



LUDHIANA STOCK AND CAPITAL LIMITED
 (Formerly Ludhiana Stock Exchange Limited)
 CIN- U67120PB1981PLC004696

Registered office:- Feroze Gandhi Market, Ludhiana-141001
 Tel:- 0161-2405756, E-mail:- lse_cs@rediffmail.com,
 Website:- www.lse.co.in

POSTAL BALLOT NOTICE

[NOTICE PURSUANT TO SECTION 110 OF THE COMPANIES ACT, 2013, READ WITH RULE 22 OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014]

Dear Member(s),

Notice is hereby given pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act"), read with the Companies (Management and Administration) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and all other applicable laws and regulations, that the Special resolutions in relation to the following special businesses are proposed to be passed by the Members through Postal Ballot.

The explanatory statement pertaining to the said resolutions setting out the material facts concerning each item and the reasons thereof, as required in terms of Section 102 of the Act, are annexed here below along with a postal ballot form (the "Form") for your consideration.

Members exercising their votes by postal ballot are requested to carefully read the instructions printed on the back side of the Postal Ballot Form and record their assent (for) or dissent (against) therein and return the same in original duly completed and signed in the attached self-addressed, postage pre-paid envelope (if posted in India) so as to reach the Scrutinizer not later than the close of working hours i.e. 05:00 p.m. on or before 27th August, 2021 (Friday). Postal Ballot Forms received after that date and time will be strictly treated as if a reply from such Member has not been received.

In the event, the proposed resolutions are assented to by a requisite majority of the members by means of Postal Ballot, it shall be deemed to have been passed on the last date specified for receipt of duly completed postal ballot forms.

SPECIAL BUSINESS:

ITEM NO. 1-

TO APPROVE THE LIMITS FOR GIVING GUARANTEE(S) OR PROVIDING SECURITY(IES) IN CONNECTION WITH LOAN(S) TAKEN BY 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, the approval of the members of the Company be and is hereby accorded to the Board of Directors ("Board") of the Company to give any guarantee or provide any security in connection with a loan/credit facility to its Subsidiary, M/s. LSC Securities Limited, having CIN: U67120CH2000PLC023244, as the Board may in its absolute discretion deem beneficial and in the interest of the Company, 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 Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company or any Committee thereof or any officer authorized by the Board of Directors 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.”

ITEM NO. 2-

TO APPROVE THE GIVING OF GUARANTEE(S) OR PROVIDING SECURITY(IES) IN CONNECTION WITH LOAN(S) TAKEN BY 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, to give any guarantee or provide any security in connection with any loan/or credit facility availed by its Subsidiary, M/s LSC Securities Limited, having CIN: U67120CH2000PLC023244, upto 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 or any Committee thereof or any officer authorized by the Board of Directors, 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.”

<p>LUDHIANA STOCK AND CAPITAL LIMITED (Formerly Ludhiana Stock Exchange Limited) CIN:- U67120PB1981PLC004696 Regd. Office:- Feroze Gandhi Market, Ludhiana, Tel:- 0161-2405756, 4662014 Website:- www.lse.co.in E-mail:- lse_cs@rediffmail.com</p> <p>PLACE :- Ludhiana Date:- 17.07.2021</p>	<p style="text-align: center;"><i>By order of the Board of Directors For Ludhiana Stock and Capital Limited</i></p> <p style="text-align: right;">Tribhawan Singh Thapar Chairperson DIN: 00494576</p>
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NOTES :

1. An Explanatory Statement pursuant to Sections 102 & 110 of the Act, setting out the material facts and reasons for the proposed special resolutions above, is appended herein below along with Form for your consideration.
2. The Postal Ballot Notice along with the Postal Ballot Form is being sent to the Members whose names appear in the Register of Members received from Central Depository Services (India) Limited as at the close of business hours on Friday, 16.07.2021 ('cut-off date'). Members as on the cut-off date would be entitled to vote for the purpose of Postal Ballot and a person who is not a Member as on the cut-off date should treat this Postal Ballot Notice for information purpose only. The Postal Ballot notice shall also be available on the company's website & any member desirous of obtaining duplicate postal ballot form, he/she may download the same from the company's website i.e. www.lse.co.in or write an e-mail at lse_cs@rediffmail.com.
3. The Postal Ballot Notice is being sent to the Members, along with postage pre-paid self-addressed Business Reply Envelope ('BRE') by permitted mode.

4. The Board of Directors of the Company has appointed Ms. Tanveer Kaur, Practicing Company Secretary [C.P. No. 23138], Ludhiana as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner and to receive and scrutinize the completed ballot papers from the Members. After completion of scrutiny, the Scrutinizer will submit her report to the Chairperson and in his absence to the authorised Director of the Company.
5. The result of the Postal Ballot will be declared on 31.08.2021 (Tuesday) at 04.30 p.m. at the Registered Office of the Company and shall also be posted, along with the Scrutinizer's report, on the Company's website www.lse.co.in.
6. A copy of each of all the material documents referred to in the accompanying Explanatory Statement is open for inspection at the Registered Office of the Company between 10.30 a.m. to 12.30 p.m. on any working day till the last date for receiving Postal Ballot Forms i.e. 27.08.2021 (Friday).
7. The Postal Ballot form and the self-addressed business reply envelope are enclosed for use of members. Shareholders/Members are requested to carefully read the instructions printed on the back side of the Postal Ballot Form before exercising their votes.
8. Resolution passed by the requisite majority by the Members through Postal Ballot shall be deemed to have been duly passed at a General Meeting convened in that behalf.
9. The resolution, if passed by requisite majority, will be deemed to be passed on the last date specified for receipt of duly completed Postal Ballot Form i.e. 27.08.2021 (Friday).
10. A member cannot exercise his/her vote by Proxy on Postal Ballot.

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

Item nos. 1 & 2

The company has been approached by its subsidiary M/s. LSC Securities Ltd. seeking the assistance in order to further expand its principal business activities. The assistance by our company will be by way of providing the securities/guarantees in favour of banks, financial institutions or other lenders in order to secure the various facilities to be provided by these banks, financial institutions or lenders to the subsidiary.

Pursuant to the provisions of Section 186(2) of the Companies Act, 2013 ('Act'), the Company shall not directly or indirectly:

- (a) give any loan to any person or other body corporate;
- (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and
- (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate;

exceeding sixty percent of its paid-up share capital, free reserves and securities premium account or one hundred percent of its free reserves and securities premium account, whichever is higher. Pursuant to the provisions of Section 186(3) of the 'Act', where the giving of any loan or guarantee or providing any security or the acquisition of securities exceeds the limits specified in Section 186(2) of the 'Act', prior approval of the members of company by means of a Special Resolution is necessary.

Accordingly, it is proposed to seek prior approval of Members vide an enabling Resolution to provide securities or give guarantees 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 Companies Act, 2013.

Further 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. Further Sub-Section 3 of Section 185 of the Companies Act,

2013 provides that “Nothing contained in sub-sections (1) and (2) shall apply to—any guarantee given or security provided by a holding company in respect of loan made by any bank or financial institution to its subsidiary company,” still, the Board as an abundant precaution and in the interest of good corporate governance decided to seek approval of the shareholders pursuant to the applicable/amended provisions of Section 185 of the Act to give guarantee or provide any security in connection with any credit facility obtained by its subsidiary company up to an aggregate amount as approved by the shareholders of the Company under Section 186 of the Companies Act, 2013.

The Board of Directors recommends resolution as set out in item Nos. 1 & 2 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 Directors
For Ludhiana Stock and Capital Limited**

**Place: Ludhiana
Date:- 17-07-2021**

**TRIBHAWAN SINGH THAPAR
CHAIRPERSON
(DIN: 00494576)**