

NOTICE

NOTICE is hereby given that the Thirtieth Annual General Meeting of the members of LKP Finance Limited will be held at M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Mumbai 400 001 on Tuesday, 10th June 2014 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet and Profit and Loss Statement for the year ended 31st March 2014 and Report of Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. Hariharan Padmanabhan (holding DIN 00214284), 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, the following resolution as an Ordinary Resolution:
“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Milan S. Bhise (holding DIN 00142276), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing 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 five consecutive years for a term up to 31st March, 2019.”
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 Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Vinit N. Suchanti (holding DIN 00004031), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing 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 five consecutive years for a term up to 31st March, 2019.”
7. To consider and if thought fit to pass with or without modification, the following resolution as a Special Resolution:
“RESOLVED THAT in accordance with the provisions of Sections 196, 197, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof, approval of the Company be and is hereby accorded to the re-appointment of Shri Mahendra V. Doshi as an Executive Chairman of the Company, for a period of 3 (three) years with effect from April 1, 2014, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice, with liberty to the Board of

Directors (hereinafter referred to as “the Board” which term shall be deemed to include Nomination and Remuneration Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under Part II of Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the said remuneration and perquisites except commission on net profit, be payable as minimum remuneration, notwithstanding that in any financial year of the Company during the term of his office as a Executive Chairman, the Company may make no profits or the profits made are inadequate.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary proper or expedient to give effect to this Resolution.”

8. To consider and if thought fit to pass with or without modification, the following resolution as a Special Resolution:
“RESOLVED THAT in accordance with the provisions of Section 188 (1) (f) and all other applicable provisions of the Companies Act, 2013 (the Act) including any statutory modification(s) or re-enactment thereof, for the time being in force, the consent of the Company be and is hereby accorded to Shri Pratik M. Doshi, Director of the Company, to hold office as the Whole-time Director of LKP Securities Limited, Subsidiary of the Company for a period of 3 years with effect from 26th October 2013 on remuneration and such other terms conditions set out in the Explanatory Statement annexed to this Notice and shall continue to hold office as such of the said Subsidiary upon any enhanced or revised terms of remuneration and/or appointment as such as may be approved by the Board of Directors and/or Remuneration Committee of the said Subsidiary from time to time.
RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”
9. To consider and if thought fit to pass with or without modification, the following resolution as a Special Resolution:
“RESOLVED that in supersession of the Ordinary Resolution adopted at the 11th Annual General Meeting of the Company held on 9th June 1995, and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained from the Company’s Bankers in the ordinary course of business, shall not be in excess of 500 Crores (Rupees Five Hundred crores) over and above the aggregate of the paid up share capital and free reserves of the Company.”

By Order of the Board of Directors

Mumbai
Date: 9th May 2014

(M. V. Doshi)
Executive Chairman

IMPORTANT NOTES:

1. The Register of Members and the Share Transfer books of the Company will remain closed from Tuesday, 3rd June, 2014 to Tuesday 10th June, 2014 (both days inclusive) for annual closing and determining the entitlement of the shareholders to the dividend for the year 2013-2014.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

4. Dividend of Rs. 2.00 per share has been recommended by the Board of Directors for the year ended 31st March, 2014 and subject to the approval of the shareholders at the ensuing Annual General Meeting, is proposed to be paid on or after 11th June, 2014
5. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company.
6. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
8. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
9. Electronic copy of the Annual Report is being sent to all the members whose email IDs are registered with the Company/

Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report is being sent in the permitted mode.

10. Electronic copy of the Notice of the 30th Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 30th Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
11. Members may also note that the Notice of the 30th Annual General Meeting and the Annual Report for 2013-14 will also be available on the Company's website www.lkpsec.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Mumbai for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: lkpfininvestor.relations@lkpsec.com

12. Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 30th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

The instructions for members for voting electronically are as under:-

(I) In case of members receiving e-mail:

- i) If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any Company, then your existing login id and password are to be used.
- ii) Log on to the e-voting website www.evotingindia.com.
- iii) Click on "Shareholders" tab to cast your votes.
- iv) Select the Electronic Voting Sequence Number ("EVS") 140513001 along with "LKP Finance Limited" from the drop down menu and click on Submit.
- v) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
User ID	For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID	Folio Number registered with the Company
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)	

DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. # Any one

* Members who have not updated their PAN with the Company/ Depository Participant are requested to use the default number: <lkp30agm> in the PAN field.

- vi) After entering these details appropriately, click on “SUBMIT” tab.
- vii) Members holding shares in physical form will then reach directly to the voting screen. However, members holding shares in demat form will now reach ‘Password Change’ menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character(@ # \$ % & *). Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Kindly note that this changed password is to be also used by the Demat holders for voting for resolutions for the Company or any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform.

You can also update your mobile number and e-mail ID in your demat account, which may be used for sending communication(s) regarding CDSL e-voting system in future. The same may be used in case the member forgets the password and the same needs to be reset.

- viii) For members holding shares in physical form, the password and default number can be used only for e-voting on the resolutions contained in the Notice of AGM .
- ix) On the voting page, you will see Resolution Description and against the same the option “YES/NO” for voting. Select the option YES or NO as desired The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- x) Click on the “Resolutions File Link” if you wish to view the entire Resolutions.
- xi) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

II. In case of members receiving the physical copy of Notice of AGM [for members whose e-mail IDs are not registered with the company/ depository participant(s) or requesting physical copy]:

- (i) Initial password and other details are provided as below at the bottom of Attendance Slip
- (ii) Please follow all steps from sl. no. (ii) to sl. no. (xii) above, to cast vote.

- III. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.
- IV. The voting period begins on 4th June 2014 (9:00 am) and ends on 5th June, 2014 (6:00 pm). During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 10th May, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- V. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 10th May, 2014.
- VII. Mr. V. Ramachandran, proprietor M/s V.R. Associates, Company Secretaries (Membership No. ACS 7731, CP No. 4731) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VIII. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- IX. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer’s Report shall be placed on the Company’s website www.lkpsec.com and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.
- 13. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (11.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.
- I. **EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

Item No. 5

Mr. Milan S. Bhise, age 52 years, is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in July 26, 2001. Mr. Milan S. Bhise is the Chairman of the Stakeholders Relationship Committee and a member of Audit Committee and Nomination and Remuneration Committee, of the Company.

Mr. Milan S. Bhise holds Bachelor’ degree in Arts and Laws and Diploma in Management Science. Mr. Milan S. Bhise has vast experience and expertise in the field of Corporate Laws, Commercial Arbitration and Legal Matters. He has been practicing as an Advocate and Solicitor for last 22 years. He is the proprietor of M/s. Milan Bhise and Co., Advocates and Solicitors (UK).

Mr. Milan S. Bhise does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Mr. Milan S. Bhise is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Mr. Milan S. Bhise being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Mr. Milan S. Bhise as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Milan S. Bhise fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

Copy of the draft letter for appointment of Mr. Milan S. Bhise as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Milan S. Bhise as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Milan S. Bhise Independent Director, for the approval by the shareholders of the Company.

Except Mr. Milan S. Bhise, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 6

Mr. Vineet N. Suchanti, age 44 years, is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in July 26, 2001. Mr. Vineet N. Suchanti is the Chairman of Audit Committee, Nomination and Remuneration Committee and a Member of Shareholders Grievances Committee and Share Transfer Committee, of the Company.

Mr. Vineet N. Suchanti is MBA from University of Rochester, USA. Mr. Vineet N. Suchanti has vast experience and expertise in the field of Finance, Capital Markets and Business. He is a Managing Director of Keynote Corporate Services Limited and Director in Keynote Capitals Limited, Keynote Commodities Limited, Keynote Fincorp Limited, MITCON Consultancy & Engineering Services Limited and EagleEye Research & Media Private Limited (nominee).

Mr. Vineet N. Suchanti does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Mr. Vineet N. Suchanti is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Mr. Vineet N. Suchanti being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Mr. Vineet N. Suchanti as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Vineet N. Suchanti fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

Copy of the draft letter for appointment of Mr. Vineet N. Suchanti as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Vineet N. Suchanti as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Vineet N. Suchanti Independent Director, for the approval by the shareholders of the Company.

Except Mr. Vineet N. Suchanti, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 7

The Board of Directors of the Company at its meeting held on 9th May, 2014, subject to the approval of Members, re-appointed Shri Mahendra V. Doshi as an Executive Chairman, for a further period of 3 years with effect for 1st April, 2014. The approval of the members is being sought to the terms, conditions and stipulations for the re-appointment of Shri Mahendra V. Doshi as an Executive Chairman and the remuneration payable to him.

Broad particulars of the terms of re-appointment of and remuneration payable to Shri Mahendra V. Doshi, are as under :

1. Salary

Salary up to Rs. 6,00,000/- (Rs. Six Lacs only) per month as consolidated.

2. Commission

In addition, to the salary, Mr. Mahendra V. 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 & Allowances

I. House Rent Allowance in accordance with the rules of the Company.

II. Medical Reimbursement :

Reimbursement of Medical Expenses incurred by him for self and family subject to the ceiling of Rs. 1,00,000/- (Rs. One Lac Only) in a year.

III. Leave Travel Allowance :

Leave Travel Allowance for him and his family, once in a year up to a sum of Rs. 40,000/- (Rs. Forty Thousand only) per year, incurred in accordance with the rules of the Company.

IV. Club Fees:

Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

V. Provident Fund, Super-annuation Fund and Gratuity :

Company's Contribution to Provident Fund, Superannuation Fund and Gratuity as per rules of the Company payable to Mr. Mahendra V. Doshi will not be considered for calculating the ceiling on remuneration.

VI. Car and Telephones:

Provision of car with chauffeur for use on 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. Period:

Three years commencing from 1st April 2014.

The office of Executive Chairman may be terminated by the Company or by him by giving the other 3 (three) months' prior notice in writing.

4. Compensation

The Executive Chairman shall be entitled to compensation for loss of office as provided in Section 191 and 202 of the Companies Act, 2013.

5. Sitting Fees

No Sitting Fees shall be paid to the Executive Chairman for attending meeting of the Board of Directors or any Committee of the Board.

6. Reimbursement of Expenses :

Reimbursement of expenses incurred for travelling, boarding and lodging including for his attendant(s) during business trips; provision of car for use on the Company's business; telephone expenses at residence and club membership shall be reimbursed and not considered as perquisites.

7. General:

- (i) The Executive Chairman will perform his duties as such with regard to all work of the Company and he will manage and attend to such business and carry out the directions given by the Board from time to time in all respects and confirm to and comply with all such directions and regulations as may from time to time be given and made by the Board and his functions will be under the overall authority of the Board of Directors.
- (ii) The Executive Chairman shall adhere to the Company's Code of Business Conduct and Ethics for Directors and Management personnel.
- (iii) Mr. Mahendra V. Doshi satisfy all the conditions set out in Part-I of Schedule V to the Act for being eligible for the re-appointment.

I GENERAL INFORMATION:**(1) Nature of industry:**

The Company is a Non Banking Financial Company (NBFC). The main business of the Company is Merchant Financing, investment in securities and dealing in shares, debentures etc .

(2) Date or expected date of commencement of commercial production:

As the Company is not manufacturing Company, the same is not applicable.

(3) Financial Performance based on given indicators:

During the year ended 31st March 2014 the Company achieved total Income of Rs. 3557.17 Lacs , a profit before depreciation and tax of Rs. 723.38 Lacs and Net profit after tax of Rs. 747.69 Lacs. The detail financial performance of the Company is discussed in the enclosed Annual Report for the year ended 31st March 2014.

(4) Foreign investments or Collaborators, if any:

There is no foreign investments made or collaborators in the Company. There is 5.96% Share Capital of the Company held by Foreign Corporate Body.

II INFORMATION ABOUT APPOINTEE AND OTHER INFORMATION:**(1) Background Detail**

Mr. Mahendra V. Doshi (holding DIN No. 00123243) age 64 is the promoter of the Company and is associated with Company since inception.

Other Directorship

- i. Nilkamal Ltd.
- ii. Graviss Hospitality Limited
- iii. LKP Securities Ltd.
- iv. MKM Share and Stock Brokers Ltd.
- v. Salzer Magnet Wires Limited
- vi. Bhavana Holdings Pvt. Ltd.
- vii. LKP Holdings Pvt. Ltd.
- viii. Peak Plastics Pvt. Ltd.
- ix. Sea Glimpse Investment Pvt. Ltd.
- x. SolarEx P V Solution Pvt. Ltd.

Chairman/Member of the following Committees

1. LKP Finance Ltd.
 - i. Audit Committee- Member
 - ii. Share Transfer Committee- Chairman
 - iii. Assets Liability Committee & The Risk Oversight Committee- Chairman
2. Graviss Hospitality Limited
 - i. Audit Committee - Chairman
 - ii. Shareholders & Investors Grievance Committee – Member
3. Nilkamal Ltd.
 - i. Audit Committee – Member
 - ii. Remuneration Committee - Member

- (2) Past Remuneration
Rs. 48,00,000/- plus retirement benefits (financial year 2013-2014)
- (3) Recognition or awards
Nil.
- (4) Job profile and suitability
Mr. Mahendra V. Doshi shall be responsible for the day today operation and managing the affairs of the Company under the superintendence, guidance and control of the Board. He is functioning as an Executive Chairman of the Company since 26th July 2001. He is an MBA and has over 36 years of vast experience in the field of Finance, Capital Market and Business Administration.
- (5) Remuneration proposed
As mentioned above under explanatory statement.
- (6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person
Keeping in view the type of the industry, size of the Company, the responsibilities and profile of Shri Mahendra V. Doshi, the proposed remuneration is competitive with the remuneration paid by other companies in similar line of business to such managerial personnel.
- (7) Pecuniary relationship with the Company, or relationship with the managerial personnel
Shri Mahendra V. Doshi is a promoter of the Company and holding 58.43% equity shares in the paid-up capital of the Company. Shri Pratik M. Doshi, a Director, may be deemed to be interested in the Resolution pertaining to the re-appointment of, and remuneration payable to Shri Mahendra V. Doshi as they are related to each other. Save and except the above, none of the other Directors or Key Managerial Personnel of the Company is, in any way, concerned or interested in the Resolution.

III OTHER INFORMATION :

- (1) Reasons of loss or inadequate profits
Uncertain economic conditions, poor economic growth, high inflation, slow-down in industrial growth severely affected the capital market. This had an adverse effect on profitability.
- (2) Steps taken /to be taken for improvement
The Company continues its efforts to generate non-fund based business. The Company continues to make all efforts to recover dues from the clients by negotiations or by resorting to legal recourse.
- (3) Expected increase in productivity and profits
The likelihood of a stable and decisive government at the Centre, will certainly boost the prospects for the financial year 2014-2015 and the management is optimistic of achieving improvement in performance.

IV DISCLOSURES :

The detail required to be furnished under the Disclosures, is already provided wherever applicable under Explanatory Statement and Corporate Governance Report.

Shri Mahendra V. Doshi is interested in the Resolutions as set out in the Notice which pertain to his re-appointment and remuneration payable to him.

Copy of the Draft letter of re-appointment would be available for inspection without any fee by the members at the Registered Office

of the Company during normal business hours on any working day, excluding Saturday, upto and including the date of the Annual General Meeting.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

The Board commends the Resolution as set out at Item Nos. 7 of the Notice for your approval.

Item No. 8

Shri Pratik M. Doshi (holding Din No. 00131122), Director of the Company has been re-appointed as the Whole-time Director of LKP Securities Limited, Subsidiary of the Company, for a period of 3 years, with effect from 26th October 2013.

Pursuant to the provision of Section 188 (1) (f) of the Companies Act, 2013, consent of the Company is, *inter alia*, required to be accorded by the Company by a Special Resolution, where a Director or relative of Director is appointed to an office or place of profit under the Company or a Subsidiary of the Company. Shri Pratik M. Doshi is a Director of the Company and also relative of Shri Mahendra V. Doshi –Executive Chairman of the Company. Accordingly, it is proposed to obtain consent of the Company as such as set out in the draft resolution mentioned at Item No. 8 of the accompanying Notice.

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

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

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

1. **Salary :** Rs. 1,70,000/- p. m.
2. **Perquisites:**
 - I. House Rent Allowance - Rs. 30,000/- 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 said Subsidiary Company.
 - V. Provident Fund, Superannuation Fund and Gratuity: Contribution to Provident Fund, Superannuation Fund and Gratuity shall be as per the rules of the said Subsidiary Company will not be considered for calculating the ceiling of remuneration.
 - VI. Car and Telephones: Provision of car with chauffeur for use of said Subsidiary 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 said Subsidiary Company.
 - VII. Leave: Leave on full pay and allowance, as per the rules of the said Subsidiary Company, but not more than one month's leave for every eleven months of service. However, leave accumulated but not availed of will not be allowed to be encashed.

3. In addition to Salary and Perquisites as aforesaid, Shri Pratik M. Doshi will also be entitled for Annual Performance Incentive, to be decided by the Board of Directors/ Remuneration Committee of the said Subsidiary Company, from time to time, based on performance criteria to be fixed by them for each financial year within the maximum amount payable in accordance with the provisions of the Companies Act, or any amendments/approvals hereafter in this regard.
4. Shri Pratik M. Doshi, as Whole-time Director of the said Subsidiary Company shall be entitled to compensation for loss of office as provided in the Companies Act.
5. No Sitting Fees shall be paid for attending meeting of the Board of Directors or any Committee of the Board of the said Subsidiary Company.
6. The services are terminable by either by either party giving 90 days notice in writing.
7. The above remuneration is payable as minimum remuneration, notwithstanding that in any financial year during the term of his office as Whole-time Director, the said Subsidiary Company may make no profits or the profits made are inadequate subject, however, to the ceiling limits prescribed under the said Act, from time to time.
8. Terms of remuneration and/or re-appointment of Shri. Pratik M. Doshi, as Whole-time Director of the Company, may be revised as may be approved by the Board of Directors and/or Remuneration Committee of the said Subsidiary, if and when applicable and be subject to the limits prescribed under the said Act, from time to time.

Shri Pratik M. Doshi is interested in the Resolutions as set out in the Notice which pertain to his re-appointment and remuneration payable to him by the said subsidiary Company. Further, Mahendra V. Doshi, Executive Chairman of the Company and a Director of the said subsidiary Company, may be deemed to be interested in the Resolution pertaining to the re-appointment of, and remuneration payable to Shri Pratik M. Doshi as they are related to each other. Shri Mahendra V. Doshi is a promoter of the Company and holding 58.43% equity shares in the Company. Save and except the above, none of the other Directors or Key Managerial Personnel of the Company is, in any way, concerned or interested in the Resolution.

The Board commends the Resolution as set out at Item Nos. 8 of the Notice for your approval.

Item No. 9

Pursuant to the General Circular no. 04 /2014 dated 25th March 2014, issued by Government of India, Ministry of Corporate Affairs, the resolution passed under section 293 of the Companies Act, 1956 prior to 12.09.2013 with reference to borrowings (subject to the limits prescribed) and / or creation of security on assets of the company will be regarded as sufficient compliance of the requirements of section 180 of the Companies Act, 2013 for a period of one year from the date of notification of section 180 of the Companies Act, 2013 and thereafter fresh Special Resolution is required to be passed by the members of the Company. In view of the said amendment, approval of member is sought as per the Resolutions set out under item no. 9 of the Notice.

At the Annual General Meeting of the Company held on 9th June 1995, the members authorised the Board of Directors to borrow such sums of money as they deem necessary subject to an overall limit of Rs. 300 crores. Considering Company's present scale of operations, it has become necessary to enhance the borrowing limit to Rs. 500 crores. The members' approval is sought pursuant to Section 180(1)(c) of the Companies Act, 2013.

The Board therefore commends the Resolution as set out in item 9 of the convening Notice.

None of the Director or Key Managerial Personnel of the Company is, in any way, concerned or interested in the aforesaid Resolution.

II DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE:

Re-appointment of Mr. Hariharan Padmanabhan (Item No. 3)

In terms of Section 149, 152 and any other applicable provisions of the Companies Act, 2013, effective from 1st April, 2014, for the purpose of determining the directors liable to retire by rotation, the Independent Directors shall not be included in the total number of directors of the Company. Mr. Hariharan Padmanabhan (holding DIN 00214284) shall accordingly retire at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment. Mr. Hariharan Padmanabhan joined the Board of Directors as a Director of the Company with effect from 26th October, 2009. The said appointment was approved by the members of the Company at their 26th Annual General Meeting held on 12th July, 2010 by way of an Ordinary Resolution.

Mr. Hariharan Padmanabhan, age 62 Years holds Bachelor's degree of Engineering B. Tech-IIT Kanpur and PGDM-IIM Calcutta. Mr. Hariharan Padmanabhan is a serial entrepreneur, a global corporate board level executive, mentor and angel investor. He is also director on the Board of Shreyas Relay Systems Ltd., Encore Theme Technologies Pvt. Ltd., Encore Empower Services Pvt. Ltd., Encore Techsol Pvt. Ltd., MoFirst Solutions Pvt. Ltd. and PanIIT Alumni Reach for India Foundation.

Except Mr. Hariharan Padmanabhan, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in agenda Item No. 3.

Appointment/ Re-appointment of other Directors (Item Nos. 5 to 7)

For the details of Mr. Milan S. Bhise, Mr. Vineet N. Suchanti and Mr. Mahendra V. Doshi, please refer to the above Explanatory Statement in respect of the Special Business set out at Item Nos. 5 to 7 of the Notice of Annual General Meeting pursuant to Section 102 of the Companies Act, 2013.

By Order of the Board of Directors

Mumbai
Date: 9th May 2014

(M. V. Doshi)
Executive Chairman