

# NOTICE OF ANNUAL GENERAL MEETING



## LUDHIANA STOCK AND CAPITAL LIMITED

(Formerly Ludhiana Stock Exchange Limited)

CIN : U67120PB1981PLC004696

Regd. Office : Feroze Gandhi Market, Ludhiana

Tel.: 0161-2405756, 4662014, 4663014

Website : www.lse.co.in, E-mail : lse\_cs@rediffmail.com

### NOTICE

Notice is hereby given that the 40<sup>th</sup> Annual General Meeting of the Shareholders of Ludhiana Stock and Capital Limited (Formerly Ludhiana Stock Exchange Limited) will be held on 30<sup>th</sup> September, 2022, Friday at 04:00 P.M. at the registered office of the Company situated at 1<sup>st</sup> floor, LSE Building, Feroze Gandhi Market, Ludhiana to transact the following businesses:-

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt :-
  - a) The Audited Standalone Financial Statement of the Company for the financial year ended 31<sup>st</sup> March, 2022 together with the Reports of the Board of Directors and Auditors thereon; and
  - b) The Audited Consolidated Financial Statement of the Company for the financial year ended 31<sup>st</sup> March, 2022 and Reports of Auditors thereon.
2. To declare a dividend on Equity Shares of the Company for the financial year ended 31<sup>st</sup> March, 2022.
3. To appoint Mr. Sanjeev Gupta, Director cum Vice-Chairperson, (DIN:- 00412914) as a Director liable to retire by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Mr. Ashok Kumar, Director, (DIN:- 01971376) as a Director liable to retire by rotation and, being eligible, offers himself for re-appointment.

#### **SPECIAL BUSINESS:**

5. To approve the limits for giving Loan(s) to Subsidiary Company, M/s. LSC Securities Limited, in excess of the limits prescribed under Section 186 of the Companies Act, 2013.

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

“**RESOLVED THAT** pursuant to the provisions of Section 186 and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with the Companies (Meetings of Board and its Powers) Rules, 2014, including any statutory modification(s) thereto or re-enactment(s) thereof, for the time being in force, and subject to such other consents, permissions, approvals, as may be required in that behalf, and in terms of the Articles of Association of the Company, the approval of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board”, which term shall be deemed to include, unless the context otherwise requires, any committee of the Board or any officer(s) authorized by the Board to exercise the powers conferred on the Board under this resolution), of the Company to give loan(s) to its Subsidiary Company, M/s. LSC Securities Limited, having CIN: U67120PB2000PLC054428, as the Board may in its absolute discretion deem beneficial and in the interest of the Company, subject however that the aggregate of the loans, proposed to be given along with the existing investments, loans, guarantees/securities, inter corporate deposits shall not exceed the sum of Rs. 20 Crores (Rupees Twenty Crores) over the limit of sixty per cent of paid-up share capital, free reserves and securities premium account of the Company or one hundred per cent of its free reserves and securities premium account, whichever is more, as prescribed under Section 186 of the Companies Act, 2013.

## NOTICE OF ANNUAL GENERAL MEETING

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

6. To approve the giving of Loan(s) to Subsidiary Company, M/s. LSC Securities Limited, under Section 185 of the Companies Act, 2013.

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

“**RESOLVED THAT** pursuant to the provisions of Section 185 and all other applicable provisions, if any of the Companies Act, 2013 read with the Companies (Amendment) Act, 2017 and Rules made thereunder, including any statutory modification(s) thereto or re-enactment(s) thereof, for the time being in force, and subject to such other consents, permissions, approvals, as may be required in that behalf, the approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include, unless the context otherwise requires, any committee of the Board or any officer(s) authorized by the Board to exercise the powers conferred on the Board under this resolution), to give loan(s) to its Subsidiary Company, M/s LSC Securities Limited, having CIN: U67120PB2000PLC054428, within the limits approved by the Shareholders of the Company u/s 186 of the Companies Act, 2013, from time to time, in their absolute discretion as may be deemed beneficial and in the interest of the Company, provided that such loans are utilized by the Subsidiary Company for its principal business activities.

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

By order of the Board  
of Ludhiana Stock and Capital Limited  
(Formerly Ludhiana Stock Exchange Limited)

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

Registered office :  
Feroze Gandhi Market, Ludhiana  
CIN: U67120PB1981PLC004696  
Email: lse\_cs@rediffmail.com

PLACE : LUDHIANA  
DATED : 29-08-2022

# NOTICE OF ANNUAL GENERAL MEETING

## IMPORTANT NOTES

1. **A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a Poll instead of himself / herself and the proxy need not be a member of the Company.**

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

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

- 1A. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Proxies submitted on behalf of the body corporates, must be supported by an appropriate resolution/authority, as applicable, issued on behalf of the appointing organization. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.
- 1B. Every Corporate Member who intends to send its authorized representative to attend the meeting, is requested to send a duly certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing its representative to attend and vote at the Annual General Meeting.
2. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto and forms part of this notice.
3. To fill the vacant position(s) of the Director(s), if any, members of the company may file nominations for the post(s) of Director(s) along with fee of Rs. 1,00,000 by way of Cheque/DD (which shall be refunded if the person proposed gets elected as a director or gets more than twenty-five per cent of total valid votes cast on such resolution) up to 15<sup>th</sup> September, 2022 (Thursday), till 04:00 p.m., at the Registered Office of the Company.
4. The Company's Share Transfer Books and the Register of Members will remain closed from 29<sup>th</sup> September, 2022 (Thursday) to 30<sup>th</sup> September, 2022 (Friday) (both days inclusive).
5. The dividend on equity shares as recommended by the Board of Directors, if approved at the Annual General Meeting, will be paid to the members, whose names shall appear in Register of Members as on 28<sup>rd</sup> September, 2022 (Wednesday) or Register of Beneficial Owners, maintained by the Depositories at the close of 28<sup>rd</sup> September, 2022 (Wednesday).
6. The requirement to place the matter relating to appointment of Auditors for ratification by Members at every Annual General Meeting is done away vide Notification S.O. 1833(E) dated 7<sup>th</sup> May, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of the appointment of Auditors, who were appointed at 37<sup>th</sup> Annual General Meeting held on 27<sup>th</sup> September, 2019 for the period of 5 (five) consecutive years from conclusion of 37<sup>th</sup> Annual General Meeting till the conclusion of 42<sup>nd</sup> Annual General Meeting.
7. Pursuant to the provisions of Section 124 (5) of the Companies Act, 2013 read with rules made thereunder, the company has transferred all unclaimed dividend, which remain unclaimed for a period of 7 years, declared for the financial years 2009-10, 2010-11, 2011-12 & 2014-15 to Investor Education & Protection Fund (IEPF) established by the Central Government.
8. Section 124 (6) of the Companies Act, 2013 read with rules made thereunder provides that years or more shall be transferred by the company in the name of Investor Education & all shares in respect of which dividend has not been paid or claimed for seven consecutive Protection Fund. Further, section 125 of the Companies Act, 2013 provides that a shareholder whose dividend amount/shares have been transferred to the IEPF shall be entitled to claim refund there from. Concerned members/investors are advised to visit the weblink: <http://www.iepf.gov.in/IEPF/corporates.html> or contact the Company for lodging claim for refund of shares and / or dividend from the IEPF Authority (Web Form IEPF-5). In line with the IEPF Rules, the company would initiate steps for transfer of such shares, if any, to IEPF.
9. Members are requested to write to the Company at least 10 Days before Annual General Meeting for obtaining any information as regards to Accounts/ Queries on Annual Report, so that the same could be complied with in advance.
10. For convenience of the members and for proper conduct of the meeting, entry to the place of meeting will be regulated by the attendance slip, which is annexed to the Notice. Members/Proxies/Authorised Representatives should bring attendance slips, duly filled and signed for attending the meeting and handover the same at the entrance of the venue of the meeting.
11. In case of joint holders, the member whose name appears as the first holder or higher in the order of names as per the Register of Members of the Company will be entitled to vote.
12. A route map showing directions to the venue of the 40<sup>th</sup> AGM is given at the end of this Notice as per the requirement of the Secretarial Standard-2 on "General Meetings."

# NOTICE OF ANNUAL GENERAL MEETING

## 13. REQUEST TO SHAREHOLDERS:

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

Further, pursuant to the Finance Act, 2021, dividend income is taxable in the hands of the Shareholders and the Company is required to deduct tax at source from dividend paid to Members at the prescribed rates. Hence, Members are requested to submit self-attested copies of their PAN Cards.

- d. Members who have not registered their e-mail addresses so far are requested to register/ update their e-mail addresses for receiving all communications including Annual Report, Notices, Circulars etc. In respect of shares held in demat mode, e-mail addresses can be registered with depository and members who hold shares in physical form are requested to register their e-mail addresses with Beetal Financial and Computer Services Private Limited, Registrar & Share Transfer Agents of the Company.
- e. Pursuant to the Companies (Prospectus and Allotment of Securities) Third Amendment Rules, 2018, every unlisted public company is required to facilitate dematerialisation of all its existing securities. The Company has been registered with Central Depository Services (India) Limited (CDSL). The members can avail the Depository Services of CDSL. The ISIN of the company is INE562H01024.
- f. Members / Beneficial Owners are requested to quote their full names as per Company's record, Folio Nos. /DP and Client ID Nos., as the case may be, in all correspondence with the Company.
- g. Members are requested to quote their e-mail IDs and contact nos. for prompt replies to their communications.
- h. Members who have not yet encashed their dividend warrants for financial years 2015-16, 2016-17, 2017-18, 2018-19, 2019-20 & 2020-21 are requested to make their claims to the Company without delay. The names of shareholders, whose unpaid/unclaimed dividend have been pending and are placed at company's website- [www.lse.co.in](http://www.lse.co.in).
- i. Electronic copy of Annual Report for F.Y. 2021-22 is uploaded on the Company's website [www.lse.co.in](http://www.lse.co.in). Members can also access the financial statement of the Subsidiary Company i.e. LSC Securities Limited at the web-link: [www.lse.co.in/pdf/SUBSIDIARY\\_FINANCIAL\\_STATEMENT\\_2021-22.pdf](http://www.lse.co.in/pdf/SUBSIDIARY_FINANCIAL_STATEMENT_2021-22.pdf)

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following statement sets out all material facts relating to the business mentioned in item nos. 5 & 6 of the accompanying Notice.

### **ITEM NOS. 5 & 6**

The management of M/s. LSC Securities Ltd. having CIN: U67120PB2000PLC054428, Subsidiary of the Company [hereinafter referred to as "Subsidiary Company"] approached our Company vide its letter dated 18.08.2022 to give loan facility to the extent of Rs. 8 crores.

Earlier, the Company was approached by its Subsidiary for the assistance from our company by way of providing the securities/guarantees in favour of banks, financial institutions or other lenders in order to secure the various facilities which was to be provided by these banks, financial institutions or lenders to the subsidiary for further expansion of its principal business activities.

Accordingly, the Company had already obtained approvals from the members of the Company pursuant to the provisions of Section 185 & 186 of the Companies Act ('Act') by way of passing Special Resolutions through Postal ballot process on 27.08.2021 subject, however, that the aggregate of the guarantees/securities proposed to be given along with the existing investments, loans, inter corporate deposits shall not exceed the sum of Rs. 20 Crores (Rupees Twenty Crores) over the limit of sixty per cent of paid-up share capital, free reserves and securities premium account of the Company or one hundred per cent of its free reserves and securities premium account, whichever is more, as prescribed under Section 186 of the 'Act'.

Thereafter, the management of LSC Securities Ltd. has found such process as cumbersome involving numerous formalities like furnishing of personal undertakings by the Directors, Corporate Guarantee etc. Consequently, it has now requested our Company to give loan facility to extent of Rs. 8 Crores in view of the intricacies faced by it for taking the guarantee/security.

In order to give Loan facility to the Subsidiary Company, the Company must require approvals from the members pursuant to the provisions of Section 185 & 186 of the 'Act' by way of passing Special Resolutions.



# NOTICE OF ANNUAL GENERAL MEETING

The Board of Directors of M/s. LSC Securities Ltd., has affirmed in its proposal that the borrowing funds shall be utilized for principal business activities of the Company.

Section 186(7) of the 'Act' stipulates that no loan shall be given at a rate of interest lower than the prevailing yield of one year, three year, five year or ten year Government Security closest to the tenure of the loan.

In terms of the applicable/amended Section 185 of the 'Act', a company may advance any loan, including any loan represented by a book debt, to any person in whom any of the Directors of the Company is interested or deemed to be interested, or give any guarantee or provide any security in connection with any loan taken by any such person, subject to the condition that approval of the shareholders of the Company is obtained by way of passing a Special Resolution and requisite disclosures are made in the Explanatory Statement.

The Board of Directors considers it in the interest of the Company and recommends resolution as set out in item Nos. 5 & 6 for approval of the members of the Company by way of passing Special Resolution(s).

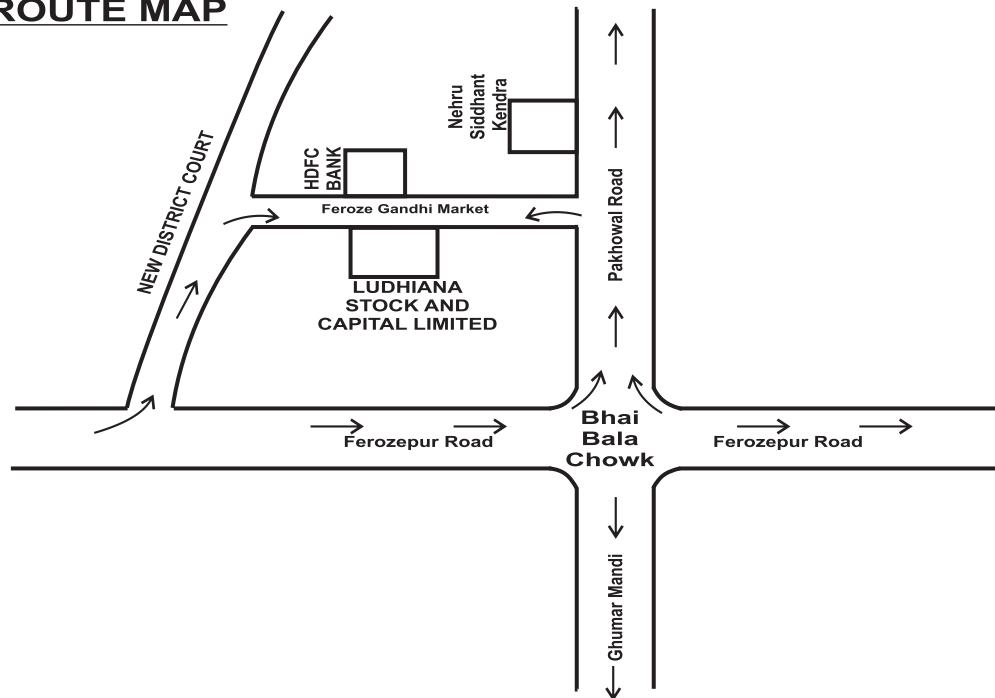
None of the Directors, Key Managerial Personnel of the Company or their relatives or any of other officials of the Company as contemplated in the provisions of Section 102 of the Companies Act, 2013 is, in any way, financially or otherwise, concerned or interested in the resolution(s), except Mr. Tribhawan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

By order of the Board  
of Ludhiana Stock and Capital Limited  
(Formerly Ludhiana Stock Exchange Limited)

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

PLACE : LUDHIANA  
DATED : 29-08-2022

## ROUTE MAP



# DIRECTORS' REPORT

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

Your Directors present the 40<sup>th</sup> Annual Report of your company together with the Audited Standalone and Consolidated Financial Statements and the Auditors' Reports thereon, for the Financial Year ended 31<sup>st</sup> March, 2022. The summarized financial results for the Financial Year are as under:

## Financial Summary (Standalone)

The Company's financial performance for the year ended March 31, 2022 is summarized below:

(Amount in lacs)

PARTICULARS	31.03.2022	31.03.2021
<b>Profit Before Depreciation, Interest, Tax, Exceptional&amp;Extraordinary Items</b>	21.61	57.79
Depreciation	12.89	6.88
Exceptional Items	137.82	--
Interest	1.01	--
<b>Profit Before Extraordinary items, Tax</b>	145.53	50.91
Extraordinary Items	58.27	84.67
<b>Profit Before Tax</b>	203.80	135.58
Provision for Taxation	41.27	1.06
<b>Profit after tax</b>	162.53	134.52
Add:- Balance brought forward from previous years	196.32	76.60
<b>Balance Available for appropriations</b>	358.85	211.12
<b>Appropriations</b>		
a. Dividend on Equity Shares (F.Y. 2020 -21/ 2019-20)	59.20	14.80
b. Transfer to General Reserve	--	--
<b>Balance carried to Balance Sheet</b>	299.65	196.32

## Financial Summary (Consolidated)

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

(Amount in lacs)

PARTICULARS	31.03.2022	31.03.2021
<b>Profits Before Depreciation, Interest, Tax, Exceptional &amp; Extraordinary Items</b>	696.84	436.34
Depreciation	25.67	12.07
Exceptional Item	137.82	--
Interest	441.59	141.58
<b>Profit Before Extraordinary items, Tax &amp; Minority Interest</b>	367.40	282.69
Extraordinary Items (Income)	58.27	84.67
<b>Profit Before Tax &amp; Minority Interest</b>	425.67	367.36
Provision for Taxation	95.99	49.90
<b>Profit after tax &amp; before Minority Interest</b>	329.68	317.46
Minority's Interest	84.34	91.56
<b>Profit after tax and Minority Interest</b>	245.35	225.90
Add:- Transferred from Minority Interest	--	--
Add:- Balance brought forward from previous years	18.30	(192.80)
<b>Balance Available for appropriations</b>	263.65	33.10
<b>Appropriations</b>		
a. Interim Dividend on Equity Shares	--	--
b. Final Dividend on Equity Shares *	59.20	14.80
c. Corporate Dividend Tax thereon	--	--
d. Transfer to General Reserve	--	--
<b>Balance carried to Balance Sheet</b>	204.45	18.30

# DIRECTORS' REPORT

## Dividend & Reserves

Your Company paid a final Dividend of Rs. 100.00 per Equity Share (1000%) of the face value of Rs. 10/- each, aggregating to Rs. 59.20 lacs for the financial year ended on March 31, 2021.

The Board, in its meeting held on August 29, 2022 has recommended final dividend @ 510% i.e. Rs. 51/- per equity share of Rs. 10/- each on paid up share capital for the year ended 31<sup>st</sup> March, 2022. The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting to be held on 30<sup>th</sup> September, 2022. The total dividend, if declared, for the current year shall be Rs. 30.19 Lacs.

The dividend, if approved at the forthcoming Annual General Meeting, will be paid to those shareholders, whose names shall appear in Register of Members as on 28<sup>th</sup> September, 2022 (Wednesday) or Register of Beneficial Owners, maintained by the Depositories at the close of 28<sup>th</sup> September, 2022 (Wednesday).

During the year under review, the Board of Directors has decided not to transfer any amount to General Reserve. An amount of Rs. 299.65 Lacs (Previous year: Rs. 196.32 Lacs) is proposed to be retained as surplus in the Statement of Profit & Loss.

## Results of Operations and the State of Company's affairs

During the financial year 2021-2022, your Company focused on ensuring the health and well-being of all employees by arranging Vaccination Camp & taking other preventive measures to avoid the spread of novel Corona Virus.

Total Revenue during the financial year 2021-22 was Rs. 282.32 Lacs against previous year's figure of Rs. 276.72 Lacs. The profit before Exceptional, Extraordinary items & Provision for taxation decreased from Rs. 50.91 Lacs to Rs. 7.71 Lacs due to higher expenses on repair & maintenance of A.C. Plant. Profit after Tax arose to Rs. 162.53 Lacs against Rs. 134.52 Lacs during previous year due to Exceptional item of Rs. 137.82 Lacs (Previous year: Rs. Nil) & Extraordinary Item of Rs. 58.27 Lacs (Previous year: Rs. 84.67 Lacs).

On consolidated basis for the financial year 2021-22, your company recorded pre-tax profit of Rs. 425.67 Lacs as against Rs. 367.36 Lacs for the financial year 2020-21. The net profit after tax is Rs. 245.35 Lacs as against previous financial year's profit of Rs. 225.90 Lacs.

## Present Business & Future Outlook

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

The Company has set up 218.495 kW Roof-Top Solar Power Plant in the month of December, 2021 which is constantly proving economy in semi variable costs by reducing Power consumption. Further, steps are being taken for further reduction of expenses and containing of overheads. Simultaneously new business avenues are being explored and evaluated.

## Taxation matters

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

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

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

## Issue of Equity Shares with differential rights

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

## Issue of Sweat Equity Shares

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

## Employee Stock Options

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

## Buy back of equity shares

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

## Change in Nature of Business

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

## Capital Structure

The paid up Equity Share Capital as at March 31, 2022 stood at Rs. 5.92 Lacs consisting of 59,200 equity shares of Rs. 10/- each. During the period under review, there was no change in the Capital Structure of the Company.

## Credit Rating of Securities

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

# DIRECTORS' REPORT

## Transfers to the Investor Education & Protection Fund (IEPF)

During the financial year 2021-22, pursuant to the provisions of Section 124(5) of the Companies Act, 2013 ("The Act") read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("The Rules"), the dividend for the Financial year 2014-15 amounting to Rs. 3.66 Lacs was transferred to the Investor Education & Protection Fund ("IEPF") on 03.03.2022.

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

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

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

During the period under review, pursuant to the provisions of Section 124(6) of the Companies Act, 2013 read with Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, 200 (two hundred) shares of Rs. 10/- each on which dividend has not been claimed by the shareholder for seven consecutive years or more, have been transferred/transmitted to the demat account of the IEPF Authority having DP/Client ID: 12047200/13676780, on 17.03.2022.

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

## Directors & Key Managerial Personnel:

Mr. Baldev Raj Kalra (DIN:-01802855) was appointed as Director liable to retire by rotation in the last Annual General meeting held on 28.09.2021 to fill the vacancy by the exit of Sh. Kanwalpreet Singh Walia, who did not seek re-appointment.

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 and Article 73 of the Articles of Association of the Company, Mr. Sanjeev Gupta (DIN:-00412914) & Mr. Ashok Kumar (DIN:-01971376) will be retiring Directors by rotation at the ensuing Annual General Meeting and **who being eligible, offer themselves for re-appointment.**

Mr. Ved Parkash Gaur (DIN: 02439897) and Mr. Dharam Pal Gandhi (DIN: 00842613) were appointed as Professional Directors by Board of Directors effecting from 14.10.2021 in accordance with the provisions of Articles of Association of the Company and they shall hold the office up to the date of ensuing Annual General Meeting.

## Declaration of Independent Directors

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

## Board Meetings

During the financial year 2021-22, the Board of Directors met 11 (Eleven) times viz. on 03<sup>rd</sup> April, 2021, 26<sup>th</sup> June, 2021, 17<sup>th</sup> July, 2021, 09<sup>th</sup> August, 2021, 01<sup>st</sup> September, 2021, 04<sup>th</sup> October, 2021, 14<sup>th</sup> October, 2021, 14<sup>th</sup> December, 2021, 08<sup>th</sup> February, 2022, 08<sup>th</sup> March, 2022 and 29<sup>th</sup> March, 2022.

## Nomination and Remuneration Policy

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

## Annual Evaluation of Board

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

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

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

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

## Director's Responsibility Statement

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

- In the preparation of the annual accounts, the applicable accounting standards have been followed with proper explanation relating to material departures, if any;
- They have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2022 and of its Profit/Loss for the year ended on that date;
- They have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- They have prepared the annual accounts for the year ended 31<sup>st</sup> March, 2022 on a 'going concern' basis; and
- They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



# DIRECTORS' REPORT

## Internal Financial Controls

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

## Frauds reported by the Auditor

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

## Subsidiary / Joint Ventures / Associate Companies

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

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

## Performance of Subsidiary:

LSC Securities Limited (Formerly L.S.E Securities Ltd.) is registered as Stockbroker at BSE Ltd.(BSE), National Stock Exchange (NSE) and Metropolitan Stock Exchange of India Limited (MSEI). During the year under review, the Company recorded a business volume of Rs. 18251.62 Crores (Previous year Rs. 10775.63 Crores) and Rs. 4148.16 Crores (Previous year Rs. 2043.64 Crores) in Capital Market Segment of NSE and BSE, respectively. It also recorded a business volume of Rs. 20738.15 Crores (Previous year Rs. 16535.93 Crores) in the Futures and Options Segment of NSE Limited. The business volume in Currency Derivatives was Rs. 445.51 Crores (Previous year Rs. 762.52 Crores) in NSE.

During the year under review, your Subsidiary Company has opened 1798 (Previous year: 1429) new accounts in CDSL and 307 (Previous year: 316) accounts in NSDL. It also opened 2391 (Previous year: 1309) new Trading Accounts.

## Public Deposits

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

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

The company has obtained Shareholders' approval vide Special Resolution through Postal Ballot process under Section 185 & 186 of the Companies Act, 2013 on 27.08.2021 to provide any guarantee/security in favour of Banks, Financial Institutions & other lenders to secure the various facilities to be provided by these banks, financial institutions or lenders to the Subsidiary, M/s. LSC Securities Ltd. However, during the year under review there was no loan given or guarantee given or investment made or security provided pursuant to Section 185 & 186 of the Companies Act, 2013 and hence the said provisions are not applicable.

## Particulars of Contracts or arrangements with related parties:

All transactions with related parties entered during the Financial Year 2021-22 were on arm's length basis and were in the ordinary course of business and were in compliance with the applicable provisions of the Act. There were no materially significant related party transactions made by the Company with Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large except the transaction of leasing out of Room No. 103 to Mrs. Sonia Gupta, who happened to be Related Party being wife of Mr. Rakesh Gupta, Director of the Company, which has also been entered on Arm's Length basis. Hence such particulars have been given in prescribed Form AOC-2 appended as 'Annexure C' to the Board's report.

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

## Corporate Social Responsibility

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

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

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

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

## Risk Management

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

## Disclosure of composition of Audit Committee and providing Vigil Mechanism

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

## Significant and Material Orders

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

# DIRECTORS' REPORT

## Statutory Auditors

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

## Secretarial Auditor

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

## Auditors' Report

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

## Compliance with Secretarial standards

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

## Annual Return

In terms of amended Section 92(3) of the Companies Act, 2013, the copy of draft Annual Return of the Company for the financial year 2021-22 in prescribed e-form MGT-7 is available on the website of the Company at the link: [www.lse.co.in/pdf/ANNUAL\\_RETURN\\_2021-2022\\_MERGED.pdf](http://www.lse.co.in/pdf/ANNUAL_RETURN_2021-2022_MERGED.pdf)

## Consolidated Financial Statement

The Consolidated Financial Statement of the company and its subsidiary prepared in accordance with the Companies Act, 2013 and applicable Accounting Standards along with relevant documents and the Auditors' Report forming part of this Annual Report. This statement is also available on the website of the Company and can be accessed at the website [www.lse.co.in](http://www.lse.co.in). The financial statement of the Subsidiary Company i.e. LSC Securities Limited can be accessed at the web-link: [www.lse.co.in/pdf/SUBSIDIARY\\_FINANCIAL\\_STATEMENT\\_2021-22.pdf](http://www.lse.co.in/pdf/SUBSIDIARY_FINANCIAL_STATEMENT_2021-22.pdf)

## Cost Records

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

## Registrar and Share Transfer Agent

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

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

The Company has in place a Policy on Prevention of Sexual Harassment in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. No complaint has been received under this Policy during the financial year 2021-22.

## Other Disclosures

1. There is no application made or proceedings pending under the Insolvency and Bankruptcy Code, 2016 during the financial year 2021-22.
2. There was no instance of one-time settlement with any Bank or Financial Institution.

## Acknowledgment

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

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

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

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

PLACE : LUDHIANA  
DATED : 29-08-2022

**FORM AOC-1****Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Part "A" : Subsidiaries**

Sr. No.	Rs. (in Lacs)
Name of the subsidiary	LSC Securities Ltd.*
The date since when subsidiary was acquired	Friday, January 07, 2000
Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	N.A
Reporting currency and Exchange rate as on the last of the relevant Financial year in the case of foreign subsidiaries.	N.A
Share capital	644.18
Reserves & surplus	1545.27
Total assets	21058.52
Total Liabilities	18869.07**
Investments	0.00
Turnover	1231.60***
Profit before taxation	229.33
Provision for taxation (Net)	54.71
Profit after taxation	174.62
Proposed Dividend***	14.49****
% of shareholding	51.71%
Names of the subsidiaries which are yet to commence operations	N.A
Names of subsidiaries which have been liquidated or sold during the year.	N.A

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

\*\* Excluding Share Capital and Reserve &amp; Surplus

\*\*\*Figures given are of total Revenue earned

\*\*\*\* Final dividend for F.Y. 2020-21 paid during the year. Further Board of Directors has Proposed the final dividend of Rs. 0.225/- per share (2.25%) for the F.Y. 2021-22 involving an outflow of Rs.14.49 lacs.

**Part "B": Associate Companies and Joint Ventures**

NIL

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

PLACE : LUDHIANA  
DATED : 29-08-2022

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

# DIRECTORS' REPORT (ANNEXURE-B)

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

Sr. No.	Name	Designation	Remuneration (Rs. in lacs)	Qualification	Experience (Years)	Date of Commencement	Age (Years)	Last employment held
1	Des Raj	Jr. Engineer	3.78	I.T.I. Dip.	30	01.09.1992	57	Oriental Textile Processing Co. Pvt. Ltd.
2	Pankaj Jain	Manager (Accounts)	3.61	B.Com., C.A. Inter	14	01.01.2019	56	Ellora Shawls Pvt. Ltd.
3	Atul Chikersal	Executive	2.88	B.Sc. (Non-Medical)	21	25.09.2008	52	Neva Garments
4	Ramesh Chand	Lift Operator	2.85	Under Matric	29	16.12.1992	56	PNB
5	Dhirender Negi	Sr. Technician	2.82	Under Matric	31	03.02.1990	58	First Employment
6	Ram Pujan	Electrician	2.68	Under Matric	30	01.05.1992	53	Amber Electronics
7	Gurmail singh	Sr. Technician	2.63	I.T.I. Dip.	33	01.07.1996	54	NFL Bhatinda
8	Kailash Singh	Electrician	2.54	B.A. & I.T.I.	30	20.06.2006	51	Asian Lake Health Food
8	Jaspal Singh	A.C. Operator	2.29	I.T.I. Dip.	28	01.10.2018	50	Arihant Textiles Industries
10	Ranjeet Singh	A.C. Operator	2.20	I.T.I. Dip.	15	12.05.2017	46	Ansal Plaza

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

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

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

PLACE : LUDHIANA  
DATED : 29-08-2022



# DIRECTORS' REPORT (ANNEXURE-C)

## FORM NO. AOC -2

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

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

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

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

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

SL. No.	Name (s) of the related party & Nature of relationship	Nature of transactions	Transaction Value (Rs. in Lacs)	Duration of transactions	Salient terms of transactions	Date of approval by the Board	Amount paid as advances, if any (Rs. in Lacs)
a)	Mrs. Sonia Gupta (Wife of Director of the Company, Mr. Rakesh Gupta)	Long term Lease Arrangement of a Room measuring 395.67 Sq. Ft.in the Building	43.92	From 01.06.2021 to 01.11.2021	The related party transaction was entered during the year, by way of Open Auction; hence, was on Arm's Length Basis	17 <sup>th</sup> March, 2021	Nil
b)	M/s. LSC Securities Limited (Subsidiary Company)	Lease Arrangement for Commercial Space	53.34	From 01.04.2021 to 31.03.2022	The related party transaction was entered during the year, in Ordinary Course of business and on Arm's Length Basis	16 <sup>th</sup> February, 2021	Nil

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

PLACE : LUDHIANA  
DATED : 29-08-2022

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