

LKP Finance Limited



27TH ANNUAL REPORT 2010-2011

LKP FINANCE LIMITED**Board of Directors :**Mr. M. V. Doshi *Executive Chairman*

Mr. M. S. Bhise

Mr. V. N. Suchanti

Mr. Hariharan Padmanabhan

Mr. P. M. Doshi

Mr. Sayanta Basu

Company Secretary :

Mr. G. B. Innani

(General Manager - Legal & Company Secretary)

Auditors :

Ford, Rhodes, Parks & Co.,
Sai Commerical Building,
312 / 313, 3rd Floor,
BKS Devshi Marg,
Govandi (East),
Mumbai - 400 088.

Registered Office :

203, Embassy Centre,
Nariman Point,
Mumbai - 400 021.
Tel. : 40024785 / 4002 4786
Fax : 2287 4787

Registrar & Shares Transfer Agent :

Adroit Corporate Services Pvt. Ltd.
19, Jaferbhoy Industrial Estate,
1st Floor, Makavana Road,
Marol Naka, Andheri (East),
Mumbai - 400 059.
Tel. : 28590942 / 28594060

CONTENTS

	Page Nos.
Notice.....	1-2
Directors' Report.....	3-5
Management Discussion and Analysis	6-7
Report on Corporate Governance	8-11
Auditors' Report	12-13
Balance Sheet.....	14
Profit and Loss Account.....	15
Schedules to Accounts	16-22
Cash Flow Statement	23
Consolidated Financial Statements.....	24-28

*Annual General Meeting on Friday, 10th June 2011 at
10.30 a.m. at M. C. Ghia Hall, Hargovindas Building,
18/20, Kaikhushru Dubash Marg, Mumbai - 400 001.*

NOTICE

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the members of LKP Finance Limited will be held at M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Mumbai 400 001 on Friday, 10th June 2011 at 10.30 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet and Profit and Loss Account for the year ended 31st March 2011 and Report of Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. Vineet N. Suchanti, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Milan S. Bhise, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint the Auditors and to fix their remuneration.

Special Business

6. To consider and if thought fit to pass with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT in accordance with the provisions of Section 314 (1) and all other applicable provisions of the Companies Act, 1956 (the Act) including any statutory modification(s) or re-enactment thereof, for the time being in force, the consent of the Company be and is hereby accorded to Shri Pratik M. Doshi, Director of the Company, to hold office as the Whole-time Director of LKP Securities Limited, Subsidiary of the Company for a period of 3 years with effect from 26th October 2010 upon terms of remuneration (including revised terms of remuneration with effect from 1st April, 2011) and such other terms conditions set out in the explanatory statement annexed to this Notice and shall continue to hold office as such of the said subsidiary upon any enhanced or revised terms of remuneration and/or appointment as such as may be approved by the Board of Directors and/or Remuneration Committee of the said Subsidiary and/or the Central Government, if and when applicable, from time to time.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Notes:

- (1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT**

A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

- (2) A PROXY IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- (3) The Register of Members and Share transfer books will remain closed from Monday, June 6, 2011 to Friday, June 10, 2011 (both days inclusive).
- (4) The Dividend as recommended by the Board of Directors, if approved by the shareholders, will be payable on or after June 11, 2011.
- (5) Any change in the address of the members may be intimated to the Company's Registrar & Share Transfer Agent.
- (6) The particulars of Directors retiring by rotation and/or eligible for re-appointment are given in the Corporate Governance section of this Annual Report.
- (7) Members are requested to bring the Annual Report and the Attendance Slip to the Annual General Meeting.

By Order of the Board of Directors

Mumbai

(M. V. Doshi)

Date: 29th April 2011

Executive Chairman

Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956**Item No. 6**

Shri Pratik M. Doshi, Director of the Company has been appointed as the Whole-time Director of LKP Securities Limited, Subsidiary of the Company, for a period of 3 years, with effect from 26th October 2010 upon certain terms and conditions including remuneration which were varied and revised with effect from 1st April, 2011, subject to the approval by the Subsidiary Company.

Shri Pratik M. Doshi, as the Whole-time Director of LKP Securities Limited, will be responsible and in-charge for the management of the said Subsidiary's affairs on day-to-day basis.

The Board believes that the said Subsidiary would grow extensively under the guidance of Shri Pratik M. Doshi, who possesses the necessary expertise and experience to accelerate the Subsidiary's operations and achieve its vision.

Pursuant to the provision of Section 314(1) of the Companies Act, 1956, consent of the Company is, *inter alia*, required to be accorded by the Company by a Special Resolution, where a Director or relative of Director is appointed to an office or place

of profit under the Company or a Subsidiary of the Company. Shri Pratik M. Doshi is a Director of the Company and also relative of Shri Mahendra V. Doshi –Executive Chairman of the Company. Accordingly, it is proposed to obtain consent of the Company as such as set out in the draft resolution mentioned at Item No. 6 of the accompanying Notice.

The material terms of appointment and remuneration of Shri Pratik M. Doshi as the Whole-time Director of LKP Securities Limited, Subsidiary of the Company are as under:

S. No.	Particular	From 26/10/2010 to 31/03/2011	Revised w.e.f. 01/04/2011
--------	------------	-------------------------------	---------------------------

1.	Salary	Rs. 57,600/- p. m.	Rs. 1,70,000/- p. m.
----	--------	--------------------	----------------------

2. Perquisites:

I.	House Rent Allowance	Rs. 28,800/- p. m.	Rs. 30,000/- p. m.
----	----------------------	--------------------	--------------------

II.	Special Allowance	Rs. 55,550/- p.m.	Rs.48,750/- p. m.
-----	-------------------	-------------------	-------------------

III.	Conveyance Allowance	Rs. 800/- p. m.	--
------	----------------------	-----------------	----

IV.	Incentive	Rs. 86,400/-	--
-----	-----------	--------------	----

V. Medical Reimbursement : Reimbursement of Medical Expenses incurred by him for self and family subject to the ceiling of Rs.15,000/- in a year.

VI. Leave Travel Allowance : As per the rules of the said Subsidiary Company.

VII. Provident Fund, Superannuation Fund and Gratuity : Contribution to Provident Fund, Superannuation Fund and Gratuity shall be as per the rules of the said Subsidiary Company will not be considered for calculating the limit of perquisites.

VIII. Car and Telephones:

Provision of car with chauffeur for use on Subsidiary's business and telephone, mobile and communication facilities like Internet at residence shall not be considered as perquisites. The personal long distance calls on telephone and car for private purpose shall be billed by the Subsidiary.

IX. Leave:

Leave on full pay and allowance, as per the rules of the said Subsidiary Company, but not more than one month's leave for every eleven months of service. However, leave accumulated but not availed of will not be allowed to be encashed.

3. In addition to Salary and Perquisites as aforesaid, Shri Pratik M. Doshi will also be entitled for Annual Performance Incentive, to be decided by the Board of Directors/ Remuneration Committee of said subsidiary, from time to time, based on performance criteria to be fixed by them for each financial year within the maximum amount payable in accordance with the provisions of the Companies Act, 1956 or any amendments/approvals hereafter in this regard.

4. Shri Pratik M. Doshi, as the Whole-time Director of the Subsidiary shall be entitled to compensation for loss of office as provided in Section 318 of the Companies Act, 1956.

5. No Sitting Fees shall be paid for attending meeting of the Board of Directors or any Committee of the Board of the said Subsidiary Company.

6. The services are terminable by either by either party giving 90 days notice in writing.

7. The above remuneration is payable as minimum remuneration, notwithstanding that in any financial year during the term of his office as the Whole-time Director, the said Subsidiary Company may make no profits or the profits made are inadequate subject, however, to the ceiling limits prescribed under the said Act, from time to time.

8. Terms of remuneration and/or appointment of Shri. Pratik M. Doshi, as the Wholetime Director of the said Subsidiary Company, may be revised as may be approved by the Board of Directors and/or Remuneration Committee of the said Subsidiary and/or the Central Government, if and when applicable and be subject to the limits prescribed under the said Act, from time to time.

Your Directors thus recommend the resolution for your approval as such.

Shri Pratik M. Doshi is interested in the resolution. Shri Mahendra V. Doshi is deemed to be concerned or interested in the resolution since he is related to him. None of the other Directors is, in any way, concerned or interested in the said resolution.

By Order of the Board of Directors

Mumbai
Date: April 29, 2011

(M. V. Doshi)
Executive Chairman

DIRECTORS' REPORT

The Directors present the Twenty Seventh Annual Report and Audited Accounts of the Company for the year ended March 31, 2011.

FINANCIAL RESULTS	2010 – 2011	2009 – 2010
	(Rs. in lacs)	(Rs. in lacs)
Profit before tax	3276.49	2099.70
Less: Provision for Tax	664.79	178.07
Profit after tax	2611.70	1921.63
Add: Previous year Items	352.72	16.94
Profit brought forward from previous year	1672.86	3133.98
Amount available for appropriation	4637.28	5072.56
APPROPRIATIONS:		
Proposed Dividend	1307.75	915.42
Tax on Dividend	212.14	155.58
Transfer to Capital Redemption-Reserve	---	36.13
Transfer to General Reserve	500.00	200.00
Transfer to Special Reserve Fund	522.34	2092.57
Balance carried to Balance Sheet	2095.05	1672.86

DIVIDEND

The Board of Directors are pleased to recommend a dividend @ Rs. 10/- per equity share of the Company for the financial year ended 31st March 2011. The total cash outflow on account of dividend & tax thereon Rs.1,519.89 lacs.

PERFORMANCE REVIEW

The Company's total income increased to Rs. 5,374.28 lacs from Rs. 3,612.25 lacs and profit after tax to Rs.2,611.70 lacs from Rs. 1,921.63 lacs in the previous year.

The income from investments increased substantially and trading in debt papers and development of retail clients like PF/Pension/Gratuity trust etc. has yielded good results. Further the Company substantially increased its business of loan against security of shares.

The Company continued with its efforts to recover over dues from its clients. During the year under review the Company has recovered Rs. 328.46 lacs by resorting to legal recourse.

EMPLOYEES STOCK OPTION SCHEME

Pursuant to the approval of shareholders, your Company has instituted the Employees Stock Option Scheme. The Scheme is administered by the Compensation Committee of the Board of Directors. The detail of Options granted during the year under review is annexed to this report.

FIXED DEPOSITS

The Company has no public deposits as of date and will not accept any deposits without prior approval of the Statutory Authorities concerned.

SUBSIDIARIES

Your Company's subsidiary, LKP Securities Ltd. has expanded its geographical reach and now has 407 outlets across India.

As per the Circular No. 51/12/2007-CL-III dated 8th February, 2011 issued by Government of India, Ministry of Corporate Affairs, the required financial information in the consolidated balance sheet is given in respect of Company's subsidiaries i.e. LKP Securities Limited and Gayatri Cement and Chemical Industries Private Limited.

The annual accounts of the aforesaid subsidiaries and the related detailed information shall be made available to shareholders of the Company and its subsidiaries, seeking such information at any point of time. The annual accounts of the subsidiary companies shall also be kept open for inspection by any shareholder at the head office at 112A /203 Embassy Centre, Nariman Point, Mumbai 400 021.

STATUTORY DISCLOSURE

The Particulars of Employees falling within the scope of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, forms part of this report. However, as per Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Accounts is being sent to all shareholders of the Company excluding the above Statement. Any shareholder interested in obtaining a copy of the said Statement may write to the Company at its Registered Office.

The provisions of Section 217(1)(e) of the Companies Act, 1956, relating to conservation of energy and technology absorption do not apply to your Company. There are no foreign exchange earnings & outgo during the year under report.

DIRECTORS

Mr. Vineet N. Suchanti and Mr. Milan S. Bhise retire by rotation and being eligible offers themselves for re-appointment. Your Directors recommend their re-appointment.

AUDITORS' REPORT

M/s. Ford, Rhodes, Parks & Co., Chartered Accountants, Mumbai, retire at the conclusion of the forthcoming Annual General Meeting. The Company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224 (1-B) of the Companies Act, 1956. Your Directors recommend their re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm that :

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period ;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities to the best of their knowledge and ability ;
- iv) the Directors have prepared the annual accounts on a going concern basis.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Accounting Standard AS-21, the Consolidated Financial Statements are furnished herewith and form part of this Report and Accounts. These statements have been prepared on the basis of audited financial statements received from the Subsidiary Companies as approved by their Board of Directors.

CORPORATE GOVERNANCE

The Report on Corporate Governance along with a Certificate of compliance from the Auditors and Management Discussion and Analysis Report forms part of this Report.

ACKNOWLEDGEMENT

Your Directors would like to place on record their sincere appreciation to Shareholders, Bankers , Institutions and Employees for their co-operation and support.

For and on behalf of the Board of Directors

Mumbai
Date: April 29, 2011

(M. V. Doshi)
Executive Chairman

**Statement Pursuant to Section 212 of the Companies Act, 1956
Giving Requisite Particulars of its Subsidiary Companies**

1. Name of the Subsidiary Company	LKP Securities Ltd	Gayatri Cement & Chemical Industries P Ltd
2. Financial Year ending	31.3.2011	31.3.2011
3. Date from which the Company became a subsidiary.	1.4.95	31.3.2010
4. Extent of Holding Company's interest in the subsidiary Company's Shareholding (in %)	99.81 <u>Rs in Lacs</u>	100 <u>Rs in Lacs</u>
5. Net aggregate amount of the Subsidiary's profits after deducting its losses or vice versa so far it concerns members of the Holding Company. --Profits /Losses not dealt with in the Holding Company Accounts		
a. for the financial year of the subsidiary	0.67	16.35
b. for the previous financial years since it became the Holding Company's Subsidiary	130.55	(27.77)
Profits dealt with or (Losses) provided for in the holding Company Accounts.		
a. - for the financial year of the Subsidiary	--	--
b. for the previous financial years since it became the holding Companys subsidiary	--	--

For and on behalf of the Board of Directors

Mumbai
Dated : 29th April, 2011

M. V. Doshi
Executive Chairman

Annexure to the Directors' Report

Disclosures under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 for the year ended 31st March 2011

	Scheme Name: Employees Stock Option Scheme 2010	Granted on April 21, 2010	Granted on October 12, 2010	Granted on October 18, 2010	Granted on December 15, 2010	Granted on March 31, 2011
1.	Options Granted	5,99,500	1,05,000	1,00,000	50,000	28,000
2.	Pricing Formula	Up to 5 % discount on the average of the closing price of the Company's shares, in the BSE during the last 15 days preceding the date of grant of options	Up to 5 % discount on the average of the closing price of the Company's shares, in the BSE during the last 15 days preceding the date of grant of options	Up to 5 % discount on the average of the closing price of the Company's shares, in the BSE during the last 15 days preceding the date of grant of options	Up to 5 % discount on the average of the closing price of the Company's shares, in the BSE during the last 15 days preceding the date of grant of options	On the average of the closing price of the Company's shares, in the BSE during the last 15 days preceding the date of grant of options
3.	Options Vested	None vested so far	None vested so far	None vested so far	None vested so far	None vested so far
4.	Options Exercised	--	--	--	--	--
5.	Total number of Ordinary Shares arising as a result of exercise of Options	--	--	--	--	--
6.	Options Lapsed/ Forfeited/ Cancelled	--	--	7,500	50,000	--
7.	Variations of terms of Options	--	--	--	--	--
8.	Money realized by exercise of the Options	--	--	--	--	--
9.	Total number of Options in force	5,99,500	1,05,000	92,500	--	28,000
10.	Employee-wise details of Options granted to: i) Details of Options granted to senior managerial personnel in 2010-2011. ii) Any other employee who receives a grant in any one year of Option amounting to 5% or more of Options granted during the Year. iii) Identified employees, who were granted Options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of the grant.	--- A total of 6,92,000 options were granted to the Employees of the Company including its subsidiary and also including the options given in 10 iii) below. One employee received 3,92,000 options.				
11.	Diluted Earning Per Share (EPS) calculated in accordance with Accounting Standard 20 issued by ICAI for the year ended March 31, 2011.	Rs.18.79				
12.	i) Method of calculation of employee compensation cost ii) Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognized if fair value of Options had been used iii) The impact of difference on profits and EPS of the Company for the year ended March 31, 2011 had fair value Options had been used for accounting Employee Options	Intrinsic Value As the fair value is lower than the intrinsic value the charge to profit and loss account is based on intrinsic value. There is no change in the reported diluted EPS.				
13.	Weighted-average exercise price of options granted during the year is less than market price of stock on the grant date.	Rs. 117.78				
14.	A description of method and significant assumptions used during the year to estimate the fair value of Options granted during the year. The fair value of options has been calculated by using Black Schole's Method. The assumption used in the above are:					
	1) Risk free Interest Rate	7.50 %				
	2) Expected Life	6 to 8 years				
	3) Expected Volatility based on daily closing Market Price	12.32%				
	4) Expected Dividends	2.23%				
	5) The price of underlying share in the market at the time of grant	Rs. 125.90				

MANAGEMENT DISCUSSION AND ANALYSIS

Industry structure and developments

The Indian economy roared back in 2010, with the Gross Domestic Product, growing at 8.6 per cent in the first quarter (January-March) and then going up a notch closer to nine per cent in the next two quarters of April-June and July-September. The overall outlook remained bright, with industrial growth set to be in double digits and good a monsoon brightening the prospects of agricultural production. The biggest concern arose from inflation, which the government failed to tame for almost all of 2010.

There was consolidation that was witnessed in the financial markets in 2010-11. The BSE Sensex has given 11 % return in FY11. The capital markets continued to remain vibrant and thereby there were 49 IPOs that flooded the markets in 2010-11 (April 2010-February 2011) and thereby raising Rs. 34,846 crores. The market capitalization of NSE stood at Rs. 61,95,967 crores as on Feb 28 2011. The number of Foreign Institutional investors registered with SEBI stood at 1,703 till Feb 2011 and their investments in equity stood at \$30,691 mn till Feb 2011.

The movements of the stock markets impact your company being an Investment Company. India's inflation rates remain at an all time high despite various economic and other measures been taken by the Government and RBI from time to time to curb the same. Crude oil prices are a constant threat with the potential for negative consequences for India's macro outlook.

Opportunities and Threats

Your Company being an investment Company seeks opportunities in the capital market. The volatility in the stock indices in the financial year under report represents both an opportunity and challenge for the Company.

The business of subsidiary company i.e. LKP Securities Ltd. is affected by the sentiments prevailing in the stock markets.

LKP Securities Ltd. is one of the reputed broking houses of the country, having a network of 407 outlets across India. The Company is empanelled with most of the reputed domestic financial institutions including life and non insurance companies, mutual funds, foreign financial institutions and Corporates, apart from having large number of HNI and retail clients. The likely increase in capital mobilisation from the primary market, increase in resource mobilisation by mutual funds, phenomenal growth in secondary market volumes,

introduction of new products like mini derivative contracts & Securities Lending & Borrowing Scheme, introduction of new instruments in the F & O segment, trading in Mutual Funds through exchanges etc. provide significant business opportunities for the Company. LKP Securities Ltd. has recently launched Currency Derivatives on 7th April 2011.

Capital market activities in which most of our activities depend on is also influenced by global events and hence there is an amount of uncertainty in the near term outlook of the market. The economic crisis in some countries in the Europe and Middle East has added some volatility globally and Indian stock market has not yet decoupled from such global trends. The recent increase in inflation rate in India is a cause of concern as it can affect corporate profitability. The percentage of retail savings that is channelled into equities and equity related products in the country are still much lower than in developed countries. Fast economic growth generating higher savings and better corporate performance is likely to provide growth opportunities for the business of LKP Securities Ltd.

Segment-wise Performance

The Company being a holding Company is engaged in investment activities and other financial services during the year under review, hence the requirement of segment-wise reporting is considered irrelevant.

Outlook

The Indian economy is expected to grow at a healthy rate over 9 percent for FY 2011-12 leading to huge investments by both public and private sector. The performance of capital market in India has a direct correlation with the prospect of economic growth and political stability. Though the growth projections for FY 2011-12 appear reassuring, there are certain downside risks such as pace and shape of global recovery, effect of withdrawal of fiscal stimulus and hardening of commodity prices and interest rates are expected to trigger large capital inflows in EMs which in turn could lead to inflationary pressures and asset price bubble.

Risks and Concerns

The stock broking industry has recently witnessed intense competition, falling brokerage rates and the entry of several big players. The Company's Subsidiary Company continues to achieve cost efficiencies through the application of technology.

However with the availability of financial resources, we are hopeful that the said Company will be able to take the opportunities of the expanding business opportunities.

The Capital market industry in which your Company is operating is subject to extensive regulation. The Company evaluates the technological obsolescence and the associated risk and makes investment accordingly

Internal Control Systems and their adequacy

The Company has satisfactory internal control system.

LKP Securities Ltd. has an adequate system of internal controls to ensure accuracy of accounting records, compliance with all laws & regulations and compliance with all rules, procedures & guidelines prescribed by the management. An extensive internal audit is carried out by independent firms of Chartered Accountants in branches and head office. An internal team of inspection also regularly visits branches for ensuring regulatory compliance. Post audit reviews are also carried out to ensure follow up on the observations made.

Financial Performance with respect to Operational Performance

Share Capital

The paid up equity share capital of the Company as on March 31, 2011 stands at Rs. 130,774,890 divided into 13,077,489 equity shares of Rs. 10/- each fully paid up.

Reserve and Surplus

The Reserves and Surplus increased from Rs. 12,553.12 lacs to Rs. 14,013.70 lacs.

Investments

The total investment decreased to Rs. 3,996.60 lacs as at March 31, 2011 against Rs. 7,352.20 lacs at the end of the previous year.

Loan

Secured loan increased to Rs. 7,328.44 lacs from Rs. 1,732.91 lacs.

Total Income

During the year under consideration total income was Rs. 5,374.28 lacs as against Rs. 3,612.25 lacs in the previous year.

Other Income

During the year under consideration other income was Rs. 149.99 lacs as against Rs. 435.71 lacs in the previous year.

Interest and Finance Charges

During the year under consideration total interest and finance charges were Rs.357.35 lacs as against Rs. 623.18 lacs in the previous year.

Provision for Tax

During the year under consideration the provision for tax, was Rs. 664.79 lacs as against Rs. 178.07 lacs in the previous year.

Human Resources

There has been no material development on the Human Resource/Industrial Relations front during the year. As on 31st March 2011 the Company had 45 employees.

The Company believes in sharing based on performance & potential. Hence the Company has granted Employees Stock Options during the year under review to employees in recognition of their performance and as a measure of retention.

LKP Securities Ltd. places significant importance to its human capital. As on 31st March 2011 there are 303 employees employed by the Company. The company has also provided medical insurance for its employees and family members as a welfare measure. The company has been paying special attention to improve the skill set of the employees through various training programs. All employees are encouraged and motivated to get themselves certified in relevant industry standard certifications such as CFP, NCFM, BSEC & AMFI.

For and on behalf of the Board of Directors

Mumbai
Date: April 29, 2011

(M. V. Doshi)
Executive Chairman