

LKP Finance Limited



31ST ANNUAL REPORT 2014-2015

Board of Directors :	DIN
Shri Mahendra V. Doshi <i>Executive Chairman</i>	00123243
Shri Vineet N. Suchanti	00004031
Shri Milan S. Bhise (Upto 28th January, 2015)	00142276
Shri Hariharan Padmanabhan	00214284
Shri Pratik M. Doshi	00131122
Shri Sayanta Basu	02128110
Smt. Anjali Suresh (w.e.f. 29th January, 2015)	02545317

Company Secretary :

Shri Girish 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. : 4002 4785 / 4002 4786
Fax : 2287 4787

CIN: L65990MH1984PLC032831

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 Thursday, 11th June, 2015 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 Thirty First 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 Thursday 11th June, 2015 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Profit & Loss Account for the Financial Year ended on 31st March, 2015 and the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Pratik M. Doshi (holding DIN 00131122), who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s. Ford, Rhodes, Parks & Co., Chartered Accountants (ICAI Registration No.102860W) as statutory auditors of the Company and fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:
“RESOLVED that pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with rules made thereunder and Schedule I of the said Act (including any statutory modification(s) or re-enactment thereof, for the time being in force), the new set of Articles of Association as laid before this meeting, duly initialed by the Chairman for purpose of identification, be and is hereby approved and adopted in substitution and to the entire exclusion, of the existing Articles of Association of the Company;
RESOLVED further that the Board of Directors of the Company be and is hereby authorized to do all acts, deeds, matters and things as may be necessary, proper or expedient to give effect to this Resolution.”
6. To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution:
“RESOLVED that pursuant to the provisions of section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules thereunder, Mrs. Anjali Suresh (holding DIN 02545317), Director of the Company, be and is hereby appointed as an Independent Woman Director, not liable to retire by rotation, to hold office for a term of upto five consecutive years with effect from June 11, 2015.”

By Order of the Board of Directors

Mumbai
Date: 5th May 2015

(M. V. Doshi)
Executive Chairman

IMPORTANT NOTES:

1. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 (“the Act”), concerning the Special Business in the Notice is annexed hereto and forms part of this Notice. The profile of the Directors seeking appointment / reappointment, as required in terms of Clause 49 of the Listing Agreement entered with the Stock Exchange is given below.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE VALID MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. A PERSON CAN ACT AS PROXY FOR ONLY 50 MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. MEMBER HOLDING MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER MEMBER.
3. Corporate Members intending to send their authorised representatives to attend the AGM are requested to send a duly certified copy of their Board Resolution authorising their representatives to attend and vote at the AGM.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Members / Proxies / Authorised Representatives should bring the enclosed attendance Slip, duly filled in, for attending the Meeting. Copies of the Annual Report or Attendance Slips will not be distributed at the Meeting.
6. The Register of Members and the Share Transfer Books of the Company shall remain closed from Thursday, 4th June, 2015 to Thursday, 11th June, 2015 (both days inclusive) for payment of final dividend.
7. The Final dividend, as recommended by the Board, if approved at the AGM, in respect of equity shares held in electronic form will be payable to the beneficial owners of shares as on 11th June, 2015 as per the downloads furnished to the Company by Depositories for this purpose. In case of shares held in physical form, dividend will be paid to the shareholders, whose names shall appear on the Register of Members as on 11th June, 2015.
8. a) Members holding the shares in electronic mode may please note that their dividend would be paid through National Electronic Clearing System (NECS) or Electronic Clearing Services (ECS) at the available RBI locations. The dividend would be credited to their bank account as per the mandate given by the members to their DPs. In the absence of availability of NECS/ECS facility, the dividend would be paid through warrants and the Bank details as furnished

by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable Regulations.

- b) Members are requested to send their Bank Account particulars (viz. Account No., Name & Branch of the Bank and the MICR Code) to their DPs in case the shares are held in electronic mode or to the Registrar and Share Transfer Agents in case the shares are held in physical mode for printing on dividend warrant to ensure that there is no fraudulent encashment of the warrants.
9. SEBI & the Ministry of Corporate Affairs encourages paperless communication as a contribution to greener environment. Members holding shares in physical mode are requested to register their e-mail ID's with the Adroit Corporate Services Private Limited, the Registrars & Share Transfer Agents of the Company and Members holding shares in demat mode are requested to register their e-mail ID's with their respective Depository Participants (DPs) in case the same is still not registered. If there is any change in the e-mail ID already registered with the Company, members are requested to immediately notify such change to the Registrars & Share Transfer Agents of the Company in respect of shares held in physical form and to DPs in respect of shares held in electronic form. Members who wish to register their email ID can download the 'Green Initiative' form from the Company's website viz. www.lkpsec.com.
10. In terms of Section 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder, the copy of the Annual Report including Financial statements, Board's report etc. and this Notice are being sent by electronic mode, to those members who have registered their email ids with their respective depository participants or with the share transfer agent of the Company, unless any member has requested for a physical copy of the same. In case you wish to get a physical copy of the Annual Report, you may send your request to info@adroitcorporate.com mentioning your Folio/DP ID & Client ID.
11. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's share transfer agent. In respect of shares held in electronic/ demat form, the members may please contact their respective depository participant.
12. Members are requested to send all communications relating to shares, and unclaimed dividends, change of address etc. to the Registrar and Share Transfer Agents at the following address:
- M/s. Adroit Corporate Services Private Limited
19, Jafarbhoy Industrial Estate, 1st Floor,
Makawana Road, Marol Naka,
Andheri (East), Mumbai 400 059.
Tel. No.022- 28590942
- If the shares are held in electronic form, then change of address and change in the Bank Accounts etc. should be furnished to their respective Depository Participants (DPs).

13. Unclaimed/Unpaid Dividend:

Members are informed that the dividend amount for the year ended 31st March 2008 remaining unclaimed shall become due for transfer on 13th September, 2015 respectively to the Investor Education and Protection Fund established by the Central Government in terms of Section 124 of the Companies Act, 2013 on expiry of 7 years from the date of its declaration. Members are requested to note that no claim shall lie against the Company or the aforesaid fund in respect of any amount of dividend remaining unclaimed / unpaid for a period of 7 years from the dates they became first due for payment. Any member, who has not claimed final dividend in respect of the financial year ended 31st March 2008 onwards is requested to approach the Company/ the Registrar and Share Transfer Agents of the Company for claiming the same as early as possible but not later than 30th August, 2015 for dividend of F. Y. 2007- 2008. The reminders to all such members at their registered addresses in this regard shall be given in due course of time.

14. Voting Options:-

Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the ensuing Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through polling paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through polling paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 8th June 2015 (9:00 am) and ends on 10th June, 2015 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 5th June, 2015 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :

- (i) Open email and open PDF file viz; “remote e-voting. pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder - Login
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select “EVEN” of “LKP Finance Limited”.
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to lkpfinancescrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of AGM[for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

<u>EVEN (Remote e-voting Event Number)</u>	<u>USER ID</u>	<u>PASSWORD/PIN</u>

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 5th June, 2015.

X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 5th June 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through polling paper.

XIII. Mr. V. Ramachandran Practising Company Secretary, Proprietor of M/s V.R. Associates, Company Secretaries, ACS 7731, CP No. 4731 has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XIV. The Chairman shall, at the AGM, at the end of discussions on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Polling Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XV. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting by polling papers and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company viz. www.lkpsec.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

15. Brief Profile of Director being Appointed / Re-appointed:

Name	Mr. Pratik M. Doshi	Mrs. Anjali Suresh
DIN	00131122	DIN 02545317
Age	33 Years	49 Years
Date of Appointment	26 th October 2009	26 th July, 2001
Qualification	B. A. In Economics-UK.	Chartered Accountant
Expertise	Extensive experience of 11 years in the field of Foreign Exchange, Stock Market and Commodity Market.	Extensive experience of 20 years in the field of Financial Services.
Other Directorships	<ol style="list-style-type: none"> 1. LKP Securities Ltd. (Whole- time Director) 2. MKM Share and Stock Brokers Ltd. 3. Bhavana Holdings Pvt. Ltd. 4. LKP Wealth Advisory Pvt. Ltd. 5. Alpha Commodity Pvt. Ltd. 6. SolarEx P V Solution Pvt. Ltd. 7. Peak Plastonics Pvt. Ltd. 8. Astro Sports Pvt. Ltd. 9. Astro Sports Promotion Pvt.Ltd. 	1. Quartet Financial Services Private Limited
*Chairman / Member of Committee of the Board of the Companies on which he/she is a Director as on 5 th May 2015.	Nil	Nil
Shareholding in the Company	1,00,722 Equity Shares	Nil
Relationship with any Director(s) of the Company	He is related to Executive Chairman of the Company.	She is not related to any Director or Key Managerial Personnel of the Company.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013
Item No. 5

The Articles of Association (AOA) of the Company as currently in force was originally adopted as per the provisions of the Companies Act, 1956 and further amendments were adopted pursuant to the provision under the Companies Act, 1956, from time to time. The existing AoA is based on the provisions contained in the Companies Act, 1956 and therefore contains references to specific sections of the Companies Act, 1956.

In view of the implementation of the Companies Act, 2013 together with various Schedules thereto and the Rules framed thereunder, in replacement of the Companies Act, 1956, several regulations of the existing AoA of the Company require alteration, additions or deletions. Therefore it is considered expedient to fully replace the existing AoA of the Company with the new set of Articles, with a view to bring the Articles in consonance with the notified provisions of the Companies Act, 2013 and Rules made thereunder.

The proposed AoA (draft) of the Company is available on the Company's website www.lkpsec.com for perusal by the Members. A copy of the aforesaid draft AoA would be available for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, Sundays and public holidays, between 11.00

a.m. and 1.00 p.m. upto the date of the Annual General Meeting and a copy thereof will also be available at the meeting venue for inspection by the Members.

The proposed set of AoA of the Company is aligned to the new Companies Act, 2013 and will therefore help in smooth transitioning and management of the Company as per the Companies Act, 2013 and other applicable law.

The Board, therefore, recommends the Special Resolution set out at item no. 5 of the Notice for your approval.

None of the Directors/Key Managerial Personnel of the Company or their relatives is in any way concerned or interested, financially or otherwise in the Resolution, except to the extent of their respective shareholding in the Company

Item No. 6

Appointment of Mrs. Anjali Suresh was made by the Board of Director on 29th January 2014, as an Independent Woman Director to fill-up casual vacancy caused by the resignation of Mr. Milan S. Bhise, who was an Independent Director of the Company. She is considered an Independent Woman Director pursuant to provisions of the Listing Agreement with the Stock Exchange. She has given a declaration that she fulfils and complies with all the conditions specified in the Companies Act, 2013 making her eligible to be appointed as an Independent Woman Director in compliance with the provisions of section 149 of the Companies Act, 2013 at the

forthcoming Annual General Meeting. The Board of Directors are also of the opinion that Mrs. Anjali Suresh fulfils all the conditions specified in the Companies Act, 2013 and is recommended to be appointed as an Independent Woman Director of the Company.

Mrs. Anjali Suresh (DIN 02545317), aged about 49 years, is a Chartered Accountant and has about 20 years extensive experience in the field of Financial Services. She is presently a Director of Quartet Financial Services Private Limited.

She is a member of the following Committees of the Board of Directors of the Company.

1. Stakeholders Relationship Committee- Chairperson
2. Audit Committee- Member
3. Nomination and Remuneration Committee- Member

She is not holding any share of the Company and has no pecuniary relationship with the Company or its subsidiary or associate Company. She is not related to any Director or Key Managerial Personnel of the Company.

The Board of Directors recommends the appointment of Mrs. Anjali Suresh as an Independent Woman Director of the Company.

Other than Mrs. Anjali Suresh and her relatives, no Promoter, Director, Key Managerial Personnel or their relatives is concerned or interested in the resolution.

By Order of the Board of Directors

Mumbai
Date: 5th May 2015

(M. V. Doshi)
Executive Chairman

DIRECTORS' REPORT

The Directors present the Thirty First Annual Report and Audited Accounts of the Company for the year ended March 31, 2015.

FINANCIAL RESULTS	2014 – 2015 (Rs. in lacs)	2013 – 2014 (Rs. in lacs)
Profit before tax	2240.91	707.64
Less: Tax Expense for the Year	467.23	(40.05)
Profit after tax	1773.68	747.69
Profit brought forward from previous year	2452.47	2250.60
Amount available for appropriation	4226.16	2998.29
APPROPRIATIONS:		
Proposed Dividend	243.96	243.96
Tax on Dividend	48.77	39.58
Interim Dividend Paid	1219.80	--
Tax on interim Dividend	243.89	--
Transfer to Capital Redemption Reserve	--	14.60
Transfer to General Reserve	1000.00	100.00
Transfer to Special Reserve Fund	354.74	149.54
Excess Provision for Dividend and DDT of earlier year written back	--	1.86
Balance carried to Balance Sheet	1114.99	2452.47

DIVIDEND

The Company paid an interim dividend during the financial year ended 31st March, 2015, Rs. 10/- per equity share (100%) on the equity share capital in February, 2015, amounting to Rs. 12,19,80,230/- (exclusive of tax on dividend).

The Directors are pleased to recommend payment of a final dividend of Rs.2/- per equity share (20%) on the equity share capital amounting to Rs. 2,43,96,046/- (exclusive of tax on dividend) for your consideration.

The total of the interim and proposed final dividends for the financial year ended 31st March 2015 is Rs. 12/- per equity share (120 %). The total cash outflow on account of dividend & tax thereon Rs.17,56,42,919/-.

PERFORMANCE REVIEW

The Company's total income increased to Rs.8370.41 lacs from Rs. 3557.17 lacs and profit after tax to Rs. 1773.69 lacs from Rs. 747.69 lacs in the previous year.

Trading in debt papers and development of retail clients like PF/ Pension/Gratuity trust etc. has continued to yield good results.

EMPLOYEES STOCK OPTION SCHEME

Pursuant to the approval of shareholders, your Company has instituted the Employees Stock Option Scheme 2010 and 2014. The Scheme is administered by the Nomination and Remuneration Committee of the Board of Directors. The detail of Options granted during the year under review is annexed to this report.

Disclosures under the Companies (Share Capital and Debentures) Rules, 2014 and Securities And Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 is annexed to this report herewith as "Annexure A".

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.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013.

The details of the investments made by company is given in the notes to the financial statements.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Auditors function is defined in their letter of engagement. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board & to the Chairman & Managing Director.

The Internal Audit Department monitors and evaluates the efficiency and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

SUBSIDIARIES

Your Company's subsidiary, LKP Securities Ltd. has expanded its geographical reach and now has more than 2000 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, LKP Wealth Advisory Private 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.

DIRECTORS

Mr. Pratik M. Doshi retires by rotation and being eligible offers himself for re-appointment. Your Directors recommend his re-appointment.

During the year under review Mr. Milan S. Bhise, who was appointed as an Independent Director at 30th Annual General Meeting, resigned from the Board due to his preoccupation. His resignation was accepted effective from 29th January 2015. The Board of Directors record their appreciation of the services rendered by Mr. Milan S. Bhise during his term as a Director of the Company since July, 2001.

The casual vacancy caused by resignation of Mr. Milan S. Bhise from the Board of Directors of the Company was filled in by appointment of Mrs. Anjali Suresh (holding DIN 02545317) with effect from 29th January 2015, as an Independent Woman Director.

In accordance with the requirements of Section 149 and 152 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, her continuation as an Independent Director on the Board of the Company will have to be approved by the Members of the Company.

The requisite Resolutions for the appointment of Mrs. Anjali Suresh as an Independent Woman Director, are being proposed in the Notice of the ensuing Annual General Meeting for the approval of the Members.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed in Section 149(6) of the Companies Act, 2013 and clause 49 of the Listing Agreement.

As required under Clause 49 of the Listing Agreement with the Stock Exchange, the information on the particulars of the Directors proposed for appointment/ re-appointment has been given in the Notice of the Annual General Meeting.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Appointment & Remuneration Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

Remuneration Policy

The Board has, on the recommendation of the Appointment & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

Meetings

During the year four Board Meetings and four Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors acknowledges the responsibility for ensuring compliance with the provisions of section 134(3)(c) read with section 134(5) of the Companies Act, 2013 and Clause 49(III)(D)(4)(a) of the listing agreement with Stock Exchanges in the preparation of the annual accounts for the year ended on March 31, 2015 and state that :

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company 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 this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Directors have prepared the annual accounts on a going concern basis;
- v. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi. there is a proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

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 provision prescribed under Section 139 of the Companies Act, 2013. Your Directors recommend their re-appointment.

SECRETARIAL AUDIT

Pursuant provisions of section 204 of the Companies Act 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed M/s V. R. Associates, a firm of Company Secretaries in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit report is annexed herewith as "Annexure B".

The observation made in the report with regard to appointment of at least one common Independent Director of Holding Company on the Board of Subsidiaries of the Company as required under Clause 49 V A, of the Listing Agreement is self explanatory. In view of resignation of Mr. Milan S. Bhise with effect from 29th January 2015, the requirement under Clause 49 III B of the Listing Agreement, quorum of two Independent Directors at Audit Committee Meeting held on 29th January 2015, could not be complied with. However, the Company would ensure in future compliance of the requisite provisions.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure C".

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The company has contributed funds for the promotion of education and medical aid, environmental sustainability etc. The contribution has been made to a registered trust which mainly undertakes activities specified under Schedule VII of the Companies Act, 2013.

The report on CSR activities is annexed herewith as "Annexure D".

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

CODE OF CONDUCT:

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Code has been placed on the Company's website www.lkpsec.com

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

The Company has established a vigil mechanism to be known as the 'Whistle Blower Policy' for its Directors and employees, to report instances of unethical behaviour, actual or suspected, fraud or violation of the Company's Code of Conduct. The aim of the policy is to provide adequate safeguards against victimization of whistle blower who avails of the mechanism and also provide direct access to the Chairman of the Audit Committee, in appropriate or exceptional cases.

Accordingly, 'Whistle Blower Policy' has been formulated with a view to provide a mechanism for the Directors and employees of the Company to approach the Ethics Counsellor or the Chairman of the Audit Committee of the Company.

The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It protects employees willing to raise a concern about serious irregularities within the Company.

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

BUSINESS RISK MANAGEMENT

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & Clause 49 of the listing agreement, the company has constituted a business risk management committee. The details of the committee and its terms of reference are set out in the corporate governance report forming part of the Boards report.

At present the company has not identified any element of risk which may threaten the existence of the company.

INFORMATION PURSUANT TO SECTION 134(3) OF THE COMPANIES ACT, 2013

The information required pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the reports and accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered office of the company during business hours on working days of the company up to the date of ensuing Annual General Meeting. If any member is interested in inspecting the same, such member may write to the Company Secretary in advance.

The prescribed particulars of Conservation of Energy, Technology Absorption do not apply to your Company. There are no foreign exchange earnings & outgo during the year under report.

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: May 05, 2015

(M. V. Doshi)
Executive Chairman