

# LKP

Since 1948

June 01, 2017

To  
B SE Limited  
Dept. of Corporate Service  
P.J. Towers,  
Dalal Street, Fort,  
Mumbai 400 001

**Dear Sir/Madam,**

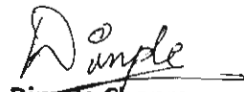
Sub: Submission of annual report for the year 2016-17

**Scrip Code: 540192**

Pursuant to Regulation 34(1) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, we hereby submitting annual report of the company for the financial year 2016-17. Kindly take a note of the same.

Yours faithfully,

**For LKP Securities Limited**



**Dimple Chopra**  
Company Secretary



## LKP Securities Ltd.

Regd Off : 203 Embassy Centre, Nariman Point Mumbai - 400021. Phone : 022 - 2282 8234, Fax : 022 - 2284 2415

Head Off : 1303 - 04, 13th Floor, Raheja Centre, Free Press Journal Marg, Nariman Point, Mumbai - 400021

Tel.: +91 22 6635 1234 • Fax : +91 22 6635 1249 • Website : [www.lkpsec.com](http://www.lkpsec.com) CIN No : U67120MH1994PLC080039

LKP Securities Ltd. SEBI Reg. No.: NSE:INB/F/E 230720030, MCX-SX: INE 260720030, BSE: INB/F 010675433, ARN: 31751, DP: IN-CDSL-206-2003

**LKP**

Since 1948



**Annual Report**

**2017**

**Board of Directors****DIN**

Mr. Pratik M Doshi	00131122
Mr. S S Gulati	02404230
Ms. Sangeeta Jhaveri	03636133
Mr. Ganesh Malhotra	07581670

**Company Secretary**

Ms. Dimple Chopra

**Auditors:**

Ford, Rhodes, Parks & Co LLP  
Sai Commercial building,  
312/313, 3<sup>rd</sup> floor,  
BKS Devshi Marg,  
Govandi East  
Mumbai 400088

**Registered office:**

203, Embassy centre,  
Nariman point,  
Mumbai 400021  
Tel: 400024785/40024786

**CIN: U67120MH1994PLC080039**

**Registrar and Share Transfer Agent**

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

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**23<sup>rd</sup> Annual General meeting on Wednesday, 24<sup>th</sup> May, 2017**

at 11.30 a.m. at M.C. Ghia Hall, Hargovindas Building, 18/20, Kaikhushru Debash Marg, Mumbai 400001.

**NOTICE**

**NOTICE** is hereby given that the Twenty Third Annual General Meeting of the members of LKP Securities Limited will be held at M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Mumbai 400 001 on Wednesday May 24, 2017 at 11.30 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 appoint a Director in place of Mr. S S Gulati (holding DIN 02404230), who retires by rotation and being eligible offers himself for re-appointment.**
- 3. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. MGB & Co. LLP., Chartered Accountants, Mumbai (Registration No.: 101169W/W-100035) be and is hereby appointed as Statutory Auditor of the Company in place of M/s. Ford Rhodes Parks., Chartered Accountants, Mumbai (Registration No.: 104768W), the retiring Statutory Auditor, to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company, at such remuneration plus service tax as applicable and reimbursement of out of pocket expenses in connection with the audit as the Board of Directors may fix in this behalf.”

**SPECIAL BUSINESS**

- 4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modification or amendment thereof, Mr. Ganesh Malhotra (DIN 07581670) who was appointed as an Additional Director of the Company with effect from August 03, 2016 by the Board of Directors and holds office up to the date of this Annual General Meeting under section 161 of the Companies Act, 2013 (“the act”) and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years commencing from August 03, 2016.”

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modification or amendment thereof, Mrs. Sangeeta Jhaveri (DIN: 03636133), who was appointed as an Additional Director of the Company with effect from 8th June, 2016 under Section 161 of the Act and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of director be and is hereby appointed as an Independent Director of the Company to hold office for a term up to five consecutive years commencing from June 08, 2016.”

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

**“RESOLVED THAT** pursuant to the provisions of Sections 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. S S Gulati (DIN: 02404230), who was appointed as an Additional Director by the Board of Directors of the Company with effect from June 08, 2016 and who holds office as such up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of director be and is hereby appointed as a Director of the Company.”

- 7. To consider and, if thought fit, to pass with or without modification(s), the following resolutions 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 shareholders approval, consent of the members be and is hereby accorded to the re-appointment of Mr. Pratik Doshi (DIN: 00131122) as a Managing Director of the Company for the period of 3 (Three) years that is from 25<sup>th</sup> October, 2016 to 24<sup>th</sup> October, 2019 (both days inclusive) and upon the terms and conditions, including remuneration and prerequisites, 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. Pratik 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. Basic Salary

Salary up to Rs.5, 00,000/- (Rs. five Lacs only) per month.

2. Commission

In addition, to the salary, Mr. Pratik. 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:

I. House Rent Allowance - Rs. 50,000/- p. m.

II. Special Allowance - Rs.48,750/- p. m.

III. Medical Reimbursement: Reimbursement of Medical Expenses incurred by him for self and family subject to the ceiling of Rs.15,000/- in a year.

IV. Leave Travel Allowance: As per the rules of the Company.

V. Provident Fund, Superannuation Fund and Gratuity: Contribution to Provident Fund, Superannuation Fund and Gratuity shall be as per the rules of the Company will not be considered for calculating the limit of perquisites.

VI. Car and Telephones: Provision of car with chauffeur for use of 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. Club Fees: Fees of clubs subject to a maximum of two clubs;

4. Mr. Pratik M. Doshi, as Managing Director of the Company shall be entitled to compensation for loss of office as provided in the Companies Act, 2013.

5. No Sitting Fees shall be paid for attending meeting of the Board of Directors or any Committee of the Board of the Company. Though considering the provisions of Section 188 of the Companies Act, 2013, and the applicable Rules and Schedule of the Act, Mr. Pratik M. Doshi would not be holding any office or place of profit by his being a mere director of the Company's Subsidiaries/Joint Ventures/Associates, approval be

and is hereby granted by way of abundant caution for him to accept the sitting fees/commission paid/ payable to other directors for attending the meetings of Board(s) of Directors/Committee(s) of Subsidiaries/ Joint Ventures/Associates of the Company.

6. So long as Mr. Pratik M. Doshi functions as the Managing Director of the Company, his office shall not be subject to retirement by rotation.

7. The services are terminable by either party giving 90 days' notice in writing.

8. When in any financial year, the Company has no profits or its profits are inadequate, the remuneration including the perquisites as aforesaid will be paid in accordance with the applicable provisions of Schedule V 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 deemed necessary to give effect to the above resolution."

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

"RESOLVED THAT pursuant to Section 62(1)(b) of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, read with rules made thereunder and subject to the Securities and Exchange Board of India (Share based employees Benefits) Regulations, 2014, including the relevant circulars and notifications, if any, issued by the Securities and Exchange Board of India from time to time and Memorandum of Association and Articles of Association of the company the LKP Securities Limited Employee Stock Option Plan 2017 ("ESOP 2017") (copy of the same placed before the Meeting) for the benefit of present and future Permanent employees of the Company and its Directors(s), whether whole time Director or not but excluding Independent Directors be and is hereby approved.

RESOLVED FURTHER THAT the ESOP 2017 be implemented through Nomination and Remuneration Committee ("Committee") based on the guidelines formulated under the ESOP 2017 scheme, provided that the total number of options that can be granted in one or more tranches shall not exceed 50,00,000 (Fifty Lacs) options ("options") exercisable into equivalent number of equity shares of the company.

FURTHER RESOLVED THAT the committee be and is hereby authorised to do all such acts, things, deeds and matters as may be considered necessary or expedient and to settle any question, doubt or difficulties that may arise in this regard without requiring to secure any further approval or consent of the members of the Company but subject to applicable laws."

By Order of the Board of Directors

Mumbai  
Date: 26.04.2017

Pratik Doshi  
Managing Director

**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 Saturday, 20<sup>th</sup> May, 2017 to Wednesday 24<sup>th</sup> May, 2017 (both days inclusive).
7. SEBI & the Ministry of Corporate Affairs encourage 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, change of address etc. to the Registrar and Share Transfer Agents at the following address:  
  
M/s. Adroit Corporate Services Private Limited  
19, Jafarbhoy Industrial Estate, 1<sup>st</sup> Floor,  
Makawana Road, Marol Naka,  
Andheri (East), Mumbai 400 059.  
Tel. No.022- 28590942  
  
If the shares are held in electronic form, then change of address and change in the Bank Accounts etc. Should be furnished to their respective Depository Participants (DPs).
11. **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 ballot 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 ballot 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>th</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".  
Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>
- (ii) Click on Shareholder - Login
- (iii) Put user ID and password as initial password/ PIN noted in step (i) above. Click Login.
- (iv) 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.
- (v) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vi) Select "EVEN" of "LKP Securities Limited".
- (vii) Now you are ready for remote e-voting as Cast Vote page opens.
- (viii) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (ix) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (x) Once you have voted on the resolution, you will not be allowed to modify your vote.

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

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

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

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.nsd.com](http://www.evoting.nsd.com) or call on toll free no.: 1800-222-990.

- VI. 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.

NOTE: Shareholders who forgot the user details/ password can use "Forget User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).

In case shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID).

In case shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).

- VII. 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).
- VIII. 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.

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.nsd.com](http://www.evoting.nsd.com) or contact NSDL at the following toll free no.: 1800-222-990.

- IX. 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.
- X. 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 ballot paper.
- XI. 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.
- XII. 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 "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XIII. 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.

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.

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No. 3**

As per the provisions of Companies Act, 2013 read with rules made thereunder no listed Company shall appoint an audit firm as auditor for more than two consecutive terms of five years and an audit firm who has completed its term shall not be eligible to be reappointed as auditor in the same company.

Accordingly, the term of the existing Statutory Auditors M/s Ford Rhodes Parks & Co. LLP., Chartered Accountant is coming to an end. The Board of Directors have recommended appointment of M/s MGB & Co. LLP., Chartered Accountant to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the proposed item no. 3.

The resolutions as set out in item nos. 3 of this Notice are accordingly commended for your approval.

**Item no. 4 & 5**

The Board of Directors of the Company have appointed Mr. Ganesh Malhotra and Mrs. Sangeeta Jhaveri as an Additional Directors (Independent) of the Company to hold office for a period of five consecutive years, not liable to retire by rotation, subject to consent by the Members of the Company at the ensuing Annual General Meeting ("AGM").

As an Additional Director, they hold office till the date of the AGM and is eligible for being appointed as Independent Director. The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 (the "Act") together with the requisite amount of deposit from a Member signifying his intention to propose the appointment of Mr. Ganesh Malhotra and Mrs. Sangeeta Jhaveri as a Director of the Company. The Company has also received a declaration from Mr. Ganesh Malhotra and Mrs. Sangeeta Jhaveri confirming that they meet the criteria of independence as prescribed under the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Mr. Ganesh Malhotra and Mrs. Sangeeta Jhaveri are also not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given their consent to act as a Director of the Company.

In the opinion of the Board, Mr. Ganesh Malhotra and Mrs. Sangeeta Jhaveri fulfil the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations and are independent of the management.

A copy of the draft letter of appointment for Independent Directors, setting out the terms and conditions for appointment

of Independent Directors is available for inspection by the Members at the registered office of the Company during business hours on any working day.

Mr. Ganesh Malhotra and Mrs. Sangeeta Jhaveri are not related to any other Director and Key Managerial Personnel of the Company. None of the Directors, Key Managerial Personnel and their relatives, except Mr. Ganesh Malhotra and Mrs. Sangeeta Jhaveri and their relatives, are in any way, concerned or interested in the said resolution. The resolution as set out in item No. 4 & 5 of this Notice is accordingly commended for your approval.

A brief profile of Mr. Ganesh Malhotra and Mrs. Sangeeta Jhaveri is given below:

Name	Mr. Ganesh Malhotra
DIN	07581670
Age	43
Date of Appointment	3 <sup>rd</sup> August, 2016
Qualification	MBA
Expertise	He has over 20 years of experience in International Corporate Finance, Investment Banking, Foreign Exchange and Commodity Markets.
Other Directorships	Phoenix Consultancy Enterprises Limited (Incorporated in Dubai).
*Chairman / Member of Committee of the Board of the Companies on which he/she is a Director as on 26 <sup>th</sup> April, 2017.	In LKP Securities Limited he is a Chairman of Nomination and Remuneration committee and Audit committee.
Shareholding in the Company	NIL
Relationship with any Director(s) of the Company	None.

Name	Mrs. Sangeeta Jhaveri
DIN	03636133
Age	52
Date of Appointment	8 <sup>th</sup> June, 2016
Qualification	Chartered Accountant
Expertise	She is a Chartered Accountant and Certified Financial Planner with over 25 years' experience in the financial services industry including 16 years in the mutual fund industry.
Other Directorships	Foundation of Independent Financial Advisors
*Chairman / Member of Committee of the Board of the Companies on which he/she is a Director as on 26 <sup>th</sup> April, 2017.	In LKP Securities Limited she is a Member of Nomination and Remuneration committee and Audit committee.
Shareholding in the Company	NIL
Relationship with any Director(s) of the Company	None.



**Item no. 6**

The Board has appointed Mr. Satvinderpal Singh Gulati as an Additional Director (Non-executive and non-independent Director) on the Board of the Company with effect from 8<sup>th</sup> July, 2016 to hold office upto the date of ensuing Annual General meeting.

A brief profile of Mr. Satvinderpal Singh Gulati is given below:

Name	Mr. S S Gulati
DIN	02404230
Age	62
Date of Appointment	8 <sup>th</sup> June, 2016
Qualification	Chartered Accountant
Expertise	He has handled numerous management responsibilities in his career in the field of finance, Corporate Affairs, taxation and Internal Audit.
Other Directorships	Alpha Commodity Pvt. Ltd.
*Chairman / Member of Committee of the Board of the Companies on which he/she is a Director as on 26 <sup>th</sup> April, 2017.	In LKP Securities Limited he is a Member of Nomination and Remuneration committee and Stakeholder Relationship committee.
Shareholding in the Company	39,976 Equity Shares
Relationship with any Director(s) of the Company	None.

Mr. Gulati is not related to any other Director and Key Managerial Personnel of the Company. None of the Directors, Key Managerial Personnel and their relatives other than Mr. Gulati and his relatives are, in any way, concerned or interested in the said resolutions.

The resolutions as set out in item nos. 6 of this Notice are accordingly commended for your approval.

**Item no. 7**

Based on the recommendation of the Nomination, Remuneration Committee, the Board has appointed Mr. Pratik Doshi as a Managing Director on the Board of the Company with effect from 25<sup>th</sup> October, 2016 subject to approval of members of the company. Mr. Pratik Doshi has a very long association with the LKP Group, and brings in multi business, multi-geography and multi-cultural exposure in various roles across the Group.

Mr. Pratik M Doshi, has over 15 Years of experience in Capital Markets. He did his B.A. in Business and Financial Economics from U.K. from University of Leeds. He has been entrusted and has made significant contribution in various areas of distribution of financial products, Wealth Management Service, Investment Advisory, Strategic financial partners for third party products. Under his leadership the company has recently launched On-line trading App for scalability of the Broking business. His strategic leadership skills and ability to deliver results are among the key drivers.

The remuneration and other terms and conditions of Mr. Pratik Doshi's appointment as Managing Director as set out in the resolution is subject to your approval. Mr. Doshi is a member of the Company's Audit Committee and Stakeholder Relationship Committee.

Mr. Doshi is not related to any other Director and Key Managerial Personnel of the Company. None of the Directors, Key Managerial Personnel and their relatives other than Mr. Pratik Doshi and his relatives are, in any way, concerned or interested in the said resolutions.

The brief profile of Mr. Doshi has been provided in Corporate Governance Report annexed herewith.

The resolutions as set out in item nos. 7 of this Notice is accordingly commended for your approval.

**Item no. 8**

Members are requested to note that the success of the Company's objective is largely determined by the quality of its work force and their commitment to the Company's objectives. It is recognized that not only good employment opportunities but also additional motivating mechanisms are needed to incentivize employees and aligning their interest with the interest of the Company.

In recognition of the said objective, the Board of Directors of the Company, on recommendation of the Nomination and Remuneration Committee, approved the introduction of employee stock option scheme titled as "LKP Securities Limited ESOP 2017, to grant stock options not exceeding 50,00,000; each convertible into 1 equity share of the Company having Face Value of INR 2/- (Rupee Two) per equity share, with an objective of rewarding the employees / directors for building up the value of the Company, developing a sense of ownership and participation in the Company and also to provide them with an opportunity to share in the gains of the business of the Company.

Members are further requested to note that your Board of Directors consider it appropriate to extend the proposed ESOP 2017 to the employees / directors(except Independent directors), as may be decided by the Nomination and Remuneration Committee thereof, to motivate and retain the best talent.

Members are requested to note that the draft of the ESOP 2017 shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on all working days (i.e., except Saturday(s), Sunday(s) and Public Holidays) up to the date of the Annual General Meeting.

Members are requested to note that it is proposed to seek the approval of the Members of the Company in terms of Section 62(1) (b) of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 for the introduction and implementation of the ESOP 2017. The Board recommends the resolution(s) set out at Item No. 8 of this Notice to the Members for their consideration and approval, by way of Special Resolution. None of the Directors, Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, except to the extent of the options / equity shares that may be granted / offered to them under the ESOP 2017.

By Order of the Board of Directors

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

(Pratik Doshi)  
Managing Director

## DIRECTORS' REPORT

The Directors present the Twenty 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	248.18	-115.24
Less: Tax Expense for the Year	15.13	27.90
Profit after tax	233.05	-143.14
Profit brought forward from previous year	-481	-337
Amount available for appropriation	-247	-481

### DIVIDEND

With a view to strengthen the financial position of the Company, Directors did not recommend any dividend for the shareholders for the financial year 2016-17.

### PERFORMANCE REVIEW AND FUTURE PROSPECTS:

During the year under review, the company recoded the total revenue of Rs. 6340.5 lacs against previous year Rs. 5637.2 lacs; profit after tax stood at Rs.233.1 lacs for the year under review as compared to previous year's Loss of Rs. 143.1 lacs.

During the year an amount of Rs 1712 lacs has been transferred to Preference Share Redemption Reserve on cancellation of Preference Shares held by LKP Finance Ltd pursuant to the Scheme of Arrangement duly approved by Mumbai High Court.

Company's agenda for the growth is clearly defined by the management i.e. to understand the financial need of the empowered customers and address those requirements with diversified services with the help of best in class technology and never compromise on core values namely fairness, integrity and transparency. We believe that the financial industry in India is moving towards rapid growth and with the aid of digitalisation supported by economic prosperity and reforms performance of the company is certainly expected to reach heights.

### 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

As per the Circular No. 51/12/2007-CL-III dated 8<sup>th</sup> February, 2011 issued by Government of India, Ministry of Corporate Affairs, the required financial information in the consolidated balance sheet is given in respect of Company's subsidiaries i.e. LKP Wealth Advisory Private Limited in Form AOC 1 annexed as "Annexure A" 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. S S Gulati retires by rotation and being eligible offers himself for re-appointment. Your Directors recommend his re-appointment.

During the year under review Mr. Dinesh Waghela, Mr. Behram Baldawala and Mr. Mahendra V Doshi resigned from the Board with effect from 7<sup>th</sup> July, 2016, 7<sup>th</sup> July, 2016 and 13<sup>th</sup> July, 2016 respectively. The Board of Directors record their appreciation of the services during their term as Director of the Company.

The Board of Directors appointed Mr. S S Gulati (DIN 02404230), Mrs. Sangeeta Jhaveri (DIN 03636133) and Mr. Ganesh Malhotra (DIN 07581670) as an Additional Directors with effect from 8<sup>th</sup> July, 2016, 8<sup>th</sup> July, 2016 and 3<sup>rd</sup> August, 2016, respectively. Pursuant to section 161 of the Companies Act, 2013 as Additional Directors holding office only up to the date of the ensuing annual general meeting. The company has received a notice under section 160(1) of the Companies Act, 2013 proposing candidature of Mr. S S Gulati, Mrs. Sangeeta Jhaveri and Mr. Ganesh Malhotra to the office of Director alongwith the requisite deposit.

In accordance with the requirements of Section 149 and 152 of the Companies Act, 2013 appointment of Mr. Ganesh Malhotra and Mrs. Sangeeta Jhaveri as an Independent Director on the Board of the Company, requires approval of the Members of the Company.

The requisite resolutions for the appointment of Independent Directors are being proposed in the Notice of the ensuing Annual General Meeting for the approval of the Members.

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

The information on the particulars of the Directors proposed for appointment/ re-appointment has been given in the Notice of the Annual General Meeting.

### Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and 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 nine Board Meetings and three 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.

#### AUDITORS

The term of the existing Statutory Auditors M/s Ford Rhodes Parks & Co. LLP is coming to end from. The Board of Directors have recommended appointment of M/s MGB & Co. LLP., (FRN 101169W/W-100035) to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting.

The Company has received a letter from them to the effect that their appointment, if made, would be within the provision prescribed under Section 139 of the Companies Act, 2013. Your Directors recommend their appointment.

#### SECRETARIAL AUDIT

Pursuant to 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".

#### 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

Presently Corporate social responsibility provisions are not applicable to Company.

#### 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 D".

#### 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 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms a part of this report as Annexure E. 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.

### BSE listing

Our company have been listed on The Bombay Stock Exchange Limited w.e.f. December 01, 2016.

### Restructure of Share capital pursuant to scheme of arrangement

The Hon'ble High Court of Judicature of Bombay at Mumbai vide order dated May 04, 2016 approved the Scheme of Arrangement.

Pursuant to the scheme of arrangement between LKP Finance Limited (LKPFL) and LKP Securities Limited (LKPSL), the Investment of LKPFL in the form of equity share capital

and preference share capital of LKPSL stood cancelled. Accordingly, the Equity Share Capital and Preference Share Capital of LKPSL has been reduced to the extent of face value of aforesaid shares held by LKPFL in LKPSL and further LKPSL has issued and allotted equity shares to each member of LKPFL, whose name appears in the Register of Members of LKPFL on the Record Date or his/her/its legal heirs, executors or successors as the case may be, in the ratio of 6 (six) equity shares of the face value of Rs. 2/- (Rupees Two) each (credited as fully paid-up) of LKPSL for every 1(one) equity share of the face value of Rs. 10/- (Rupees Ten) each (credited as fully paid-up) held by such members.

### Below is the detail of capital structure pre and post scheme of arrangement:

Share Capital of the Company **Pre-Scheme of Arrangement** is as set forth below:

Authorized Capital	Aggregate Nominal Value (₹ in lacs)
3,00,00,000 Equity Shares of ₹ 2/- each	600.00
29,00,000 9% Redeemable Preference Shares of ₹ 100/- each	2900.00
<b>Total</b>	<b>3500.00</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
2,62,41,000 Equity Shares of ₹ 2/- each	524.82
29,00,000 9% Redeemable Preference Shares of ₹ 100/- each	2900.00
<b>Total</b>	<b>3424.82</b>

The share capital of the Company **Post- Scheme of Arrangement** is as set forth below:

Authorized Capital	Aggregate Nominal Value (₹ in lacs)
12,50,00,000 Equity Shares of ₹ 2/- each	2500
1,00,00,000 Unclassified of ₹ 10/- each	1000
<b>Total</b>	<b>3500</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
7,32,21,296 Equity Shares of ₹ 2/- each	1464.43
<b>Total</b>	<b>1464.43</b>

### Allotment

During the year on July 08, 2016, 7,31,83,896 Equity Shares of Rs.2/- each fully paid -up were allotted to the Equity Shareholders of LKP Finance Limited in the ratio of 6:1 i.e.; 6 (six) shares for every 1 (one) share held by them.

### 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	<b>Pratik Doshi</b>	<b>S S Gulati</b>
Date: April 26, 2017	Managing Director	Director
	DIN 00131122	DIN02404230

**Annexure 'A'****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 subsidiary company****Subsidiary**

1. Name of the subsidiary: LKP Wealth Advisory Private Limited
2. The date since when subsidiary was acquired: Since Incorporation i.e. 08/08/2014
3. Reporting period for the subsidiary concerned: 01/04/2016 to 31/03/2017
4. Share capital: Rs. 51,00,000/-
5. Reserves and surplus: Rs. 18,81,930/-
6. Total assets: Rs. 74,52,650/-
7. Total Liabilities: Rs. 4,70,720/-
8. Investments: Nil
9. Turnover: Rs. 27,32,538/-
10. Profit before taxation: Rs. 13,84,903/-
11. Provision for taxation: 4,50,000/-
12. Profit after taxation: Rs. 9,34,903/-
13. Proposed Dividend: NIL
14. Extent of shareholding (in percentage) 99.98%

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

Mumbai  
Date: April 26, 2017

**Pratik Doshi**  
Managing Director  
DIN 00131122

**S S Gulati**  
Director  
DIN02404230

**Annexure 'B'****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 Securities Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by LKP Securities 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') as applicable to the company w.e.f. 1<sup>st</sup> December, 2016.
  - (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**)
  - (i) The Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992;
  - (j) The Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
- (vi) Other Applicable Acts;
  - (a) Prevention of Money Laundering Act, 2002;
  - (b) The Employees Provident Fund & Miscellaneous Provisions Act, 1952;
  - (c) Employees State Insurance Act, 1948;
  - (d) Payment of Gratuity Act, 1972;
  - (e) 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, w.e.f. 1<sup>st</sup> December, 2016;
  - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, w.e.f. 1<sup>st</sup> December, 2016;

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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

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

- (i) Approval by the shareholders of the company, by way of Special resolution passed vide extra ordinary general meeting dated 26<sup>th</sup> April, 2016 for Alteration of Object Clause of Memorandum of association under section 13 of the Companies Act, 2013;

- (ii) Special resolution passed at the annual general meeting held on 9<sup>th</sup> June, 2016 for adopting a new set of articles of association of the company to bring the articles of association in consonance with the notified provisions of Companies Act, 2013 and the Rules made thereunder;
- (iii) Approval of shareholders of the Company, by way of Special resolution passed vide annual general meeting dated 9<sup>th</sup> June, 2016 for transactions to be entered with related parties under section 188 of the Companies Act, 2013.
- (iv) Approval by the shareholders of the company, by way of Special resolution passed vide extra ordinary general meeting dated 5<sup>th</sup> July, 2016 for Alteration of Capital Clause of Memorandum of association and Reclassification of Authorised share capital pursuant to Scheme of arrangement approval of High Court of Judicature at Bombay;

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 I' and forms an integral part of this report.

#### **Annexure "I" to Secretarial Audit Report**

To,

The Members  
LKP Securities 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**  
**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:**

<b>CIN</b>	U67120MH1994PLC080039
Registration Date	03/08/1994
Name of the Company	LKP SECURITIES LIMITED
Category/Sub-Category of the Company	Company limited by shares
Address of the Registered office and contact details	203 Embassy Centre, Nariman Point, Mumbai 400021
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	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:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Stock broking	66120	96.85

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

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1	LKP Wealth Advisory Private Limited	U67190MH2014PTC256997	Subsidiary Company	99.98%	2(87)(ii)

**IV. SHAREHOLDING 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.	26192350	11250	26203600	99.857	23742120		237420	32.43	--
e) Banks / FI				--	--	--	--	--	--
f) Any Other...									
i. Directors					604332	--	604332	0.83	--
ii. Directors relatives					22797666	--	22797666	31.14	--
<b>Sub-total (A) (1):-</b>	<b>26192350</b>	<b>11250</b>	<b>26203600</b>	<b>99.857</b>	<b>47144118</b>	<b>0</b>	<b>47144118</b>	<b>64.39</b>	<b>--</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>



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>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>					<b>47144118</b>	<b>0</b>	<b>47144118</b>	<b>64.39</b>	--
<b>B.Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	--	--	--	--	--	8400	8400	0.01	--
b) Banks / FI	--	--	--	--	300	15000	15300	0.02	--
c) Central Govt.	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIs	--	--	--	--	1416420	--	1416420	1.93	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (Specify)	--	--	--	--	--	--	--	--	--
<b>Sub-total (B) (1)</b>	--	--	--	--	<b>1416720</b>	<b>23400</b>	<b>1440120</b>	<b>1.97</b>	--
<b>(2) Non - Institutions</b>									
a) Bodies Corp.									
i) Indian	--	--	--	--	6605210	48006	6653216	9.09	--
ii) Overseas	--	--	--	--	4364934	--	4364934	5.96	--
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.2 lakhs	19400	17750	37150	0.142	8511782	1865866	10377648	14.17	--
ii) Individual shareholders holding nominal share capital in excess of Rs.2 lakhs	--	--	--	--	1886838	--	1886838	2.58	--
c) Others (Specify)									
c-1) NON RESIDENT INDIANS(INDIVIDUALS)	--	--	--	--	696233	596550	12927830	1.77	--
c-2) CLEARING MEMBER	--	--	--	--	20463	--	20463	0.03	--
c-3) TRUSTS	--	--	--	--	1200	--	1200	--	--
c-4) DIRECTORS		1250	1250	0.0055	39876	100	39987	0.05	--
<b>Sub-total (B)(2)</b>	<b>19400</b>	<b>18000</b>	<b>37400</b>	<b>0.143</b>	<b>22126536</b>	<b>2510522</b>	<b>24637058</b>	<b>33.65</b>	--
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>19400</b>	<b>18000</b>	<b>37400</b>	<b>0.143</b>	<b>23543256</b>	<b>2533922</b>	<b>26077178</b>	<b>33.65</b>	--
C. Shares held by Custodian for GDRs & ADRs.	--	--	--	--	--	--	--	--	--
Promoter and Promoter Group	--	--	--	--	--	--	--	--	--
Public -	--	--	--	--	--	--	--	--	--
Sub-total (C)	--	--	--	--	--	--	--	--	--
<b>Grand Total (A+B+C)</b>	<b>26211750</b>	<b>29250</b>	<b>26241000</b>	<b>100</b>	<b>70687374</b>	<b>2533922</b>	<b>73221296</b>	<b>100</b>	--

# Pursuant to scheme of arrangement between LKP Finance Limited and LKP Securities Limited during the year there was reduction of share capital which was held by the LKP Finance Limited and reissue of equity share capital to the shareholders of LKP Finance Limited in the ration of 6:1.

**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2016			Shareholding 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	LKP Finance Limited	26203600	99.857	--	--	--	--	--
2	Mr. M. V. Doshi	--	--	--	22097316	30.18	--	--
3	Mr. Pratik M. Doshi	--	--	--	604332	0.83	--	--
4	Miss Ira P. Doshi	--	--	--	600000	0.82	--	--
5	Mrs. Shital A. Sonpal	--	--	--	100350	0.14	--	--
6	Bhavana Holdings Pvt. Ltd.	--	--	--	8457030	11.55	--	--
7	Sea Glimpse Investments Pvt. Ltd.	--	--	--	15285090	20.88	--	--
	<b>Total</b>	26203600	99.857	--	<b>47144118</b>	<b>64.39</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.	LKP Finance Limited (pursuant to scheme of arrangement; shareholders of LKP Finance Ltd have granted shares of LKP Securities Limited in the ratio of 6:1 against diminishing of holding of LKP Finance Ltd)	01/04/2016 31/03/2017	26203600 --	99.857 --	-- --	-- --
2	Mr. Mahendra V. Doshi At the beginning of the year *Change during the year At the end of Year	01/04/2016 08/07/2016 31/03/2017	-- -- --	-- -- --	-- 22097316 22097316	-- 30.19 30.19
3	Mr. Pratik M. Doshi At the beginning of the Year *Change during the Year At the end of Year	01/04/2016 08/07/2016 31/03/2017	-- -- --	-- -- --	-- 604332 604332	-- 0.83 0.83
4	Miss. Ira Pratik Doshi At the beginning of the year *Change during the year At the end of Year	01/04/2016 08/07/2016 31/03/2017	-- -- --	-- -- --	-- 600000 600000	-- 0.82 0.82
5	Mrs. Shital A Sonpal At the beginning of the year *Change during the year At the end of Year	01/04/2016 08/07/2016 31/03/2017	--- -- --	--- -- --	--- 100350 100350	--- 0.14 0.14
6	Bhavna Holdings Pvt. Ltd. At the beginning of the year *Change during the year At the end of Year	01/04/2016 08/07/2016 31/03/2017	-- -- --	-- -- --	-- 8457030 8457030	-- 11.55 11.55
7	Sea Glimpse Investment Pvt. Ltd. At the beginning of the year *Change during the year At the end of Year	01/04/2016 08/07/2016 31/03/2017	-- -- --	-- -- --	-- 15285090 2547515	20.88 20.88 --

\* Allotment pursuant to scheme of arrangement w.e.f. July 08, 2016.

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

SI 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>	<b>Agrud Capital Pte Ltd</b>	4/1/2016	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year		22/07/2016	4364934	5.96	4364934	5.96
	<b>At the End of the year</b>		31/03/2017	0	0.00	4364934	5.96
2	<b>At the beginning of the year</b>	<b>Grovsnor Investment Fund Ltd</b>	4/1/2016	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year		22/07/2016	2400000	3.28	2400000	3.28
	<b>At the End of the year</b>		31/03/2017	0	0.00	2400000	3.28
3	<b>At the beginning of the year</b>	<b>Sadguru Express Private Limited</b>	4/1/2016	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year		22/07/2016	1087218	1.48	1087218	1.48
	<b>At the End of the year</b>		31/03/2017	0	0.00	1087218	1.48
4	<b>At the beginning of the year</b>	<b>Gannon Dunkerley Finance Limited</b>	4/1/2016	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year		22/07/2016	337632	0.46	337632	0.46
			10/03/2017	-47000	0.06	290632	0.40
	<b>At the End of the year</b>		31/03/2017	0	0.00	290632	0.40
5	<b>At the beginning of the year</b>	<b>India Max Investment Fund Limited</b>	4/1/2016	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year		22/07/2016	768678	1.05	768678	1.05
			02/12/2016	11742	0.02	780420	1.07
	<b>At the End of the year</b>		31/03/2017	0	0.00	780420	1.07
6	<b>At the beginning of the year</b>	<b>Padmakshi Financial Services Private Ltd</b>	4/1/2016	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year		22/07/2016	831876	1.14	831876	1.14
			10/03/2017	46667	0.06	878543	1.20
			17/03/2017	25832	0.04	904375	1.24
			24/03/2017	27501	0.04	931876	1.27
	<b>At the End of the year</b>		31/03/2017	-757710	1.03	174166	0.24
7	<b>At the beginning of the year</b>	<b>Padmakshi Capital Pvt Ltd</b>	4/1/2016	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year			<b>NIL</b>	<b>NIL</b>		
	<b>At the End of the year</b>		31/03/2017	757710	1.03	757710	1.03

SI 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
8	At the beginning of the year	SayantaBasu	4/1/2016	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year		22/07/2016	917352	1.25	917352	1.25
	At the End of the year		31/03/2017	0	0.00	917352	1.25
9	At the beginning of the year	MarytimeTrimpex Private Limited	4/1/2016	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year		22/07/2016	784794	1.07	784794	1.07
	At the End of the year		31/03/2017	0	0.00	784794	1.07
10	At the beginning of the year	Prime India Investment Fund Ltd	4/1/2016	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year		22/07/2016	636000	0.87	636000	0.87
	At the End of the year		31/03/2017	0	0.00	636000	0.87

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

SI 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. Pratik Doshi Managing Director				
	01/04/2016	--	--	--	---
	31/03/2017	604332	0.83	604332	0.83
2	Mr. S S Gulati Non-Executive Director				
	08/07/2016	39976	0.05	---	0.05
	31/03/2017	39976	0.05		0.05
3	Mr. Ganesh Malhotra Independent Director				
	03/08/2016	--	--	--	--
	31/03/2017	--	--	--	--
4	Ms. Sangeeta Jhaveri Independent Director				
	08/07/2016	--	--	--	--
	31/03/2017	--	--	--	--
5	Mr. Girish Majrekar Chief Financial Officer				
	08/06/2016	600	--	--	--
	31/03/2017	--	--	600	--
6.	Ms. Dimple Chopra Company Secretary				
	18/07/2016	--	--	--	--
	31/03/2017	--	--	--	--

**IV. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

Sl. No.	Particulars of Remuneration	Mr. Pratik Doshi (Managing Director)	Mr. Dinesh Waghela (Executive Director)	Total Amount
	Grosssalary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Rs. 46,50,660/-	Rs. 2,72,400/-	Rs. 49,23,060/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--
	Stock Option	--	--	--
	Sweat Equity	--	--	--
	Commission - as% of profit - others, specify...	--	--	--
	Others, please specify	--	--	--
	<b>Total (A)</b>	<b>Rs. 46,50,660/-</b>	<b>Rs. 2,72,400/-</b>	<b>Rs. 49,23,060/-</b>
	Ceiling as per the Act	--	--	Rs. 84,00,000/-

**B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of Director(s)		Total Amount
	<u>Independent Directors</u> · Fee for attending board meetings · Commission · Others, please specify	Mrs. Sangeeta Jhaveri Rs. 40,000/-	Mr. Ganesh Malhotra Rs. 40,000/-	Rs. 80,000/-
	Total (1)	Rs. 40,000	Rs. 40,000/-	<b>Rs. 80,000/-</b>
	<u>Other Non-Executive Directors</u> · Fee for attending board meetings · Commission · Others, please specify	Mr. S S Gulati Rs. 40,000/-		Rs. 40,000/-
	Total (2)	Rs. 40,000/-		<b>Rs. 40,000/-</b>
	Total Managerial Remuneration			<b>Rs. 1,20,000/-</b>
	*Over all Ceiling as per the Act			

(\*Overall Ceiling as per the Act is Rs. 1,00,000 sitting fees per Meeting. However company has paid Rs. 10,000 sitting fees per Board meeting.)

**C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
	Grosssalary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,00,000/-	10,95,000	16,95,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--
	Stock Option	--	--	--
	Sweat Equity	--	--	--
	Commission - as % of profit - others, specify...	--	--	--
	Others, please specify	--	--	--
	<b>Total</b>	<b>6,00,000/-</b>	<b>10,95,000</b>	<b>16,95,000</b>

**VI. INDEBTNESS:**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	744442468	--	--	--
ii) Interest due but not paid	2502769	--	--	--
iii) Interest accrued but not	336000	--	--	--
Total (i+ii+iii)	747281237	--	--	<b>747281237</b>
Change in Indebtedness during the financial year				
- Addition	--	--	--	--
- Reduction	90493870	--	--	--
Net Change	90493870	--	--	<b>90493870</b>
Indebtedness at the end of the financial year				
i) Principal Amount	652300681	--	--	--
ii) Interest due but not paid	4186686	--	--	--
iii) Interest accrued but not	300000	--	--	--
Total (i+ii+iii)	656787367	--	--	<b>656787367</b>

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

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any (give 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					

**Annexure D**  
**FORM NO. AOC.2**

**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 arm's length transactions under third proviso thereto**

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

1. Details of contracts or arrangements or transactions not at arm's length basis: None
2. Details of material contracts or arrangement or transactions at arm's length basis:

	Name(s) of the related party	Nature of relationship	Nature of transactions	Transaction Value	Income/Gain (Brokerage)
1	LKP Finance Limited	Director interested	Rendering broking services	421,77,46,697	26,79,186
2	Sea Glimpse Investments Pvt Ltd	Director interested	Rendering broking services	41,69,32,141	1,23,500

- (c) Duration of the contracts/arrangements/transactions: FY 2016-17  
 (d) Date(s) of approval by the Board, if any: 10<sup>th</sup> August, 2016  
 (f) Amount paid as advances, if any: Nil

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

Mumbai  
 Date: April 26, 2017

**Pratik Doshi**  
 Managing Director  
 DIN 00131122

**S S Gulati**  
 Director  
 DIN02404230

**Annexure E**

**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.**

1. 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. Pratik Doshi	Managing Director	20.8663

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

Name	Designation	Increase in remuneration
Mr. Pratik Doshi	Managing Director	55%

3. The percentage increase in median remuneration of employees in the financial year: 14.67
4. The number of permanent employees on the rolls of Company: 477
5. 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 managerial remuneration was 14.67% whereas the increase in the remuneration of Managerial personnel was 20.87

6. It is hereby affirmed that remuneration is as per the remuneration policy of the company.

**On behalf of the Board of Directors**

Date: April 26, 2017

**Pratik M Doshi**  
 Managing Director

## 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

**The composition and category of Directors as on 31<sup>st</sup> March 2017 are as follows:**

Category	Name of Directors	Designation
Promoter	Pratik Doshi	Managing Director
Non-executive	S S Gulati	Director
Independent & Non-executive	Sangeeta Jhaveri	Director
Independent & Non-executive	Ganesh Malhotra	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.

#### Board Meetings

The Meeting of the Board of Directors are scheduled well in advance and generally held at the Company's corporate 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 nine Board Meetings held during the financial year ended 31<sup>st</sup> March 2017, namely on 2nd May 2016, 10<sup>th</sup> June 2016, 8th July, 2016, 3<sup>rd</sup> August 2016, 10<sup>th</sup> August, 2016, 24<sup>th</sup> October 2016, 4<sup>th</sup> November, 2016, 23<sup>rd</sup> January, 2017 and 24<sup>th</sup> March, 2017.

Brief profile of Mr. Pratik Doshi, Managing Director as provided in table below:

Name	Mr. Pratik M. Doshi
DIN	00131122
Date of Birth / Age	01/12/1980 / 36 Years
Qualification	B.A. in Business and Financial Economics, UK.
Expertise in Specific Functional Areas	Extensive experience of 13 years in the field of Foreign Exchange, Stock Market and Commodity Market.
Other Directorships	1. LKP Finance Ltd. 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	LKP Securities Ltd. i. Audit Committee – Member ii. Stakeholders Relationship Committee – Member iii. Share Transfer Committee – Chairman
Shareholding in the Company	6,04,332 Equity Shares (0.83%)
Relationship with any Director(s) of the Company	None



**Attendance and Other Directorship**

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 Securities Ltd.)	
				Public	Private
1	Mr. Mahendra Doshi*	2	Yes	5	5
2	Mr. Pratik M. Doshi	9	Yes	2	7
3	Mr. Dinesh Waghela**	2	Yes	1	3
4	Mr. Behram Baldawala***	2	Yes	-	-
5	Mr. S S Gulati#	7	No	-	1
6	Mrs. Sangeeta Jhaveri ##	6	No	-	-
7	Mr. Ganesh Malhotra ###	4	No	-	-

\*Resigned w.e.f. July 13, 2016

\*\*Resigned w.e.f. July 7, 2016

\*\*\*Resigned w.e.f. July 7, 2016

# Appointed w.e.f. July 8, 2016

## Appointed w.e.f. July 8, 2016

### Appointed w.e.f. August 3, 2016

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. 46,50,660/- 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. Pratik M. Doshi, Managing Director of the Company pursuant to the Board resolution passed by Board members on October 24, 2016 and subject to approval of Shareholders in ensuing Annual General meeting. At present, Independent Directors are not paid any remuneration except sitting fess for attending Board Meetings.

Sitting Fees (Inclusive of TDS) paid to Directors for attending Board Meetings:

1.	Mr. S S Gulati	Rs. 40,000/-
2.	Mr. Ganesh Malhotra	Rs. 40,000/-
3.	Mrs. Sangeeta Jhaveri	Rs. 40,000/-
4.	Mr. Pratik M. Doshi	Nil
5.	Mr. B M Baldawala	Nil
6.	Mr. M. V. Doshi	Nil
7.	Mr. Dinesh Waghela	Nil

**3 Audit Committee**

The Board has set up the Audit Committee with two Independent Director Mr. Ganesh Malhotra, Mrs. Sangeeta Jhaveri and one Promoter Director Mr. Pratik Doshi. Mr. Ganesh Malhotra is the Chairman of the Audit Committee.

Audit Committee meetings were held on 10<sup>th</sup> August, 2016, 4<sup>th</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 consist of Mr. S S Gulati, non-executive director and Mr. Pratik Doshi, Managing Director. Mr. S S gulati is appointed as a Chairman and Ms. Dimple Chopra, Company Secretary of the Company is a Compliance Officer.

There were no complaints from investors during the year under review. No transfer of share 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**

TheNomination and Remuneration Committee has been constituted by the Company. Mr. Ganesh Malhotra is the Chairman of the Committee and Mr. Pratik Doshi and Mrs. Sangeeta Jhaveri 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, administer 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, three meetings of the Nomination and Remuneration Committee were held on 10<sup>th</sup> August, 2016, 24<sup>th</sup> October, 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.

#### **Policy for selection and Appointment of Directors and their Remuneration**

##### **Criteria of selection of Non-executive Directors**

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

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

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

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

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

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

##### **Remuneration:**

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.

##### **Managing Director / Director – Criteria for selection / appointment**

For the purpose of selection of the Managing Director / 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 Managing Director / Director:**

At the time of appointment or re-appointment, the Managing Director / 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 Managing Director / 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 Managing Director / Director comprises of fixed and variable component as per the provisions of Companies Act, 2013. The fixed component comprises salary, allowances, perquisites, amenities and retirement 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 Managing Director 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:**

Section 135 of the Companies Act, 2013 doesn't applicable to the company.

**7. Performance Evaluation of the Board**

A separate exercise was carried out to evaluate the performance of individual Directors including the Managing Director 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 Managing Director 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 January 23, 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	Thursday	9 <sup>th</sup> June 2016	11.00 a. m.
2014-2015	Wednesday	10 <sup>th</sup> June 2015	11.00 a. m.
2013-2014	Monday	9 <sup>th</sup> June, 2014	11.00 a. m.

**Location:**

All the above Annual General Meetings of the Company were held at 112A Embassy center, Nariman point, Mumbai 400021.

**Business**

Year	Special Resolution passed.
2015-2016	1. For adoption of new set of Articles of Association 2. For approval of Related party transactions
2014-2015	No Special resolution passed.
2013-2014	No Special resolution passed.

During the last year following business had been conducted through Extra Ordinary General Meeting.

26<sup>th</sup> April, 2016 To alter Object Clause of the company.

5<sup>th</sup> July, 2016 For Alteration of Authorised capital of the company

**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 last two quarters were published in The Business Standard and Aaplmahanagar dailies. These were not sent individually to the shareholders.

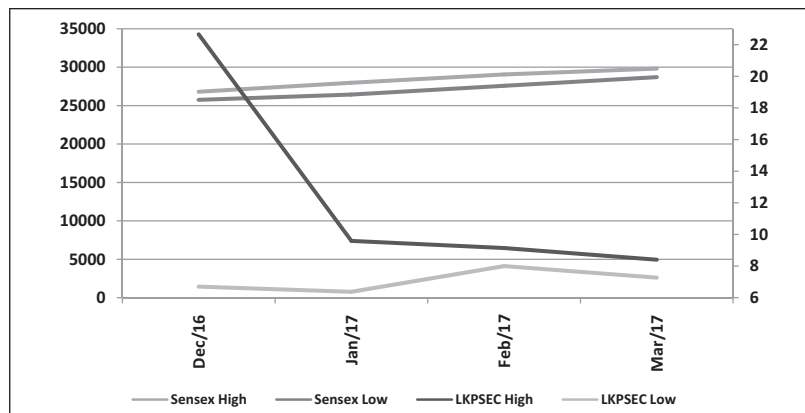
2. The Company's results or official news are displayed on a web site www.lkpsec.com
3. There were no presentations made to the institutional investors or to the analysts.
4. The Management, Discussion and Analysis Report form a part of this Annual Report.

## 12. General Shareholder Information

AGM Date, Time and Venue:	Wednesday 24 <sup>th</sup> May, 2017 at 11.30 a.m.at M. C. Ghia Hall, BhogilalHargovindas Building, 18/20, K. Dubash Marg, Mumbai 400 001, Maharashtra, India.
Financial Calendar:	April to March Announcement of Audited / Un-audited Results (tentative): 3 <sup>rd</sup> Quarter - Last week of January 4 <sup>th</sup> Quarter - Last week of April
Book Closure:	Monday, 22 <sup>th</sup> May, 2017 to Wednesday 24 <sup>th</sup> May, 2017 (both days inclusive).
Dividend:	Till date Company has not declared any dividend.
Listing on Stock Exchange:	BSE Limited, Mumbai (Code-540192).
	The Company has paid the listing fees for the period from 1 <sup>st</sup> April 2017 to 31 <sup>st</sup> March 2018.
Demat ISIN No. for Depositories:	INE341H01023

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

Month	LKP SEC High	LKP SEC Low	No. of Shares	No. of Trades	BSE Sensex	
					High	Low
Dec-16	22.65	6.7	226768	322	26804	25754
Jan-17	9.59	6.37	1502149	1880	27980	26447
Feb-17	9.14	8	356917	855	29065	27590
Mar-17	8.4	7.27	1146447	599	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. No.022- 28590942

### Share Transfer System

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

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

Shares Slab	Share Holders	%	Total Shares	Amount (Rs.)	%
Upto - 100	585	9.43	21136	42272	0.03
101 - 500	761	12.26	211525	423050	0.29

501 - 1000	2790	44.96	1741541	3483082	2.38
1001 - 2000	992	15.99	1379974	2759948	1.88
2001 - 3000	374	6.03	1002701	2005402	1.37
3001 - 4000	128	2.06	451803	903606	0.62
4001 - 5000	91	1.47	417806	835612	0.57
5001 -10000	260	4.19	1795723	3591446	2.45
10001 -20000	105	1.69	1439252	2878504	1.97
20001 -50000	65	1.05	2000149	4000298	2.73
50001 & Above	54	0.87	62759686	125519372	85.71
<b>Total :</b>	<b>6205</b>	<b>100.00</b>	<b>73221296</b>	<b>146442592</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	47144118	64.39
2	Directors other than Promoters	39976	0.05
3	Mutual Fund and UTI	8400	0.01
4	Financial Institutions / Banks and Insurance Com.	15300	0.02
5	FII's	1416420	1.93
6	Private Corporate Bodies	6653216	9.09
7	Indian Public	12264486	16.75
8	Foreign Corporate Bodies	4364934	5.96
9	NRI/OCB	1292783	1.77
10	Others	21663	0.03
	<b>Total</b>	<b>73221296</b>	<b>100</b>

**Dematerialization of equity Shares and liquidity**

As on 31<sup>st</sup> March 2017, 96.53 % of the Company's total shares represented by 7,06,87,374 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 Securities Limited  
 203, Embassy Centre,  
 Nariman Point,  
 Mumbai 400 021

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

Mumbai  
 Date: April 26, 2017

**(Pratik M. Doshi)**  
 Managing Director

**CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members,  
 LKP Securities Limited

We have examined the compliance of conditions of corporate governance by LKP Securities Limited ("the company") for the year ended on 31<sup>st</sup> March, 2017, as specified in Chapter IV of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 as applicable to the company w.e.f. 1<sup>st</sup> December, 2016.

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.

### **COMPLIANCE OF 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 Securities Limited

Pratik M. Doshi  
Managing Director

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

### **COMPLIANCE CERTIFICATE**

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

#### **The Board of Directors**

#### **LKP Securities 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 violation 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 Securities Limited**

**For LKP Securities Limited**

**Mumbai**  
**April 26, 2017**

**Pratik M. Doshi**  
**Managing Director**

**Girish Majrekar**  
**Head Corporate Affairs**

## MANAGEMENT DISCUSSION AND ANALYSIS

### Industry structure and developments

Financial year 2016-17 proved to be an interesting year for India since India has become the fastest growing developing economy in the world. We expect this growth trend to continue in 2017-18, driven by declining inflation, lower interest rates and continued focus on economic reforms by way of introduction of Goods and Service Tax, Digitalization, strength of the INR, global and domestic liquidity, reasonable priced oil etc

The economic reforms introduced by the government, a stable macro-economic environment and the falling commodity prices are some of the factors that have helped India achieve robust economic growth estimates. In recent years, India has become a global preferred destination for FDI, owing to its large consumer market and efforts by the government to position it as one of the front-runners of the rapidly growing Asia Pacific region.

### Opportunities and Threats

Your Company being a Stock Broking house 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.

LKP Securities Ltd. is one of the reputed broking houses of the country, having a network of 3772 plus outlets across India. The company has put in place a new team to drive its overall business.

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

Capital market activities in which most of our activities depend on is also influenced by many domestic and global events and as the Nifty and the Sensex stand at a new high, the question arises about the outlook for equities in the coming financial year. While at a very broad level, valuations may be at the upper end of the historic band, there could be some key triggers to help the equity markets in the coming financial year like global liquidity, strength of INR, reasonably priced oil, increased in number of SIPs in Mutual fund, Stability and continuity at the centre and states, etc.

### Segment-wise Performance

During the year under review following are the performance figures of different segment in the Company:

INCOME	Capital Mkt	Mutual Fund	CDSL	WDM	New Issue	MBD	Gross Total
Income from Operations	473997522	9086716	14763051	123,911,451	10,427,321	-	632,186,060
Other Income	16,006,500	-	-	851,547	366,318	3,318,743	20,543,109
<b>Total</b>	<b>490,004,023</b>	<b>9,086,716</b>	<b>14,763,051</b>	<b>124,762,998</b>	<b>10,793,639</b>	<b>3,318,743</b>	<b>652,729,169</b>
EXPENDITURE							
Total	558,442,957	2,845,035	1,687,446	89,636,100	10,784,124	(35,510,092)	627,885,571
Net Profit for the Period	(68,438,935)	6,241,681	13,075,604	35,126,898	9,515	38,828,835	24,843,598

### Outlook

In India, the growth forecast for the current (2016–17) and next fiscal year were trimmed by one percentage point and 0.4 percentage point, respectively, primarily due to the temporary negative consumption shock induced by cash shortages and payment disruptions associated with the recent currency note withdrawal and exchange initiative.

In India the NDA government has been following – Minimum Government & Maximum Governance and the wide array of measures unleashed by the GOI namely – Make in India, Digital India, Skill India, Start Up India, Smart Cities, UDAY, AMRUT, NITI AAYOG, e-NAM and above all a dynamic Union Budget has made foreign institutional investors adopt a positive view on the Indian Equity markets post the budget.

Retail Broking where LKP is making inroads is presently witnessing a digital transformation and Mobile Trading App is the new buzz word.

### Risks and Concerns

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

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

### Internal Control Systems and their adequacy

The Company has satisfactory internal control system.

The Company including subsidiary 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. 14,64,42,592/- divided into 7,32,21,296 equity shares of Rs. 2/- each fully paid up.

**Net Worth**

The Net Worth of the Company increased from Rs. 2943.79 to 3176.10 lacs.

**Secured Loans**

The secured loans decreased from Rs. 7472.81 to 6567.87 lacs.

**Total Income**

During the year under consideration total income was Rs. 6546.84lacs as against Rs. 5833.80 lacs in the previous year.

**Other Income**

During the year under consideration other income was Rs. 206.37lacs as against Rs. 196.62 lacs in the previous year.

**Interest and Finance Charges**

During the year under consideration total interest and finance charges were Rs.412 lacs as against Rs. 346 lacs in the previous year.

**Tax Expense**

During the year under consideration the Tax Expense were Rs. 15,13,338/-

**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 477 employees.

LKP Securities Ltd places significant importance to its human capital. As on 31<sup>st</sup> March 2017 there are 477 employees employed by the Company. The company has also provided medical insurance for its employees and family members as a welfare measure. The company has been paying special attention to improve the skill set of the employees through various training programs. All employees are encouraged and motivated to get themselves certified in relevant industry standard certifications such as CFP, NCFM, BSEC& AMFI.

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

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

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

**(Pratik M. Doshi)**  
**Managing Director**



## **Independent Auditor's Report to the members of LKP Securities 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 Securities 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.

### **Auditor's 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 various courts in the matter explained under Note No. 2 (b) and (c) 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. 16 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 18 in the Notes to Financial Statements.

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

**A.D. Shenoy**  
Partner

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

**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) There are no immovable properties 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, except for the disputed dues of Rs. 13.74 lakhs relating to Income Tax and TDS as given below, there are no disputed dues relating to income tax as at 31<sup>st</sup> March 2017, which has not been deposited on account of dispute.

Assessment Year	Amount in Rs.	Forum where dispute is pending
2008-09	692,851	Commissioner of Income Tax (Appeals)
2008-09	681,623	Commissioner of Income Tax (Appeals)

- 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 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. As per the information and explanations provided to us and based on the overall operations of the company, the company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

**A.D. Shenoy**  
Partner

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

**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 SECURITIES 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**

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

( Amount in Rupees )

Particulars	Note No.	As at 31st March 2017	As at 31st March 2016
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share Capital	B1	146,442,592	342,482,000
(b) Reserves and Surplus	B2	171,241,831	(48,102,837)
<b>2 Non-current liabilities</b>			
(a) Long Term Borrowings	B3	3,907,870	-
(b) Other Long Term Liabilities	B4	22,574,038	22,935,018
(c) Long Term Provisions	B5	13,427,239	9,394,002
<b>3 Current liabilities</b>			
(a) Short Term Borrowings	B6	652,879,498	747,281,237
(b) Trade Payables		544,376,781	495,368,723
(c) Other Current Liabilities	B7	9,110,281	8,824,512
<b>TOTAL</b>		<b>1,563,960,130</b>	<b>1,578,182,655</b>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
<b>1 (a) Fixed Assets</b>			
(i) Tangible assets	B8	28,871,878	32,339,860
(ii) Intangible assets	B8	15,005,901	17,774,101
(b) Non Current Investments	B9	23,115,944	19,015,944
(c) Deferred Tax Assets (Net)		35,848,146	37,361,484
(d) Long Term Loans and Advances	B10	67,965,411	71,160,983
(e) Other Non Current Assets	B11	66,771,336	20,088,827
<b>2 Current assets</b>			
(b) Inventories	B12	9,288,701	7,402,012
(c) Trade Receivables	B13	719,360,899	1,062,455,566
(d) Cash and Cash Equivalents	B14	311,298,616	201,381,155
(e) Short Term Loans and Advances	B15	274,762,442	100,181,209
(f) Other Current Assets	B16	11,670,856	9,021,514
<b>TOTAL</b>		<b>1,563,960,130</b>	<b>1,578,182,655</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date

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

Chartered Accountants

Firm registration number : 102860W/W100089

For and on behalf of the board of directors of LKP Securities Limited

**A.D.Shenoy**

Partner

Membership No.11549

Managing Director :

Director :

Chief Financial Officer :

Company Secretary :

**P. M. Doshi**
**S. S. Gulati**
**Girish Majrekar**
**Dimple Chopra**

Place : Mumbai

Date : 26th April, 2017

**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH,2017**
**( Amount in Rupees)**

Particulars	Refer Note No.	For the year ended 31st March 2017	For the year ended 31st March 2016
I. Revenue from Operations	B17	<b>634,046,934</b>	563,717,215
II. Other Income	B18	<b>20,637,890</b>	19,662,964
<b>III. Total Revenue (I + II)</b>		<b>654,684,824</b>	583,380,178
IV. Expenses:			
Employees Benefit Expense	B19	<b>262,039,126</b>	270,184,393
Finance Costs	B20	<b>41,156,155</b>	34,569,664
Depreciation and amortization expense		<b>12,642,506</b>	13,593,539
Other Expenses	B21	<b>314,028,439</b>	276,556,749
Total expenses		<b>629,866,226</b>	594,904,345
<b>V. Profit/ (Loss) before exceptional and extraordinary items and tax (III-IV)</b>		<b>24,818,598</b>	(11,524,167)
VI. Exceptional items		-	-
<b>VII. Profit/ (Loss) before extraordinary items and tax (V - VI)</b>		<b>24,818,598</b>	(11,524,167)
VIII. Extraordinary Items		-	-
<b>IX. Profit/ (Loss) before tax (VII- VIII)</b>		<b>24,818,598</b>	(11,524,167)
X Tax expense:			
(1) Short/Excess Provisions		-	1,416,944
(2) Deferred tax		<b>1,513,338</b>	1,372,770
<b>XI Profit /(Loss) for the year from continuing operations (IX-X)</b>		<b>23,305,260</b>	(14,313,881)
<b>XII Profit/ (Loss) for the period</b>		<b>23,305,260</b>	(14,313,881)
XIII Earnings per equity share:			
(1) Basic		<b>0.38</b>	-0.55
(2) Diluted		<b>0.38</b>	-0.55

The accompanying notes are an integral part of the financial statements.

As per our report of even date

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

Chartered Accountants

Firm registration number : 102860W/W100089

For and on behalf of the board of directors of LKP Securities Limited

**A.D.Shenoy**

Partner

Membership No.11549

Managing Director :

Director :

Chief Financial Officer :

Company Secretary :

**P. M. Doshi**
**S. S. Gulati**
**Girish Majrekar**
**Dimple Chopra**

Place : Mumbai

Date : 26th April, 2017

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

	As at 31.03.2017		As at 31.03.2016	
	Rs.		Rs.	
<b>Cash flow from Operating activities :</b>				
Net Profit / (Loss) before tax and Extraordinary items and Interest		<b>65,974,753</b>		23,045,498
Adjustments for :				
Depreciation	<b>12,642,506</b>		13,593,539	
(Profit) / Loss on sale of assets	<b>237,698</b>		-	
Interest / Dividend Received / Misc	<b>(18,999,204)</b>		(18,939,182)	
(Profit) / Loss on Sale of Investment	<b>640,835</b>	<b>(5,478,165)</b>	(395,590)	(5,741,232)
Operating Profit before Working capital changes		<b>60,496,588</b>		17,304,265
Adjustments for :				
Inventories				
Trade and other receivables	<b>104,886,321</b>		(263,509,255)	
Trade and other payables	<b>52,966,086</b>	<b>157,852,407</b>	81,147,721	(182,361,534)
Cash generated from operations		<b>218,348,995</b>		(165,057,268)
Interest & Bank Charges paid	<b>(41,156,155)</b>		(34,569,664)	
Direct taxes paid	<b>15,604,146</b>	<b>(25,552,009)</b>	2,319,751	(32,249,913)
Cash flow before extraordinary items		<b>192,796,986</b>		(197,307,182)
<b>Net cash from operating activities</b>		<b>192,796,986</b>		(197,307,182)
<b>Cash flow from Investing Activities</b>				
Purchase of fixed assets	<b>(7,816,523)</b>		(4,662,672)	
Sale of fixed assets	<b>1,172,500</b>		-	
Purchase of investments	<b>(4,740,835)</b>		-	
Sale of investments	-		1,475,040	
Interest received	<b>18,925,043</b>		18,757,441	
Dividend received	<b>74,161</b>		181,741	
<b>Net cash from investing activities</b>		<b>7,614,346</b>		15,751,550
<b>Cash flow from financing activities</b>				
Proceeds from issue of share capital	-		-	
Increase/(Decrease) in borrowing	<b>(90,493,870)</b>		167,423,658	
<b>Net cash from financing activities</b>		<b>(90,493,870)</b>		167,423,658
Net increase / (decrease) in cash and cash equivalents		<b>109,917,462</b>		(14,131,973)
Cash and cash equivalents (opening)		<b>201,381,155</b>		215,513,129
Cash and cash equivalents (closing)		<b>311,298,616</b>		201,381,155

As per our report of even date

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

Chartered Accountants

Firm registration number : 102860W/W100089

For and on behalf of the board of directors of LKP Securities Limited

**A.D.Shenoy**

Partner

Membership No.11549

Managing Director :

Director :

Chief Financial Officer :

Company Secretary :

**P. M. Doshi**
**S. S. Gulati**
**Girish Majrekar**
**Dimple Chopra**

Place : Mumbai

Date : 26th April, 2017

**NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**

**A. Significant Accounting Policies**

1. **Basis of Accounting:** The financial accounts have been prepared on historical cost convention. The Company follows the accrual basis of accounting. The financial statements are prepared in accordance with the accounting standards notified by the Central Government, in terms of section 133 of the Companies Act, 2013 read with Rule 7. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.  
The financial statements have been prepared under Schedule III of the Companies Act, 2013 notified by the Central Government.
2. 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 revenue and expenses during the reporting periods. Difference between the actual results and estimates are recognized in the period in which they are known/ materialised.
3. **Revenue Recognition :** Revenue is recognized when there is reasonable certainty of its ultimate realization / collection.
  - a) **Brokerage Income (net of service tax)**
    - i) on fixed deposit is accounted on completion of the transaction.
    - ii) on primary market subscription - mobilisation is accounted on the basis of intimation received by the Company.
    - iii) on secondary market transaction is recognised on the date of the transaction.
  - b) Interest Income is accounted on accrual basis.
  - c) Incentive on primary market subscription - mobilisation is accounted on the basis of intimation received by the Company.
  - d) **Depository Fees (net of service tax)**
    - i) Transaction fees are recognised on completion of the transaction.
    - ii) Account maintenance charges are recognised on time basis over the period of the contract.
4. **Fixed Assets:** All fixed assets are stated at cost inclusive of legal and / or installation and incidental expenses less accumulated depreciation.
5. **Depreciation / Amortisation:** 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.  
As regards improvement to leasehold properties, the same is amortised equally over the period of lease.
6. **Impairment of Assets:** Impairment losses, if any, are recognized in accordance with Accounting Standard 28(AS 28). 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.
7. **Operating Lease:** Leases where the lessor effectively retains substantially all the risk and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments / receipts are recognised as an expense / income in the statement of profit and loss on a straight line basis over the lease term.
8. **Investment / Stock in Trade:** Securities which are intended to be held for one year or more are classified as Non Current- Long Term Investments. Investments are capitalized and accounted at the cost plus brokerage and stamp charges. Provision for diminution in value is made in case the same is other than temporary. Profit or losses on investments are accounted as and when realized.  
Stock in trade represents shares & securities held for sale generally within one year and is classified as current assets. Year end stock of shares & securities are valued at lower of cost or market values. Profit or loss is accounted as and when realised and is charge to the statement of profit & loss.
9. **Short Term Employee Benefits:** (i.e. benefits payable within one year) are recognized in the period in which employee services are rendered.  
Contribution towards Provident Fund are recognized as expense. Provident Fund contributions in respect of all employees are made to Provident Fund Authorities.  
The company obtains an actuarial valuation in respect of employee gratuity from an independent valuer at the end of each year. Part of the liability is paid by contribution to LIC under group gratuity policy.  
Contribution to Central Government Employees State Insurance Scheme for eligible employees is recognized as charge for the year.
10. a) **Current Tax:** Provision for current tax is made on the estimated taxable income at the rate applicable to the relevant assessment year.  
b) **Deferred Tax:** In Accordance with Accounting Standard 22- "Accounting for Taxes on Income" , the deferred tax for timing difference is measured using the tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date.
11. **Earning Per Share:** The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 - Earning per Share. Basic earning per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year.
12. 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 STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**
**B1 Share Capital**

<u>Particulars</u>	As at 31st March 2017		As at 31st March 2016	
	Number	₹	Number	₹
<b>Authorised</b>				
9% Redeemable Preference Shares of Rs. 100/- each	-	-	2,900,000	290,000,000
Equity Shares of Rs. 2/- each	125,000,000	250,000,000	30,000,000	60,000,000
Shares of Rs. 10/- each (unclassified)	10,000,000	100,000,000		
	<u>135,000,000</u>	<u>350,000,000</u>	<u>32,900,000</u>	<u>350,000,000</u>
<b>Issued, Subscribed &amp; Paid up</b>				
9% Redeemable Preference Shares of Rs. 100/- each	-	-	2,900,000	290,000,000
Equity Shares of Rs. 2/- each	73,221,296	146,442,592	26,241,000	52,482,000
<b>Total</b>	<u>73,221,296</u>	<u>146,442,592</u>	<u>29,141,000</u>	<u>342,482,000</u>

<u>Particulars</u>	Equity Shares		Preference Shares	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	26,241,000	52,482,000	2,900,000	290,000,000
Shares Issued during the year	73,183,896	146,367,792	-	-
Shares cancelled as per scheme of arrangement	26,203,600	52,407,200	2,900,000	290,000,000
Shares outstanding at the end of the year	73,221,296	146,442,592	-	-

**Details of shareholders holding more than 5% of the shares in the Company**

<u>Name of Shareholder</u>	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	22,097,316	30.18%	-	-
Sea Glimpse Investments Private Limited	15,285,090	20.88%	-	-
Bhavana Holdings Private Limited	8,457,030	11.55%	-	-
Agrud Capital PTE LTD	4,364,934	5.96%	-	-
LKP Finance Ltd.	-	-	26,203,600	99.86%

**a) Terms/rights attached to equity shares :-**

The Company has only one class of equity shares having a par value of Rs.2/- per share. Each holder of equity shares is entitled to one vote per share.

**b) Terms/rights attached to equity shares :-**

Shares held by holding / ultimate holding company and/or their subsidiaries / associates: Nil

**B2 Reserves and Surplus**

<u>Particulars</u>	As at 31st March 2017 Rs.	As at 31st March 2016 Rs.
<b>a. Preference Share Redemption Reserve</b>		
Opening Balance	-	-
(+) Current Year Transfer	196,039,408	-
(-) Written Back in Current Year	-	-
Closing Balance	<u>196,039,408</u>	-
<b>b. Surplus</b>		
Opening balance	(48,102,837)	(33,788,956)
(+) Net Profit/(Net Loss) For the current year	23,305,260	(14,313,881)
Closing Balance	<u>(24,797,577)</u>	<u>(48,102,837)</u>
<b>Total</b>	<u>171,241,831</u>	<u>(48,102,837)</u>



<u>Particulars</u>	As at 31st March 2017 Rs.	As at 31st March 2016 Rs.
<b>B3 Long Term Borrowings</b>		
<b>Secured</b>		
(a) Other loan		
Vehicle Loan (Secured By hypothecation of Vehicle and Rs.1,404,135/- is payable within one Year)	3,907,870	-
<b>Total</b>	<b>3,907,870</b>	<b>-</b>
<b>B4 Other Long Term Liabilities</b>		
(a) Others		
Security Deposit from Sub Brokers	22,574,038	22,935,018
<b>Total</b>	<b>22,574,038</b>	<b>22,935,018</b>
<b>B5 Long Term Provisions</b>		
(a) Provision for employee benefits		
Gratuity	13,427,239	9,394,002
<b>Total</b>	<b>13,427,239</b>	<b>9,394,002</b>
<b>B6 Short Term Borrowings</b>		
<b>Secured</b>		
(a) Loans repayable on demand		
from banks (Secured By hypothecation of Debtors and pledge of FDRs & Personal Guarantee of a Promoter, Rate of Interest is in the range of 12% to 13% P.A)	511,295,211	499,673,562
(b) Other loans		
From a Corporate (Secured by Pledge of clients Securities, Rate of Interest is in the range of 10% to 12% P.A)	141,584,286	247,607,675
<b>Total</b>	<b>652,879,498</b>	<b>747,281,237</b>
<b>B7 Other Current Liabilities</b>		
(A) Other payables		
Statutory Dues	9,110,281	8,824,512
<b>Total</b>	<b>9,110,281</b>	<b>8,824,512</b>

**B8 Fixed Assets**

	<u>Particulars</u>	Gross Block				Accumulated Depreciation				Net Block	
		Balance as at 1st April 2016	Additions	Disposals	Balance As at 31st March 2017	Balance as at 1st April 2016	Depreciation charge for the year	On disposals	Balance As at 31st March 2017	Balance As at 31st March 2017	Balance As at 31st March 2016
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
a	<b>Tangible Assets</b>										
	Furniture and Fixtures	39,258,226	112,245	-	39,370,471	34,984,337	1,179,052	-	36,163,389	3,207,082	4,273,889
	Computers	67,907,864	249,711	68,079	68,089,496	59,954,397	3,940,856	22,283	63,872,970	4,216,526	7,953,467
	Electrical Fittings	1,431,773	-	-	1,431,773	1,218,280	42,081	-	1,260,361	171,412	213,493
	Leasehold Improvement	18,639,335	-	-	18,639,335	9,686,473	1,615,210	-	11,301,683	7,337,652	8,952,863
	Vehicles	17,408,391	6,456,793	5,294,290	18,570,894	13,593,808	1,144,967	3,910,182	10,828,592	7,742,302	3,814,583
	Office equipment	67,781,577	571,483	-	68,353,060	60,650,012	1,506,144	-	62,156,156	6,196,904	7,131,565
	<b>Total</b>	212,427,167	7,390,232	5,362,369	214,455,030	180,087,307	9,428,310	3,932,465	185,583,152	28,871,878	32,339,860
b	<b>Intangible Assets</b>										
	Goodwill	17,125,795	-	-	17,125,795	4,566,879	1,712,580	-	6,279,458	10,846,337	12,558,916
	Computer software	45,845,393	468,280	-	46,313,672	40,630,208	1,523,900	-	42,154,108	4,159,564	5,215,184
	<b>Total</b>	62,971,188	468,280	-	63,439,467	45,197,087	3,236,479	-	48,433,566	15,005,901	17,774,101

Particulars	As at 31st March 2017 Rs.	As at 31st March 2016 Rs.
<b>B9 Non Current Investments</b>		
<b>A Trade Investments</b>		
(a) Investment in Equity instruments	23,115,944	19,015,944
(b) Investments in preference shares	-	-
(c) Investments in Government or Trust securities	-	-
(d) Investments in debentures or bonds	-	-
(e) Investments in Mutual Funds	-	-
(f) Others	-	-
<b>Total</b>	<u>23,115,944</u>	<u>19,015,944</u>
Aggregate amount of quoted investments (Market value of Rs.1,63,76,000/- (Previous Year Rs.68,48,171/-)	<b>16,231,143</b>	14,476,266
Aggregate amount of unquoted investments (Previous Year Rs.45,39,677/-)	<b>6,884,800</b>	4,539,677
<b>B10 Long Term Loans and Advances</b>		
a. Security Deposits		
Unsecured, considered good	67,965,411	70,922,761
b. Other loans and advances	-	-
Unsecured, considered good	-	238,222
	<u>67,965,411</u>	<u>71,160,983</u>
<b>Particulars</b>	<b>As at 31st March 2017</b>	<b>As at 31st March 2016</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>B11 Other Non Current Assets</b>		
<b>Long term trade receivables</b>		
Secured, considered good	24,589,964	0
Unsecured, considered good	42,181,372	20,088,827
Doubtful	7,101,319	46,184,623
Less: Provision for doubtful debts	<u>7,101,319</u>	<u>46,184,623</u>
	<u>66,771,336</u>	<u>20,088,827</u>
	<u>66,771,336</u>	<u>20,088,827</u>
<b>Particulars</b>	<b>As at</b>	<b>As at</b>
	<b>31st March 2017</b>	<b>31st March 2016</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>B12 Inventories</b>		
<b>A Trade Inventories</b>		
(a) Inventories in Equity instruments	9,288,701	7,402,012
(b) Inventories in preference shares	-	-
(c) Inventories in Government or Trust securities	-	-
(d) Inventories in debentures or bonds	-	-
(e) Inventories in Mutual Funds	-	-
(f) Other inventories	-	-
<b>Total</b>	<b>9,288,701</b>	<b>7,402,012</b>
<b>B13 Trade Receivables</b>		
Trade receivables outstanding for a period less than twelve months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	719,360,899	1,062,455,566
<b>Total</b>	<u>719,360,899</u>	<u>1,062,455,566</u>

Particulars	As at 31st March 2017		As at 31st March 2016	
	Rs.	Rs.	Rs.	Rs.
<b>B14 Cash and Cash Equivalents</b>				
a. Balances with banks				
Current Account	93,049,618		46,719,753	
Bank deposits with less than 12 months maturity	160,209,294		141,904,572	
Bank deposits with more than 12 months maturity (Bank has a lien on the FDRs)	<u>57,918,874</u>	311,177,787	<u>12,637,039</u>	201,261,363
b. Cash on hand		120,829		119,792
		<u>311,298,616</u>		<u>201,381,155</u>

Particulars	As at	As at
	31st March 2017 Rs.	31st March 2016 Rs.
<b>B15 Short Term Loans and Advances</b>		
<b>a. Others</b>		
(Unsecured, considered good)		
Deposits	1,916,700	21,186,190
Loans & Advances	6,742,924	1,784,219
Staff Loan	3,101,713	3,417,024
Advance Tax (Net of Provisions)	29,561,948	45,166,093
Advance Recoverable in Cash or Kind	1,879,340	1,687,844
Balance with Exchange & Clearing Member	226,329,803	22,600,000
Prepaid Expenses	<u>5,230,015</u>	<u>4,339,839</u>
	<u>274,762,442</u>	<u>100,181,209</u>
<b>B16 Other Current Assets</b>		
Interest Accrued on Fixed Deposits	6,748,401	3,539,763
Accrued Brokerage Income	<u>4,922,455</u>	<u>5,481,751</u>
	<u>11,670,856</u>	<u>9,021,514</u>

Particulars	For the year ended	For the year ended
	31st March 2017 Rs.	31st March 2016 Rs.
<b>B17 Revenue from Operations</b>		
Brokerage Income	609,037,539	541,070,898
Other Income	25,009,396	19,731,546
Profit on Sale of Securities	-	2,914,770
<b>Total</b>	<u>634,046,934</u>	<u>563,717,215</u>
<b>B18 Other Income</b>		
Interest on Fixed Deposit	14,201,617	14,610,476
Interest - Others	4,723,425	4,146,965
Dividend Income	74,161	181,741
Other Income	<u>1,638,686</u>	<u>723,782</u>
<b>Total</b>	<u>20,637,890</u>	<u>19,662,964</u>

Particulars	For the year ended 31st March 2017 Rs.	For the year ended 31st March 2016 Rs.
<b>B19 Employees Benefit Expense</b>		
(a) Salaries and incentives	241,903,861	254,726,805
(b) Contributions to - Provident fund & ESIC	8,112,921	7,589,170
(c) Gratuity (including paid Rs.3395873/-)	7,429,110	2,626,093
(d) Staff welfare expenses	4,593,234	5,242,325
<b>Total</b>	<b>262,039,126</b>	<b>270,184,393</b>
<b>B20 Finance Costs</b>		
Interest expense	36,735,922	31,644,580
Bank Charges	4,420,233	2,925,084
<b>Total</b>	<b>41,156,155</b>	<b>34,569,664</b>
<b>B21 Other Expenses</b>		
Commission	190,140,700	149,596,843
Advertisement Exps	1,283,735	2,467,779
Business Promotion and entertainment	5,519,777	3,413,369
Books & Periodicals	105,459	120,527
Computer Expenses	6,895,183	3,966,925
Conveyance	1,893,810	2,327,240
Demat & CDSL Expenses	6,370,416	5,056,311
Electricity Expenses	5,277,613	8,247,616
Loss on sale of Assets	237,698	-
Loss on sale of Securities	640,835	-
Insurance	22,938	76,497
Motor Car Expenses	1,272,370	1,571,150
Office Expenses	1,686,137	1,326,114
Postage and Courier expenses	2,509,731	2,518,975
Printing & Stationery	2,384,910	2,261,271
Professional and Legal Charges	18,650,216	7,605,615
Rent, Rates & Taxes	24,190,339	31,678,328
Service tax, stamp duty and transaction charges paid	2,145,684	4,704,927
Audit Fees	325,000	275,000
Directors Sitting Fees	120,000	-
Repairs & Maintenance	4,547,538	4,758,559
Franking charges	450,198	280,315
Vsat Charges	162,445	120,750
SEBI Fees	2,306,041	480,565
Stock Exchange Expenses	606,463	1,437,339
Seminars and conference	1,178,738	1,540,352
Subscription & Membership Fees	1,996,551	1,733,800
Telephone and Mobile expenses	14,480,174	16,771,785
Travelling Expenses	4,338,345	4,028,425
Operational loss	-	636,312
Bad Debts	5,188,078	12,664,515
Provision for Doubtful debts	7,101,319	4,869,623
Sundry balances written off	-	19,921
<b>Total</b>	<b>314,028,440</b>	<b>276,556,749</b>

**NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**
**C. General Notes to the Accounts**

1) The company was a subsidiary of LKP Finance Limited ("erstwhile holding company") till 7th July, 2016. With a view to demerge its SEBI registered intermediaries business, erstwhile holding company filed a scheme of arrangement with the Honourable Bombay High Court for demerger and the same was approved on 4th May 2016. As a part of the scheme, 2,62,03,600 equity shares of Rs. 2/- each and 29,00,000 preference shares of Rs. 100/- each held by the erstwhile holding company were cancelled. The company issued 7,31,83,896 fresh equity shares of Rs. 2/- each fully paid up on 8th July, 2016 to the shareholders of LKP Finance Limited by utilising the Preference Shares Redemption Reserve Account created out of cancellation of preference shares under the Scheme of Demerger. The balance unutilised amount of Rs. 19,60,39,408 is carried forward under Preference Shares Redemption Reserve Account – on cancellation of preference shares

The company in the EGM held on 5th July, 2016 passed a special resolution to reclassify its authorised capital of Rs. 35 Crores as under :

	Amount in Rs.
12,50,00,000 Equity Shares of Rs. 2/- each	25,00,00,000
1,00,00,000 Shares of Rs. 10/- each (unclassified)	10,00,00,000
Total	35,00,00,000

As on 31st March, 2017, the equity paid up share capital of the company, after issuance of fresh equity shares (fully paid up) stood at Rs. 14,64,42,592 (As at 31st March, 2016 : 5,24,82,000).

**2) Contingent Liabilities**

- Total Bank Guarantee issued on behalf of company as at 31st March 2017 is Rs.35,10,00,000/- (Previous Year Rs.28,85,00,000/-) partially secured against pledge of FDR.
- There are two cases filed against the company totalling Rs.31,17,200/- which company has disputed.  
The company on disposal of the cases, by the courts expects no impact on the statement of profit & loss.
- The Company has filed 26 cases for recovery of dues amounting to Rs.78,89,029/-, the recovery suits are pending in various courts. The company expects favourable decisions and no provisioning is considered necessary at this stage.
- Claims not acknowledged as debts in respect of disputed income tax demands - Rs. 13,74,474.

**3) Gratuity**

The Company's gratuity liability as at 31st March 2017 was determined actuarially at Rs.1,34,27,239/- During the year the Company has made an provision of Rs.40,33,237/- towards Gratuity Liability to employees. In addition to this provision, the company has paid / settled gratuity liability totalling Rs.33,95,873/- and the same has been debited to the statement of profit and loss for the year.

**4) Provision for Taxation :**

No provision for taxation has been made during the year in view of carried forward losses available under the Income Tax Act, 1961 and deduction available under Section 115JB.

**5) Deferred Tax Asset**

	As at 31.03.2017	For the year ended 31st March 2017	As at 31.03.2016
	Rs.	Rs.	Rs.
Written Down Value Differential	6,745,493	(54,533)	6,800,026
Brought Forward Losses	27,856,382	197,671	27,658,711
Disallowed Gratuity	1,246,270	(1,656,476)	2,902,747
	35,848,146	(1,513,338)	37,361,484

**6) Remuneration to Whole time Directors ( 2 Persons)**

	Particulars	2016-17 Rs.	2015-16 Rs.
1	Salary	* 4,869,060	3,955,200
2	Contribution to Provident Fund	54,000	86,400
		4,923,060	4,041,600

\* includes Rs.272400/- for one Whole time Director for part of the year

- The amounts shown against Long term receivable Long term loans and advances is considered as good and recoverable by the management.
- Bad debts is net of provision for doubtful debts written back and made in earlier years.
- Earnings per share:**

	2016-17	2015-16
Net Profit after Taxation	23,305,260	(14,313,881)
No. of Equity shares (Weighted Avg.)	60,607,408	26,241,000
Basic & Diluted earning per Share	0.38	(0.55)

- As per the Accounting Standard 18, disclosures regarding related parties are given below:

- List of Related Parties along with the nature of related party relationships.

Name of the Related Party	Relationship
LKP Wealth Advisory Private Limited	Subsidiary Company
LKP Finance Limited	Director Interested
Bhavna Holdings Limited	Director Interested
MKM Share & Stock Brokers Ltd.	Director Interested
Peak Plastonics Private Limited	Director Interested
Sea Glimpse Investments Pvt Ltd	Director Interested
SolarEx P V Solutions Pvt. Ltd.	Director Interested
Alpha Commodity Pvt. Ltd.	Director Interested
M/s L.K.Panday	Director Interested
Mr. M.V. Doshi	Father of Pratik Doshi
Mr. Pratik Doshi	Key Management Personnel

**ii) Transactions with Related Parties**

Particulars	Amount
Directors Remuneration	4,923,060
Brokerage Income	2,679,187
Balance due as on 31.03.2017 (Cr)	(60,390,952)

- 11)** (a) The Company has taken offices under leave and license agreements. These are generally cancellable in nature and range between 11 months to 108 months.
- (b) Rent payments are recognised in the Statement of Profit and Loss under the head ' Rent, Rates and Taxes' in Schedule B20
- (c) The future minimum licence payments under leave & licence agreements - not later than one year is Rs.1,08,02,459/- (Previous Year Rs.89,17,520/-) and later than one year but not later than five years is Rs.2,21,83,314 (Previous Year Rs.2,24,56,301)
- 12)** Securities received from Clients as collateral for margin are held by the Company in its own name in a fiduciary capacity.
- 13)** Tax Deducted at Source on Income upto 31st March 2017 : Rs.98,99,775/- (Previous Year Rs.1,12,19,812/-)
- 14)** As per the information available with the Company as at 31st March 2017, the data in respect of Micro Small & Medium Enterprises that are covered under the Micro Small

& Medium Enterprises Development Act, 2006 are not available. Hence, details regarding principal amount and interest paid/due thereon is not given.

- 15)** There are no dues to Small Scale Industries and Investor Education and Protection Fund as at 31st March 2017 (Previous Year: Nil)
- 16)** The company, has no long-term contracts including derivative contracts having material foreseeable losses as at 31st March, 2017.
- 17)** Previous year figures are regrouped/rearranged wherever necessary.
- 18)** At the closure of 08th November, 2016 The Company was having cash balance of Rs.2,500/- which include specified bank notes. (Circular No.G.S.R.as per 308 ( E ) dated 30th March, 2017.)

	SBN's	Other denomination notes	Total
Closing cash as on 08.11.2016	Rs.2,500/-	Rs.2,394/-	Rs.4,894/-
(+) Permitted Receipts	-	-	-
(-) Permitted Payments	-	Rs.2,394/-	Rs.2,394/-
(-) Amount deposited in banks	Rs.2,500/-	-	Rs.2,500/-
Closing cash in hand as on 30.12.2016	NIL	NIL	NIL

As per our report of even date

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

Chartered Accountants

Firm registration number : 102860W/W100089

For and on behalf of the board of directors of LKP Securities Limited

**A.D.Shenoy**

Partner

Membership No.11549

Place : Mumbai

Date : 26th April, 2017

Managing Director : **P. M. Doshi**  
 Director : **S. S. Gulati**  
 Chief Financial Officer : **Girish Majrekar**  
 Company Secretary : **Dimple Chopra**

## **Independent Auditor's Report to the members of LKP Securities 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 Securities 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.

**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

#### **ANNEXURE “A” 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 consolidated 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 SECURITIES LIMITED** (hereinafter referred to as “the Holding Company”) and its subsidiary (the Holding Company and its subsidiary together referred to as “the Group”) as of March 31, 2017 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

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

The Respective Board of Directors of Holding Company and its subsidiary company are 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 Holding Company and its Subsidiary company have, 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 Holding Company and its subsidiary 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**

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

(Amount in Rupees)

Particulars	Note No.	As at 31st March 2017	As at 31st March 2016
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share Capital	B1	146,442,792	342,482,200
(b) Reserves and Surplus	B2	172,174,449	(48,105,122)
<b>2 Non-current liabilities</b>			
(a) Long Term Borrowings	B3	3,907,870	-
(b) Other Long Term Liabilities	B4	22,574,038	22,935,018
(c) Long Term Provisions	B5	13,427,239	9,394,002
<b>3 Current liabilities</b>			
(a) Short Term Borrowings	B6	652,879,498	747,281,237
(b) Trade Payables		544,679,268	495,564,692
(c) Other Current Liabilities	B7	9,328,514	8,826,221
<b>TOTAL</b>		<b>1,565,413,668</b>	<b>1,578,378,248</b>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
<b>1 (a) Fixed Assets</b>			
(i) Tangible assets	B8	28,871,878	32,339,860
(ii) Intangible assets	B8	15,005,901	17,774,101
(b) Non Current Investments	B9	18,016,144	18,016,144
(c) Deferred Tax Assets (Net)		35,848,146	37,361,484
(d) Long Term Loans and Advances	B10	67,965,411	71,160,983
(e) Other Non Current Assets	B11	66,771,336	20,088,827
<b>2 Current assets</b>			
(b) Inventories	B12	9,288,701	7,402,012
(c) Trade Receivables	B13	720,471,941	1,062,455,566
(d) Cash and Cash Equivalents	B14	317,020,063	202,532,519
(e) Short Term Loans and Advances	B15	274,483,291	100,225,238
(f) Other Current Assets	B16	11,670,856	9,021,514
<b>TOTAL</b>		<b>1,565,413,668</b>	<b>1,578,378,248</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date

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

Chartered Accountants

Firm registration number : 102860W/W100089

For and on behalf of the board of directors of LKP Securities Limited

**A.D.Shenoy**

Partner

Membership No.11549

Place : Mumbai

Date : 26th April, 2017

Managing Director :

Director :

Chief Financial Officer :

Company Secretary :

**P. M. Doshi**
**S. S. Gulati**
**Girish Majrekar**
**Dimple Chopra**

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

( Amount in Rupees)

Particulars	Refer Note No.	For the year ended 31st March 2017	For the year ended 31st March 2016
I. Revenue from Operations	B17	636,779,472	563,930,337
II. Other Income	B18	20,638,559	19,662,964
<b>III. Total Revenue (I + II)</b>		<b>657,418,031</b>	583,593,301
IV. Expenses:			
Employees Benefit Expense	B19	262,039,126	270,269,393
Finance Costs	B20	41,156,155	34,571,012
Depreciation and amortization expense		12,642,506	13,593,539
Other Expenses	B21	315,376,743	276,700,042
Total expenses		631,214,530	595,133,987
<b>V. Profit/ (Loss) before exceptional and extraordinary items and tax (III-IV)</b>		<b>26,203,501</b>	<b>(11,540,686)</b>
VI. Exceptional items		-	-
<b>VII. Profit/ (Loss) before extraordinary items and tax (V - VI)</b>		<b>26,203,501</b>	(11,540,686)
VIII. Extraordinary Items		-	-
<b>IX. Profit/ (Loss) before tax (VII- VIII)</b>		<b>26,203,501</b>	(11,540,686)
X Tax expense:			
(1) Provisions		450,000	1,416,944
(2) Deferred tax		1,513,338	1,372,770
<b>XI Profit /(Loss) for the period from continuing operations (IX-X)</b>		<b>24,240,162</b>	(14,330,400)
<b>XII Profit/ (Loss) for the period</b>		<b>24,240,162</b>	<b>(14,330,400)</b>
XIII Earnings per equity share:			
(1) Basic		0.40	-0.55
(2) Diluted		0.40	-0.55

The accompanying notes are an integral part of the financial statements.

As per our report of even date

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

Chartered Accountants

Firm registration number : 102860W/W100089

For and on behalf of the board of directors of LKP Securities Limited

**A.D.Shenoy**

Partner

Membership No.11549

Place : Mumbai

Date : 26th April, 2017

Managing Director	:	<b>P. M. Doshi</b>
Director	:	<b>S. S. Gulati</b>
Chief Financial Officer	:	<b>Girish Majrekar</b>
Company Secretary	:	<b>Dimple Chopra</b>

**Consolidated Cash Flow Statement for the Year Ended 31st March, 2017**

	As at 31.03.2017		As at 31.03.2016	
	Rs.		Rs.	
<b>A. Cash flow from Operating activities :</b>				
Net Profit / (Loss) before tax and Extraordinary items and Interest		67,359,655		23,030,326
Adjustments for :				
Depreciation	12,642,506		13,593,539	
(Profit) / Loss on sale of assets	237,698		-	
Interest / Dividend Received / Misc	(18,999,204)		(18,939,182)	
(Profit) / Loss on Sale of Investment	<u>640,835</u>	<u>(5,478,165)</u>	<u>(395,590)</u>	<u>(5,741,232)</u>
Operating Profit before Working capital changes		61,881,490		17,289,094
Adjustments for :				
Inventories				
Trade and other receivables	103,775,279		(263,684,254)	
Trade and other payables	53,289,127	<u>157,064,406</u>	81,345,398	<u>(182,338,857)</u>
Cash generated from operations		218,945,896		(165,049,762)
Interest & Bank Charges paid	(41,156,155)		(34,571,012)	
Direct taxes paid	<u>15,477,326</u>	<u>(25,678,829)</u>	<u>2,298,439</u>	<u>(32,272,573)</u>
Cash flow before extraordinary items		193,267,067		(197,322,336)
<b>Net cash from operating activities</b>		193,267,067		(197,322,336)
<b>B. Cash flow from Investing Activities</b>				
Purchase of fixed assets	(7,816,522)		(4,662,672)	
Sale of fixed assets	1,172,500		-	
Purchase of investments	(640,835)		-	
Sale of investments	-		1,475,040	
Interest received	18,925,043		18,757,441	
Dividend received	<u>74,161</u>		<u>181,741</u>	
<b>Net cash from investing activities</b>		11,714,347		15,751,550
<b>C. Cash flow from financing activities</b>				
Proceeds from issue of share capital	-		-	
Increase/(Decrease) in borrowing	<u>(90,493,870)</u>		<u>167,423,658</u>	
<b>Net cash from financing activities</b>		(90,493,870)		167,423,658
Net increase / (decrease) in cash and cash equivalents		114,487,544		(14,147,128)
Cash and cash equivalents (opening)		202,532,519		216,679,647
Cash and cash equivalents (closing)		317,020,063		202,532,519

As per our report of even date

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

Chartered Accountants

Firm registration number : 102860W/W100089

For and on behalf of the board of directors of LKP Securities Limited

**A.D.Shenoy**

Partner

Membership No.11549

Place : Mumbai

Date : 26th April, 2017

Managing Director

Director

Chief Financial Officer

Company Secretary

:

:

:

:

**P. M. Doshi**
**S. S. Gulati**
**Girish Majrekar**
**Dimple Chopra**

**Notes to Consolidated Financial Statement for the year ended 31st March, 2017**

**A. Significant Accounting Policies**

1. **Basis of Accounting:** The financial accounts have been prepared on historical cost convention. The Company follows the accrual basis of accounting. The financial statements are prepared in accordance with the accounting standards notified by the Central Government, in terms of section 133 of the Companies Act, 2013 read with Rule 7. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.  
The financial statements have been prepared under Schedule III of the Companies Act, 2013 notified by the Central Government.
2. 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 revenue and expenses during the reporting periods. Difference between the actual results and estimates are recognized in the period in which they are known/ materialised.
3. **Revenue Recognition :** Revenue is recognized when there is reasonable certainty of its ultimate realization / collection.
  - a) **Brokerage Income (net of service tax)**
    - i) on fixed deposit is accounted on completion of the transaction.
    - ii) on primary market subscription - mobilisation is accounted on the basis of intimation received by the Company.
    - iii) on secondary market transaction is recognised on the date of the transaction.
  - b) Interest Income is accounted on accrual basis.
  - c) Incentive on primary market subscription - mobilisation is accounted on the basis of intimation received by the Company.
  - d) **Depository Fees (net of service tax)**
    - i) Transaction fees are recognised on completion of the transaction.
    - ii) Account maintenance charges are recognised on time basis over the period of the contract.
4. **Fixed Assets:** All fixed assets are stated at cost inclusive of legal and / or installation and incidental expenses less accumulated depreciation.
5. **Depreciation / Amortisation:** 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.  
As regards improvement to leasehold properties, the same is amortised equally over the period of lease.
6. **Impairment of Assets:** Impairment losses, if any, are recognized in accordance with Accounting Standard 28(AS 28). 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.
7. **Operating Lease:** Leases where the lessor effectively retains substantially all the risk and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments / receipts are recognised as an expense / income in the statement of profit and loss on a straight line basis over the lease term.
8. **Investment / Stock in Trade:** Securities which are intended to be held for one year or more are classified as Non Current- Long Term Investments. Investments are capitalized and accounted at the cost plus brokerage and stamp charges. Provision for diminution in value is made in case the same is other than temporary. Profit or losses on investments are accounted as and when realized.  
Stock in trade represents shares & securities held for sale generally within one year and is classified as current assets. Year end stock of shares & securities are valued at lower of cost or market values. Profit or loss is accounted as and when realised and is charge to the statement of profit & loss.
9. **Short Term Employee Benefits:** (i.e. benefits payable within one year) are recognized in the period in which employee services are rendered.  
Contribution towards Provident Fund are recognized as expense. Provident Fund contributions in respect of all employees are made to Provident Fund Authorities.  
The company obtains an actuarial valuation in respect of employee gratuity from an independent valuer at the end of each year. Part of the liability is paid by contribution to LIC under group gratuity policy.  
Contribution to Central Government Employees State Insurance Scheme for eligible employees is recognized as charge for the year.
10. a) **Current Tax:** Provision for current tax is made on the estimated taxable income at the rate applicable to the relevant assessment year.  
b) **Deferred Tax:** In Accordance with Accounting Standard 22- "Accounting for Taxes on Income" , the deferred tax for timing difference is measured using the tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date.
11. **Earning Per Share:** The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 - Earning per Share. Basic earning per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year.
12. 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 CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**

<u>Particulars</u>	As at 31st March 2017		As at 31st March 2016	
	Number	₹	Number	₹
<b>B1 Share Capital</b>				
<b>Authorised</b>				
9% Redeemable Preference Shares of Rs. 100/- each	-	-	2,900,000	290,000,000
Equity Shares of Rs. 10/- each	125,000,000	250,000,000	30,000,000	60,000,000
Shares of Rs. 2/- each (unclassified)	10,000,000	100,000,000		
	<u>135,000,000</u>	<u>350,000,000</u>	<u>32,900,000</u>	<u>350,000,000</u>
<b>Issued, Subscribed &amp; Paid up</b>				
9% Redeemable Preference Shares of Rs. 100/- each	-	-	2,900,000	290,000,000
Equity Shares of Rs. 2/- each	73,221,296	146,442,792	26,241,000	52,482,200
<b>Total</b>	<u>73,221,296</u>	<u>146,442,792</u>	<u>29,141,000</u>	<u>342,482,200</u>

<u>Particulars</u>	Equity Shares		Preference Shares	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	26,241,000	52,482,000	2,900,000	290,000,000
Shares Issued during the year	73,183,896	146,367,792	-	-
Shares cancelled as per scheme of arrangement	26,203,600	52,407,200	2,900,000	290,000,000
Shares outstanding at the end of the year	73,221,296	146,442,592	-	-

<u>Name of Shareholder</u>	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	22,097,316	30.18%	-	-
Sea Glimpse Investments Private Limited	15,285,090	20.88%	-	-
Bhavana Holdings Private Limited	8,457,030	11.55%	-	-
Agrud Capital PTE LTD	4,364,934	5.96%	-	-
LKP Finance Ltd.	-	-	26,203,600	99.86%

## a) Terms/rights attached to equity shares :-

The Company has only one class of equity shares having a par value of Rs.2/- per share. Each holder of equity shares is entitled to one vote per share.

## b) Terms/rights attached to equity shares :-

Shares held by holding / ultimate holding company and/or their subsidiaries / associates: Nil

<u>Particulars</u>	As at	As at
	31st March 2017	31st March 2016
	Rs.	Rs.
<b>B2 Reserves and Surplus</b>		
<b>a. Preference Share Redemption Reserve</b>		
Opening Balance	-	-
(+) Current Year Transfer	196,039,408	-
(-) Written Back in Current Year	-	-
Closing Balance	<u>196,039,408</u>	-
<b>b. Surplus</b>		
Opening balance	(48,105,122)	(33,774,721)
(+) Net Profit/(Net Loss) For the current year	24,240,162	(14,330,400)
Closing Balance	<u>(23,864,959)</u>	<u>(48,105,122)</u>
<b>Total</b>	<u>172,174,449</u>	<u>(48,105,122)</u>

Particulars	As at 31st March 2017 Rs.	As at 31st March 2016 Rs.
<b>B3 Long Term Borrowings</b>		
<b>Secured</b>		
(a) <b>Other loan</b>		
Vehicle Loan (Secured By hypothecation of Vehicle and Rs.1,404,135/- is payable within one Year)	3,907,870	-
<b>Total</b>	<b>3,907,870</b>	<b>-</b>
<b>B4 Other Long Term Liabilities</b>		
(a) <b>Others</b>		
Security Deposit from Sub Brokers	22,574,038	22,935,018
<b>Total</b>	<b>22,574,038</b>	<b>22,935,018</b>
<b>B5 Long Term Provisions</b>		
(a) <b>Provision for employee benefits</b>		
Gratuity	13,427,239	9,394,002
<b>Total</b>	<b>13,427,239</b>	<b>9,394,002</b>
<b>B6 Short Term Borrowings</b>		
<b>Secured</b>		
(a) <b>Loans repayable on demand</b>		
from banks (Secured By hypothecation of Debtors and pledge of FDRs & Personal Guarantee of a Promoter, Rate of Interest is in the range of 12% to 13% P.A)	511,295,211	499,673,562
(b) <b>Other loans</b>		
From a Corporate (Secured by Pledge of clients Securities, Rate of Interest is in the range of 10% to 12% P.A as at the year end)	141,584,286	247,607,675
<b>Total</b>	<b>652,879,498</b>	<b>747,281,237</b>
<b>B7 Other Current Liabilities</b>		
(A) Other payables		
Statutory Dues	9,328,514	8,826,221
<b>Total</b>	<b>9,328,514</b>	<b>8,826,221</b>

**B8 Fixed Assets**

	Particulars	Gross Block				Accumulated Depreciation				Net Block	
		Balance as at 1st April 2016	Additions	Disposals	Balance As at 31st March 2017	Balance as at 1st April 2016	Depreciation charge for the year	On disposals	Balance As at 31st March 2017	Balance As at 31st March 2017	Balance As at 31st March 2016
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
a	<b>Tangible Assets</b>										
	Furniture and Fixtures	39,258,226	112,245	-	39,370,471	34,984,337	1,179,052	-	36,163,389	3,207,082	4,273,889
	Computers	67,907,864	249,711	68,079	68,089,496	59,954,397	3,940,856	22,283	63,872,970	4,216,526	7,953,467
	Electrical Fittings	1,431,773	-	-	1,431,773	1,218,280	42,081	-	1,260,361	171,412	213,493
	Leasehold Improvement	18,639,335	-	-	18,639,335	9,686,473	1,615,210	-	11,301,683	7,337,652	8,952,863
	Vehicles	17,408,391	6,456,793	5,294,290	18,570,894	13,593,808	1,144,967	3,910,182	10,828,592	7,742,302	3,814,583
	Office equipment	67,781,577	571,483	-	68,353,060	60,650,012	1,506,144	-	62,156,156	6,196,904	7,131,565
	<b>Total</b>	<b>212,427,167</b>	<b>7,390,232</b>	<b>5,362,369</b>	<b>214,455,030</b>	<b>180,087,307</b>	<b>9,428,310</b>	<b>3,932,465</b>	<b>185,583,152</b>	<b>28,871,878</b>	<b>32,339,860</b>
b	<b>Intangible Assets</b>										
	Goodwill	17,125,795	-	-	17,125,795	4,566,879	1,712,580	-	6,279,458	10,846,337	12,558,916
	Computer software	45,845,393	468,280	-	46,313,672	40,630,208	1,523,900	-	42,154,108	4,159,564	5,215,184
	<b>Total</b>	<b>62,971,188</b>	<b>468,280</b>	<b>-</b>	<b>63,439,467</b>	<b>45,197,087</b>	<b>3,236,479</b>	<b>-</b>	<b>48,433,566</b>	<b>15,005,901</b>	<b>17,774,101</b>

Particulars	As at 31st March 2017 Rs.	As at 31st March 2016 Rs.
<b>B9 Non Current Investments</b>		
<b>Trade Investments</b>		
(a) Investment in Equity instruments	18,016,144	18,016,144
(b) Investments in preference shares	-	-
(c) Investments in Government or Trust securities	-	-
(d) Investments in debentures or bonds	-	-
(e) Investments in Mutual Funds	-	-
(f) Others	-	-
<b>Total</b>	<b>18,016,144</b>	<b>18,016,144</b>
Aggregate amount of quoted investments (Market value of Rs.1,63,76,000/- (Previous Year Rs.68,48,171/-)	16,231,143	14,476,266
Aggregate amount of unquoted investments (Previous Year Rs.45,39,677/-)	6,884,800	4,539,677
<b>B10 Long Term Loans and Advances</b>		
<b>a. Security Deposits</b>		
Unsecured, considered good	67,965,411	70,922,761
<b>b. Other loans and advances</b>		
Unsecured, considered good	-	238,222
	<b>67,965,411</b>	<b>71,160,983</b>
<b>Particulars</b>	<b>As at 31st March 2017</b>	<b>As at 31st March 2016</b>
	<b>Rs.</b>	<b>Rs.</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>B11 Other Non Current Assets</b>		
<b>Long term trade receivables</b>		
Secured, considered good	24,589,964	0
Unsecured, considered good	42,181,372	20,088,827
Doubtful	7,101,319	46,184,623
Less: Provision for doubtful debts	7,101,319	46,184,623
	<b>66,771,336</b>	20,088,827
	<b>66,771,336</b>	<b>20,088,827</b>
<b>Particulars</b>	<b>As at</b>	<b>As at</b>
	<b>31st March 2017</b>	<b>31st March 2016</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>B12 Inventories</b>		
<b>A Trade Inventories</b>		
(a) Inventories in Equity instruments	9,288,701	7,402,012
(b) Inventories in preference shares	-	-
(c) Inventories in Government or Trust securities	-	-
(d) Inventories in debentures or bonds	-	-
(e) Inventories in Mutual Funds	-	-
(f) Other inventories	-	-
<b>Total</b>	<b>9,288,701</b>	<b>7,402,012</b>
<b>B13 Trade Receivables</b>		
Trade receivables outstanding for a period less than twelve months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	720,471,941	1,062,455,566
<b>Total</b>	<b>720,471,941</b>	<b>1,062,455,566</b>



Particulars	As at 31st March 2017		As at 31st March 2016	
	Rs.	Rs.	Rs.	Rs.
<b>B14 Cash and Cash Equivalents</b>				
a. Balances with banks				
Current Account	98,771,066		47,871,117	
Bank deposits with less than 12 months maturity	160,209,294		141,904,572	
Bank deposits with more than 12 months maturity (Bank has a lien on the FDRs)	57,918,874	316,899,234	12,637,039	202,412,727
b. Cash on hand		120,829		119,792
		<b>317,020,063</b>		<b>202,532,519</b>

Particulars	As at	
	31st March 2017	31st March 2016
	Rs.	Rs.
<b>B15 Short Term Loans and Advances</b>		
<b>a. Others</b>		
(Unsecured, considered good)	-	0
Deposits	1,916,700	21,186,190
Loans & Advances	6,742,924	1,784,219
Staff Loan	3,101,713	3,417,024
Advance Tax (Net of Provisions)	29,282,797	45,210,122
Advance Recoverable in Cash or Kind	1,879,340	1,687,844
Balance with Exchange & Clearing Member	226,329,803	22,600,000
Prepaid Expenses	5,230,015	4,339,839
	<b>274,483,291</b>	<b>100,225,238</b>
<b>B16 Other Current Assets</b>		
Interest Accrued on Fixed Deposits	6,748,401	3,539,763
Accrued Brokerage Income	4,922,455	5,481,751
	<b>11,670,856</b>	<b>9,021,514</b>

Particulars	For the year ended	
	31st March 2017	31st March 2016
	Rs.	Rs.
<b>B17 Revenue from Operations</b>		
Brokerage Income	609,037,539	541,070,898
Other Income	27,741,933	19,944,669
Profit on Sale of Securities	-	2,914,770
<b>Total</b>	<b>636,779,472</b>	<b>563,930,337</b>
<b>B18 Other Income</b>		
Interest on Fixed Deposit	14,201,617	14,610,476
Interest - Others	4,723,425	4,146,965
Dividend Income	74,161	181,741
Other Income	1,639,355	723,782
<b>Total</b>	<b>20,638,559</b>	<b>19,662,964</b>
<b>B19 Employees Benefit Expense</b>		
(a) Salaries and incentives	241,903,861	254,811,805
(b) Contributions to - Provident fund & ESIC	8,112,921	7,589,170
(c) Gratuity (including paid Rs.3395873/-)	7,429,110	2,626,093
(d) Staff welfare expenses	4,593,234	5,242,325
<b>Total</b>	<b>262,039,126</b>	<b>270,269,393</b>

Particulars	For the year ended	For the year ended
	31st March 2017	31st March 2016
	Rs.	Rs.
<b>B20 Finance Costs</b>		
Interest expense	36,735,922	31,645,928
Bank Charges	4,420,233	2,925,084
<b>Total</b>	<b>41,156,155</b>	<b>34,571,012</b>
<b>B21 Other Expenses</b>		
Commission	190,481,249	149,740,137
Advertisement Exps	1,283,735	2,467,779
Business Promotion and entertainment	5,519,777	3,413,369
Books & Periodicals	105,459	120,527
Computer Expenses	6,895,183	3,966,925
Conveyance	1,893,810	2,327,240
Demat & CDSL Expenses	6,373,931	5,056,311
Electricity Expenses	5,277,613	8,247,616
Loss on sale of Assets	237,698	-
Loss on sale of Securities	640,835	-
Insurance	22,938	76,497
Motor Car Expenses	1,272,370	1,571,150
Office Expenses	1,686,137	1,326,114
Postage and Courier expenses	2,509,731	2,518,975
Printing & Stationery	2,384,910	2,261,271
Professional and Legal Charges	19,647,580	7,605,615
Rent, Rates & Taxes	24,081,575	31,673,328
Service tax, stamp duty and transaction charges paid	2,565,923	4,704,927
Audit Fees	325,000	275,000
Directors Sitting Fees	120,000	-
Repairs & Maintenance	4,547,538	4,758,559
Franking charges	450,198	280,315
Vsat Charges	162,445	120,750
SEBI Fees	2,306,041	480,565
Stock Exchange Expenses	301,863	1,437,339
Seminars and conference	1,178,738	1,540,352
Subscription & Membership Fees	1,996,551	1,733,800
Telephone and Mobile expenses	14,480,174	16,771,785
Travelling Expenses	4,338,345	4,028,425
Operational loss	-	636,312
Bad Debts	5,188,078	12,664,515
Provision for Doubtful debts	7,101,319	4,869,623
Sundry balances written off	-	19,921
<b>Total</b>	<b>315,376,743</b>	<b>276,700,042</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**
**C. General Notes to the Accounts**

1) The company was a subsidiary of LKP Finance Limited ("erstwhile holding company") till 7th July, 2016. With a view to demerge its SEBI registered intermediaries business, erstwhile holding company filed a scheme of arrangement with the Honourable Bombay High Court for demerger and the same was approved on 4th May 2016. As a part of the scheme, 2,62,03,600 equity shares of Rs. 2/- each and 29,00,000 preference shares of Rs. 100/- each held by the erstwhile holding company were cancelled. The company issued 7,31,83,896 fresh equity shares of Rs. 2/- each fully paid up on 8th July, 2016 to the shareholders of LKP Finance Limited by utilising the Preference Shares Redemption Reserve Account created out of cancellation of preference shares under the Scheme of Demerger. The balance unutilised amount of Rs. 19,60,39,408 is carried forward under Preference Shares Redemption Reserve Account – on cancellation of preference shares

The company in the EGM held on 5th July, 2016 passed a special resolution to reclassify its authorised capital of Rs. 35 Crores as under :

	Amount in Rs.
12,50,00,000 Equity Shares of Rs. 2/- each	25,00,00,000
1,00,00,000 Shares of Rs. 10/- each (unclassified)	10,00,00,000
<b>Total</b>	<b>35,00,00,000</b>

As on 31st March, 2017, the equity paid up share capital of the company, after issuance of fresh equity shares (fully paid up) stood at Rs. 14,64,42,592 (As at 31st March, 2016 : 5,24,82,000).

**2) Contingent Liabilities**

- Total Bank Guarantee issued on behalf of company as at 31st March 2017 is Rs.35,10,00,000/- (Previous Year Rs.28,85,00,000/-) partially secured against pledge of FDR.
- There are two cases filed against the company totalling Rs.31,17,200/- which company has disputed. The company on disposal of the cases, by the courts expects no impact on the statement of profit & loss.
- The Company has filed 26 cases for recovery of dues amounting to Rs.78,89,029/-, the recovery suits are pending in various courts. The company expects favourable decisions and no provisioning is considered necessary at this stage.
- Claims not acknowledged as debts in respect of disputed income tax demands - Rs. 13,74,474.

**3) Gratuity**

The Company's gratuity liability as at 31st March 2017 was determined actuarially at Rs.1,34,27,239/- During the year the Company has made an provision of Rs.40,33,237/- towards Gratuity Liability to employees. In addition to this

provision, the company has paid / settled gratuity liability totalling Rs.33,95,873/- and the same has been debited to the statement of profit and loss for the year.

**4) Provision for Taxation :**

No provision for taxation has been made during the year in view of carried forward losses available under the Income Tax Act, 1961 and deduction available under Section 115JB.

**5) Deferred Tax Asset**

	As at 31.03.2017	For the year ended 31st March 2017	As at 31.03.2016
	Rs.	Rs.	Rs.
Written Down Value Differential	6,745,493	(54,533)	6,800,026
Brought Forward Losses	27,856,382	197,671	27,658,711
Disallowed Gratuity	1,246,270	(1,656,476)	2,902,747
	35,848,146	(1,513,338)	37,361,484

The deferred tax for the year has been calculated taking into account current year losses, depreciation differential and section 43B disallowance. The management is of the view that deferred tax asset will be set off against future profits and there is virtual certainty of the setoff.

**6) Remuneration to Whole time Directors ( 2 Persons)**

Particulars	2016-17	2015-16
	Rs.	Rs.
1 Salary	* 4,869,060	3,955,200
2 Contribution to Provident Fund	54,000	86,400
	4,923,060	4,041,600

\*includes Rs.272400/- for one Whole time Director for part of the year

- The amounts shown against Long term receivable Long term loans and advances is considered as good and recoverable by the management.
- Bad debts is net of provision for doubtful debts written back and made in earlier years.
- Earnings per share:**

	2016-17	2015-16
Net Profit after Taxation	24,240,162	(14,313,881)
No. of Equity shares (Weighted Avg.)	60,607,408	26,241,000
Basic & Diluted earning per Share	0.40	(0.55)

10) As per the Accounting Standard 18, disclosures regarding related parties are given below:

i) List of Related Parties along with the nature of related party relationships.

Name of the Related Party	Relationship
LKP Wealth Advisory Private Limited	Subsidiary Company
LKP Finance Limited	Director Interested
Bhavna Holdings Limited	Director Interested
MKM Share & Stock Brokers Ltd.	Director Interested
Peak Plastonics Private Limited	Director Interested
Sea Glimpse Investments Pvt Ltd	Director Interested
SolarEx P V Solutions Pvt. Ltd.	Director Interested
Alpha Commodity Pvt. Ltd.	Director Interested
M/s L.K.Panday	Director Interested
Mr. M.V. Doshi	Father of Pratik Doshi
Mr. Pratik Doshi	Key Management Personnel
Gayatri Cements & Chemical Industries Ltd	Fellow Subsidiary

ii) Transactions with Related Parties

Particulars	Amount
Directors Remuneration	4,923,060
Brokerage Income	2,679,187
Balance due as on 31.03.2017 (Cr.)	(60,390,952)

11) (a) The Company has taken offices under leave and license agreements. These are generally cancellable in nature and range between 11 months to 108 months.

(b) Rent payments are recognised in the Statement of Profit and Loss under the head ' Rent, Rates and Taxes' in Schedule B20

(c) The future minimum licence payments under leave & licence agreements - not later than one year is Rs.1,08,02,459/- (Previous Year Rs.89,17,520/-) and later than one year but not later than five years is Rs.2,21,83,314 (Previous Year Rs.2,24,56,301)

12) Securities received from Clients as collateral for margin are held by the Company in its own name in a fiduciary capacity.

13) Tax Deducted at Source on Income upto 31st March 2017 : Rs.98,99,775/- (Previous Year Rs.1,12,19,812/-)

14) As per the information available with the Company as at 31st March 2017, the data in respect of Micro Small & Medium Enterprises that are covered under the Micro Small & Medium Enterprises Development Act, 2006 are not available. Hence, details regarding principal amount and interest paid/due thereon is not given.

15) There are no dues to Small Scale Industries and Investor Education and Protection Fund as at 31st March 2017 (Previous Year: Nil)

16) the company, has no long-term contracts including derivative contracts having material foreseeable losses as at 31st March, 2017.

17) Previous year figures are regrouped/rearranged wherever necessary.

18) At the closure of 08th November, 2016 The Company was having cash balance of Rs.2,500/- which include specified bank notes. (Circular No.G.S.R.as per 308 ( E ) dated 30th March, 2017.)

	SBN's	Other denomination notes	Total
Closing cash as on 08.11.2016	Rs.2,500/-	Rs.2,394/-	Rs.4,894/-
(+) Permitted Receipts	-	-	-
(-) Permitted Payments	-	Rs.2,394/-	Rs.2,394/-
(-) Amount deposited in banks	Rs.2,500/-	-	Rs.2,500/-
Closing cash in hand as on 30.12.2016	NIL	NIL	NIL

As per our report of even date

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

Chartered Accountants

Firm registration number : 102860W/W100089

For and on behalf of the board of directors of LKP Securities Limited

**A.D.Shenoy**

Partner

Membership No.11549

Place : Mumbai

Date : 26th April, 2017

Managing Director :

Director :

Chief Financial Officer :

Company Secretary :

**P. M. Doshi**

**S. S. Gulati**

**Girish Majrekar**

**Dimple Chopra**







*If undelivered, please return to :*

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203, Embassy Centre,  
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Mumbai - 400 021.