

11th June 2014

To

Vineet N. Suchanti

13, B, Jolly Maker Apartments,

1, Cuffe Parade,

Mumbai 400 005

Dear Sir,

Sub: Your appointment as an Independent Director on the Board of LKP Finance Limited (the Company) in accordance with the Companies Act, 2013.

We are pleased to inform you that at the Annual General Meeting of the Company held on June 10, 2014, you have been appointed as an Independent Director of the Company in terms of Section 149 and other applicable sections, if any, of the Companies Act, 2013 (the "Act"), for five consecutive years for a term up to 31st March 2019.

In terms of Schedule IV of the Act, your appointment as an Independent Director is being formalised through this letter of appointment.

The attached Annexure forms part of this letter of appointment and we would request you to kindly go through them in detail:

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Please convey acceptance of your appointment by signing and returning Annexure 7.

Yours truly,

For LKP Finance Limited

M. V. Doshi

Executive Chairman

Encl: as above

DEFINITION OF “INDEPENDENT DIRECTOR” AS PER SECTION 149(6) OF THE COMPANIES ACT, 2013 AND CLAUSE 49 OF THE LISTING AGREEMENT

The expression ‘independent director’ shall mean a non-executive director, other than a nominee director of the company:

- a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b. (i) who is or was not a promoter of the company or its holdings, subsidiary or associate company;
(ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- c. apart from receiving director’s remuneration, has or had no material pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- d. none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- e. who, neither himself nor any of his relatives –
 - (i) Holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - (ii) Is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of –
 - (a) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - (b) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm.

- (iii) holds together with his relatives two per cent or more of the total voting power of the company;
 - (iv) is a Chief Executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company;
 - (v) is a material supplier, service provider or customer or a lessor or lessee of the company;
- f. who is not less than 21 years of age;
- g. who possesses such other qualifications as may be prescribed i.e. skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the company's business.

YOUR TERM OF APPOINTMENT AS AN INDEPENDENT DIRECTOR OF THE COMPANY

As an Independent Director, you shall hold office for a term up to the 31st March 2019 .

You shall be eligible to be re-appointed for another term of up to five consecutive years subject to your willingness, approval of the Board of Directors based on performance evaluation and other factors and shareholders' approval by way of special resolution.

The Act prescribes an Evaluation Mechanism for Independent Directors, wherein performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the director being evaluated and the extension or continuation of term of appointment of Independent Director shall be determined on the basis of evaluation report. Accordingly, your performance would be evaluated by the Board of Directors and your continuation/extension of tenure would be based on the evaluation report.

Resignation and removal of Independent Directors is governed by the provisions of Sections 168 and 169 of the Act.

YOUR ROLE, RESPONSIBILITIES, FUNCTIONS, DUTIES AND LIABILITIES**A. Board constituted committees in which you are a Member/Chairman:**

You are currently the Member/Chairman of the following Board constituted Committees:

Name of the Committee	Member/Chairman
Audit Committee	Chairman
Nomination and Remuneration Committee	Chairman
Stakeholders' Relationship Committee	Member
Share Transfer Committee	Member

You may also be requested to be a Member/Chairman of any one or more Committees/Sub-committees of the Board which may be constituted from time to time.

B. Role, Responsibilities and Functions:

The Independent Directors shall:

- act in accordance with the Company's Articles of Association;
- act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interest of the Company;
- discharge their duties with due and reasonable care, skill and diligence;
- not involve themselves in a situation in which they may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company;
- not achieve or attempt to achieve any undue gain or advantage either to themselves or to their relatives, partners or associates;
- not assign their office as Director and any assignments so made shall be void;
- bring an objective view in the evaluation of the performance of Board and management;
- satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- safeguards the interests of all stakeholders, particularly the minority shareholders;
- balance the conflicting interest of the stakeholders;

C. Duties:

The Independent Directors shall:

- undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the Company;
- strive to attend all meetings of the Board of Directors and of the Board committees of which he is a Member;
- participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- strive to attend the general meetings of the company;
- where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- keep themselves well informed about the company and the external environment in which it operates;
- pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company;
- ascertain and ensure that the Company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- acting within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

D. Separate meetings:

- The Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of Non-Independent Directors and members of management;
- All the Independent Directors of the Company shall strive to be present at such meeting;
- The meeting shall:
 - (i) Review the performance of non-Independent Directors and the Board as a whole;

- (ii) Review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- (iii) Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

E. Liabilities:

Section 149(12) of the Act inter-alia states that, notwithstanding anything contained in this Act, an Independent Director shall be held liable, only in respect of such acts of omission or commission by a company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently.

CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

During the tenure of your appointment, you are required to comply with regulations as contained in Schedule IV of the Companies Act, 2013. In addition, the Company has also laid down a Code of Conduct (“Code”) for the Board Members and Senior Management Personnel. The Code impresses upon Directors and Senior Management Personnel to uphold the interest of the Company and fulfil the fiduciary obligations. The Code further enjoins the Directors and Senior Management Personnel to act in accordance with the highest standard of honesty, integrity, fairness and good faith and due diligence in performing their duties.

While the copy of the Code is attached for your affirmation, the same is also available on the website of the Company i.e. www.lkpsec.com

LKP FINANCE LIMITED

CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT

This Code of Conduct is a set of principles that guide and govern the conduct of Company's employees in all matters relating to business.

The Code is a dynamic document and has been modified to be in line with the provisions of the Companies Act, 2013 as well as the amendments to the Listing Agreement from time to time.

- I. **COMPANY POLICY:-** LKP Finance Limited maintains policy of having fair and transparent dealings in its day to day business conduct. The Company adheres at having high standards of business ethics and is dedicated towards timely compliance of all laws, rules and regulations and adopting efficient corporate governance practice.
- II. **APPLICABILITY:** This Code of Conduct (hereinafter referred to as "Code") shall be applicable to,
 1. All the members of Board of Directors of the Company (hereinafter referred to as "Directors") and
 2. (a) Compliance Officer and Company Secretary of the Company,
(b) Chief Operation Officer(s) and Chief Marketing Officer(s)
(c) All executives of the Company from the rank of General Manager and above including all departmental/functional heads at different locations of the Company.
(hereinafter referred for (a) to (c) as "Officers")
- III. **STANDARDS OF CONDUCT:-** The Directors and Officers of the Company shall abide by the policies and procedures laid down under this Code and shall act in accordance to the standards enumerated in this code while performing their duties within the premises of the Company during working hours and also during such time when they represent the Company at any social events, meetings, conferences or gathering of any kind. All the Directors and Officers of the Company shall work with professionalism, honesty, integrity and maintain ethical standards in day to day conduct of business. All of them shall also be responsible for implementation of and compliance with this Code in professional environment. The contribution of every Director and Officer with complete professionalism, honesty and integrity shall help the Company to maintain its culture of high ethical standards, commitment to timely compliance and increasing stakeholders' confidence.
- IV. **CONFLICT OF INTEREST:-** The Directors and Officers shall not engage themselves in any business activity which shall conflict with the interest of the Company and it shall be the duty of every Director or Officer to disclose such conflicts of interest to the Chairman.

A conflict of interest may arise directly or indirectly, where the interest or benefits of any such person conflicts with the interest or benefit of the Company. Conflict of interest is likely to arise in the following situations:

- a. The Directors and Officers engages in any business associations with the suppliers, customers, developers or competitors of the Company and performs or causes to perform directly or indirectly any activity that interferes with their performance or reduces their ability to devote appropriate time and attention to the responsibilities towards the Company, or in any manner is prejudicial to the interest of the Company.
- b. The Director or Officer derives any improper personal benefits for his family member or relatives as a result of one's position in the Company.
- c. The Director or Officers accepts any gifts or donations or any kind of entertainment or any other favour, special treatment, benefit or service of whatsoever nature, whether in monetary terms or in kind, either directly or indirectly, from any person/company with which the Company has current or prospective business associations. However, the Director or Officers may accept such gifts/entertainment which are meant to be just and which shall not be considered as inappropriate in the normal course of conduct.

In any case if these arises conflict of interest for reasons mentioned above or any other reasons whatsoever, it shall be the duty of every Director and Officer to make full disclosures of all facts and circumstances thereof to the Chairman or any Committee nominated for this purpose by the Board and a prior written approval should be obtained for entering into such transactions of conflicting nature.

- V. **DUTIES OF INDEPENDENT DIRECTORS:-** It shall be the duty of all the Independent Directors to act in good faith in the interest of the Company and exercise all duties with reasonable care, skill and diligence and refrain from action which would lead to loss of independence. It shall be his duty to devote sufficient time and attention in the discharge of his professional obligation and strive to participate in all the meetings of the board or Committee(s) of the Board of which he is a member.
- VI. **REGULATORY COMPLIANCES:-** Every Director and Officer shall comply with all the applicable laws, rules and regulations for the conduct of business activities. Any violations or non-compliances with regards any of the applicable provisions of laws, rules and regulations shall be brought to the notice of the Chairman or any Committee nominated for this purpose by the Board of Directors and shall also be subject to disciplinary action as deemed fit and proper and decided unanimously.
- VII. **CONFIDENTIALLY AND FAIR DEALING:-** The Directors and Officers shall maintain complete confidentiality of information about Company, which they may have access to or have accessed during their employment and in day to day conduct of business activities or that of any customer, supplier or business associate of the Company

except when disclosure or information may be parted with due authorization. The use of confidential information either directly or indirectly, for own advantage or for personal benefits is strictly prohibited. They shall not take unfair advantage of anyone through manipulation, concealment, abuse of confidential, proprietary or trade secret information, misrepresentation or material facts, or any other unfair dealing-practices.

- VIII. **PRICE SENSITIVE INFORMATION:-** The Directors and Officers shall maintain confidentially of the unpublished price sensitive information, more particularly information which is not in public domain. The Directors/Officers shall not pass on such information directly or indirectly to public or any third person by way of making a recommendation for purchase or sale of securities of the Company. The Directors / Officers shall disseminate such price sensitive information to the public or press only when specifically authorised for the same.

Directors and Officers having access to unpublished price sensitive information shall handle the same on 'Need to Know' basis i.e. Unpublished price sensitive information should be disclosed only to those employees within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or any misuse of such information.

Any price sensitive information received directly by any Director/Officer should be reported immediately to the Chairman.

All the Directors and Officers shall also comply with the provisions of SEBI (Prohibition of Insider Trading) Regulation, 1992, as amended from time to time.

- IX. **LIMITED ACCESS TO CONFIDENTIAL INFORMATION:-** Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password etc. Files containing confidential information must be deleted / destroyed after use.
- X. **PROTECTION AND PROPER USE OF COMPANY'S ASSETS:-** The Directors and Officers shall be responsible for protection and appropriate use of Company's assets (tangible or intangible). It shall be duty of every Director and Officer to protect and preserve Company's assets and property and ensure its efficient use. Company's assets should be used only for legitimate business purposes.
- XI. **VIOLATIONS OF CODE OF CONDUCT:-** In the event of any Director or Officer has knowledge of or suspects of any violation of applicable laws, rules or regulations or this Code, they must immediately report the same to the designated Ethics Counsellor/Chairman of the Audit Committee in certain exceptional cases under the Whistle Blower Policy of the Company, as the case may be. Such person should as far as possible provide the details of suspected violations with all known particulars relating to the issue. The Company will take appropriate action against the Officers who are guilty for violations of this Code, which may include termination of services,

or any other action as decided by the Board Members unanimously depending upon case to case.

XII. **WAIVERS AND AMENDMENTS TO THE CODE OF CONDUCT:-** This Code of Conduct shall be subject to modifications and amendments. Any amendment, non-applicability of Waiver of particular clause of this Code can be effected on absolute discretion of the Board or any person/committee designated by the Board for this purpose.

XIII. **ACKNOWLEDGEMENT AND REVIEW:-** Every Director and Officer of the Company shall sign and acknowledge the receipt of the code and agree to comply with the same. Every year or upon revision of any clause of the code Directors and Officers should acknowledge and undertake to comply with the same. New Directors appointed by the Company should execute as undertaking to comply at the time of appointment.

REMUNERATION PAYABLE TO YOU AS INDEPENDENT DIRECTOR

As per the provisions of Section 197(5) of the Companies Act, 2013, you, as an Independent Director, shall be entitled to receive remuneration by way of fee for attending meetings of the Board or Committee thereof. Further, you shall also be entitled to receive reimbursement of expenses for participating in the Board and other meetings.

Currently, the sitting fees payable to the Independent Director is Rs. 10,000/- per meeting of the Board of Directors.

DIRECTORS AND OFFICERS (D&O) LIABILITY POLICY

The Company had Directors' and Officers' liability insurance and it is intended that the Company will assume and maintain such cover for the full term of your appointment.

ACCEPTANCE OF THE APPOINTMENT

I agree to the terms and conditions of my appointment as set out in your letter of appointment dated November 1, 2014.

Signed: _____

Name: _____

Date: _____