

# INDEPENDENT AUDITOR'S REPORT

To the Members of  
Ludhiana Stock and Capital Limited  
(Formerly Ludhiana Stock Exchange Limited)

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying financial statements of Ludhiana Stock and Capital Limited ('the Company'), which comprise the Balance Sheet as at 31<sup>st</sup> March 2021, the Statement of Profit and Loss, the Statement of Cash flows for the year then ended, , including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, of the state of affairs of the Company as at 31<sup>st</sup> March 2021, its profit and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Other Information

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

# INDEPENDENT AUDITOR'S REPORT

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order , 2016 ("the order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraph 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit, we report, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance sheet, the statement of profit and loss and the statement of cash flows dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of the written representations received from the directors as on 31st March 2021 taken on record by the Board of directors, none of the directors is disqualified as on 31st March 2021 from being appointed as a Director in terms of Section 164(2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting;
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, In our opinion and to the best of our information and according to the explanations given to us, we report that no remuneration has been paid by the Company to its directors during the year and therefore provisions of section 197 of the Act are not applicable;
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The company has disclosed the impact of pending litigation on the financial position of the company. (Refer Note 24 to the standalone financial statements).
    - ii. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses. (Refer note 38 to the standalone financial statements).
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. (Refer note 39 to the standalone financial statements).

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

Place: Ludhiana  
Date: 01.09.2021

(Sanjiv Mohan)  
Partner  
M. No.086066

## **INDEPENDENT AUDITOR'S REPORT ANNEXURE - A**

### **Annexure - A to the Auditors' Report**

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

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
b) According to the information and explanations given to us, the Company has physically verified the assets during the year. No discrepancies were noticed on such physical verification of Fixed Assets.  
c) According to information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
- (ii) The Company has not held any inventory during the year. Therefore the provisions of the paragraph 3(ii) are not applicable to the Company.
- (iii) According to the information and explanations given to us, we report that the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore the provisions of paragraph 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has not granted loans to directors or any other person in whom director is interested and also has not made loans, guarantees or provided security in connection with loan to any person or other body corporate and has not acquired securities of any other body corporate during the financial year. Therefore, the provisions of section 185 and section 186 of the Companies Act, 2013 are not applicable to the Company. Thus paragraph 3(iv) of the Order is not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted deposits covered under the provisions of sections 73 to 76, other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 with regard to the deposits accepted by the company. According to the information and explanations given to us, the order under the aforesaid sections has not been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company.
- (vi) The provisions of paragraph 3(vi) of the Order regarding the maintenance of cost records are not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of the records of the Company examined by us, in our opinion, the Company has been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, service tax, duty of custom, cess, goods and service tax and other applicable statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts in respect of statutory dues payable were outstanding as on the last day of the financial year concerned for a period of more than six months from the date they became payable.  
(b) According to the information and explanations given to us, there are no dues of income tax, duty of custom, cess and other statutory dues which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us, and based on our examination of the records of the company, the Company has not borrowed from banks or financial institutions, therefore the provisions of paragraph 3(viii) of the order are not applicable to the company.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not taken any term loan during the year. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year. Therefore the provisions of paragraph 3(ix) are not applicable to the Company.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanation given to us, the Company has not paid managerial remuneration during the year. Therefore the provisions of paragraph 3(xi) of the Order are not applicable.
- (xii) According to the information and explanation given to us, the company is not a Nidhi Company. Therefore the provisions of paragraph 3(xii) of the Order are not applicable.
- (xiii) According to the information and explanations given to us, and based on our examinations of the records of the company, transactions with the related parties are in compliance with section 177 and section 188 of the Act, where applicable and the details of the transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Thus the provisions of paragraph 3(xiv) of the Order are not applicable.
- (xv) According to information and explanations given to us, and based on our examination of the records of the company, the company has not entered into non-cash transactions with director or person connected with him. Accordingly, provisions of paragraph 3 (xv) of the Order are not applicable.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

**Place: Ludhiana  
Date: 01.09.2021**

**(Sanjiv Mohan)  
Partner  
M. No.086066**

# **INDEPENDENT AUDITOR'S REPORT ANNEXURE - B**

## **Annexure – “B” TO THE INDEPENDENT AUDITORS REPORT**

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Ludhiana Stock and Capital Limited of even date)

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

We have audited the internal financial control over financial reporting of Ludhiana Stock and Capital Limited (“the Company”) as of 31<sup>st</sup> March 2021 in conjunction with our audit of standalone financial statements of company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls over Financial Reporting**

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

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these standalone financial statements**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at 31<sup>st</sup> March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Place: Ludhiana  
Date: 01.09.2021**

**(Sanjiv Mohan)  
Partner  
M. No.086066**

# BALANCE SHEET AS AT 31ST MARCH 2021

PARTICULARS		Note No.	AS AT 31-03-2021	(Amount in ₹) AS AT 31-03-2020
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>				
a) Share capital	3		602,000	602,000
b) Reserves and surplus	4		<u>209,114,773</u>	<u>197,143,237</u>
			<u>209,716,773</u>	<u>197,745,237</u>
<b>2 Non-current liabilities</b>				
a) Long-term borrowings			-	-
b) Deferred tax liability (Net)	5		77,167	106,562
c) Other long term liabilities	6		20,158,431	19,404,484
d) Long-term provisions			-	-
			<u>20,235,598</u>	<u>19,511,046</u>
<b>3 Current liabilities</b>				
a) Short-term borrowings			-	-
b) Trade payables	7		-	-
i) Total outstanding dues of micro enterprises and small enterprises; and			-	-
ii) Total outstanding dues of creditors other than micro enterprise and small enterprise			621,003	1,020,894
c) Other current liabilities	8		10,927,401	7,429,779
d) Short-term provisions	9		<u>76,354</u>	<u>57,526</u>
			<u>11,624,758</u>	<u>8,508,199</u>
<b>TOTAL</b>			<b><u>241,577,129</u></b>	<b><u>225,764,483</u></b>
<b>II</b>	<b>ASSETS</b>			
<b>1 Non-current assets</b>		10		
a) Property, Plant and Equipment				
i) Tangible assets			78,797,746	79,449,575
ii) Intangible assets			<u>-</u>	<u>-</u>
			<u>78,797,746</u>	<u>79,449,575</u>
b) Non-current investments	11		34,517,625	34,517,625
c) Long-term loans and advances	12		9,457,790	10,738,082
d) Other non-current assets	13		28,938,701	21,242,710
			<u>151,711,862</u>	<u>145,947,993</u>
<b>2 Current assets</b>				
a) Current investments	14		8,438,854	10,738,954
b) Inventories			-	-
c) Trade receivables	15		806,187	623,472
d) Cash and bank balances	16		77,264,566	63,794,710
e) Short-term loans and advances	17		3,222,442	4,476,137
f) Other current assets	18		133,218	183,218
			<u>89,865,267</u>	<u>79,816,490</u>
<b>TOTAL</b>			<b><u>241,577,129</u></b>	<b><u>225,764,483</u></b>

See accompanying notes to the financial statements

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

(Sanjiv Mohan)  
Partner  
M. No. 086066

PLACE : LUDHIANA  
DATED : 01-09-2021

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

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

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

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

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

# STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2021

(Amount in ₹)

PARTICULARS	Note No.	For the year ended 31st March 2021	For the year ended 31st March 2020
i Revenue from operations	19	9,191,501	9,551,709
ii Income from investments and deposits	20	7,627,396	7,000,610
iii Other income	21	10,852,638	9,355,441
iv <b>Total revenue ( i + ii + iii )</b>		<b>27,671,535</b>	<b>25,907,760</b>
v <b>Expenses :</b>			
Employee benefits expense	22	4,330,705	4,434,858
Depreciation and amortization expense		687,914	740,886
Other expenses	23	17,561,934	20,001,885
<b>Total expenses</b>		<b>22,580,553</b>	<b>25,177,629</b>
vi Profit/(Loss) before extraordinary items and tax ( iv - v )		5,090,982	730,130
vii Extraordinary items			
- Unclaimed credit balances written back - (Refer note - 27)		8,467,221	-
viii Profit before tax (vi + vii)		13,558,203	730,130
ix Tax expense :			
- Current tax		100,000	-
- Income Tax relating to prior years		36,062	-
- Deferred tax		(29,395)	24,841
x Profit for the year ( viii - ix )		<b>13,451,536</b>	<b>705,289</b>
Earnings per share ( of Rs. 10/- each ) (Refer note no. 31)			
- Basic		227.22	11.91
- Diluted		227.22	11.91

See accompanying notes to the financial statements

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

(Sanjiv Mohan)  
Partner  
M. No. 086066

PLACE : LUDHIANA  
DATED : 01-09-2021

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

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

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

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

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

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

# CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2021

(Amount in ₹)

PARTICULARS	2020-21	2019-20
<b>1. Cash Flow from Operating Activity</b>		
Profit before tax	5,090,982	730,130
Adjustments for:		
Depreciation and amortization expenses	687,914	740,886
Interest Income	(6,820,513)	(6,309,639)
Dividend Income	(666,215)	(666,215)
Profit on sale of current investments	(140,668)	(24,755)
Allowances for doubtful debts	-	31,642
Sundry balances written back	(25,399)	(228,847)
Loss on write off of asset	2,872	-
<b>Operating Profit Before Working Capital changes</b>	<b>(1,871,027)</b>	<b>(5,726,798)</b>
Changes in Working Capital :		
Adjustments for (increase)/decrease in operating assets :		
Trade receivables	(182,715)	217,664
Short Term Loans and Advances	(465,771)	(21,704)
Other current assets	50,000	217,804
Long Term loans and advances	40,446	108,384
Other non-current assets	(707289)	(256,338)
Adjustments for increase/(decrease) in operating liabilities :		
Trade Payables	(374,492)	353,355
Short Term Provisions	18,828	7,239
Other Current Liabilities	3,457,860	(481,511)
Other long term liabilities	753,947	1,373,919
<b>Cash Generated/(used) For Operations</b>	<b>719,787</b>	<b>(4,207,987)</b>
Income tax paid (net)	1,103,782	(551,885)
Add : Extraordinary items and Non Recurring Items		
- Proceeds from sale of unclaimed securities - Refer Note 27	8,467,221	-
<b>Net Cash generated/(used) For Operating Activity (A)</b>	<b>10,290,789</b>	<b>(4,759,871)</b>
<b>2. Cash Flow From Investing Activity</b>		
Interest received	8,565,639	5,578,895
Dividend received	666,215	666,215
Proceeds from sale of Current investments	2,440,768	396,737
Purchase of Current investments	-	(4,300,000)
Purchase of Property, Plant and Equipment	(38,956)	(23,078)
Movement in bank deposits other than cash and cash equivalents	(19,340,564)	1,037,893
Movement in earmarked deposits	(39,762)	-
<b>Net Cash Flow From Investing Activity (B)</b>	<b>(7,746,660 )</b>	<b>3,356,662</b>

# CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2021

(Amount in ₹)

PARTICULARS	2020-21	2019-20
<b>3. Cash Flow From Financing Activity</b>		
Dividend Paid	(1,440,238)	(10,500)
<b>Net Cash (used in)/generated from Financing Activity (C)</b>	<b>(1,440,238)</b>	<b>(10,500)</b>
<b>4. Net Increase/ (Decrease) in Cash and Cash Equivalents (A)+(B)+(C)</b>	<b>1,103,891</b>	<b>(1,413,709)</b>
<b>5. Cash and Cash Equivalents at the beginning of the year</b>	<b>696,218</b>	<b>2,109,926</b>
<b>6. Cash and Cash Equivalents at the end of the year (4)+(5)</b>	<b>1,800,110</b>	<b>696,218</b>
<b>Cash and Cash equivalents at the end of the year Comprises (Refer Note 16)</b>		
Cash on hand	21,276	43,895
Cheques in hand	1,200	-
Balances with Banks:		
-In current account	1,777,634	652,323
	<b>1,800,110</b>	<b>696,218</b>

Notes:

The figures in brackets represent outflows/adjustments.

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

(Sanjiv Mohan)  
Partner  
M. No. 086066

PLACE : LUDHIANA  
DATED : 01-09-2021

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

Sd/-  
(Tribhawan Singh Thapar)  
Chairperson  
(DIN - 00494576)      Sd/-  
(Ashok Kumar)  
Director  
(DIN - 01971376)      Sd/-  
(Vikas Batra)  
Director  
(DIN - 01964260)

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

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

# **NOTES FORMING PART OF FINANCIAL STATEMENTS**

## **1. CORPORATE INFORMATION**

Ludhiana Stock and Capital Limited (Formerly known as Ludhiana Stock Exchange Limited) ("the Company") is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956 on 17.10.1981. The Company is engaged in performing functions of a Holding Company by coordinating the policy and administration of existing subsidiary apart from providing infrastructure and related services to its members and contributing to the society by providing summer training to the students of various streams including functioning of stock market.

## **2. SIGNIFICANT ACCOUNTING POLICIES**

### **a) Basis of preparation of Financial Statements**

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

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

### **b) Use of Estimates**

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

### **c) Revenue Recognition**

#### **Interest**

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

#### **Rent**

II. Rental income is recognized on a straight line basis over the period of lease.

#### **Maintenance Charges**

III. Maintenance charges are recognized on accrual basis.

#### **Dividend**

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

#### **Fee from training and education cell**

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

#### **Insurance and Other Claims**

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

### **d) Property, Plant and Equipment**

#### **i) Tangible Assets**

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

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

#### **ii) Intangible Assets**

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

#### **e) Depreciation**

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

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

#### **f) Amortization**

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

#### **g) Employee Benefits:**

##### **1) Short Term Employee Benefits:**

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

##### **2) Post Employment Benefits:**

###### **i) Defined Contribution Plans:**

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

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

# **NOTES FORMING PART OF FINANCIAL STATEMENTS**

## **ii) Defined Benefit Plans:**

### **Gratuity:**

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

### **Actuarial Gain or Loss:**

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

## **h) Investments**

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

## **i) Borrowing Costs**

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

## **j) Impairment of Assets**

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

## **k) Accounting for Taxes on Income**

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

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

## **l) Earnings per share**

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

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

## **m) Leases**

### **Company as a lessor**

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

## **n) Cash flow statement**

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

## **o) Cash and cash equivalent**

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

## **p) Provisions and Contingent Liabilities**

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

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

ii) Contingent liability is disclosed in case there is :

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

## **q) Operating Cycles:**

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

## **r) Material Events:**

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

# NOTES FORMING PART OF FINANCIAL STATEMENTS

## 3 Share capital

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number	Amount (Rs.)	Number	Amount (Rs.)
<b>Authorised :</b>				
Equity shares of Rs.10/- each (par value)	5,000,000	50,000,000	5,000,000	50,000,000
<b>Total</b>	<b>5,000,000</b>	<b>50,000,000</b>	<b>5,000,000</b>	<b>50,000,000</b>
<b>Issued :</b>				
Equity shares of Rs.10/- each	70,000	700,000	70,000	700,000
<b>Total</b>	<b>70,000</b>	<b>700,000</b>	<b>70,000</b>	<b>700,000</b>
<b>Subscribed :</b>				
Equity shares of Rs.10/- each	60,200	602,000	60,200	602,000
<b>Total</b>	<b>60,200</b>	<b>602,000</b>	<b>60,200</b>	<b>602,000</b>
<b>Paid up :</b>				
Equity shares of Rs.10/- each	60,200	602,000	60,200	602,000
Less : Forfeited 1,000 equity shares of Rs.10/- each		10,000		10,000
	60,200	592,000	60,200	592,000
Add : Forfeited shares ( Amount originally paid up)		10,000		10,000
<b>Total</b>	<b>60,200</b>	<b>602,000</b>	<b>60,200</b>	<b>602,000</b>

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

Equity shares	As at 31 March 2021		As at 31 March 2020	
	Number	Amount (Rs.)	Number	Amount (Rs.)
At the beginning of the reporting period	60,200	602,000	60,200	602,000
Add: Issued during the period	-	-	-	-
<b>Outstanding at the end of the reporting period</b>	<b>60,200</b>	<b>602,000</b>	<b>60,200</b>	<b>602,000</b>

### b. Rights, preferences and restrictions attached to equity shares

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

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

During the year ended on 31 March 2021, the company has paid an amount of Rs. 1,480,000 (previous year Nil) Rs.25/- per equity share as final dividend for the financial year 2019-20 to the equity shareholders of the Company, out of which unpaid dividend is Rs. 39,762 as on 31st March, 2021.

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

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

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

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

	As at 31st March 2021	As at 31st March 2020
	Number of shares	Number of shares
A Equity shares allotted as fully paid up pursuant to contract (s) without payment being received in cash	-	-
B Equity shares allotted as fully paid up by way of bonus shares	-	-
C Equity shares bought back by the Company	-	-

# NOTES FORMING PART OF FINANCIAL STATEMENTS

## 4 Reserves and surplus

Particulars	As at 31 March 2021 (Rs.)	As at 31 March 2020 (Rs.)
<b>Capital reserve</b>		
Balance as per last financial statements	152,721,795	152,721,795
	<u>152,721,795</u>	<u>152,721,795</u>
<b>Other reserves :</b>		
<b>General reserve</b>		
Balance as per last financial statements	36,761,316	36,761,316
	<u>36,761,316</u>	<u>36,761,316</u>
<b>Surplus i.e. balance in statement of profit and loss</b>		
Balance as per the last financial statements	7,660,126	6,954,837
Add : Profit for the year transferred from statement of profit and loss	13,451,536	705,289
	<u>21,111,662</u>	<u>7,660,126</u>
Less : Appropriations :		
Dividend paid (2019-20)	1,480,000	-
Closing Balance	<u>19,631,662</u>	<u>7,660,126</u>
<b>Total</b>	<b><u>209,114,773</u></b>	<b><u>197,143,237</u></b>

## 5 Deferred tax liability

Particulars	As at 31 March 2021 (Rs.)	As at 31 March 2020 (Rs.)
<b>Deferred tax liability</b>		
Arising on account of accelerated depreciation	77,167	106,562
	<u>77,167</u>	<u>106,562</u>

## 6 Other long-term liability

Particulars	As at 31 March 2021 (Rs.)	As at 31 March 2020 (Rs.)
Others :		
Retention money	3,435,054	3,435,054
Security from members	14,729,125	13,975,178
Security from others	1,994,252	1,994,252
	<u>20,158,431</u>	<u>19,404,484</u>

## 7 Trade payables

Particulars	As at 31 March 2021 (Rs.)	As at 31 March 2020 (Rs.)
Total outstanding dues of micro enterprise and small enterprise (Refer note No. 29)	-	-
Total outstanding dues of creditors other than micro enterprise and small enterprise	621,003	1,020,894
	<u>621,003</u>	<u>1,020,894</u>

# **NOTES FORMING PART OF FINANCIAL STATEMENTS**

## **8 Other current liabilities**

Particulars	As at 31 March 2021 (Rs.)	As at 31 March 2020 (Rs.)
Unpaid dividend	1,190,647	1,150,885
Due to members	475,000	475,000
Other payables		
- Statutory remittances**	122,651	102,961
- Due to employees	539,910	299,868
- Expense payable	358,819	299,478
- Earnest money for membership	25,000	25,000
- Advances from members	5,506,262	2,467,200
- Security from members	2,025,532	2,249,550
- Cheques issued but not yet presented	3,264	28,067
- Other Advances	8,474	12,712
- Other payables	671,842	319,058
	<b>10,927,401</b>	<b>7,429,779</b>

\*\* Statutory remittance includes contribution to provident fund, ESIC, tax deducted at source, Goods and service tax etc.

Unpaid dividend does not include any amount due and outstanding required to be credited to Investors' Education and Protection Fund.

## **9 Short-term provisions**

Particulars	As at 31 March 2021 (Rs.)	As at 31 March 2020 (Rs.)
Provision for employee benefits :		
Leave encashment	76,354	57,526
	<b>76,354</b>	<b>57,526</b>

# NOTES FORMING PART OF FINANCIAL STATEMENTS

PARTICULARS	GROSS BLOCK			Balance as at 1 April, 2020	Balance as at 31 March, 2021	ACCUMULATED DEPRECIATION Depreciation/ amortisation expenses during the year	Balance as at 31 March, 2021	NET BLOCK Balance as at 31 March, 2020
	Additions	Disposal	Balance as at 31 March, 2021					
<b>a) Tangible assets</b>								
Freehold Land	65,742,904	-	-	65,742,904	26,952,352	558,603	27,510,955	65,742,904
Buildings	38,513,591	-	-	38,513,591	26,266,341	91,981	26,338,322	11,002,636
Plant and Equipments	27,893,316	-	-	27,893,316	8,015,298	22,891	7,963,472	1,534,994
Office Equipments	8,431,210	38,956	77,589	8,392,577	525,412	4,153	529,565	429,105
Furniture and Fixtures	535,340	-	-	555,340	587,033	10,285	597,318	25,775
Vehicles	659,650	-	-	659,650				62,332
<b>Total (a)</b>	<b>141,796,011</b>	<b>38,956</b>	<b>77,589</b>	<b>141,757,378</b>	<b>62,346,436</b>	<b>687,914</b>	<b>74,717</b>	<b>62,959,633</b>
<b>b) Intangible assets</b>								
Computer Software	295,500	-	-	295,500	295,500	-	-	295,500
<b>Total (b)</b>	<b>295,500</b>			<b>295,500</b>	<b>295,500</b>	<b>-</b>	<b>-</b>	<b>295,500</b>
<b>Grand Total (a + b)</b>	<b>142,091,511</b>	<b>38,956</b>	<b>77,589</b>	<b>142,052,878</b>	<b>62,641,936</b>	<b>687,914</b>	<b>74,717</b>	<b>63,255,133</b>
<b>Previous year</b>	<b>142,068,433</b>	<b>23,078</b>	<b>-</b>	<b>142,091,511</b>	<b>61,901,050</b>	<b>740,886</b>	<b>80,620</b>	<b>62,641,936</b>
								<b>78,797,746</b>
								<b>79,449,575</b>
								<b>79,449,575</b>

Note

- Intangible assets are not internally generated.

b) Intangible assets

PARTICULARS	GROSS BLOCK			Balance as at 1 April, 2019	Balance as at 31 March, 2020	ACCUMULATED DEPRECIATION Depreciation/ amortisation expenses during the year	Balance as at 31 March, 2020	NET BLOCK Balance as at 31 March, 2019
	Additions	Disposal	Balance as at 31 March, 2020					
<b>a) Tangible assets</b>								
Freehold Land	65,742,904	-	-	65,742,904	26,365,372	586,980	-	65,742,904
Buildings	38,513,591	-	-	38,513,591	26,147,219	119,122	26,286,341	11,561,239
Plant and Equipments	27,893,316	-	-	27,893,316	8,431,210	15,926	8,015,298	1,626,975
Office Equipments	8,419,982	11,228	-	543,490	555,340	520,625	525,412	415,912
Furniture and Fixtures	11,850	-	-	659,650	659,650	572,962	14,071	29,928
Vehicles	659,650	-	-					86,688
<b>Total (a)</b>	<b>141,772,933</b>	<b>23,078</b>	<b>-</b>	<b>141,796,011</b>	<b>61,605,550</b>	<b>740,886</b>	<b>62,346,436</b>	<b>79,449,575</b>
<b>b) Intangible assets</b>								<b>80,167,383</b>
Computer Software	295,500	-	-	295,500	295,500	-	-	295,500
<b>Total (b)</b>	<b>295,500</b>			<b>295,500</b>	<b>295,500</b>	<b>-</b>	<b>-</b>	<b>295,500</b>
<b>Grand Total (a + b)</b>	<b>142,068,433</b>	<b>23,078</b>	<b>-</b>	<b>142,091,511</b>	<b>61,901,050</b>	<b>740,886</b>	<b>80,620</b>	<b>62,641,936</b>
<b>Previous year</b>	<b>142,112,036</b>	<b>62,390</b>	<b>-</b>	<b>105,993</b>	<b>142,068,433</b>	<b>61,144,377</b>	<b>837,294</b>	<b>61,901,050</b>
								<b>79,449,575</b>
								<b>80,167,383</b>

# NOTES FORMING PART OF FINANCIAL STATEMENTS

## 11 Non current investments

Particulars	As at 31 March 2021 (Rs.)	As at 31 March 2020 (Rs.)
<b>Long term investments</b>		
<b>Unquoted (Valued at cost unless stated otherwise)</b>		
<b>Trade</b>		
Investment in equity instruments of subsidiary company	34,517,625	34,517,625
33,31,075 ( previous year 33,31,075 ) Equity shares of ` 10/- fully paid up of LSC Securities Limited (formerly L.S.E. Securities Limited)	<u>34,517,625</u>	<u>34,517,625</u>
Aggregate amount of unquoted investments	34,517,625	34,517,625

## 12 Long-term loans and advances

Particulars	As at 31 March 2021 (Rs.)	As at 31 March 2020 (Rs.)
(Unsecured considered good )		
Security deposits	1,531,534	1,531,534
Advance income tax { net of provision for tax ' Rs. 1,00,000/- (Previous year Rs. Nil/-)}	7,834,335	9,074,181
Fair value of Plan Assets (Net) (Refer Note- 34)	91,921	132,367
	<u>9,457,790</u>	<u>10,738,082</u>

## 13 Other non-current assets

Particulars	As at 31 March 2021 (Rs.)	As at 31 March 2020 (Rs.)
(Unsecured considered good )		
Others :		
Members security:		
- Held as fixed deposits.	13,970,825	13,216,878
- Held as members investment	647,913	694,571
Security received from others (held as fixed deposits )	124,672	124,672
Deposits with maturity of more than twelve months	14,014,362	7,000,000
Interest accrued on fixed deposits	180,929	206,589
	<u>28,938,701</u>	<u>21,242,710</u>

## 14 Current Investments

Particulars	As at 31 March 2021 (Rs.)	As at 31 March 2020 (Rs.)
<b>At cost or fair value whichever is less</b>		
<b>Investments in Mutual Funds (Unquoted)</b>		
1351.927 units (Previous Year- NIL) units of face value of Rs.1000/- each fully paid up of UTI Liquid Cash Plan - Direct Grown	1,999,900	4,300,000
<b>Investments in bonds (Quoted)</b>		
<b>(Tax free bonds listed on Stock Exchange)</b>		
8.76% 199 (Previous Year- 199) bonds face value of Rs. 5,000/- each of National Housing Bank	1,188,402	1,188,402

# NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at 31 March 2021 (Rs.)	As at 31 March 2020 (Rs.)
8.50% 150 (Previous Year- 150) bonds face value of Rs. 1,000/- each of National Highway Authority of India	173,725	173,725
7.35% 999 (Previous Year- 999) bonds face value of Rs. 1,000/- each of National Bank for Agriculture and Rural Development	1,059,632	1,059,632
7.39% 1,299 (Previous Year- 1299) bonds face value of Rs. 1,000/- each of Housing Urban Development Corporation	1,383,316	1,383,316
7.35% 999 (Previous Year- 999) bonds face value of Rs. 1,000/- each of Indian Railway Finance Corporation Limited	1,058,572	1,058,572
7.37% 300 (Previous Year- 300) bonds face value of Rs. 1,000/- each of National Highway Authority of India	317,707	317,707
7.43% 100 (Previous Year- 100) bonds face value of Rs. 1,000/- each of National Highway Authority of India	106,447	106,447
7.35% 78 (Previous Year- 78) bonds face value of Rs. 1,000/- each of Power Finance Corporation	83,283	83,283
	<b>8,438,854</b>	<b>10,738,954</b>
Aggregate amount of unquoted investments	1,999,900	4,300,000
Aggregate amount of quoted investments	6,438,954	6,438,954
Aggregate fair value of unquoted investments*	2 013 731	4 395 714
Aggregate market value of quoted investments**	7,311,161	6,975,696

\* Fair value of investments in mutual funds is determined by reference to quotes from the financial institutions, i.e. net asset value (NAV) for investments in mutual funds declared by mutual fund house.

## 15 Trade receivables

PARTICULARS	As at 31 March 2021 (Rs.)	As at 31 March 2020 (Rs.)
Trade receivables outstanding for a period exceeding six months from the date they are due for payment :		
- Secured, considered good	183,561	213,866
- Unsecured, considered good	32,811	83,446
- Unsecured, considered doubtful	<u>60,770</u>	<u>92,412</u>
	<u>277,142</u>	<u>389,724</u>
Less : Allowances for doubtful advances	60,770	216,372
	92,412	297,312
Other trade receivables		
- Secured, Considered Good	516,871	242,422
- Unsecured, Considered Good	<u>72,945</u>	<u>83,738</u>
	<u>806,187</u>	<u>326,160</u>
		<b>623,472</b>

# NOTES FORMING PART OF FINANCIAL STATEMENTS

## 16 Cash and Bank Balances

Particulars	As at 31 March 2021 (Rs.)	As at 31 March 2020 (Rs.)
<b>Cash and cash equivalents</b>		
a) Balances with banks		
- In current accounts	1,777,634	652,323
b) Cash in hand	21,276	43,895
c) Cheques in hand	1,200	-
	<b>1,800,110</b>	<b>696,218</b>
<b>Other Bank balances</b>		
Earmarked balances with banks :		
- Dividend account	1,190,647	1,150,885
Deposit with maturity of more than three months but less than twelve months	74,273,809	61,947,607
	<b>75,464,456</b>	<b>63,098,492</b>
	<b>77,264,566</b>	<b>63,794,710</b>

## 17 Short-term loans and advances

Particulars	As at 31 March 2021 (Rs.)	As at 31 March 2020 (Rs.)
(Unsecured considered good )		
Loans and advances to related parties	84,427	79,936
Others:		
Loans and advances to employees'	54,970	63,270
Prepaid expenses	239,394	165,339
Interest accrued on:		
- Fixed deposits	2,283,949	4,003,425
- Bonds	151,367	151,357
	<b>2,435,316</b>	<b>4,154,782</b>
Other recoverables :		
- Considered good	408,335	12,810
- Considered doubtful	-	-
	<b>3,222,442</b>	<b>4,476,137</b>

## 18 Other Current Assets

Particulars	As at 31 March 2021 (Rs.)	As at 31 March 2020 (Rs.)
Members security:		
- Held as fixed deposits	133,218	183,218
	<b>133,218</b>	<b>183,218</b>

# NOTES FORMING PART OF FINANCIAL STATEMENTS

## 19 Revenue from operations

Particulars	For the year ended 31 March 2021 (Rs.)	For the year ended 31 March 2020 (Rs.)
Other operating revenues :		
- Membership fee	297,000	296,000
- Transfer fee received	227,200	101,696
- Training and education cell	-	583,563
- Maintenance charges received	8,667,301	8,570,450
	<b>9,191,501</b>	<b>9,551,709</b>

## 20 Income from investments and deposits

Particulars	For the year ended 31 March 2021 (Rs.)	For the year ended 31 March 2020 (Rs.)
Interest received :		
- From banks	5,089,326	5,759,210
- From investment in Bonds	459,626	459,407
- From others	1,271,561	91,022
Dividend income from Non Current Investments		
- Subsidiary	666,215	666,215
Profit on sale of Current Investments		
- Mutual Funds	140,668	24,755
	<b>7,627,396</b>	<b>7,000,610</b>

## 21 Other income

Particulars	For the year ended 31 March 2021 (Rs.)	For the year ended 31 March 2020 (Rs.)
Rent received	10,359,973	8,622,406
Sundry balances written back	25,399	247,115
Miscellaneous receipts	435,624	485,920
Bad Debts Recovered	31,642	-
	<b>10,852,638</b>	<b>9,355,441</b>

## 22 Employee benefits expense

Particulars	For the year ended 31 March 2021 (Rs.)	For the year ended 31 March 2020 (Rs.)
Salaries and wages	3,659,293	3,650,948
Contribution to provident and other funds	458,806	558,939
Staff welfare	212,606	224,971
	<b>4,330,705</b>	<b>4,434,858</b>

# **NOTES FORMING PART OF FINANCIAL STATEMENTS**

## **23 Other expenses**

<b>Particulars</b>	<b>For the year ended</b>	<b>For the year ended</b>
	<b>31 March 2021</b> <b>(Rs.)</b>	<b>31 March 2020</b> <b>(Rs.)</b>
Electricity and water	8,786,171	10,119,025
Repairs and maintenance - Plant and machinery	317,180	250,301
Repairs and maintenance - Buildings	219,543	896,965
Insurance	205,587	185,431
Rates and taxes	306,335	296,335
Legal and professional	1,375,360	1,319,776
Travelling and conveyance	3,990	6,668
Printing and stationery	47,052	81,848
Payment to auditor's (note no. 32 )	133,120	153,332
Meeting expenses	65,500	61,681
Directors' sitting fee	21,000	21,000
Communication expenses	217,815	202,228
Allowances for Doubtful Debts	-	31,642
Security charges	4,898,768	4,739,106
Service tax settled and paid under SVLDRS-2019-SC	-	435,608
Sundry balances written off	-	18,268
Training and education cell expenses	-	63,176
Miscellaneous	961,641	1,119,495
Loss on discard of assets	2,872	-
	<b><u>17,561,934</u></b>	<b><u>20,001,885</u></b>

# NOTES FORMING PART OF FINANCIAL STATEMENTS

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

## **Claims against the company not acknowledged as debt**

Claims in respect of M/s Girnar Fibers Limited amounting to Rs. 11,07,850/- with the interest @ 6% per annum from the due date of payment till the realization of the amount. M/s Girnar Fibres Limited, a public company had filed a recovery suit against the company for the recovery of an amount of Rs. 11,07,850/- being the security deposited with the Ludhiana Stock Exchange Ltd. (LSE) for listing of its shares when that company came out with Rights cum Public Issue in year 1995. Subsequently a penalty of Rs. 5 lakhs was imposed by LSE on the said Company for non-compliance of some post-listing requirements and breach of Listing Agreement. The said penalty was adjusted against the security deposit and the balance amount of Rs. 6,07,850/- was finally transferred to SEBI on 22.02.2014 to comply with the conditions laid down in Exit Policy.

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

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

25. The company is a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act, 1956. Accordingly, the company has complied with the Accounting Standards, as applicable to a Small and Medium sized company.

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

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

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

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

b) The securities so transferred by the company in its name pertaining to defaulting or suspended members remained unclaimed for a long period and to the best efforts of the company, no member came forward to claim these securities despite advertisement made by the company in various newspapers.

The company has disposed of these unclaimed securities in a recognized stock exchange and after paying income tax in accordance with the provisions of The Income Tax Act, 1961, has written back a sum of Rs 84,67,221 as unclaimed balances and such is shown under the head "extraordinary items" in the Statement of Profit and Loss in view of its unusual and infrequent nature.

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

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

(Amount in Rs.)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Principal amount remaining unpaid to any supplier as at the end of accounting year	-	-
Interest due on remaining unpaid to any supplier as at the end of the accounting year	-	-
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day during accounting year	-	-
The amount of interest due and payable for the accounting year	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

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

30. **Related Party Disclosure** in accordance with the accounting standard-18 "Related Party Disclosure"

a) Disclosure of Related Parties and relation between the party.

**Subsidiary:** LSC Securities Limited

# NOTES FORMING PART OF FINANCIAL STATEMENTS

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

Particulars	Subsidiary	
	31 March 2021	31 March 2020
Rent received (inclusive of taxes Rs.6,92,550/- previous year Rs. 6,92,550/-)	4,540,050	4,540,050
Maintenance charges (inclusive of taxes Rs.1,21,098/- previous year Rs. 1,21,098/-)	793,852	793,852
Reimbursement of Expenses received	11,76,721	12,05,752
Dividend received	6,66,215	6,66,215
D.P. charges paid	-	64
Communication charges paid	-	9824
Due from Subsidiary	88,742	79,936

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

## 31. EARNING PER SHARE

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

Particulars	31 March 2021	31 March 2020
Profit attributable to equity shareholders (Rs.) (A)	1,34,51,536	7,05,289
Average number of Basic Equity Shares (B)	59,200	59,200
Average number of Dilutive Equity Shares (C)	59,200	59,200
Basic Earnings Per Share (A/B)	227.22	11.91
Diluted Earnings per Share (A/C)	227.22	11.91
Face Value of Per Equity Share (Rs.)	10.00	10.00

## 32. Payment to Auditors:

Particulars	As at 31 March 2021	As at 31 March 2020
Audit Fee	85,000	80,000
Tax Audit Fee	15,000	15,000
Income Tax matters	15,000	15,000
In other capacity	10,000	10,000
Reimbursement of Expenses	8,120	33,332

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

## 34. Employee Benefits:

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

### a) Changes in the present value of obligation:

(Amount in Rs.)

Particulars	Gratuity (Funded)	
	2020-2021	2019-2020
Present Value of defined benefit obligation as at beginning of the year.	16,71,135	15,07,364
Interest Cost	1,16,979	1,05,516
Current Service Cost	85,318	93,916
Benefits Payments	(2,81,913)	(69,952)
Actuarial Loss / (Gain)	(52,904)	34,291
Present Value obligation as at end of the year.	15,38,615	16,71,135

# **NOTES FORMING PART OF FINANCIAL STATEMENTS**

**b) Changes in the Present Value of Plan Asset:**

(Amount in Rs.)

Particulars	<b>Gratuity (Funded)</b>	
	<b>2020-2021</b>	<b>2019-2020</b>
Fair value of Plan Assets as at beginning of the year	15,38,615	17,48,115
Expected return on Plan Assets	1,26,245	1,22,368
Contributions by the company	5,099	5,222
Actual Benefits paid	(2,81,913)	(69,952)
Actuarial (Loss)/gain	(22,397)	(2,251)
Fair value of Plan Assets as at end of the year	16,30,536	18,03,502

**c) Amount recognized in Balance Sheet :**

(Amount in Rs.)

Particulars	<b>Gratuity (Funded)</b>	
	<b>2020-2021</b>	<b>2019-2020</b>
Present value of defined benefit obligation as at end of the year	15,38,615	16,71,135
Fair value of Plan Assets as at end of the year	16,30,536	18,03,502
Funded Status	91,921	1,32,367
Net Assets/ (Liability) recognized in Balance Sheet	91,921	1,32,367

**d) Expense Recognized in Statement of Profit and Loss:**

( Amount in Rs.)

Particulars	<b>Gratuity (Funded)</b>	
	<b>2020-2021</b>	<b>2019-2020</b>
Current service cost	85,318	93,916
Interest cost	1,16,979	1,05,516
Expected return on Plan Assets	(1,26,245)	(1,22,368)
Net Actuarial Loss/(gain)	(30,507)	36,542
Total Expenses recognized in Statement of profit and loss	45,545	1,13,606

**e) Principle actuarial assumptions at the balance sheet date :**

Particulars	<b>Gratuity (Funded)</b>	
	<b>2020-2021</b>	<b>2019-2020</b>
Discount Rate ( per annum )	7.00%	7.00%
Rate of increase in compensation levels (per annum )	5.00%	5.00%
Expected Rate of return on plan assets ( per annum )	7.00%	7.00%
Expected Average remaining working lives of employees ( years )	10.60	10.50
Method Used	Projected Unit Credit Method	Projected Unit Credit Method

- f) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employee market.
- g) During the year, the company has recognized an expense of Rs.3,00,486/- (previous year Rs. 3,22,781/-) in respect of Contribution to Employees Provident Fund.
- h) The plan assets are maintained with Life Insurance Corporation of India (LIC). The details of Investments maintained by LIC have not been furnished to the company. The same have therefore not been disclosed.

# NOTES FORMING PART OF FINANCIAL STATEMENTS

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

	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Experience adjustment					
- On plan liabilities loss/(gain)	(52,904)	(24,296)	(11,971)	92,295	(2,54,845)
- On plan assets gain/(loss)	(22,397)	(2,251)	(20,820)	35,638	80,111
Present value of defined benefit obligations as at the end of the year	15,38,615	16,71,135	15,07,364	14,92,935	19,54,553
Fair value of plan assets as at the end of the year	16,30,536	18,03,502	17,48,115	18,17,431	19,04,783
Excess / (deficit) of plan assets over obligations	91,921	1,32,367	2,40,751	3,24,496	-49,770

35. Figures in brackets indicate deductions. The amount has been rounded off to the nearest rupee.  
 36. The detail of deferred tax liabilities and assets as per Accounting Standard – AS 22 on “Accounting for Taxes on Income” as at the end of each reporting period is as under.

Nature of Timing Difference	Deferred Tax Liability (Assets) as on 01.04.2020	Movement during the year	Deferred Tax Liability (Assets) as on 31.03.2021
<b>Deferred Tax Liabilities</b>			
(i) Related to Property plant and equipments	1,06,562	(29,395)	77,167
<b>Less :Deferred Tax Assets</b>	-	-	-
<b>Deferred tax Liability (Net)</b>	<b>1,06,562</b>	<b>(29,395)</b>	<b>77,167</b>

37. The lease rent income recognized in the statement of profit and loss during the year amounts to Rs. 1,03,59,973/- (previous Year Rs. 86,22,406/-) has been shown under Other Income in note no. 21. The other disclosures in respect of leases are not applicable.  
 38. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.  
 39. The company is not required to deposit any unclaimed dividend during the year to the Investor Educations and Protection Fund in accordance with the relevant provisions of the Companies Act, 2013 and Rules made thereunder.  
 40. The information required by the paragraph 5 of general instructions for preparation of the statement of profit and loss as per Schedule III of the Companies Act, 2013 is not applicable to the company.  
 41. Previous year's figures have been recast/regrouped wherever necessary, to make these comparable with current year's figures.  
 42. **Events occurring after the balance sheet date**

The company has declared dividend of Rs. 100/- per equity share of Rs. 10/- each, aggregating Rs. 59,20,000/- for the financial year 2020-21 in its Board meeting held on 1st September, 2021, Subject to the approval of shareholders at the ensuing Annual General Meeting.

As per our separate report of even date For SCV & Co. LLP Chartered Accountants Firm Regn. No. 000235N/N500089		For and on behalf of the Board of Directors of Ludhiana Stock and Capital Limited (Formerly Ludhiana Stock Exchange Limited)		
(Sanjiv Mohan) Partner M. No. 086066	Sd/- (Tribhawan Singh Thapar) Chairperson (DIN - 00494576)	Sd/- (Ashok Kumar) Director (DIN - 01971376)	Sd/- (Vikas Batra) Director (DIN - 01964260)	
PLACE : LUDHIANA DATED : 01-09-2021	Sd/- (Ashwani Kumar) Corporate Advisor (PAN - ACBPK0351M)	Sd/- (Pankaj Jain) Manager Accounts (PAN - AAPPJ9925N)		

---

---

---

# **CONSOLIDATED**

# ***FINANCIAL***

# **STATEMENTS**

---

---

# **CONSOLIDATED INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS,**

**Ludhiana Stock and Capital Limited**

**Report on the Audit of the Consolidated Financial Statements**

## **Opinion**

We have audited the accompanying consolidated financial statements of Ludhiana Stock and Capital Limited ('hereinafter referred to as the Holding Company') and its subsidiary (Holding Company and its subsidiary together referred to as "the group") which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March 2021, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Cash flows for the year then ended and notes to the consolidated financial statements, including a summary of the significant accounting policies(hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act, read with rules 7 of the Companies (Accounts) Rules, 2014, of their consolidated state of affairs of the Company as at 31<sup>st</sup> March 2021, the consolidated profits and its consolidated cash flow for the year then ended.

## **Basis for Opinion**

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

## **Other Information**

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

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

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

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

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

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

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

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

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

# **CONSOLIDATED INDEPENDENT AUDITOR'S REPORT**

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

## **Other Matter**

We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets Rs. 153.35 crore as at 31<sup>st</sup> March, 2021, total revenues of Rs. 7.72 crore and net cash inflows amounting to Rs. 52.37 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub section (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditors.

Our opinion on the Consolidated Financial Statements, and our report on the Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work and the reports of the other auditors and the financial statements/financial information certified by the Management.

## **Report on Other Legal and Regulatory Requirements**

1. As required by section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.
  - (c) The consolidated balance sheet, the consolidated statement of profit and Loss and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors of the holding company as on 31st March 2021 taken on record by the Board of directors of the holding company and the reports of the statutory auditor of its subsidiary company, none of the directors of the Group is disqualified as on 31st March 2021 from being appointed as a Director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our report in "Annexure A".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended  
In our opinion and to best of our information and according to the explanations given to us, we report that no remuneration has been paid by the Holding company to its directors, therefore provisions of section 197 of the act are not applicable. As per the report of the auditor of subsidiary company remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us as well as based on the report of statutory auditor of subsidiary company:
    - (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the holding company and subsidiary company. Refer Note 28 to the consolidated financial statements.
    - (ii) The Holding company and its subsidiary company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses. Refer Note 42 to the consolidated financial statements.
    - (iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund, by the holding Company and its subsidiary company. Refer Note 43 to the consolidated financial statements.

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

**(Sanjiv Mohan)**  
**Partner**  
**M. No.086066**

Place: Ludhiana  
Date: 01.09.2021

# **CONSOLIDATED INDEPENDENT AUDITOR'S REPORT ANNEXURE-A**

## **Annexure – "A" TO THE INDEPENDENT AUDITORS REPORT**

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

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31<sup>st</sup> March 2021, we have audited the internal financial controls over financial reporting of Ludhiana Stock and Capital Limited ("the Holding Company") and its subsidiary company which is company incorporated in India, as of that date.

### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the holding Company and its subsidiary company which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls over Financial Reporting**

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

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

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

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

### **Opinion**

In our opinion, the holding company and its subsidiary company which is a company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting with reference to these financial statements were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

### **Other Matter**

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

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

**Place: Ludhiana  
Date: 01.09.2021**

**(Sanjiv Mohan)  
Partner  
M. No.086066**

# CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2021

Particulars	Note no.	As at 31 March 2021	As at 31 March 2020
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
a) Share capital	2	602,000	602,000
b) Reserves and surplus	3	261,220,661	240,110,451
		<hr/> <b>261,822,661</b>	<hr/> <b>240,712,451</b>
<b>2 Minority Interest</b>			
a) Share capital		31,107,000	31,107,000
b) Reserves and surplus		85,200,221	76,666,137
		<hr/> <b>116,307,221</b>	<hr/> <b>107,773,137</b>
<b>3 Non-current liabilities</b>			
a) Long-term borrowings		-	-
b) Deferred tax liabilities (net)	4	1,167	-
c) Other long term liabilities	5	53,487,054	56,505,041
d) Long-term provisions		-	-
		<hr/> <b>53,488,221</b>	<hr/> <b>56,505,041</b>
<b>4 Current liabilities</b>			
a) Short-term borrowings		-	-
b) Trade payables	6	-	-
i) total outstanding dues of micro enterprises and small enterprises; and		-	-
ii) total outstanding dues of creditors other than micro enterprise and small enterprise		310,058,161	226,673,107
c) Other current liabilities	7	998,263,468	1,276,067,003
d) Short-term provisions	8	476,106	649,918
		<hr/> <b>1,308,797,736</b>	<hr/> <b>1,503,390,028</b>
<b>TOTAL</b>		<hr/> <b>1,740,415,840</b>	<hr/> <b>1,908,380,658</b>
<b>II ASSETS</b>			
<b>1 Non-current assets</b>			
a) Property, Plant and Equipment	9	80,973,341	81,520,685
i) Tangible assets		225,075	342,272
ii) Intangible assets		<hr/> <b>81,198,416</b>	<hr/> <b>81,862,957</b>
b) Non-current investments		-	-
c) Deferred tax asset(net)	10	-	133,438
d) Long-term loans and advances	11	60,253,896	48,382,332
e) Other non-current assets	12	658,158,960	162,307,527
		<hr/> <b>799,611,273</b>	<hr/> <b>292,686,254</b>
<b>2 Current assets</b>			
a) Current investments	13	8,438,854	20,738,954
b) Inventories	14	29,805	105
c) Trade receivables	15	66,727,874	86,470,169
d) Cash and bank balances	16	484,931,862	412,943,036
e) Short-term loans and advances	17	19,256,074	14,697,146
f) Other current assets	18	361,420,098	1,080,844,994
		-	-
		<hr/> <b>940,804,567</b>	<hr/> <b>1,615,694,404</b>
<b>TOTAL</b>		<hr/> <b>1,740,415,840</b>	<hr/> <b>1,908,380,658</b>

See accompanying notes to the financial statements

<b>As per our separate report of even date For SCV &amp; Co. LLP Chartered Accountants Firm Regn. No. 000235N/N500089</b>  <b>(Sanjiv Mohan)</b> Partner M. No. 086066	<b>For and on behalf of the Board of Directors of Ludhiana Stock and Capital Limited (Formerly Ludhiana Stock Exchange Limited)</b>  <b>Sd/-</b> <b>(Tribhawan Singh Thapar)</b> Chairperson (DIN - 00494576)	<b>Sd/-</b> <b>(Ashok Kumar)</b> Director (DIN - 01971376)
<b>PLACE : LUDHIANA</b> <b>DATED : 01-09-2021</b>	<b>Sd/-</b> <b>(Vikas Batra)</b> Director (DIN - 01964260)	<b>Sd/-</b> <b>(Ashwani Kumar)</b> Corporate Advisor (PAN - ACBPK0351M)

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2021

Particulars	Note no.	For the year ended 31 March 2021	For the year ended 31 March 2020
i Revenue from operations	19	32,479,363	32,443,477
ii Income from investments and deposits	20	59,787,070	28,030,205
iii Other income	21	7,405,258	6,229,446
iv <b>Total revenue ( i + ii +iii )</b>		<b>99,671,691</b>	<b>66,703,128</b>
v <b>Expenses :</b>			
Employee benefits expense	22	15,701,586	18,713,052
Finance costs	23	14,157,601	101,514
Depreciation and amortization expense		1,207,210	1,742,563
Other expenses	24	40,336,108	40,674,527
<b>Total expenses</b>		<b>71,402,506</b>	<b>61,231,656</b>
vi Profit before extraordinary items, tax and minority interest		28,269,186	5,471,470
vii Extraordinary Items			
Unclaimed credit balances written off		8,467,221	-
Profit before tax and minority interest		<b>36,736,407</b>	<b>5,471,471</b>
viii Tax expense :			
- Current tax expense		4,944,000	3,918,000
- Tax expense relating to prior years		(88,632)	22,244
- Deferred tax		134,605	(147,159)
ix Profit after tax but before minority interest( vi - vii )		31,746,433	1,678,386
x Minority interest		9,156,224	791,614
xi Profit after tax and minority interest( viii- ix )		<b>22,590,209</b>	<b>886,772</b>
Earnings per share ( of Rs. 10/- each )			
- Basic		381.59	14.98
- Diluted		381.59	14.98

**See accompanying notes to the financial statements**

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

(Sanjiv Mohan)  
Partner  
M. No. 086066

PLACE : LUDHIANA  
DATED : 01-09-2021

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

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

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

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

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

# **CONSOLIDATED CASH FLOW STATEMENT**

FOR THE YEAR ENDED 31ST MARCH 2021

(Amount in ₹)

	Particulars	2020-21	2019-20
<b>1.</b>	<b>Cash Flow from Operating Activity</b>		
	Net Profit Before Tax excluding Minority Interest	28,269,186	5,471,470
	Non-Cash & Non-Operating adjustments for:		
	Depreciation and amortisation expense	1,207,211	1,742,563
	Interest income	(56,961,488)	(28,005,450)
	Finance cost	14,157,601	101,514
	Gain on sale of current investments	(2,372,987)	(24,755)
	Dividend income	(452,595)	-
	Sundry balances written off/ (written back)	(25,399)	(228,847)
	Allowances for doubtful debts	7,491,285	7,522,927
	Bad debts written off	965,805	941,538
	Provision for leave encashment	101,684	127,512
	Loss on write off of asset	2,872	-
	<i>Operating Profit Before Working Capital changes</i>	(7,616,825)	(12,351,527)
	Changes in Working Capital:		
	Adjustment for (Increase)/Decrease in operating assets:		
	Trade receivables	11,285,205	11,957,645
	Inventory	(29,700)	13,615
	Loans and Advances	(14,410,181)	10,751,840
	Other assets	286,121,340	56,895,203
	Adjustment for Increase/(Decrease) in operating Liabilities:		
	Trade Payables	83,410,453	60,698,723
	Short term Provisions	(275,496)	(116,971)
	Other Liabilities	151,674,529	3,114,298
	<i>Cash Generated/(used) For Operation</i>	<b>510,159,325</b>	<b>130,962,825</b>
	Income tax paid (net)	(2,695,048)	(1,051,885)
	Add: Extraordinary items And Non Recurring Items		
	-Proceeds from sale of unclaimed securities	8,467,221	-
	<b>Net Cash generated/(used) From Operating Activity (A)</b>	<b>515,931,497</b>	<b>129,910,940</b>

# **CONSOLIDATED CASH FLOW STATEMENT**

FOR THE YEAR ENDED 31ST MARCH 2021

(Amount in ₹)

<b>2</b>	<b>Cash Flow From Investing Activity</b>		
	Interest received	29,936,943	25,113,294
	Dividend received	452,595	-
	Proceeds from sale of current investments	14,673,087	396,737
	Purchase of current investments	-	(4,300,000)
	Purchase of property, plant and equipment	(545,541)	(548,386)
	Movement in bank deposits other than cash and cash equivalents	(713,415,146)	27,527,393
	Movement in earmarked balances	(45,162.00)	77,100
	<b>Net Cash Flow From Investing Activity (B)</b>	<b>(668,943,224)</b>	<b>48,266,138</b>
<b>3.</b>	<b>Cash Flow From Financing Activity</b>		
	Finance Cost	(14,157,601)	(101,514)
	Dividend Paid	(2,056,978)	(887,009)
	<b>Net Cash Flow From Financing Activity (C)</b>	<b>(16,214,579)</b>	<b>(988,523)</b>
<b>4.</b>	Net Increase/(Decrease) in Cash & Cash Equivalents (A)+(B)+(C)	(169,226,306)	177,188,555
<b>5.</b>	Opening Balance of Cash & Cash Equivalents	203,753,944	26,565,389
<b>6.</b>	<b>Closing Balance of Cash &amp; Cash Equivalents (4)+(5)</b>	<b>34,527,638</b>	<b>203,753,944</b>

Cash and Cash equivalents at the end of the year  
comprises (Refer note 16)

Cash on hand	96,055	102,289
Cheques in hand	10,109,230	3,856,664
Balances with Banks:		
-In current accounts	24,322,353	199,794,991
	<hr/>	<hr/>
	34,527,638	203,753,944
	<hr/>	<hr/>

**Notes:**

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

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

(Sanjiv Mohan)  
Partner  
M. No. 086066

PLACE : LUDHIANA  
DATED : 01-09-2021

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

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

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

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

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

# **NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

## **NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

### **1. SIGNIFICANT ACCOUNTING POLICIES**

#### **a) Basis of preparation of Financial Statements**

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

#### **b) Use of Estimates**

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

#### **c) Revenue Recognition**

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

#### **d) Property, Plant and Equipment**

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

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

#### **Intangible Assets**

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

#### **e) Depreciation**

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

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

#### **f) Amortisation**

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

#### **g) Inventories**

Stock of Stationery is valued at cost or net realisable value whichever is lower. The cost in respect of inventory is computed on FIFO basis.

#### **h) Employee Benefits:**

##### **I) Short Term Employee Benefits:**

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

##### **II) Post Employment Benefits:**

###### **i) Defined Contribution Plans:**

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

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

###### **ii) Defined Benefit Plans:**

###### **Gratuity:**

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

# **NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

the fair value of plan assets is reduced from the gross obligations under the gratuity scheme to recognize the obligation on a net basis.

**iii) Actuarial Gain or Loss:**

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

**i) Investments.**

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

**j) Borrowing Costs**

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

**k) Impairment of Assets**

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

**l) Accounting for Taxes on Income**

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

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

**m) Earning per Share**

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

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

**n) Leases**

Company as a lessor

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

**o) Cash flow statement**

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

**p) Cash and cash equivalent**

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

**q) Provisions and Contingent Liabilities**

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

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

ii) Contingent liability is disclosed in case there is :

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

**r) Operating Cycles:**

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

**s) Material Events:**

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

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## 2 Share capital

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number	Rs.	Number	Rs.
<b>Authorised :</b>				
Equity shares of Rs. 10/- each (par value)	5,000,000	50,000,000	5,000,000	50,000,000
<b>Total</b>	<b>5,000,000</b>	<b>50,000,000</b>	<b>5,000,000</b>	<b>50,000,000</b>
<b>Issued :</b>				
Equity shares of Rs. 10/- each	70,000	700,000	70,000	700,000
<b>Total</b>	<b>70,000</b>	<b>700,000</b>	<b>70,000</b>	<b>700,000</b>
<b>Subscribed :</b>				
Equity shares of Rs. 10/- each	60,200	602,000	60,200	602,000
<b>Total</b>	<b>60,200</b>	<b>602,000</b>	<b>60,200</b>	<b>602,000</b>
<b>Paid up :</b>				
Equity shares of Rs. 10/- each	60,200	602,000	60,200	602,000
Less : Forfeited 1,000 equity shares of Rs. 10/- each		10,000		10,000
	60,200	592,000	60,200	592,000
Add : Forfeited shares ( Amount originally paid up)		10,000		10,000
<b>Total</b>	<b>60,200</b>	<b>602,000</b>	<b>60,200</b>	<b>602,000</b>

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

Equity shares	As at 31 March 2021		As at 31 March 2020	
	Number	Rs.	Number	Rs.
At the beginning of the reporting period	60,200	602,000	60,200	602,000
Add: Issued during the period	-	-	-	-
<b>Outstanding at the end of the reporting period</b>	<b>60,200</b>	<b>602,000</b>	<b>60,200</b>	<b>602,000</b>

**b. Rights, preferences and restrictions attached to equity shares**

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

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

During the year ended on 31 March 2021, the company has paid an amount of Rs. 1480000 (previous year Rs. 25/- per equity share) as final dividend for the financial year 2019-20 to the equity shareholders of the Company, out of which unpaid dividend is Rs. 39762 as on 31st March, 2021

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

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

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

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

	As at 31 March 2021 Number of shares	As at 31 March 2020 Number of shares
A. Equity shares allotted as fully paid up pursuant to contract (s) without payment being received in cash	-	-
B. Equity shares allotted as fully paid up by way of bonus shares	-	-
C. Equity shares bought back by the Company	-	-

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## 3 Reserves and surplus

Particulars	As at 31 March 2021 Rs.	As at 31 March 2020 Rs.
<b>Capital reserve</b>		
Balance as per last financial statements	153,966,787	153,966,787
	<u>153,966,787</u>	<u>153,966,787</u>
<b>Capital redemption reserve</b>		
Balance as per last financial statements	790,460	790,460
	<u>790,460</u>	<u>790,460</u>
<b>Other reserves :</b>		
<b>General reserve</b>		
Balance as per last financial statements	101,771,592	41,771,592
Add: Transferred from surplus in statement of profit and loss	-	60,000,000
	<u>101,771,592</u>	<u>101,771,592</u>
<b>Share premium</b>		
Balance as per last financial statements	2,862,000	2,862,000
<b>Surplus i.e. balance in statement of profit and loss</b>		
Balance as per the last financial statements	(19,280,387)	39,969,806
Add : Profit for the year transferred from statement of profit and loss	22,590,209	886,771
: Transferred from Minority Interest	-	-
Less : Appropriations :		
Interim dividend on equity shares	1,480,000	-
Corporate dividend tax	-	136,965
Transferred to general reserve	-	60,000,000
	<u>1,829,822</u>	<u>(19,280,387)</u>
<b>Total</b>	<b><u>261,220,661</u></b>	<b><u>240,110,452</u></b>

## 4 Deferred tax liabilities (net)

Particulars	As at 31 March 2021 Rs.	As at 31 March 2020 Rs.
<b>Deferred tax liabilities</b>		
Arising on account of accelerated depreciation	77,167	-
<b>Deferred tax Assets</b>		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	(76,000)	-
<b>Net deferred tax</b>	<b><u>1,167</u></b>	<b><u>-</u></b>

## 5 Other long-term liabilities

Particulars	As at 31 March 2021 Rs.	As at 31 March 2020 Rs.
Others :		
Retention money	3,435,054	3,435,054
Security from members	48,057,748	51,075,735
Security from others	1,994,252	1,994,252
	<u>53,487,054</u>	<u>56,505,041</u>

# **NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

## **6 Trade payables**

Particulars	As at 31 March 2021 Rs.	As at 31 March 2020 Rs.
Total outstanding dues of micro enterprise and small enterprise (Refer note No. 37)	-	-
Total outstanding dues other than micro enterprise and small enterprise	310,058,161	226,673,107
	<b>310,058,161</b>	<b>226,673,107</b>

## **7 Other current liabilities**

Particulars	As at 31 March 2021 Rs.	As at 31 March 2020 Rs.
Income received in advance	1,537,063	1,642,607
Unpaid dividend	1,361,647	1,316,485
Due to Members	475,000	475,000
Other payables		
- Statutory remittances**	2,855,174	1,816,601
- Due to employees	539,910	299,868
- Expense payable	11,773,964	7,954,245
- Cheques issued but not presented	343,146	4,776,695
- Earnest money for membership	25,000	25,000
- Advances from members	5,506,262	2,467,200
- Security from members	948,855,607	1,250,552,294
- Other payables	5,160,073	4,741,008
Amount payable against old client ageing	19830623	-
	<b>998,263,468</b>	<b>1,276,067,003</b>

\*\* Statutory remittance includes contribution to provident fund, ESIC, tax deducted at source, Goods and service tax etc.

Unpaid dividend does not include any amount due and outstanding required to be credited to Investors' Education and Protection Fund.

## **8 Short-term provisions**

Particulars	As at 31 March 2021 Rs.	As at 31 March 2020 Rs.
Provision for employee benefits :		
- Leave encashment	476,106	649,918
	<b>476,106</b>	<b>649,918</b>

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## 9 PROPERTY, PLANT AND EQUIPMENT

GROSS BLOCK									(Amount in Rs.)									
PARTICULARS	Balance as at 1 April, 2020			Additions Disposal			Balance as at 31 March, 2021			Balance as at 1 April, 2020	Depreciation/ amortisation expenses during the year	ACCUMULATED DEPRECIATION Eliminated on disposal of assets	Balance as at 31 March, 2021	Balance as at 31 March, 2020	NET BLOCK			
	Balance as at 1 April, 2020	Additions	Disposal	Balance as at 31 March, 2021	Balance as at 1 April, 2020	Depreciation/ amortisation expenses during the year	Balance as at 31 March, 2021	Balance as at 1 April, 2020	Depreciation/ amortisation expenses during the year									
<b>a) Tangible assets</b>																		
Freehold Land	65,742,904	-	-	65,742,904	-	-	-	-	-	-	-	-	65,742,904	65,742,904	65,742,904			
Buildings	38,513,591	-	-	38,513,591	26,952,351	558,803	-	-	27,510,954	11,002,637	11,561,240	11,561,240	11,561,240	11,561,240	11,561,240	11,561,240		
Plant and Equipments	27,893,316	-	-	27,893,316	26,266,343	91,981	-	-	26,358,324	1,534,991	1,636,973	1,636,973	1,636,973	1,636,973	1,636,973	1,636,973		
Office Equipments	29,803,436	530,941	77,589	30,256,788	27,854,778	297,047	74,717	28,077,108	2,179,680	1,948,658	1,948,658	1,948,658	1,948,658	1,948,658	1,948,658	1,948,658		
Furniture and Fixtures	2,675,562	14,690	-	2,690,162	2,108,953	131,471	-	-	2,240,424	449,738	566,609	566,609	566,609	566,609	566,609	566,609	566,609	
Vehicles	669,465	-	-	669,465	595,165	10,911	-	-	606,076	63,389	74,300	74,300	74,300	74,300	74,300	74,300	74,300	
Total (a)	165,298,274	545,541	77,589	165,766,226	83,777,580	1,090,013	74,717	84,792,887	80,973,341	81,520,685	81,520,685	81,520,685	81,520,685	81,520,685	81,520,685	81,520,685	81,520,685	
<b>b) Intangible assets</b>																		
Computer Software	8,626,131	-	-	8,626,131	8,283,859	117,197	-	-	8,401,056	225,075	342,272	342,272	342,272	342,272	342,272	342,272	342,272	
Total (b)	8,626,131	-	-	8,626,131	8,283,859	117,197	-	-	8,401,056	225,075	342,272	342,272	342,272	342,272	342,272	342,272	342,272	
<b>Grand Total (a + b)</b>	173,924,405	545,541	77,589	174,392,357	92,061,449	1,207,210	74,717	93,193,942	81,198,416	81,862,957	81,862,957	81,862,957	81,862,957	81,862,957	81,862,957	81,862,957	81,862,957	
Previous year	173,376,019	548,386	-	173,924,405	90,318,886	1,742,563	-	-	92,061,448	81,862,957	83,057,134	83,057,134	83,057,134	83,057,134	83,057,134	83,057,134	83,057,134	83,057,134

# **NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

## **10 Deferred tax assets (net)**

Particulars	As at 31 March 2021 Rs.	As at 31 March 2020 Rs.
<b>Deferred tax Assets</b>		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	-	240,000
<b>Deferred tax liabilities</b>		
Arising on account of accelerated depreciation	-	(1,06,562)
<b>Net deferred tax</b>	<b>-</b>	<b>133,438</b>

## **11 Long-term loans and advances**

Particulars	As at 31 March 2021 Rs.	As at 31 March 2020 Rs.
(Unsecured considered good )		
Security deposits	41,351,534	26,401,534
Loans and advances to employees	-	992,759
MAT credit Entitlement	5,692,363	8,272,984
Advance income tax { net of provision for tax Rs. 39,18,000 (Previous year Rs. 1,32,35,906/-)}	12,875,401	12,455,103
Fair value of Plan assets	334,598	259,952
	<b>60,253,896</b>	<b>48,382,332</b>

## **12 Other non-current assets**

Particulars	As at 31 March 2021 Rs.	As at 31 March 2020 Rs.
(Unsecured considered good )		
Others :		
Members security :		
- Held as fixed deposits	13,970,825*	13,216,878
- Held as members investment	647,913	694,571
Security received from others ( as fixed deposits )	124,672	124,672
Non current bank balances	617,045,176	144,800,000
Interest accrued on fixed deposits (own funds )	26,370,374	3,471,406
	<b>658,158,960</b>	<b>162,307,527</b>

\* Earmarked against margins given to NSE/BSE

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## 13 Current Investments

Particulars	As at 31 March 2021 Rs.	As at 31 March 2020 Rs.
<b>Investments in Mutual Fund (unquoted)</b>		
Nil (Previous Year- 148.923) units of face value of Rs.1000/- each fully paid up of UTI-Treasury Advantage Fund-Institutional Plan- Direct Plan- Growth	-	-
1351.927 units (Previous year - NIL) of face value of Rs.1000 each fully paid up of UTI Liquid Cash Plan - Direct Growth	1,999,900	4,300,000
20842.817 Units (Previous Year 20842.817 ) of Rs. 10/- each fully paid up of ICICI Prudential Mutual fund Liquid Direct Growth	-	5,000,000
1551.223 Units (Previous Year 1551.223 ) of Rs. 10/- each fully paid up of HDFC Mutual Fund Liquid Direct Growth	-	5,000,000
<b>Investments in bonds (quoted)</b>		
<b>(Tax free bonds listed on Stock Exchange)</b>		
8.76% 199 (Previous Year- 199) bonds face value of Rs. 5,000/- each of National Housing Bank	1,188,402	1,188,402
8.20% 999 (Previous Year- 999) bonds face value of Rs. 1,000/- each of National Highway Authority of India	1,067,869	1,067,869
8.50% 150 (Previous Year- 150) bonds face value of Rs. 1,000/- each of National Highway Authority of India	173,725	173,725
7.35% 999 (Previous Year- 999) bonds face value of Rs. 1,000/- each of National Bank for Agriculture and Rural Development	1,059,632	1,059,632
7.39% 1,299 (Previous Year- 1299) bonds face value of Rs. 1,000/- each of Housing Urban Development Corporation	1,383,316	1,383,316
7.35% 999 (Previous Year- 999) bonds face value of Rs. 1,000/- each of Indian Railway Finance Corporation Limited	1,058,572	1,058,572
7.37% 300 (Previous Year- 300) bonds face value of Rs. 1,000/- each of National Highway Authority of India	317,707	317,707
7.43% 100 (Previous Year- 100) bonds face value of Rs. 1,000/- each of National Highway Authority of India	106,447	106,447
7.35% 78 (Previous Year- 78) bonds face value of Rs. 1,000/- each of Power Finance Corporation	83,283	83,283
	<b>8,438,854</b>	<b>20,738,954</b>
Aggregate amount of unquoted investments	1999900	14,300,000
Aggregate amount of quoted investments	6438954	6,438,954
Aggregate market value of unquoted investments*	2013731	4395714
Aggregate market value of quoted investments	7311161	6,975,696

\* Investments in Mutual funds; Market value of investments (Unquoted) in mutual funds is determined by reference to quotes from the financial institutions, i.e. net asset value (NAV) for investments in mutual funds declared by mutual fund house.

## 14 Inventories

Particulars	As at 31 March 2021 Rs.	As at 31 March 2020 Rs.
Inventories ( at cost or net realisable value, whichever is lower ):		
Stationery stock	29,805	105
	<b>29,805</b>	<b>105</b>

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## 15 Trade receivables

PARTICULARS	As at 31 March 2021 Rs.	As at 31 March 2020 Rs.
Trade receivables outstanding for a period exceeding six months from the date they are due for payment :		
- Secured, considered good	10,577,310	14,611,592
- Unsecured, considered good	12,754,756	15,066,016
- Unsecured, considered doubtful	<u>15,043,340</u>	<u>7,583,697</u>
	38,375,406	37,261,305
Less : Allowances for doubtful debts	(15,043,340)	23,332,066
		<u>(7,583,697)</u>
		29,677,608
Other trade receivables		
- Secured, Considered Good	37,464,423	45,199,205
- Unsecured, Considered Good	<u>5,931,385</u>	<u>43,395,808</u>
		<u>11,593,356</u>
		56,792,561
		<b>66,727,874</b>
		<b>86,470,169</b>

## 16 Cash and bank balances

Particulars	As at 31 March 2021 Rs.	As at 31 March 2020 Rs.
<b>1. Cash and cash equivalents</b>		
a) Balances with banks		
- In current accounts	24,322,353	199,794,991
b) Cash in hand	96,055	102,289
c) Cheques deposited but not cleared	10,109,230	3,856,664
	<b>34,527,638</b>	<b>203,753,944</b>
<b>2. Other Bank balances</b>		
a) Earmarked balances with banks :		
- Dividend account	1,361,647	1,316,485
- Deposit with maturity of not more than one year	367,768,768	138,925,000
b) Deposit with maturity of more than three months but less than twelve months	81,273,809	68,947,607
	<b>450,404,224</b>	<b>209,189,092</b>
	<b>484,931,862</b>	<b>412,943,036</b>

## 17 Short-term loans and advances

Particulars	As at 31 March 2021 Rs.	As at 31 March 2020 Rs.
(Unsecured considered good )		
Others:		
Loans and advances to employees	343,179	262,899
Prepaid expenses	3,571,550	3,134,986
Interest accrued on :		
- Fixed deposits	14,321,818	10,141,194
- Bonds	<u>151,367</u>	<u>14,473,185</u>
		<u>151,357</u>
10,292,551		
Other recoverables :		
- Considered good	868,160	1,006,710
		1,006,710
	<b>19,256,074</b>	<b>14,697,146</b>

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## 18 Other current assets

Particulars	As at 31 March 2021 Rs.	As at 31 March 2020 Rs.
(Unsecured considered good )		
Accrued interest on deposits with IL&FS	-	55,057
Margins collected by IL&FS	-	15,700,000
Margin collected by BSE	-	100,000
Balances and deposits with Government Authorities	-	-
Members FDR kept as margin	189,252,429	431,869,650
Members scrips kept as margin	-	481,283,156
Option margin with NSE	6,490,365	35,582,657
Additional surveillance deposit GSM	60,906	4,912
Margin with edelwiess	8,340,986	7,716,093
Scrips held on behalf of clients	157,275,412	108,533,469
	<hr/> <u>361,420,098</u>	<hr/> <u>1,080,844,994</u>

## 19 Revenue from operations

Particulars	For the year ended 31 March 2021 Rs.	For the year ended 31 March 2020 Rs.
<hr/>		
Sale of services :		
- Turnover charges	15,090,021	11,752,238
- Depository income	8,786,063	11,727,762
Other operating revenues :		
- Membership fee	297,000	296,000
- Transfer fee received	227,200	101,696
- Income from training and education cell(net of Expenses)	-	583,563
- Recovery from members ( BSE )	20,901	71,962
- Recovery from members ( NSE )	63,627	12,555
- Maintenance charges received	7,994,551	7,897,701
	<hr/> <u>32,479,363</u>	<hr/> <u>32,443,477</u>

## 20 Income from investments and deposits

Particulars	For the year ended 31 March 2021 Rs.	For the year ended 31 March 2020 Rs.
<hr/>		
Interest received :		
- From banks {TDS Rs. 27,04,643 /- (previous year Rs. 24,11,531/-)}	54,621,198	27,046,405
From investment in tax free bonds	459,626	459,407
- From others	1,880,665	499,638
Dividend Income from investments	452,595	-
Gain on sale of Current Investments		
- Mutual Funds	2,372,987	24,755
	<hr/> <u>59,787,070</u>	<hr/> <u>28,030,205</u>

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

21 Other income	For the year ended 31 March 2021 Rs.	For the year ended 31 March 2020 Rs.
Rent received	6,512,473	4,774,906
Bad debts recovered	31,642	-
Sundry balances written back	25,399	247,115
Less: Sundry balances written off	<u>-</u>	(18,268)
Miscellaneous	835,744	1,225,693
	<u><b>7,405,258</b></u>	<u><b>6,229,446</b></u>
22 Employee benefits expense	For the year ended 31 March 2021 Rs.	For the year ended 31 March 2020 Rs.
Salaries and wages	13,740,192	15,902,116
Contribution to provident and other funds	1,489,904	2,273,160
Staff welfare expenses	471,490	537,776
	<u><b>15,701,586</b></u>	<u><b>18,713,052</b></u>
23 Finance costs	For the year ended 31 March 2021 Rs.	For the year ended 31 March 2020 Rs.
Interest expense on :		
- Borrowings	137603	28,282
- Other	13987923	32,058
Other borrowing costs	32075	41,174
	<u><b>14157601</b></u>	<u><b>101,514</b></u>
24 Other expenses	For the year ended 31 March 2021 Rs.	For the year ended 31 March 2020 Rs.
Advertisement	20,837	21,400
Electricity and water	9,747,905	11,078,525
Repairs and maintenance - Plant and machinery	317,180	250,301
Repairs and maintenance - Buildings	219,543	896,965
Insurance	595,764	575,621
Rent	333,550	337,479
Rates and taxes	578,583	569,235
Legal and professional	2,370,820	1,796,476
Travelling and conveyance :		
- Others	95,275	72,165
Printing and stationery	4,596,206	4,409,492
Auditors' Remuneration :	264,920	265,042
Internal Auditors' Remuneration :		
- Audit fee	225,000	225,000
- Reimbursement of expenses	-	-
Meeting expenses	81,917	72,253
Directors' sitting fee	21,000	21,000
Communication expenses	1,358,325	1,210,711
Allowances for Doubtful Debts	7,491,285	7,522,927
Bad Debts	965,805	941,538
Service tax settled and paid	-	435,608
Prior period items ( net )	-	8,000
Security charges	4,898,768	4,739,106
Training and education cell expenses	-	63,176
Turnover fee to stock exchange	1,421,761	834,979
Depository and other charges	3,005,076	1,872,318
Miscellaneous	1,723,716	2,455,210
Loss on Discard of Asset	2,872	-
	<u><b>40,336,108</b></u>	<u><b>40,674,527</b></u>

# **NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

## **Consolidation Information:**

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

## **26. Principles of Consolidation**

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

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

- i) The rent received by the holding company amounting to Rs. 38,47,500/- (previous year Rs. 38,47,500/-) from its subsidiary company included in the note no. 21 "Other Income" in its individual balance sheet has been eliminated on consolidation.
- ii) The maintenance charges received by the holding company amounting to Rs. 6,72,754/- (previous year Rs. 6,72,754/-) respectively from its subsidiary company included in the note no. 19 "Revenue from operations" in its individual balance sheet has been eliminated on consolidation.
- iii) The dividend received by the holding company amounting to Rs. 6,66,215/- (previous year Rs. 6,66,215/-) from its subsidiary company included in note no. 20 "Income from Investments and Deposits" in its individual balance sheet has been eliminated on consolidation.
- iv) The parent's portion of the final dividend amounting to Rs. 6,66,215/- (previous year Rs. 6,66,215/-) has been reduced from the aggregate of the final dividend as reflected in the financial statement of the subsidiary company, as a result of which the profit carried to the consolidated balance sheet stands increased to that extent.

## **28. Contingent liabilities in respect of (to the extent not provided as no cash flow is expected)**

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

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

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

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

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

## **30. Related Party Disclosure:**

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

### **Key Management Personnel**

Mr. Pritpal singh	Chief General Manager cum Whole Time Director (upto 1 <sup>st</sup> June, 2020)
-------------------	--

Mr. Manoj Sukhwal	General Manager cum Whole Time Director (02.06.2020 to 14.12.2020)
-------------------	---

Mr. Sumit Malhotra	Company Secretary
--------------------	-------------------

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

Particulars	<b>Key Management Personnel (KMP)</b>	
	2020-21	2019-20
Payment to KMP as remuneration	10,64,480	13,72,052

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

**32. Earnings Per Share:**

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

S. No.	PARTICULARS	2020-21	2019-20
1.	Average Number of Equity Shares of ₹ 10/- - each ( no.)	59200	59200
2.	Net Profit after tax & minority interest attributable to equity shareholders (₹)	2,25,94,524	8,86,771
3.	Earnings per share (Basic)	381.66	14.98
4.	Earnings per share (Diluted)	381.66	14.98
5.	Nominal Value of per Equity Share (₹)	10/-	10/-

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

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Audit Fee	1,80,000	1,75,000
Tax Audit Fee	15,000	15,000
Income Tax matters	15,000	15,000
In other capacity	15,000	15,000
Reimbursement of Expenses	39,920	45,042

35. The accounting policy in respect of Provision for Leave with encashment:
- i) In respect of holding company:  
The holding company has made provisions for the leave earned by employees during the year on accrual basis.
  - ii) In Respect of Subsidiary Company:  
The Subsidiary company has policy of accumulation of earned leaves and has made provision at the year end based on independent actuarial valuation.
36. "Current investment is an investment that is by its nature readily realizable and is intended to be held for not more than one year from the date on which investment is made".  
The investments shown under the head Current Investments are held for more than one year, which are to be shown as Non Current Investments but as per decision taken by the management of the company these are intended to be held for sale as and when the company needs fund, therefore shown under head "Current Investments."
37. Disclosures required under Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006.

Particulars	As at 31st March, 2021	As at 31st March, 2020	(Amount in ₹)
Principal amount remaining unpaid to any supplier as at the end of accounting year	-	-	
Interest due on remaining unpaid to any supplier as at the end of the accounting year	-	-	
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day during accounting year	-	-	
The amount of interest due and payable for the accounting year	-	-	
The amount of interest accrued and remaining unpaid at the end of accounting year	-	-	
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-	

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

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

Nature of Timing Difference	Deferred Tax Liability (Assets) as on 01.04.2020	Movement during the year	Deferred Tax Liability (Assets) as on 31.03.2021
<b>Deferred Tax Liabilities</b> Arising on account of accelerated depreciation	1,06,562	(29,395)	77,167
<b>Less :Deferred Tax Assets</b> Impact of expenditure charged to the statement of profit and loss in current year but allowed for tax purposes on payment basis.	(2,40,000)	1,64,000	(76,000)
<b>Deferred tax Liability (Net)</b>	<b>(1,33,438)</b>	<b>1,34,605</b>	<b>1,167</b>

40. FDR's of Rs. 74300000 (Prev. Year Rs.74300000) have been pledged with HDFC Bank to secure overdraft facilities to the tune of Rs. 64344000 (P/Y Rs. 64300000).  
The Company has deposited FDRs in its name with National Stock Exchange of India Ltd amounting to Rs. 87,90,03,559.80/- (Prev. Year Rs. 18,75,00,000), with MCX amounting to Rs.Nil (Prev. Year Rs. 7,50,000), with Edelweiss Custodial Services Limited.(PCM) amounting to Rs.1,53,21,022/- (Prev. Year Rs.1,20,00,000/-) and with BSE Limited amounting to Rs. 13,75,000/- (Prev. Year Rs 13,75,000) for Base Minimum/Additional Capital and are shown under the head Fixed Deposit with scheduled banks & FDRs amounting to Rs. 8,00,000 (Previous Year Rs.8,00,000) have been kept as Membership Security with NSE for CD Segment.  
The Sundry Debtors relating to the Clients Trading in Securities through the Company are secured against their securities lying with the Company and under the Clause 15 of the Tripartite Agreement between LSC Securities Limited and its Sub-Brokers and Clients.
41. The Holding company and its subsidiary company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
42. Neither the Holding company nor subsidiary company were required to deposit any unclaimed dividend during the year to the Investor Educations and Protection Fund in accordance with the relevant provisions of the Companies Act, 2013 and Rules made thereunder.
43. Events occurring after the balance sheet date
  - 1) The Holding company has proposed dividend of Rs. 100/- per Equity Share of Rs. 10 each, aggregating Rs. 59,20,000/- for the financial year 2020-21 in its board meeting held on 1<sup>st</sup> September,2021, subject to the approval of shareholders at the ensuing Annual General Meeting.
  - 2). The subsidiary company has in its meeting held on 25<sup>th</sup> August, 2021 proposed the final dividend of Rs. 0.225 per equity share for the financial year 2020-21 aggregating Rs. 14,49,000/-,subject to approval of shareholders at the ensuing Annual general meeting
44. The Holding company and Subsidiary company is a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act, 1956. Accordingly, the companies have complied with the Accounting Standards, as applicable to a Small and Medium sized company.
45. The information required by the paragraph 5 of general instructions for preparation of the statement of profit and loss as per Schedule III of the Companies Act, 2013 is not applicable to the Holding company and subsidiary company.
46. Figures in brackets indicate deductions. The amount has been rounded off to the nearest rupees.
47. Previous year's figures have been regrouped/restated wherever necessary to confirm to its classification of the current year.

<b>As per our separate report of even date</b> <b>For SCV &amp; Co. LLP</b> <b>Chartered Accountants</b> <b>Firm Regn. No. 000235N/N500089</b>  <b>(Sanjiv Mohan)</b> Partner M. No. 086066  <b>PLACE : LUDHIANA</b> <b>DATED : 01-09-2021</b>	<b>For and on behalf of the Board of Directors</b> <b>of Ludhiana Stock and Capital Limited</b> <b>(Formerly Ludhiana Stock Exchange Limited)</b>  <b>Sd/-</b> <b>(Tribhawan Singh Thapar)</b> Chairperson (DIN - 00494576)  <b>Sd/-</b> <b>(Vikas Batra)</b> Director (DIN - 01964260)	<b>Sd/-</b> <b>(Ashok Kumar)</b> Director (DIN - 01971376)  <b>Sd/-</b> <b>(Ashwani Kumar)</b> Corporate Advisor (PAN - ACBPK0351M)
--	---	---



## LUDHIANA STOCK AND CAPITAL LIMITED

(Formerly Ludhiana Stock Exchange Limited)

CIN : U67120PB1981PLC004696

Regd Office: Feroze Gandhi Market, Ludhiana-141001

### Form No. MGT-11

### **PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : U67120PB1981PLC004696

Name of the Company : LUDHIANA STOCK AND CAPITAL LIMITED

Registered office : Feroze Gandhi Market, Ludhiana

Name of the member (s):

Registered address:

E-mail ID::

Folio No./ Client ID:

DP ID:

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 39<sup>th</sup> Annual General Meeting of the Company, to be held on Tuesday, the 28<sup>th</sup> day of September, 2021 at 04:00 p.m. at the Registered Office of the Company at 1<sup>st</sup> Floor, LSE Building, Feroze Gandhi Market, Ludhiana -141001, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Nos.

1 .....  
2 .....  
3 .....  
4 .....

Affix  
Revenue  
Stamp

Signature of Shareholder

Signed this..... day of..... 2021

Signature of First Proxy holder

Signature of Second Proxy holder

Signature of Third Proxy holder

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. Appointing a proxy does not prevent a member from attending the meeting in person, if he/she so wishes.



## LUDHIANA STOCK AND CAPITAL LIMITED

(Formerly Ludhiana Stock Exchange Limited)

CIN : U67120PB1981PLC004696

Regd Office: Feroze Gandhi Market, Ludhiana-141001

### ATTENDANCE SLIP

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

Name of first name Shareholder (in block letters) :

Name of Joint Shareholder(s), if any :

Registered Address :

Registered Folio No. /DP Id / Client Id :

No. of Equity Share(s) :

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

I hereby record my presence at the 39<sup>th</sup> Annual General Meeting of the Company, being held on 28<sup>th</sup> day of September, 2021, Tuesday at 04:00 p.m. at 1<sup>st</sup> Floor, LSE Building, Feroze Gandhi Market, Ludhiana-141001.

\_\_\_\_\_  
Member's/Proxy's name in Block Letters

\_\_\_\_\_  
Member's/Proxy's Signature

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