

# **LKP Finance Limited**



**31<sup>ST</sup> ANNUAL REPORT 2014-2015**

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

**Company Secretary :**

Shri Girish B. Innani  
(General Manager - Legal & Company Secretary)

**Auditors :**

Ford, Rhodes, Parks & Co.,  
Sai Commerical Building,  
312 / 313, 3rd Floor,  
BKS Devshi Marg,  
Govandi (East),  
Mumbai - 400 088.

**Registered Office :**

203, Embassy Centre,  
Nariman Point,  
Mumbai - 400 021.  
Tel. : 4002 4785 / 4002 4786  
Fax : 2287 4787

**CIN: L65990MH1984PLC032831****Registrar & Shares Transfer Agent :**

Adroit Corporate Services Pvt. Ltd.  
19, Jaferbhoy Industrial Estate,  
1st Floor, Makavana Road,  
Marol Naka, Andheri (East),  
Mumbai - 400 059.  
Tel. : 28590942 / 28594060

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*Annual General Meeting on Thursday, 11th June, 2015 at  
11.00 a.m. at M. C. Ghia Hall, Hargovindas Building,  
18/20, Kaikhushru Dubash Marg, Mumbai - 400 001.*

**NOTICE**

**NOTICE** is hereby given that the Thirty First Annual General Meeting of the members of LKP Finance Limited will be held at M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Mumbai 400 001 on Thursday 11<sup>th</sup> June, 2015 at 11.00 a.m. to transact the following business:

**ORDINARY BUSINESS:**

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

**SPECIAL BUSINESS**

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

**“RESOLVED** that pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with rules made thereunder and Schedule I of the said Act (including any statutory modification(s) or re-enactment thereof, for the time being in force), the new set of Articles of Association as laid before this meeting, duly initialed by the Chairman for purpose of identification, be and is hereby approved and adopted in substitution and to the entire exclusion, of the existing Articles of Association of the Company;

**RESOLVED** further that the Board of Directors of the Company be and is hereby authorized to do all acts, deeds, matters and things as may be necessary, proper or expedient to give effect to this Resolution.”

6. To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution:

**“RESOLVED** that pursuant to the provisions of section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules thereunder, Mrs. Anjali Suresh (holding DIN 02545317), Director of the Company, be and is hereby appointed as an Independent Woman Director, not liable to retire by rotation, to hold office for a term of upto five consecutive years with effect from June 11, 2015.”

By Order of the Board of Directors

Mumbai  
Date: 5<sup>th</sup> May 2015

(M. V. Doshi)  
*Executive Chairman*

**IMPORTANT NOTES:**

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

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

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

**13. Unclaimed/Unpaid Dividend:**

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

**14. Voting Options:-**

**Voting through electronic means**

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

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

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

VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://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 5<sup>th</sup> June, 2015.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Item No. 6**

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

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

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

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

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

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

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

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

By Order of the Board of Directors

Mumbai  
Date: 5<sup>th</sup> May 2015

(M. V. Doshi)  
*Executive Chairman*

## DIRECTORS' REPORT

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

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

### DIVIDEND

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

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

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

### PERFORMANCE REVIEW

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

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

### EMPLOYEES STOCK OPTION SCHEME

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

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

### FIXED DEPOSITS

The Company has no public deposits as of date and will not accept any deposits without prior approval of the Statutory Authorities concerned.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

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

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

### SUBSIDIARIES

Your Company's subsidiary, LKP Securities Ltd. has expanded its geographical reach and now has more than 2000 outlets across India.

As per the Circular No. 51/12/2007-CL-III dated 8<sup>th</sup> February, 2011 issued by Government of India, Ministry of Corporate Affairs, the required financial information in the consolidated balance sheet is given in respect of Company's subsidiaries i.e. LKP Securities Limited, LKP Wealth Advisory Private Limited and Gayatri Cement and Chemical Industries Private Limited.

The annual accounts of the aforesaid subsidiaries and the related detailed information shall be made available to shareholders of the Company and it's subsidiaries, seeking such information at any point of time. The annual accounts of the subsidiary companies shall also be kept open for inspection by any shareholder at the head office at 112A /203 Embassy Centre, Nariman Point, Mumbai 400 021.

### DIRECTORS

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



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

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

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

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

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

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

#### Board Evaluation

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

#### Remuneration Policy

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

#### Meetings

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

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

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

#### **AUDITORS' REPORT**

M/s. Ford, Rhodes, Parks & Co., Chartered Accountants, Mumbai, retire at the conclusion of the forthcoming Annual General Meeting. The Company has received a letter from them to the effect that their appointment, if made, would be within the provision prescribed under Section 139 of the Companies Act, 2013. Your Directors recommend their re-appointment.

#### **SECRETARIAL AUDIT**

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

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

#### **EXTRACT OF ANNUAL RETURN**

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

#### **CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

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

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

**RELATED PARTY TRANSACTIONS**

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

**CODE OF CONDUCT:**

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

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

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

**VIGIL MECHANISM / WHISTLE BLOWER POLICY**

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

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

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

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

**PREVENTION OF INSIDER TRADING**

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

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

**BUSINESS RISK MANAGEMENT**

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

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

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

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

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

**CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with Accounting Standard AS-21, the Consolidated Financial Statements are furnished herewith and form part of this Report and Accounts. These statements have been prepared on the basis of audited financial statements received from the Subsidiary Companies as approved by their Board of Directors.

**CORPORATE GOVERNANCE**

The Report on Corporate Governance along with a Certificate of compliance from the Auditors and Management Discussion and Analysis Report forms part of this Report.

**ACKNOWLEDGEMENT**

Your Directors would like to place on record their sincere appreciation to Shareholders, Bankers, Institutions and Employees for their co-operation and support.

**For and on behalf of the Board of Directors**

Mumbai  
Date: May 05, 2015

**( M. V. Doshi )**  
*Executive Chairman*

**Annexure A to the Directors' Report**

Disclosures under the Companies (Share Capital and Debentures) Rules, 2014 and Securities And Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

|     |  | <b>Employees Stock Option Scheme 2010</b><br><b>Granted on April 21, 2010</b>  | <b>Employees Stock Option Scheme 2010</b><br><b>Granted on June 26, 2012</b>  | <b>Employees Stock Option Scheme 2014</b><br><b>Granted on January 29, 2015</b>   |
|-----|--|--|---|---|
| 1.  | Options Granted  | 5,99,500   | 4,47,000  | 7,75,000  |
| 2.  | Pricing Formula  | Up to 5 % discount on the average of the closing price of the Company's shares, in the BSE during the last 15 days preceding the date of grant of options.                                   | At a price of Rs. 80/- per option.  | At a price of Rs. 80/- per option.  |
| 3.  | Options Vested   | 3,90,000   | 3,47,500  | --  |
| 4.  | Options Exercised  | --   | --  | --  |
| 5.  | Total number of Ordinary Shares arising as a result of exercise of Options   | --   | --  | --  |
| 6.  | Options Lapsed/ Forfeited/ Surrendered/ Cancelled  | 2,09,500   | 89,000  | --  |
| 7.  | Variations of terms of Options   | --   | --  | --  |
| 8.  | Money realized by exercise of the Options  | --   | --  | --  |
| 9.  | Total number of Options in force   | 3,90,000   | 3,58,000  | 7,75,000  |
| 10. | Employee-wise details of Options granted to:<br>i) Details of Options granted to senior managerial personnel<br>ii) Any other employee who receives a grant in any one year of Option amounting to 5% or more of Options granted during that Year.<br><br>iii) Identified employees, who were granted Options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of the grant. | --   | A total of 7,44,500 options were granted to the Employees of the Company Including its subsidiary and also including the options given in 10 iii) below.<br>One employee received 3,90,000 options. | --<br>A total of 6,10,000 options were granted to the Employees of the Company Including its subsidiary and also including the options given in 10 iii) below.<br>Two employees received 6,10,000 options in aggregate. |
| 11. | Diluted Earnings Per Share (EPS) calculated in accordance with Accounting Standard 20 issued by ICAI for the year ended March 31, 2015.  | Rs. 13.52  |   |   |
| 12. | i) Method of calculation of employee compensation cost.<br>ii) Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognized if fair value of Options had been used.<br><br>iii) The impact of difference on profits and EPS of the Company for the year ended March 31, 2015 had fair value Options had been used for accounting Employee Options.  | Intrinsic Value<br>As the fair value is lower than the intrinsic value the charge to profit and loss account is based on intrinsic value.<br>There is no change in the reported diluted EPS. | Intrinsic Value<br>As the fair value is lower than the intrinsic value the charge to profit and loss account is based on intrinsic value.<br>There is no change in the reported diluted EPS.        |   |
| 13. | Weighted-average exercise price of options granted is equal/exceeds/less than market price of stock.   | 1. Rs. 118/- in respect of Options granted on 21/04/2010 – less than the market price.<br>2. Rs. 80/- in respect of Options granted on 26/06/2012 – exceeds the market price                 |   | Rs. 80/- in respect of Options granted on 29/01/2015 – exceeds the market price   |

**Annexure B to the Directors' Report****Form No. MR 3****SECRETARIAL AUDIT REPORT****For the Financial Year ended 31<sup>st</sup> March, 2015**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
LKP Finance Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by LKP Finance Limited, (hereinafter called "the company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015 complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars

to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- (vi) Other Applicable Acts;
- (a) Prevention of Money Laundering Act, 2002;
  - (b) RBI regulations on Non-Banking Financial (Non Deposit Accepting or Holding) Companies;
  - (c) The Employees Provident Fund & Miscellaneous Provisions Act, 1952;
  - (d) Employees State Insurance Act, 1948;
  - (e) Payment of Gratuity Act, 1972;
  - (f) The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013;

We have also examined compliance with the applicable clauses of the following:

- (a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (b) The Listing Agreement entered into by the Company with BSE;

During the period under review the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- (i) *The company has not appointed a common independent director on the Board of its subsidiary(ies) as required under clause 49(V)(A) of the listing agreement;*
- (ii) *The quorum for the Audit Committee meeting held on 29<sup>th</sup> January, 2015 did not have two independent directors as required by clause 49(III)(B) of the listing agreement.*

We further report that

The Board of Directors of the company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has not incurred any specific event/ action that can have a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. except as follows:

- (i) *Borrowing powers of the company under section 180(1)(c) of the Companies Act, 2013 passed vide special resolution at the annual general meeting held on 10<sup>th</sup> June, 2014;*
- (ii) *Special resolution passed vide postal ballot dated 2<sup>nd</sup> January, 2015 for creation of mortgage/ charge on any of the movable or immovable assets and/ or immovable property of the company for securing borrowings for the company, under section 180(1)(a) of the Companies Act, 2013;*
- (iii) *Approval of Employee Stock Plan (ESOP) 2014 for employees of the company, for grant of options under ESOP 2014 for eligible employees of the subsidiary company and for two identified eligible employees, passed vide special resolution by way of postal ballot dated 2<sup>nd</sup> January, 2015.*

For *V.R. Associates*  
*Company Secretaries*

*V. Ramachandran*  
CP 4731

Place: Mumbai  
Date: 5<sup>th</sup> May, 2015

This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.

## **Annexure A to Secretarial Audit Report**

To,  
The Members  
LKP Finance Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express as opinion on these secretarial records based on my audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For *V.R. Associates*  
*Company Secretaries*

*V. Ramachandran*  
CP 4731

Place: Mumbai  
Date: 5<sup>th</sup> May, 2015.

**Annexure C to the Directors' Report**
**Form No. MGT 9**
**EXTRACT OF ANNUAL RETURN**
**As on the Financial Year ended on March 31, 2015**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN: L65990MH1984PLC032831
- ii) Registration Date: 5<sup>th</sup> May 1984
- iii) Name of the Company: LKP Finance Limited
- iv) Category / Sub-Category of the Company: Company Limited by shares
- v) Address of the Registered office and contact details : 203, Embassy Centre, Nariman Point, Mumbai 400 021.
- vi) Whether listed company : Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent :  
 M/s. Adroit Corporate Services Private Limited  
 19, Jafarbhoy Industrial Estate, 1<sup>st</sup> Floor,  
 Makawana Road, Marol Naka,  
 Andheri ( East), Mumbai 400 059.  
 Tel. No.022- 28590942

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

| Sl. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|---------|--|----------------------------------|------------------------------------|
| 1       | Interest Income                                  | 64990                            | 15.69                              |
| 2       | Profit on sale of Shares and Securities          | 64990                            | 82.30                              |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

| S. No. | Name and Address of the Company   | CIN/GLN               | Holding / Subsidiary/ Associate                | % of shares held | Applicable Section |
|--------|---|-----------------------|--|------------------|--------------------|
| 1      | LKP Securities Limited<br>203, Embassy Centre<br>Nariman Point<br>Mumbai, Maharashtra<br>India - 400021                                 | U67120MH1988PLC080039 | Subsidiary                                     | 99.81            | 2(87)(ii)          |
| 2      | Gayatri Cement & Chemical Industries Private Limited<br>112-A, Embassy Centre<br>Nariman Point<br>Mumbai, Maharashtra<br>India - 400021 | U99999MH1983PTC115063 | Subsidiary                                     | 100              | 2(87)(ii)          |
| 3      | LKP Wealth Advisory Private Limited<br>203 Embassy Centre<br>Nariman Point<br>Mumbai, Maharashtra<br>India - 400021                     | U67190MH2014PTC256997 | Subsidiary of subsidiary (LKP Securities Ltd.) | 99.98            | 2(87)(ii)          |

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**i) Category-wise Share Holding**

| Category of Shareholders   | No. of Shares held at the beginning of the year<br>1/04/2014 |               |                 |                   | No. of Shares held at the end of the year<br>31/03/2015 |               |                 |                   | %Change during the year |
|--|--|---------------|-----------------|-------------------|---|---------------|-----------------|-------------------|-------------------------|
|  | Demat  | Physical      | Total           | % of Total Shares | Demat   | Physical      | Total           | % of Total Shares |                         |
| <b>A. Promoters</b>  |  |               |                 |                   |   |               |                 |                   |                         |
| a) Individual/HUF  | 4600333  | --            | 4600333         | 37.71             | 4600333   | --            | 4600333         | 37.71             | --                      |
| b) Central Govt.   | --   | --            | --              | --                | --  | --            | --              | --                | --                      |
| c) State Govt. (s)   | --   | --            | --              | --                | --  | --            | --              | --                | --                      |
| d) Bodies Corp.  | 2527177  | --            | 2527177         | 20.72             | 2666622   | --            | 2666622         | 21.86             |                         |
| e) Banks / FI  | --   | --            | --              | --                | --  | --            | --              | --                | --                      |
| f) Any Other...  | --   | --            | --              | --                | --  | --            | --              | --                | --                      |
| <b>Sub-total (A) (1):-</b>   | <b>7127510</b>   | <b>--</b>     | <b>7127510</b>  | <b>58.43</b>      | <b>7266955</b>  | <b>--</b>     | <b>7266955</b>  | <b>59.57</b>      | <b>1.14</b>             |
| <b>(2) Foreign</b>   |  |               |                 |                   |   |               |                 |                   |                         |
| a) NRIs - Individuals  | --   | --            | --              | --                | --  | --            | --              | --                | --                      |
| b) Other - Individuals   | --   | --            | --              | --                | --  | --            | --              | --                | --                      |
| c) Bodies Corp.  | --   | --            | --              | --                | --  | --            | --              | --                | --                      |
| d) Banks / FI  | --   | --            | --              | --                | --  | --            | --              | --                | --                      |
| e) Any Other...  | --   | --            | --              | --                | --  | --            | --              | --                | --                      |
| <b>Sub-total (A) (2):-</b>   | <b>--</b>  | <b>--</b>     | <b>--</b>       | <b>--</b>         | <b>--</b>   | <b>--</b>     | <b>--</b>       | <b>--</b>         | <b>--</b>               |
| <b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>                        | <b>7127510</b>   | <b>--</b>     | <b>7127510</b>  | <b>58.43</b>      | <b>7266955</b>  | <b>--</b>     | <b>7266955</b>  | <b>59.57</b>      | <b>1.14</b>             |
| <b>B.Public Shareholding</b>   |  |               |                 |                   |   |               |                 |                   |                         |
| <b>(1) Institutions</b>  |  |               |                 |                   |   |               |                 |                   |                         |
| a) Mutual Funds  | --   | 1400          | 1400            | 0.01              | --  | 1400          | 1400            | 0.01              | --                      |
| b) Banks / FI  | 50   | 2500          | 2550            | 0.02              | 50  | 2500          | 2550            | 0.02              | --                      |
| c) Central Govt.   | --   | --            | --              | --                | --  | --            | --              | --                | --                      |
| d) State Govt(s)   | --   | --            | --              | --                | --  | --            | --              | --                | --                      |
| e) Venture Capital Funds   | --   | --            | --              | --                | --  | --            | --              | --                | --                      |
| f) Insurance Companies   | --   | --            | --              | --                | --  | --            | --              | --                | --                      |
| g) FIs   | 1329658  | --            | 1329658         | 10.90             | 929658  | --            | 929658          | 7.62              | -3.28                   |
| h) Foreign Venture Capital Funds   | --   | --            | --              | --                | --  | --            | --              | --                | --                      |
| i) Others (Specify)  | --   | --            | --              | --                | --  | --            | --              | --                | --                      |
| <b>Sub-total (B) (1)</b>   | <b>1329708</b>   | <b>3900</b>   | <b>1333608</b>  | <b>10.93</b>      | <b>929708</b>   | <b>3900</b>   | <b>933608</b>   | <b>7.65</b>       | <b>-3.28</b>            |
| <b>(2) Non - Institutions</b>  |  |               |                 |                   |   |               |                 |                   |                         |
| a) Bodies Corp.  |  |               |                 |                   |   |               |                 |                   |                         |
| i) Indian  | 743022   | 9012          | 752034          | 6.17              | 1067743   | 9012          | 1076755         | 8.83              | 2.66                    |
| ii) Overseas   | 727489   | --            | 727489          | 5.96              | 727489  | --            | 727489          | 5.96              | --                      |
| b) Individuals   |  |               |                 |                   |   |               |                 |                   |                         |
| i) Individual shareholders holding nominal share capital upto Rs.1 lakh          | 1017397  | 345245        | 1362642         | 11.17             | 1145417   | 329713        | 1475130         | 12.09             | 0.92                    |
| ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh | 562797   | --            | 562797          | 4.61              | 378596  | --            | 378596          | 3.10              | -1.51                   |
| c) Others (Specify)  |  |               |                 |                   |   |               |                 |                   |                         |
| c-1) Non Resident Indians (Individuals)  | 76625  | 100900        | 177525          | 1.46              | 71915   | 101825        | 173740          | 1.42              | -0.03                   |
| c-2) Clearing Member   | 1326   | --            | 1326            | 0.01              | 12658   | --            | 12658           | 0.10              | 0.09                    |
| c-3) Trusts  | 200  | --            | 200             | --                | 200   | --            | 200             | --                | --                      |
| c-4) Directors   | 152892   | --            | 152892          | 1.25              | 152892  | --            | 152892          | 1.25              | --                      |
| <b>Sub-total (B)(2)</b>  | <b>3281748</b>   | <b>455157</b> | <b>3736905</b>  | <b>30.64</b>      | <b>3556910</b>  | <b>440550</b> | <b>3997460</b>  | <b>32.77</b>      | <b>2.14</b>             |
| <b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>                              | <b>4611456</b>   | <b>459057</b> | <b>5070513</b>  | <b>41.57</b>      | <b>4486618</b>  | <b>444450</b> | <b>4931068</b>  | <b>40.43</b>      | <b>-1.14</b>            |
| C. Shares held by Custodian for GDRs & ADRs.                                     |  |               |                 |                   |   |               |                 |                   |                         |
| Promoter and Promoter Group  | --   | --            | --              | --                | --  | --            | --              | --                | --                      |
| Public -   | --   | --            | --              | --                | --  | --            | --              | --                | --                      |
| <b>Sub-total (C)</b>   | <b>--</b>  | <b>--</b>     | <b>--</b>       | <b>--</b>         | <b>--</b>   | <b>--</b>     | <b>--</b>       | <b>--</b>         | <b>--</b>               |
| <b>Grand Total (A+B+C)</b>   | <b>11738966</b>  | <b>459057</b> | <b>12198023</b> | <b>100</b>        | <b>11753573</b>   | <b>444450</b> | <b>12198023</b> | <b>100</b>        | <b>0.00</b>             |

**(ii) Shareholding of Promoters**

| Sl. No. | Shareholder's Name                   | Shareholding at the beginning of the year 01/04/2014 |                                  |  | Share holding at the end of the year 31/03/2015 |                                  |  | % change in shareholding during the year |
|---------|--------------------------------------|--|----------------------------------|--|---|----------------------------------|--|--|
|         |                                      | No. of Shares  | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares                                   | % of total Shares of the company | % of Shares Pledged / encumbered to total shares |  |
| 1       | M. V. Doshi                          | 4382886  | 35.93                            | 40.11  | 4382886   | 35.93                            | 28.30  | --                                       |
| 2       | Pratik M. Doshi                      | 100722   | 0.83                             | --   | 100722  | 0.83                             | --   | --                                       |
| 3       | Ira M. Doshi                         | 100000   | 0.82                             | --   | 100000  | 0.82                             | --   | --                                       |
| 4       | Shital A. Sonpal                     | 16725  | 0.13                             | --   | 16725   | 0.13                             | --   | --                                       |
| 5       | Bhavana Holdings Pvt. Ltd.           | 118400   | 0.97                             | --   | 118400  | 0.97                             | --   | --                                       |
| 6       | Dean Finance & Investment Pvt. Ltd.  | 147200   | 1.21                             | --   | --  | --                               | --   | -1.21                                    |
| 7       | Prasu Leasing & Finance Pvt. Ltd.    | 1777700  | 14.57                            | 24.94  | --  | --                               | --   | -14.57                                   |
| 8       | Prasam Trading and Finance Pvt. Ltd. | 79845  | 0.65                             | --   | --  | --                               | --   | -0.65                                    |
| 9       | Sea Glimpse Investments Pvt. Ltd.    | 403325   | 3.31                             | --   | 2547515   | 20.88                            | --   | +17.57                                   |
| 10      | LKP Securities Ltd                   | 707  | 0.01                             | --   | 707   | 0.01                             | --   | --                                       |
|         | <b>Total</b>                         | <b>7127510</b>                                       | <b>58.43</b>                     | <b>65.05</b>                                     | <b>7266955</b>                                  | <b>59.57</b>                     | <b>28.30</b>                                     | <b>+1.14</b>                             |

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

| Sl. No. |   | As on date | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|---|------------|---|----------------------------------|---|----------------------------------|
|         |   |            | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
| 1       | Mr. Mahendra V. Doshi   | 01/04/2014 | 4382886                                   | 35.93                            | 4382886                                 | 35.93                            |
|         | At the beginning of the year  | --         | --  | --                               | --                                      | --                               |
|         | Change during the year  | 31/03/2015 |   |                                  | 4382886                                 | 35.93                            |
| 2       | Mr. Pratik M. Doshi   | 01/04/2014 | 100722                                    | 0.83                             | 100722                                  | 0.83                             |
|         | At the beginning of the Year  | --         | --  | --                               | --                                      | --                               |
|         | Change during the Year  | 31/03/2015 |   |                                  | 100722                                  | 0.83                             |
| 3       | Miss. Ira Pratik Doshi  | 01/04/2014 | 100000                                    | 0.82                             | 100000                                  | 0.82                             |
|         | At the beginning of the year  | --         | --  | --                               | --                                      | --                               |
|         | Change during the year  | 31/03/2015 |   |                                  | 100000                                  | 0.82                             |
| 4       | Shital A Sonpal   | 01/04/2014 | 16725                                     | 0.13                             | 16725                                   | 0.13                             |
|         | At the beginning of the year  | --         | --  | --                               | --                                      | --                               |
|         | Change during the year  | 31/03/2015 |   |                                  | 16725                                   | 0.13                             |
| 5       | Bhavna Holdings Pvt. Ltd.   | 01/04/2014 | 118400                                    | 0.97                             | 118400                                  | 0.97                             |
|         | At the beginning of the year  | --         | --  | --                               | --                                      | --                               |
|         | Change during the year  | 31/03/2015 |   |                                  | 118400                                  | 0.97                             |
| 6       | LKP Securities Ltd.   | 01/04/2014 | 707                                       | 0.01                             | 707                                     | 0.01                             |
|         | At the beginning of the year  | --         | --  | --                               | --                                      | --                               |
|         | Change during the year  | 31/03/2015 |   |                                  | 707                                     | 0.01                             |
| 7       | Prasu Leasing & Finance Pvt. Ltd.                                   | 01/04/2014 | 1777700                                   | 14.57                            | 1777700                                 | 14.57                            |
|         | At the beginning of the year  |            |   |                                  |   |                                  |
|         | Change during the year  | 08/12/2014 | (-1777700)                                | (-) 14.57                        | --                                      | --                               |
|         | Transfer due to amalgamation with sea Glimpse Investments Pvt. Ltd. | 31/03/2015 |   |                                  | --                                      | --                               |
|         | At the end of Year  |            |   |                                  |   |                                  |



| Sl. No. |  | As on date | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|--|------------|---|----------------------------------|---|----------------------------------|
|         |  |            | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
| 8       | Prasam Trading & Finance Pvt. Ltd.<br>At the beginning of the year                               | 01/04/2014 | 79845                                     | 0.65                             | 79845                                   | 0.65                             |
|         | Change during the year<br>Transfer due to amalgamation with sea<br>Glimpse Investments Pvt. Ltd. | 08/12/2014 | (-)79845                                  | (-)0.65                          | --                                      | --                               |
|         | At the end of Year   | 31/03/2015 | --  | --                               | --                                      | --                               |
| 9       | Dean Finance & Investment Pvt. Ltd.<br>At the beginning of the year                              | 01/04/2014 | 147200                                    | 1.21                             | 147200                                  | 1.21                             |
|         | Change during the year<br>Buy  | 06/06/2014 | 100000                                    | 0.82                             | 247200                                  | 2.03                             |
|         | Transfer due to amalgamation with sea<br>Glimpse Investments Pvt. Ltd.                           | 08/12/2014 | (-)247200                                 | (-)2.03                          | --                                      | --                               |
|         | At the end of Year   | 31/03/2015 | --  | --                               | --                                      | --                               |
| 10      | Sea Glimpse Investment Pvt. Ltd.<br>At the beginning of the year                                 | 01/04/2014 | 403325                                    | 3.31                             | 403325                                  | 3.31                             |
|         | Change during the year<br>Buy  | 25/07/2014 | 39270                                     | 0.32                             | 442595                                  | 3.63                             |
|         | Transfer due amalgamation of 7,8 &9 above<br>with Sea Glimpse Investments Pvt. Ltd.              | 08/12/2014 | 2104745                                   | 17.25                            | 2547340                                 | 20.88                            |
|         | Increase by transfer   | 27/01/2015 | 175                                       | 0.001                            | 2547515                                 | 20.88                            |
|         | At the end of Year   | 31/03/2015 | --  | --                               | 2547515                                 | 20.88                            |

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

| Sl. No. | For Each of the Top 10 Shareholders           | As on date | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |        |      |
|---------|---|------------|---|----------------------------------|---|----------------------------------|--------|------|
|         |   |            | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |        |      |
| 1       | India Max Investment Fund Ltd.                | 01/04/2014 | 818508                                    | 6.71                             | 818508                                  | 6.71                             |        |      |
|         |   | 31/03/2015 | --  | --                               | 818508                                  | 6.71                             |        |      |
| 2       | Agrud Capital Pte. Ltd.                       | 01/04/2014 | 727489                                    | 5.96                             | 727489                                  | 5.96                             |        |      |
|         |   | 31/03/2015 | --  | --                               | 727489                                  | 5.96                             |        |      |
| 3       | Grovsnor Investmen Fund Ltd.                  | 01/04/2014 | 400000                                    | 3.28                             | 400000                                  | 3.28                             |        |      |
|         |   | 31/03/2015 | --  | --                               | 400000                                  | 3.28                             |        |      |
| 4       | Padmakshi Financial Services Pvt. Ltd.<br>Buy | 01/04/2014 | 238646                                    | 1.96                             | 238646                                  | 1.96                             |        |      |
|         |   | 11/04/2014 | (-) 55000                                 | 0.45                             | 183646                                  | 1.51                             |        |      |
|         |   | 18/04/2014 | (-) 31700                                 | 0.26                             | 151946                                  | 1.25                             |        |      |
|         |   | 06/06/2014 | (-) 100000                                | 0.82                             | 51946                                   | 0.43                             |        |      |
|         |   | 12/12/2014 | 86700                                     | 0.71                             | 138646                                  | 1.14                             |        |      |
|         |   | 31/03/2015 | --  | --                               | 138646                                  | 1.14                             |        |      |
| 5       | Sadguru Express Pvt. Ltd.                     | 01/04/2014 | 181203                                    | 1.49                             | 181203                                  | 1.49                             |        |      |
|         |   | 31/03/2015 | --  | --                               | 181203                                  | 1.49                             |        |      |
| 6       | Ketan V. Thakkar                              | 01/04/2014 | 116300                                    | 0.95                             | 116300                                  | 0.95                             |        |      |
|         |   | 21/11/2014 | (-) 12500                                 | 0.1                              | 103800                                  | 0.85                             |        |      |
|         |   | 28/11/2014 | (-) 6578                                  | 0.05                             | 97222                                   | 0.8                              |        |      |
|         |   | 05/12/2014 | (-) 36580                                 | 0.3                              | 60642                                   | 0.5                              |        |      |
|         |   | 19/12/2014 | (-)1783                                   | 0.02                             | 58859                                   | 0.48                             |        |      |
|         |   | 09/01/2015 | (-)1859                                   | 0.01                             | 57000                                   | 0.47                             |        |      |
|         |   | 16/01/2015 | (-) 57000                                 | 0.47                             | 0                                       | 0                                |        |      |
|         |   | 31/03/2015 | 0   | 0                                | 0                                       | 0                                |        |      |
|         |   | 7          | Prime India Investment Fund Ltd.          | 01/04/2014                       | 106000                                  | 0.87                             | 106000 | 0.87 |
|         |   |            |   | 31/03/2015                       | --                                      | --                               | 106000 | 0.87 |
| 8       | Rasmikant Amratlal Shah                       | 01/04/2014 | 61031                                     | 0.50                             | 61031                                   | 0.50                             |        |      |
|         |   | 31/03/2015 | --  | --                               | 61031                                   | 0.50                             |        |      |
| 9       | Gannon Dunkerley Finance Ltd.                 | 01/04/2014 | 56272                                     | 0.46                             | 56272                                   | 0.46                             |        |      |
|         |   | 31/03/2015 | --  | --                               | 56272                                   | 0.46                             |        |      |
| 10      | Blue Roof Properties Pvt. Ltd.                | 01/04/2014 | 50600                                     | 0.41                             | 50600                                   | 0.41                             |        |      |
|         |   | 31/03/2015 | --  | --                               | 50600                                   | 0.41                             |        |      |
| 11      | Marytime Trimpex Pvt. Ltd.<br>Buy             | 01/04/2014 | 0   | 0                                | 0                                       | 0                                |        |      |
|         |   | 16/01/2015 | 50799                                     | 0.42                             | 50799                                   | 0.42                             |        |      |
|         |   | 31/03/2015 | --  | --                               | 50799                                   | 0.42                             |        |      |

Note : Decreased by sale / transfer to other (-)

**(v) Shareholding of Directors and Key Managerial Personnel:**

| Sl. No. | For Each of the Directors and KMP                    | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|--|---|----------------------------------|---|----------------------------------|
|         |  | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
| 1       | Mr. Mahendra V. Doshi<br>Executive Chairman          |   |                                  |   |                                  |
|         | 01/04/2014   | 4382886                                   | 35.93                            | 4382886                                 | 35.93                            |
|         | 31/03/2015   | --  | --                               | 4382886                                 | 35.93                            |
| 2       | Mr. Pratik M Doshi<br>Director                       |   |                                  |   |                                  |
|         | 01/04/2014   | 100722                                    | 0.83                             | 100722                                  | 0.83                             |
|         | 31/03/2015   | --  | --                               | 100722                                  | 0.83                             |
| 3       | Mr. Sayanta Basu<br>Nominee Director                 |   |                                  |   |                                  |
|         | 01/04/2014   | 152892                                    | 1.25                             | 152892                                  | 1.25                             |
|         | 31/03/2015   | --  | --                               | 152892                                  | 1.25                             |
| 4       | S. S. Gulati<br>Head Corporate Affairs               |   |                                  |   |                                  |
|         | 01/04/2014   | 6646                                      | --                               | 6646                                    | 0.05                             |
|         | 31/03/2015   | --  | --                               | 6646                                    | 0.05                             |
| 5       | Girish Kumar Innani<br>GM(Legal) & Company Secretary |   |                                  |   |                                  |
|         | 01/04/2014   | --  | --                               | --                                      | --                               |
|         | 31/03/2015   | --  | --                               | --                                      | --                               |

**V. INDEBTEDNESS**
**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

|  | Secured Loans excluding deposits | Unsecured Loans       | Deposits | Total Indebtedness    |
|--|----------------------------------|-----------------------|----------|-----------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                  |                       |          |                       |
| i) Principal amount  | 17,05,70,366/-                   | 39,04,12,763/-        | --       | 56,09,83,129/-        |
| ii) Interest due but not paid                              | --                               | --                    | --       | --                    |
| iii) Interest accrued but not due                          | --                               | --                    | --       | --                    |
| <b>Total (i+ii+iii)</b>                                    | <b>17,05,70,366/-</b>            | <b>39,04,12,763/-</b> |          | <b>56,09,83,129/-</b> |
| <b>Change in Indebtedness during the financial year</b>    |                                  |                       |          |                       |
| • Addition   | 13,47,87,313/-                   | --                    | --       | 13,47,87,313/-        |
| • Reduction  | --                               | --                    | --       | --                    |
| <b>Net Change</b>  | <b>13,47,87,313/-</b>            | --                    | --       | <b>13,47,87,313/-</b> |
| <b>Indebtedness at the end of the financial year</b>       | <b>30,53,57,679/-</b>            | <b>39,04,12,763/-</b> | --       | <b>69,57,70,442/-</b> |
| i) Principal Amount  | 30,53,57,679/-                   | 39,04,12,763/-        | --       | 69,57,70,442/-        |
| ii) Interest due but not paid                              | 36,34,227/-                      | 4,96,28,106/-         | --       | 5,32,62,333/-         |
| iii) Interest accrued but not due                          | --                               | --                    | --       | --                    |
| <b>Total (i+ii+iii)</b>                                    | <b>30,89,91,906/-</b>            | <b>44,040,869/-</b>   | --       | <b>74,90,32,775/-</b> |

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:\* Executive Chairman**

| Sl. no. | Particulars of Remuneration   | Name of MD/WTD/ Manager                     | Total Amount Rs.     |
|---------|---|---|----------------------|
|         |   | Mr. Mahendra V. Doshi<br>Executive Chairman |                      |
| 1.      | Gross salary  |   |                      |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 36,00,000/-                                 | 36,00,000/-          |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 18,41,100/-                                 | 18,41,100/-          |
|         | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961             | --  | --                   |
| 2.      | Stock Option  | --  | --                   |
| 3.      | Sweat Equity  | --  | --                   |
| 4.      | Commission  |   |                      |
|         | - as % of profit  | 59,00,000/-                                 | 59,00,000/-          |
|         | - others, specify...  |   |                      |
| 5.      | Others, please specify  | --  | --                   |
|         | <b>Total (A)</b>  | <b>1,13,41,100/-</b>                        | <b>1,13,41,100/-</b> |
|         | Ceiling as per the Act  | 1,14,76,632/-                               | 1,14,76,632/-        |

**B. Remuneration to other Directors**

| Sl. no. | Particulars of Remuneration                  | Name of Directors   |                        |                    |                    |                  |                  | Total Amount      |
|---------|--|---------------------|------------------------|--------------------|--------------------|------------------|------------------|-------------------|
|         |  | Mr. Pratik M. Doshi | Mr. Vineet N. Suchanti | Mr. Milan S. Bhise | Mrs. Anjali Suresh | Mr. Hariharan P. | Mr. Sayanta Basu |                   |
| 1.      | Independent Directors                        |                     |                        |                    |                    |                  |                  |                   |
|         | • Fee for attending board committee meetings | --                  | 40,000/-               | 30,000/-           | 10,000/-           | 30,000/-         | --               | 1,10,000/-        |
|         | • Commission                                 | --                  | --                     | --                 | --                 | --               | --               | --                |
|         | • Others, please specify                     | --                  | --                     | --                 | --                 | --               | --               | --                |
|         | <b>Total (1)</b>                             | --                  | <b>40,000/-</b>        | <b>30,000/-</b>    | <b>10,000/-</b>    | <b>30,000/-</b>  | --               | <b>1,10,000/-</b> |
| 2.      | Other Non-Executive Directors                |                     |                        |                    |                    |                  |                  |                   |
|         | • Fee for attending board committee meetings | 40,000/-            | --                     | --                 | --                 | --               | --               | 40,000/-          |
|         | • Commission                                 | --                  | --                     | --                 | --                 | --               | --               | --                |
|         | Others, please specify                       | --                  | --                     | --                 | --                 | --               | --               | --                |
|         | <b>Total (2)</b>                             | <b>40,000/-</b>     | --                     | --                 | --                 | --               | --               | <b>40,000/-</b>   |
|         | <b>Total (B)=(1+2)</b>                       | <b>40,000/-</b>     | <b>40,000/-</b>        | <b>30,000/-</b>    | <b>10,000/-</b>    | <b>30,000/-</b>  | --               | <b>1,50,000/-</b> |
|         | Total Managerial Remuneration                |                     |                        |                    |                    |                  |                  | 1,50,000/-        |
|         | Overall Ceiling as per the Act               |                     |                        |                    |                    |                  |                  | 1,14,76,632/-     |

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

| Sl. no. | Particulars of Remuneration   | Key Managerial Personnel |                    |                              |                    |
|---------|---|--------------------------|--------------------|------------------------------|--------------------|
|         |   | CEO                      | Company Secretary  | Head Corporate Affairs / CFO | Total              |
| 1.      | Gross salary  |                          |                    |                              |                    |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | --                       | 14,40,000/-        | 39,70,000/-                  | 54,10,000/-        |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | --                       | 60,000/-           | --                           | 60,000/-           |
|         | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | --                       | --                 | --                           | --                 |
| 2.      | Stock Option  | --                       | --                 | --                           | --                 |
| 3.      | Sweat Equity  | --                       | --                 | --                           | --                 |
| 4.      | Commission<br>- as % of profit<br>- others, specify...                              | --                       | --                 | --                           | --                 |
| 5.      | Others, please specify  | --                       | --                 | --                           | --                 |
|         | <b>Total (C)</b>  | --                       | <b>15,00,000/-</b> | <b>39,70,000/-</b>           | <b>54,70,000/-</b> |

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

| Type                                | Section of the Companies Act | Brief Description | Details of Penalty / Punishment / Compounding fees imposed | Authority [RD / NCLT / COURT] | Appeal made, if any (given details) |
|-------------------------------------|------------------------------|-------------------|--|-------------------------------|-------------------------------------|
| <b>A. COMPANY</b>                   |                              |                   |  |                               |                                     |
| Penalty                             |                              |                   |  |                               |                                     |
| Punishment                          |                              |                   |  |                               |                                     |
| Compounding                         |                              |                   |  |                               |                                     |
| <b>B. DIRECTORS</b>                 |                              |                   |  |                               |                                     |
| Penalty                             |                              |                   |  |                               |                                     |
| Punishment                          |                              |                   |  |                               |                                     |
| Compounding                         |                              |                   |  |                               |                                     |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |  |                               |                                     |
| Penalty                             |                              |                   |  |                               |                                     |
| Punishment                          |                              |                   |  |                               |                                     |
| Compounding                         |                              |                   |  |                               |                                     |

**Nil**

## Annexure D to the Directors' Report

### Annual Report on Corporate Social Responsibility (CSR) Activities

- 1. A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.**

CSR policy is stated herein below:

#### CSR Policy

(Approved by the Board of Directors on 29.01.2015)

LKP Finance Limited, as a good corporate citizen, has adopted CSR as strategic tool for sustainable growth and has decided to contribute to the development of the communities as a whole. In doing so the Company aims at building a better, sustainable way of life for the weaker sections of society.

The focus areas in which LKP plans to work shall include Education, Health care and Environmental Sustainability. The objectives of the Company for the above activities shall be as follows:-

1. **Education:** Our endeavour is to spark the desire for learning and enlighten minds. We may undertake to fulfil this objective by way of providing quality education initiatives or by financial assistance to the poor and needy students, undertaking to impart vocational training, adult education programs, girl education, other related infrastructure etc.
2. **Health care:** Our goal is to render quality health care facilities which we may provide by way of undertaking preventive healthcare programs by way of including but not limited to setting various camps and related infrastructure services, providing of sanitation and making available safe drinking water, etc.
3. **Environmental Sustainability:** We aim at providing livelihood in an environmentally sustainable manner. For addressing this objective we may undertake afforestation, planting of trees, maintain public garden, playground cleanliness and such other like programs, activities towards maintaining ecological balance, quality of soil, air and water, conservation of natural resources, etc.

**Web Link:**

[http://www.lkpsec.com/Admin/InvestorInreport/635665217977345000\\_FINAL%20CSR%20POLICY.pdf](http://www.lkpsec.com/Admin/InvestorInreport/635665217977345000_FINAL%20CSR%20POLICY.pdf)

- 2. Composition of CSR committee**

| Name of the Member     | Designation |
|------------------------|-------------|
| Mr. Mahendra V. Doshi  | Chairman    |
| Mr. Vineet N. Suchanti | Member      |
| Mr. Pratik M. Doshi    | Member      |

- 3. Average net profit of the company for last three financial years:**

Average net profit: Rs. 8,68,55,909/-

- 4. Prescribed CSR Expenditure (Two percent of the amount as in item 3 above)**

The company is required to spend Rs. 17,37,118/-

- 5. Details of CSR spend for the financial year :**

- a) Total amount contributed for the financial year : Rs. 17,50,000/-
- b) Details of implementing agency : Smt. Jayalaxmi Vasantraai Doshi Charitable Trust, Mumbai. The implementing agency is in the process of spending the amount.
- c) The purpose for which the amount is proposed to be spent is medical relief, educational aid and ensuring environmental sustainability etc., mainly in Mumbai region.

## REPORT ON CORPORATE GOVERNANCE

### 1. Company's philosophy on Corporate Governance

The Company provides detailed information on various issues concerning the Company's business / performance, to its shareholders. The fundamental philosophy of Corporate Governance in the Company is to achieve business excellence and dedicate itself for meeting its obligations to the shareholders. The Company believes that good Corporate Governance is a continuous process and strive to improve the same to meet shareholder's expectations. The Board of Directors of the Company has adopted the Code of Conduct for its members and senior management executives.

### 2. Board of Directors

#### Composition

The composition and category of Directors as on 31<sup>st</sup> March 2015 are as follows:

| Category                    | Name of Directors         | Designation        |
|-----------------------------|---------------------------|--------------------|
| Promoter                    | Mr. M. V. Doshi           | Executive Chairman |
| Independent & Non-executive | Mr. Vineet N. Suchanti    | Director           |
| Independent & Non-executive | Mrs. Anjali Suresh        | Director           |
| Independent & Non-executive | Mr. Hariharan Padmanabhan | Director           |
| Promoter                    | Mr. Pratik M. Doshi       | Director           |
| Nominee                     | Mr. Sayanta Basu          | Director           |

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

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

#### Board Meetings

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

There were four Board Meetings held during the financial year ended 31<sup>st</sup> March 2015, namely on 9<sup>th</sup> May 2014, 31<sup>st</sup> July 2014, 4<sup>th</sup> November 2014, and 29<sup>th</sup> January 2015.

#### Attendance, Other Directorship & Membership

Membership and Attendance of each Director at the Board of Directors' Meetings held during the year and the last Annual General Meeting and the number of other Directorship/ Membership of Board Committees as on 31<sup>st</sup> March 2015:

| S. No. | Name of the Director      | Board Meeting Attended | Attendance at Last AGM | No. of Directorship in Boards (Excluding LKP Finance Ltd.) |         | No. of Chairmanship / Membership in other Board Committees (Excluding LKP Finance Ltd.) |            |
|--------|---------------------------|------------------------|------------------------|--|---------|---|------------|
|        |                           |                        |                        | Public   | Private | Chairmanship  | Membership |
| 1      | Mr. Mahendra V. Doshi     | 4                      | Yes                    | 5  | 5       | 1   | 3          |
| 2      | Mr. Vineet N. Suchanti    | 4                      | Yes                    | 5  | -       | 3   | -          |
| 3      | Mr. Milan S. Bhise*       | 3                      | Yes                    | -  | -       | -   | -          |
| 4      | Mr. Hariharan Padmanabhan | 3                      | No                     | 3  | 4       | -   | -          |
| 5      | Mr. Sayanta Basu          | 4                      | No                     | -  | 10      | -   | -          |
| 6      | Mr. Pratik M. Doshi       | 4                      | Yes                    | 2  | 7       | -   | -          |
| 7      | Mrs. Anjali Suresh #      | 1                      | No                     | -  | 1       | -   | -          |

\*Resigned w.e.f. 29<sup>th</sup> January 2015

# Appointed w.e.f. 29<sup>th</sup> January 2015

None of the present Directors are relative of each other except Mr. Pratik M. Doshi who is son of Mr. Mahendra V. Doshi.

#### Remuneration of Directors

During the year under review the Company has paid Rs. 113.41 lacs towards remuneration [details of which are provided in the note 4 a) of the notes to the financial statements] to Mr. Mahendra V. Doshi, Executive Chairman of the Company pursuant to the special resolution passed by members on June 10, 2014. At present, Independent Directors are not paid any remuneration except sitting fess for attending Board Meetings.

#### Sitting Fees paid to Directors for attending Board Meetings

1. Mr. Milan S. Bhise Rs. 30,000/-
2. Mr. Vineet N. Suchanti Rs. 40,000/-
3. Mr. Hariharan Padmanabhan Rs. 30,000/-
4. Mr. Pratik M. Doshi Rs. 40,000/-
5. Mr. Sayanta Basu Nil
6. Mr. M. V. Doshi Nil
7. Mrs. Anjali Suresh Rs. 10,000/-

### 3 Audit Committee

The Board has set up the Audit Committee with two Independent Directors Mr. Milan S. Bhise & Mr. Vineet N. Suchanti, and one Promoter Director Mr. M. V. Doshi. Mr. Vineet N. Suchanti is the Chairman of the Audit Committee and was present at the last Annual General Meeting. The vacancy caused during the year under review by the resignation of Mr. Milan S. Bhise was filled in by appointment of Mrs. Anjali Suresh w.e.f. 29<sup>th</sup> January 2015 as an Independent Director.

Audit Committee meetings were held on 9<sup>th</sup> May 2014, 31<sup>st</sup> July 2014, 4<sup>th</sup> November 2014, and 29<sup>th</sup> January 2015. All the members have attended the aforesaid meetings except 29<sup>th</sup> January 2015 as Mr. Milan S. Bhise resigned with effect from 29<sup>th</sup> January 2015. The Statutory Auditors were the invitees to the above meetings. The scope of activities and powers of Audit Committee includes the areas prescribed under the Clause 49 of the Listing Agreement and section 177 of the Companies Act, 2013.

#### 4. Stakeholders Relationship Committee

At the Board Meeting held on 9<sup>th</sup> May 2014, Stakeholders Relationship Committee is constituted in place of Shareholders' Grievances Committee pursuant to the section 178 of the Companies Act, 2013. The said Committee was having two Independent Directors, Mr. Milan S. Bhise and Mr. Vineet N. Suchanti, as members. Mr. Milan S. Bhise was the Chairman of the said Committee. In view of resignation of Mr. Milan S. Bhise from the Board of Directors of the Company w.e.f. 29<sup>th</sup> January 2015, Mrs. Anjali Suresh is appointed as the Chairperson of the Committee. Mr. Girish Innani, General Manager (Legal) & Company Secretary of the Company is compliance officer. During the year under review, 3 shareholders' letters/complaints were received about non receipt of Dividend Warrant/s. The Committee meetings were held on 30<sup>th</sup> June 2014 and 31<sup>st</sup> March 2015. There is no complaint which has remained un-addressed. No transfer of shares is pending as on date.

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

#### 5. Nomination and Remuneration Committee

The nomination and Remuneration Committee was constituted on 9<sup>th</sup> May, 2014 in compliance with the provisions of section 178 of the Companies Act, 2013 and Clause 49(IV) of the revised Listing Agreement with Stock Exchange. Mr. Vineet N. Suchanti is the Chairman of the Committee and other members were Mr. Sayanta Basu and Mr. Milan S. Bhise. In view of resignation of Mr. Milan S. Bhise from the Board of Directors of the Company w.e.f. 29<sup>th</sup> January 2015, Mrs. Anjali Suresh was appointed as member of the Committee.

The terms of reference of the Nomination and Remuneration Committee cover all the areas mentioned under Clause 49(IV) of the revised Listing Agreement with the Stock Exchanges and section 178 of the Companies Act, 2013. The broad terms of reference of the Nomination and Remuneration Committee therefore include recommending a policy relating to remuneration and employment terms of Executive Chairman, directors and senior management personnel, adherence to the remuneration/employment policy, also to prepare, administrate and monitor Company's Employees Stock Options Plans / Scheme from time to time, as finally approved by the Board of Directors. Preparing the criteria and identify persons who may be appointed as directors or senior management of the Company, preliminary evaluation of every Director's performance, Board diversity, compliance of the Code for Independent Directors referred to in Schedule IV of the Companies Act, 2013, compliance with the Company's Code of Conduct by Directors and employees of the Company, reporting non-compliances to the Board of Directors, recommending draft of the report required under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 which will form part of the Directors Report to Shareholders, monitor loans to employees and any other matters which the Board of Directors may direct from time to time.

During the financial year ended March 31, 2015, three meetings of the Nomination and Remuneration Committee were held on May 09, 2014, July 31, 2014 and January 29, 2015. All the

members have attended the aforesaid meetings. At present, Directors are not paid any fees for attending any Committee Meetings.

Policy for selection and Appointment of Directors and their Remuneration

Criteria of selection of Non-executive Directors

The Non-executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of marketing, finance, taxation, law, governance and general management.

In case of appointment of Independent Directors, the Committee shall satisfy itself with regard to the independent nature of the Directors vis-a-vis the Company so as to enable the Board to discharge its function and duties effectively.

The Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.

The Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.

- i. Qualification, expertise and experience of the Directors in their respective fields;
- ii. Personal, Professional or business standing;
- iii. Diversity of the Board.

In case of re-appointment of Non-executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

Remuneration

The Non-executive Directors shall be entitled to receive sitting fees for each meeting of the Board attended by them, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and reimbursement of expenses for participation in the Board Meetings.

CEO & Executive Chairman / Director – Criteria for selection / appointment

For the purpose of selection of the CEO & Executive Chairman / Director the Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfils such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

Remuneration for the CEO & Executive Chairman / Director

At the time of appointment or re-appointment, the CEO & Executive Chairman / Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the Committee and the Board of Directors) and the

CEO & Executive Chairman / Director within the overall limits prescribed under the Companies Act, 2013.

The remuneration shall be subject to the approval of the Members of the Company in General Meeting.

The remuneration of the CEO & Executive Chairman / Director comprises of fixed and variable component as per the provisions of Companies Act, 2013. The fixed component comprises salary, allowances, perquisites, amenities and retiral benefits.

Remuneration Policy for the Senior Management Employees

In determining the remuneration of the Senior Management Employees the Committee shall ensure the relationship of remuneration and performance benchmark is clear.

The Executive Chairman will carry out the individual performance review based on the respective defined objectives, qualification, expertise, experience and other factors whilst recommending the annual increment and performance incentive to the Committee for its review and approval.

**6. Corporate Social Responsibility (CSR) Committee:**

As required under section 135 of the Companies Act, 2013 the company has formed a CSR committee consisting of the following members from March 29, 2014.

| Name of the Member     | Designation |
|------------------------|-------------|
| Mr. Mahendra V. Doshi  | Chairman    |
| Mr. Vineet N. Suchanti | Member      |
| Mr. Pratik M. Doshi    | Member      |

The committee met 2 times during the financial year ended March 31, 2015. All the members have attended the aforesaid CSR Committee meetings.

**7. Asset Liability Committee and Risk Management Committee**

The Board has set up Asset Liability Committee and Risk Management Committee pursuant to the requirement of Reserve Bank of India for NBFC. The Committee is consisting of Mr. Mahendra V. Doshi and Mr. Sayanta Basu as Members of said Committees. The Committee regularly review the Company's assets and liabilities it's quality and business risk. The Internal Auditors also report to the Committee from time to time from the purpose of risk management.

Business Risk Evaluation and Management is an outgoing process within the Organization. The Company has a strong risk management framework to identify, monitor and minimize risks as also identify business opportunities.

The objectives and scope of the Risk Management Committee broadly comprise of

1. Oversight of risk management performed by the executive management.
2. Reviewing the policy and framework in line with legal requirements and SEBI guidelines.
3. Reviewing risks and evaluate treatment including initiating mitigation actions.

4. Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.
5. Within its overall scope as aforesaid, the Committee shall review risks trends, exposure, potential impact analysis and mitigation plan.

**8. PERFORMANCE EVALUATION OF THE BOARD**

After taking into consideration one to one inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance; pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Appointment and Remuneration Committees.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

**9. Independent Directors Meeting**

During the year under review, the Independent Directors met on March 07, 2015, inter alia, to discuss:

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as a Whole;
2. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Non-executive Directors.
3. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the meeting.

**10. General Body Meetings**

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

| Financial Year | Day     | Date                       | Time        |
|----------------|---------|----------------------------|-------------|
| 2013-2014      | Tuesday | 10 <sup>th</sup> June 2014 | 11.00 a. m. |
| 2012-2013      | Friday  | 31 <sup>st</sup> May 2013  | 11.00 a. m. |
| 2011-2012      | Tuesday | 29 <sup>th</sup> May, 2012 | 11.00 a. m. |

**Location:**

All the above Annual General Meetings of the Company were

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

### Business

| Year      | Special Resolution passed.   |
|-----------|--|
| 2013-2014 | 1. For Appointment of Mr. Milan S. Bhise as Independent Director<br>2. For Appointment of Mr. Vineet N. Suchanti as Independent Director<br>3. For approval for appointment of Mr. M. V. Doshi as Executive Chairman of the Company and payment of Remuneration thereof.<br>4. For approval for appointment of Mr. Pratik M. Doshi as a Whole-time Director in Subsidiary Company- LKP Securities Ltd and payment of Remuneration thereof.<br>5. For approval of Borrowing power of the Board of Directors pursuant to section 180(1)(c) of the Companies Act, 2013. |
| 2012-2013 | No Special resolution passed.  |
| 2011-2012 | No Special resolution passed.  |

During the last year following business had been conducted through postal ballot the result of which was announced on January 02, 2015.

- Alteration of Articles of Association
- Authorization to the Board of Directors for mortgaging and/or creating charge on all or any of the movable or immovable assets and / or immovable property of the Company for securing borrowings for the purpose of the Company pursuant to section 180(1)(a) of the Companies Act, 2013.
- Approval of Employee Stock Option Plan 2014 of the Company.
- Approval of grant of options under Employee Stock Option Plan 2014 to eligible employees of the Subsidiary Company.
- Approval of grant of options under Employee Stock Option Plan 2014 to Identified Eligible Employee - Mr. Anish Unadkat
- Approval of grant of options under Employee Stock Option Plan 2014 to Identified Eligible Employee- Mr. Keval Bhanushali.

### 11. Disclosure

- The related party detail are disclosed in the notes to financial statements. The Register of Contracts containing the transactions in which Directors are interested is regularly placed before the Board for its approval.
- During the last three years, there were no strictures or penalties imposed either by Securities and Exchange Board of India or the Stock Exchange or any regulatory authority for non-compliance of any matter related to the capital market.

- No personnel have been denied access to the Chairman or members of the Audit Committee. The mechanism of Whistle Blower Policy is in place.
- To the extent possible, the Company has complied with the mandatory requirement of this clause.
- The Company has complied with all applicable Accounting Standards in preparation of its financial statements pursuant to the amended Schedule III of Companies Act, 2013.

### 12. Means of Communication

- The financial results of all four quarters were published in The Financial Express and Mumbai Lakshyadeep dailies. These were not sent individually to the shareholders.
- The Company's results or official news are displayed on a web site www.lkpsec.com
- There were no presentations made to the institutional investors or to the analysts.
- The Management, Discussion and Analysis Report forms a part of this Annual Report.

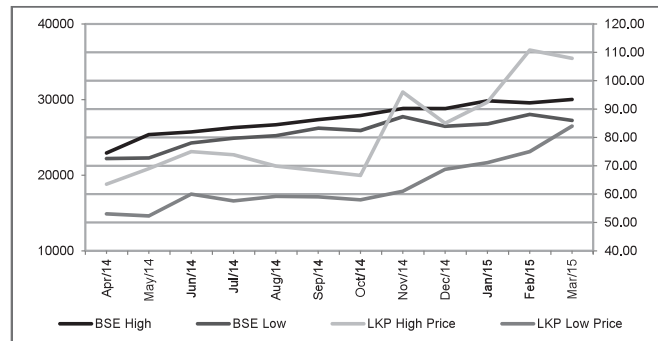
### 13. General Shareholder Information

|                                 |  |
|---------------------------------|--|
| AGM Date Time and Venue         | Thursday, 11 <sup>th</sup> June 2015 at 11.00 a.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Mumbai 400 001.   |
| Financial Calendar              | April to March<br>Announcement of Audited / Un-audited Results (tentative)<br>1 <sup>st</sup> Quarter - Second week of August<br>2 <sup>nd</sup> Quarter - First week of November<br>3 <sup>rd</sup> Quarter - First week of February<br>4 <sup>th</sup> Quarter - Last week of April  |
| Book Closure                    | Thursday, 4 <sup>th</sup> June, 2015 to Thursday, 11 <sup>th</sup> June, 2015 (both days inclusive).   |
| Dividend payment date           | On or after June 11, 2014<br>Dividend which remains unpaid or unclaimed declared by the Company for the year ended on March 31, 2008 at the Annual General Meeting held on August 09, 2008 will be transferred to the Investor Education and Protection Fund of the Central Government in September, 2015 pursuant to the provisions of section 124 of the Companies Act, 2013. Thereafter no claim shall lie against the Company on these dividend from the shareholders. Individual notice will be sent to the shareholders concerned in May 2015. |
| Listing on Stock Exchange       | B S E Limited, Mumbai (Code-507912). The Company has paid the listing fees for the period from 1 <sup>st</sup> April 2015 to 31 <sup>st</sup> March 2016. The Company is taking up the matter with appropriate authority of the Stock Exchange, Ahmedabad subsequent to their refusal for accepting voluntary delisting application.   |
| Demat ISIN No. for Depositories | INE 724A01017  |



**Market Price Data and Performance in comparison to BSE Sensex**

| Month  | High Price | Low Price | No. of Shares | No. of Trades | BSE Sensex |       |
|--------|------------|-----------|---------------|---------------|------------|-------|
|        |            |           |               |               | High       | Low   |
| Apr-14 | 63.50      | 53.05     | 99955         | 402           | 22939      | 22198 |
| May-14 | 69.00      | 52.30     | 137983        | 942           | 25376      | 22277 |
| Jun-14 | 75.00      | 60.00     | 50962         | 1047          | 25725      | 24270 |
| Jul-14 | 73.90      | 57.60     | 41960         | 844           | 26300      | 24892 |
| Aug-14 | 69.90      | 59.20     | 18480         | 417           | 26674      | 25233 |
| Sep-14 | 68.25      | 59.05     | 66322         | 1036          | 27355      | 26220 |
| Oct-14 | 66.60      | 58.00     | 47468         | 536           | 27894      | 25911 |
| Nov-14 | 96.00      | 61.00     | 123796        | 2306          | 28822      | 27740 |
| Dec-14 | 85.00      | 68.75     | 184841        | 820           | 28810      | 26469 |
| Jan-15 | 92.45      | 71.10     | 87161         | 1430          | 29844      | 26776 |
| Feb-15 | 110.80     | 75.00     | 697207        | 9683          | 29560      | 28044 |
| Mar-15 | 107.90     | 84.00     | 335412        | 5290          | 30025      | 27248 |


**Registrar & share Transfer Agent**

M/s. Adroit Corporate Services Private Limited  
 19, Jafarbhoy Industrial Estate, 1<sup>st</sup> Floor,  
 Makawana Road, Marol Naka,  
 Andheri ( East), Mumbai 400 059.  
 Tel. No.022- 28590942

**Share Transfer System**

The Company's Shares are traded on BSE Limited compulsorily in the dematerialized form. However, all requests received for transfer of shares for off market transaction in physical form furnishing with a copy of PAN card of the transferee(s) in compliance with the SEBI circular in that behalf, are processed by the Registrar and Transfer Agents and are approved by Share Transfer Committee on weekly basis. The Share Transfers are registered and returned within period of 15 days from the date of lodgment, if documents are complete in all respect.

**Distribution of shareholding as on 31<sup>st</sup> March 2015**

| Shares Slab    | Share Holders | %          | Total Shares    | Amount (Rs.)     | %          |
|----------------|---------------|------------|-----------------|------------------|------------|
| Upto - 100     | 3629          | 63.01      | 286593          | 2865930          | 2.35       |
| 101 - 500      | 1465          | 25.45      | 398512          | 3985120          | 3.27       |
| 501 - 1000     | 315           | 5.47       | 243370          | 2433700          | 2.00       |
| 1001 - 2000    | 177           | 3.07       | 263960          | 2639600          | 2.16       |
| 2001 - 3000    | 44            | 0.76       | 110101          | 1101010          | 0.90       |
| 3001 - 4000    | 16            | 0.28       | 56165           | 561650           | 0.46       |
| 4001 - 5000    | 21            | 0.36       | 96598           | 965980           | 0.79       |
| 5001 -10000    | 43            | 0.75       | 289554          | 2895540          | 2.37       |
| 10001 -20000   | 24            | 0.42       | 332119          | 3321190          | 2.72       |
| 20001 -50000   | 4             | 0.07       | 135100          | 1351000          | 1.11       |
| 50001 & Above  | 21            | 0.36       | 9985951         | 99859510         | 81.87      |
| <b>Total :</b> | <b>5759</b>   | <b>100</b> | <b>12198023</b> | <b>121980230</b> | <b>100</b> |

**Share holding pattern as on 31<sup>st</sup> March 2015**

| Category of Shareholder                             | Total number of shares | % to the Shareholding |
|---|------------------------|-----------------------|
| 1 Indian Promoters / Person Acting in Concert       | 7266955                | 59.57                 |
| 2 Directors other than Promoters                    | 152892                 | 1.25                  |
| 3 Mutual Fund and UTI                               | 1400                   | 0.01                  |
| 4 Financial Institutions / Banks and Insurance Com. | 2550                   | 0.02                  |
| 5 FIIs  | 929658                 | 7.62                  |
| 6 Private Corporate Bodies                          | 1089413                | 8.93                  |
| 7 Indian Public                                     | 1853926                | 15.21                 |
| 8 Foreign Corporate Bodies                          | 727489                 | 5.96                  |
| 9 NRI/OCB   | 173740                 | 1.43                  |
| <b>Total</b>  | <b>12198023</b>        | <b>100.00</b>         |

**Dematerialization of equity Shares and liquidity**

As on 31<sup>st</sup> March 2015, 96.36 % of the Company's total shares represented by 1,17,53,573 shares were held in dematerialized form.

**Outstanding GDR/Warrants/Convertible Instruments**

The Company has no outstanding GDR/Warrants/Convertible Instruments.

**Address for correspondence**

LKP Finance Limited  
 112A, Embassy Centre,  
 Nariman Point, Mumbai 400 021

**For and on behalf of Board of Directors**

Mumbai  
 Date: May 05, 2015

**(M. V. Doshi)**  
 Executive Chairman

## MANAGEMENT DISCUSSION AND ANALYSIS

### Industry structure and developments

Indian markets were one of the best performing markets globally in 2014. The BSE Sensex and NSE Nifty jumped 30% buoyed by hopes of a better economy and reforms by the present government. India also emerged as one of the strongest economies amongst the emerging markets.

Currently the markets are negative for the year, but most analysts are of the opinion that the current sell-off is a periodic correction of the markets.

The key drivers for growth in India will continue to be reforms. Strong reforms in various sectors will be an important catalyst for the markets in 2015. Markets cheered the reforms introduced by the new government in 2014 such as diesel deregulation, FDI in construction and re-allocation of coal blocks.

Decline in interest rates will be an important trigger for the markets. India has been battling with high inflation. However, inflation contracted sharply in 2014 due to lower food, oil and commodity prices. The Reserve Bank of India has started cutting rates in the first quarter of the calendar year, but it may not exceed 0.5-0.7% this year.

In 2014, Foreign Institutional Investors (FIIs) pumped close to \$16 billion (Rs 96,573 crore) into equities. Brokerages are optimistic about domestic inflows into equities in 2015. The robust sentiment in anticipation of economic reforms could see additional FII inflows this year.

The last four-five years witnessed large outflows from the equity markets into other asset classes like real estate and gold. Going forward, it is expected that this may reverse. DSP BlackRock Mutual Fund expects domestic inflows of about \$10-15 billion into Indian equities. They believe relative returns from equities would be better than other asset classes in 2015.

With a gradual pick-up in demand, fall in raw material prices as well as the improvement in economic conditions, corporate earnings are expected to gather momentum in the coming quarters. Corporate profits may rise at least 17-18% in each of the next two years, according to brokerage firm IIFL.

Geopolitical risks such as the situation in Russia and Ukraine, and ISIS-related problems in Iraq and the Middle East are some of the biggest uncertainties for the markets. The Russia/Ukraine situation was seen as by far the biggest geopolitical risk for 2015, according to 84 economists who participated in a Bloomberg survey in December 2014.

The Eurozone is already facing slowdown-related issues. On top of this, talks of Greece exiting the Eurozone are back. Will Eurozone be able to handle another crisis in Greece? Markets are speculating whether EU countries will slip into recession again. If that happens, markets around the world may slump. This could affect Indian markets too.

The US economy, which faced a recession after the 2008 financial crisis, is finally picking up. The US central bank, Federal Reserve, indicated that it is confident about the recovery and, thus, may raise interest rates this year. Brokerage firms expect the Fed to raise rates in mid-2015. If the US hikes rates sooner than anticipated, it could

lead to the exit of foreign investments from India and cause volatility in the markets.

The price of oil is down nearly 55% in value since June 2014, and shows no signs of abating. This week, prices slipped below \$50 a barrel, its lowest since 2009. Analysts expect prices to remain weak in the medium term. Oil prices could rise if consumption picks up or if output is cut. In such a case, oil import-dependent India could suffer.

### Opportunities and Threats

Your Company being an investment Company seeks opportunities in the capital market. The volatility in the stock indices in the financial year under report represents both an opportunity and challenge for the Company.

The business of subsidiary company i.e. LKP Securities Ltd. is affected by the sentiments prevailing in the stock markets.

LKP Securities Ltd. is one of the reputed broking houses of the country, having a network of 2000 plus outlets across India. The company has put in place a new team to drive the retail business. Moreover this year this business will be spun off as a separate entity to give it more focus.

The Company is empanelled with most of the reputed domestic financial institutions including life and non insurance companies, mutual funds, foreign financial institutions and corporates, apart from having large number of HNI and retail clients. The likely increase in capital mobilisation from the primary market, increase in resource mobilisation by mutual funds and phenomenal growth in secondary market volumes provide significant business opportunities for the Company.

Capital market activities in which most of our activities depend on is also influenced by global events and hence there is an amount of uncertainty in the near term outlook of the market.

### Segment-wise Performance

The Company being a holding Company is engaged in investment activities and other financial services during the year under review, hence the requirement of segment-wise reporting is considered irrelevant.

### Outlook

The perception about India has changed dramatically in the last 12 months. There was widespread disenchantment with the lackadaisical leadership of the previous government that lacked a coherent economic strategy and vision to reinvigorate growth.

Political instability, protracted economic slowdown (with growth below 5% for two consecutive years) and policy paralysis has given way to rising confidence in the incumbent Prime Minister's (Narendra Modi) decisive leadership and his government's ability to revive the economy and pave the path for economic resurgence in 2015-2016, and political stability.

Soaring stock markets, rising business confidence and consumer confidence attest to such optimism about the economy.

The IMF forecasts that India will become a \$2-trillion economy in 2014 – the tenth biggest in the world – and will cross the \$3-trillion

threshold in 2019, which would make it the world's seventh biggest economy. Last year, after the BJP got a majority in the 2014 general elections, all major financial firms had revised their Sensex and Nifty targets upwards.

While UBS had raised its Nifty target for December 2014 to 8,000, it further revised its target in November 2014 and said that Nifty would hit 9,600 by December 2015.

Citigroup, too, had in December 2014 raised its Nifty target to 9,850 and Sensex target to 33,000 by December 2015. Similarly, Goldman Sachs raised the target for the Nifty index to 9,000 points for September 2015 as against its previous target of 8,600 for June 2015

But, twelve months into the governments term, its failure to produce detailed plans to improve India's poor infrastructure, streamline the countrys complicated tax rules and remove high government subsidies in order to fulfil the BJP's lofty promises is glaring.

The proposals contained in the Budge for 2015-16 prioritise growth and push back by one year the governments fiscal-consolidation target. Investment in infrastructure and expansion of welfare benefits are particular areas of focus in the budget. In an effort to improve the business environment, a date has been set for the implementation of the goods and services tax. Although the new budget is not revolutionary, it holds out the promise of stronger economic growth, a revival of manufacturing, an easing of business rules and an increase in foreign investment.

However, Finance Minister has argued that the government is on target to achieve this goal, through a reduction in Plan expenditure , and the finance minister has now set out plans to increase infrastructure spending in future in order to boost economic growth, while pushing back by one year, to 2017/18, the governments target of reducing the fiscal deficit to 3% of GDP. Infrastructure and manufacturing receive special attention in the budget. This is a much-needed feature of the governments plans, given that the total value of stalled infrastructure projects in India stood at Rs8.8trn, equivalent to 7% of annual GDP, at the end of 2014. The projected increase in indirect taxes as a share of total tax revenue is a source of concern, given that direct taxes are generally a more reliable source of income and have a less marked distortionary impact on the economy; indirect tax revenue is budgeted at 44.7% of gross tax receipts in 2015/16, up from 43.3% in the current fiscal year.

Long-term growth drivers for India continue to be positive.

**“Demographic dividend”:** Half of India's 1.2-billion population is under the age of 25. By 2020, India will have the world's youngest population, with a median age of 29 years, compared with a median age of 37 in China. This demographic dividend could potentially give India the biggest labor force and make it the largest consumer market in the world.

**Growing middle class:** India's middle class of 250 million already represents one of the biggest consumer markets in the world. This educated, tech-savvy and relatively affluent group is expected to continue its rapid growth in the years ahead.

**Low penetration of goods and services:** Despite the economy's progress over the past quarter-century, the Indian market still has a relatively low penetration of goods and services, which translates into massive untapped potential. For example, in 2009, there were

only 11 passenger cars per 1,000 people in India, compared with 34 in China, 179 in Brazil, 233 in Russia, and 440 in the U.S.

**A functioning democracy:** One of India's greatest strengths is that it is a vibrant and functioning – albeit a trifle chaotic – democracy, where the electorate regularly exercises its constitutional right to kick out non-performing governments. India's army, one of the world's largest, is also staunchly apolitical and has consistently remained aloof from political shenanigans.

**Established companies and institutions:** India has a thriving business sector with dynamic SMEs and large companies that are increasingly expanding overseas, educational institutions that are among the world's best, and competent financial organizations. Raghuram Rajan, who was formerly chief economist at the IMF, currently heads India's central bank, the Reserve Bank of India (RBI).

To conclude this government is amply demonstrating its pro-business, pro-reform, investor friendly and strong development agenda by trying to revive the flagging economy, improve the business climate and set the stage for bolder economic reforms (to put the Indian economy on a high growth trajectory of 7-8% in the medium term and even a higher growth rate in the long term). Modi is wisely initiating consistent and steady 'structural reforms' (rather than rely on 'big bang' reforms to please markets) demonstrative of a sound long-term economic vision, eschewing populism and focusing on improved governance.

#### **Risks and Concerns**

The stock broking industry has recently witnessed intense competition, falling brokerage rates and the entry of several big players. The Company's Subsidiary Company continues to achieve cost efficiencies through the application of technology. However with the availability of financial resources, we are hopeful that the said Company will be able to take the opportunities of the expanding business opportunities.

The Capital market industry in which your Company is operating is subject to extensive regulation. The Company evaluates the technological obsolescence and the associated risk and makes investment accordingly

#### **Internal Control Systems and their adequacy**

The Company has satisfactory internal control system.

The Company including subsidiaries has an adequate system of internal controls to ensure accuracy of accounting records, compliance with all laws & regulations and compliance with all rules, procedures & guidelines prescribed by the management. An extensive internal audit is carried out by independent firm of Chartered Accountants. An internal team of inspection also regularly visits branches for ensuring regulatory compliance. Post audit reviews are also carried out to ensure follow up on the observations made.

#### **Financial Performance with respect to Operational Performance**

##### **Share Capital**

The paid up equity share capital of the Company as on March 31, 2015 stands at Rs. 12,19,80,230 divided into 1,21,98,023 equity shares of Rs. 10/- each fully paid up.

**Net Worth**

The Net Worth of the Company increased from Rs. 15820.05 lacs to 15829.74 lacs.

**Secured Loans**

The secured loans increased to Rs. 6231.20 from Rs.4018.50 lacs.

**Total Income**

During the year under consideration total income was Rs. 8370.41 lacs as against Rs. 3557.17 lacs in the previous year.

**Other Income**

During the year under consideration other income was Rs.23.08 lacs as against Rs. 32.31 lacs in the previous year.

**Interest and Finance Charges**

During the year under consideration total interest and finance charges were Rs.1735.16 lacs as against Rs. 1944.90 lacs in the previous year.

**Tax Expense**

During the year under consideration the Tax Expense were Rs. 467.23 lacs.

**Human Resources**

There has been no material development on the Human Resource/ Industrial Relations front during the year. As on 31<sup>st</sup> March 2015 the Company had 18 employees.

LKP Securities Ltd. places significant importance to its human capital. As on 31<sup>st</sup> March 2015 there are 875 employees employed by the Company. The company has also provided medical insurance for its employees and family members as a welfare measure. The company has been paying special attention to improve the skill set of the employees through various training programs. All employees are encouraged and motivated to get themselves certified in relevant industry standard certifications such as CFP, NCFM, BSEC & AMFI.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2014-15

- No of complaints received: Nil
- No of complaints disposed off: Nil

**For and on behalf of the Board of Directors**

Mumbai  
Date: May 05, 2015

**( M. V. Doshi )**  
*Executive Chairman*

**CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members,

LKP Finance Limited

We have examined the compliance of conditions of corporate governance by LKP Finance Limited for the year ended on 31<sup>st</sup> March, 2015, as stipulated in clause 49 of the listing agreement of the said company with BSE.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the company for ensuring compliance with the conditions of the corporate governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the management, we certify that the company has complied with conditions of corporate governance as stipulated in clause 49 of the above mentioned listing agreement, subject to the following observations:

- The company has not appointed a common independent director on the Board of its subsidiary(ies) as required under clause 49(V)(A) of the listing agreement;*
- The quorum for the Audit Committee meeting held on 29<sup>th</sup> January, 2015 did not have two independent directors as required by clause 49(III)(B) of the listing agreement.*

We state that such compliance is neither an assurance as to future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

**For V.R. Associates**  
*Company Secretaries*

**V. Ramachandran**  
CP 4731

Place: Mumbai  
Date: 5<sup>th</sup> May, 2015.

**Annual Certificate under Clause 49(II)(E) of Listing Agreement****DECLARATION**

In accordance with the Clause 49 of the Listing Agreement with the Stock Exchange, and according to information provided/available, this is to confirm that all members of the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct, as applicable to them, for the financial year ended March 31, 2015.

Mumbai  
May 05, 2015

**(M. V. Doshi)**  
*Executive Chairman*

**CEO/CFO CERTIFICATION**

The Board of Directors  
LKP Finance Limited

A. We have reviewed financial statements and the cash flow statement for the financial year 2014-2015 and certify that these statements to the best of our knowledge and belief :

1. do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit Committee:

1. significant changes in internal control over financial reporting during the year;
2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements.

E. To the best of our knowledge and belief, there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

M. V. Doshi                      S. S. Gulati  
Executive Chairman          Head Corporate Affairs

Mumbai  
May 05, 2015

## Independent Auditor's Report To the Members of LKP Finance Limited

We have audited the accompanying standalone financial statements of LKP Finance Limited ("the Company") which comprise the Balance Sheet as at 31<sup>st</sup> March 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of the financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, and its profit/loss and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), as issued by Central Government of India in terms of sub section (11) of section 143 of Companies Act, 2013 (18 of 2013) we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 ; and
  - e. on the basis of written representations received from the directors as on 31<sup>st</sup> March 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2015, from being appointed as a director in terms of sub section (2) of section 164 of the Companies Act, 2013.
  - f. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed a pending litigations in the Honorable High Court of Mumbai in the matter explained under Note No.C1 of the Notes to financial statements as at 31<sup>st</sup> March, 2015. We are informed that the case when heard and disposed off will neither have cash outgo nor will have impact on the Statement of Profit and Loss for the year;

- ii. As represented by the company, there are no long-term contracts including derivative contracts having material foreseeable losses other than those disclosed in note No.C17 in the Notes to financial statements as at 31<sup>st</sup> March, 2015;
  - iii. As represented by the company, there is no amount required to be transferred to Investor Education and Protection Fund by the Company.
- 5. The Company has not accepted any deposits from the public, within the meaning of Sections 73 to 76 of Companies Act 2013 and the rules framed there under.
  - 6. We are informed by the Company sub section (1) of section 148 of the Act is not applicable.
  - 7. a) According to the information and explanations given to us and records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, value added tax, wealth tax, service tax, custom duty, excise duty, cess and any other material statutory dues as applicable with the appropriate authorities. There are no undisputed statutory dues payable for a period of more than six months from the date they became payable as at 31<sup>st</sup> March, 2015.

**For Ford, Rhodes, Parks & Co.**  
**Chartered Accountants**  
**Firm registration number: 102860W**

**A.D.Shenoy**  
**Partner**

Place : Mumbai  
Date : 5<sup>th</sup> May, 2015

**Membership number: 11549**

#### **Annexure to the Auditors' Report**

**[Referred to in paragraph pertaining to "Report on Other Legal and Regulatory Requirement" of our Report of even date to the members of LKP Finance Limited on the financial statements for the year ended 31<sup>st</sup> March, 2015]**

- 1. a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- b) Fixed Assets have been physically verified by the management during the year and no discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- 2. a) The inventory of stocks held for sale has been verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- b) In our opinion, the procedures of verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. There are no discrepancies noticed on verification of inventory as compared to book records.
- 3. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under-Section 189 of the Companies Act, 2013.
- 4. In our opinion and according to the information and explanations given to us, having regard to the explanation there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventories and fixed asset and for sale of goods and services. Further, on the basis of our examination of the books and records of the company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control system.
- 5. The Company has no accumulated losses as at 31<sup>st</sup> March, 2015 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- 6. According to the information and explanations given to us and records of the Company examined by us, there are no dues of income tax, wealth tax, service tax, customs duty and cess as at 31<sup>st</sup> March 2015, which has not been deposited on account of dispute.
- 7. According to the information and explanations given to us and records of the Company examined by us, in our opinion, there are no amounts payable to investor education and protection fund in accordance with the relevant provisions of Companies Act, 1956 (1 of 1956) and rules there under.
- 8. The Company has not obtained any term loans except a car loan. The balance outstanding as at 31<sup>st</sup> March, 2015 is Rs.6,09,406/- (Previous Year Rs.15,75,092)
- 9. Based on the audit procedures performed and information and explanations given by the management, we report that we have not come across any instances of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by management.
- 10. According to the information and explanations given to us and records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, value added tax, wealth tax, service tax, custom duty, excise duty, cess and any other material statutory dues as applicable with the appropriate authorities. There are no undisputed statutory dues payable for a period of more than six months from the date they became payable as at 31<sup>st</sup> March, 2015.
- 11. According to the information and explanations given to us and records of the Company examined by us, there are no dues of income tax, wealth tax, service tax, customs duty and cess as at 31<sup>st</sup> March 2015, which has not been deposited on account of dispute.
- 12. According to the information and explanations given to us and records of the Company examined by us, in our opinion, there are no amounts payable to investor education and protection fund in accordance with the relevant provisions of Companies Act, 1956 (1 of 1956) and rules there under.

**For Ford, Rhodes, Parks & Co.**  
**Chartered Accountants**  
**Firm registration number: 102860W**

**A.D.Shenoy**  
**Partner**

Place : Mumbai  
Date : 5<sup>th</sup> May, 2015

**Membership number: 11549**

**BALANCE SHEET AS AT 31ST MARCH, 2015**

| Particulars                        | Note No. | (Rupees)             |                      |
|------------------------------------|----------|----------------------|----------------------|
|                                    |          | As at 31.03.2015     | As at 31.03.2014     |
| <b>I. EQUITY AND LIABILITIES :</b> |          |                      |                      |
| <b>1 Shareholders' funds</b>       |          |                      |                      |
| (a) Share capital                  | B01      | 121,980,230          | 121,980,230          |
| (b) Reserves and surplus           | B02      | 1,460,993,917        | 1,460,024,775        |
| <b>2 Non-current liabilities</b>   |          |                      |                      |
| (a) Long-term borrowings           | B03      | -                    | 1,572,092            |
| (b) Long-term provisions           | B04      | 3,862,341            | 3,862,341            |
| (c) Deferred tax liability         |          | -                    | 131,822              |
| <b>3 Current liabilities</b>       |          |                      |                      |
| (a) Short-term borrowings          | B05      | 1,063,160,541        | 790,691,548          |
| (b) Trade payables                 | B06      | 41,118,230           | 29,747,330           |
| (c) Other current liabilities      | B07      | 64,999,139           | 14,922,284           |
| (d) Short-term provisions          | B08      | 29,273,819           | 28,353,695           |
| <b>TOTAL</b>                       |          | <u>2,785,388,217</u> | <u>2,451,286,117</u> |
| <b>II. ASSETS :</b>                |          |                      |                      |
| <b>1 Non-current assets</b>        |          |                      |                      |
| (a) Fixed assets (Tangible Assets) | B09      | 5,785,233            | 7,624,150            |
| (b) Non-current investments        | B10      | 706,415,152          | 368,444,230          |
| (c) Deferred tax asset             |          | 145,112              | -                    |
| (d) Long-term loans and advances   | B11      | 385,000              | 385,000              |
| <b>2 Current assets</b>            |          |                      |                      |
| (a) Inventories (Securities)       |          | 399,361,447          | 293,261,883          |
| (b) Trade receivables              | B12      | 115,435,189          | 3,789,972            |
| (c) Cash and cash equivalents      | B13      | 301,035,514          | 237,019,442          |
| (d) Short-term loans and advances  | B14      | 1,256,825,570        | 1,540,761,440        |
| <b>TOTAL</b>                       |          | <u>2,785,388,217</u> | <u>2,451,286,117</u> |

Notes forming part of the Accounts

A1 to C20

As per our Report attached.

**For FORD, RHODES, PARKS & CO.,**  
 Chartered Accountants  
 Firm Registration No.102860W

**A. D. Shenoy**  
 Partner  
 Membership No 11549

 Mumbai  
 Dated : 5th May, 2015

For and on behalf of the Board

|   |                       |
|---|-----------------------|
| <b>Executive Chairman</b>                 | <b>M. V. Doshi</b>    |
| <b>Director</b>                           | <b>V. N. Suchanti</b> |
| <b>Director</b>                           | <b>Sayanta Basu</b>   |
| <b>Head -Corporate Affairs</b>            | <b>S S Gulati</b>     |
| <b>GM (Legal) &amp; Company Secretary</b> | <b>G B Innani</b>     |

 Mumbai  
 Dated : 5th May, 2015



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015**

| Particulars                                | Note No.  | (Rupees)                  |                    |
|--|-----------|---------------------------|--------------------|
|  |           | As at 31.03.2015          | As at 31.03.2014   |
| <b>I. Revenue from operations</b>          | B15       | <b>834,733,642</b>        | 352,485,449        |
| <b>II. Other income</b>                    | B16       | <b>2,307,842</b>          | 3,231,142          |
| <b>III. Total Revenue</b>                  |           | <b><u>837,041,484</u></b> | <u>355,716,591</u> |
| <b>IV. Expenses:</b>                       |           |                           |                    |
| Employee benefits expense                  | B17       | <b>56,926,321</b>         | 50,678,423         |
| Finance costs                              |           | <b>173,516,569</b>        | 194,490,307        |
| Depreciation                               |           | <b>1,082,398</b>          | 1,574,568          |
| Other expenses                             | B18       | <b>381,424,547</b>        | 38,209,040         |
| Provision for standard assets              |           | -                         | -                  |
| <b>V Total Expenses</b>                    |           | <b><u>612,949,835</u></b> | <u>284,952,338</u> |
| <b>VI. Profit before tax</b>               |           | <b>224,091,649</b>        | 70,764,252         |
| <b>VII. Tax expense (Net) for the year</b> |           | <b>46,723,068</b>         | (4,005,191)        |
| <b>VIII. Profit after tax</b>              |           | <b>177,368,581</b>        | 74,769,442         |
| <b>IX Earnings per equity share:</b>       |           |                           |                    |
| (1) Basic                                  |           | <b>14.54</b>              | 6.12               |
| (2) Diluted                                |           | <b>13.52</b>              | 5.73               |
| Notes forming part of the Accounts         | A1 to C20 |                           |                    |

As per our Report attached.

**For FORD, RHODES, PARKS & CO.,**  
*Chartered Accountants*  
*Firm Registration No.102860W*
**A. D. Shenoy**  
*Partner*  
 Membership No 11549

 Mumbai  
 Dated : 5th May, 2015

For and on behalf of the Board

**Executive Chairman**
**M. V. Doshi**
**Director**
**V. N. Suchanti**
**Director**
**Sayanta Basu**
**Head -Corporate Affairs**
**S S Gulati**
**GM (Legal) & Company Secretary**
**G B Innani**

Mumbai

Dated : 5th May, 2015

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015**

|  | Current Year      | (Rs In Lacs)<br>Previous Year |
|--|-------------------|-------------------------------|
| <b>A. Cash Flow From Operating Activities:</b>       |                   |                               |
| Net Profit before interest & tax                     | 3,976.08          | 2,652.54                      |
| Adjustments for:                                     |                   |                               |
| Depreciation   | 10.82             | 15.75                         |
| Diminution in Value of Investment                    | 0.00              | (38.93)                       |
| Employee Stock Compensation Expenses                 | 0.00              | 0.32                          |
| Dividend Received                                    | (66.21)           | (48.20)                       |
| Profit on sale of investments                        | (6,361.59)        | (46.26)                       |
| Irrecoverable loans written off & provision for NPAs | 3,471.58          | 0.00                          |
|  | <u>(2,945.39)</u> | <u>(117.32)</u>               |
| Operating Profit before Working Capital Changes      | 1,030.69          | 2,535.22                      |
| Adjustments for working capital changes              | <u>(2,185.99)</u> | <u>5,519.82</u>               |
| Cash Generated from operations                       | <u>(1,155.30)</u> | <u>8,055.04</u>               |
| Interest paid  | (1,735.17)        | (1,944.90)                    |
| Direct taxes paid                                    | (470.00)          | (178.24)                      |
| <b>Net cash used in operating activities</b>         | <u>(3,360.47)</u> | <u>5,931.89</u>               |
| <b>B Cash flow from investing activities</b>         |                   |                               |
| Purchase of fixed assets                             | 0.00              | (8.90)                        |
| Purchase of Investments                              | (4,937.38)        | (19.40)                       |
| Sale of Investments                                  | 7,919.26          | 444.65                        |
| Dividend received                                    | 66.21             | 48.20                         |
| <b>Net cash from investing activities</b>            | <u>3,048.09</u>   | <u>464.55</u>                 |
| <b>C Cash flow from financing activities</b>         |                   |                               |
| Increase / ( Decrease )in borrowings                 | 2,708.97          | (6,248.56)                    |
| Buyback of Shares                                    | 0.00              | (92.76)                       |
| Dividend (including tax)                             | (1,756.43)        | (283.54)                      |
| <b>Net cash from financing activities</b>            | <u>952.54</u>     | <u>(6,624.86)</u>             |
| Net increase in cash and cash equivalents            | 640.16            | (228.42)                      |
| Cash and cash equivalents. (opening)                 | 2,370.19          | 2,598.61                      |
| Cash and cash equivalents. (closing)                 | 3,010.36          | 2,370.19                      |

As per our Report attached.

**For FORD, RHODES, PARKS & CO.,**  
 Chartered Accountants  
 Firm Registration No.102860W

**A. D. Shenoy**  
 Partner  
 Membership No 11549

 Mumbai  
 Dated : 5th May, 2015

For and on behalf of the Board

**Executive Chairman**
**M. V. Doshi**
**Director**
**V. N. Suchanti**
**Director**
**Sayanta Basu**
**Head -Corporate Affairs**
**S S Gulati**
**GM (Legal) & Company Secretary**
**G B Innani**

Mumbai

Dated : 5th May, 2015

**Notes to financial statements for the year ended 31st March, 2015**

**A. SIGNIFICANT ACCOUNTING POLICIES**

**1. Basis of Accounting**

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. The financial statements are prepared in accordance with the accounting standards notified by the Central Government, in terms of section 133 of the Companies Act, 2013 read with Rule 7 and guidelines issued by the Securities and Exchange Board of India (SEBI) and the guidelines issued by the Reserve Bank of India ('RBI') as applicable to a Non Banking Finance Company ('NBFC'). The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

**2. Use of Estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statement and the reported amount of revenues and expenses during the reporting periods. Difference between the actual results and estimates are recognized in the period in which the results are known materialized.

**3. Revenue Recognition**

The Company follows the practice of accounting for Income on accrual basis except dividend. In respect of loans and advances, interest is accrued on standard advances and on others are accounted on the basis of certainty of collection, and/or receipt basis.

**4. Fixed Assets & Depreciation**

All Fixed Assets are capitalized at cost inclusive of legal and/or installation and incidental expenses, less accumulated depreciation.

The Company provides depreciation on straight line basis on the basis of useful lives of assets as specified in Schedule II to the Companies Act, 2013.

Depreciation on assets sold / purchased during the year is proportionately charged.

**Impairment of Assets**

Impairment losses, if any, are recognized in accordance with the Accounting Standard. Where there is an indication that an asset is impaired, the recoverable amount, if any, is estimated and the impairment loss is recognized to the extent carrying amount exceeds recoverable amount and the same is charged to the Statement of Profit & Loss.

**5. Inventories**

- a) The securities acquired with the intention of short term holding and trading positions are considered as inventories and disclosed as current assets.
- b) The securities held as inventories under current assets are valued at lower of cost or market value. In case of units of mutual fund, net asset value of units declared by the mutual funds as at 31<sup>st</sup> March, 2015 is considered as market value.

**6. Non Current Investments**

Securities which are intended to be held for more than one year are classified as Non Current- Long Term Investments. Investments

are capitalized and accounted at the cost plus brokerage and stamp charges. Provision for diminution in value is made in case the same is other than temporary. Profit or loss on these investments are accounted as and when realized

**7. Earning Per Share**

The Company reports basic and diluted earnings per share in accordance with the Accounting Standard. Basic earning per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share the net profit after tax and the weighted average number of shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares.

**8. Taxes on Income**

- a) Current Tax: Provision for current tax is made on the estimated taxable income at the rate applicable to the relevant assessment year.
- b) Minimum Alternative Tax : In the event the income tax liability as per normal provisions of the Income Tax Act, 1961 is lower than the tax payable as per section 115J ( Minimum Alternative Tax ), tax is provided as per Section 115J.
- c) Deferred Tax : In accordance with the Accounting Standard, the deferred tax for the timing difference is measured using the tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date.

Deferred tax assets arising from timing difference are recognized only on the consideration of prudence.

**9. Employee Benefits**

Short Term Employee Benefits: (i.e. benefits payable within one year) are recognized in the period in which employee services are rendered.

Contributions towards Provident Fund are recognized as expense. Provident Fund contributions in respect of all employees are made to Provident Fund Authorities.

Liability towards Gratuity covering eligible employees is contributed to Group Gratuity Scheme of Life Insurance Corporation of India based on the annual premium payable to them.

Contribution to Central Government Employees State Insurance Scheme for eligible employees is recognized as charge for the year

**10. Derivative Transactions.**

- a. **Equity & Commodity Futures** :Gains/Losses on futures transactions are recognized on continuous basis.
- b. **Options Contracts** : Gains / Losses on options contract are recognized on squaring off/settlement day.

**11. a.** Contingent Liabilities are disclosed by way of a note to the financial statements after careful evaluation by the management of the facts and legal aspects of the matters involved.

**b.** Contingent Assets are neither recognized nor disclosed.

**Notes to financial statements for the year ended 31st March, 2015**
**B01. Share Capital**

(Rupees)

| Particulars   | As at 31 March 2015 |                    | As at 31 March 2014 |                    |
|---|---------------------|--------------------|---------------------|--------------------|
|   | Number              | Amount             | Number              | Amount             |
| <b>Authorised</b>                                       |                     |                    |                     |                    |
| Redemable Cumulative Preference Shares of Rs 100/- each | 1,000,000           | 100,000,000        | 1,000,000           | 100,000,000        |
| Equity Shares of Rs 10/- each                           | 20,000,000          | 200,000,000        | 20,000,000          | 200,000,000        |
|   |                     | <u>300,000,000</u> |                     | <u>300,000,000</u> |
| <b>Issued, Subscribed &amp; Paid up</b>                 |                     |                    |                     |                    |
| Equity Shares of Rs 10/- each                           | 12,198,023          | 121,980,230        | 12,198,023          | 121,980,230        |
| <b>Total</b>  | <u>12,198,023</u>   | <u>121,980,230</u> | <u>12,198,023</u>   | <u>121,980,230</u> |

The Equity Shares are listed on the BSE Ltd.

| Particulars                                     | Equity Shares |             |
|---|---------------|-------------|
|   | Number        | Rupees      |
| Shares outstanding at the beginning of the year | 12,198,023    | 121,980,230 |
| Shares Issued during the year                   | -             | -           |
| Shares bought back during the year              | -             | -           |
| Shares outstanding at the end of the year       | 12,198,023    | 121,980,230 |

| Name of Shareholder             | As at 31 March 2015 |              | As at 31 March 2014 |              |
|---------------------------------|---------------------|--------------|---------------------|--------------|
|                                 | No. of Shares held  | % of Holding | No. of Shares held  | % of Holding |
| Mr Mahendra V Doshi             | 4,382,886           | 35.93        | 4,382,886           | 35.93        |
| Prasu Leasing & Finance Pvt Ltd | -                   | -            | 1,777,700           | 14.57        |
| Agrud Capital Pte Ltd           | 727,489             | 5.96         | 727,489             | 5.96         |
| India Max Investment Fund Ltd   | 818,508             | 6.71         | 818,508             | 6.71         |
| Sea Glimpse Investments Pvt Ltd | 2,547,515           | 20.89        | -                   | -            |

| Particulars  | Year (Aggregate No. of Shares) |           |           |           |         |
|--|--------------------------------|-----------|-----------|-----------|---------|
|  | 2014-2015                      | 2013-2014 | 2012-2013 | 2011-2012 | 2010-11 |
| <b>Equity Shares :</b>   |                                |           |           |           |         |
| Fully paid up pursuant to contract(s) without payment being received in cash | -                              | -         | -         | -         | -       |
| Fully paid up by way of bonus shares   | -                              | -         | -         | -         | -       |
| Shares bought back   | -                              | 145,971   | 733,495   | 0         | 361,263 |

**B02. Reserves and Surplus**

(Rupees)

| Particulars  | As at 31 March 2015                                  | As at 31 March 2014 |
|--|--|---------------------|
|  | <b>A. Break up of Reserves and movements thereon</b> |                     |
| <b>a. Capital Reserves - Share Warrants moneys forfeited</b> |  |                     |
| Opening Balance  | 19,400,000   | 19,400,000          |
| (+) Current Year Transfer                                    | -  | -                   |
| (-) Written Back in Current Year                             | -  | -                   |
| Closing Balance  | <u>19,400,000</u>                                    | <u>19,400,000</u>   |

| Particulars   | As at 31 March 2015         | As at 31 March 2014         |
|---|-----------------------------|-----------------------------|
| <b>b. Capital Redemption Reserve on account of buyback of Equity shares</b> |                             |                             |
| Opening Balance   | 13,294,660                  | 11,834,950                  |
| (+) Current Year Transfer   | -                           | 1,459,710                   |
| (-) Written Back in Current Year  | -                           | -                           |
| Closing Balance   | <u>13,294,660</u>           | <u>13,294,660</u>           |
| <b>c. Securities Premium Account</b>  |                             |                             |
| Balance as per last balance sheet   | 229,870,249                 | 237,687,075                 |
| Less :Amount paid in excess of face value on buy back                       | -                           | 7,816,826                   |
| Closing Balance   | <u>229,870,249</u>          | <u>229,870,249</u>          |
| <b>d. Special Reserve Fund- As per RBI guidelines for NBFCs</b>             |                             |                             |
| Opening Balance   | 299,671,495                 | 284,717,606                 |
| (+) Current Year Transfer   | 35,473,716                  | 14,953,889                  |
| (-) Written Back in Current Year  | -                           | -                           |
| Closing Balance   | <u>335,145,211</u>          | <u>299,671,495</u>          |
| <b>e. General Reserve</b>   |                             |                             |
| Opening Balance   | 650,793,951                 | 640,793,951                 |
| (+) Current Year Transfer   | 100,000,000                 | 10,000,000                  |
| (-) Written Back in Current Year  | 756,520                     | -                           |
| Closing Balance   | <u>750,037,431</u>          | <u>650,793,951</u>          |
| <b>f. Employees Stock Options (ESOPs)</b>                                   |                             |                             |
| Opening Balance   | 1,747,202                   | 6,692,785                   |
| (+) Current Year Transfer   | -                           | -                           |
| (-) Deferred Employees Compensation   | -                           | 4,945,583                   |
| (-) Written Back in Current Year  | -                           | -                           |
| Closing Balance   | <u>1,747,202</u>            | <u>1,747,202</u>            |
| <b>B. Surplus</b>   |                             |                             |
| Opening balance   | 245,247,218                 | 225,059,517                 |
| (+) Net Profit for the year   | 177,368,581                 | 74,769,443                  |
| (-) Transfer to Capital Redemption Reserve                                  | -                           | 1,459,710                   |
| (-) Transfer to Special Reserve Fund  | 35,473,716                  | 14,953,889                  |
| (-) Transfer to General Reserve   | 100,000,000                 | 10,000,000                  |
| (-) Proposed Dividend   | 24,396,046                  | 24,396,046                  |
| (-) Tax on Proposed Dividend  | 4,877,773                   | 3,957,649                   |
| (-) Interim Dividend Paid   | 121,980,230                 | -                           |
| (-) Tax on Interim Dividend   | 24,388,870                  | -                           |
| (+) Excess Provision for Dividend and DDT of earlier year written back      | -                           | 185,552                     |
| Closing Balance   | <u>111,499,164</u>          | <u>245,247,218</u>          |
| <b>Total</b>  | <u><u>1,460,993,917</u></u> | <u><u>1,460,024,775</u></u> |

**B03. Long Term Borrowings**

| Particulars                           | As at 31 March 2015 | As at 31 March 2014     |
|---------------------------------------|---------------------|-------------------------|
| <b>Secured</b>                        |                     |                         |
| From others                           | -                   | 1,572,092               |
| (Secured by Hypothecation of vehicle) | -                   | -                       |
| <b>Total</b>                          | <u><u>-</u></u>     | <u><u>1,572,092</u></u> |

**B04. Long Term Provisions**

| Particulars                                   | As at 31 March 2015 | As at 31 March 2014 |
|---|---------------------|---------------------|
| Contingent Provisions against standard assets | <b>3,862,341</b>    | 3,862,341           |
| <b>Total</b>                                  | <b>3,862,341</b>    | 3,862,341           |

**B05. Short Term Borrowings**
**Secured**

|   |                    |             |
|---|--------------------|-------------|
| (a) From banks.   | <b>314,127,765</b> | 231,280,511 |
| (Secured by pledge of Fixed Deposit Receipts and Securities. Loan is repayable on demand) |                    |             |
| (b) From Corporate  | <b>308,382,501</b> | 168,998,274 |
| (Secured by pledge of own and third party securities. Loan is repayable on demand)        |                    |             |
| (c) Loans from Corporates   | <b>609,406</b>     | -           |
| (Secured by Hypothecation of vehicle)   |                    |             |

**Unsecured**

|              |                      |             |
|--------------|----------------------|-------------|
| <b>Total</b> | <b>440,040,869</b>   | 390,412,763 |
|              | <b>1,063,160,541</b> | 790,691,548 |

**B06. Trade Payables**

|   |                   |            |
|---|-------------------|------------|
| (a) Trade Payables:<br>Sundry Creditors | <b>41,118,230</b> | 29,747,330 |
| <b>Total</b>                            | <b>41,118,230</b> | 29,747,330 |

**B07. Other Current Liabilities**

|                      |                   |            |
|----------------------|-------------------|------------|
| (a) Statutory Dues   | <b>10,487,016</b> | 8,797,468  |
| (b) Unpaid dividends | <b>7,130,814</b>  | 4,770,072  |
| (c) Other payables   | <b>47,381,309</b> | 1,354,744  |
| <b>Total</b>         | <b>64,999,139</b> | 14,922,284 |

**B08. Short Term Provisions**

|                                    |                   |            |
|------------------------------------|-------------------|------------|
| Proposed Dividend                  | <b>24,396,046</b> | 24,396,046 |
| Dividend Distribution Tax on above | <b>4,877,773</b>  | 3,957,649  |
| <b>Total</b>                       | <b>29,273,819</b> | 28,353,695 |

**B09. Fixed Assets**

| Particulars            | Gross Block                |                          |                             | Accumulated Depreciation   |                                  |             | Net Block                   |                             |                             |
|------------------------|----------------------------|--------------------------|-----------------------------|----------------------------|----------------------------------|-------------|-----------------------------|-----------------------------|-----------------------------|
|                        | Balance as at 1 April 2014 | Additions / (Deductions) | Balance as at 31 March 2015 | Balance as at 1 April 2014 | Depreciation charge for the year | Adjustments | Balance as at 31 March 2015 | Balance as at 31 March 2015 | Balance as at 31 March 2014 |
| <b>Tangible Assets</b> |                            |                          |                             |                            |                                  |             |                             |                             |                             |
| Buildings              | 11,988,467                 |                          | <b>11,988,467</b>           | 9,128,276                  | 93,815                           | 756,520     | <b>9,978,611</b>            | <b>2,009,856</b>            | 2,860,191                   |
| Furniture and Fixtures | 125,000                    |                          | <b>125,000</b>              | 113,597                    | 5,153                            |             | <b>118,750</b>              | <b>6,250</b>                | 11,403                      |
| Vehicles               | 6,520,661                  | -                        | <b>6,520,661</b>            | 2,706,535                  | 680,620                          |             | <b>3,387,155</b>            | <b>3,133,506</b>            | 3,814,126                   |
| Office Equipments      | 550,000                    |                          | <b>550,000</b>              | 431,416                    | 91,084                           |             | <b>522,500</b>              | <b>27,500</b>               | 118,584                     |
| Computer               | 37,000                     | -                        | <b>37,000</b>               | 6,244                      | 14,453                           |             | <b>20,697</b>               | <b>16,303</b>               | 30,756                      |
| Lease Hold Improvement | 852,750                    |                          | <b>852,750</b>              | 63,659                     | 197,273                          |             | <b>260,932</b>              | <b>591,818</b>              | 789,091                     |
| <b>Total</b>           | 20,073,878                 | -                        | <b>20,073,878</b>           | 12,449,728                 | 1,082,398                        | 756,520     | <b>14,288,645</b>           | <b>5,785,233</b>            | 7,624,151                   |
| <b>Previous Year</b>   | 19,184,128                 | 889,750                  | <b>20,073,878</b>           | 10,875,160                 | 1,574,568                        | -           | <b>12,449,728</b>           | <b>7,624,151</b>            | -                           |

Note : Cost of Buildings includes cost of shares of Rs 250/- in Embassy Centre Premises Co-operative Society Ltd.

**B10. Non Current Investments**

| Particulars   | As at 31 March 2015 | As at 31 March 2014 |
|---|---------------------|---------------------|
| <b>Investments</b>  |                     |                     |
| (a) Investment in Equity instruments  | 416,400,417         | 189,063,541         |
| (b) Investments in Preference shares  | 290,000,000         | 179,365,954         |
| (c) Investments in Debentures and bonds   | -                   | -                   |
| (d) Investments in Mutual Funds   | 14,735              | 14,735              |
| <b>Total</b>  | <b>706,415,152</b>  | <b>368,444,230</b>  |
| Less : Provision for diminution in the value of quoted Investments  | -                   | -                   |
| <b>Total</b>  | <b>706,415,152</b>  | <b>368,444,230</b>  |
| Aggregate amount of quoted investments<br>(Market value Rs.56,81,07,784/- (Previous Year Rs 7,38,23,169/-)) | <b>275,808,151</b>  | <b>72,837,229</b>   |
| Aggregate amount of unquoted investments  | <b>430,607,000</b>  | <b>295,607,000</b>  |

**Details of Investments in Securities**

| Sr. No.                                   | Name of the Body Corporate                               | Subsidiary / Others | No. of Shares / Units |                 | Quoted / Unquoted | Partly Paid / Fully paid | Amount             |                    |
|---|--|---------------------|-----------------------|-----------------|-------------------|--------------------------|--------------------|--------------------|
|   |  |                     | 31st March 2015       | 31st March 2014 |                   |                          | 31st March 2015    | 31st March 2014    |
| <b>a Investment in Equity Instruments</b> |  |                     |                       |                 |                   |                          |                    |                    |
|   | City Union Bank Limited                                  | Others              | 92,417                | 92,417          | Quoted            | Fully paid               | 2,671,688          | 2,671,688          |
|   | D S Kulkarni Developers Ltd                              | Others              | 0                     | 583             | Quoted            | Fully paid               | 0                  | 64,130             |
|   | JSW Steel Ltd  | Others              | 0                     | 47              | Quoted            | Fully paid               | 0                  | 1,280              |
|   | Maharashtra Polybutane Ltd                               | Others              | 300,000               | 300,000         | Quoted            | Fully paid               | 666,189            | 666,189            |
|   | Manganese Ore India Limited                              | Others              | 0                     | 3,406           | Quoted            | Fully paid               | 0                  | 1,277,250          |
|   | Mercator Lines Limited                                   | Others              | 3,071,942             | 1,341,942       | Quoted            | Fully paid               | 55,475,813         | 35,057,251         |
|   | McDowell Holdings Ltd                                    | Others              | 309,308               | 0               | Quoted            | Fully paid               | 10,346,353         | 0                  |
|   | NHPC Ltd   | Others              | 131,910               | 131,910         | Quoted            | Fully paid               | 3,050,198          | 3,050,198          |
|   | Nilkamal Ltd   | Others              | 95,000                | 0               | Quoted            | Fully paid               | 40,745,500         | 0                  |
|   | South Indian Bank Limited                                | Others              | 1,000,000             | 1,000,000       | Quoted            | Fully paid               | 20,647,019         | 20,647,019         |
|   | Shree Cements  | Others              | 500                   | 0               | Quoted            | Fully paid               | 5,744,325          | 0                  |
|   | Tata Motors Ltd  | Others              | 0                     | 40              | Quoted            | Fully paid               | 0                  | 3,061              |
|   | Thomas Cook (India) Ltd                                  | Others              | 440                   | 440             | Quoted            | Fully paid               | 18,474             | 18,474             |
| ***                                       | Thomas Cook (India) Ltd                                  | Others              | 1,148,500             | 0               | Quoted            | Fully paid               | 2,101,424          | 0                  |
|   | Sterling Holiday Resorts (India) Ltd                     | Others              | 705,000               | 0               | Quoted            | Fully paid               | 120,635,233        | 0                  |
|   | Suzlon Energy  | Others              | 500,000               | 0               | Quoted            | Fully paid               | 13,691,200         | 0                  |
|   | Business India   | Others              | 500,000               | 0               | Quoted            | Fully paid               | 15,000,000         | 0                  |
|   | Gayatri Cement & Chemicals Industries Pvt.Ltd            | Subsidiary          | 21,000                | 21,000          | Unquoted          | Fully paid               | 16,400,000         | 16,400,000         |
|   | LKP Securities Ltd.                                      | Subsidiary          | 26,192,350            | 26,192,350      | Unquoted          | Fully paid               | 107,940,450        | 107,940,450        |
|   | The Hindustan Times Ltd.                                 | Others              | 5,600                 | 5,600           | Unquoted          | Fully paid               | 1,256,500          | 1,256,500          |
|   | The Saraswat Co-op Bank Ltd.                             | Others              | 1,005                 | 1,005           | Unquoted          | Fully paid               | 10,050             | 10,050             |
|   |  |                     |                       |                 |                   |                          | <b>416,400,416</b> | <b>189,063,540</b> |
| <b>b Investments in Preference Shares</b> |  |                     |                       |                 |                   |                          |                    |                    |
| ***                                       | Thomas Cook (India) Ltd 0.001% Class B Preference Shares | Others              | -                     | 319,765         | Quoted            | Fully paid               | -                  | 5,062,680          |
| ***                                       | Thomas Cook (India) Ltd 0.001% Class C Preference Shares | Others              | -                     | 271,800         | Quoted            | Fully paid               | -                  | 4,303,274          |
|   | LKP Securities Ltd-Preference Shares                     | Subsidiary          | 2,900,000             | 1,700,000       | Unquoted          | Fully paid               | 290,000,000        | 170,000,000        |
|   |  |                     |                       |                 |                   |                          | <b>290,000,000</b> | <b>179,365,954</b> |
| <b>c Investments in Mutual Funds</b>      |  |                     |                       |                 |                   |                          |                    |                    |
|   | BenchMark Mutual Fund.                                   | Others              | 147,342               | 147,342         | Quoted            | Fully paid               | 14,735             | 14,735             |
|   | Total  |                     |                       |                 |                   |                          | <b>706,415,151</b> | <b>368,444,230</b> |

1) The Company holds 99.81% of Equity Share capital &amp; 100.00% of Preference Share Capital of LKP Securities Ltd

2) The Company holds 100% of Equity Share Capital of Gayatri Cement &amp; Chemical Industries Pvt Ltd.

\*\*\* 3) Class B &amp; C Preference Shares of Thomas cook (India) Ltd were converted into 51,40,000 Equity Shares.

**B11. Long Term Loans & Advances**

| Particulars       | As at 31 March 2015 | As at 31 March 2014 |
|-------------------|---------------------|---------------------|
| Security Deposits | 385,000             | 385,000             |
| Total             | <u>385,000</u>      | <u>385,000</u>      |

**B12. Trade Receivables**

|   |                    |                  |
|---|--------------------|------------------|
| Trade receivables outstanding for a period less than six months |                    |                  |
| Unsecured   | 115,435,189        | 3,789,972        |
| Total   | <u>115,435,189</u> | <u>3,789,972</u> |

**B13. Cash and cash equivalents**

|   |                    |                    |
|---|--------------------|--------------------|
| a. Balances with banks  |                    |                    |
| In unpaid dividend accounts   | 7,130,814          | 4,770,072          |
| In Current Accounts   | 40,897,516         | 29,241,885         |
| In FDRs with Bank - more than 12 months maturity                                  | 100,000,000        | -                  |
| In FDRs with Bank - less than 12 months maturity<br>(bank has a lien on the FDRs) | 153,000,000        | 203,000,000        |
| b. Cash on hand   | 7,184              | 7,484              |
| Total   | <u>301,035,514</u> | <u>237,019,442</u> |

**B14. Short term loans and advances**

|   |                      |                      |
|---|----------------------|----------------------|
| Secured   | 672,217,466          | 1,048,588,840        |
| Unsecured, considered good [including due from<br>Subsidiaries Rs 2,61,23,434/- & net of provision for NPAs Rs.4,12,55,883/-]<br>Advance Tax net of provision for tax | 546,008,151          | 440,361,878          |
| Total   | <u>38,599,953</u>    | 51,810,722           |
| Total   | <u>1,256,825,570</u> | <u>1,540,761,440</u> |

**B15. Revenue from Operations**

|                                       |                    | Previous Year      |
|---------------------------------------|--------------------|--------------------|
| Interest Income                       | 131,296,227        | 242,647,557        |
| Dividend                              | 6,621,259          | 4,819,822          |
| Profit on sale of shares & securities | 688,843,715        | 92,000,193         |
| Income from F&O                       | 7,972,441          | 6,334,206          |
| Income from Services                  | -                  | 6,683,671          |
| Total                                 | <u>834,733,642</u> | <u>352,485,449</u> |

**B16. Other Income**

|   |                  |                  |
|---|------------------|------------------|
| Rent Income                                       | -                | 200,000          |
| Miscellaneous Income                              | 2,307,842        | 110,359          |
| Insurance Claim received.                         | -                | 1,481,515        |
| Excess Provision for Standard Assets Written back | -                | 1,439,268        |
| Total   | <u>2,307,842</u> | <u>3,231,142</u> |

**B17. Employee Benefits Expenses**

|   |                   |                   |
|---|-------------------|-------------------|
| (a) Salaries and allowances                                 | 55,807,881        | 49,597,507        |
| (b) Contribution to Provident fund & ESIC                   | 266,778           | 454,528           |
| (c) Contribution to LIC Group Gratuity Fund                 | 85,219            | 411,287           |
| (d) ESOP compensation expenses written off / (written back) | -                 | 31,912            |
| (e) Staff welfare expenses                                  | 766,443           | 183,189           |
| Total   | <u>56,926,321</u> | <u>50,678,423</u> |



**B18. Other Expenses**

| Particulars   | Current Year       | Previous Year     |
|---|--------------------|-------------------|
| Rent, Rates & Taxes   | 1,082,590          | 816,142           |
| Repairs - Others  | 102,019            | 56,327            |
| Advertisement   | 124,108            | 58,267            |
| Directors Fees  | 150,000            | 115,000           |
| Travelling & Conveyance   | 1,613,451          | 2,942,556         |
| Postage, Telegram & Telephones                                    | 760,836            | 557,454           |
| Legal and Professional Charges                                    | 21,141,700         | 11,730,981        |
| Printing & Stationery   | 208,150            | 146,584           |
| Auditors Remuneration :   |                    |                   |
| Audit fees  | 300,000            | 300,000           |
| Tax audit fees  | 25,000             | 25,000            |
| Commission Expenses   | -                  | 609,021           |
| CSR Expenses  | 1,750,000          | -                 |
| Provision for Diminution in value of investments / (written back) | -                  | (3,892,577)       |
| Irrecoverable loans written off                                   | 332,542,066        | -                 |
| Provision for NPAs (Net)  | 14,616,460         | 16,316,155        |
| Miscellaneous Expenses  | 7,008,167          | 8,428,131         |
| Total   | <u>381,424,547</u> | <u>38,209,040</u> |

**Notes to financial statements for the year ended 31st March, 2015**
**C. Notes :**
**1. Contingent Liabilities:**

- (a) Guarantee given to a Bank on behalf of a Subsidiary – Rs 8 crores. (Previous Year Rs 8 crores)
- (b) Claim against the Company not acknowledged as debt Rs. 33.99 Lacs , against which the company has deposited full amount in the Honorable High Court of Mumbai. The matter is pending.
2. The company has contributed towards its gratuity liability for employees to Life Insurance Corporation of India - Group Gratuity Scheme based on the annual contribution as intimated by Life Insurance Corporation of India.

**I) Reconciliation of opening and closing balances of the present value of the obligation**

|   | 31.03.2015<br>Rs. in lacs | 31.03.2014<br>Rs. in lacs |
|---|---------------------------|---------------------------|
| a. Present value of obligation at the beginning of the year | 63.32                     | 53.94                     |
| b. Current service cost                                     | 5.07                      | 4.32                      |
| c. Interest Cost  | 3.65                      | 3.27                      |
| d. Benefits paid  | (16.50)                   | (2.15)                    |
| e. Actuarial (Gain)/Loss                                    | 16.02                     | 3.94                      |
| f. Present value of the obligation at the end of the year   | 71.56                     | 63.32                     |

**II) Reconciliation of opening and closing balances of the fair value of Plan Assets**

|   | 31.03.2015<br>Rs. in lacs | 31.03.2014<br>Rs. in lacs |
|---|---------------------------|---------------------------|
| a. Fair value of Plan Assets at the beginning of the year | 71.60                     | 63.60                     |
| b. Expected return on Plan Assets                         | 8.48                      | 5.69                      |
| c. Contributions  | 19.74                     | 4.46                      |
| d. Benefits paid  | (16.50)                   | (2.15)                    |
| e. Actuarial (Gain)/Loss on Plan Assets                   | Nil                       | Nil                       |
| f. Fair value of Plan Assets at the end of the year       | 83.32                     | 71.59                     |

**Reconciliation of present value in 'I' above and the fair value of Plan Assets in 'II' above**

|   | 31.03.2015<br>Rs. in lacs | 31.03.2014<br>Rs. in lacs |
|---|---------------------------|---------------------------|
| a. Present value of obligation at the end the year                      | 71.60                     | 63.32                     |
| b. Fair value of Plan Assets at the end of the year                     | 83.32                     | 71.59                     |
| c. Excess of Fair value of Plan Assets over present value of obligation | 11.77                     | 8.27                      |

## III) Expenses charged to Statement of Profit &amp; Loss.

|    |  | <b>Current Year<br/>Rs. in lacs</b> | Previous Year<br>Rs. in lacs |
|----|--|-------------------------------------|------------------------------|
| a. | Expenses charged to Statement of Profit & Loss Account | 0.82                                | 5.84                         |

**3. Corporate Social Responsibility (CSR)**

As per Section 135 of the Companies Act, 2013, a CSR Committee has been formed by the company. The areas for CSR activities are as per Schedule VII of the Companies Act, 2013. An amount of Rs. 17.50 Lakhs has been spent for the CSR activities during the year.

**4. Managerial Remuneration.**
**a) Remuneration to Executive Chairman Mr M V Doshi.**

|                                | <b>Rs. in lacs</b> |
|--------------------------------|--------------------|
| Salary                         | 36.00              |
| Commission                     | 59.00              |
| Contribution to Provident Fund | 0.16               |
| Perquisites                    | 18.25              |
| <b>Total</b>                   | <b>113.41</b>      |

**b) Sitting fees to Directors : 1.50**
**5. Particulars with respect to Earnings per share is calculated as follows:**

|   | <b>Current Year</b> | Previous Year |
|---|---------------------|---------------|
| Profit after Tax ( Rs in lacs )               | <b>1,773.69</b>     | 747.69        |
| Weighted Average Number of Shares Outstanding | <b>12,198,023</b>   | 12,222,351    |
|   | <b>Rs. Ps.</b>      | Rs. Ps.       |
| Earnings per share (Basic)                    | <b>14.54</b>        | 6.12          |
| Earnings per share (Diluted)                  | <b>13.52</b>        | 5.73          |
| Face Value per Share                          | <b>10</b>           | 10            |

**6. Taxation :**
**A. Tax expenses for the year comprises of :**

|      |                                     |                       |
|------|-------------------------------------|-----------------------|
| i.   | Current Tax.                        | Rs 470.00 Lacs        |
| ii.  | Deferred Tax Asset for the year     | Rs 1.45 Lacs          |
| iii. | Deferred Tax Liability written back | Rs 1.32 Lacs          |
|      | <b>Total</b>                        | <b>Rs 467.23 lacs</b> |

**B. Income Tax assessments have been completed up to Asst. Year 2012- 2013. There are no demands outstanding.**
**C. Deferred Tax Liability**

|                                 | <b>As at<br/>31.03.2015<br/>Rs. in lacs</b> | Written back during the year<br>Rs. in lacs | As at<br>31.03.2014<br>Rs. in lacs |
|---------------------------------|---|---|------------------------------------|
| Written down value differential | NIL   | 1.32  | (1.32)                             |

7. Balances shown under the head of Current Assets, Loans and Advances are considered as good and recoverable by the management.

**8. As per the Accounting Standard , disclosure regarding related parties as defined in the Accounting Standards are given below:**
**(i) List of related parties and relationships.**

| <b>Name of the Related Party</b>               | <b>Relationship</b>      |
|--|--------------------------|
| LKP Securities Ltd.                            | Subsidiary Company       |
| Gayatri Cement & Chemical Industries Pvt. Ltd. | Subsidiary Company       |
| Peak Plastonics Pvt. Ltd.                      | Director Interested      |
| MKM Share & Stock Brokers Ltd.                 | Director Interested      |
| Sea Glimpse Investments Pvt. Ltd.              | Director Interested      |
| Bhavna Holdings Pvt. Ltd.                      | Director Interested      |
| M/s. L.K. Panday                               | Director Interested      |
| Mr. M V Doshi                                  | Key Managerial Personnel |
| Mr. G B Innani                                 | Key Managerial Personnel |
| Mr. S. S. Gulati                               | Key Managerial Personnel |

**(ii) Transaction with related parties.**

|                              | <b>Subsidiary Company<br/>LKP Securities Ltd</b> | <b>Subsidiary Company<br/>Gayatri Cement &amp; Chemical Industries Pvt Ltd</b> | <b>Key Managerial Personnel</b> | <b>Total (Rs. In Lacs)</b> |
|------------------------------|--|--|---------------------------------|----------------------------|
| Interest Expense             | 380.23   | ---  | ---                             | 380.23                     |
| Remuneration                 | ---  | ---  | 129.20                          | 129.20                     |
| Brokerage Paid               | 43.95  | ---  | ---                             | 43.95                      |
| Balance due as on 31.03.2015 | (447.83)   | 261.23   | ---                             | (186.60)                   |

**9. Expenditure in Foreign Currency**

|                | <b>Current Year<br/>Rs. in lacs</b> | Previous year<br>Rs. in lacs |
|----------------|-------------------------------------|------------------------------|
| Foreign Travel | NIL                                 | NIL                          |

**10. Prudential Norms of the Reserve bank of India (RBI):**

The Prudential Norms of the RBI require the company to derecognize certain income and make provisions for non-performing assets.

In compliance with Guidelines prescribed by Reserve Bank of India for NBFCs, the company has

- provided 0.25% of Standard Assets amounting to Rs. NIL (Previous year Rs NIL). The Contingent Provision against Standard Assets as on 31.03.2015 is Rs 38.62 lacs (Previous year Rs 38.62 lacs)
- appropriated 20% of the Net Profits Rs 354.74 lacs ( Previous year Rs 149.53 lacs) to Special Reserve Fund.

11. Tax Deducted at Source on income: Rs. 106.34 lacs (Previous Year Rs. 178.24 lacs)
12. The company has provided Rs 146.16 lacs (Net) ( Previous year Rs 163.16 lacs) against NPAs
13. Short Term Loans and Advance include Rs NIL due from a Director ( Previous year Rs 6 lacs)
14. The company has no amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, [MSMED Act] as at 31<sup>st</sup> March, 2015.
15. There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at 31<sup>st</sup> March, 2015
16. Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by ICAI. The company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis. 15,23,000 ESOPs are outstanding as on 31<sup>st</sup> March,2015. None of the options have been exercised so far.
17. During the year the company has entered into Futures & Options contracts on the National Stock Exchange in the Equity Segment and on the Multi Commodity Exchange in the commodity segment. The open position as on 31.03.2015 is Rs 4,246.31 lacs (Previous Year Rs 128.42 lacs).
18. The Management has reviewed the loans against shares portfolio as at the year end. On such review and inspite of best efforts made to recover the amounts due, Rs 3325.42 lacs was found to be bad and irrecoverable, and the same have been written off in the accounts.
19. Balance sheet of a non deposit taking non-banking financial company  
 (As required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms {Reserve Bank} Directions, 2007)

(Rs. In Lakh)

**Liabilities Side:**

|   | Amount Outstanding | Amount Overdue |
|---|--------------------|----------------|
| <b>(I) Loans and advances availed by the NBFC's inclusive of interest accrued thereon but not paid:</b> |                    |                |
| (a) Debentures : Secured  | NIL                | NIL            |
| : Unsecured   | NIL                | NIL            |
| (Other than falling within the meaning of public deposit*)  |                    |                |
| (b) Deferred Credits  | NIL                | NIL            |
| (c) Term Loans  | NIL                | NIL            |

|  |           |     |
|--|-----------|-----|
| (d) Inter-corporate Loans and Borrowings | NIL       | NIL |
| (e) Commercial Paper                     | NIL       | NIL |
| (f) Other Loans (specify Nature)         | 10,631.61 | NIL |

| Asset Side  |                            | Amount Outstanding |
|---|----------------------------|--------------------|
| (2) Break-up of Loans and Advances including bills receivables (other than those included in (4) below) |                            |                    |
| (a) Secured   |                            | 6,722.17           |
| (b) Unsecured   |                            | 5,846.08           |
| (Comprises advance income tax paid, capital advances & miscellaneous dues)                              |                            |                    |
| (3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities        |                            | NIL                |
| (i) Lease assets including lease rentals under sundry debtors   |                            | NIL                |
| (a) Financial Lease   |                            | NIL                |
| (b) Operating Lease   |                            | NIL                |
| (ii) Stock on hire including hire charges under sundry debtors NIL                                      |                            | NIL                |
| (a) Assets on hire  |                            | NIL                |
| (b) Repossessed Assets  |                            | NIL                |
| (iii) Other loans counting towards AFC activities   |                            | NIL                |
| (a) Loans where assets have been repossessed  |                            | NIL                |
| (b) Loans other than (a) above  |                            | NIL                |
| (4) Break up of Investments:  |                            |                    |
| Current Investments   |                            |                    |
| 1. Quoted:  |                            |                    |
| (i) Shares  | (a) Equity                 | NIL                |
|   | (b) Preference             | NIL                |
| (ii) Debentures and Bonds   |                            | NIL                |
| (iii) Units of mutual funds   |                            | NIL                |
| (iv) Government Securities  |                            | NIL                |
| (v) Others:   | (a) Certificate of Deposit | NIL                |
|   | (b) Commercial Paper       | NIL                |
| 2. Unquoted:  |                            |                    |
| (i) Shares  | (a) Equity                 | NIL                |
|   | (b) Preference             | NIL                |
| (ii) Debentures and Bonds   |                            | NIL                |
| (iii) Units of mutual funds   |                            | NIL                |
| (iv) Government Securities  |                            | NIL                |
| (v) Others:   | (a) Certificate of Deposit | NIL                |
|   | (b) Commercial Paper       | NIL                |

| Long Term Investments       |                |          |
|-----------------------------|----------------|----------|
| 1. Quoted                   |                |          |
| (i) Shares:                 | (a) Equity     | 2,757.93 |
|                             | (b) Preference | NIL      |
| (ii) Debentures and Bonds   |                | NIL      |
| (iii) Units of mutual funds |                | 0.15     |
| (iv) Government Securities  |                | NIL      |
| (v) Others (Please specify) |                | NIL      |
| 2. Unquoted:                |                |          |
| (i) Shares                  | (a) Equity     | 1,406.07 |
|                             | (b) Preference | 2,900.00 |
| (ii) Debentures and Bonds   |                | NIL      |
| (iii) Units of mutual funds |                | NIL      |
| (iv) Government Securities  |                | NIL      |
| (v) Others (please specify) |                | NIL      |
| Share warrants              |                | NIL      |
| Total                       |                | 7,064.15 |

**Borrower group-wise classification of assets financed as in (2) and (3) above :**

| Category                        | Amount net of provisions |           |           |
|---------------------------------|--------------------------|-----------|-----------|
|                                 | Secured                  | Unsecured | Total     |
| 1. Related Parties              |                          |           |           |
| (a) Subsidiaries                | NIL                      | 261.23    | 261.23    |
| (b) Companies in the same group | -                        | -         | -         |
| (c) Other related parties       | -                        | -         | -         |
| 2. Other than related parties   | 6,722.17                 | 5,584.84  | 12,307.01 |
| Total                           | 6,722.17                 | 5,846.07  | 12,568.24 |

**Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):**

| Category                        | Amount net of provisions                     |                               |
|---------------------------------|--|-------------------------------|
|                                 | Market Value / Break Up or fair value or NAV | Book Value (Net of Provision) |
| 1. Related Parties              |  |                               |
| (a) Subsidiaries                | 3,303.85                                     | 4,143.40                      |
| (b) Companies in the same group | -  | -                             |
| (c) Other related parties       | -  | -                             |
| 2. Other than related parties   | 5,843.75                                     | 2,920.75                      |
| Total                           | 9,297.03                                     | 7,064.15                      |

**Other information**

| Particulars                           | Amount   |
|---------------------------------------|----------|
| (i) Gross Non-Performing Assets       |          |
| (a) Related parties                   | -        |
| (b) Other than related parties        | 1,650.23 |
| (ii) Net Non-Performing Assets        | -        |
| (a) Related parties                   | -        |
| (b) Other than related parties        | 1,237.67 |
| (iii) Assets pledged/taken charge of. | 1,040.00 |

20. Previous Years Figures are regrouped / reclassified wherever necessary.

As per our Report attached.

**For FORD, RHODES, PARKS & CO.,**  
 Chartered Accountants  
 Firm Registration No.102860W

**A. D. Shenoy**  
 Partner  
 Membership No 11549

Mumbai  
 Dated : 5th May, 2015

For and on behalf of the Board

**Executive Chairman**

**M. V. Doshi**

**Director**

**V. N. Suchanti**

**Director**

**Sayanta Basu**

**Head -Corporate Affairs**

**S S Gulati**

**GM (Legal) & Company Secretary**

**G B Innani**

Mumbai

Dated : 5th May, 2015

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF LKP FINANCE LIMITED

#### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of LKP Finance Limited (hereinafter referred to as "the Holding Company") and its two subsidiaries namely LKP Securities Limited and Gayatri Chemicals & Cements Private Limited (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

#### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including

the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors and the Boards of two subsidiaries in the Group, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us in terms of our reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our unqualified audit opinion on the consolidated financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements of the Group give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31<sup>st</sup> March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the Auditors' reports of the Holding company and two subsidiary companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements of the Group.
  - (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements of the Group have been kept so far as it appears from our examination of those books.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement of the Group dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- (d) In our opinion the aforesaid consolidated financial statements of the Group comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company and its two subsidiaries as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors of the Holding Company and its two subsidiaries, none of the directors of the Group incorporated in India is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Holding Company has disclosed in its financial statements matters relating to a pending case before the Honourable High Court of Bombay where on disposal of the case there will be no cash outgo and there will be no impact on the consolidated financial position of the Group.
  - ii. provision has been made wherever applicable in the financial statements of the Holding Company as required under the applicable law or accounting standards for material foreseeable losses, if any, on derivative contracts. There are no derivative contracts reported in the financial statements of the two subsidiaries.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

**For Ford, Rhodes, Parks & Co.**  
**Chartered Accountants**  
**Firm Registration No.102860W**

**A.D. Shenoy**  
**Partner**  
**Membership No.11549**

Place: Mumbai  
Date: 5<sup>th</sup> May, 2015

## ANNEXURE TO THE AUDITORS' REPORT

**[Referred to in paragraph pertaining to "Report on Other Legal and Regulatory Requirement" of our Report of even date to the members of LKP Finance Limited on the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2015]**

1. a) The Companies in the Group are maintaining proper records showing full particulars including quantitative details and situation of fixed assets except in respect of one subsidiary where the fixed assets register requires updation.
- b) Fixed Assets have been physically verified by the management's of respective companies in the Group during the year and no discrepancies between the book records and the physical inventory have been noticed except in respect of one subsidiary where comparison with book records is pending on account of updation of its fixed asset register. In our opinion, the frequency of verification is reasonable.
2. a) The inventory of stocks held for sale has been verified by the managements of respective companies in the Group during the year. In our opinion, the frequency of verification is reasonable.
- b) In our opinion, the procedures of verification of inventory followed by the managements of respective companies in the Group are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) On the basis of our examination of the inventory records, in our opinion, the companies in the Group are maintaining proper records of inventory. There are no discrepancies noticed on verification of inventory as compared to book records.
3. There are no amounts outstanding in the books of the Holding Company as at 31<sup>st</sup> March, 2015 from the parties covered under Section 189 of the Companies Act, 2013. Transactions within the Group get cancelled while preparing and presenting the Consolidated Financial Statements of the Group.
4. In our opinion and according to the information and explanations given to us, having regard to the explanation there is adequate internal control system commensurate with the size of the Companies in the Group and the nature of its business, for the purchase of inventories and fixed assets and for sale of goods and services. Further, on the basis of our examination of the books and records of the Companies in the Group, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control system.
5. The Companies in the Group have not accepted any deposits from the public, within the meaning of Sections 73 to 76 of Companies Act 2013 and the rules framed there under.
6. We are informed by the Companies in the Group that sub section (1) of section 148 of the Act is not applicable to them.
7. a) According to the information and explanations given to us and records of the Companies in the Group examined by us, in our opinion, the Companies in the Group are generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund,

employees state insurance, income tax, value added tax, wealth tax, service tax, custom duty, excise duty, cess and any other material statutory dues as applicable with the appropriate authorities. There are no undisputed statutory dues payable for a period of more than six months from the date they became payable as at 31<sup>st</sup> March, 2015.

- b) According to the information and explanations given to us and the records of the Companies in the Group examined by us, there are no dues of income tax, wealth tax, service tax, customs duty and cess as at 31<sup>st</sup> March 2015, which have not been deposited on account of dispute except in the case of one Subsidiary there is a demand for Rs 8,00,000 for the Assessment Year 2008-09 and the matter is pending before the Appellate Tribunal, Mumbai
- c) According to the information and explanations given to us and records of the Companies in the Group examined by us, in our opinion, there are no amounts payable to Investor Education and Protection Fund in accordance with the relevant provisions of Companies Act, 1956 (1 of 1956) and rules there under.
8. The Consolidated Financial Statements of the Group have no accumulated losses as at 31<sup>st</sup> March, 2015 and there are no cash losses in the financial year ended on that date. However, in respect of one subsidiary there were cash losses in the immediately preceding financial year.
9. According to the information and explanations given to us and records of the Companies in the Group examined by us the

Companies in the Group have not defaulted in repayment of dues to any financial institution or bank at the Balance Sheet date.

10. According to the information and explanations given to us the Companies in the Group have not given any guarantees for loans taken by others from banks or financial institution during the year. However there is an existing guarantee of Rs.8 Crores given to a bank by the Holding Company in respect of a facility to its subsidiary.
11. The Group has not obtained any term loans except car loans. The balance outstanding as at 31<sup>st</sup> March, 2015 is Rs.6,09,406/- (Previous Year Rs.15,75,092)
12. Based on the audit procedures performed and information and explanations given by the management of the respective companies in the Group, we report that we have not come across any instances of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by management.

**For Ford, Rhodes, Parks & Co.**  
**Chartered Accountants**  
**Firm Registration No.102860W**

**A.D. Shenoy**  
**Partner**

Place: Mumbai  
Date: 5<sup>th</sup> May, 2015

**Membership No.11549**

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015**

| Particulars                        | Note No. | As at 31.03.2015     | As at 31.03.2014     |
|------------------------------------|----------|----------------------|----------------------|
| <b>I. EQUITY AND LIABILITIES :</b> |          |                      |                      |
| <b>1 Shareholders' funds</b>       |          |                      |                      |
| (a) Share capital                  | C- B1    | 121,980,230          | 121,980,230          |
| (b) Reserves and surplus           | C- B2    | 1,410,176,234        | 1,408,818,908        |
| <b>2 Non-current liabilities</b>   |          |                      |                      |
| (a) Long-term borrowings           | C- B3    | 19,363,480           | 1,572,092            |
| (b) Long-term provisions           | C- B4    | 11,536,177           | 9,136,177            |
| <b>3 Current liabilities</b>       |          |                      |                      |
| (a) Short-term borrowings          | C-B5     | 1,644,668,120        | 1,155,388,336        |
| (b) Trade payables                 | C-B6     | 460,575,932          | 519,824,365          |
| (c) Other current liabilities      | C-B7     | 29,163,220           | 42,619,495           |
| (d) Short-term provisions          | C-B8     | 29,273,819           | 28,353,695           |
| <b>TOTAL</b>                       |          | <b>3,726,737,212</b> | <b>3,287,693,298</b> |
| <b>II. ASSETS :</b>                |          |                      |                      |
| <b>Non-current assets</b>          |          |                      |                      |
| <b>1 (a) Fixed assets</b>          | C-B9     |                      |                      |
| a. Tangible assets                 |          | 47,514,987           | 66,722,799           |
| b. Intangible assets               |          | 18,163,064           | 20,261,323           |
| c. Goodwill on consolidation       |          | 69,758,450           | 69,758,450           |
| (b) Non-current investments        | C-B10    | 311,531,333          | 96,474,949           |
| (c) Deferred tax asset (net)       |          | 38,879,366           | 27,606,486           |
| (d) Long-term loans and advances   | C-B11    | 71,897,561           | 71,599,709           |
| (e) Other non current assets       |          | 16,497,581           | 16,497,581           |
| <b>2 Current assets</b>            |          |                      |                      |
| (a) Inventories ( Securities)      |          | 399,361,447          | 293,353,772          |
| (b) Trade receivables              | C-B12    | 906,371,040          | 733,946,230          |
| (c) Cash and cash equivalents      | C-B13    | 517,764,590          | 399,659,014          |
| (d) Short-term loans and advances  | C-B14    | 1,310,025,477        | 1,471,187,562        |
| (e) Other Current Assets           |          | 18,972,316           | 20,625,423           |
| <b>TOTAL</b>                       |          | <b>3,726,737,212</b> | <b>3,287,693,298</b> |

 Notes forming part of the Consolidated Financial Statement  
 C-A1 to C-C8

As per our Report attached

For FORD, RHODES, PARKS & CO. *Executive Chairman* **M. V. Doshi**  
*Chartered Accountants* *Director* **V. N. Suchanti**  
*Firm Registration No.102860W* *Director* **Sayanta Basu**  
 A.D. Shenoy *Head -Corporate Affairs* **S S Gulati**  
 Partner *GM (Legal) &* **G B Innani**  
 Membership No 11549 *Company Secretary*

Mumbai  
 Dated : 5th May, 2015

**CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015**

| Particulars                          | Note No. | Current Year  | Previous Year |
|--------------------------------------|----------|---------------|---------------|
| <b>I. Revenue from operations</b>    | C-B15    | 1,413,306,492 | 731,252,280   |
| <b>II. Other income</b>              | C-B16    | 17,879,044    | 22,680,971    |
| <b>III. Total Revenue (I + II)</b>   |          | 1,431,185,536 | 753,933,251   |
| <b>IV. Expenses:</b>                 |          |               |               |
| Employee benefits expense            | C-B17    | 328,784,702   | 236,697,832   |
| Finance costs                        |          | 198,723,083   | 219,550,861   |
| Depreciation                         |          | 35,860,039    | 17,717,366    |
| Other expenses                       | C-B18    | 654,333,827   | 273,385,567   |
| Provision for standard assets        |          | -             | -             |
| <b>V. Total expenses</b>             |          | 1,217,701,651 | 747,351,626   |
| <b>VI. Profit Before Tax</b>         |          | 213,483,885   | 6,581,625     |
| <b>VII. Tax expense for the year</b> |          | 35,727,122    | (18,653,516)  |
| <b>VIII. Profit After Tax</b>        |          | 177,756,763   | 25,235,141    |
| <b>IX Earnings per equity share:</b> |          |               |               |
| (1) Basic                            |          | 14.57         | 2.06          |
| (2) Diluted                          |          | 12.96         | 1.93          |

 Notes forming part of the Consolidated Financial Statement  
 C-A1 to C-C8

As per our Report attached

For FORD, RHODES, PARKS & CO. *Executive Chairman* **M. V. Doshi**  
*Chartered Accountants* *Director* **V. N. Suchanti**  
*Firm Registration No.102860W* *Director* **Sayanta Basu**  
 A.D. Shenoy *Head -Corporate Affairs* **S S Gulati**  
 Partner *GM (Legal) &* **G B Innani**  
 Membership No 11549 *Company Secretary*

Mumbai  
 Dated : 5th May, 2015



**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015**

|  | Current Year |                   | Previous Year |                   |
|--|--------------|-------------------|---------------|-------------------|
|  | Rs in Lacs   | Rs in Lacs        | Rs in Lacs    | Rs in Lacs        |
| <b>A. Cash Flow From Operating Activities:</b>       |              |                   |               |                   |
| Net Profit/(Loss) before tax and Interest            |              | <b>4,122.07</b>   |               | 2,261.33          |
| Adjustments for:                                     |              |                   |               |                   |
| Depreciation   |              | <b>348.95</b>     |               | 177.17            |
| Diminution in Value of Investment                    |              | <b>0.00</b>       |               | (38.93)           |
| Employee Stock Compensation Expenses                 |              | <b>0.00</b>       |               | (0.32)            |
| Dividend Received                                    |              | <b>(67.19)</b>    |               | (49.51)           |
| Profit on sale of investments                        |              | <b>(6,353.21)</b> |               | 0.00              |
| Irrecoverable loans written off & provision for NPAs |              | <b>3,482.09</b>   |               |                   |
|  |              | <b>(2,589.37)</b> |               | 88.41             |
| Operating Profit before Working Capital Changes      |              | <b>1,532.70</b>   |               | 2,349.74          |
| Adjustments for working capital changes              |              | <b>(463.30)</b>   |               | 7,780.64          |
| Cash Generated from operations                       |              | <b>1,069.41</b>   |               | 10,130.38         |
| Interest paid  |              | <b>(1,987.23)</b> |               | (2,195.51)        |
| Direct taxes paid                                    |              | <b>(357.27)</b>   |               | <u>(738.35)</u>   |
| Net cash used in operating activities                |              | <b>(1,275.10)</b> |               | 7,196.52          |
| <b>B. Cash flow from investing activities</b>        |              |                   |               |                   |
| Purchase of fixed assets                             |              | <b>(153.11)</b>   |               | (295.85)          |
| Sale of fixed assets                                 |              | <b>9.66</b>       |               | 13.19             |
| Purchase of Investments                              |              | <b>(3,737.87)</b> |               | (19.31)           |
| Sale of Investments                                  |              | <b>7,940.52</b>   |               | 444.65            |
| Dividend received                                    |              | <b>67.19</b>      |               | 49.51             |
| Net cash from investing activities                   |              | <b>4,126.38</b>   |               | 192.19            |
| <b>C. Cash flow from financing activities</b>        |              |                   |               |                   |
| Increase / ( Decrease ) in borrowings                |              | <b>86.21</b>      |               | (7,443.49)        |
| Buyback of Shares                                    |              | <b>0.00</b>       |               | (92.77)           |
| Dividend paid  |              | <b>(1,756.43)</b> |               | (283.54)          |
| Net cash used in financing activities                |              | <b>(1,670.22)</b> |               | <u>(7,819.80)</u> |
| Net increase in cash and cash equivalents            |              | <b>1,181.06</b>   |               | (431.09)          |
| Cash and cash equivalents. (opening)                 |              | <b>3,996.59</b>   |               | 4,427.68          |
| Cash and cash equivalents. (closing)                 |              | <b>5,177.65</b>   |               | 3,996.59          |

As per our Report attached

For FORD, RHODES, PARKS &amp; CO.

*Executive Chairman*
**M. V. Doshi**
*Chartered Accountants*
*Director*
**V. N. Suchanti**
*Firm Registration No.102860W*
*Director*
**Sayanta Basu**

A.D. Shenoy

*Head -Corporate Affairs*
**S S Gulati**

Partner

*GM (Legal) &*
**G B Innani**

Membership No 11549

*Company Secretary*

Mumbai

Mumbai

Dated : 5th May, 2015

Dated : 5th May, 2015

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015**
**C-A. SIGNIFICANT ACCOUNTING POLICIES**
**1. Basis of Accounting**

The financial accounts have been prepared on historical cost convention. The Company follows the accrual basis of accounting. The financial statements are prepared in accordance with the accounting standards specified in the Companies (Accounting Standards) Rules, 2006, as amended, notified by the Central Government, in terms of section 211 (3C) of the Companies Act, 1956 and the guidelines issue by the Reserve Bank of India ('RBI') as applicable to a Non Banking Finance Company ('NBFC'). The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

**2. Fixed Assets & Depreciation**

All Fixed Assets are capitalized at cost inclusive of legal and/or installation and incidental expenses, less accumulated depreciation.

The Company provides depreciation on straight line basis on the basis of useful lives of assets as specified in Schedule II to the Companies Act, 2013.

Depreciation on assets sold / purchased during the year is proportionately charged.

**Impairment of Assets**

Impairment losses, if any, are recognized in accordance with the Accounting Standard. Where there is an indication that an asset is impaired, the recoverable amount, if any, is estimated and the impairment loss is recognized to the extent carrying amount exceeds recoverable amount and the same is charged to the Statement of Profit & Loss.

**3. Principles of Consolidation**

(a) The consolidated financial statements relate to LKP Finance Ltd ('the Company) and its Subsidiary Companies.

The consolidated financial statements have been prepared on the following basis.

-- The financial statements of The Company and its Subsidiary Companies have been combined on a line-by-line basis by adding together income and expenses, after fully eliminating inter-group balances and inter-group transactions.

-- The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

-- The excess of cost to the company of its investments (in the Subsidiary Companies) over the Share Capital of its Subsidiaries is recognised in the financial statements as goodwill.

-- No disclosure has been made for share of profit and share in net assets of the subsidiary, LKP Securities Ltd in respect of Minority Interest (0.19% of the Subsidiary's Equity Capital).

(b) The Subsidiary Companies in the consolidated financial statements are:

| Name of the Company                             | Country of Incorporation | % of voting power held as at 31st March, 2015 |
|---|--------------------------|---|
| 1. LKP Securities Limited                       | India                    | 99.81   |
| 2. Gayatri Cement & Chemical Industries Pvt Ltd | India                    | 100.00  |
| 3. LKP Wealth Advisory Pvt Ltd                  | India                    | 99.98   |

**(c) Other Significant Accounting Policies**

These are set out in the notes to accounts under Statement of Accounting Policies of the financial statements of the Company and Subsidiaries LKP Securities Limited & Gayatri Cement & Chemical Industries Pvt Ltd.

4. Segment reporting and related information is not given, as the same is not applicable to the Company and its Subsidiaries as there is only one segment.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015**
**C-B1. SHARE CAPITAL**

| Particulars   | As at 31 March 2015 |                    | As at 31 March 2014 |                    |
|---|---------------------|--------------------|---------------------|--------------------|
|   | Number              | Amount             | Number              | Amount             |
| (Rupees)  |                     |                    |                     |                    |
| <b>Authorised</b>                                       |                     |                    |                     |                    |
| Redemable Cumulative Preference Shares of Rs 100/- each | 1,000,000           | 100,000,000        | 1,000,000           | 100,000,000        |
| Equity Shares of Rs 10/- each                           | 20,000,000          | 200,000,000        | 20,000,000          | 200,000,000        |
|   |                     | <u>300,000,000</u> |                     | <u>300,000,000</u> |
| <b>Issued, Subscribed &amp; Paid up</b>                 |                     |                    |                     |                    |
| Redemable Cumulative Preference Shares of Rs 100/- each | -                   | -                  | -                   | -                  |
| Equity Shares of Rs 10/- each                           | 12,198,023          | 121,980,230        | 12,198,023          | 121,980,230        |
| <b>Total</b>  | <u>12,198,023</u>   | <u>121,980,230</u> | <u>12,198,023</u>   | <u>121,980,230</u> |

1) The Equity Shares are listed on the BSE Ltd

| Particulars                                     | Equity Shares |             |
|---|---------------|-------------|
|   | Number        | Rupees      |
| Shares outstanding at the beginning of the year | 12,198,023    | 121,980,230 |
| Shares Issued during the year                   | -             | -           |
| Shares bought back during the year              | -             | -           |
| Shares outstanding at the end of the year       | 12,198,023    | 121,980,230 |

| Name of Shareholder             | As at 31 March 2015 |              | As at 31 March 2014 |              |
|---------------------------------|---------------------|--------------|---------------------|--------------|
|                                 | No. of Shares held  | % of Holding | No. of Shares held  | % of Holding |
| Mr Mahendra V Doshi             | 4,382,886           | 35.93        | 4,382,886           | 35.93        |
| Prasu Leasing & Finance Pvt Ltd | -                   | -            | 1,777,700           | 14.57        |
| Agrud Capital Pte Ltd           | 727,489             | 5.96         | 727,489             | 5.96         |
| India Max Investment Fund Ltd   | 818,508             | 6.71         | 818,508             | 6.71         |
| Sea Glimpse Investments Pvt Ltd | 2,547,515           | 20.89        | -                   | -            |

| Particulars  | Year (Aggregate No. of Shares) |           |           |         |         |
|--|--------------------------------|-----------|-----------|---------|---------|
|  | 2014-2015                      | 2013-2014 | 2012-2013 | 2011-12 | 2010-11 |
| <b>Equity Shares :</b>   |                                |           |           |         |         |
| Fully paid up pursuant to contract(s) without payment being received in cash | -                              | -         | -         | -       | -       |
| Fully paid up by way of bonus shares   | -                              | -         | -         | -       | -       |
| Shares bought back   | -                              | 145,971   | 733,495   | -       | 361,263 |

**C-B2. RESERVES AND SURPLUS**

| Particulars   | As at                |                      |
|---|----------------------|----------------------|
|   | 31 March 2015        | 31 March 2014        |
| (Rupees)  |                      |                      |
| <b>A. Break up of Reserves and movements thereon</b>                        |                      |                      |
| <b>a. Capital Reserves- Share Warrants moneys forfeited</b>                 |                      |                      |
| Opening Balance   | 19,400,000           | 19,400,000           |
| (+) Current Year Transfer   | -                    | -                    |
| (-) Written Back in Current Year  | -                    | -                    |
| Closing Balance   | <u>19,400,000</u>    | <u>19,400,000</u>    |
| <b>b. Capital Redemption Reserve on account of buyback of Equity shares</b> |                      |                      |
| Opening Balance   | 13,294,660           | 11,834,950           |
| (+) Current Year Transfer   | -                    | 1,459,710            |
| (-) Written Back in Current Year  | -                    | -                    |
| Closing Balance   | <u>13,294,660</u>    | <u>13,294,660</u>    |
| <b>c. Securities Premium Account</b>  |                      |                      |
| Balance as per last balance sheet   | 229,870,249          | 237,687,075          |
| Less : Amount paid in excess of face value of buyback                       | -                    | 7,816,826            |
| Closing Balance   | <u>229,870,249</u>   | <u>229,870,249</u>   |
| <b>d. Special Reserve Fund- As per RBI guidelines for NBFCs</b>             |                      |                      |
| Opening Balance   | 299,671,495          | 284,717,606          |
| (+) Current Year Transfer   | 35,473,716           | 14,953,889           |
| (-) Written Back in Current Year  | -                    | -                    |
| Closing Balance   | <u>335,145,211</u>   | <u>299,671,495</u>   |
| <b>e. General Reserve</b>   |                      |                      |
| Opening Balance   | 651,098,768          | 641,098,768          |
| (+) Current Year Transfer   | 100,000,000          | 10,000,000           |
| (-) Written Back in Current Year  | 756,520              | -                    |
| Closing Balance   | <u>750,342,248</u>   | <u>651,098,768</u>   |
| <b>f. Employees Stock Options (ESOPs)</b>                                   |                      |                      |
| Opening Balance   | 1,747,202            | 6,692,785            |
| (+) Current Year Transfer   | -                    | -                    |
| (-) Deferred Employees Compensation   | -                    | 4,945,583            |
| (-) Written Back in Current Year  | -                    | -                    |
| Closing Balance   | <u>1,747,202</u>     | <u>1,747,202</u>     |
| <b>B. Surplus</b>   |                      |                      |
| Opening balance   | 193,736,534          | 223,083,216          |
| (+) Net Profit for the year   | 177,756,765          | 25,235,060           |
| (-) Transfer to Capital Redemption Reserve                                  | -                    | 1,459,710            |
| (-) Transfer to Special Reserve Fund  | 35,473,716           | 14,953,889           |
| (-) Transfer to General Reserve   | 100,000,000          | 10,000,000           |
| (-) Interim Dividend  | 121,980,230          | -                    |
| (-) Tax on Interim Dividend   | 24,388,870           | -                    |
| (-) Proposed Dividend   | 24,396,046           | 24,396,046           |
| (-) Tax on Proposed Dividend  | 4,877,773            | 3,957,649            |
| (+) Excess Dividend and Tax Previous Year                                   | -                    | 185,552              |
| Closing Balance   | <u>60,376,664</u>    | <u>193,736,534</u>   |
| <b>Total</b>  | <u>1,410,176,234</u> | <u>1,408,818,908</u> |

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015**
**C- B3. LONG TERM BORROWINGS**

| Particulars                                   | (Rupees)            |                     | Particulars                           | (Rupees)             |                      |
|---|---------------------|---------------------|---------------------------------------|----------------------|----------------------|
|   | As at 31 March 2015 | As at 31 March 2014 |                                       | As at 31 March 2015  | As at 31 March 2014  |
| <b>Secured</b>                                |                     |                     | <b>(c) Vehicle Loans</b>              |                      |                      |
| From banks                                    | -                   | -                   | (Secured by hypothecation of vehicle) | 704,402              | 913,747              |
| (Secured by pledge of Fixed Deposit Receipts) |                     |                     | <b>Unsecured</b>                      |                      |                      |
| Other Loans                                   | 19,363,480          | 1,572,092           | Others                                | 1,650,000            | 1,650,000            |
| (Secured by hypothecation of vehicle)         |                     |                     | <b>Total</b>                          | <b>1,644,668,120</b> | <b>1,155,388,336</b> |
| <b>Total</b>                                  | <b>19,363,480</b>   | <b>1,572,092</b>    |                                       |                      |                      |

**C-B4. LONG TERM PROVISIONS**

|  |                   |                  |
|--|-------------------|------------------|
| Contingent Provision against standard assets | 3,862,341         | 3,862,341        |
| Provision for Gratuity                       | 7,673,836         | 5,273,836        |
| <b>TOTAL</b>                                 | <b>11,536,177</b> | <b>9,136,177</b> |

**C-B5. SHORT TERM BORROWINGS**

|  |                    |                    |
|--|--------------------|--------------------|
| <b>Secured</b>   |                    |                    |
| <b>(a) From banks</b>  |                    |                    |
| (Secured By pledge of Fixed Deposit Receipts and Securities)                                   | 314,127,765        | 231,280,511        |
| (Secured By hypothecation of Debtors and pledge of FDR's & personal guarantee of Mr M V Doshi) | 499,823,741        | 362,133,041        |
| <b>(b) Loans from Corporates</b>   |                    |                    |
| (Secured by pledge of own and third party securities)  | 388,321,343        | 168,998,274        |
| <b>Unsecured</b>   | <b>440,040,869</b> | <b>390,412,763</b> |

**C-B6. TRADE PAYABLES**

|                  |                    |                    |
|------------------|--------------------|--------------------|
| Trade Payables:  |                    |                    |
| Sundry Creditors | 460,575,932        | 519,824,365        |
| <b>Total</b>     | <b>460,575,932</b> | <b>519,824,365</b> |

**C- B7 OTHER CURRENT LIABILITIES**

|                      |                   |                   |
|----------------------|-------------------|-------------------|
| (a) Statutory Dues   | 19,434,342        | 16,134,647        |
| (b) Unpaid dividends | 7,130,814         | 4,770,072         |
| (c) Other payables   | 2,598,064         | 21,714,776        |
| <b>Total</b>         | <b>29,163,220</b> | <b>42,619,495</b> |

**C- B8. SHORT TERM PROVISIONS**

|                                    |                   |                   |
|------------------------------------|-------------------|-------------------|
| Proposed Dividend & Tax            | 24,396,046        | 24,396,046        |
| Dividend Distribution Tax on above | 4,877,773         | 3,957,649         |
| <b>Total</b>                       | <b>29,273,819</b> | <b>28,353,695</b> |

**C- B9 FIXED ASSETS**

(Rupees)

| Particulars                 | Gross Block                |                                    |                             | Accumulated Depreciation   |                                  |                                    |                             | Net Block                   |                             |
|-----------------------------|----------------------------|------------------------------------|-----------------------------|----------------------------|----------------------------------|------------------------------------|-----------------------------|-----------------------------|-----------------------------|
|                             | Balance as at 1 April 2014 | Additions/ Deductions/ Adjustments | Balance as at 31 March 2015 | Balance as at 1 April 2014 | Depreciation charge for the year | Additions/ Deductions/ Adjustments | Balance as at 31 March 2015 | Balance as at 31 March 2015 | Balance as at 31 March 2014 |
| <b>a. Tangible Assets</b>   |                            |                                    |                             |                            |                                  |                                    |                             |                             |                             |
| Buildings                   | 17,758,523                 |                                    | 17,758,523                  | 14,034,782                 | 114,375                          | 756,520                            | 14,905,677                  | 2,852,846                   | 3,723,741                   |
| Furniture and Fixtures      | 40,400,566                 | (965,873)                          | 39,434,693                  | 30,330,459                 | 4,560,824                        | (866,997)                          | 34,024,286                  | 5,410,407                   | 10,070,107                  |
| Vehicles                    | 23,929,052                 |                                    | 23,929,052                  | 12,732,275                 | 3,316,871                        | -                                  | 16,049,146                  | 7,879,906                   | 11,196,777                  |
| Office equipment            | 123,239,501                | 13,227,558                         | 136,467,059                 | 93,433,715                 | 22,413,657                       | 98,372                             | 115,749,000                 | 20,718,059                  | 29,805,786                  |
| Leasehold Improvements      | 18,134,723                 | 701,835                            | 18,836,558                  | 6,208,335                  | 1,974,454                        | -                                  | 8,182,789                   | 10,653,769                  | 11,926,388                  |
| <b>Total</b>                | <b>223,462,365</b>         | <b>12,963,520</b>                  | <b>236,425,885</b>          | <b>156,739,566</b>         | <b>32,380,181</b>                | <b>1,721,889</b>                   | <b>188,910,898</b>          | <b>47,514,987</b>           | <b>66,722,799</b>           |
| <b>b. Intangible Assets</b> |                            |                                    |                             |                            |                                  |                                    |                             |                             |                             |
| <b>Goodwill</b>             | 17,125,795                 | -                                  | 17,125,795                  | 1,141,720                  | 1,712,580                        | -                                  | 2,854,300                   | 14,271,495                  | 15,984,075                  |
| <b>Computer software</b>    | 41,746,293                 | 1,381,599                          | 43,127,892                  | 37,469,045                 | 1,767,278                        | -                                  | 39,236,323                  | 3,891,569                   | 4,277,248                   |
|                             | 58,872,088                 | 1,381,599                          | 60,253,687                  | 38,610,765                 | 3,479,858                        | -                                  | 42,090,623                  | 18,163,064                  | 20,261,323                  |
| <b>Previous Year</b>        | <b>254,767,903</b>         | <b>28,266,550</b>                  | <b>282,334,453</b>          | <b>34,863,007</b>          | <b>17,717,366</b>                | <b>1,114,256</b>                   | <b>195,350,331</b>          | <b>86,984,122</b>           |                             |

Note : Cost of Building includes cost of shares of Rs 500/- in Embassy Center Premises Co-operative Society Ltd.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015**
**C-B10. NON CURRENT INVESTMENTS**

(Rupees)

**Particulars**
**Investments (Refer A below)**

- (a) Investment in Properties -- Office Premises
- 
- (b) Investment in Equity instruments
- 
- (c) Investments in preference shares
- 
- (d) Investments in debentures or bonds
- 
- (e) Investments in Mutual Funds

|  | As at 31 March 2015 | As at 31 March 2014 |
|--|---------------------|---------------------|
| (a) Investment in Properties -- Office Premises                    | -                   | -                   |
| (b) Investment in Equity instruments                               | 312,821,501         | 87,399,163          |
| (c) Investments in preference shares                               | -                   | 9,365,954           |
| (d) Investments in debentures or bonds                             | -                   | -                   |
| (e) Investments in Mutual Funds                                    | 14,735              | 1,014,735           |
| <b>Total</b>   | <b>312,836,236</b>  | <b>97,779,852</b>   |
| Less : Provision for diminution in the value of quoted Investments | (1,304,903)         | (1,304,903)         |
| <b>Total</b>   | <b>311,531,333</b>  | <b>96,474,949</b>   |

**Note :**

Aggregate amount of quoted investments Rs 292,827,608/- (139,389,987/- ) Market value Rs 568,107,784/- ( Rs120,409,785/-)

Aggregate amount of unquoted investments Rs 20,008,628/- (Rs 299,229,112)

| Sr. No. | Details of Investments in Securities<br>Name of the Body Corporate | Subsidiary / Others | No. of Shares / Units |                     | Quoted / Unquoted | Partly Paid / Fully paid | (Rupees)            |                     |
|---------|--|---------------------|-----------------------|---------------------|-------------------|--------------------------|---------------------|---------------------|
|         |  |                     | As at 31 March 2015   | As at 31 March 2014 |                   |                          | As at 31 March 2015 | As at 31 March 2014 |
|         |  |                     | (4)                   | (5)                 |                   |                          | (10)                | (11)                |
| (a)     | <b>Investment in Equity Instruments</b>                            |                     |                       |                     |                   |                          |                     |                     |
|         | Tata Motors Ltd  | Others              | -                     | 40                  | Quoted            | Fully Paid               | -                   | 3,061               |
|         | Maharashtra Polybutane Ltd   | Others              | 300,000               | 300,000             | Quoted            | Fully Paid               | 666,189             | 666,189             |
|         | JSW Steel Ltd  | Others              | -                     | 47                  | Quoted            | Fully Paid               | -                   | 1,280               |
|         | D S Kulkarni Developers Ltd  | Others              | 149                   | 732                 | Quoted            | Fully Paid               | 7,390               | 71,520              |
|         | NHPC Ltd   | Others              | 131,910               | 131,910             | Quoted            | Fully Paid               | 3,050,198           | 3,050,198           |
|         | Mercator Lines Limited   | Others              | 3,071,942             | 1,341,942           | Quoted            | Fully Paid               | 55,475,813          | 35,057,251          |
|         | City Union Bank Limited  | Others              | 35,043                | 35,043              | Quoted            | Fully Paid               | 1,524,208           | 1,524,208           |
|         | City Union Bank Limited- Rights                                    | Others              | 57,374                | 57,374              | Quoted            | Partly Paid              | 1,147,480           | 1,147,480           |
|         | Manganese Ore India Limited  | Others              | -                     | 3,406               | Quoted            | Fully Paid               | -                   | 1,277,250           |
|         | South Indian Bank Limited  | Others              | 1,000,000             | 1,000,000           | Quoted            | Fully Paid               | 20,647,019          | 20,647,019          |
|         | Thomas Cook (India) Ltd  | Others              | 1,148,940             | 440                 | Quoted            | Fully Paid               | 2,119,898           | 18,474              |
|         | Gold Crest Finance (I) Ltd.  | Others              | 10000                 | 10000               | Quoted            | Fully Paid               | 100,000             | 100,000             |
|         | Infra Industries Ltd.  | Others              | 149000                | 149000              | Quoted            | Fully Paid               | 4,470,000           | 4,470,000           |
|         | Axis IT & T Ltd.   | Others              | -                     | 500                 | Quoted            | Fully Paid               | -                   | 40,500              |
|         | ONGC Ltd.  | Others              | 72                    | 72                  | Quoted            | Fully Paid               | 36,000              | 36,000              |
|         | Roopa Industries Ltd.  | Others              | 8900                  | 8900                | Quoted            | Fully Paid               | 89,000              | 89,000              |
|         | TCI Finance Ltd.   | Others              | -                     | 8300                | Quoted            | Fully Paid               | -                   | 249,000             |
|         | Geodesic Information Systems Ltd.                                  | Others              | 6792                  | 6792                | Quoted            | Fully Paid               | 1,199,920           | 1,199,920           |
|         | Reliance Power Ltd.  | Others              | 17440                 | 17440               | Quoted            | Fully Paid               | 6,481,117           | 6,481,117           |
|         | East India Hotels  | Others              | 37000                 | 37000               | Quoted            | Fully Paid               | 3,072,290           | 3,072,290           |
|         | TV 18  | Others              | 5000                  | 5000                | Quoted            | Fully Paid               | 100,000             | 100,000             |
|         | Everlon Synthetics Ltd   | Others              | 11,531                | 14,000              | Quoted            | Fully Paid               | 135,877             | 140,000             |
|         | Asian Electronics  | Others              | 10,000                | 10,000              | Quoted            | Fully Paid               | 265,900             | 265,900             |
|         | Credit Capital Venture Ltd   | Others              | 1,000                 | 1,000               | Quoted            | Fully Paid               | 49,043              | 49,043              |
|         | D B Reality Ltd  | Others              | -                     | 1,500               | Quoted            | Fully Paid               | -                   | 236,222             |
|         | Eros Media Ltd   | Others              | -                     | 500                 | Quoted            | Fully Paid               | -                   | 99,884              |
|         | IDBI Ltd   | Others              | 1,500                 | 1,500               | Quoted            | Fully Paid               | 244,005             | 244,005             |
|         | Idea Cellular Ltd  | Others              | -                     | 1,500               | Quoted            | Fully Paid               | -                   | 200,475             |
|         | Indus Network Ltd  | Others              | 2,300                 | 2,300               | Quoted            | Fully Paid               | 59,320              | 59,320              |
|         | Ispat Industries Ltd   | Others              | -                     | 8,000               | Quoted            | Fully Paid               | -                   | 567,318             |
|         | Kingfisher Airlines Ltd  | Others              | -                     | 5,600               | Quoted            | Fully Paid               | -                   | 271,963             |
|         | MRPL   | Others              | 7,000                 | 7,000               | Quoted            | Fully Paid               | 385,199             | 385,199             |
|         | Power Grid Corporation Ltd   | Others              | -                     | 1,500               | Quoted            | Fully Paid               | -                   | 214,050             |
|         | Sanghi Polyester Ltd   | Others              | 10,000                | 10,000              | Quoted            | Fully Paid               | 124,484             | 124,484             |
|         | Srei Infrastructure Finance Ltd                                    | Others              | -                     | 500                 | Quoted            | Fully Paid               | -                   | 43,408              |
|         | Yes Bank Ltd   | Others              | 700                   | 700                 | Quoted            | Fully Paid               | 199,912             | 199,912             |
|         | Edelweiss  | Others              | -                     | 1,000               | Quoted            | Fully Paid               | -                   | 36,596              |
|         | Nilkamal Ltd   |                     | 95,000                | -                   | Quoted            | Fully Paid               | 40,745,500          | 0                   |
|         | Shree Cements  |                     | 500                   | -                   | Quoted            | Fully Paid               | 5,744,325           | 0                   |
|         | Sterling Holidays  |                     | 705,000               | -                   | Quoted            | Fully Paid               | 120,635,233         | 0                   |
|         | Suzlon energy  |                     | 500,000               | -                   | Quoted            | Fully Paid               | 13,691,200          | 0                   |
|         | MC Dowell  |                     | 309,308               | -                   | Quoted            | Fully Paid               | 10,346,353          | 0                   |
|         | MKM Shares & Stock Brokers Ltd                                     | Others              | 2000                  | 2000                | Unquoted          | Fully Paid               | 6,200               | 6,200               |
|         | Seaglimpse Investments Pvt Ltd                                     | Others              | 980                   | 490                 | Unquoted          | Fully Paid               | 98,000              | 49,000              |
|         | Dean Finance & Investments Pvt Ltd                                 | Others              | 4900                  | 4900                | Unquoted          | Fully Paid               | 49,000              | 49,000              |
|         | Peak Plastics Pvt Ltd  | Others              | 490                   | 490                 | Unquoted          | Fully Paid               | 49,000              | 49,000              |
|         | The Saraswat Co-op Bank Ltd.                                       | Others              | 1,005                 | 1,005               | Unquoted          | Fully Paid               | 10,050              | 10,050              |
|         | The Hindustan Times Ltd.   | Others              | 5,600                 | 5,600               | Unquoted          | Fully Paid               | 1,256,500           | 1,256,500           |
|         | LKP Holdings Pvt Ltd   | Others              | -                     | -                   | Unquoted          | Fully Paid               | -                   | 0                   |
|         | Gobind Sugar Ltd.  | Others              | 11200                 | 11200               | Unquoted          | Fully Paid               | 1,785,000           | 1,785,000           |
|         | Bombay Stock Exchange Ltd.   | Others              | 11401                 | 11401               | Unquoted          | Fully Paid               | 1,754,877           | 1,754,877           |
|         | Business India Publications Ltd                                    |                     | 500000                | -                   | Unquoted          | Fully Paid               | 15,000,000          | -                   |
| (b)     | <b>Investments in Mutual Funds</b>                                 |                     |                       |                     |                   |                          |                     |                     |
|         | BenchMark Mutual Fund.   | Others              | 147.342               | 147.342             | Quoted            | Fully Paid               | 14,735              | 14,735              |
|         | LIC Mutual Fund  | Others              | -                     | 100,000             |                   | Fully Paid               | -                   | 1,000,000           |
|         | <b>Total</b>   |                     |                       |                     |                   |                          | <b>312,836,236</b>  | <b>88,413,898</b>   |

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015**
**C- B11 LONG TERM LOANS AND ADVANCES**

| Particulars      | (Rupees)                |                         |
|------------------|-------------------------|-------------------------|
|                  | As at<br>31 March, 2015 | As at<br>31 March, 2014 |
| Security Deposit | 71,897,561              | 71,599,709              |
| <b>Total</b>     | <b>71,897,561</b>       | <b>71,599,709</b>       |

**C-B12 TRADE RECEIVABLES**

|   |                    |                    |
|---|--------------------|--------------------|
| Trade receivables outstanding for a period less than six months |                    |                    |
| Unsecured.  | 906,371,040        | 733,946,230        |
| <b>Total</b>  | <b>906,371,040</b> | <b>733,946,230</b> |

**C-B13 CASH AND CASH EQUIVALENTS**

|  |                    |                    |
|--|--------------------|--------------------|
| a. Balances with banks                           |                    |                    |
| In unpaid dividend accounts                      | 7,130,814          | 4,770,072          |
| In Current Accounts                              | 119,194,610        | 61,017,596         |
| In FDRs with Bank - more than 12 months maturity | 230,222,755        | 8,072,340          |
| In FDRs with Bank - less than 12 months maturity | 161,072,340        | 325,731,892        |
| b. Cash on hand                                  | 144,071            | 67,114             |
| <b>Total</b>                                     | <b>517,764,590</b> | <b>399,659,014</b> |

**C-B14 SHORT TERM LOANS AND ADVANCES**

|   |                      |                      |
|---|----------------------|----------------------|
| Secured   | 672,217,466          | 1,048,588,840        |
| Unsecured, considered good (Net of provisions for NPAs) | 550,282,552          | 330,105,519          |
| Advance Tax net of provision for tax                    | 87,525,459           | 92,493,203           |
| <b>Total</b>  | <b>1,310,025,477</b> | <b>1,471,187,562</b> |

**C-B15 REVENUE FROM OPERATION**

| Particulars                           | Current Year         | Previous Year      |
|---------------------------------------|----------------------|--------------------|
| Interest Income                       | 145,640,975          | 242,647,557        |
| Dividend                              | 6,719,174            | 4,951,013          |
| Brokerage / Commission / Charges      | 557,741,785          | 366,990,583        |
| Profit on sale of shares & securities | 695,206,154          | 103,763,394        |
| Income from F&O                       | 7,998,404            | 6,216,062          |
| Income from Services                  | -                    | 6,683,671          |
| <b>Total</b>                          | <b>1,413,306,492</b> | <b>731,252,280</b> |

**C-B16 OTHER INCOME**

| Particulars                                       | Current Year      | Previous Year     |
|---|-------------------|-------------------|
| Interest  | 14,353,735        | 12,199,206        |
| Rent Income                                       | -                 | -                 |
| Insurance Claim Received                          | -                 | 1,481,515         |
| Excess Provision for Standard Assets Written back | -                 | 1,439,268         |
| Miscellaneous Income                              | 3,525,309         | 7,560,982         |
| <b>Total</b>                                      | <b>17,879,044</b> | <b>22,680,971</b> |

**C-B17 EMPLOYEE BENEFITS EXPENSE**

|   |                    |                    |
|---|--------------------|--------------------|
| (a) Salaries and allowances                 | 313,045,434        | 222,798,871        |
| (b) Contribution to Provident fund & ESIC"  | 6,441,070          | 5,208,157          |
| (c) Contribution to LIC Group Gratuity Fund | 3,223,338          | 5,023,305          |
| (d) ESOP compensation expenses w/off        | 0                  | 31,912             |
| (e) Staff welfare expenses                  | 6,074,860          | 3,635,487          |
| <b>Total</b>                                | <b>328,784,702</b> | <b>236,697,732</b> |

**C-B18 OTHER EXPENSES**

|  |                    |                    |
|--|--------------------|--------------------|
| Rent, Rates & Taxes                              | 30,340,751         | 28,215,948         |
| Repairs - Others                                 | 4,854,323          | 3,965,919          |
| Advertisement                                    | 502,235            | 662,398            |
| Directors Fees                                   | 150,000            | 115,000            |
| Travelling & Conveyance                          | 5,906,507          | 8,321,404          |
| Postage, Telegram & Telephones                   | 3,376,685          | 18,240,877         |
| Legal and Professional Charges                   | 30,088,442         | 22,291,671         |
| Printing & Stationery                            | 2,996,542          | 1,870,645          |
| Auditors Remuneration :                          |                    |                    |
| Audit fees                                       | 590,754            | 570,754            |
| Tax audit fees                                   | 25,000             | 45,000             |
| Irrecoverable Loans Written off                  | 333,592,077        | -                  |
| Commission Expenses                              | 166,913,576        | 123,810,376        |
| Electricity Expenses                             | 8,298,719          | 7,945,574          |
| Subscription & Membership                        | 1,796,445          | 4,995,152          |
| Computer Expenses                                | 4,737,445          | 4,170,000          |
| Donation   | -                  | -                  |
| CSR Expenses                                     | 1,750,000          | -                  |
| Provision for Diminution in value of investments | 0                  | (3,892,577)        |
| Provision for Sub Standard assets                | 14,616,460         | 16,316,155         |
| Provision for Doubtful Debts                     | -                  | 14,000,000         |
| Miscellaneous Expenses                           | 43,797,866         | 21,741,271         |
| <b>Total</b>                                     | <b>654,333,827</b> | <b>273,385,567</b> |

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015**
**C. NOTES :**

1. Particular with respect to Earnings per share is calculated as follows:

|   | 2014-15        | 2013-14        |
|---|----------------|----------------|
| Profit after Taxation (Rupees in Lacs)        | 1,777.57       | 252.35         |
| Weighted Average Number of Shares Outstanding | 1,21,98,023    | 1,22,22,351    |
|   | <b>Rs. Ps.</b> | <b>Rs. Ps.</b> |
| Earnings per shares (Basic)                   | 14.57          | 2.06           |
| Earnings per shares (Diluted)                 | 12.96          | 1.93           |
| Face Value of Share                           | 10             | 10             |

- 2) As per the Accounting Standard , disclosure regarding related parties as defined in the Accounting Standards are given below :

- (i) List of related parties with whom transactions have taken place and relationships.

(Relationship : Subsidiary Company, Director Interested, Key Managerial Personnel)

| <u>Name of the Related Party</u>             | <u>Relationship</u>      |
|--|--------------------------|
| LKP Securities Ltd.                          | Subsidiary Company       |
| Gayatri Cement & Chemical Industries Pvt Ltd | Subsidiary Company       |
| Peak Plastonics Pvt. Ltd.                    | Director Interested      |
| MKM Share & Stock Brokers Ltd.               | Director Interested      |
| Sea Glimpse Investments Pvt. Ltd.            | Director Interested      |
| Bhavna Holdings Pvt. Ltd.                    | Director Interested      |
| M/s. L.K. Panday                             | Director Interested      |
| Mr. M V Doshi                                | Key Managerial Personnel |
| Mr. G B Innani                               | Key Managerial Personnel |
| Mr. S. S. Gulati                             | Key Managerial Personnel |

- (ii)
- Transaction with related parties.**

|                              | Subsidiary Company LKP Securities Ltd | Subsidiary Company Gayatri Cement & Chemical Industries Pvt Ltd | Key Managerial Personnel | Total (Rs. In Lacs) |
|------------------------------|---------------------------------------|---|--------------------------|---------------------|
| Interest Expense             | 380.23                                | ---   | ---                      | 380.23              |
| Remuneration                 | ---                                   | ---   | 129.20                   | 129.20              |
| Brokerage Paid               | 43.95                                 | ---   | ---                      | 43.95               |
| Balance due as on 31.03.2015 | (447.83)                              | 261.23  | ---                      | (183.60)            |

- 3) Details of the subsidiaries are given in aggregate as per the General Circular No 51/12/2007-CL-III dated 8
- <sup>th</sup>
- February, 2011 issued by the Government of India, Ministry of Corporate Affairs, New Delhi, (Rs in lacs) :

|                                 |           |
|---------------------------------|-----------|
| Capital (including Pref Shares) | 3445.82   |
| Reserves & Surplus              | (508.18)  |
| Total Assets                    | 8937.84   |
| Total Liabilities               | 8937.84   |
| Investments                     | 194.56    |
| Turnover                        | 5941.44   |
| Loss before taxation            | ( 106.08) |
| Provision for taxation          | (109.96)  |
| Profit after taxation           | 3.88      |
| Proposed Dividend               | Nil       |

- 4) Contingent Liabilities:

- Guarantee given to Banks – Rs 29.35 crores. (Previous Year Rs 29.35 crores)
  - Claim against the Company not acknowledged as debt Rs. 33.99 Lacs , against which the company has deposited full amount in the Honorable High Court of Mumbai. The matter is pending.
- 5) In compliance with Guidelines prescribed by Reserve Bank of India for NBFCs, the company has
- provided 0.25% of Standard Assets amounting to Rs. NIL ( Previous year Rs NIL lacs). The Contingent Provision against Standard Asset as on 31.03.2015 is Rs 38.62 lacs (Previous year Rs 38.62 lacs)
  - appropriated 20% of the Net Profits Rs 354.74 lacs (Previous year Rs 149.53 lacs) to Special Reserve Fund.
- 6) The company has provided Rs 146.16 lacs (Previous year Rs 163.16) against NPAs
 7) During the year the company has entered into Futures & Options contracts on the National Stock Exchange in the Equity Segment and on the Multi Commodity Exchange in the commodity segment. The open position as on 31.03.2015 is Rs 4,246.31 lacs (Previous Year Rs 128.42 lacs).
 8) Previous Years Figures are regrouped / reclassified wherever necessary.





*If undelivered, please return to :*

**LKP Finance Limited**  
112A, Embassy Centre,  
Nariman Point,  
Mumbai - 400 021.