

# **LKP Finance Limited**



**33<sup>RD</sup> ANNUAL REPORT 2016-2017**

**Board of Directors : DIN**

Shri Mahendra V. Doshi <i>Executive Chairman</i>	00123243
Shri Vineet N. Suchanti	00004031
Shri Sajid Mohamed	06878433
Shri Pratik M. Doshi	00131122
Shri Sayanta Basu	02128110
Smt. Anjali Suresh	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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**33rd Annual General Meeting on Wednesday, 24th May,  
2017 at 10.00 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 Third 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 Wednesday 24<sup>th</sup> May, 2017 at 10.00 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, 2017 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 Statutory Auditors and to authorize the Board of Directors to determine their remuneration.

To consider and, if thought fit, to give your assent or dissent to the following Ordinary Resolution:

**“RESOLVED THAT** pursuant to Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, Messrs MGB & Co. LLP Chartered Accountants (Firm Registration No.101169W/W100035) be and are hereby appointed as the Statutory Auditors of the Company in place of retiring Statutory Auditors, Messrs Ford, Rhodes, Parks & Co.LLP (Firm Registration No. 102860W / W100089), to hold office from the conclusion of this Annual General Meeting until the conclusion of 34th Annual General Meeting on a remuneration to be fixed by the Board of Directors in consultation with them.”

**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 Sections 196, 197 and 198 read with Schedule V and any other applicable provisions of the Companies Act, 2013 (the Act), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Articles of Association of the Company and, subject to such other approvals as may be necessary, consent of the Members be and is hereby accorded to the re-appointment of Mr. Mahendra V. Doshi (DIN: 00123243) as an Executive Chairman of the Company for the period and upon the terms and conditions, including remuneration and perquisites, as set out hereunder, with further liberty to the Board of Directors (hereinafter referred to as “the Board”, which term shall be deemed to include any Committee constituted or to be constituted by the Board) to alter, modify or revise from time to time, the terms and conditions of re-appointment and remuneration of Mr. Mahendra V. Doshi, in such manner as may be considered appropriate and in the best interests of the Company and as may be permissible at law:

**1. Salary**

Salary up to Rs. 10,00,000/- (Rs. Ten Lacs only) per month as consolidated.

**2. Commission**

In addition, to the salary, Mr. Mahendra V. Doshi shall be entitled to receive commission on net profits. The commission payable to him will be determined by the Board and/or the Nomination and Remuneration Committee of the Board for each financial year. The overall remuneration including commission to him shall not exceed 5% of the net profits of the Company for each financial year or part thereof to be computed in the manner referred to under Section 197 of the Act and other applicable provisions thereof, or any statutory modification(s) or re-enactment thereof.

**3. Perquisites & Allowances**

- I. House Rent Allowance in accordance with the rules of the Company.
- II. Medical Reimbursement : Reimbursement of Medical Expenses incurred by him for self and family subject to the ceiling of Rs. 2,00,000/-(Rs. Two Lacs Only) in a year.
- III. Leave Travel Allowance : Leave Travel Allowance for him and his family, once in a year up to a sum of Rs. 2,00,000/- (Rs. Two Lacs only) per year, incurred in accordance with the rules of the Company.
- IV. Club Fees: Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
- V. Provident Fund, Super-annuation Fund and Gratuity : Company's Contribution to Provident Fund, Superannuation Fund and Gratuity as per rules of the Company payable to Mr. Mahendra V. Doshi will not be considered for calculating the ceiling on remuneration.
- VI. Car and Telephones:  
Provision of car with chauffeur for use on Company's business and telephone, mobile and communication facilities like Internet at residence shall not be considered as perquisites. The personal long distance calls on telephone and car for private purpose shall be billed by the Company.
- VII. Leave: Leave on full pay and allowance, as per the rules of the Company, but not more than one month's leave for every eleven months of service. However, leave accumulated but not availed of will not be allowed to be encashed.
- VIII. Period: Three years commencing from 1<sup>st</sup> April 2017.  
The office of Executive Chairman may be terminated by the Company or by him by giving the other 3 (three) months' prior notice in writing.

**4. Compensation**

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

**5. Sitting Fees**

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

**6. Reimbursement of Expenses :**

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

**7. General:**

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

**RESOLVED FURTHER THAT** notwithstanding anything herein above stated, wherein any financial year, during the period of his appointment, the Company has no profits or its profits are inadequate, the foregoing amount of remuneration including the perquisites and benefits, as aforesaid, shall be paid to Mr. Mahendra V. Doshi in accordance with the applicable provisions of the Act and subject to the approval of the Central Government, if required.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution."

By Order of the Board of Directors

(Girish B. Innani)  
General Manager (Legal) &  
Company secretary

Mumbai  
Date: 26<sup>th</sup> April 2017

**IMPORTANT NOTES:**

1. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 ("the Act"), concerning the Special Business in the Notice is annexed hereto and forms part of this Notice. The profile of the Directors seeking reappointment, as required in terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE VALID MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. A PERSON CAN ACT AS PROXY FOR ONLY 50 MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. MEMBER HOLDING MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER MEMBER.
3. Corporate Members intending to send their authorised representatives to attend the AGM are requested to send a duly certified copy of their Board Resolution authorising their representatives to attend and vote at the AGM.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Members / Proxies / Authorised Representatives should bring the enclosed attendance Slip, duly filled in, for attending the Meeting. Copies of the Annual Report or Attendance Slips will not be distributed at the Meeting.
6. The Register of Members and the Share Transfer Books of the Company shall remain closed from Monday, 22<sup>nd</sup> May, 2017 to Wednesday, 24<sup>th</sup> May, 2017 (both days inclusive).
7. 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](http://www.lkpsec.com).

8. In terms of Section 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder, the copy of the Annual Report including Financial Statements, Board's Report etc. and this Notice are being sent by electronic mode, to those members who have registered their email IDs with their respective depository participants or with the Registrars and Share Transfer Agents of the Company, unless any member has requested for a physical copy of the same. In case you wish to get a physical copy of the Annual Report, you may send your request to [info@adroitcorporate.com](mailto:info@adroitcorporate.com) mentioning your Folio/ DP ID & Client ID.

9. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's Registrars & Share Transfer Agents. In respect of shares held in electronic/ demat form, the members may please contact their respective depository participant.

10. Members are requested to send all communications relating to shares, and unclaimed dividends, change of address etc. to the Registrar and Share Transfer Agents at the following address:

M/s. Adroit Corporate Services Private Limited  
 19, Jafarbhoy Industrial Estate, 1<sup>st</sup> Floor,  
 Makawana Road, Marol Naka,  
 Andheri ( East), Mumbai 400 059.  
 Tel/Direct: +91 (0)22 42270426 | Fax: +91 (0)22 28503748  
[sandeeph@adroitcorporate.com](mailto:sandeeph@adroitcorporate.com) | [www.adroitcorporate.com](http://www.adroitcorporate.com)

If the shares are held in electronic form, then change of address and change in the Bank Accounts etc. Should be furnished to their respective Depository Participants (DPs).

#### 11. Unclaimed/Unpaid Dividend:

Members are informed that the dividend amount for the year ended 31<sup>st</sup> March 2010 remaining unclaimed shall become due for transfer on 16<sup>th</sup> August, 2017 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. Any member, who has not claimed final dividend in respect of the financial year ended 31<sup>st</sup> March 2010 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 31<sup>st</sup> July, 2017 for dividend of F.Y.2009- 2010. The Company has already sent reminders to all such members at their registered addresses in this regard.

#### 12. Voting Options:-

##### Voting through electronic means

I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on

resolutions proposed to be considered at the ensuing Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

II. The facility for voting through polling paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through polling paper.

III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

IV. The remote e-voting period commences on 20<sup>nd</sup> May 2017 (9:00 am) and ends on 23<sup>rd</sup> May, 2017 (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 18<sup>th</sup> May, 2017 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.

*NOTE: Shareholders already registered with NSDL for e-voting will not receive the PDF file "remote e-voting.pdf".*

(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 [lkpfincancescrutinizer@gmail.com](mailto:lkpfincancescrutinizer@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:

EVEN (Remote e-voting Event Number)	USER ID	PASSWORD/PIN

- (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 18<sup>th</sup> May, 2017.
- 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. 18<sup>th</sup> May, 2017, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [Issuer/RTA](mailto: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” or “Physical User Reset 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 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.



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

Name	Mr. Mahendra V. Doshi	Mr. Pratik M. Doshi
DIN	00123243	00131122
Date of Birth / Age	29/11/ 1949      67 Years	01/12/1980      36 Years
Date of First Appointment	5 <sup>th</sup> May 1984	26 <sup>th</sup> October 2009
Qualification	MBA – U. S. A.	B. A. In Economics-UK.
Expertise in Specific Functional Areas	Mr. Mahendra V. Doshi is a promoter of the Company and is associated with Company since inception. He was appointed as Executive Chairman w.e.f. 26 <sup>th</sup> July, 2001. He has over 39 years vast experience in the field of Finance, Capital Market and Business Administration.	Extensive experience of 13 years in the field of Foreign Exchange, Stock Market and Commodity Market.
Other Directorships	1. Nilkamal Ltd. 2. Graviss Hospitality Limited 3. MKM Share and Stock Brokers Ltd. 4. J. K. Helene Curtis Limited 5. Bhavana Holdings Pvt. Ltd. 6. LKP Wealth Advisory Pvt. Ltd. 7. Peak Plastonics Pvt. Ltd. 8. Sea Glimpse Investment Pvt. Ltd. 9. SolarEx P V Solution Pvt. Ltd.	1. LKP Securities Ltd. (Managing Director) 2. MKM Share and Stock Brokers Ltd. 3. Bhavana Holdings Pvt. Ltd. 4. LKP Wealth Advisory Pvt. Ltd. 5. Alpha Commodity Pvt. Ltd. 6. SolarEx P V Solution Pvt. Ltd. 7. Peak Plastonics Pvt. Ltd. 8. Astro Sports Pvt. Ltd. 9. Astro Sports Promotion Pvt.Ltd.
*Chairman / Member of Committee of the Board of the Companies on which he/she is a Director	<b>a. LKP Finance Ltd.</b> i. Share Transfer Committee-Chairman ii. CSR Committee -Chairman iii. Audit Committee-Member <b>b. Graviss Hospitality Limited</b> i. Audit Committee - Chairman ii. Shareholders & Investors Grievance Committee – Member <b>c. Nilkamal Ltd.</b> i. Audit Committee – Member ii. Remuneration Committee - Member	LKP Securities Ltd. i. Audit Committee-Member ii. Stakeholders Relationship Committee-Member iii. Share Transfer Committee – Chairman
Shareholding in the Company	36,85,554 Equity Shares (30.21%)	1,00,722 Equity Shares (0.83%)
Relationship with any Director(s) of the Company	Father of Mr. Pratik M. Doshi	Son of Mr. Mahendra V. Doshi

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

pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V and any other applicable provisions of the Companies Act, 2013 (the Act), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Articles of Association of the Company and as recommended by the Nomination and Remuneration Committee, the Board of Directors subject to the approval of the shareholders, at its meeting held on 23<sup>rd</sup> January 2017, re- appointed Mr. Mahendra V. Doshi (DIN 02071393), as an Executive Chairman of the Company, for a period of three years, with effect from 1st April, 2017. The remuneration and other terms and conditions of Mr. Mahendra V. Doshi's re- appointment as an Executive Chairman of the Company as set out in the resolution are subject to your approval. Mr. Mahendra V. Doshi is a promoter of the Company and taking into account the quality of experience, outstanding leadership, scale of business handled, current needs of the business, present performance and potential assessment, the Board recommends the re-appointment of Mr. Mahendra V. Doshi as an Executive Chairman of the Company, for a period of three (3) years, w.e.f. 1st April, 2017, on the terms as to remuneration and otherwise as set out in the Resolution at the Item No. 5.

Mr. Mahendra V. Doshi is related to Mr. Pratik M. Doshi, Director of the Company. The disclosure relating to Mr. Mahendra V. Doshi, as required under the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, is set out as an Annexure to the Notice.

The Board commends the Special Resolution set out at Item Nos. 5 of this Notice for the approval by the Members. Except Mr. Mahendra V. Doshi, being an appointee and Mr. Pratik M. Doshi, Director of the Company, none of the other Directors, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the Resolutions set out at Item Nos. 5 of this Notice.

By Order of the Board of Directors

Mumbai  
Date: 26<sup>th</sup> April 2017

(Girish B. Innani)  
General Manager (Legal) &  
Company secretary

## DIRECTORS' REPORT

The Directors present the Thirty Third Annual Report and Audited Accounts of the Company for the year ended March 31, 2017.

FINANCIAL RESULTS	2016 –2017 (Rs. in lacs)	2015 –2016 (Rs. in lacs)
Profit before tax	1256.86	1187.54
Less: Tax Expense for the Year	249.53	300.29
Profit after tax	1007.32	887.25
Profit brought forward from previous year	797.08	1114.99
Amount available for appropriation	1804.40	2002.24
<b>APPROPRIATIONS:</b>		
Proposed Dividend	243.96	--
Tax on Dividend	49.67	--
Interim Dividend Paid	--	853.86
Tax on interim Dividend	--	173.85
Transfer to General Reserve	--	--
Transfer to Special Reserve Fund	201.46	177.45
Balance carried to Balance Sheet	1309.31	797.08

### DIVIDEND

The Board of Directors are pleased to recommend a dividend of Rs.2/- per equity share of the Company for the financial year ended 31st March 2017. The total cash outflow on account of dividend & tax thereon Rs. 293.63 lacs.

### PERFORMANCE REVIEW

The Company's revenue from operation marginally decreased to Rs. 4388.02 lacs from Rs.4538.44 lacs whereas profit after tax increased to Rs.1007.32 lacs from Rs. 887.25 lacs in the previous year due to buoyancy in Capital Market.

### SCHEME OF ARRANGEMENT OF DEMERGER

The Company's Scheme of Arrangement of Demerger of SEBI Registered Intermediaries Business of the Company into LKP Securities Ltd under sections 391 to 394 of the Companies Act, 1956 and sections 52 and 55 of the Companies act 2013 was approved by the Hon'ble High Court of Bombay completed during the year. As per the Scheme, the equity shareholders of LKP Finance Limited were allotted 6 fully paid equity shares of Rs.2/- each in LKP Securities Ltd. for every one equity share of Rs.10/- each held by them in LKP Finance Ltd. The equity shares of LKP Securities Limited are listed at BSE Limited with effect from 1st December 2016.

### 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.

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.

### 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 Executive Chairman .

The Internal Audit Department monitors and evaluates the efficacy 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

After implementation of Scheme of demerger of SEBI Registered Intermediaries Business of the Company into LKP Securities Ltd, LKP Securities Limited no longer remains as a subsidiary of the Company with effect from 8<sup>th</sup> July 2016.

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. Gayatri Cement and Chemical Industries Private Limited, in Form AOC 1 annexed in Annual Report.

The annual accounts of the aforesaid subsidiary and the related detailed information shall be made available to shareholders of the Company, seeking such information at any point of time. The annual accounts of the subsidiary company shall also be kept open for inspection by any shareholder at the Registered office at 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.

The Board of Directors reappointed Mr. Mahendra V. Doshi as Executive Director with effect from 1<sup>st</sup> April 2017. The said reappointment has been approved by the Nomination and Remuneration Committee.

The requisite Resolution for the reappointment of Mr. Mahendra V. Doshi as Executive Director, is 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.

The information on the particulars of the Directors proposed for 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 provisions of Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 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, Nomination & 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 Nomination & 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 five 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 in the preparation of the annual accounts for the year ended on March 31, 2017 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.

### STATUTORY AUDITORS:

Messrs Ford, Rhodes, Parks & Co.LLP, Chartered Accountants, Statutory Auditors of the Company would retire on the conclusion of this Annual General Meeting on completion of their term of appointment. Since Messrs Ford, Rhodes, Parks & Co. LLP Chartered Accountants are not eligible for reappointment as Statutory Auditors of the Company as per Companies Act, 2013, the Board of Directors on recommendation of the Audit Committee, recommended the appointment of Messrs MGB & Co. LLP, Chartered Accountants (Firm Registration No. 101169W/W100035) as Statutory Auditors of the Company to hold office from the conclusion of this i.e. 33<sup>rd</sup> Annual General Meeting until the conclusion of next i.e. 34<sup>th</sup> Annual General Meeting. Consent and certificate from the said firm has been received to the effect that their appointment as Statutory Auditors of the Company, if appointed at ensuing Annual General Meeting, would be according to the terms and conditions prescribed under Section 139 of the Act and Rules framed thereunder. A resolution seeking their appointment forms part of the Notice convening the 33<sup>rd</sup> Annual General Meeting and the same is recommended for your consideration and approval.

### 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 Regulation 24(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is self explanatory.

### 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 is 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. The requisite details are given in Form AOC 2 is annexed herewith as 'Annexure E'.

**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 behavior, 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 Counselor 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.

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

The information required pursuant to rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms a part of this report. However, as per the first proviso to section 136(1) and second proviso of rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the report and the financial statements are being sent to the members of the Company excluding statement of particulars of employees under rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. If any member is interested in obtaining the copy of the said statement 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**

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 Company as approved by their Board of Directors.

**CORPORATE GOVERNANCE**

The Report on Corporate Governance along with a Certificate of compliance from the Practising Company Secretaries 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: April 26, 2017

**( 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.

		Employees Stock Option Scheme 2010 Granted on April 21, 2010	Employees Stock Option Scheme 2010 Granted on June 26, 2012	Employees Stock Option Scheme 2014 Granted on January 29, 2015
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	5,28,270	4,14,375	--
4.	Options Exercised	--	--	--
5.	Total number of Ordinary Shares arising as a result of exercise of Options	--	--	--
6.	Options Lapsed/ Forfeited/ Surrendered/ Cancelled	2,66,970	1,73,875	7,75,000
7.	Variations of terms of Options	--	--	--
8.	Money realized by exercise of the Options	--	--	--
9.	Total number of Options in force	2,61,300	2,40,500	--
10.	Employee-wise details of Options granted to: i) Details of Options granted to senior managerial personnel 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.   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.  One employee received 3,90,000 options.	--  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.  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, 2016.	Rs. 7.93		
12.	i) Method of calculation of employee compensation cost. 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.  iii) The impact of difference on profits and EPS of the Company for the year ended March 31, 2013 had fair value Options had been used for accounting Employee Options.	Intrinsic Value  As the fair value is lower than the intrinsic value the charge to profit and loss account is based on intrinsic value.  There is no change in the reported diluted EPS.	Intrinsic Value  As the fair value is lower than the intrinsic value the charge to profit and loss account is based on intrinsic value.  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.	All Options granted are 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, 2017**

*[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, 2017 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, 2017 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, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(not applicable to the company during the audit period)**;
  - (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 **(not applicable to the company during the audit period)**;
  - (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, **(not applicable to the company during the audit period)** and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. **(not applicable to the company during the audit period)**

- (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;

I/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;
- (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

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. No changes in the composition of the Board of Directors took place during the period under review.

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) *Approval of shareholders of the Company, by way of Special resolution passed vide annual general meeting dated 10<sup>th</sup> June, 2016 for transactions to be entered with related parties under section 188 of the Companies Act, 2013.*

For V.R. Associates  
 Company Secretaries  
 V. Ramachandran  
 CP 4731

Place: Mumbai  
 Date: 26<sup>th</sup> April, 2017.

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 efficacy 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: 26<sup>th</sup> April, 2017.

**Annexure C to the Directors’ Report  
 Form No. MGT-9**
**EXTRACT OF ANNUAL RETURN**

**As on the financial year ended on March 31, 2017**

[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 & Dividend Income	64990	33.55
2	Profit on sale of Shares and Securities	64990	65.47

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

S. No.	Name and Address of the Company	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
1	Gayatri Cement & Chemical Industries Private Limited 112-A, Embassy Centre Nariman Point Mumbai, Maharashtra India - 400021 400 021 <b>CIN/GLN:</b> U99999MH1983PTC115063	Subsidiary	100	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 01/04/2016				No. Of Shares held at the end of the year 31/03/2017				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
a) Individual/HUF	--	--	--	--	--	--	--	--	--
b) Central Govt.	--	--	--	--	--	--	--	--	--
c) State Govt. (s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp.	3957727	--	3957727	32.44	3957727	--	3957727	32.44	--
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any Other...									
i. Directors	3783608	--	3783608	31.02	3786276	--	3786276	31.04	+0.02
ii. Directors relatives	116725	--	116725	0.96	116725	--	116725	0.96	--
<b>Sub-total (A) (1):-</b>	<b>7858060</b>	<b>--</b>	<b>7858060</b>	<b>64.42</b>	<b>7860728</b>	<b>--</b>	<b>7860728</b>	<b>64.44</b>	<b>+0.02</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>7858060</b>	<b>--</b>	<b>7858060</b>	<b>64.42</b>	<b>7860728</b>	<b>--</b>	<b>7860728</b>	<b>64.44</b>	<b>+0.02</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) FIIs	254177	--	254177	2.08	234113	--	234113	1.92	-0.16
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (Specify)	--	--	--	--	--	--	--	--	--
<b>Sub-total (B) (1)</b>	<b>254227</b>	<b>3900</b>	<b>258127</b>	<b>2.11</b>	<b>234163</b>	<b>3900</b>	<b>238063</b>	<b>1.95</b>	<b>-0.16</b>
<b>(2) Non - Institutions</b>									
a) Bodies Corp.									
i) Indian	1125735	9012	1134747	9.30	1140875	8101	1148976	9.42	0.12
ii) Overseas	727489	--	727489	5.96	727489	--	727489	5.96	--
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	1231320	315056	1546376	12.70	1224488	309784	1534272	12.58	-0.12
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	331930	--	331930	2.72	346202	--	346202	2.84	0.12
c) Others (Specify)									
c-1) NON RESIDENT INDIANS(INDIVIDUALS)	84587	100725	185312	1.52	85215	98225	183440	1.51	-0.01
c-2) CLEARING MEMBER	2890	--	2890	0.02	5761	--	5761	0.05	0.03
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>3657043</b>	<b>424793</b>	<b>4081836</b>	<b>33.47</b>	<b>3683122</b>	<b>416110</b>	<b>4099232</b>	<b>33.61</b>	<b>0.14</b>
<b>Total Public Shareholding(B)= (B) (1)+(B)(2)</b>	<b>3911270</b>	<b>428693</b>	<b>4339963</b>	<b>35.58</b>	<b>3917285</b>	<b>420010</b>	<b>4337295</b>	<b>35.56</b>	<b>-0.02</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs.</b>									
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>11753573</b>	<b>444450</b>	<b>12198023</b>	<b>100</b>	<b>11778013</b>	<b>420010</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 01/04/2016			Share holding at the end of the year 31/03/2017			% 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	Mr. M. V. Doshi	3682886	30.19	55.84	3685554	30.21	--	+0.02
2	Mr. Pratik M. Doshi	100722	0.83	--	100722	0.83	--	--
3	Miss Ira P. Doshi	100000	0.82	--	100000	0.82	--	--
4	Mrs. Shital A. Sonpal	16725	0.14	--	16725	0.14	--	--
5	Bhavna Holdings Pvt. Ltd.	1409505	11.55	--	1409505	11.55	--	--
6	Sea Glimpse Investments Pvt. Ltd.	2547515	20.88	--	2547515	20.88	--	--
7	LKP Securities Ltd	707	0.01	--	707	0.01	--	--
	<b>Total</b>	<b>7858060</b>	<b>64.42</b>		<b>7860728</b>	<b>64.44</b>		<b>+0.02</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	01/04/2016	3682886	30.19	3682886	30.19
	At the beginning of the year	02/09/2016	--	--	2668	0.02
	Change during the year	31/03/2017	--	--	3685554	30.21
	Acquired					
	At the end of Year					
2	Mr. Pratik M. Doshi	01/04/2016	100722	0.83	100722	0.83
	At the beginning of the Year	--	--	--	--	--
	Change during the Year	31/03/2017	--	--	100722	0.83
	At the end of Year					
3	Miss. Ira Pratik Doshi	01/04/2016	100000	0.82	100000	0.82
	At the beginning of the year	--	--	--	--	--
	Change during the year	31/03/2017	--	--	100000	0.82
	At the end of Year					
4	Mrs. Shital A Sonpal	01/04/2016	16725	0.14	16725	0.14
	At the beginning of the year	--	--	--	--	--
	Change during the year	31/03/2017	--	--	16725	0.14
	At the end of Year					
5	Bhavna Holdings Pvt. Ltd.	01/04/2016	1409505	11.55	1409505	11.55
	At the beginning of the year	--	--	--	--	--
	Change during the year	31/03/2017	--	--	1409505	11.55
	At the end of Year					
6	LKP Securities Ltd.	01/04/2016	707	0.01	707	0.01
	At the beginning of the year	--	--	--	--	--
	Change during the year	31/03/2017	--	--	707	0.01
	At the end of Year					
7	Sea Glimpse Investment Pvt. Ltd.	01/04/2016	2547515	20.88	2547515	20.88
	At the beginning of the year	--	--	--	--	--
	Change during the year	31/03/2017	--	--	2547515	20.88
	At the end of Year					

**(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	Name of Shareholder's	As On Date	No. of Shares held 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	<b>At the beginning of the year</b>	Agrud Capital Pte Ltd	01-04-2016	727489	5.96	727489	5.96
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	<b>At the End of the year</b>		31/03/2017	0	0.00	727489	5.96
2	<b>At the beginning of the year</b>	Grovsnor Investment Fund Ltd	01-04-2016	400000	3.28	400000	3.28
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	<b>At the End of the year</b>		31/03/2017	0	0.00	400000	3.28
3	<b>At the beginning of the year</b>	Sadguru Express Private Limited	01-04-2016	181203	1.49	181203	1.49
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	<b>At the End of the year</b>		31/03/2017	0	0.00	181203	1.49
4	<b>At the beginning of the year</b>	Marytime Trimpex Private Limited	01-04-2016	130799	1.07	130799	1.07
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	<b>At the End of the year</b>		31/03/2017	0	0.00	130799	1.07
5	<b>At the beginning of the year</b>	India Max Investment Fund Limited	01-04-2016	148177	1.21	148177	1.21
	Date wise Increase / Decrease in Share holding during the year		30/06/2016	-10840	0.09	137337	1.13
			01/07/2016	-1054	0.01	136283	1.12
			07/07/2016	-8170	0.07	128113	1.05
	<b>At the End of the year</b>		31/03/2017	0	0	128113	1.05
6	<b>At the beginning of the year</b>	FPI-Padmakshi Insurance Broker Pvt. Ltd.	01-04-2016	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year		31/03/2017	126280	1.04	126280	1.04
	<b>At the End of the year</b>		31/03/2017	0	0.00	126280	1.04
7	<b>At the beginning of the year</b>	Prime India Investment Fund Ltd	01-04-2016	106000	0.87	106000	0.87
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	<b>At the End of the year</b>		31/03/2017	0	0.00	106000	0.87
8	<b>At the beginning of the year</b>	Bela Properties Pvt. Ltd.	01-04-2016	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year		30/12/2016	1264	0.01	1264	0.01
			06/01/2017	2160	0.02	3424	0.03
			13/01/2017	9925	0.08	13349	0.11
			20/01/2017	4229	0.03	17578	0.14
			27/01/2017	17324	0.14	34902	0.29
			03/02/2017	18792	0.15	53694	0.44
			10/02/2017	6464	0.05	60158	0.49
			17/02/2017	3184	0.03	63342	0.52
	<b>At the End of the year</b>		31/03/2017	0	0.00	63342	0.52
9	<b>At the beginning of the year</b>	Rashmikant Amratlal Shah	01-04-2016	61031	0.50	61031	0.50
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	<b>At the End of the year</b>		31/03/2017	0	0.00	61031	0.50
10	<b>At the beginning of the year</b>	Skunk Agents Private Limited	01/04/2016	53000	0.43	53000	0.43
	Date wise Increase / Decrease in Share holding during the year		20/01/2017	-47184	0.39	5816	0.04
			27/01/2017	47184	0.39	53000	0.43
			10/02/2017	3000	0.02	56000	0.46
			24/02/2017	3000	0.02	59000	0.48
	<b>At the End of the year</b>		31/03/2017	0	0.00	59000	0.48

**(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 Executive Chairman				
	01/04/2016	3682886	30.19	3682886	30.19
	02/09/2016	--	--	2668	0.02
	31/03/2017	--	--	3685554	30.21
2	Mr. Pratik M Doshi Director				
	01/04/2016	100722	0.83	100722	0.83
	31/03/2017	--	--	100722	0.83
3	Mr. Sayanta Basu Nominee Director				
	01/04/2016	152892	1.25	152892	1.25
	31/03/2017	--	--	152892	1.25
4	Mr. S. S. Gulati Head Corporate Affairs				
	01/04/2016	6646	--	6646	0.05
	31/03/2017	--	--	6646	0.05
5	Mr. Girish Kumar Innani GM(Legal) & Company Secretary				
	01/04/2016	--	--	--	--
	31/03/2017	--	--	--	--

**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	110,292,276	399,171,806	--	509,464,082
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
<b>Total (i+ii+iii)</b>	<b>110,292,276</b>	<b>399,171,806</b>	<b>--</b>	<b>509,464,082</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	523,521,770	92,476,752	--	615,998,522
• Reduction	324,367,117	102,724,275	--	427,091,392
<b>Net Change</b>	<b>199,154,653</b>	<b>(10,247,523)</b>	<b>--</b>	<b>188,907,130</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	309,446,929	388,924,283	--	698,371,212
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
<b>Total (i+ii+iii)</b>	<b>309,446,929</b>	<b>388,924,283</b>	<b>--</b>	<b>698,371,212</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 Executive Chairman	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	39,00,000/-	39,00,000/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	18,00,000/-	18,00,000/-
	(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 - others, specify...	9,00,000/--	9,00,000/--
5.	Others, please specify	--	--
	<b>Total (A)</b>	<b>66,00,000/-</b>	<b>66,00,000/-</b>
	<b>Ceiling as per the Act</b>	<b>66,37,925/-</b>	<b>66,37,925/-</b>

**B. Remuneration to other Directors**

Sl. no.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Pratik M. Doshi	Mr. Vineet Suchanti	Mr. Sajid Mohamed	Mrs. Anjali Suresh	Mr. Sayanta Basu	
1.	Independent Directors						
	• Fee for attending board committee meetings	--	80,000/-	80,000/-	80,000/-	--	2,40,000/-
	• Commission	--	--	--	--	--	--
	• Others, please specify	--	--	--	--	--	--
	Total (1)	--	80,000/-	80,000/-	80,000/-	--	2,40,000/-
2.	Other Non-Executive Directors						
	• Fee for attending board committee meetings	80,000/-	--	--	--	--	80,000/-
	• Commission	--	--	--	--	--	--
	Others, please specify	--	--	--	--	--	--
	Total (2)	80,000/-	--	--	--	--	80,000/-
	Total (B)=(1+2)	80,000/-	80,000/-	80,000/-	80,000/-	---	3,20,000/-
	Total Managerial Remuneration						3,20,000/-
	<b>Overall Ceiling as per the Act</b>						<b>13,27,585/-</b>

**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	--	18,22,000/-	44,30,000/-	62,52,000/-
	(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 - as % of profit - others, specify...	--	--	--	--
5.	Others, please specify	--	--	--	--
	Total (C)	--	18,82,000/-	44,30,000/-	63,12,000/-

**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.13,78,69,995/--

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

The company is required to contribute Rs.27,57,400/-

Contribution made by the Company Rs. 27,60,000/-

5. Details of CSR spent :

- a) Total cumulative amount to be spent Rs. 73,10,000/-
- b) Total amount spent Rs. 37,94,682/-
- c) Amount unspent if any : Rs. 35,15,318/-
- d) Manner in which the amount was spent

Sr. No.	Projects/ Activities	Sector	Locations	Amount outlay (Budget) project or programme wise (Rs. Lakhs)	Amount spent on the project or programme (Rs. Lakhs)	Cumulative expenditure up to reporting period (Rs. Lakhs)	Amount spent: Direct or through implementing agency* (Rs. Lakhs)
1	Educational Aid	Literacy	Maharashtra	1,20,00,000/-	30,07,682/-	34,94,682/-	34,94,682/-
2	Socio Economic Aid	Social Project	Maharashtra	2,50,00,000/-	3,00,000/-	3,00,000/-	3,00,000/-

- e) Details of implementing agency : Smt. Jayalaxmi Vasantraai Doshi Charitable Trust, Mumbai, which is in the process of spending the amount.
- f) The implementing agency has identified rehabilitation project of Devghar village, Ambawane Panchayat in Pune District of Maharashtra State, in which unspent amount will be utilized for the purpose of Education, Health Care and Environmental Sustainability.
- g) The implementation and monitoring of CSR Policy, is in compliance with the CSR objectives and Policy of the Company.

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

Mumbai  
Date: April 26, 2017

( M. V. Doshi )  
Executive Chairman

## Annexure E to Directors' Report

### Form No. AOC-2

(Pursuant to *clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014*)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

1. Details of contracts or arrangements or transactions not at arm's length basis : **NIL**
  - (a) Name(s) of the related party and nature of relationship
  - (b) Nature of contracts/arrangements/transactions
  - (c) Duration of the contracts / arrangements/transactions
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any
  - (e) Justification for entering into such contracts or arrangements or transactions
  - (f) date(s) of approval by the Board
  - (g) Amount paid as advances, if any:
  - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188
2. Details of material contracts or arrangement or transactions at arm's length basis

	Name(s) of the related party and nature of relationship (a)			
	LKP Securities Ltd .	Gayatri Cement & Chemical Industries Pvt Ltd Subsidiary	Key Managerial Personnel	Total (Rs. In Lacs)
Nature of contracts / arrangements/ transactions (b)				
Interest Expense	355.11	---	---	355.11
Remuneration	---	---	Mr. M. V. Doshi Mr. S. S. Gulati Mr. G. B. Innani	66.00 44.30 18.82
Brokerage Paid	26.79	---	---	26.79
Balance due as on 31.03.2017	(604.39)	150.23	---	(454.16)

- (c) Duration of the contracts / arrangements/transactions: 01/04/2016 to 31/03/2017
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Regular and ordinary course of business
- (e) Date(s) of approval by the Board, if any: 26/04/2017
- (f) Amount paid as advances, if any: Nil

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

Mumbai  
Date: 26<sup>th</sup> April 2017

(M. V. Doshi)  
Executive Chairman

### Annexure F To The Board's Report

Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

i. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Name of Director	Designation	Ratio to median remuneration of the employees*
Mr. M. V. Doshi	Executive Chairman	15.35:1

ii. The % increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Designation	Name of Employee	% Increase in remuneration
Executive Chairman	Mr. M. V. Doshi	6.45
Head Corporate Affairs / CFO	Mr. S. S. Gulati	10.20
General Manger (Legal) & Company Secretary	Mr. G. B. Innani	16.17

iii. The % increase in the median remuneration of employees in the financial year : 19

iv. The number of permanent employees on the rolls of the Company : 14

v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: The median percentage increase made in the salaries of employees other than the managerial personnel was 19%, while the increase in the remuneration of managerial personnel was 9.05 %.

vi. It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company.

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

Date: April 26, 2017  
Place: Mumbai

M. V. Doshi  
Executive Chairman

## 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 2017 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. Sajid Mohamed	Director
Promoter	Mr. Pratik M. Doshi	Director
Nominee	Mr. Sayanta Basu	Director

The composition of the Board of Directors is in accordance with the Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. 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 five Board Meetings held during the financial year ended 31<sup>st</sup> March 2017, namely on 2<sup>nd</sup> May 2016, 10<sup>th</sup> August 2016, 3<sup>rd</sup> November 2016, 23<sup>rd</sup> January 2017 and 29<sup>th</sup> March 2017.

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 2017:

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	5	Yes	4	5	1	3
2	Mr. Vineet N. Suchanti	4	Yes	4	--	2	--
3	Mr. Sajid Mohamed	4	Yes	--	1	--	--
4	Mr. Sayanta Basu	4	No	--	2	--	--
5	Mr. Pratik M. Doshi	5	Yes	2	7	1	1
6	Mrs. Anjali Suresh	4	Yes	--	1	--	--

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. 66.00 lacs towards remuneration (details of which are provided in the extract of the annual return form MGT 9 'Annexure C' to the Directors' Report) 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. Sajid Mohamed Rs. 80,000/-
2. Mr. Vineet N. Suchanti Rs. 80,000/-
3. Mr. Pratik M. Doshi Rs. 80,000/-
4. Mr. Sayanta Basu Nil
5. Mr. M. V. Doshi Nil
6. Mrs. Anjali Suresh Rs. 80,000/-

### 3. Audit Committee

The Board has set up the Audit Committee with two Independent Directors Mr. Vineet N. Suchanti, Mrs. Anjali Suresh 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.

Audit Committee meetings were held on 2<sup>nd</sup> May 2016, 10<sup>th</sup> August 2016, 3<sup>rd</sup> November 2016, and 23<sup>rd</sup> January 2017. All the members have attended the aforesaid meetings. 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 Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, and section 177 of the Companies Act, 2013.

### 4. Stakeholders Relationship Committee

Stakeholders Relationship Committee has been constituted pursuant to the section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The said Committee is having two Independent Directors Mrs. Anjal Suresh and Mr. Vineet Suchanti. 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 and 1 letter each for non receipt Share Certificate after transfer and Bonus Shares. The Committee meetings were held on 4<sup>th</sup> April 2016, 4<sup>th</sup> July 2016, 5<sup>th</sup> October 2016 and 2<sup>nd</sup> January 2017. 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 has been constituted by the Company. Mr. Vineet N. Suchanti is the Chairman of the Committee and Mr. Sayanta Basu and Mrs. Anjali Suresh are the members of the Committee.

The terms of reference of the Nomination and Remuneration Committee cover all the areas mentioned under Part D Schedule II read with regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 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, in case if any, 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, 2017, two meetings of the Nomination and Remuneration Committee were held on 29<sup>th</sup> June 2016 and 23<sup>rd</sup> January 2017. All the members have attended the aforesaid meetings. At present, Directors are not paid any fees for attending any Committee Meetings.

### 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

A Non-executive Director shall be entitled to receive sitting fees for each meeting of the Board attended by him, 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.

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, 2017. All the members have attended the aforesaid CSR Committee meetings.

## 7. Performance Evaluation of the Board

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.

## 8. Independent Directors Meeting

During the year under review, the Independent Directors met on March 20, 2017, 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.

## 9. General Body Meetings

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

Financial Year	Day	Date	Time
2015-2016	Friday	10 <sup>th</sup> June 2016	10.30 a. m.
2014-2015	Thursday	11 <sup>th</sup> June 2015	11.00 a. m.
2013-2014	Tuesday	10 <sup>th</sup> June 2014	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.
2015-2016	1. Approval of Members authorising to the Board to exercise the powers to enter into Related Party Transactions as defined under Sub-Section (1) of Section 188 of the Act, in the Company or its subsidiaries or associate Companies or any other transaction of whatever nature with the Related Parties.
2014-2015	1. For adoption of new set of Articles of Association
2013-2014	1. For approval for appointment of Mr. M. V. Doshi as Executive Chairman of the Company and payment of Remuneration thereof.
	2. 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.
	3. For approval of Borrowing power of the Board of Directors pursuant to section 180(1)(c) of the Companies Act, 2013.

During the year 2015- 2016 following business had been conducted through Court Convened Meeting and postal ballot the result of which was announced on January 12, 2016.

1. Approval of the Composite Scheme of Arrangement amongst LKP Finance Limited (Transferor Company) and LKP Securities Limited (Transferee Company) and their respective shareholders and creditors.
2. Approval for reduction in the Securities Premium Account of the Company and Capital Redemption Reserve on account of buy back of Equity Shares of the Company in terms of the Composite Scheme of Arrangement of, LKP Finance Limited the Transferor Company, with LKP Securities Limited, the Transferee Company and their respective shareholders and creditors:

## 10. Disclosure

1. The related party details 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.
2. 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.
3. No personnel have been denied access to the Chairman or members of the Audit Committee. The mechanism of Whistle Blower Policy is in place.
4. To the extent possible, the Company has complied with the mandatory requirement of this clause.
5. 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.

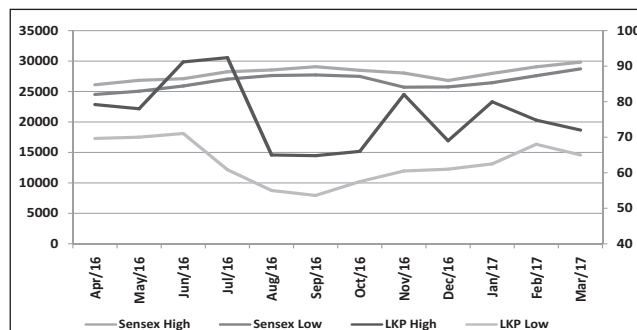
## 11. Means of Communication

1. The financial results of quarter ended June 2016 and September 2016 were published in The Financial Express and Mumbai Lakshyadeep dailies and the same for quarter ended December 2016 and March 2017 were published in Business Standard and Aaple Mahanagar dailies. These were not sent individually to the shareholders.
2. The Company's results or official news are displayed on a web site [www.lkpssec.com](http://www.lkpssec.com)
3. There were no presentations made to the institutional investors or to the analysts.
4. The Management, Discussion and Analysis Report forms a part of this Annual Report.

## 12. General Shareholder Information

AGM Date, Time and Venue	Wednesday, 24 <sup>th</sup> May 2017 at 10.00 a.m. M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Mumbai 400 001, Maharashtra, India.
Financial Calendar	April to March Announcement of Audited / Un-audited Results (tentative) 1 <sup>st</sup> Quarter - First week of August 2 <sup>nd</sup> Quarter - First week of November 3 <sup>rd</sup> Quarter - First week of February 4 <sup>th</sup> Quarter - First week of May
Book Closure	Monday, 22 <sup>nd</sup> May, 2017 to Wednesday 24 <sup>th</sup> May 2017 (both days inclusive).
Dividend	Dividend which remains unpaid or unclaimed declared by the Company for the year ended on March 31, 2010 at the Annual General Meeting held on July 12, 2010 will be transferred to the Investor Education and Protection Fund of the Central Government around 16 <sup>th</sup> August, 2017 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. <b>Transfer to Investor Education and Protection Fund:</b> As required under Section 124 of the Act, the unclaimed dividend amount aggregating to Rs. 12,42,017/- lying with the Company for a period of seven years pertaining to the financial year ended on March 31, 2009 was transferred during the year 2016, to the Investor Education and Protection Fund established by the Central Government.
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 2017 to 31 <sup>st</sup> March 2018. 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	LKP High Rs.	LKP Low Rs.	No. of Shares	No. of Shares	BSE Sensex	
					High	Low
Apr-16	79.20	69.65	65446	687	26101	24523
May-16	78.00	70.00	72186	768	26837	25058
Jun-16	91.20	71.05	125521	1221	27105	25911
Jul-16	92.40	60.85	165445	1518	28240	27034
Aug-16	65.00	55.00	57505	754	28532	27628
Sep-16	64.80	53.60	38764	499	29077	27717
Oct-16	66.00	57.50	48573	547	28478	27488
Nov-16	82.00	60.50	195151	1682	28030	25718
Dec-16	69.00	61.00	66175	666	26804	25754
Jan-17	79.95	62.50	166424	1429	27980	26447
Feb-17	74.80	68.00	59251	505	29065	27590
Mar-17	72.00	65.00	217177	984	29825	28716

### 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/Direct: +91 (0)22 42270426 | Fax: +91 (0)22 28503748

[sandeeph@adroitcorporate.com](mailto:sandeeph@adroitcorporate.com) | [www.adroitcorporate.com](http://www.adroitcorporate.com)

### 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 respects.

**Distribution of shareholding as on 31<sup>st</sup> March 2017**

Shares Slab	Share Holders	%	Total Shares	Amount (Rs.)	%
Upto - 100	3838	63.00	291724	2917240	2.39
101 - 500	1575	25.85	430741	4307410	3.53
501 - 1000	337	5.53	262225	2622250	2.15
1001 - 2000	172	2.82	252547	2525470	2.07
2001 - 3000	57	0.94	144867	1448670	1.19
3001 - 4000	15	0.25	52410	524100	0.43
4001 - 5000	15	0.25	69208	692080	0.57
5001 -10000	37	0.61	242467	2424670	1.99
10001-20000	19	0.31	266275	2662750	2.18
20001 -50000	5	0.08	160214	1602140	1.31
50001 &Above	22	0.36	10025345	100253450	82.19
<b>Total :</b>	<b>6092</b>	<b>100.00</b>	<b>12198023</b>	<b>121980230</b>	<b>100.00</b>

**Share holding pattern as on 31<sup>st</sup> March 2017**

	Category of Shareholder	Total number of shares	% to the Shareholding
1	Indian Promoters / Person Acting in Concert	7860728	64.44
2	Directors other than Promoters	152892	1.25
3	Mutual Fund and UTI	1400	0.01
4	Financial Institutions / Banks and Insurance Co.	2550	0.02
5	FII's	234113	1.92
6	Private Corporate Bodies	1154937	9.47
7	Indian Public	1880474	15.42
8	Foreign Corporate Bodies	727489	5.96
9	NRI/OCB	183440	1.51
	<b>Total</b>	<b>12198023</b>	<b>100</b>

**Dematerialization of equity Shares and liquidity**

As on 31<sup>st</sup> March 2017, 96.56 % of the Company's total shares represented by 1,17,78,013 shares were held in dematerialized form.

**Out-standing GDR/Warrants/Convertible Instruments**

The Company has no out-standing GDR/Warrants/Convertible Instruments.

**Address for correspondence**

LKP Finance Limited  
203, Embassy Centre,  
Nariman Point,  
Mumbai 400 021

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

Mumbai  
Date: April 26, 2017

**(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 ("the company") for the year ended on 31st March, 2017, as specified in Chapter IV of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

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 specified in Chapter IV of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

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: 26<sup>th</sup> April, 2017.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Industry structure and developments

2016 continues to be in the pattern of what we have been seeing after the NDA Government took over. Bold Government decisions combined with solid economic performance. This has made India the only BRICS market to be loved by global investors.

Soft Global Commodity prices, Benign CPI, Controlled Fiscal deficit trending lower, Significant deposit growth, Stable INR and robust Foreign Exchange reserves all bode well for a country which 3 years back had a 20% depreciation in its currency.

RBI Governor change has had minimal effect despite several warnings about a change affecting India's rating globally.

The NDA Government with its stunning win in Uttar Pradesh will also help the ongoing confidence in India stemming from political stability.

### 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.

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

Major themes to impact Indian markets in 2017 include resurrection in consumption demand, growth led by policy reforms, move towards digitization, monetary stance of global central banks and economic policy decisions. The impact of demonetization has not weighed on consumption demand and growth continues to be robust. The 2017-18 will possibly see a higher growth rate with the Government coming up with the GST middle of this year.

Improvement in consumption demand is expected to be a major theme for 2017 supported by a gradually rising rural wage level, implementation of the 7th pay commission, lowering of interest rates in the Indian economy and continued government spending.

Interest subvention of 3% and 4% for housing loan announced in December 2016 may boost low cost housing segment. Post the fixation of tax structure by the GST council, GST law now awaits implementation in 2017. This simplification of tax structure along with reforms pertaining to land, labor, infrastructure sectors and modification in FDI policy could contribute to sustainable growth over medium term.

Global factors including commodity price movements, economic policies of the new government in the US and monetary policy stance of global central banks could have a bearing on capital flows to emerging markets like India. A likely rise in inflation pressure in the US from wage rise and expansion in the economy should elicit future

interest rate hike actions by the US Federal Reserve in 2017. Global growth rate is likely to improve, led by the US and other emerging economies in 2017 which could benefit the Indian export oriented sectors. That said, India's lower linkage to global economies makes the domestic macro factors and fiscal trends the key catalysts to determine growth. Improving fiscal situation, inflation rate, exports growth, rising FDI flows point towards fundamental stability in the economy which augurs well for long term equity investing. Domestic corporate earnings volatility may increase as corporates attempt to tide over the impact of currency replacement program. Franklin Templeton expects Earnings for FY17 to be lower than estimate with EPS growth likely at around 10%. Consensus earnings growth for FY18 is expected to be healthy at high teens. The fundamental strength of the economy and attractive valuation levels of the market (1 year forward P/E for BSE Sensex at 14.7x, moderate levels implying low risk) present a positive outlook for equity.

(Source: Franklin Templeton)

LKP Finance with its divestment from LKP Securities currently invests its funds in the capital market. We continue to significant opportunity in the market and will use periods of interim weakness as investment opportunities for long term.

### Risks and Concerns

LKP Finance after demerging LKP Securities is now more dependent on the Indian Capital markets for its returns. Even though it is envisaged that Indian stock market will continue to do well, but global concerns can result in sharp corrections.

### 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, 2017 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 decreased from Rs. 15689.28 lacs to 12710.87 lacs.

#### Secured Loans

The secured loans increased to Rs. 5883.58 from Rs. 2712.74 lacs.

#### Total Income

During the year under consideration total income was Rs. 4277.60 lacs as against Rs. 4773.81 lacs in the previous year.

**Other Income**

During the year under consideration other income was Rs. 43.22 lacs as against Rs. 193.37 lacs in the previous year.

**Interest and Finance Charges**

During the year under consideration total interest and finance charges were Rs.1418.76 lacs as against Rs. 1673.12 lacs in the previous year.

**Tax Expense**

During the year under consideration the Tax Expense were Rs. 249.54 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 2017 the Company had 14 employees.

The company has also provided medical insurance for its employees and family members as a welfare measure.

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 2016-17

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

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

Mumbai  
Date: April 26, 2017

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

**COMPLIANCE WITH CODE OF CONDUCT**

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management personnel have confirmed compliance with the Code of Conduct for the year ended March 31, 2017.

For LKP Finance Limited

M. V. Doshi  
Executive Chairman

Mumbai  
April 26, 2017

**COMPLIANCE CERTIFICATE****[Regulation 17(8) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015]**

The Board of Directors

LKP Finance Limited

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together 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 that there is no :
- (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; and
  - (3) 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.

For LKP Finance Limited

M. V. Doshi  
Executive Chairman

Mumbai  
April 26, 2017

For LKP Finance Limited

S. S. Gulati  
Head Corporate Affairs



## **Independent Auditors' Report to the members of LKP Finance Limited Report on the Financial Statements for the year ended 31<sup>st</sup> March, 2017**

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 2017, the Statement of Profit and Loss, 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 these 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these 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 there under.

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. 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, 2017, and its profit 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, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**", 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 specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 ;
  - e. on the basis of written representations received from the directors as on 31<sup>st</sup> March 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2017, from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
  - g. 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 pending litigations in Honorable Bombay High court and Honorable Madras High Court in the matter explained under Note No. C1 (a) to (e) of the Notes to financial statements as at 31<sup>st</sup> March, 2017. We are informed that the cases when heard and disposed off will neither have cash outgo nor will have impact on the Statement of Profit and Loss.

- 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. C-17 in the Notes to financial statements as at 31<sup>st</sup> March, 2017.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund of the Company.
- iv. The Company has provided disclosures in its financial statements as to holdings as well as dealings in specified bank notes during the period 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and the same are in accordance with books of accounts maintained by the Company – Refer Note No.C-19 in the Notes to financial statements.

**For FORD RHODES PARKS & CO. LLP**  
**Chartered Accountants**  
**FRNo. 102860W/W100089**

Place: Mumbai  
 Date: 26<sup>th</sup> April, 2017

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

#### **Annexure “A” to the Independent Auditors’ Report**

**Referred to in paragraph 1 under the heading ‘Report on Other Legal and Regulatory Requirement’ of our Report of even date to the financial statements for the year ended 31<sup>st</sup> March, 2017**

- i. 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 at reasonable intervals and no material discrepancies were noticed on such verification.*
- c) *All the title deeds of immovable properties are held in the name of the company.*
- ii. *The inventory consists of shares and securities which are held in demat form. No physical verification is required since the same are in demat form. On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory and there are no discrepancies.*
- iii. *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.*
- iv. *According to information and explanations given to us the company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.*
- v. *The company has not accepted deposits from public, within the meaning of sections 73 to 76 or any other relevant provisions of the Companies Act 2013.*

- vi. *Maintenance of cost records under sub section (1) of section 148 of Companies Act 2013 is not applicable as the company is a Non Banking Finance Company.*
- vii. a) *According to the information and explanation given to us and records of the company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues including Provident Fund, employee’s state insurance fund, income tax and any other statutory dues with the appropriate authorities. There are no undisputed statutory dues payable for a period of more than six months from the date they become payable as at 31<sup>st</sup> March 2017.*
- b) *According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax as at 31<sup>st</sup> March 2017, which has not been deposited on account of dispute.*
- viii. *The Company has not defaulted in repayment of dues to financial institutions and banks during the financial year.*
- ix. *The Company has not raised any Initial Public Offer or further public offer and not obtained any term loan.*
- x. *Based upon the audit procedures performed and information and explanations given by the management, we report that we have not come across any instances of fraud by the company or any fraud on the company by its officers or employees that have been noticed or reported during the year nor have we been informed of such a case by management.*
- xi. *Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013.*
- xii. *The Company is not a Chit Fund Company/or Nidhi/ mutual benefit fund/society.*
- xiii. *All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.*
- xiv. *The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.*
- xv. *The company has not entered into non-cash transactions covered by Section 192 of Companies Act, 2013 with directors or persons connected with him.*
- xvi. *The company is registered as Non-banking financial institution (NBFI) and is holding a Certificate of Registration (CoR) from Reserve Bank of India to carry on business of NBFI in terms of Section 45-IA of the RBI Act, 1934.*

**For FORD RHODES PARKS & CO. LLP**  
**Chartered Accountants**  
**FRNo. 102860W/W100089**

Place: Mumbai  
 Date: 26<sup>th</sup> April, 2017

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

**ANNEXURE “B” to the Independent Auditors’ Report  
Referred to in paragraph pertaining to ‘Report on Other Legal  
and Regulatory Requirement’ of our report of even date on the  
financial statements for the year ended 31<sup>st</sup> March, 2017**

**Report on the Internal Financial Controls under Clause (i) of  
Sub-section 3 of Section 143 of the Companies Act, 2013 (“the  
Act”)**

We have audited the internal financial controls over financial reporting of **LKP FINANCE LIMITED** (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (**IFCOFR**) issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgments, including the assessment of the risks of material misstatement of the financial statements, whether

due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over  
Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For FORD RHODES PARKS & CO. LLP**  
**Chartered Accountants**  
**FRNo. 102860W/W100089**

Place: Mumbai  
Date: 26<sup>th</sup> April, 2017

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

**BALANCE SHEET AS AT 31ST MARCH, 2017**

(Rupees)

Particulars	Note No.	As at 31 March 2017	As at 31 March 2016
<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	1,119,743,577	1,446,947,806
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	B03	2,952,543	-
(b) Long-term provisions	B04	3,862,341	3,862,341
<b>3 Current liabilities</b>			
(a) Short-term borrowings	B05	977,282,729	670,446,209
(b) Trade payables	B06	69,117,605	26,588,826
(c) Other current liabilities	B07	79,979,154	321,417,798
(d) Short-term provisions	B08	29,363,081	17,384,622
<b>TOTAL</b>		<b>2,404,281,259</b>	<b>2,608,627,832</b>
<b>II. ASSETS :</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets ( Tangible Assets)	B09	11,994,275	5,055,412
(b) Non-current investments	B10	673,186,576	768,168,617
(c) Deferred tax assets		206,031	159,700
(d) Long-term loans and advances	B11	16,406,434	15,608,434
<b>2 Current assets</b>			
(a) Inventories ( Securities)		425,900,222	328,671,364
(b) Trade receivables	B12	102,810,987	104,225,761
(c) Cash and cash equivalents	B13	303,379,066	408,065,621
(d) Short-term loans and advances	B14	870,397,668	978,672,923
<b>TOTAL</b>		<b>2,404,281,259</b>	<b>2,608,627,832</b>

Notes forming part of the Accounts

A1 to C20

As per our Report attached.

For and on behalf of the Board

**For FORD, RHODES, PARKS & CO. LLP**

Chartered Accountants

Firm Registration No.102860W / W100089

**A. D. Shenoy**

Partner

Membership No 11549

Mumbai

Dated : 26th April, 2017

Executive Chairman

**M. V. Doshi**

Director

**V. N. Suchanti**

Director

**Sayanta Basu**

Head - Corporate Affairs

**S. S. Gulati**

GM (Legal) &amp; Company Secretary

**G. B. Innani**

Mumbai

Dated : 26th April, 2017

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017**

(Rupees)

	Particulars	Note No.	Current Year	Previous Year
I.	Revenue from operations	B15	438,801,560	453,843,785
II.	Other income	B16	4,322,170	19,337,391
<b>III.</b>	<b>Total Revenue</b>		<b>443,123,730</b>	<b>473,181,176</b>
IV.	Expenses:			
	Employee benefits expense	B17	90,496,055	57,802,390
	Finance costs		141,876,441	167,311,840
	Depreciation		1,433,742	930,755
	Other expenses	B18	83,631,694	128,382,106
<b>V</b>	<b>Total Expenses</b>		<b>317,437,933</b>	<b>354,427,091</b>
<b>VI.</b>	<b>Profit before tax</b>		<b>125,685,797</b>	<b>118,754,085</b>
<b>VII.</b>	<b>Tax expense (Net ) for the year</b>		<b>24,953,669</b>	<b>30,029,413</b>
<b>VIII.</b>	<b>Profit after tax</b>		<b>100,732,128</b>	<b>88,724,672</b>
IX	Earnings per equity share:			
	(1) Basic		8.26	7.27
	(2) Diluted		7.93	6.47
	Notes forming part of the Accounts	A1 to C20		

As per our Report attached.

**For FORD, RHODES, PARKS & CO. LLP**  
Chartered Accountants  
Firm Registration No.102860W / W100089

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

Mumbai  
Dated : 26th April, 2017

For and on behalf of the Board

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

Mumbai  
Dated : 26th April, 2017

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**

(Rs In Lacs)

	Current Year	Previous Year
<b>A. Cash Flow From Operating Activities:</b>		
Net Profit before interest & tax	2,675.62	2,860.66
Adjustments for:		
Depreciation	14.34	9.31
Dividend Received	(65.44)	(57.50)
Profit on sale of Investments	(456.15)	(2,355.81)
Irrecoverable loans / advances written off	400.34	1,030.44
	<u>(106.91)</u>	<u>(1,373.56)</u>
Operating Profit before Working Capital Changes	2,568.71	1,487.10
Adjustments for working capital changes	<u>(2,452.55)</u>	<u>4,637.92</u>
Cash Generated from operations	116.16	6,125.02
Interest paid	(1,418.76)	(1,673.12)
Direct taxes paid	(249.54)	(229.82)
<b>Net cash from operating activities</b>	<u>(1,552.15)</u>	<u>4,222.08</u>
<b>B Cash flow from investing activities</b>		
Purchase of fixed assets	(84.06)	7.30
Purchase of Investments	(6,310.13)	(2,019.87)
Sale of Investments	3,736.14	3,758.14
Dividend received	65.44	57.50
<b>Net cash used in investing activities</b>	<u>(2,592.61)</u>	<u>1,803.07</u>
<b>C Cash flow from financing activities</b>		
Increase / ( Decrease )in borrowings	3,097.89	(3,927.14)
Dividend (including tax)	-	(1,027.71)
<b>Net cash used in financing activities</b>	<u>3,097.89</u>	<u>(4,954.85)</u>
Net increase in cash and cash equivalents	(1,046.87)	1,070.30
Cash and cash equivalents. (opening)	4,080.66	3,010.36
Cash and cash equivalents. (closing)	3,033.79	4,080.66

As per our Report attached.

**For FORD, RHODES, PARKS & CO. LLP**  
Chartered Accountants  
Firm Registration No.102860W / W100089

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

Mumbai  
Dated : 26th April, 2017

For and on behalf of the Board

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

Mumbai  
Dated : 26th April, 2017



## Notes to financial statements for the year ended 31st March, 2017

### 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. In respect of loans classified as NPA's interest is not accrued from the date the loan is recognized as NPA.

#### 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 under the head current assets. The initial cost of securities comprises actual cost of acquisition and other charges such as brokerage, fees, tax, duty or cess.
- b) Securities comprises listed securities and unlisted securities. Listed Securities are classified into :
  - (i) shares;
  - (ii) debt securities;
  - (iii) convertible securities; and
  - (iv) others
- c) Method of Valuation

Listed securities are valued at initial acquisition cost or net realisable value at the close of the year, whichever is lower. Unlisted securities are valued at initial acquisition cost.

#### 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 acquisition cost plus brokerage, fees, tax, duty or cess. 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 earnings 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, Currency & Commodity Futures : Gains/Losses on futures transactions are recognised on continuous basis.
- b) Options Contracts : Premium on Options contracts are recognized on date of Purchase / Sale. Gains/Losses on options contracts are recognized on squaring off/settlement day.
- c) At the close of the financial year, open position of equity instruments and in commodity exchange are disclosed in the notes to accounts.

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, 2017**
**B01. Share Capital**

Particulars	As at 31st March 2017		As at 31st March 2016	
	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 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

Details of Shareholders holding more than 5% equity shares in the Company.

Name of Shareholder	As at 31st March 2017		As at 31st March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr Mahendra V Doshi	3,685,554	30.21	3,682,886	30.19
Agrud Capital Pte Ltd	727,489	5.96	727,489	5.96
Sea Glimpse Investments Pvt Ltd	2,547,515	20.88	2,547,515	20.88
Bhavana Holdings Private Limited	1,409,505	11.55	1,409,505	11.55

Particulars	Year (Aggregate No. of Shares)				
	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013
<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

a) Terms / Rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholder in the ensuing Annual General Meeting. During the year ended 31st March, 2017, the amount of per share dividend recommended and provided for distributions to equity shareholders is Rs.2/- per share.

In the event of liquidation of the Company, the holders of equity share will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

b) Shares held by holding / ultimate holding company and /or their subsidiaries / associates : NIL

c) There is no movement in the share capital during the current and previous year.

**B02. Reserves and Surplus**

		(Rupees)	
	Particulars	As at 31 March 2017	As at 31 March 2016
<b>A.</b>	<b>Break up of Reserves and movements thereon</b>		
<b>a.</b>	<b>Capital Reserves- Share Warrants moneys forfeited</b>		
	Opening Balance	19,400,000	19,400,000
	(+) Current Year Transfer	-	-
	(-) Transfer pursuant to Scheme of Arrangement	19,400,000	-
	Closing Balance	-	19,400,000
<b>b.</b>	<b>Capital Redemption Reserve on account of buyback of Equity shares</b>		
	Opening Balance	13,294,660	13,294,660
	(+) Current Year Transfer	-	-
	(-) Transfer pursuant to Scheme of Arrangement	13,294,660	-
	Closing Balance	-	13,294,660
<b>c.</b>	<b>Securities Premium Account</b>		
	Balance as per last balance sheet	229,870,249	229,870,249
	(-) Amount paid in excess of face value on buy back	-	-
	(-) Transfer pursuant to Scheme of Arrangement	229,870,249	-
	Closing Balance	-	229,870,249
<b>d.</b>	<b>Special Reserve Fund- As per RBI guidelines for NBFCs</b>		
	Opening Balance	352,890,145	335,145,211
	(+) Current Year Transfer	20,146,426	17,744,934
	(-) Written Back in Current Year	-	-
	Closing Balance	373,036,571	352,890,145
<b>e.</b>	<b>General Reserve</b>		
	Opening Balance	750,037,431	750,037,431
	(+) Current Year Transfer	-	-
	(-) Transfer pursuant to Scheme of Arrangement	135,431,791	-
	Closing Balance	614,605,640	750,037,431
<b>f.</b>	<b>Employees Stock Options (ESOPs)</b>		
	Opening Balance	1,747,202	1,747,202
	(+) Current Year Transfer	-	-
	(-) Deferred Employees Compensation	-	-
	(-) Written Back in Current Year	576,576	-
	Closing Balance	1,170,626	1,747,202
<b>B.</b>	<b>Surplus</b>		
	Opening balance	79,708,119	111,499,164
	(+) Net Profit for the year	100,732,128	88,724,672
	(-) Transfer to Special Reserve Fund	20,146,426	17,744,934
	(-) Transfer to General Reserve	-	-
	(-) Proposed Dividend	24,396,046	-
	(-) Tax on Proposed Dividend	4,967,035	-
	(-) Interim Dividend Paid	-	85,386,161
	(-) Tax on Interim Dividend	-	17,384,622
	Closing Balance	130,930,740	79,708,119
	<b>Total</b>	<b>1,119,743,577</b>	<b>1,446,947,806</b>

**B03. Long Term Borrowings**
**Secured**

	Vehicle Loan	2,952,543	-
	<b>Total</b>	<b>2,952,543</b>	<b>-</b>

**B04. Long Term Provisions**

Particulars	(Rupees)	
	As at 31 March 2017	As at 31 March 2016
Contingent Provisions against standard assets	3,862,341	3,862,341
<b>TOTAL</b>	<b>3,862,341</b>	<b>3,862,341</b>

**B05. Short Term Borrowings**
**Secured**
**(a) From banks.**

(Secured By pledge of Fixed Deposit Receipts and Securities. Loan is repayable on demand)	281,864,060	160,982,127
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**(b) From Corporates.**

(Secured by pledge of own and third party securities. Loan is repayable on demand)	306,494,386	110,292,276
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**(c) Loans From Corporates.**
**Unsecured**

<b>Total</b>	<b>388,924,283</b>	<b>399,171,806</b>
	<b>977,282,729</b>	<b>670,446,209</b>

**B06. Trade Payables**
**(a) Trade Payables:**

Sundry Creditors	69,117,605	26,588,826
------------------	------------	------------

<b>Total</b>	<b>69,117,605</b>	<b>26,588,826</b>
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**B07. Other Current Liabilities**

(a) Statutory Dues	4,781,490	9,424,025
(b) Unclaimed dividends	6,923,417	11,361,730
(c) Other payables	68,274,247	300,632,044
<b>Total</b>	<b>79,979,154</b>	<b>321,417,798</b>

**B08. Short Term Provisions**
**Proposed Dividend**

24,396,046	-
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**Dividend Distribution Tax**

	4,967,035	17,384,622
<b>Total</b>	<b>29,363,081</b>	<b>17,384,622</b>

**B09. Fixed Assets**

Particulars	Gross Block			Accumulated Depreciation				Net Block	
	Balance as at 1 April 2016	Additions / (Deductions)	Balance as at 31 March 2017	Balance as at 1 April 2016	Depreciation charge for the year	Deductions/ Adjustments	Balance as at 31 March 2017	Balance as at 31 March 2017	Balance as at 31 March 2016
<b>Tangible Assets</b>									
Buildings	11,988,467		11,988,467	10,072,426	93,815		10,166,241	1,822,226	1,916,041
Furniture and Fixtures	125,000	2,550,000	2,675,000	118,750	100,218	6,250	225,218	2,449,782	6,250
Vehicles	6,520,661	5,739,365	12,260,026	3,980,554	998,654		4,979,208	7,280,818	2,540,107
Office Equipments	750,934	116,990	867,924	554,315	43,782	27,500	625,597	242,327	196,619
Computer	37,000	-	37,000	35,150	-		35,150	1,850	1,850
Lease Hold Improvement	852,750		852,750	458,205	197,273		655,478	197,272	394,545
<b>Total</b>	20,274,812	8,406,355	28,681,167	15,219,400	1,433,742	33,750	16,686,892	11,994,275	5,055,412
<b>Previous Year</b>	20,073,878	200,934	20,274,812	14,288,645	930,755	0	15,219,400	5,785,233	-

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

**B10. Non Current Investments**

(Rupees)

Particulars	As at 31 March 2017	As at 31 March 2016
Investments		
(a) Investment in Equity instruments	573,171,841	393,323,882
(b) Investments in Preference shares	-	290,000,000
(c) Investments in Mutual Funds	14,735	14,735
(d) Investments in Property	-	84,830,000
(e) Investments in NCD / Bonds	100,000,000	-
<b>Total</b>	<b>673,186,576</b>	<b>768,168,617</b>

Aggregate amount of quoted investments (Market value Rs.1,05,21,46,016/-  
(Prior Year Rs 36,96,85,439/-)

640,520,026 252,675,367

Aggregate amount of unquoted investments

32,666,550 515,493,250

**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 2017	31st March 2016			31st March 2017	31st March 2016
a	<b>Investment in Equity Instruments</b>							
	Godfrey Philips	Others	10,000	10,000	Quoted	Fully paid	13,376,488	13,376,488
	ICICI Prudential	Others	175,022	-	Quoted	Fully paid	64,042,888	-
	Indian Oil Corporation	Others	200,000	-	Quoted	Fully paid	64,562,599	-
	ITI Limited	Others	52,000	-	Quoted	Fully paid	3,642,279	-
	Maharashtra Polybutane Ltd	Others	300,000	300,000	Quoted	Fully paid	666,189	666,189
	Mercator Lines Limited	Others	5,071,942	4,171,942	Quoted	Fully paid	129,706,028	80,454,561
	McDowell Holdings Ltd	Others	259,308	309,308	Quoted	Fully paid	8,673,853	10,346,353
	NHPC Ltd	Others	131,910	131,910	Quoted	Fully paid	3,050,198	3,050,198
	Nilkamal Ltd	Others	86,000	86,000	Quoted	Fully paid	44,451,290	44,451,290
	RBL Bank	Others	50,000	-	Quoted	Fully paid	24,592,614	-
	Shree Cements	Others	500	500	Quoted	Fully paid	5,744,325	5,744,325
	Spicejet	Others	-	370,000	Quoted	Fully paid	-	23,477,388
	Zee Learn Limited	Others	-	206,450	Quoted	Fully paid	-	7,407,260
	Thomas Cook (India) Ltd	Others	440	440	Quoted	Fully paid	18,474	18,474
	Thomas Cook (India) Ltd	Others	254,912	299,912	Quoted	Fully paid	466,218	548,518
	Thomas Cook (India) Ltd	Others	246,000	246,000	Quoted	Fully paid	35,081,233	35,081,233
	Triveni Engineering	Others	300,000	-	Quoted	Fully paid	24,366,681	-
	Vakrangee Limited	Others	50,000	-	Quoted	Fully paid	16,749,661	-
	Suzlon Energy	Others	1,500,000	1,500,000	Quoted	Fully paid	28,038,355	28,038,355
	Bajaj Finance Ltd	Others	40,890	-	Quoted	Fully paid	5,645,240	-
	Cox & Kings Limited	Others	59,425	-	Quoted	Fully paid	9,643,639	-
	Glenmark Pharmaceuticals Ltd	Others	17,190	-	Quoted	Fully paid	5,113,177	-
	ICICI Prudential	Others	14,950	-	Quoted	Fully paid	5,304,972	-
	ICICI Bank Limited	Others	30,000	-	Quoted	Fully paid	7,491,527	-
	Indusind Bank	Others	4,265	-	Quoted	Fully paid	4,492,670	-
	Kotak Mahindra Bank Ltd	Others	10,440	-	Quoted	Fully paid	7,691,624	-
	SUN Pharmaceuticals	Others	13,901	-	Quoted	Fully paid	10,625,437	-
	SUN Pharmaceuticals - Bonus shares	Others	13,510	-	Quoted	Fully paid	-	-
	Manpasand Beverages	Others	10,810	-	Quoted	Fully paid	7,566,768	-
	Yes Bank	Others	8,500	-	Quoted	Fully paid	9,700,863	-
	Business India	Others	500,000	500,000	Quoted	Fully paid	15,000,000	15,000,000
	Gayatri Cement & Chemicals Industries Pvt.Ltd	Subsidiary	21,000	21,000	Unquoted	Fully paid	16,400,000	16,400,000
	LKP Securities Ltd.	Erstwhile Subsidiary	-	26,203,600	Unquoted	Fully paid	-	107,996,700
	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>573,171,841</b>	<b>393,323,882</b>

Sr. No.	Name of the Body Corporate	Subsidiary / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Amount	
			31st March 2017	31st March 2016			31st March 2017	31st March 2016
b	<b>Investments in Preference Shares</b> LKP Securities Ltd-Preference Shares	Erstwhile Subsidiary	-	2,900,000	Unquoted	Fully paid	-	290,000,000
c	<b>Investments in Mutual Funds</b> BenchMark Mutual Fund	Others	147.342	147.342	Quoted	Fully paid	14,735	14,735
d	<b>Investments in Property</b> Flat at Pune						-	84,830,000
e	<b>Investments in NCD / Bonds</b> Edelweiss Asset Reconstruction Company Ltd -NCD		1000		Quoted		100,000,000	-
	<b>Total</b>						<b>673,186,576</b>	<b>768,168,617</b>

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

## Notes to financial statements for the year ended 31st March,2017

### B11. Long Term Loans & Advances

Particulars	(Rupees)	
	As at 31 March 2017	As at 31 March 2016
<b>Security Deposit</b>	<b>16,406,434</b>	15,608,434
<b>Total</b>	<b>16,406,434</b>	15,608,434

### B12. Trade Receivables

Trade receivables outstanding for a period more than six months considered good and recoverable

Unsecured.	<b>102,810,987</b>	104,225,761
<b>Total</b>	<b>102,810,987</b>	104,225,761

### B13. Cash and cash equivalents

a. Balances with banks		
In Dividend bank accounts	<b>6,923,417</b>	11,361,730
In Current Accounts	<b>43,442,399</b>	13,700,597
In FDRs with Bank - more than 12 months maturity	<b>253,000,000</b>	303,000,000
In FDRs with Bank - less than 12 months maturity (bank has a lien on the FDRs)	-	80,000,000
b. Cash on hand	<b>13,250</b>	3,294
<b>Total</b>	<b>303,379,066</b>	408,065,621

### B14. Short term loans and advances

Secured.	<b>334,637,732</b>	375,544,251
Unsecured, considered good	<b>496,442,802</b>	562,633,637
[net of provision for NPAs Rs.4,03,42,166/-]		
Advance Tax net of provision for tax & MAT.	<b>39,317,134</b>	40,495,035
<b>Total</b>	<b>870,397,668</b>	978,672,923

### B15. Revenue from Operations

Interest Income	<b>142,143,846</b>	152,325,945
Dividend	<b>6,543,572</b>	5,750,321
Profit on sale of shares & securities	<b>290,114,142</b>	295,767,519
<b>Total</b>	<b>438,801,560</b>	453,843,785

### B16. Other Income

Bad debts recovered	-	18,115,730
Miscellaneous Income	<b>821,082</b>	307,944
Excess Provision for NPA Written back	-	913,717
Interest on IT Refund	<b>1,356,325</b>	-
Excess Provision for Income Tax Written back	<b>2,144,763</b>	-
<b>Total</b>	<b>4,322,170</b>	19,337,391



**B17. Employee Benefits Expenses**

Particulars	Current year	(Rupees) Previous Year
(a) Salaries and allowances	88,048,323	54,124,668
(b) Contribution to Provident fund & ESIC	354,987	372,116
(c) Contribution to LIC Group Gratuity Fund	1,280,099	688,208
(d) ESOP compensation written off / (written back)	(576,576)	-
(e) Staff welfare expenses	1,389,222	2,617,398
<b>Total</b>	<b>90,496,055</b>	<b>57,802,390</b>

**B18. Other Expenses**

Rent, Rates & Taxes	1,527,964	1,232,797
Repairs - Others	4,771,400	82,752
Advertisement	74,534	127,020
Directors Fees	320,000	440,000
Travelling & Conveyance	2,381,872	1,417,574
Postage, Telegram & Telephones	649,387	486,303
Legal and Professional Charges	8,651,250	11,473,241
Printing & Stationery	181,542	495,086
Auditors Remuneration :		
Audit fees	473,137	356,343
Tax audit fees	35,000	25,000
Commission Expenses	15,363,550	-
Donation	-	200,000
CSR Expenses	2,760,000	2,800,000
Irrecoverable loans/advances written off	40,000,000	103,957,624
Miscellaneous Expenses	6,442,059	5,288,366
<b>Total</b>	<b>83,631,694</b>	<b>128,382,106</b>

**Notes to financial statements for the year ended 31st March, 2017**
**C. Notes :**
**1. Litigation Matter:**

- Claim against the Company not acknowledged as debt Rs. 33.99 Laacs , against which the company has deposited full amount in the Hon'ble High Court of Mumbai. The matter is pending since 2007
  - Against a penalty order for Rs 180 lakhs received from the Enforcement Directorate in respect of a matter which arose in 1996 pertaining to the erstwhile money changing division of the Company , the Company has preferred an appeal in the Hon'ble Madras High . The Company has provided a bank guarantee to cover the demand. The matter is pending The Management is of the opinion that a cash outflow is unlikely and therefore no provision is considered necessary .
  - A winding up petition filed by the Company against a borrower has been admitted by the Hon'ble High court of Mumbai. The recovery if any will be accounted for when the money is received from official Liquidator.
  - The Company has filed an arbitration case (Rs. 9.27 Laacs ) against a borrower for which it has received a favourable award from the arbitrator. The opposing party has filed an appeal in the Hon'ble High court of Mumbai for which the matter is pending.
- The Company has filed recovery suits in the Mumbai High Court against three parties for an amount of Rs 33.38 crores to whom loans/advances were given. The matter is pending. Any recoveries will be accounted for in the year of recovery.
  - With a view to demerge its SEBI Registered Intermediaries business, the company filed a scheme of arrangement with the Honourable Bombay High Court for which approval was received during the year. As per the Scheme, the investment of the Company in LKP Securities Limited (erstwhile subsidiary) of equity shares and preference shares were cancelled. This has resulted in reduction of Investments in the books of the Company by Rs.39.79 Crores and corresponding reduction in the Reserves of the Company. As per the Scheme, LKP Securities Limited has on 8<sup>th</sup> July,2016 allotted 7,31,83,896 equity shares of Rs.2/- each fully paid up to the shareholders of LKP Finance Limited in the ratio of 6 shares of LKP Securities for every share held in LKP Finance Limited.
  - 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**

	<b>31.03.2017 Rs. in lacs</b>	31.03.2016 Rs. in lacs
a. Present value of obligation at the beginning of the year	81.71	71.56
b. Current service cost	5.99	5.54
c. Interest Cost	6.54	5.72
d. Benefits paid	(40.31)	(1.64)
e. Actuarial (Gain)/Loss	(45.92)	0.52
f. Present value of the obligation at the end of the year	8.00	81.70

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

	<b>31.03.2017 Rs. in lacs</b>	31.03.2016 Rs. in lacs
a. Fair value of Plan Assets at the beginning of the year	94.84	83.32
b. Expected return on Plan Assets	7.31	7.64
c. Contributions	11.41	5.51
d. Benefits paid	(40.31)	(1.64)
e. Actuarial (Gain)/Loss on Plan Assets	Nil	Nil
f. Fair value of Plan Assets at the end of the year	73.26	94.84

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

	<b>31.03.2017 Rs. in lacs</b>	31.03.2016 Rs. in lacs
a. Present value of obligation at the end the year	8.00	81.70
b. Fair value of Plan Assets at the end of the year	73.26	94.84
c. Excess of Fair value of Plan Assets over present value of obligation	65.26	13.14

**III) Expenses charged to Statement of Profit & Loss.**

	<b>31.03.2017 Rs. in lacs</b>	31.03.2016 Rs. in lacs
a. Expenses charged to Statement of Profit & Loss Account	12.80	6.88

**4. 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. 27.60 Lakhs has been spent for the CSR activities during the year.

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

	<b>Rs. in lacs</b>
Salary	39.00
Commission	9.00
Perquisites	18
<b>Total</b>	<b>66.00</b>

**b) Sitting fees to Directors : 3.20**
**6. Particulars with respect to Earnings per share is calculated as follows:**

	<b>Current Year</b>	Previous Year
Profit after Tax (Rs in lacs)	<b>1007.32</b>	887.25
Weighted Average Number of Shares Outstanding	<b>12,198,023</b>	12,198,023
	<b>Rs. Ps.</b>	Rs. Ps.
Earnings per share (Basic)	<b>8.26</b>	7.27
Earnings per share (Diluted)	<b>7.93</b>	6.47
Face Value per Share	<b>10</b>	10

**7. Other Current Liabilities**

Other payables as at 31<sup>st</sup> March 2017 include Rs. 11.12 Lacs due to Company where a director is interested.

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

i.	Current Tax.	Rs 310 Lacs
ii.	Deferred Tax Asset for the year	(0.46) Lacs
iii.	MAT Utilized	(60 Lacs)
	<b>Total</b>	<b>Rs 249.54 lacs</b>

**B. Income Tax assessments have been completed up to Asst. Year 2014- 2015. There are no demands outstanding.**
**9. Balances shown under the head of Current Assets, Loans and Advances are considered as good and recoverable by the management.**
**10. 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.	Director Interested
Gayatri Cement & Chemical Industries Pvt. Ltd.	Subsidiary Company
LKP Wealth Advisory Pvt. Ltd.	Director Interested
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 Gayatri Cement & Chemical Industries Pvt Ltd	Director Interested	Key Managerial Personnel	Total (Rs. In Lacs)
Interest Expense	---	355.11	---	355.11
Remuneration	---	---	129.12	129.12
Brokerage Paid	---	26.79	---	26.79
Balance due as on 31.03.2017	150.23	(604.39)	---	454.16

**11. Expenditure in Foreign Currency**

	Current Year Rs. in lacs	Previous year Rs. in lacs
Foreign Travel	NIL	NIL

**12. 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

- (a) provided 0.25% of Standard Assets amounting to Rs. NIL ( Previous year Rs NIL ). The Contingent Provision against Standard Assets as on 31.03.2017 is Rs 38.62 lacs ( Previous year Rs 38.62 lacs)
- (b) appropriated 20% of the Net Profits Rs 201.47 lacs ( Previous year Rs 177.45 lacs) to Special Reserve Fund.
13. Tax Deducted at Source on income: Rs. 112.19 lacs (Previous Year Rs. 129.82)
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, 2017.
15. There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at 31<sup>st</sup> March, 2017
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. 5,01,800 ESOPs are outstanding as on 31<sup>st</sup> March, 2017. 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 & Currency Segments and on the Multi Commodity Exchange in the commodity segment. The open position as on 31.03.2017 is Rs 1,311.39 lacs (Previous Year Rs 7,048.06 lacs).
18. 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
(1) Loans and advances availed by the NBFC's inclusive of interest accrued thereon but not paid:		
(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	29.53	NIL
(d) Inter-corporate Loans and Borrowings	NIL	NIL
(e) Commercial Paper	NIL	NIL
(f) Other Loans (specify Nature)	9772.83	NIL

**Asset Side**

	Amount Outstanding
(2) Break-up of Loans and Advances including bills receivables (other than those included in (4) below)	
(a) Secured	3,346.38
(b) Unsecured	5,521.66
(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	
(a) Financial Lease	NIL
(b) Operating Lease	NIL
(ii) Stock on hire including hire charges under sundry debtors	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

	Amount Outstanding
(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
<b>Long Term Investments</b>	
1. Quoted	
(i) Shares: (a) Equity	5,405.05
(b) Preference	NIL
(ii) Debentures and Bonds	1000
(iii) Units of mutual funds	0.15
(iv) Government Securities	NIL
(v) Others (Please specify)	NIL
2. Unquoted:	
(i) Shares (a) Equity	326.67
(b) Preference	NIL
(ii) Debentures and Bonds	NIL
(iii) Units of mutual funds	NIL
(iv) Government Securities	NIL
(v) Others (please specify)	NIL
Share warrants	NIL
Total	6,731.87

**(4) 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	150.23	150.23
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	3,346.38	5,371.43	8,717.81
Total	3,346.38	5,521.66	8,868.04

**(5) 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	164	164
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2. Other than related parties	10,684.13	6,567.87
Total	10,848.13	6,731.87

**(7) Other information**

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	806.84
(ii) Net Non-Performing Assets	-
(a) Related parties	-
(b) Other than related parties	403.42
( iii ) Assets pledged/taken charge of.	NIL

19. At the closure of 08<sup>th</sup> November, 2016 The Company was having cash balance of Rs.5,518/- which does not include any specified bank notes. (Circular no.G.S.R. as Per 308 (E) dated 30<sup>th</sup> March,2017.

	SBN's	Other denomination notes	Total
Closing cash as on 08.11.2016	NIL	Rs.5,518/-	Rs.5,518/-
(+) Permitted Receipts	NIL	-	-
(-) Permitted Payments	NIL	Rs.5518/-	Rs.5518/-
(-) Amount deposited in banks	NIL	-	-
Closing cash in hand as on 30.12.2016	NIL	NIL	NIL

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

As per our Report attached.

**For FORD, RHODES, PARKS & CO. LLP**  
 Chartered Accountants  
 Firm Registration No.102860W / W100089

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

Mumbai  
 Dated : 26th April, 2017

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 : 26th April, 2017

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF LKP FINANCE LIMITED

#### Report on the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2017

We have audited the accompanying consolidated financial statements of LKP Finance Limited (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding company and its subsidiary together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended and a summary of 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 there under.

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 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. 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 Board of its subsidiary in the Group, as well as evaluating the overall presentation of the consolidated 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 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, 2017, 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 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 purpose 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 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 subsidiary as on 31<sup>st</sup> March 2017, taken on record by the Board of Directors of the Holding Company and its subsidiary, none of the directors of the Holding and Subsidiary company are disqualified as on 31<sup>st</sup> March 2017, from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - g. 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 Holding company has disclosed in their financial statements matters relating to pending cases before the Judicial Authorities. The Holding Company expects no cash outgo and there will be no impact on the consolidated financial position of the Group.
    - ii. As represented by the Holding company and its subsidiary, there are no long term contracts including derivative contracts having material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund of the Company.
    - iv. The Holding Company and its subsidiary has provided disclosures in its financial statements as to holdings as well as dealings in specified bank notes during the period 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and the same are in accordance with books of accounts maintained by the Holding Company and its subsidiary – Refer Note No. C-11 in the notes to financial statements.

For **FORD RHODES PARKS & CO. LLP**  
**Chartered Accountants**  
**FRNo. 102860W/W100089**

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

Place : Mumbai  
Date : 26<sup>th</sup> April, 2017



**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017**

Particulars	Note No.	As at 31.03.2017	As at 31.03.2016
<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	1,101,609,566	1,381,299,595
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	C- B3	4,602,543	24,585,018
(b) Long-term provisions	C- B4	3,862,341	13,256,343
<b>3 Current liabilities</b>			
(a) Short-term borrowings	C-B5	977,282,729	1,417,727,446
(b) Trade payables	C-B6	69,653,968	522,177,933
(c) Other current liabilities	C-B7	79,979,154	38,017,010
(d) Short-term provisions	C-B8	29,363,081	17,384,622
<b>TOTAL</b>		<b>2,388,333,612</b>	<b>3,536,428,197</b>
<b>II. ASSETS :</b>			
<b>Non-current assets</b>			
<b>1 (a) Fixed assets</b>	C-B9		
a.Tangible assets		12,681,145	38,158,463
b.Intangible assets		-	17,774,100
c.Goodwill on consolidation		14,300,000	69,814,500
(b) Non-current investments	C-B10	657,147,614	372,149,097
(c) Deferred tax asset (net)		206,031	37,521,184
(d) Long-term loans and advances	C-B11	1,383,000	71,745,983
(e) Other non current assets		-	20,088,827
<b>2 Current assets</b>			
(a) Inventories ( Securities)		425,900,222	336,073,375
(b) Trade receivables	C-B12	102,810,987	874,454,318
(c) Cash and cash equivalents	C-B13	303,506,945	610,643,671
(d) Short-term loans and advances	C-B14	870,397,668	1,078,898,161
(e) Other Current Assets		-	9,106,518
<b>TOTAL</b>		<b>2,388,333,612</b>	<b>3,536,428,197</b>
Notes forming part of the Consolidated Financial Statement	C-A1 to C-C12		

**CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**

Particulars	Note No.	Current Year	Previous Year
<b>I. Revenue from operations</b>	C-B15	<b>438,810,661</b>	1,017,964,003
<b>II. Other income</b>	C-B16	<b>4,322,170</b>	38,818,614
<b>III. Total Revenue (I + II)</b>		<b>443,132,831</b>	1,056,782,617
<b>IV. Expenses:</b>			
Employee benefits expense	C-B17	90,496,055	328,071,783
Finance costs		142,272,442	202,279,938
Depreciation		1,510,061	14,609,094
Other expenses	C-B18	83,724,394	405,108,531
<b>V. Total expenses</b>		<b>318,002,952</b>	950,069,346
<b>VI. Profit Before Tax</b>		<b>125,129,879</b>	106,713,271
<b>VII. Tax expense (Net) for the year</b>		<b>24,988,669</b>	32,819,127
<b>VIII. Profit After Tax</b>		<b>100,141,210</b>	73,894,144
<b>IX Earnings per equity share:</b>			
(1) Basic		8.21	6.06
(2) Diluted		7.89	5.39
Notes forming part of the Consolidated Financial Statement	C-A1 to C-C12		

As per our Report attached.  
**For FORD, RHODES, PARKS & CO. LLP**  
Chartered Accountants  
Firm Registration No.102860W / W100089

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

Mumbai  
Dated : 26th April, 2017

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 : 26th April, 2017

As per our Report attached.  
**For FORD, RHODES, PARKS & CO. LLP**  
Chartered Accountants  
Firm Registration No.102860W / W100089

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GM (Legal) &  
Company Secretary **G. B. Innani**  
Mumbai  
Dated : 26th April, 2017



**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**

		Previous Year
	Rs in Lacs	Rs in Lacs
<b>A. Cash Flow From Operating Activities:</b>		
Net Profit/(Loss) before tax and Extraordinary		
Items and Interest.	2,674.02	3,089.93
Adjustments for:		
Depreciation	15.10	146.09
Dividend Received	(65.53)	(61.22)
Profit on sale of investments	(456.15)	(2,359.76)
Irrecoverable loans written off	400.34	1030.44
	<u>(106.24)</u>	<u>(1,244.45)</u>
Operating Profit before Working Capital Changes	2,567.78	1,845.48
Adjustments for working capital changes	(95.46)	542.29
Cash Generated from operations	2,472.32	2,387.77
Interest paid	(1,422.72)	(2,022.80)
Direct taxes paid	(249.88)	(252.80)
Net cash from operating activities	799.72	112.16
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets	(84.06)	(46.63)
Sale of Fixed Assets	-	7.30
Transfer of Fixed Assets (pursuant to Scheme of Arrangement)	1,056.28	-
Transfer of Investment (pursuant to Scheme of Arrangement)	180.16	
Adjustment (pursuant to Scheme of Arrangement)	(3,498.92)	
Purchase of Investments	(6,310.13)	(2,019.87)
Sale of Investments	3,736.14	3,772.89
Dividend received	65.53	61.22
Net cash used in investing activities	<u>(4,855.00)</u>	<u>1,774.92</u>
<b>C. Cash flow from financing activities</b>		
Increase / ( Decrease ) in borrowings	983.91	69.42
Dividend paid	-	(1,027.71)
Net cash used in financing activities	<u>983.91</u>	<u>(958.29)</u>
Net increase in cash and cash equivalents	(3,071.37)	928.79
Cash and cash equivalents. (opening)	6,106.44	5,177.65
Cash and cash equivalents. (closing)	3,035.07	6,106.44

As per our Report attached.  
**For FORD, RHODES, PARKS & CO. LLP**  
 Chartered Accountants  
 Firm Registration No.102860W / W100089

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

Mumbai  
 Dated : 26th April, 2017

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 : 26th April, 2017

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**
**C-A.SIGNIFICANT ACCOUNTING POLICIES**
**1. Basis of Accounting**

The Consolidated Financial Statements relate to LKP Finance Limited (the Company) and its subsidiary (together referred to as the 'Group'). The Consolidated financial statements are prepared on accrual basis under the historical cost convention, in accordance with generally accepted accounting principles in India (Indian GAAP) to comply with the accounting standards specified in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the relevant provisions of the Companies Act, 2013 and 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 Group and are consistent with those used in the previous year.

**2. Depreciation :**

The Group provides depreciation as under:

- On assets for own use : All fixed assets are capitalized at cost inclusive of legal and/or installation and incidental expenses less accumulated depreciation. Depreciation is provided on straight line basis on the basis of useful lives of assets as specified in Schedule II to the Companies Act, 2013.
- On assets acquired and leased: On straight line method at the rates specified in Schedule II to the Companies Act, 2013 so as to write off the assets over the period of lease.
- Leasehold Improvements : Leasehold improvements are written off over the period of lease.

**3. Principles of Consolidation**

- The consolidated financial statements relate to LKP Finance Ltd ('the Company) and its Subsidiary Company - Gayatri Cement & Chemical Industries Pvt Ltd.

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

- The financial statements of the Company and its Subsidiary Company 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 Subsidiary Company in the consolidated financial statement is:

Name of the Company	Country of Incorporation	% of voting power held as at 31 <sup>st</sup> March, 2017
Gayatri Cement & Chemical Industries Pvt. Ltd.	India	100.00

- 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 Subsidiary (Gayatri Cement & Chemical Industries Pvt Ltd.)

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

B01. Share Capital Particulars	(Rupees)			
	As at 31 March 2017 Number	Amount	As at 31 March 2016 Number	Amount
<b>Authorised</b>				
Redeemable 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
		<b>300,000,000</b>		<b>300,000,000</b>
<b>Issued, Subscribed &amp; Paid up</b>				
Redeemable 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>	<b>12,198,023</b>	<b>121,980,230</b>	<b>12,198,023</b>	<b>121,980,230</b>

The Equity Shares are listed on 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 2017		As at 31 March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr Mahendra V Doshi	3,685,554	30.21	3,682,886	30.19
Bhavana Holdings Private Limited	1,409,505	11.55	1,409,505	11.55
Agrud Capital Pte Ltd	727,489	5.96	727,489	5.96
Sea Glimpse Investments Pvt Ltd	2,547,515	20.88	2,547,515	20.88

Particulars	Year (Aggregate No. of Shares)				
	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013
<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	-	0	0	145,971	733,495

a) Terms / Rights attached to equity shares  
 The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholder in the ensuing Annual General Meeting. During the year ended 31st March, 2017, the amount of per share dividend recommended and provided for distributions to equity shareholders is Rs.2/- per share.

In the event of liquidation of the Company, the holders of equity share will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

b) Shares held by holding / ultimate holding company and /or their subsidiaries / associates : NIL

c) There is no movement in the share capital during the current and previous year.

C-B2. Reserves and Surplus Particulars	(Rupees)	
	As at 31 March 2017	As at 31 March 2016

**A. Break up of Reserves and movements thereon**
**a. Capital Reserves- Share Warrants**
**moneys forfeited**

Opening Balance	19,400,000	19,400,000
(+) Current Year Transfer	-	-
(-) Transfer pursuant to Scheme of Arrangement	19,400,000	-
Closing Balance	-	19,400,000

**b. Capital Redemption Reserve on account of buyback of Equity shares**

Opening Balance	13,294,660	13,294,660
(+) Current Year Transfer	-	-
(-) Transfer pursuant to Scheme of Arrangement	13,294,660	-
Closing Balance	-	13,294,660

**c. Securities Premium Account**

Balance as per last balance sheet	229,870,249	229,870,249
(-) Transfer pursuant to Scheme of Arrangement	229,870,249	-
Closing Balance	-	229,870,249

**d. Special Reserve Fund- As per RBI guidelines for NBFCs**

Opening Balance	352,890,145	335,145,211
(+) Current Year Transfer	20,146,426	17,744,934
(-) Written Back in Current Year	-	-
Closing Balance	373,036,571	352,890,145

**e. General Reserve**

Opening Balance	750,342,248	750,342,248
(+) Current Year Transfer	-	-
(-) Transfer pursuant to Scheme of Arrangement	135,431,791	-
Closing Balance	614,910,457	750,342,248

**f. Employees Stock Options (ESOPs)**

Opening Balance	1,747,202	1,747,202
(+) Current Year Transfer	-	-
(-) Deferred Employees Compensation	-	-
(-) Written Back in Current Year	576,576	-
Closing Balance	1,170,626	1,747,202

**B. Surplus**

Opening balance	13,755,091	60,376,664
(+) Net Profit for the year	100,141,210	73,894,144
(-) Transfer to Capital Redemption Reserve	-	-
(-) Transfer to Special Reserve Fund	20,146,426	17,744,934
(-) Transfer to General Reserve	-	-
(-) Interim Dividend	-	85,386,161
(-) Tax on Interim Dividend	-	17,384,622
(-) Proposed Dividend	24,396,046	-
(-) Tax on proposed Dividend	4,967,035	-
(+) Opening profit & loss bal. of LKP Securities Ltd	48,105,118	-

(as LKP Securities Limited financials do not form part of Consolidated accounts.)

Closing Balance	112,491,912	13,755,091
<b>Total</b>	<b>1,101,609,566</b>	<b>1,381,299,595</b>

**C- B3. Long Term Borrowings**

Particulars	(Rupees)	
	As at 31 March 2017	As at 31 March 2016

**Secured**

Other Loans	4,602,543	24,585,018
<b>Total</b>	<b>4,602,543</b>	<b>24,585,018</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

<b>C-B4. Long Term Provisions</b>		(Rupees)
Particulars	As at	As at
	31 March 2017	31 March 2016
Contingent Provision against standard assets	3,862,341	3,862,341
Provision for Gratuity	-	9,394,002
<b>TOTAL</b>	<b>3,862,341</b>	<b>13,256,343</b>

<b>C-B5. Short Term Borrowings</b>		(Rupees)
Particulars	As at 31 March 2017	As at 31 March 2016
<b>Secured</b>		
<b>(a) From banks.</b>		
(Secured By pledge of Fixed Deposit Receipts and Securities)	281,864,060	160,982,127
(Secured By hypothecation of Debtors and pledge of FDR's & personal guarantee of Mr M V Doshi)	-	499,673,562
<b>(b) Loans from Corporates</b>		
(Secured by pledge of own and third party securities)	306,494,386	357,899,951
Unsecured	388,924,283	399,171,806
<b>(c) Vehicle Loans</b>		
(Secured by hypothecation of vehicle)	-	-
<b>Unsecured</b>		
Others	-	-
<b>Total</b>	<b>977,282,729</b>	<b>1,417,727,446</b>

<b>C-B6. Trade payables</b>		(Rupees)
Trade Payables	As at 31 March 2017	As at 31 March 2016
(a) Trade Payables:		
Sundry Creditors	69,653,968	522,177,933
<b>Total</b>	<b>69,653,968</b>	<b>522,177,933</b>

<b>C- B7 Other Current Liabilities</b>		(Rupees)
Particulars	As at 31 March 2017	As at 31 March 2016
(a) Statutory Dues	4,781,490	18,250,246
(b) Unclaimed dividends	6,923,417	11,361,730
(c) Other payables	68,274,247	8,405,034
<b>Total</b>	<b>79,979,154</b>	<b>38,017,010</b>

<b>C- B8. Short Term Provisions</b>		(Rupees)
Particulars	As at 31 March 2017	As at 31 March 2016
Proposed Dividend	24,396,046	-
Dividend Distribution Tax	4,967,035	17,384,622
<b>Total</b>	<b>29,363,081</b>	<b>17,384,622</b>

**C- B9 Fixed Assets (Rupees)**

Particulars	Gross Block			Accumulated Depreciation			Net Block		
	Balance as at 1 April 2016	Additions/ Deductions/ Adjustments	Balance as at 31 March 2017	Balance as at 1 April 2016	Depreciation charge for the year	Additions/ Deductions/ Adjustments	Balance as at 31 March 2017	Balance as at 31 March 2017	Balance as at 31 March 2016
<b>a. Tangible Assets</b>									
Buildings	17,758,523	-	17,758,523	15,083,791	169,684	-	15,253,475	2,505,048	2,674,732
Furniture and Fixtures	39,483,180	(36,708,226)	2,774,954	35,198,543	100,668	(34,978,087)	321,124	2,453,830	4,284,637
Vehicles	23,929,052	(11,669,026)	12,260,026	17,574,362	998,654	(13,593,808)	4,979,208	7,280,818	6,354,690
Office equipment	137,909,149	(137,004,225)	904,924	122,412,154	43,782	(121,795,189)	660,747	244,177	15,496,995
Leasehold Improvements	19,492,087	-18,639,337	852,750	10,144,678	197,273	(9,686,473)	655,478	197,272	9,347,409
<b>Total</b>	<b>238,571,991</b>	<b>(204,020,814)</b>	<b>34,551,177</b>	<b>200,413,528</b>	<b>1,510,061</b>	<b>(180,053,557)</b>	<b>21,870,032</b>	<b>12,681,145</b>	<b>38,158,463</b>
<b>b. Intangible Assets</b>									
Goodwill	17,125,795	(17,125,795)	-	4,566,879	-	(4,566,879)	-	-	12,558,916
Computer software	45,845,392	(45,845,392)	-	40,630,208	-	(40,630,208)	-	-	5,215,184
	62,971,187	-62,971,187	-	45,197,087	-	(45,197,087)	-	-	17,774,100

Previous Year

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

Note : Refer Note no.C-10 of Notes to the Consolidated Financial Accounts.

<b>C-B10. Non current Investments</b>		(Rupees)
Particulars	As at 31 March 2017	As at 31 March 2016
<b>Investments (Refer A below)</b>		
(a) Investment in Properties	-	84,830,000
(b) Investment in Equity instruments	558,437,782	288,609,265
(c) Investments in Mutual Funds	14,735	14,735
(d) Investments in NCD / Bonds	100,000,000	-
<b>Total</b>	<b>658,452,517</b>	<b>373,454,000</b>
Less : Provision for diminution in the value of quoted Investments	(1,304,903)	(1,304,903)
<b>Total</b>	<b>657,147,614</b>	<b>372,149,097</b>

Note : Aggregate amount of quoted investments Rs.64,06,78,864/- ( 26,86,15,373/- ) Market value Rs.1,05,41,08,958/- ( Rs.37,69,60,167/-)

Aggregate amount of unquoted investments Rs.1,64,68,750/- (Rs 2,00,08,627)

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

Sr. No.	Details of Investments in Securities Name of the Body Corporate	Subsidiary / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	(Rupees)	
			As at 31 March 2017	As at 31 March 2016			As at 31 March 2017	As at 31 March 2016
			(4)	(5)			(10)	(11)
(1)	(2)	(3)			(6)	(7)		
(a)	<b>Investments in Property</b>						-	84,830,000
(b)	<b>Investment in Equity Instruments</b>							
	Maharashtra Polybutane Ltd	Others	300,000	300,000	Quoted	Fully Paid	666,189	666,189
	D S Kulkarni Developers Ltd	Others	0	149	Quoted	Fully Paid	0	7,390
	NHPC Ltd	Others	131,910	131,910	Quoted	Fully Paid	3,050,198	3,050,198
	Mercator Lines Limited	Others	5,071,942	4,171,942	Quoted	Fully Paid	129,706,028	80,454,561
	Thomas Cook (India) Ltd	Others	255,352	300,352	Quoted	Fully Paid	484,692	566,992
	Thomas Cook (India) Ltd	Others	246,000	246,000	Quoted	Fully Paid	35,081,233	35,081,233
	Gold Crest Finance (I) Ltd.	Others	-	10000	Quoted	Fully Paid	-	100,000
	Infra Industries Ltd.	Others	-	149000	Quoted	Fully Paid	-	4,470,000
	ONGC Ltd.	Others	-	72	Quoted	Fully Paid	-	36,000
	Roopa Industries Ltd.	Others	-	8900	Quoted	Fully Paid	-	89,000
	Geodesic Information Systems Ltd.	Others	-	6792	Quoted	Fully Paid	-	1,199,920
	Reliance Power Ltd.	Others	-	17440	Quoted	Fully Paid	-	6,481,117
	East India Hotels	Others	-	37000	Quoted	Fully Paid	-	1,992,839
	TV 18	Others	-	5000	Quoted	Fully Paid	-	100,000
	Everlon Synthetics Ltd	Others	11,531	11,531	Quoted	Fully Paid	135,877	135,877
	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
	IDBI Ltd	Others	1,500	1,500	Quoted	Fully Paid	244,005	244,005
	Indus Network Ltd	Others	2,300	2,300	Quoted	Fully Paid	59,320	59,320
	MRPL	Others	7,000	7,000	Quoted	Fully Paid	385,199	385,199
	Sanghi Polyester Ltd	Others	10,000	10,000	Quoted	Fully Paid	124,484	124,484
	Yes Bank Ltd	Others	700	700	Quoted	Fully Paid	199,912	199,912
	Nilkamal Ltd	Others	86,000	86,000	Quoted	Fully Paid	44,451,290	44,451,290
	Shree Cements	Others	500	500	Quoted	Fully Paid	5,744,325	5,744,325
	Suzlon energy	Others	1,500,000	1,500,000	Quoted	Fully Paid	28,038,355	28,038,355
	MC Dowell	Others	259,308	309,308	Quoted	Fully Paid	8,673,853	10,346,353
	Godrej Philips	Others	10,000	10,000	Quoted	Fully Paid	13,376,488	13,376,488
	Spicejet	Others	-	370,000	Quoted	Fully Paid	-	23,477,388
	Zee Learn	Others	-	206,450	Quoted	Fully Paid	-	7,407,260
	ICICI Prudential	Others	175,022	-	Quoted	Fully Paid	64,042,888	-
	Indian Oil Corporation	Others	200,000	-	Quoted	Fully Paid	64,562,599	-
	ITI Limited	Others	52,000	-	Quoted	Fully Paid	3,642,279	-
	RBL Bank	Others	50,000	-	Quoted	Fully Paid	24,592,614	-
	Triveni Engineering	Others	300,000	-	Quoted	Fully Paid	24,366,681	-
	Vakrangee Soft	Others	50,000	-	Quoted	Fully Paid	16,749,661	-
	Bajaj Finance Ltd	Others	40,890	-	Quoted	Fully Paid	5,645,240	-
	Cox & Kings Limited	Others	59,425	-	Quoted	Fully Paid	9,643,639	-
	Glenmark Pharmaceuticals Ltd	Others	17,190	-	Quoted	Fully Paid	5,113,177	-
	ICICI Prudential	Others	14,950	-	Quoted	Fully Paid	5,304,972	-
	ICICI Bank Limited	Others	30,000	-	Quoted	Fully Paid	7,491,527	-
	Indusind Bank	Others	4,265	-	Quoted	Fully Paid	4,492,670	-
	Kotak Mahindra Bank Ltd	Others	10,440	-	Quoted	Fully Paid	7,691,624	-
	SUN Pharmaceuticals	Others	13,901	-	Quoted	Fully Paid	10,625,437	-
	SUN Pharmaceuticals - Bonus shares	Others	13,510	-	Quoted	Fully Paid	-	-
	Manpasand Beverages	Others	10,810	-	Quoted	Fully Paid	7,566,768	-
	Yes Bank	Others	8,500	-	Quoted	Fully Paid	9,700,863	-
	MKM Shares & Stock Brokers Ltd	Others	2000	2000	Unquoted	Fully Paid	6,200	6,200
	Seaglimpse Investments Pvt Ltd	Others	1470	1470	Unquoted	Fully Paid	147,000	147,000
	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
	Gobind Sugar Ltd.	Others	-	11200	Unquoted	Fully Paid	-	1,785,000
	Bombay Stock Exchange Ltd.	Others	-	11401	Unquoted	Fully Paid	-	1,754,877
	Business India Publications Ltd	Others	500000	500000	Unquoted	Fully Paid	15,000,000	15,000,000
(c)	<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	-	-		Fully Paid	-	-
(d)	<b>Investments in NCD / Bonds</b>							
	Edelweiss Assets Reconstruction Ltd-NCD	Others	1,000	-	Quoted	Fully Paid	100,000,000	-
	Less: Provision for diminution in the value of quoted Investments						1,304,903	1,304,903
		Others					-	-
	<b>Total</b>						<b>657,147,614</b>	<b>372,149,097</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**
**C- B11 Long Term loans and advances**

Particulars	(Rupees)	
	As at 31 March, 2017	As at 31 March, 2016
Security Deposit	1,383,000	71,745,983
Total	<u>1,383,000</u>	<u>71,745,983</u>

**C-B12. Trade Receivables**

Particulars	(Rupees)	
	As at 31 March 2017	As at 31 March 2016
Trade receivables outstanding for a period more than than six months considered good and recoverable.		
Unsecured.	102,810,987	874,454,318
Total	<u>102,810,987</u>	<u>874,454,318</u>

**C-B13. Cash and cash equivalents**

Particulars	(Rupees)	
	As at 31 March 2017	As at 31 March 2016
a. Balances with banks		
In Dividend bank accounts	6,923,417	11,361,730
In Current Accounts	43,570,278	61,617,244
In FDRs with Bank - more than 12 months maturity	253,000,000	444,904,572
In FDRs with Bank - less than 12 months maturity	-	92,637,039
b.Cash on hand	13,250	123,086
	<u>303,506,945</u>	<u>610,643,671</u>

**C-B14 Short term loans and advances**

Particulars	(Rupees)	
	As at 31 March 2017	As at 31 March 2016
Secured.	334,637,732	375,544,251
Unsecured,considered good.	496,442,802	617,648,753
Advance Tax net of provision for tax & MAT.	39,317,134	85,705,157
Total	<u>870,397,668</u>	<u>1,078,898,161</u>

**B15. Revenue from Operations**

Particulars	(Rupees)	
	Current Year	Previous Year
Interest Income	142,143,846	172,270,614
Dividend	6,552,673	5,940,202
Brokerage / Commission / Charges	-	541,070,898
Profit on sale of shares & securities	290,114,142	298,682,289
Total	<u>438,810,661</u>	<u>1,017,964,003</u>

**C-B16. Other Income**

Particulars	(Rupees)	
	Current Year	Previous Year
Interest	1,356,325	14,610,476
Bad debts Recovered	-	18,115,730
Miscellaneous Income	821,082	5,178,691
Excess Provision for NPA Written back	-	913,717
Excess Provision for Income tax Written back	2,144,763	-
Total	<u>4,322,170</u>	<u>38,818,614</u>

**C-B17 Employee Benefits Expense**

Particulars	(Rupees)	
	Current Year	Previous Year
(a) Salaries and allowances	88,048,323	308,936,473
(b) Contribution to Provident fund & ESIC	354,987	7,961,286
(c) Contribution to LIC Group Gratuity Fund	1,280,099	3,314,301
(d) ESOP compensation expenses w/off	(576,576)	-
(e) Staff welfare expenses	1,389,222	7,859,723
Total	<u>90,496,055</u>	<u>328,071,783</u>

**C-B18 Other Expenses**

Particulars	(Rupees)	
	Current Year	Previous Year
Rent, Rates & Taxes	1,527,964	32,896,210
Repairs - Others	4,771,400	4,841,311
Advertisement	74,534	2,594,799
Directors Fees	320,000	440,000
Travelling & Conveyance	2,381,872	7,773,239
Postage, Telegram & Telephones	649,387	3,005,278
Legal and Professional Charges	8,662,120	19,108,501
Printing & Stationery	181,542	2,756,357
Auditors Remuneration :		
Audit fees	488,137	621,343
Tax audit fees	35,000	25,000
Irrecoverable Loans Written off	40,000,000	103,957,624
Commission Expenses	15,363,550	149,740,137
Electricity Expenses	-	8,247,616
Subscription & Membership	-	1,733,800
Computer Expenses	-	3,966,925
Donation	-	200,000
CSR Expenses	2,760,000	2,800,000
Baddebts	-	12,664,515
Provision for Doubtful Debts	-	4,869,623
Miscellaneous Expenses	6,508,888	42,866,253
	<u>83,724,394</u>	<u>405,108,531</u>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

### C. NOTES :

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

	2016-17	2015-16
Profit after Taxation (Rupees in Lacs)	1,001.41	738.94
Weighted Average Number of Shares Outstanding	1,21,98,023	1,21,98,023
	<b>Rs. Ps.</b>	<b>Rs. Ps.</b>
Earnings per shares (Basic)	8.21	6.06
Earnings per shares (Diluted)	7.89	5.39
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.	Director Interested
Gayatri Cement & Chemical Industries Pvt Ltd	Subsidiary Company
LKP Wealth Advisory Pvt. Ltd.	Director Interested
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
Alpha Commodity Pvt Ltd	Director Interested
SolarEx P V Solutions Pvt Ltd	Director Interested
Mr. M V Doshi	Key Managerial Personnel
Mr G B Inani	Key Managerial Personnel
Mr S.S.Gulati	Key Managerial Personnel

- (ii) Transaction with related parties.

	Subsidiary Gayatri Cement & Chemical Industries Pvt Ltd	Director Interested	Key Managerial Personnel	Total (Rs. In Lacs)
Interest Expense	---	355.11	---	355.11
Remuneration	---	---	129.12	129.12
Brokerage Paid	---	26.79	---	26.79
Balance due as on 31.03.2017	150.23	(604.39)	---	454.16

- 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) :

Share Capital	21
Reserves & Surplus	(181.34)
Total Assets	11.76
Total Liabilities	11.76
Investments	3.61
Turnover	0.09
Profit before taxation	(5.56)
Provision for taxation	0.35
Profit after taxation	(5.91)
Proposed Dividend	--

- 4) Litigation Matter:

- (a) 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 since 2007.

- (b) Against a penalty order for Rs 180 lakhs received from the Enforcement Directorate in respect of a matter which arose in 1996 pertaining to the erstwhile money changing division of the Company, the Company has preferred an appeal in the Honorable Madras High. The Company has provided a bank guarantee to cover the demand. The matter is pending. The Management is of the opinion that a cash outflow is unlikely and therefore no provision is considered necessary.

- (c) A winding up petition filed by the Company against a borrower has been admitted by the Honourable High court of Mumbai. The recovery if any will be accounted for when the money is received from official Liquidator.

- (d) The Company has filed an arbitration case (Rs. 9.27 Lacs) against a borrower for which it has received a favourable award from the arbitrator. The opposing party has filed an appeal in the Honourable High court of Mumbai for which the matter is pending.

- (e) The Company has filed recovery suits in the Mumbai High Court against three parties for an amount of Rs 33.38 crores to whom loans/advances were given.. The matter is pending. Any recoveries will be accounted for in the year of recovery.

5. With a view to demerge its SEBI Registered Intermediaries business, the Company filed a scheme of arrangement with the Honourable Bombay High Court for which approval was received during the year. As per the Scheme, the investment of the Company in LKP Securities Limited (erstwhile subsidiary) of equity shares and preference shares were cancelled. This has resulted in reduction of Investments in the books of the Company by Rs.39.79 Crores and corresponding reduction in the Reserves of the Company. As per the Scheme, LKP Securities Limited has on 8th July, 2016 allotted 7,31,83,896 equity shares of Rs.2/- each fully paid up to the shareholders of LKP Finance Limited in the ratio of 6 shares of LKP Securities for every share held in LKP Finance Limited.

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

- (a) provided 0.25% of Standard Assets amounting to Rs. NIL ( Previous year Rs NIL ). The Contingent Provision against Standard Assets as on 31.03.2017 is Rs 38.62 lacs ( Previous year Rs 38.62 lacs)

- (b) appropriated 20% of the Net Profits Rs 201.47 lacs ( Previous year Rs 177.45 lacs) to Special Reserve Fund.

- 7) During the year the company has entered into Futures & Options contracts on the National Stock Exchange in the Equity & Currency Segments and on the Multi Commodity Exchange in the commodity segment. The open position as on 31.03.2017 is Rs 1,311.39 lacs (Previous Year Rs 7,048.06 lacs).

- 8) The company has no amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, [MSMED Act] as at 31st March, 2017.

- 9) There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at 31st March, 2017.

- 10) LKP Securities Limited has ceased to be subsidiary w.e.f 08.07.2016. The Consolidated financial statements for the year ended 31st March, 2017 do not include the financials of LKP Securities Ltd for the year ended 31st March, 2017. Hence current year figures are not comparable with previous year.

- 11) At the closure of 08<sup>th</sup> November, 2016 The Company was having cash balance of Rs.5,518/- which does not include any specified bank notes. (Circular no. G.S.R. as Per 308 (E) dated 30<sup>th</sup> March, 2017).

	SBN's	Other denomination notes	Total
Closing cash as on 08.11.2016	NIL	Rs.5,518/-	Rs.5,518/-
(+) Permitted Receipts	NIL	-	-
(-) Permitted Payments	NIL	Rs.5518/-	Rs.5518/-
(-) Amount deposited in banks	NIL	-	-
Closing cash in hand as on 30.12.2016	NIL	NIL	NIL

- 12) Previous Years Figures are regrouped / reclassified wherever necessary.



**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**
**Part "A": Subsidiaries**

Amounts in Rs.

Sl. No.	Particulars	Details
1	Name of the subsidiary	Gayatri Cement & Chemical Industries Pvt. Ltd.
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/04/2016 To 31/03/2017
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable
4	Share Capital	21,00,000/-
5	Reserves & Surplus	(1,81,34,010/-)
6	Total Assets	11,75,786/-
7	Total Liabilities	11,75,786/-
8	Investments	3,61,037/-
9	Turnover	9,101/-
10	Profit before taxation	(5,55,918/-)
11	Provision for taxation	(35,000/-)
12	Profit after taxation	(5,90,918/-)
13	Proposed Dividend	--
14	% of shareholding	--

- Names of subsidiaries which are yet to commence operations – Not Applicable
- Names of subsidiaries which have been liquidated or sold during the year. Not Applicable

**Part "B": Associates and Joint Ventures** Not Applicable

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Name of associates/Joint Ventures			
1. Latest audited Balance Sheet Date			
2. Shares of Associate/Joint Ventures held by the company on the year end No.			
Amount of Investment in Associates/Joint Venture			
Extend of Holding%			
3. Description of how there is significant influence			
4. Reason why the associate/joint venture is not consolidated			
5. Net worth attributable to shareholding as per latest audited Balance Sheet			
6. Profit/Loss for the year			
i. Considered in Consolidation			
ii. Not Considered in Consolidation			

- Names of associates or joint ventures which are yet to commence operations.
- Names of associates or joint ventures which have been liquidated or sold during the year.

As per our Report attached For and on behalf of the Board

**For Ford, Rhodes, Parks & Co. LLP,**

Chartered Accountants

Firm Reg. No. 102860W/W100089

**A. D. Shenoy**

Partner

Membership No. 11549

Mumbai, Dated: 26<sup>th</sup> April 2017

Executive Chairman

M. V. Doshi

Director

V. N. Suchanti

Director

Sayanta Basu

Head- Corporate Affairs

S. S. Gulati

G M (Legal) &amp; Company Secretary

G. B. Innani

Mumbai, Dated: 26<sup>th</sup> April 2017

**NOTES**





*If undelivered, please return to :*

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