

LKP Finance Limited



28TH ANNUAL REPORT 2011-2012

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

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*Annual General Meeting on Tuesday, 29th May 2012 at
11.00 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 Eighth 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 Tuesday, 29th May 2012 at 11.00 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 2012 and Report of Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. M. V. Doshi , who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Pratik M. Doshi, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint the Auditors and to fix their remuneration.

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 Wednesday, May 23, 2012 to Tuesday, May 29, 2012 (both days inclusive).
- (4) The Dividend as recommended by the Board of Directors, if approved by the shareholders, will be payable on or after May 30, 2012.
- (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 intimate their e. mail address to the Company's Registrar & Share Transfer Agent.**
- (8) 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

Date: April 24, 2012

(M. V. Doshi)

Executive Chairman

DIRECTORS' REPORT

The Directors present the Twenty Eighth Annual Report and Audited Accounts of the Company for the year ended March 31, 2012.

FINANCIAL RESULTS	2011 – 2012	2010 – 2011
	(Rs. in lacs)	(Rs. in lacs)
Profit before tax	745.12	3276.49
Less: Provision for Tax (Including Deferred Tax)	258.68	664.79
Profit after tax	486.44	2611.70
Add: Previous year Items	---	352.72
Profit brought forward from previous year	2095.05	1672.86
Amount available for appropriation	2581.49	4637.28
APPROPRIATIONS:		
Proposed Dividend	261.55	1307.75
Tax on Dividend	42.43	212.14
Transfer to General Reserve	40.00	500.00
Transfer to Special Reserve Fund	97.29	522.34
Balance carried to Balance Sheet	2140.22	2095.05

DIVIDEND

The Board of Directors are pleased to recommend a dividend @ Rs. 2/- per equity share of the Company for the financial year ended 31st March 2012. The total cash outflow on account of dividend & tax thereon Rs.303.98 lacs.

PERFORMANCE REVIEW

The Company's total income decreased to Rs. 2,220.69 lacs from Rs. 5,325.21 lacs and profit after tax to Rs. 486.44 lacs from Rs. 2,611.70 lacs in the previous year.

Due to difficult market condition, the income from investments decreased during the year under review. However trading in debt papers and development of retail clients like PF/Pension/Gratuity trust etc. has continued to yield good results. Further the Company substantially increased its business of loan against security of shares.

EMPLOYEES STOCK OPTION SCHEME

Disclosures under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 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 810 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 it's 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

During the year under review the Company did not have any employee falling within the scope of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended.

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. Mahendra V. Doshi and Mr. Pratik M. Doshi 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 :

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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;
- 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;
- 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 24, 2012

(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	31.3.2012	31.3.2012
3. Date from which the Company became a subsidiary.	1.4.1995	31.3.2010
4. Extent of Holding Company's interest in the subsidiary Company's Shareholding (in %)	99.81	100
	<u>Rs in Lacs</u>	<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	(125.95)	(0.06)
b. for the previous financial years since it became the Holding Company's Subsidiary	578.96	(11.41)
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 Company's subsidiary	--	--

For and on behalf of the Board of Directors

Mumbai
 Dated : April 24, 2012

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

	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	1,99,833	35,000	30,833	--	9,333
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 ii) Any other employee who receives a grant in any one year of Option amounting to 5% or more of Options granted during that 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, 2012.	Rs. 3.50				
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, 2012 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 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 Schol's Method. The assumption used in the above are:					
	1) Risk free Interest Rate	8%				
	2) Expected Life	5 to 7 years				
	3) Expected Volatility based on daily closing Market Price	4.25%				
	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

India's GDP is expected to expand by 6.9% in FY12. The economic conditions in the country in the current fiscal have been challenging with inflation being the major factor driving economic policy. This has had a major impact on other economic variables. Policy formulation has become even more difficult with the volatility witnessed in the forex market, where the rupee has tended to move downwards. FY12 witnessed a period of combating inflation, slowing down of investment, pressure on budget deficit, widening current account balance, depreciating rupee and uncertain capital markets.

The BSE Sensex declined 10% in FY12 and closed at 17,404. During FY12, all emerging markets, led by BRIC nations, faced headwinds on growth and inflation, leading to severe underperformance. India in particular faced additional headwinds of policy inaction. FII flows plunged from USD25b in FY11 to USD8.5b in FY12. Domestic mutual funds were net sellers for the third year in a row and insurance companies were net sellers for the first time in several years.

The global economic environment has been tenuous through the year, particularly turning adverse post-September 2011, against the Euro-zone crisis, downgrades of sovereign credit rating of euro-zone and other advanced countries, followed by political unrests, currency wars and the more recent oil crisis.

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 810 outlets across India. The company has put in place a new team to drive the retail business.

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.

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.

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 likely to rise to around 7.5% in FY13. Inflation is expected to moderate based on a good harvest and stable global commodity prices. The rupee is expected to remain volatile as euro conditions will remain in flux while the domestic current account deficit will be under pressure. While domestic inflows are expected to improve in FY13, the volatility in FII flows would remain the key catalyst for the trend in Indian equities.

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. 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, 2012 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. 14,013.70 lacs to Rs. 14216.87 lacs.

Investments

The total investment increased to Rs.6648.49 lacs as at March 31,

2012 against Rs. 6484.11 lacs at the end of the previous year.

Secured Loans

The secured loans increased to Rs. 10,956.13 from Rs. 7,328.44 lacs of the previous year.

Total Income

During the year under consideration total income was Rs. 2,220.69 lacs as against Rs. 5,325.21 lacs in the previous year.

Other Income

During the year under consideration other income was Rs. 119.40 lacs as against Rs. 161.83 lacs in the previous year.

Interest and Finance Charges

During the year under consideration total interest and finance charges were Rs.768.80 lacs as against Rs. 357.36 lacs in the previous year.

Provision for Tax

During the year under consideration the provision for tax (including deferred tax Rs. 102.68 lacs), was Rs. 258.68 lacs as against Rs. 664.79 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 2012 the Company had 42 employees.

LKP Securities Ltd. places significant importance to its human capital. As on 31st March 2012 there are 276 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 24, 2012

(M. V. Doshi)
Executive Chairman

REPORT ON CORPORATE GOVERNANCE

1. Company's philosophy on Corporate Governance

The Company is committed to good Corporate Governance. The Company fully realises the rights of its shareholders to information on the performance of the Company. The Company provides detailed information on various issues concerning the Company's business / performance, to its shareholders. The fundamental philosophy of Corporate Governance in the Company is to achieve business excellence and dedicate itself for meeting its obligations to the shareholders. The Board of Directors of the Company has adopted the Code of Conduct for its members and senior management executives.

2. Board of Directors

Composition

The composition and category of Directors as on 31st March 2012 are as follows:

Category	Name of Directors	Designation
Promoter	Mr. M. V. Doshi	Executive Chairman
Independent & Non Executive	Mr. Milan S. Bhise	Director
Independent & Non Executive	Mr. Vineet N. Suchanti	Director
Independent & Non Executive	Mr. Hariharan Padmanabhan	Director
Promoter	Mr. Pratik M. Doshi	Director
Nominee	Mr. Sayanta Basu	Director

The composition of the Board of Directors of the Company is in accordance with the provisions of Clause 49 of the Listing Agreement. Non-Executive Independent Directors of your Company have no pecuniary relationship or any transaction with your Company.

Mr. Sayanta Basu represents Agrud Capital Pte Ltd., Singapore, a strategic equity investor in the Company.

Board Meeting

The Meeting of the Board of Directors are scheduled well in advance and generally held at the Company's office at Nariman Point, Mumbai. The notice confirming the meeting and the detailed agenda is sent well in advance to all the Directors.

There were four Board Meetings held during the financial year ended 31st March 2012, namely on 29th April 2011, 10th August 2011, 3rd November 2011 and 7th February 2012.

Attendance, Other Directorship & Membership,

Membership and Attendance of each Director at the Board of Directors' Meetings held during the year and the last Annual General Meeting and the number of other Directorship/ Membership of Board Committees as on 31st March 2012:

S. No.	Name of the Director	Board Meeting Attended	Attendance at Last AGM	No. of Directorship in Boards (Excluding LKP Finance Ltd.)		No. of Chairmanship / Membership in other Board Committees (Excluding LKP Finance Ltd.)#	
				Public	Private	Chairmanship	Membership
1	Mr. Mahendra V. Doshi	3	Yes	4	5	1	3
2	Mr. Vineet N. Suchanti	3	Yes	5	1	--	--
3	Mr. Milan S. Bhise	2	Yes	--	--	--	--

4	Mr. Hariharan Padmanabhan	2	No	--	--	--	--
5	Mr. Sayanta Basu	4	No	--	5	--	--
6	Mr. Pratik M. Doshi	4	Yes	2	6	--	--

#Committee of Audit, Investor Grievances and Remuneration

Profile of Director being Re-appointed:

Name	Mr. Mahendra V. Doshi	Mr. Pratik M. Doshi
Age	63 Years	31 Years
Date of Appointment	5 th May 1984	26 th October 2009
Qualification	MBA – U. S. A.	B. A. In Economics-UK
Expertise	Mr. Mahendra V. Doshi is the promoter of the Company and is associated with Company since inception. He was appointed as Executive Chairman w.e.f. 26 th July, 2001. He has over 35 years vast experience in the field of Finance, Capital Market and Business Administration.	
Other Directorships	1. Nilkamal Ltd. 2. Graviss Hospitality Limited 3. LKP Securities Ltd. 4. MKM Share and Stock Brokers Ltd. 5. Bhavana Holdings Pvt. Ltd. 6. LKP Holdings Pvt. Ltd. 7. Peak Plastonics Pvt. Ltd. 8. Sea Glimpse Investment Pvt. Ltd. 9. SolarEx P V Solution Pvt. Ltd.	1. LKP Securities Ltd. (Whole-time) 2. MKM Share and Stock Brokers Ltd. 3. Alpha Commodity Pvt. Ltd. 4. Bhavana Holdings Pvt. Ltd. 5. LKP Holdings Pvt. Ltd. 6. Peak Plastonics Pvt. Ltd. 7. Prasam Trading & Finance Pvt. Ltd. 8. SolarEx P V Solution Pvt. Ltd.
*Chairman / Member of the Board of the Companies on which he is a Director as on 24 th April 2012.	LKP Finance Ltd. i. Share Transfer Committee-Chairman ii. Compensation Committee -Chairman iii. Audit Committee-Member Graviss Hospitality Limited i. Audit Committee - Chairman ii. Shareholders & Investors Grievance Committee – Member Nilkamal Ltd. i. Audit Committee – Member ii. Remuneration Committee - Member	
Shareholding in the Company	44,82,886	80,897

3 Audit Committee

The Board has set up Audit Committee having two Independent Directors Mr. Milan S. Bhise and Mr. Vineet N. Suchanti are members. Mr. Vineet N. Suchanti is the Chairman of the Audit Committee and was present at the last Annual General Meeting. Mr. M. V. Doshi is also a member of Audit Committee.

Audit Committee meetings were held on 27th April 2011, 10th August 2011, 3rd November 2011 and 7th February 2012. All the members have attended the aforesaid meetings except at the meeting dated 10th August 2011 to Mr. Milan S. Bhise and 3rd

November 2011 to Mr. Vineet N. Suchanti, leave of absence were granted. The Statutory Auditors were the invitees to the above meetings. The scope of activities and powers of Audit Committee includes the areas prescribed under the Clause 49 of the Listing Agreement and section 292A of the Companies Act, 1956.

4. Remuneration of Directors

During the year under review the Company has paid Rs. 54.34 lacs towards remuneration (details of which are provided in the note C 3 of the notes to the financial statements) to Mr. Mahendra V. Doshi, Executive Chairman of the Company pursuant to the special resolution passed by members through postal ballot on March 17, 2010. At present, Independent Directors are not paid any remuneration.

Professional Fees to Director

The Board of Directors has approved the payment of professional fees of Rs. One Crore p.a. to Mr. Sayanta Basu for rendering professional services to the Company, pursuant to Special Resolution dated 17th March 2010 passed by members through postal ballot.

Sitting Fees paid to Directors for attending Board Meetings

1. Mr. Milan S. Bhise	Rs. 10,000/-
2. Mr. Vineet N. Suchanti	Rs. 15,000/-
3. Mr. Hariharan Padmanabhan	Rs. 10,000/-
4. Mr. Pratik M. Doshi	Rs. 20,000/-
5. Mr. Sayanta Basu	Nil
6. Mr. M. V. Doshi	Nil

5. Shareholders Grievance Committee

The Board has set up Shareholders Grievance Committee having two Independent Directors, Mr. Milan S. Bhise and Mr. Vineet N. Suchanti as members. Mr. Milan S. Bhise is the Chairman of the said Committee. Mr. Girish Innani, General Manager (Legal) & Company Secretary of the Company is compliance officer. During the year 10 shareholders' letters/complaints were received out of which 9 were about non receipt of Dividend Warrant/s and one about non receipt of Annual Report. There is no complaint which has remained un-addressed. No transfer of shares is pending as on date.

M/s. V. R. Associates, Practicing Company Secretaries is conducting Reconciliation of Share Capital Audit, for the Company.

6. Compensation Committee

The Board of Directors has constituted Compensation Committee of Directors consisting Mr. M. V. Doshi as Chairman and Mr. Milan S. Bhise and Mr. V. N. Suchanti as Members of said Committee for administration and superintendence of Company's 'Employees' Stock Option Scheme 2010'.

The said Committee is entrusted with the authority to administer Employees Stock Option Scheme.

7. General Body Meetings

The particulars of last three years Annual General Meetings are as under: