

LKP
Since 1948



Annual Report

2017

Board of Directors DIN

Mr. Pratik M Doshi	00131122
Mr. S S Gulati	02404230
Ms. Sangeeta Jhaveri	03636133
Mr. Ganesh Malhotra	07581670

Company Secretary

Ms. Dimple Chopra

Auditors:

Ford, Rhodes, Parks & Co LLP
Sai Commercial building,
312/313, 3rd floor,
BKS Devshi Marg,
Govandi East
Mumbai 400088

Registered office:

203, Embassy centre,
Nariman point,
Mumbai 400021
Tel: 400024785/40024786

CIN: U67120MH1994PLC080039

Registrar and Share Transfer Agent

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

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23rd Annual General meeting on Wednesday, 24th May, 2017

at 11.30 a.m. at M.C. Ghia Hall, Hargovindas Building, 18/20, Kaikhushru Debash Marg, Mumbai 400001.

NOTICE

NOTICE is hereby given that the Twenty Third Annual General Meeting of the members of LKP Securities Limited will be held at M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Mumbai 400 001 on Wednesday May 24, 2017 at 11.30 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, 2017 and the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.**
2. **To appoint a Director in place of Mr. S S Gulati (holding DIN 02404230), who retires by rotation and being eligible offers himself for re-appointment.**
3. **To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. MGB & Co. LLP., Chartered Accountants, Mumbai (Registration No.: 101169W/W-100035) be and is hereby appointed as Statutory Auditor of the Company in place of M/s. Ford Rhodes Parks., Chartered Accountants, Mumbai (Registration No.: 104768W), the retiring Statutory Auditor, to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company, at such remuneration plus service tax as applicable and reimbursement of out of pocket expenses in connection with the audit as the Board of Directors may fix in this behalf.”

SPECIAL BUSINESS

4. **To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modification or amendment thereof, Mr. Ganesh Malhotra (DIN 07581670) who was appointed as an Additional Director of the Company with effect from August 03, 2016 by the Board of Directors and holds office up to the date of this Annual General Meeting under section 161 of the Companies Act, 2013 (“the act”) and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years commencing from August 03, 2016.”

5. **To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modification or amendment thereof, Mrs. Sangeeta Jhaveri (DIN: 03636133), who was appointed as an Additional Director of the Company with effect from 8th June, 2016 under Section 161 of the Act and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of director be and is hereby appointed as an Independent Director of the Company to hold office for a term up to five consecutive years commencing from June 08, 2016.”

6. **To consider and, if thought fit, to pass with or without modification(s), the following resolutions as a Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. S S Gulati (DIN: 02404230), who was appointed as an Additional Director by the Board of Directors of the Company with effect from June 08, 2016 and who holds office as such up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of director be and is hereby appointed as a Director of the Company.”

7. **To consider and, if thought fit, to pass with or without modification(s), the following resolutions as a Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V and any other applicable provisions of the Companies Act, 2013 (the Act), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Articles of Association of the Company and, subject to shareholders approval, consent of the members be and is hereby accorded to the re-appointment of Mr. Pratik Doshi (DIN: 00131122) as an Managing Director of the Company for the period of 3 (Three) years that is from 25th October, 2016 to 24th October, 2019 (both days inclusive) and upon the terms and conditions, including remuneration and perquisites, as set out hereunder, with further liberty to the Board of Directors (hereinafter referred to as “the Board”, which term shall be deemed to include any Committee constituted or to be constituted by the Board) to alter, modify or revise from time to time, the

terms and conditions of re-appointment and remuneration of Mr. Pratik Doshi, in such manner as may be considered appropriate and in the best interests of the Company and as may be permissible at law:

1. Basic Salary

Salary up to Rs.5, 00,000/- (Rs. five Lacs only) per month.

2. Commission

In addition, to the salary, Mr. Pratik. Doshi shall be entitled to receive commission on net profits. The commission payable to him will be determined by the Board and/or the Nomination and Remuneration Committee of the Board for each financial year. The overall remuneration including commission to him shall not exceed 5% of the net profits of the Company for each financial year or part thereof to be computed in the manner referred to under Section 197 of the Act and other applicable provisions thereof, or any statutory modification(s) or re-enactment thereof."

3. Perquisites:

- I. House Rent Allowance - Rs. 50,000/- p. m.
- II. Special Allowance - Rs.48,750/- p. m.
- III. Medical Reimbursement: Reimbursement of Medical Expenses incurred by him for self and family subject to the ceiling of Rs.15,000/- in a year.
- IV. Leave Travel Allowance: As per the rules of the Company.
- V. Provident Fund, Superannuation Fund and Gratuity: Contribution to Provident Fund, Superannuation Fund and Gratuity shall be as per the rules of the Company will not be considered for calculating the limit of perquisites.
- VI. Car and Telephones: Provision of car with chauffeur for use of Company'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 Company.
- VII. Leave: Leave on full pay and allowance, as per the rules of the 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.
- VIII. Club Fees: Fees of clubs subject to a maximum of two clubs;

4. Mr. Pratik M. Doshi, as Managing Director of the Company shall be entitled to compensation for loss of office as provided in the Companies Act, 2013.

5. No Sitting Fees shall be paid for attending meeting of the Board of Directors or any Committee of the Board of the Company. Though considering the provisions of Section 188 of the Companies Act, 2013, and the applicable Rules and Schedule of the Act, Mr. Pratik M. Doshi would not be holding any office or place of profit by his being a mere director of the Company's Subsidiaries/Joint Ventures/Associates, approval be

and is hereby granted by way of abundant caution for him to accept the sitting fees/commission paid/ payable to other directors for attending the meetings of Board(s) of Directors/Committee(s) of Subsidiaries/ Joint Ventures/Associates of the Company.

6. So long as Mr. Pratik M. Doshi functions as the Managing Director of the Company, his office shall not be subject to retirement by rotation.
7. The services are terminable by either party giving 90 days' notice in writing.
8. When in any financial year, the Company has no profits or its profits are inadequate, the remuneration including the perquisites as aforesaid will be paid in accordance with the applicable provisions of Schedule V of the Act, and subject to the approval of the Central Government, if required.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above resolution."

8. **To consider and, if thought fit, to pass with or without modification(s), the following resolutions as a Special Resolution:**

"**RESOLVED THAT** pursuant to Section 62(1)(b) of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, read with rules made thereunder and subject to the Securities and Exchange Board of India (Share based employees Benefits) Regulations, 2014, including the relevant circulars and notifications, if any, issued by the Securities and Exchange Board of India from time to time and Memorandum of Association and Articles of Association of the company the LKP Securities Limited Employee Stock Option Plan 2017 ("ESOP 2017") (copy of the same placed before the Meeting) for the benefit of present and future Permanent employees of the Company and its Directors(s), whether whole time Director or not but excluding Independent Directors be and is hereby approved.

RESOLVED FURTHER THAT the ESOP 2017 be implemented through Nomination and Remuneration Committee ("Committee") based on the guidelines formulated under the ESOP 2017 scheme, provided that the total number of options that can be granted in one or more tranches shall not exceed 50,00,000 (Fifty Lacs) options ("options") exercisable into equivalent number of equity shares of the company.

FURTHER RESOLVED THAT the committee be and is hereby authorised to do all such acts, things, deeds and matters as may be considered necessary or expedient and to settle any question, doubt or difficulties that may arise in this regard without requiring to secure any further approval or consent of the members of the Company but subject to applicable laws."

By Order of the Board of Directors

Mumbai
Date: 26.04.2017

Pratik Doshi
Managing Director

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 reappointment, as required in terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 Saturday, 20th May, 2017 to Wednesday 24th May, 2017 (both days inclusive).
7. SEBI & the Ministry of Corporate Affairs encourage 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.
8. 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 Registrars and Share Transfer Agents 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.
9. 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 Registrars & Share Transfer Agents. In respect of shares held in electronic/ demat form, the members may please contact their respective depository participant.
10. Members are requested to send all communications relating to shares, 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).
11. **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 Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 ballot 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 ballot 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 20th May, 2017 (9:00 am) and ends on 23rd May, 2017 (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 18th May, 2017 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.

NOTE: Shareholders already registered with NSDL for e-voting will not receive the PDF file "remote e-voting.pdf".

Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>

- (ii) Click on Shareholder - Login
- (iii) Put user ID and password as initial password/ PIN noted in step (i) above. Click Login.
- (iv) 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.
- (v) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vi) Select "EVEN" of "LKP Securities Limited".
- (vii) Now you are ready for remote e-voting as Cast Vote page opens.
- (viii) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (ix) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (x) Once you have voted on the resolution, you will not be allowed to modify your vote.

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 lkpsecurityscrutinizer@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:

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

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

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.

- VI. 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.

NOTE: Shareholders who forgot the user details/ password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com.

In case shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID).

In case shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).

- VII. 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).

- VIII. 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 18th May, 2017.

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. 18th May, 2017 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" or "Physical User Reset Password"/option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

- IX. 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.

- X. 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 ballot paper.

- XI. Mr. V. Ramachandran Practising Company Secretary, Proprietor of M/s V.R. Associates, Company Secretaries, ACS 7731, CP No. 4731 has been appointed 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.

- XII. 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 "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

- XIII. 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.

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.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

As per the provisions of Companies Act, 2013 read with rules made thereunder no listed Company shall appoint an audit firm as auditor for more than two consecutive terms of five years and an audit firm who has completed its term shall not be eligible to be reappointed as auditor in the same company.

Accordingly, the term of the existing Statutory Auditors M/s Ford Rhodes Parks & Co. LLP., Chartered Accountant is coming to an end. The Board of Directors have recommended appointment of M/s MGB & Co. LLP., Chartered Accountant to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the proposed item no. 3.

The resolutions as set out in item nos. 3 of this Notice are accordingly commended for your approval.

Item no. 4 & 5

The Board of Directors of the Company have appointed Mr. Ganesh Malhotra and Mrs. Sangeeta Jhaveri as an Additional Directors (Independent) of the Company to hold office for a period of five consecutive years, not liable to retire by rotation, subject to consent by the Members of the Company at the ensuing Annual General Meeting ("AGM").

As an Additional Director, they hold office till the date of the AGM and is eligible for being appointed as Independent Director. The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 (the "Act") together with the requisite amount of deposit from a Member signifying his intention to propose the appointment of Mr. Ganesh Malhotra and Mrs. Sangeeta Jhaveri as a Director of the Company. The Company has also received a declaration from Mr. Ganesh Malhotra and Mrs. Sangeeta Jhaveri confirming that they meet the criteria of independence as prescribed under the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Mr. Ganesh Malhotra and Mrs. Sangeeta Jhaveri are also not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given their consent to act as a Director of the Company.

In the opinion of the Board, Mr. Ganesh Malhotra and Mrs. Sangeeta Jhaveri fulfil the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations and are independent of the management.

A copy of the draft letter of appointment for Independent Directors, setting out the terms and conditions for appointment

of Independent Directors is available for inspection by the Members at the registered office of the Company during business hours on any working day.

Mr. Ganesh Malhotra and Mrs. Sangeeta Jhaveri are not related to any other Director and Key Managerial Personnel of the Company. None of the Directors, Key Managerial Personnel and their relatives, except Mr. Ganesh Malhotra and Mrs. Sangeeta Jhaveri and their relatives, are in any way, concerned or interested in the said resolution. The resolution as set out in item No. 4 & 5 of this Notice is accordingly commended for your approval.

A brief profile of Mr. Ganesh Malhotra and Mrs. Sangeeta Jhaveri is given below:

Name	Mr. Ganesh Malhotra
DIN	07581670
Age	43
Date of Appointment	3 rd August, 2016
Qualification	MBA
Expertise	He has over 20 years of experience in International Corporate Finance, Investment Banking, Foreign Exchange and Commodity Markets.
Other Directorships	Phoenix Consultancy Enterprises Limited (Incorporated in Dubai).
*Chairman / Member of Committee of the Board of the Companies on which he/she is a Director as on 26 th April, 2017.	In LKP Securities Limited he is a Chairman of Nomination and Remuneration committee and Audit committee.
Shareholding in the Company	NIL
Relationship with any Director(s) of the Company	None.

Name	Mrs. Sangeeta Jhaveri
DIN	03636133
Age	52
Date of Appointment	8 th June, 2016
Qualification	Chartered Accountant
Expertise	She is a Chartered Accountant and Certified Financial Planner with over 25 years' experience in the financial services industry including 16 years in the mutual fund industry.
Other Directorships	Foundation of Independent Financial Advisors
*Chairman / Member of Committee of the Board of the Companies on which he/she is a Director as on 26 th April, 2017.	In LKP Securities Limited she is a Member of Nomination and Remuneration committee and Audit committee.
Shareholding in the Company	NIL
Relationship with any Director(s) of the Company	None.

Item no. 6

The Board has appointed Mr. Satvinderpal Singh Gulati as an Additional Director (Non-executive and non-independent Director) on the Board of the Company with effect from 8th July, 2016 to hold office upto the date of ensuing Annual General meeting.

A brief profile of Mr. Satvinderpal Singh Gulati is given below:

Name	Mr. S S Gulati
DIN	02404230
Age	62
Date of Appointment	8 th June, 2016
Qualification	Chartered Accountant
Expertise	He has handled numerous management responsibilities in his career in the field of finance, Corporate Affairs, taxation and Internal Audit.
Other Directorships	Alpha Commodity Pvt. Ltd.
*Chairman / Member of Committee of the Board of the Companies on which he/she is a Director as on 26 th April, 2017.	In LKP Securities Limited he is a Member of Nomination and Remuneration committee and Stakeholder Relationship committee.
Shareholding in the Company	39,976 Equity Shares
Relationship with any Director(s) of the Company	None.

Mr. Gulati is not related to any other Director and Key Managerial Personnel of the Company. None of the Directors, Key Managerial Personnel and their relatives other than Mr. Gulati and his relatives are, in any way, concerned or interested in the said resolutions.

The resolutions as set out in item nos. 6 of this Notice are accordingly commended for your approval.

Item no. 7

Based on the recommendation of the Nomination, Remuneration Committee, the Board has appointed Mr. Pratik Doshi as a Managing Director on the Board of the Company with effect from 25th October, 2016 subject to approval of members of the company. Mr. Pratik Doshi has a very long association with the LKP Group, and brings in multi business, multi-geography and multi-cultural exposure in various roles across the Group.

Mr. Pratik M Doshi, has over 15 Years of experience in Capital Markets. He did his B.A. in Business and Financial Economics from U.K. from University of Leeds. He has been entrusted and has made significant contribution in various areas of distribution of financial products, Wealth Management Service, Investment Advisory, Strategic financial partners for third party products. Under his leadership the company has recently launched On-line trading App for scalability of the Broking business. His strategic leadership skills and ability to deliver results are among the key drivers.

The remuneration and other terms and conditions of Mr. Pratik Doshi's appointment as Managing Director as set out in the resolution is subject to your approval. Mr. Doshi is a member of the Company's Audit Committee and Stakeholder Relationship Committee.

Mr. Doshi is not related to any other Director and Key Managerial Personnel of the Company. None of the Directors, Key Managerial Personnel and their relatives other than Mr. Pratik Doshi and his relatives are, in any way, concerned or interested in the said resolutions.

The brief profile of Mr. Doshi has been provided in Corporate Governance Report annexed herewith.

The resolutions as set out in item nos. 7 of this Notice are accordingly commended for your approval.

Item no. 8

Members are requested to note that the success of the Company's objective is largely determined by the quality of its work force and their commitment to the Company's objectives. It is recognized that not only good employment opportunities but also additional motivating mechanisms are needed to incentivize employees and aligning their interest with the interest of the Company.

In recognition of the said objective, the Board of Directors of the Company, on recommendation of the Nomination and Remuneration Committee, approved the introduction of employee stock option scheme titled as "LKP Securities Limited ESOP 2017, to grant stock options not exceeding 50,00,000; each convertible into 1 equity share of the Company having Face Value of INR 2/- (Rupee Two) per equity share, with an objective of rewarding the employees / directors for building up the value of the Company, developing a sense of ownership and participation in the Company and also to provide them with an opportunity to share in the gains of the business of the Company.

Members are further requested to note that your Board of Directors consider it appropriate to extend the proposed ESOP 2017 to the employees / directors(except Independent directors), as may be decided by the Nomination and Remuneration Committee thereof, to motivate and retain the best talent.

Members are requested to note that the draft of the ESOP 2017 shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on all working days (i.e., except Saturday(s), Sunday(s) and Public Holidays) up to the date of the Annual General Meeting.

Members are requested to note that it is proposed to seek the approval of the Members of the Company in terms of Section 62(1) (b) of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 for the introduction and implementation of the ESOP 2017. The Board recommends the resolution(s) set out at Item No. 8 of this Notice to the Members for their consideration and approval, by way of Special Resolution. None of the Directors, Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, except to the extent of the options / equity shares that may be granted / offered to them under the ESOP 2017.

By Order of the Board of Directors

Mumbai
Date: 26th April, 2017

(Pratik Doshi)
Managing Director

DIRECTORS' REPORT

The Directors present the Twenty third Annual Report and Audited Accounts of the Company for the year ended March 31, 2017.

FINANCIAL RESULTS	2016 – 2017 (Rs. in lacs)	2015 – 2016 (Rs. in lacs)
Profit before tax	248.18	-115.24
Less: Tax Expense for the Year	15.13	27.90
Profit after tax	233.05	-143.14
Profit brought forward from previous year	-481	-337
Amount available for appropriation	-247	-481

DIVIDEND

With a view to strengthen the financial position of the Company, Directors did not recommend any dividend for the shareholders for the financial year 2016-17.

PERFORMANCE REVIEW AND FUTURE PROSPECTS:

During the year under review, the company recoded the total revenue of Rs. 6340.5 lacs against previous year Rs. 5637.2 lacs; profit after tax stood at Rs.233.1 lacs for the year under review as compared to previous year's Loss of Rs. 143.1 lacs.

During the year an amount of Rs 1712 lacs has been transferred to Preference Share Redemption Reserve on cancellation of Preference Shares held by LKP Finance Ltd pursuant to the Scheme of Arrangement duly approved by Mumbai High Court.

Company's agenda for the growth is clearly defined by the management i.e. to understand the financial need of the empowered customers and address those requirements with diversified services with the help of best in class technology and never compromise on core values namely fairness, integrity and transparency. We believe that the financial industry in India is moving towards rapid growth and with the aid of digitalisation supported by economic prosperity and reforms performance of the company is certainly expected to reach heights.

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.

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 Executive Chairman.

The Internal Audit Department monitors and evaluates the efficacy 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

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 Wealth Advisory Private Limited in Form AOC 1 annexed as "Annexure A" in Annual Report.

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

DIRECTORS

Mr. S S Gulati retires by rotation and being eligible offers himself for re-appointment. Your Directors recommend his re-appointment.

During the year under review Mr. Dinesh Waghela, Mr. Behram Baldawala and Mr. Mahendra V Doshi resigned from the Board with effect from 7th July, 2016, 7th July, 2016 and 13th July, 2016 respectively. The Board of Directors record their appreciation of the services during their term as Director of the Company.

The Board of Directors appointed Mr. S S Gulati (DIN 02404230), Mrs. Sangeeta Jhaveri (DIN 03636133) and Mr. Ganesh Malhotra (DIN 07581670) as an Additional Directors with effect from 8th July, 2016, 8th July, 2016 and 3rd August, 2016, respectively. Pursuant to section 161 of the Companies Act, 2013 as Additional Directors holding office only up to the date of the ensuing annual general meeting. The company has received a notice under section 160(1) of the Companies Act, 2013 proposing candidature of Mr. S S Gulati, Mrs. Sangeeta Jhaveri and Mr. Ganesh Malhotra to the office of Director alongwith the requisite deposit.

In accordance with the requirements of Section 149 and 152 of the Companies Act, 2013 appointment of Mr. Ganesh Malhotra and Mrs. Sangeeta Jhaveri as an Independent Director on the Board of the Company, requires approval of the Members of the Company.

The requisite resolutions for the appointment of Independent Directors 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.

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 provisions of Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 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, Nomination & 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 Nomination & 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 nine Board Meetings and three 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 in the preparation of the annual accounts for the year ended on March 31, 2017 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

The term of the existing Statutory Auditors M/s Ford Rhodes Parks & Co. LLP is coming to end from. The Board of Directors have recommended appointment of M/s MGB & Co. LLP., (FRN 101169W/W-100035) to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the next 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 appointment.

SECRETARIAL AUDIT

Pursuant to 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"**.

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

Presently Corporate social responsibility provisions are not applicable to Company.

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. The requisite details are given in Form AOC 2 is annexed herewith as **"Annexure D"**.

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 behavior, 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 Counselor 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.