particulars	For the year ended 31 March 2020 Rs.	For the year ended 31 March 2019 Rs.
Sale of services :		
- Turnover charges	11,752,238	9,747,452
- Depository income	11,727,762	7,339,535
Other operating revenues :		
- Membership fee	296,000	300,000
- Transfer fee received	101,696	61,017
- Income from training and education cell(net of Expenses)	583,563	525,895
- Recovery from members (BSE)	71,962	4,099
- Recovery from members (NSE)	12,555	528
	<u>24,545,776</u>	<u>17,978,526</u>

20 Income from investments and deposits

Particulars	For the year ended 31 March 2020 Rs.	For the year ended 31 March 2019 Rs.
Interest received :		
- From banks (Gross){ TDS `Rs. 27,04,643 /-(previous year Rs. 24,11,531/-)}	27,046,405	24,510,746
From investment in tax free bonds	459,407	458,937
- From others	499,638	231,476
Gain on sale of Current Investments		
- Mutual Funds	24,755	7,091,066
	<u>28,030,205</u>	<u>32,292,225</u>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

21 Other income

Particulars	For the year ended 31 March 2020 Rs.	For the year ended 31 March 2019 Rs.
Rent received	4,774,906	733,845
Gain on sale of property, plant and equipment	-	80,620
Maintenance charges received	7,897,700	7,197,874
Sundry balances written back	247,115	
Less: Sundry balances written off	(18,268)	
Miscellaneous	1,225,693	1,334,404
	14,127,146	9,667,787

22 Employee benefits expense

Particulars	For the year ended 31 March 2020 Rs.	For the year ended 31 March 2019 Rs.
Salaries and wages	15,902,116	17,012,598
Contribution to provident and other funds	2,273,160	2,230,488
Staff welfare expenses	537,776	616,275
	18,713,052	19,859,361

23 Finance costs

Particulars	For the year ended 31 March 2020 Rs.	For the year ended 31 March 2019 Rs.
Interest expense on :		
- Borrowings	28,282	54,968
- Other	32,058	-
Other borrowing costs	41,174	6,945
	101,514	61,913

24 Other expenses

Particulars	For the year ended 31 March 2020 Rs.	For the year ended 31 March 2019 Rs.
Advertisement	21,400	37,200
Electricity and water	11,078,525	11,800,589
Repairs and maintenance - Plant and machinery	250,301	783,648
Repairs and maintenance - Buildings	896,965	89,469
Insurance	575,621	671,073
Rent	337,479	425,849
Rates and taxes	569,235	511,202
Legal and professional	1,796,476	1,620,960
Travelling and conveyance :		
- Others	72,165	103,362
Printing and stationery	4,409,492	5,172,759
Auditors' Remuneration :	265,042	226,699
Internal Auditors' Remuneration :		
- Audit fee	225,000	225,000
- Reimbursement of expenses	-	5,200
Meeting expenses	72,253	71,991
Directors' sitting fee	21,000	28,000
Communication expenses	1,210,711	1,868,163
Allowances for Doubtful Debts	7,522,927	-
Bad Debts	941,538	-
Service tax settled and paid	435,608	-
Prior period items (net)	8,000	196,738
Security charges	4,739,106	4,612,539
Training and education cell expenses	63,176	58,503
Turnover fee to stock exchange	834,979	1,682,673
Depository and other charges	1,872,318	1,848,873
Miscellaneous	2,455,210	2,335,096
	40,674,527	34,375,586

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

25. 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.

26. Principles of Consolidation

- i) The financial statements of the Company and its subsidiary companies 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 recognised 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.

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

- i) The rent received by the holding company amounting to Rs. 38,47,500/- (previous year Rs. 38,47,500/-) 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.6,72,750/- (previous year Rs.6,72,750/-) respectively from its subsidiary company included in the note no. 21 "Other Income" in its individual balance sheet has been eliminated on consolidation.
- iii) The dividend received by the holding company amounting to Rs. 6,66,215/- (previous year Rs. 1,33,24,300/-) from its subsidiary company included in note no. 20 "Income from Investments and Deposits" in its individual balance sheet has been eliminated on consolidation.
- iv) The parent's portion of the final dividend amounting to Rs. 6,66,215/- (previous year Rs. 1,33,24,300/-) 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.
- v) Dividend distribution tax of Rs. 1,36,965 (previous year Rs. 27,38,849) paid on dividend distributed to holding company has been shown as appropriation under head Surplus in the Schedule of Reserves and Surplus.

28. Contingent liabilities in respect of (to the extent not provided for) :

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

Claims against the company not acknowledged as debt in respect of M/s Ginnar Fibers Limited amounting to Rs. 11,07,850/- with the interest @ 6% per annum from the due date of payment till the realization of the amount. M/s Ginnar Fibres Limited, a public company had filed a recovery suit against the company for the recovery of an amount of Rs. 11,07,850/- being the security deposited with the Ludhiana Stock Exchange (LSE) for listing of its shares when that company came out with Rights cum Public Issue in year 1995. Subsequently a penalty of Rs. 5 lakhs was imposed by LSE on the said Company for non-compliance of some post-listing requirements and breach of Listing Agreement. The said penalty was adjusted against the security deposit and the balance amount of Rs. 6,07,850/- was finally transferred to SEBI on 22.02.2014 to comply with the conditions laid down in Exit Policy.

The Hon'ble court of Civil Judge (Junior Division), Ludhiana, vide its decision dated 03.01.2020, has decreed the recovery suit for the principal amount of Rs. 11,07,850/- with the interest @ 6% per annum from the due date of payment till the realization of the amount. The Company has filed an appeal against the said order.

According to the legal opinion obtained by the company it has been advised that the decision is bad in law and company is not liable to pay the dues claimed by M/s Ginnar Fibres Limited. Accordingly no provision has been made for the aforesaid liability in the books of account as the company is confident to get the desired relief.

The subsidiary company did not have any pending litigation, therefore there is no impact on the financial position of the company.

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

30. Related Party Disclosure:

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

Key Management Personnel

Mr. Pritpal Singh	Chief General Manager cum Whole Time Director
Mr. Shiv Ram Mishra	Company Secretary(till 18.09.2019)
Mr. Sumit Malhotra	Company Secretary(from 19.09.2019)

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

Particulars	Key Management Personnel (KMP)	
	2019-2020	2018-2019
Payment to KMP as remuneration	13,72,052	13,60,611

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

31. 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.

32. Earnings Per Share:

The calculation of earning 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	2019-20	2018-19
1.	Average Number of Equity Shares of ` 10/- each (no.)	59200	59200
2.	Net Profit after tax & minority interest attributable to equity shareholders (`)	8,86,771	20,00,656
3.	Earnings per share (Basic)	14.98	33.79
4.	Earnings per share (Diluted)	14.98	33.79
5.	Nominal Value of per Equity Share (`)	10/-	10/-

33. 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.

34. Payment to Auditors:

Particulars	As at 31 st March 2020	As at 31 st March 2019
Audit Fee	1,75,000	1,70,000
Tax Audit Fee	15,000	15,000
Income Tax matters	15,000	15,000
In other capacity	15,000	10,000
Reimbursement of Expenses	45,042	16,699

35. 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.

36. "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."

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

Particulars	(Amount in ₹)	
	As at 31st March, 2020	As at 31st March, 2019
Principal amount remaining unpaid to any supplier as at the end of accounting year	-	-
Interest due on remaining unpaid to any supplier as at the end of the accounting year	-	-
The amount of interest paid along with the amounts of the the payment made to the supplier beyond the appointed day during accounting year	-	-
The amount of interest due and payable for the accounting year	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

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.

38. In respect of Holding Company:

The lease rent income recognized in the statement of profit and loss during the year amounts to Rs. 86,22,406/- (previous Year Rs. 45,81,345/-) has been shown under Other Income in note no. 21.

In respect of subsidiary Company:

All rent/lease agreements are cancellable on the instance of both lessor and lessee hence disclosure of information as per the provisions of AS-19 is not applicable.

39. Figures pertaining to the subsidiary company has been regrouped/recast, wherever necessary to bring these in line with the parent company's financial statements.

40. 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 01.04.2019	Movement during the year	Deferred Tax Liability (Assets) as on 31.03.2020
Deferred Tax Liabilities			
(i) Related to Property plant and equipment	13,721	19,841	33,562
(ii) Related to excess allowance u/s 40A(7) of the Income Tax Act, 1961			
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.	-	(1,67,000)	(1,67,000)
Deferred tax Liability/Asset (Net)	13,721	(1,44,159)	(1,33,438)

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.

41. FDR's of Rs. 74300000 (Prev. Year Rs.74300000) have been pledged with HDFC Bank to secure overdraft facilities to the tune of Rs. 64344000 (P/Y Rs. 64300000).

The Company has deposited FDRs in its name with National Stock Exchange of India Ltd amounting to Rs. 18,75,00,000/-(Prev. Year Rs. 22,37,00,000), with MCX amounting to Rs. 7,50,000/- (Prev. Year Rs. 7,50,000), with Edelweiss Custodial Services Limited, (PCM) amounting to Rs. 1,20,00,000/-(Prev. Year Rs. NIL) and with BSE Limited amounting to Rs. 13,75,000/- (Prev. Year Rs 23,75,000) for Base Minimum/Additional Capital and are shown under the head Fixed Deposit with scheduled banks & FDRs amounting to Rs. 8,00,000 (Previous Year Rs.8,00,000) 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:

The company has deposited unclaimed dividend of the year 2011-12 amounting to Rs. 10,500/- during the year to the Investor Educations and Protection Fund in accordance with the relevant provisions of the Companies Act, 2013 and Rules made thereunder.

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. The Holding Company has elected to exercise option permitted under Section 115BAA of the Income Tax Act, 1961. Accordingly, the Company has recognized provision for income tax and re-measured it's deferred tax liability on the basis of the rates prescribed in the said section.

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

The Holding company has declared dividend of Rs. 25/- per Equity Share of Rs. 10/- each, aggregating Rs. 14,80,000/- for the financial year 2019-20 in its board meeting held on 7th November, 2020, subject to the approval of shareholders at the ensuing Annual General Meeting.

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.

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 : 07-11-2020

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)



LUDHIANA STOCK AND CAPITAL LIMITED

(Formerly Ludhiana Stock Exchange 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:, or falling him/her |

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 38th Annual General Meeting of the Company, to be held on Saturday, the 12th day of December, 2020 at 12:00 Noon 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

Affix
Revenue
Stamp

Signature of Shareholder

Signed this..... day of..... 2020

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 so wishes.



LUDHIANA STOCK AND CAPITAL LIMITED

(Formerly Ludhiana Stock Exchange 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 38th Annual General Meeting of the Company, being held on 12th day of December, 2020, Saturday at 12:00 Noon 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

