



LKP
Since 1948

LKP SECURITIES LIMITED



Annual Report

2019

Board of Directors**DIN**

Mr. Pratik M. Doshi	00131122
Mr. S. S. Gulati	02404230
Mr. Ganesh Malhotra	07581670
Mr. Sajid Mohamed	06878433
Mrs. Anjali Suresh*	02545317

* Appointed w.e.f. December 18, 2018

Company Secretary

Mr. Siddharth R. Mehta

Auditors:

MGB & Co. LLP
Peninsula Park,
Tower B, 19th Floor,
Lower Parel, Mumbai 400 013

Registered office:

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

CIN: L67120MH1994PLC080039

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

CONTENTS	Page Nos.
Notice	2-9
Directors Report	10-12
Annexures A to G of Directors report	13-25
Report on Corporate Governance	26-33
Management Discussion and Analysis	34-35
Independent Auditors Report	36-39
Balance Sheet	40
Statement of Profit and Loss	41
Cash Flow Statement	43
Notes to Financial Statement	44-68
Consolidated Financial Statement	69-101

25th Annual General meeting on 5th July, 2019

at 10.45 a.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Mumbai 400 001.

NOTICE

NOTICE is hereby given that the Twenty Fifth 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 Friday, 5th July 2019 at 10.45 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, 2019 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 appoint M/s. MGB & Co. LLP, Chartered Accountants, Firm Reg. No. 101169W/W100035 as statutory auditors of the Company and fix their Remuneration.

SPECIAL BUSINESS:

4. Appointment of Independent Woman Director

To consider and if thought fit, to pass 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. Anjali Suresh (DIN02545317) who was appointed as an Additional Independent Woman Director of the Company with effect from December 18, 2018 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 her candidature for the office of director, be and is hereby appointed as an Independent Woman Director of the Company to hold office for a term of 5 (five) consecutive years commencing from December 18, 2018.”

5. Approval of Employee Stock Option Plan 2019 of the Company.

To consider and if thought fit, to pass the following resolutions as a Special Resolution:

“RESOLVED that pursuant to the provisions of Section 62 and all other applicable provisions of the Companies Act, 2013 (“the Act”) and the provisions contained in the Securities And Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (including any statutory modification(s) or re-enactment of the Act or the Regulations, for the time being in force) and other applicable provisions of law and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the board of directors of the Company (hereinafter referred to as “the board” which term shall be deemed to include the Nomination and Remuneration Committee of the board which has been authorised to exercise the power conferred by this resolution), consent of the members be and is hereby accorded to the board to create, offer, issue and allot at any time to or for the benefit of such person(s) who are in permanent employment of the Company, including directors of the Company, whether working in India or out of India under a scheme titled “Employee Stock Option Plan 2019” (hereinafter referred to as the “ESOP” or “scheme” or “plan”) such number of equity options and/or equity linked instruments (including options), (hereinafter collectively referred to as “securities”) of the Company which could give rise to the issue of equity shares not exceeding 35,00,000 (Thirty Five Lakhs Only) equity shares of Rs. 2/- each at such price, in one or more tranches and on such terms and conditions, as may be fixed or determined by the board in accordance with the applicable provisions of the law as may be prevailing at that time.

RESOLVED FURTHER that the said Securities may be allotted directly to such employees/directors or in accordance with a scheme framed in that behalf and that the scheme may also envisage for providing any financial assistance to the employee to acquire, purchase or subscribe to the securities of the Company.

RESOLVED FURTHER that the limits for the maximum number of stock options that can be granted to employees or directors in any financial year and in aggregate shall be 2,50,000 (Two Lakhs Fifty Thousand) per person.

RESOLVED FURTHER that the new equity shares to be issued and allotted by the Company in the manner aforesaid shall stand *pari passu* in all respects with the then existing equity shares of the Company and be listed with the Stock Exchange(s) where the existing security of the Company is listed.

RESOLVED FURTHER that “Employee Stock Option Plan 2019” be and is hereby approved and that the same be implemented under the supervision of Nomination and Remuneration Committee constituted for the purpose by the Board of Directors of the Company.

RESOLVED FURTHER that for the purpose of giving effect to any creation, offer, issue, allotment or listing of securities, the board be and is hereby authorized on behalf of the Company to evolve, decide upon and bring in to effect the scheme and make any modifications, changes, variations, alterations or revisions in the said scheme from time to time or to suspend,

withdraw or revive the scheme from time to time as may be specified by any statutory authority and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the board to secure any further consent or approval of the members of the Company."

6. Approval of grant of options under Employee Stock Option Plan 2019 to eligible employees of the Subsidiary Company (ies).

To consider and if thought fit, to pass the following resolutions as a Special Resolution:

"RESOLVED that pursuant to the provisions of Section 62 and all other applicable provisions of the Companies Act, 2013 ("the Act") and the provisions contained in the Securities And Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (including any statutory modification(s) or re-enactment of the Act or the Regulations, for the time being in force) and other applicable provisions of law and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the board of directors of the Company (hereinafter referred to as "the board" which term shall be deemed to include the Nomination and Remuneration Committee of the board which has been authorised to exercise the power conferred by this resolution), consent of the members be and is hereby accorded to the board to extend the benefits of Employees Stock Option Plan 2019 proposed in the resolution under Item 5 in this notice, to the eligible employees / directors of the Subsidiary Company(ies), as may from time to time be allowed under prevailing laws, rules and regulations, and/or amendments thereto from time to time, on such terms and conditions as may be decided by the board.

RESOLVED FURTHER that for the purpose of giving effect to any creation, offer, issue, allotment or listing of securities, the board be and is hereby authorized on behalf of the Company to evolve, decide upon and bring in to effect the scheme and make any modifications, changes, variations, alterations or revisions in the said scheme from time to time or to suspend, withdraw or revive the scheme from time to time as may be specified by any statutory authority and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any questions, difficulties, or doubts that may arise in this regard without requiring the board to secure any further consent or approval of the members of the Company."

By the order of the Board of Directors
LKP Securities Limited

Place: Mumbai
Date: 2nd May 2019

Pratik M. 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 Monday, 1st July 2019 to Friday, 5th July 2019 (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, 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).

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 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 1st July, 2019 (9:00 am) and ends on 4th July, 2019 (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 29th June, 2019 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 Securities 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 lkpsecuritiesscrutinizer@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>
110747		

- (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 29th June, 2019.
- 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. 29th June, 2019 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.
- XI. 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.
- XII. 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.
- XIII. 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.
- XIV. 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.
- XV. 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.
- XVI. 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 48 hours 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.
- XVII. 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.

12. Brief Profile/Disclosure Relating to Directors Appointment / Re-appointed pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings:

Name	Mr. S S Gulati	Mrs. Anjali Suresh
DIN	02404230	02545317
Age - Years	63	53
Date of Appointment	8 th June, 2016	18 th December 2018
Qualification	Chartered Accountant	Chartered Accountant

Expertise	He has handled numerous management responsibilities in his career in the field of finance, Corporate Affairs, taxation and Internal Audit.	Extensive experience in the field of Financial Services and Capital Markets.
Other Directorships	1) Alpha Commodity Pvt. Ltd. 2) Gayatri Cement and Chemical Industries Pvt. Ltd. 3) LKP Wealth Advisory Limited	1) LKP Finance Limited 2) Quartet Financial Services Private Limited
Chairman / Member of Committee of the Board of the Companies on which he/she is a Director as on 2 nd May 2019.	LKP Securities Limited: Stakeholder Relationship committee - Chairman Nomination and Remuneration committee - Member	LKP Securities Limited: Corporate Social Responsibility committee - Chairperson LKP Finance Limited: Stakeholder Relationship Committee - Chairperson Audit Committee - Member Nomination and Remuneration Committee - Member
Shareholding in the Company	39,976 Equity Shares	Nil
Relationship with any Director(s) of the Company	None.	None.

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

Item no. 4

The Board of Directors of the Company have appointed Mrs. Anjali Suresh as an Additional Independent Directors 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, she holds office till the date of forthcoming AGM and is eligible for being appointed as an 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 Mrs. Anjali Suresh as a Director of the Company. The Company has also received a declaration from Mrs. Anjali Suresh confirming that she 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"). Mrs. Anjali Suresh is also not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director of the Company.

In the opinion of the Board, Mrs. Anjali Suresh fulfil the conditions for appointment as an Independent Woman Director as specified in the Act and the Listing Regulations and is 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 and is also available on the website of the Company www.lkpsec.com.

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

A brief profile of Mrs. Anjali Suresh is given above in disclosure.

Item No. 5 and 6

With a view to motivating the employees of the Company and its Subsidiary Company(ies) by rewarding performance, retaining best talents and to enable them to participate in the future growth and financial success of the Company, the Board has considered it prudent to introduce "Employee Stock Option Plan 2019" (herein after referred as the "ESOP-2019" or "Plan"). The Scheme has been formulated in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The Nomination and Remuneration Committee was constituted with majority of independent directors for administration of the Scheme.

The salient features of the "ESOP-2019" or "Plan" are as follows.

i. Total number of options to be granted:

The Nomination and Remuneration Committee shall grant up to 35,00,000 (Thirty Five lakhs Only) options under the Scheme to the eligible employees and directors of the Company including those of its Subsidiary Company(ies). Each option (after it is vested) will be exercisable for one equity share of Rs. 2/- each fully paid up on payment of the exercise price to the Company in term of the scheme.

ii. Identification of the class of employees entitled for ESOP:

All permanent employees of the Company and its Subsidiary Company(ies) as defined in the Securities And Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (including any statutory modifications or re-enactments of the acts or the guidelines for the time being in force), and as may decided by the Nomination and Remuneration Committee from time to time.

Employees may be granted Stock Options based on performance and such other criteria as the Nomination and Remuneration Committee may, in its absolute discretion decide. The options granted to an employee will not be sold, transferable, assigned, mortgaged, pledged or otherwise alienated in any manner other than as set out in the scheme.

iii. Requirement of vesting and period of vesting

The Nomination and Remuneration Committee shall decide the manner and period of vesting of options at the time of grant, with minimum vesting period of 1 year.

iv. Maximum Period within which the options shall be vested

The Maximum period of vesting shall be 3 years from the date of grant of option(s).

v. Exercise Price

The exercise price for the purpose of the grant of options will be computed at a discount upto 5 % on the average of the closing price of the Company's shares, in the highest traded stock exchange, during the last 15 days preceding the date of grant of options or as may be finalized.

vi. Exercise period and the process of Exercise

The exercise period shall be 1 years from the date of vesting, within which the options vested in any eligible employee have to be exercised.

The option shall be deemed to be exercised when the Company receives in writing notice of exercise in the prescribed form from the person entitled to exercise the option. The vested options will lapse if not exercised within the specified exercise period.

vii. Appraisal process for determining the eligibility of the employee to ESOP

The appraisal process for determining the eligibility of the employee will be determined by the Nomination and Remuneration committee, and will be based on criteria such as the seniority of the employee, length of service, performance record, merit of the employee, future potential contribution of the employee and / or any such other criteria that may be determined by the Nomination and Remuneration committee at its sole discretion.

viii. Maximum number of options/shares to be issued per employee/director and in aggregate

The maximum number of options granted to an employee / director shall not be more than 2,50,000 in a year and in aggregate.

ix. Disclosure and Accounting Policies

The Company shall comply with the disclosures and shall conform to the accounting policies specified in under Regulation 15 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

x. Method of option valuation

To calculate the stock-based remuneration, the Company shall use the fair value method (or Intrinsic Value method) for valuation of options granted. The difference between the employee remuneration cost so computed and the cost that shall have been recognized if it had used the fair value of the options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on EPS of the Company shall also be disclosed in the Directors' Report.

xi. Taxes / Levies

Liability of paying taxes as may be imposed / levied on the Options granted to ESOP- 2019 shall be entirely on the option holder.

xii. Lock in period, if any: Nil

xiii. The conditions under which option vested in employees may lapse e.g. in case of termination of employment for misconduct: In case of termination of employment for misconduct Options (Vested as well as Unvested) shall stand automatically forfeited on the termination date.

xiv. The Company shall comply with the applicable accounting standards as prescribed under Regulation 15 of Securities And Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

As the scheme will entail further shares to be offered to persons other than existing shareholders of the Company, consent of the members is sought pursuant to the provisions of Section 62 and all other applicable provisions, if any, of the Act, and as per the requirement of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

As per the Rule 12(4) of Companies (Share Capital and Debentures) Rules, 2014, a separate Resolution is required to be passed if :-

i) Grant of option to employees of its Subsidiary Company(ies).

Therefore the separate resolutions under item no. 6 is being proposed accordingly to cover those employees, and/or such other persons as may be permitted from time to time, under prevailing laws, rules and regulations, and/or amendments thereto from time to time.

The Board of Directors of the Company has approved the above proposal and recommends the passing of the proposed Special Resolution by Members of the Company as contained in the Notice of the Postal Ballot.

The Directors or Key Managerial Persons or their relatives do not have any concern or interest, financial or otherwise, in passing of the said Resolution except to the extent of the securities that may be offered to them under the Plan.

Additional information pursuant to circular dated 16th June 2015 of SEBI under Regulation 6(2) of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and forms a part of explanatory statement to the item no. 5 and 6 of the Notice.

a	Brief description of the scheme(s)	LKP SECURITIES LIMITED'S EMPLOYEES' STOCK OPTION SCHEME, 2019, which shall extend its benefits to (i) the present and future permanent employees in or out of India; (ii) a Director of the Company excluding independent directors ; and (iii) the present and future permanent employees in or out of India of its Subsidiary Company(ies) and also directors (excluding independent directors) of a Subsidiary Company(ies).
b	The total number of options, SARS, shares or benefits, as the case may be, to be granted	The maximum number of Shares that may be issued pursuant to Exercise of Options Granted to all the Participants under the Scheme shall not exceed 35,00,000 Shares. The Company reserves the right to increase or reduce such number of Shares as it deems fit.
c	Identification of classes of employees entitled to participate and be beneficiaries in the scheme(s).	All Employee(s) other than the following shall be entitled to participate in the Scheme (the Eligible Employee). (a) an Employee who is a Promoter; or (b) an Employee who belongs to the Promoter Group; or (c) an independent director; or (d) a director, who either by himself or through his Relative or through anybody corporate, directly or indirectly, holds more than 10% (ten per cent.) of the outstanding equity shares of the Company.
d	Requirements of vesting and period of vesting.	Upon receipt of a duly executed Acceptance Form from the Grantee in respect of the Grant, the Grantee will become a Participant. And (a) 33 % (Thirty Three) of the total Options Granted shall Vest on the first anniversary of the Grant Date; (b) 33 % (Thirty Three) of the total Options Granted shall Vest on the second anniversary of the Grant Date; and (c) 34 % (Thirty Four) of the total Options Granted shall Vest on the third anniversary of the Grant Date.
e	Maximum period (subject to regulation 18(1) and 24(1) of the regulations, as the case may be) within which the options/SARS/ benefit shall be vested.	Three years as mentioned above in item 'd'
f	Exercise price, SAR price, purchase price or pricing formula.	The exercise price for the purpose of the grant of options will be computed at a discount upto 5 % on the average of the closing price of the Company's shares, in the highest traded stock exchange, during the last 15 days preceding the date of grant of options or as may be finalized.
g	Exercise period and process of exercise.	1 (One) year from the date of Vesting within which the Vested Options can be Exercised. Exercise by making of an application by the Participant/ Beneficiary to the Company for issue of Shares against the Vested Options in the Participant/Beneficiary in pursuance to the Scheme on payment of the Exercise Price.