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# 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 37<sup>th</sup> Annual General Meeting of the Shareholders of Ludhiana Stock and Capital Limited (Formerly Ludhiana Stock Exchange Limited) will be held on 27<sup>th</sup> September, 2019, Friday at 4:00 p.m. at registered office situated at 1<sup>st</sup> floor, LSE Building, Feroze Gandhi Market, Ludhiana to transact the following :-

#### **ORDINARY BUSINESS**

1. To receive, consider and adopt :-
  - a) The Audited Standalone Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2019 together with the Report of the Board of Directors and Auditors thereon ; and
  - b) The Audited Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2019 and Reports of Auditors thereon.
2. To confirm the declaration of Interim Dividend as the Final dividend on equity shares.
3. To appoint a Director in place of Sh. Ashok Kumar, Director, (DIN:- 01971376) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Sh. Jagmohan Krishan, Director, (DIN:- 01127557) who retires by rotation and does not offer himself for re-appointment.
5. To consider the re-appointment of the Statutory Auditors and to fix their remuneration.

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

Sd/-  
Jaspal Singh  
Vice Chairperson  
(DIN - 00458451)

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

PLACE : LUDHIANA  
DATED : 17-08-2019

# 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 instrument of proxies in order to be valid and effective should be deposited at the registered office of the Company duly stamped, completed and signed 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.**

2. 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. 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.
  3. M/s. SCV & Co. LLP (previously known as M/s. S. C. Vasudeva & Co.), Chartered Accountants (Firm Registration No. 00235N/N500089) were appointed as Statutory Auditors of the company in Annual General Meeting held on 30<sup>th</sup> December, 2014 to hold office till the conclusion of Sixth consecutive Annual General Meeting. Accordingly they hold office until the conclusion of the ensuing Annual General Meeting. The Auditors have confirmed their eligibility and willingness to accept office, if reappointed. It is proposed to re-appoint M/s. SCV & Co. LLP (previously known as M/s. S. C. Vasudeva & Co.), Chartered Accountants (Firm Registration No. 00235N/N500089) as Statutory Auditors of the Company for next 5 (five) financial years from the conclusion of 37<sup>th</sup> Annual General Meeting till the conclusion of 42<sup>nd</sup> Annual General Meeting.
  4. To fill the vacant position of the Director, shareholders of the company may file nominations for the post of Directors along with fee of Rs. 1,00,000 by way of Cheque/DD (which shall be refunded to such member, 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 12<sup>th</sup> September, 2019 (Thursday), till 04:00 p.m. at the Registered Office of the Company.
  5. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a duly certified copy of Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
  6. The Company's share transfer books and the Register of Members will remain closed from 24.09.2019 (Tuesday) to 27.09.2019 (Friday) (both days inclusive).
  7. All relevant documents referred to in the accompanying Notice are open for inspection by members at the Registered Office of the Company on all working days between 11:00 a.m. and 1:00 p.m. prior to the date of the Meeting.
  8. The Board of Directors of the company had declared an interim dividend of Rs. 125/- per share i.e., at the rate of 1250% on face value of Rs. 10/- each during the financial year 2018-19. The said interim dividend is to be confirmed at the ensuing AGM.
  9. Pursuant to the provision of the Companies Act, the company has transferred all unclaimed dividend, which remain unclaimed for a period of 7 years, declared for the financial year 2009-10, 2010-11, 2011-12 to Investor Education & Protection Fund (IEPF) established by the Central Government.
  10. Section 124 (6) of the Companies Act, 2013 read with rules made thereunder provide that all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the company in the name of Investor Education & 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. In line with the IEPF Rules, the company would initiate steps for transfer of such shares, if any, to IEPF.
  11. 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 compiled with in advance.
  12. 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 Proxy Form. Members/Proxies should bring attendance slips dully filled in and signed for attending the meeting and handover the same at the entrance of the venue of the 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.
  - 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 to the company.

# NOTICE OF ANNUAL GENERAL MEETING

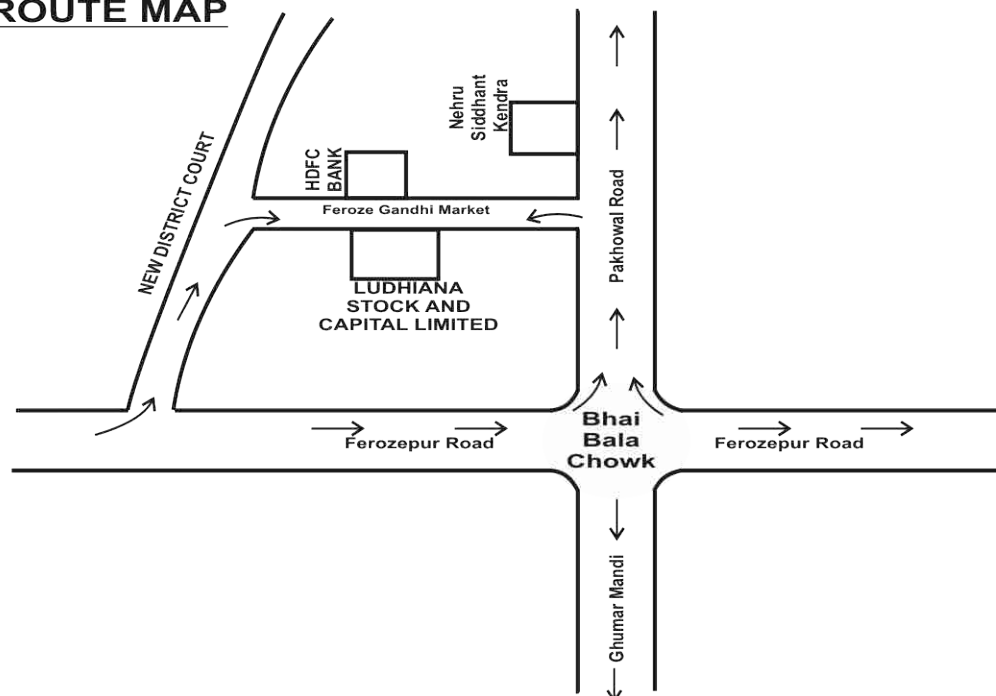
- c. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in Securities Market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ Registrar & Transfer Agents of the Company i.e. Beetal Financial and Computer Services Private Limited.
- 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. Please note that copies of the Annual report will not be distributed at the venue of the meeting. Shareholders/ Proxy holders/ Authorized representatives are, therefore, requested to bring their copies of the Annual Report to the meeting.
- h. Members are requested to quote their e-mail IDs, telephone/ fax nos. for prompt reply to their communications.
- i. Members who have not yet encashed their dividend warrants for financial years 2014-15, 2015-16, 2016-17, 2017-18, 2018-19 are requested to make their claims to the Company without delay. The name of shareholders, whose unpaid/unclaimed dividend have been pending and is placed in company website- [www.lse.co.in](http://www.lse.co.in).

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

Sd/-  
Jaspal Singh  
Vice Chairperson  
(DIN - 00458451)

PLACE : LUDHIANA  
DATED : 17-08-2019

## 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 37<sup>th</sup> Annual Report of your company together with the Audited Financial Statements and the Auditors' Report for the Financial Year ended 31<sup>st</sup> March, 2019. 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, 2019 is summarized below:

(Amount in lacs)

PARTICULARS	31.03.2019	31.03.2018
<b>Profits Before Depreciation, Interest, Tax and Exceptional Items</b>	140.53	35.39
Depreciation	8.37	9.31
Exceptional Item	--	63.35
Interest	--	--
<b>Profit Before Tax</b>	132.16	(37.27)
Provision for Taxation	(8.99)	00.14
<b>Profit after tax</b>	141.15	(37.41)
Add:- Balance brought forward from previous years	2.40	91.39
<b>Balance Available for appropriations</b>	143.55	53.98
<b>Appropriations</b>		
a. Interim Dividend on Equity Shares	74.00	47.36
b. Proposed Dividend on Equity Shares	--	--
c. Corporate Dividend Tax thereon	--	4.22
d. Transfer to General Reserve	--	--
<b>Balance carried to Balance Sheet</b>	69.55	2.40

## Financial Summary (Consolidated)

Following Consolidated Financial Summary represent those of Ludhiana Stock and Capital Limited & its Subsidiary i.e. LSC Securities Limited (Formerly L.S.E Securities Ltd.) having CIN No. U67120CH2000PLC023244:

(Amount in lacs)

PARTICULARS	31.03.2019	31.03.2018
<b>Profits Before Depreciation, Interest, Tax and Exceptional Items</b>	57.04	601.07
Depreciation	19.63	19.91
Exceptional Item	-	63.35
Interest	0.62	0.69
<b>Profit Before Tax &amp; Minority Interest</b>	36.79	517.12
Provision for Taxation	5.48	19.49
<b>Profit after Tax &amp; before Minority Interest</b>	31.31	497.63
Minority's Interest	11.30	271.24
<b>Profit after Tax and Minority Interest</b>	20.01	226.39
Add:- Transferred from Minority Interest	-	-
Add:- Balance brought forward from previous years	481.08	311.69
<b>Balance Available for appropriations</b>	501.09	538.08
<b>Appropriations</b>		
a. Interim Dividend on Equity Shares	74.00	47.36
b. Final Dividend on Equity Shares	-	-
c. Corporate Dividend Tax thereon	27.39	9.64
d. Transfer to General Reserve	-	-
<b>Balance carried to Balance Sheet</b>	399.70	481.08

# DIRECTORS' REPORT

## Dividend & Reserves

Your Company paid an interim Dividend of Rs. 125.00 per Equity Share (1250%) of the face value of Rs. 10/- each, aggregating to Rs. 74.00 lacs for the financial year ended on March 31, 2019. The Directors are pleased to recommend confirmation of the said interim Dividend to be the Final Dividend for the Financial Year 2018-19.

During the year under review, the Board of Directors has decided not to transfer any amount to General Reserve. An amount of Rs. 69.55 lacs (Previous year Rs.2.40 lacs) is proposed to be retained as surplus in the Statement of Profit & Loss.

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

Total Revenue during the financial year 2019 was higher at Rs. 381.55 lacs against previous year's figure of Rs. 255.70 lacs. The reasons for this increase was higher dividend from subsidiary company. Consequently, the company was able to achieve a Profit before tax of Rs.132.16 lacs during the financial year 2018-19 as compared to previous year's loss of Rs. 37.27 lacs. The company recorded a net profit of Rs. 141.15 lacs after providing for deferred tax provision of Rs. 0.15 lacs during the year 2018-19 against a net loss of Rs. 37.41 lacs during previous year.

On consolidated basis for the year 2018-19, your company recorded pre-tax profit of Rs. 36.79 lacs as against Rs. 580.47 lacs for the year 2017-18. The net profit after tax is Rs.20.01 lacs as against previous year's profit of Rs. 226.39 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. It also plans to introduce new training program on Technical Analysis.

Steps are being taken for further reduction of expenses and containing of overheads. Two out of three premises at ground floor of the building have been leased out which will lead to increase in rental income. Simultaneously new business avenues are being explored and evaluated.

## Taxation matters

Appeal has 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 sections 11 & 13 of the Income Tax Act, 1961.

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.

Appeal has been filed by the Company before Commissioner of Central Excise (Appeals) against the order of Asstt. Commissioner, Central Goods & Service Tax Division disputing the demand of service tax of Rs. 14,52,027/- along with penalty thereon.

## 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 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.

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

During the year 2018-19, unclaimed interim dividend for the financial year 2010-11 of Rs.18,300/- was transferred to the Investor Education & Protection Fund ("IEPF") pursuant to the applicable provisions 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").

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, have also been placed on Company's website [www.lse.co.in](http://www.lse.co.in)

Pursuant to Rule 6(8) of IEPF Rules, an amount of Rs. 25,000/- was transferred to IEPF pertaining to interim dividend on their shareholding declared for financial year 2018-19.

Details 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)

# DIRECTORS' REPORT

In case your shares, unclaimed dividend or deposits etc. have been transferred to IEPF, you can claim the same by making an application directly to IEPF in the prescribed form under the IEPF Rules which is available on the website of IEPF i.e. www.iepf.gov.in

## Directors & Key Managerial Personnel:

In accordance with the requirements of the Companies Act, 2013 and other applicable provisions, following directors retire by rotation at the ensuing Annual General Meeting:

- a) Mr. Ashok Kumar (DIN: 01971376) who being eligible, offers himself for re-appointment.
- b) Mr. Jagmohan Krishan (DIN: 01127557) who does not offer himself for re-appointment. The Directors place on record their deep appreciation for valuable guidance and assistance provided by Mr. Jagmohan Krishan during his tenure as a Director/Chairperson.

Mr. Ved Parkash Gaur (DIN: 02439897) and Mr. Ravinder Pal Singh (DIN: 01186482) were appointed as Professional Directors by Board of Directors effecting from 25.09.2018 in accordance with the provisions of Articles of Association of the Company and they hold 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 year 2018-19, the Board of Directors met 7 (seven) times viz. on 4<sup>th</sup> April 2018, 22<sup>nd</sup> May 2018, 4<sup>th</sup> August 2018, 17<sup>th</sup> August 2018, 25<sup>th</sup> September 2018, 15<sup>th</sup> November 2018 and 23<sup>rd</sup> February 2019.

## 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 'C'** 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:

- a. In the preparation of the annual accounts, the applicable accounting standards have been followed with proper explanation relating to material departures, if any;
- b. 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, 2019 and of its **Profit/Loss** for the year ended on that date;
- c. 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
- d. They have prepared the annual accounts for the year ended 31<sup>st</sup> March, 2019 on a 'going concern' basis; and
- e. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## Internal Financial Controls

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

## Frauds reported by the Auditor

The Auditors have not reported any fraud to the Board under subsection (12) of Section 143 of the Companies Act, 2013.

## Subsidiary / Joint Ventures / Associate Companies

Ludhiana Stock and Capital Limited 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.

# DIRECTORS' REPORT

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), Metropolitan Stock Exchange of India Limited (MSEI) and Multi Commodity Exchange of India Ltd.(MCX). During the year under review, the Company recorded a business volume of Rs. 7927.13 Crores(Previous year Rs. 8456.38 Crores) and Rs. 1740.63 crores(Previous year Rs. 2102.26 Crores) in Capital Market Segment of NSE and BSE, respectively. It also recorded a business volume of Rs. 16849.91 crores(Previous year Rs. 21881 Crores) in the Future and Options segment of NSE Limited. The business volume in Currency Derivatives was 772.75 crores(Previous year Rs. 363.28 Crores) in NSE.

During the year under review, your Subsidiary Company has opened 876(Previous year 12) new accounts in CDSL and 1124 (Previous year 3129) accounts in NSDL. It also opened 1361 (Previous year 2478) new Trading Accounts.

## Public Deposits

During the financial year under review, the Company has not accepted any deposits within the meaning of section 73 & 74 of the Companies Act, 2013 read with Companies (Acceptance of Deposit) 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

There was no loan given or guarantee given or investment made or security provided pursuant to Section 186 of the Companies Act, 2013 during the year under review and hence the said provisions are not applicable.

## Particulars of Contracts or arrangements with related parties:

All the transactions with related parties during the FY 2018-19 were on arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act. There are 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. Hence no particulars are required to be given in prescribed Form AOC-2.

Related party disclosures as per AS-18 have been provided in Note – 31 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.

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

The company is not engaged in any activity pertaining to manufacturing and as such furnishing of details regarding conservation of energy is not applicable.

**Particulars required under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of technology absorption and foreign exchange earning and outgo are 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, 2013 is not applicable to the Company. Hence, disclosure pursuant to Section 177 (8) & (9) of the Companies Act, 2013 is not required.

## Significant and Material Orders

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

## Statutory Auditors

M/s. SCV & Co. LLP (previously known as M/s. S. C. Vasudeva & Co.) Chartered Accountants (Firm Registration No. 00235N/N500089) were appointed as Statutory Auditors of the company in Annual General Meeting held on 30th December, 2014 to hold office till the conclusion of Sixth consecutive Annual General Meeting. Accordingly they hold office until the conclusion of the ensuing Annual General Meeting. The Auditors have confirmed their eligibility and willingness to accept office, if reappointed.

The Board is of the opinion that continuation of M/s. SCV & Co. LLP, Chartered Accountants (Firm Registration No. 00235N/N500089) as Statutory Auditors of the Company will be in best interests of the Company and therefore Members are requested to consider their appointment as Statutory Auditors of the Company to hold office from the conclusion of 37<sup>th</sup> Annual General Meeting till the conclusion of 42<sup>nd</sup> Annual General Meeting. The proposed re-appointment is within the framework of applicable provisions of the Companies Act, 2013 and Rules made there under.



# DIRECTORS' REPORT

## Secretarial Auditor

The provisions of Section 204 of the Companies Act, 2013 relating to submission of Secretarial Audit Report is not applicable to the 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.

## Secretarial standards

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

## Extract of Annual Return

The extract of Annual Return as on March 31, 2019 in the prescribed Form No. MGT-9, pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is attached as "**Annexure B**" to this report and is also available on the Company's website viz. [www.lse.co.in](http://www.lse.co.in)

## Consolidated Financial Statement

The Consolidated Financial Statements 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 form part of this Annual Report. These statements are also available on the website of the Company and can be accessed at the web-link [www.lse.co.in](http://www.lse.co.in).

## Cost Records

The company is not required to maintain cost records under sub-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 are the Registrar and Transfer Agent of the Company for the physical as well as demat shares.

## 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 year 2018-19.

## Acknowledgment

Your directors place on record sincere gratitude and appreciation for all employees at all levels for their hard work and dedication during the year.

The Board of Directors wishes to convey its sincere appreciation and thanks to all customers, banks, financial institutions, advisors, government of India, state government and other authorities for their consistent support and co-operation.

The Board is deeply grateful to all the shareholders for the confidence and faith that they have always placed in it.

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

PLACE : LUDHIANA  
DATED : 17-08-2019

Sd/-  
Jaspal Singh  
Vice Chairperson  
(DIN - 00458451)

Sd/-  
Ashok Kumar  
Director  
(DIN - 01971376)

**FORM AOC-1**

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures  
(Pursuant to first provision to sub-section (3) of section 129 read with rules 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	7th January, 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	1207.54
Total assets	23651.90
Total Liabilities	21800.18**
Investments	100.00
Turnover	407.88***
Profit before taxation	37.87
Provision for taxation (Net)	14.47
Profit after taxation	23.40
Proposed Dividend***	310.64****
% 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 Limited

\*\*Excluding Share Capital and Reserve & Surplus

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

\*\*\*\*Final dividend for F.Y 2017-18 paid during the year including dividend distribution tax thereon. Further Board of Directors has Proposed the final dividend of Rs.0.20 per share (2%) for the F.Y 2018-19.

**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 : 17-08-2019

Sd/-  
Jaspal Singh  
Vice Chairperson  
(DIN - 00458451)

Sd/-  
Ashok Kumar  
Director  
(DIN - 01971376)

**FORM MGT-9**

Extract of Annual Return as on Financial Year ended on 31-03-2019

[Pursuant to Section 93(3) of the Companies Act, 2013 and Rule12(1) of the Companies (Management and Administration) Rules, 2014]

1. REGISTRATION & OTHER DETAILS :		
1.	CIN	U67120PB1981PLC004696
2.	Registration Date	17-10-1981
3.	Name of the Company	Ludhiana Stock and Capital Limited (Formerly Ludhiana Stock Exchange Limited)
4.	Category / Sub-category of the Company	Company Limited by Shares/ Non govt Company
5.	Address of the Registered Office & Contact details	Feroze Gandhi Market, Ludhiana Ph. No. 0161-2405756, 4662014, 4663014 E-mail : lse_cs@rediffmail.com, Website : www.lse.co.in
6.	Whether listed company	No
7.	Name, Address & Contact details of the Registrar & Transfer Agent if any,	Beetal Financial and Computer Services Private Limited Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukh Das Mandir, New Delhi-110062 Ph. No.:- 011-29961281, 29961282, Fax:- 011-29961284

**2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

(All the business activities contributing 10% or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1.	To Co-Ordinate the policy and administration of Subsidiary company and provide Financial/advisory services related thereto	642-Activities of holding companies	

\*as per NIC code 2008

**3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares held	Applicable Section
1.	LSC Securities Limited (Formerly L.S.E. Securities Limited SCO. 142-143, 4th Floor, Cabin no. 111, Sector 34-A, Chandigarh.	U67120CH2000PLC023244	Subsidiary	51.71	2(87)

**4. SHAREHOLDING PATTERN**

(Equity share capital breakup as percentage of Total Equity)

**i. Category-wise Shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1st April 2018)				No. of Shares held at the end of the year (As on 31st March 2019)				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Share	

**A. Promoters**

(1) Indian

a) Individual/HUF	230	320	550	0.93%	240	310	550	0.93%	0.00%
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks /FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	230	320	550	0.93%	240	310	550	0.93%	0.00%

## DIRECTORS' REPORT (ANNEXURE-B)

(2) Foreign									
a) NRI Individual	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	230	320	550	0.93%	240	310	550	0.93%	0.00%
Total (A)									
<b>(B) Public Shareholding</b>									
<b>1) Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Bank/FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FII's	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Fund	-	-	-	-	-	-	-	-	-
(i) Other (Specify)	-	-	-	-	-	-	-	-	-
Sub Total (B) (1)	-	-	-	-	-	-	-	-	-
<b>(2) Non Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	3,417	5,402	8,819	14.90%	4,037	4,472	8,509	14.37%	-0.52%
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	25,558	24,273	49,831	84.17%	33,660	16,481	50,141	84.70%	0.52%
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
<b>c) Other (specify)</b>									
Non Residents Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies-DR	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	28,975	29,675	58,650	99.07%	37,697	20,953	58,650	99.07%	0.00%
Total Public (B)	28,975	29,675	58,650	99.07%	37,697	20,953	58,650	99.07%	0.00%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C+D)	29,205	29,995	59,200*	100.00%	37,937	21,263	59,200*	100.00%	0.00%

\*Out of total 59,200 shares, 200 Shares transferred to Investors Education and Protection Fund on December 08, 2017

## DIRECTORS' REPORT (ANNEXURE-B)

ii. Shareholding of promoter									
Sr. No.	Shareholder's Name	Shareholding at the beginning of the year as on 01/04/2018			Shareholding at the end of the year as on 31/03/2019			% Change in shareholding during the year	
		No. of Shares	% of total shares of the company	% of Shares pledge/encumbered to total shares	No. of Shares	% of total shares of the company	% of Shares pledge/encumbered to total shares		
1.	Mr. Raghubir Chand Singal	190	0.32%	-	190	0.32%	-	-	
2.	Mr. Sat Pal Kanwar	240	0.41%	-	240	0.41%	-	-	
3.	Mr. B.K. Arora	-	-	-	-	-	-	-	
4.	Mr. Shri Paul Jain	-	-	-	-	-	-	-	
5.	Mr. Rajinder Nath	-	-	-	-	-	-	-	
6.	Mr. Ram Dass Khanna	-	-	-	-	-	-	-	
7.	Mr. Subhash Chander Jain	120	0.20%	-	120	0.20%	-	-	
iii. Change in Promoters Shareholding (Please specify if there is no change)									
Sr. No.	Particulars	Date	Reason	Shareholding at the beginning of the year as on 01/04/2018		Cumulative Shareholding during the year			
				No. of shares	% of total shares	No. of shares	% of total shares		
1.	At the beginning of the year	01-04-2018		550	0.93%	550	0.93%		
2.	Changes during the year		No change	-	-	-	-		
3.	At the end of the year	31-03-2019		550	0.93%	550	0.93%		
(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):									
Sr. No.	Name of Shareholder	Shareholding at the beginning of the year as on 01/04/2018		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Rishab Gupta	329	0.56%					329	0.56%
				11.05.2018	Transfer of Shares	10	0.02%	339	0.57%
				29.06.2018	Transfer of Shares	40	0.07%	379	0.64%
				07.09.2018	Transfer of Shares	10	0.02%	389	0.66%
				08.03.2019	Transfer of Shares	50	0.08%	439	0.74%
				15.03.2019	Transfer of Shares	200	0.34%	639	1.08%
2	Rakesh Gupta*	400	0.68%					400	0.68%
				14.09.2018	Transfer of Shares	100	0.17%	500	0.84%
				31.03.2019	At the end of the year			500	0.84%
3	Sanjay Anand*	500	0.84%					500	0.84%
				07.09.2018	Transfer of Shares	-10	-0.02%	490	0.83%
				31.03.2019	At the end of the year			490	0.83%
4	Bhupinder Kaur*	480	0.81%					480	0.81%
				-	No Change	-	-	-	-
				31.03.2019	At the end of the year			480	0.81%

## DIRECTORS' REPORT (ANNEXURE-B)

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year as on 01/04/2018		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5	Shridhar Mallawat*	395	0.67%					395	0.67%
				15.03.2019	Transfer of Shares	50	0.08%	445	0.75%
				31.03.2019	At the end of the year			445	0.75%
6	Gopal Dass Gupta*	400	0.68%					400	0.68%
				-	No Change	-	-	-	-
				31.03.2019	At the end of the year			400	0.68%
7	Vijay Kumar Dhir*	400	0.68%					400	0.68%
				-	No Change	-	-	-	-
				31.03.2019	At the end of the year			400	0.68%
8	Kehkesha Verma	0	0.00%					0	0.00%
				06.04.2018	Transfer of Shares	200	0.34%	200	0.34%
				22.02.2019	Transfer of Shares	200	0.34%	400	0.68%
				31.03.2019	At the end of the year			400	0.68%
9	Aruna Mehra*	398	0.67%					398	0.67%
				-	No Change	-	-	-	-
				31.03.2019	At the end of the year			398	0.67%
10	Babita Sharma*	390	0.66%					390	0.66%
				-	No Change	-	-	-	-
				31.03.2019	At the end of the year			390	0.66%
11	Chanda Kalra*	380	0.64%					380	0.64%
				-	No Change	-	-	-	-
				31.03.2019	At the end of the year			380	0.64%
12	Gala Finance and Investment Ltd.*	380	0.64%					380	0.64%
				-	No Change	-	-	-	-
				31.03.2019	At the end of the year			380	0.64%

\* Common Top Ten Shareholders as on 31.03.2018 and 31.03.2019

# DIRECTORS' REPORT (ANNEXURE-B)

## (v). Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of Directors and Key Managerial Personnel	Shareholding at the beginning of the year as on 01/04/2018		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sh. Jagmohan Krishan	200	0.34%					200	0.34%
				-	No change	-	-	-	-
				31.03.2019	At the end of the year			200	0.34%
2	Sh. Jaspal Singh	10	0.02%					10	0.02%
				-	No change	-	-	-	-
				31.03.2019	At the end of the year			10	0.02%
3	Sh. Vikas Batra	15	0.03%					15	0.03%
				-	No Change	-	-	-	-
				31.03.2019	At the end of the year			15	0.03%
4	Sh. Ashok Kumar	560	0.95%					560	0.95%
				-	No Change	-	-	-	-
				31.03.2019	At the end of the year			560	0.95%
5	Sh. Kanwal Preet Singh Walia	10	0.02%					10	0.02%
				-	No change	-	-	-	-
				31.03.2019	At the end of the year			10	0.02%
6	Sh. Ravinder Pal Singh	200	0.34%					200	0.34%
				-	No change	-	-	-	-
				31.03.2019	At the end of the year			200	0.34%
7	Sh. Ved Parkash Gaur	-	-					-	-
				-	No change	-	-	-	-
				31.03.2019	At the end of the year			-	-
8	*Sh. Tribhawan Singh Thapar	10	0.02%					10	0.02%
				-	No change	-	-	-	-
				31.03.2019	At the end of the year			10	0.02%

\*Sh. Tribhawan Singh Thapar (DIN No. 00494576) has been appointed as Director on 04.08.2018, to fill the casual vacancy caused by death of Sh. Prem Thapar.

## 5. Indebtedness

Indebtedness of the company including interest outstanding/accrued but not due for payment.

Amount (Rs/Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

## DIRECTORS' REPORT (ANNEXURE-B)

Change in Indebtedness during the financial year				
* Addition	-	-	-	-
*Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
6. Remuneration of Directors and Key Managerial Personal				
A) Remuneration to Managing Director, Whole Time Director and /or Manager				
Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (Rs/Lacs)
	Name			
	Designation			
1.	Gross Salary			
	a) Salary as per provision contained in section 17 (1) of the Income Tax Act, 1961	-	-	-
	b) value of perquisites u/s 17(2) Income Tax Act 1961	-	-	-
	c) profits in lieu of Salary u/s17(3) Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit	-	-	-
	- Other, Specify	-	-	-
5.	others (bonus)	-	-	-
	Total (A)	-	-	-
	Ceiling as per the Act	-	-	-
B) Remuneration to other Directors				
Sr. No.	Particulars of Remuneration	Name of Directors		Total Amount (Rs.)
		Sh. Ved Parkash Gaur	Sh. Ravinder Pal Singh	
1.	Independent Directors			
	Fee for attending Board/ committee meetings	10,500	17,500	28,000
	Commission	-	-	-
	Others, please specify	-	-	-
	<b>Total (1)</b>	10,500	17,500	28,000
2.	Other Non Executive Directors			
	Fee for attending Board/ committee meetings	-	-	-
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (2)	-	-	-
	Total (B)=(1+2)	10,500	17,500	28,000
	Total Managerial Remuneration	-	-	28,000
	Overall ceiling as per the Act	-	-	-



# DIRECTORS' REPORT (ANNEXURE-B)

C) Remuneration to Key Managerial Personnel other than MD/Manager /WTD					
Sr.No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Rs/Lacs)
		CEO	CFO	CS	
	Name				
	Designation	CEO	CFO	CS	
1.	Gross Salary				
	a) Salary as per provision contained in section 17 (1) of the Income Tax Act, 1961	-	-	-	-
	b) Value of perquisites u/s 17(2) Income Tax Act 1961	-	-	-	-
	c) Profits in lieu of Salary u/s17(3) Income Tax Act, 1961	-	-	-	-
	Name				
	Designation	CEO	CFO	CS	
2.	Stock option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- Other, Specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	<b>Total</b>	-	-	-	-

## 7. Penalties/Punishment/Compounding of offences

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding Fees Imposed	Authority (RD/NCLT/ COURT)	Appeal made, if any (give Details)
<b>A. Company</b>					
Penalty					<b>None</b>
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty					<b>None</b>
Punishment					
Compounding					
<b>C. Other officers in default</b>					
Penalty					<b>None</b>
Punishment					
Compounding					

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

PLACE : LUDHIANA  
DATED : 17-08-2019

Sd/-  
Jaspal Singh  
Vice Chairperson  
(DIN - 00458451)

Sd/-  
Ashok Kumar  
Director  
(DIN - 01971376)

# DIRECTORS' REPORT (ANNEXURE-C)

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

Sr. No.	Name	Designation	Remuneration (Rs.)	Qualification	Experience (Years)	Date of Commencement/ Cessation of/from Employment	Age (Years)	Last employment held
1	Des Raj	Jr. Engineer	3,32,195	I.T.I. Dip.	27	01.09.1992	54	Oriental Textile Processing Co. Pvt. Ltd.
2	Gian Chand*	Manager (Accounts)	3,17,109	B.A	38	31.12.2018	62	Hero Steels Limited
3	Manjit Singh	Jr. Engineer	2,99,367	I.T.I. Dip	24	24.08.1995	57	Arihant Textile Industries
4	Dhirender Negi	Sr. Technician	2,58,112	Under Matric	28	03.02.1990	55	First Employment
5	Ramesh Chand	Lift Operator	2,51,502	Under Matric	26	16.12.1992	55	PNB
6	Atul Chikersal	Executive	2,40,411	B.Sc	18	25.09.2008	49	Neva Garments
7	Gurmail singh	Sr. Technician	2,29,538	I.T.I. Dip.	30	01.07.1996	51	NFL Bhatinda
8	Ram Pujan	Electrician	2,04,327	Under Matric	27	01.05.1992	50	Amber Electronics
9	Kailash Singh	Electrician	2,00,393	B.A & I.T.I.	27	20.06.2006	48	Asian Lake Health Food
10	Ranjeet Singh	A.C. Operator	1,99,697	I.T.I. Dip.	12	12.05.2017	43	Ansal Plaza

\* Employed for the part of year

- 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 shares in the Company.

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

PLACE : LUDHIANA  
DATED : 17-08-2019

Sd/-  
Jaspal Singh  
Vice Chairperson  
(DIN - 00458451)

Sd/-  
Ashok Kumar  
Director  
(DIN - 01971376)