



Regd. Off.: 203 Embassy Centre, Nariman Point, Mumbai - 400 021.
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CIN : L65990MH1984PLC032831

**CERTIFIED TRUE COPY OF THE EXTRACT OF THE RESOLUTION PASSED BY
AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF LKP FINANCE LIMITED
AT THEIR MEETING HELD ON 18TH MAY 2015 AT MUMBAI.**

The Chairman of the Committee informed the Members that pursuant to the board resolution dated 5th May 2015 the Committee which was formed to explore and consider the possibility of de-merger of Company's SEBI registered Intermediaries Business into its Subsidiary i.e. LKP Securities Limited, is of opinion that it would be advisable and in the interest of the Company to de-merge Company's SEBI registered Intermediaries Business. The said Committee accordingly requested SSPA & Co. to provide valuation report for the purpose. The Chairman then informed the members that the Valuation Report of SSPA & Co., Chartered Accountants dated 18th May, 2015 has been received and placed before the Audit Committee for detail study, before making any comment /recommendation to the Board of Directors.

The Chairman also informed the members that the said Committee has also sought fairness opinion from Hem Securities Ltd (SEBI Registered Category I Merchant Banker) on the Share Entitlement Ratio of SSPA & Co, Chartered Accountants.. The Report received from Hem Securities Ltd., was also placed before the Audit Committee for its consideration.

The Valuation Report was discussed at length. The committee noted the gist of the Valuation Report.

The details of the share entitlement ratio (as contained in the Valuation Report) in relation to the said de-merger of the Company's SEBI registered Intermediaries Business into its Subsidiary i.e. LKP Securities Limited are as follows:

- 6 (Six) equity shares of LKP Securities Limited of Rs. 2/- each fully paid be allotted to the equity shareholders of LKP Finance Limited for every 1 (One) equity Share of Rs. 10/- each fully paid of LKP Finance Limited held by them.

The following resolution was unanimously passed by the Committee.

"RESOLVED THAT, the valuation report dated 18th May 2015 of SSPA & Co., Chartered Accountants, as placed before this Committee be and is hereby accepted and approved in its entirety and in the absolute terms.





LKP Finance Ltd.

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RESOLVED THAT, an Independent fairness opinion dated 18th May 2015 of Hem Securities Ltd., in respect of the valuation as placed before this Committee be and is hereby accepted, approved in its entirety and in the absolute terms.”

The Chairman placed before the Committee the draft Scheme of De-merger of Company's SEBI registered Intermediaries Business of the Company into its Subsidiary i.e. LKP Securities Limited. The Committee discussed the Scheme in detail clause by clause. Clarification as regards to appointed date of demerger, listing of equity shares of LKP Securities Ltd., extinguishment of Preference shares etc. and accounting treatment thereof were explained by the Chairman to the members. The Committee unanimously noted that the Scheme is fair, reasonable and in the interest of shareholders of both the companies. The Committee then decided to approve the Scheme and accordingly to recommend to the Board of Directors of the Company for its consideration. The Committee passed following resolution unanimously.

“RESOLVED THAT, pursuant to the provisions of Section 391 to 394 (or any corresponding provisions of the Companies Act 2013 as may be notified) and other applicable provisions, if any, of the Companies Act, 1956 and the Companies Act 2013 the approval of Audit Committee of the Company be and is hereby unanimously accorded to de-merge Company's SEBI registered Intermediaries Business into its Subsidiary i.e. LKP Securities Limited, from the appointed date of April 1, 2015.

For LKP Finance Limited

Girish Innani

General Manager (Legal) &
Company Secretary

