

LKP Finance Limited



27TH ANNUAL REPORT 2010-2011

LKP FINANCE LIMITED**Board of Directors :**

Mr. M. V. Doshi *Executive Chairman*
Mr. M. S. Bhise
Mr. V. N. Suchanti
Mr. Hariharan Padmanabhan
Mr. P. M. Doshi
Mr. Sayanta Basu

Company Secretary :

Mr. G. B. Innani
(General Manager - Legal & Company Secretary)

Auditors :

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

Registered Office :

203, Embassy Centre,
Nariman Point,
Mumbai - 400 021.
Tel. : 40024785 / 4002 4786
Fax : 2287 4787

Registrar & Shares Transfer Agent :

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

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*Annual General Meeting on Friday, 10th June 2011 at
10.30 a.m. at M. C. Ghia Hall, Hargovindas Building,
18/20, Kaikhushru Dubash Marg, Mumbai - 400 001.*

NOTICE

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the members of LKP Finance Limited will be held at M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Mumbai 400 001 on Friday, 10th June 2011 at 10.30 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet and Profit and Loss Account for the year ended 31st March 2011 and Report of Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. Vineet N. Suchanti, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Milan S. Bhise, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint the Auditors and to fix their remuneration.

Special Business

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

“RESOLVED THAT in accordance with the provisions of Section 314 (1) and all other applicable provisions of the Companies Act, 1956 (the Act) including any statutory modification(s) or re-enactment thereof, for the time being in force, the consent of the Company be and is hereby accorded to Shri Pratik M. Doshi, Director of the Company, to hold office as the Whole-time Director of LKP Securities Limited, Subsidiary of the Company for a period of 3 years with effect from 26th October 2010 upon terms of remuneration (including revised terms of remuneration with effect from 1st April, 2011) and such other terms conditions set out in the explanatory statement annexed to this Notice and shall continue to hold office as such of the said subsidiary upon any enhanced or revised terms of remuneration and/or appointment as such as may be approved by the Board of Directors and/or Remuneration Committee of the said Subsidiary and/or the Central Government, if and when applicable, from time to time.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Notes:

- (1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT**

A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

- (2) A PROXY IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- (3) The Register of Members and Share transfer books will remain closed from Monday, June 6, 2011 to Friday, June 10, 2011 (both days inclusive).
- (4) The Dividend as recommended by the Board of Directors, if approved by the shareholders, will be payable on or after June 11, 2011.
- (5) Any change in the address of the members may be intimated to the Company’s Registrar & Share Transfer Agent.
- (6) The particulars of Directors retiring by rotation and/or eligible for re-appointment are given in the Corporate Governance section of this Annual Report.
- (7) Members are requested to bring the Annual Report and the Attendance Slip to the Annual General Meeting.

By Order of the Board of Directors

Mumbai

(M. V. Doshi)

Date: 29th April 2011

Executive Chairman

Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956**Item No. 6**

Shri Pratik M. Doshi, Director of the Company has been appointed as the Whole-time Director of LKP Securities Limited, Subsidiary of the Company, for a period of 3 years, with effect from 26th October 2010 upon certain terms and conditions including remuneration which were varied and revised with effect from 1st April, 2011, subject to the approval by the Subsidiary Company.

Shri Pratik M. Doshi, as the Whole-time Director of LKP Securities Limited, will be responsible and in-charge for the management of the said Subsidiary’s affairs on day-to-day basis.

The Board believes that the said Subsidiary would grow extensively under the guidance of Shri Pratik M. Doshi, who possesses the necessary expertise and experience to accelerate the Subsidiary’s operations and achieve its vision.

Pursuant to the provision of Section 314(1) of the Companies Act, 1956, consent of the Company is, *inter alia*, required to be accorded by the Company by a Special Resolution, where a Director or relative of Director is appointed to an office or place

of profit under the Company or a Subsidiary of the Company. Shri Pratik M. Doshi is a Director of the Company and also relative of Shri Mahendra V. Doshi –Executive Chairman of the Company. Accordingly, it is proposed to obtain consent of the Company as such as set out in the draft resolution mentioned at Item No. 6 of the accompanying Notice.

The material terms of appointment and remuneration of Shri Pratik M. Doshi as the Whole-time Director of LKP Securities Limited, Subsidiary of the Company are as under:

S. No.	Particular	From 26/10/2010 to 31/03/2011	Revised w.e.f. 01/04/2011
1.	Salary	Rs. 57,600/- p. m.	Rs. 1,70,000/- p. m.
2.	Perquisites:		
I.	House Rent Allowance	Rs. 28,800/- p. m.	Rs. 30,000/- p. m.
II.	Special Allowance	Rs. 55,550/- p.m.	Rs.48,750/- p. m.
III.	Conveyance Allowance	Rs. 800/- p. m.	--
IV.	Incentive	Rs. 86,400/-	--
V.	Medical Reimbursement	: Reimbursement of Medical Expenses incurred by him for self and family subject to the ceiling of Rs.15,000/- in a year.	
VI.	Leave Travel Allowance	: As per the rules of the said Subsidiary Company.	
VII.	Provident Fund, Superannuation Fund and Gratuity	: Contribution to Provident Fund, Superannuation Fund and Gratuity shall be as per the rules of the said Subsidiary Company will not be considered for calculating the limit of perquisites.	
VIII.	Car and Telephones:	Provision of car with chauffeur for use on Subsidiary'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 Subsidiary.	
IX.	Leave:	Leave on full pay and allowance, as per the rules of the said Subsidiary 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.	

3. In addition to Salary and Perquisites as aforesaid, Shri Pratik M. Doshi will also be entitled for Annual Performance Incentive, to be decided by the Board of Directors/ Remuneration Committee of said subsidiary, from time to time, based on performance criteria to be fixed by them for each financial year within the maximum amount payable in accordance with the provisions of the Companies Act, 1956 or any amendments/approvals hereafter in this regard.
4. Shri Pratik M. Doshi, as the Whole-time Director of the Subsidiary shall be entitled to compensation for loss of office as provided in Section 318 of the Companies Act, 1956.
5. No Sitting Fees shall be paid for attending meeting of the Board of Directors or any Committee of the Board of the said Subsidiary Company.
6. The services are terminable by either by either party giving 90 days notice in writing.
7. The above remuneration is payable as minimum remuneration, notwithstanding that in any financial year during the term of his office as the Whole-time Director, the said Subsidiary Company may make no profits or the profits made are inadequate subject, however, to the ceiling limits prescribed under the said Act, from time to time.
8. Terms of remuneration and/or appointment of Shri. Pratik M. Doshi, as the Wholetime Director of the said Subsidiary Company, may be revised as may be approved by the Board of Directors and/or Remuneration Committee of the said Subsidiary and/or the Central Government, if and when applicable and be subject to the limits prescribed under the said Act, from time to time.

Your Directors thus recommend the resolution for your approval as such.

Shri Pratik M. Doshi is interested in the resolution. Shri Mahendra V. Doshi is deemed to be concerned or interested in the resolution since he is related to him. None of the other Directors is, in any way, concerned or interested in the said resolution.

By Order of the Board of Directors

Mumbai
Date: April 29, 2011

(M. V. Doshi)
Executive Chairman

DIRECTORS' REPORT

The Directors present the Twenty Seventh Annual Report and Audited Accounts of the Company for the year ended March 31, 2011.

FINANCIAL RESULTS	2010 – 2011	2009 – 2010
	(Rs. in lacs)	(Rs. in lacs)
Profit before tax	3276.49	2099.70
Less: Provision for Tax	664.79	178.07
Profit after tax	2611.70	1921.63
Add: Previous year Items	352.72	16.94
Profit brought forward from previous year	1672.86	3133.98
Amount available for appropriation	4637.28	5072.56
APPROPRIATIONS:		
Proposed Dividend	1307.75	915.42
Tax on Dividend	212.14	155.58
Transfer to Capital Redemption-Reserve	---	36.13
Transfer to General Reserve	500.00	200.00
Transfer to Special Reserve Fund	522.34	2092.57
Balance carried to Balance Sheet	2095.05	1672.86

DIVIDEND

The Board of Directors are pleased to recommend a dividend @ Rs. 10/- per equity share of the Company for the financial year ended 31st March 2011. The total cash outflow on account of dividend & tax thereon Rs.1,519.89 lacs.

PERFORMANCE REVIEW

The Company's total income increased to Rs. 5,374.28 lacs from Rs. 3,612.25 lacs and profit after tax to Rs.2,611.70 lacs from Rs. 1,921.63 lacs in the previous year.

The income from investments increased substantially and trading in debt papers and development of retail clients like PF/Pension/Gratuity trust etc. has yielded good results. Further the Company substantially increased its business of loan against security of shares.

The Company continued with its efforts to recover over dues from its clients. During the year under review the Company has recovered Rs. 328.46 lacs by resorting to legal recourse.

EMPLOYEES STOCK OPTION SCHEME

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

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.

SUBSIDIARIES

Your Company's subsidiary, LKP Securities Ltd. has expanded its geographical reach and now has 407 outlets across India.

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

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

STATUTORY DISCLOSURE

The Particulars of Employees falling within the scope of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, forms part of this report. However, as per Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Accounts is being sent to all shareholders of the Company excluding the above Statement. Any shareholder interested in obtaining a copy of the said Statement may write to the Company at its Registered Office.

The provisions of Section 217(1)(e) of the Companies Act, 1956, relating to conservation of energy and technology absorption do not apply to your Company. There are no foreign exchange earnings & outgo during the year under report.

DIRECTORS

Mr. Vineet N. Suchanti and Mr. Milan S. Bhise retire by rotation and being eligible offers themselves for re-appointment. Your Directors recommend their re-appointment.

AUDITORS' REPORT

M/s. Ford, Rhodes, Parks & Co., Chartered Accountants, Mumbai, retire at the conclusion of the forthcoming Annual General Meeting. The Company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224 (1-B) of the Companies Act, 1956. Your Directors recommend their re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm that :

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgement 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 Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities to the best of their knowledge and ability ;
- iv) the Directors have prepared the annual accounts on a going concern basis.

CONSOLIDATED FINANCIAL STATEMENTS

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

CORPORATE GOVERNANCE

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

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Mumbai
 Date: April 29, 2011

(M. V. Doshi)
Executive Chairman

**Statement Pursuant to Section 212 of the Companies Act, 1956
 Giving Requisite Particulars of its Subsidiary Companies**

1. Name of the Subsidiary Company	LKP Securities Ltd	Gayatri Cement & Chemical Industries P Ltd
2. Financial Year ending	31.3.2011	31.3.2011
3. Date from which the Company became a subsidiary.	1.4.95	31.3.2010
4. Extent of Holding Company's interest in the subsidiary Company's Shareholding (in %)	99.81 <u>Rs in Lacs</u>	100 <u>Rs in Lacs</u>
5. Net aggregate amount of the Subsidiary's profits after deducting its losses or vice versa so far it concerns members of the Holding Company. --Profits /Losses not dealt with in the Holding Company Accounts		
a. for the financial year of the subsidiary	0.67	16.35
b. for the previous financial years since it became the Holding Company's Subsidiary	130.55	(27.77)
Profits dealt with or (Losses) provided for in the holding Company Accounts.		
a. - for the financial year of the Subsidiary	--	--
b. for the previous financial years since it became the holding Companys subsidiary	--	--

For and on behalf of the Board of Directors

Mumbai
 Dated : 29th April, 2011

M. V. Doshi
Executive Chairman

Annexure to the Directors' Report
Disclosures under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 for the year ended 31st March 2011

	Scheme Name: Employees Stock Option Scheme 2010	Granted on April 21, 2010	Granted on October 12, 2010	Granted on October 18, 2010	Granted on December 15, 2010	Granted on March 31, 2011
1.	Options Granted	5,99,500	1,05,000	1,00,000	50,000	28,000
2.	Pricing Formula	Up to 5 % discount on the average of the closing price of the Company's shares, in the BSE during the last 15 days preceding the date of grant of options	Up to 5 % discount on the average of the closing price of the Company's shares, in the BSE during the last 15 days preceding the date of grant of options	Up to 5 % discount on the average of the closing price of the Company's shares, in the BSE during the last 15 days preceding the date of grant of options	Up to 5 % discount on the average of the closing price of the Company's shares, in the BSE during the last 15 days preceding the date of grant of options	On the average of the closing price of the Company's shares, in the BSE during the last 15 days preceding the date of grant of options
3.	Options Vested	None vested so far	None vested so far	None vested so far	None vested so far	None vested so far
4.	Options Exercised	--	--	--	--	--
5.	Total number of Ordinary Shares arising as a result of exercise of Options	--	--	--	--	--
6.	Options Lapsed/ Forfeited/ Cancelled	--	--	7,500	50,000	--
7.	Variations of terms of Options	--	--	--	--	--
8.	Money realized by exercise of the Options	--	--	--	--	--
9.	Total number of Options in force	5,99,500	1,05,000	92,500	--	28,000
10.	Employee-wise details of Options granted to: i) Details of Options granted to senior managerial personnel in 2010-2011. ii) Any other employee who receives a grant in any one year of Option amounting to 5% or more of Options granted during the Year. iii) Identified employees, who were granted Options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of the grant.	--- A total of 6,92,000 options were granted to the Employees of the Company including its subsidiary and also including the options given in 10 iii) below. One employee received 3,92,000 options.				
11.	Diluted Earning Per Share (EPS) calculated in accordance with Accounting Standard 20 issued by ICAI for the year ended March 31, 2011.	Rs.18.79				
12.	i) Method of calculation of employee compensation cost ii) Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognized if fair value of Options had been used iii) The impact of difference on profits and EPS of the Company for the year ended March 31, 2011 had fair value Options had been used for accounting Employee Options	Intrinsic Value As the fair value is lower than the intrinsic value the charge to profit and loss account is based on intrinsic value. There is no change in the reported diluted EPS.				
13.	Weighted-average exercise price of options granted during the year is less than market price of stock on the grant date.	Rs. 117.78				
14.	A description of method and significant assumptions used during the year to estimate the fair value of Options granted during the year. The fair value of options has been calculated by using Black Schole's Method. The assumption used in the above are:	1) Risk free Interest Rate 7.50 % 2) Expected Life 6 to 8 years 3) Expected Volatility based on daily closing Market Price 12.32% 4) Expected Dividends 2.23% 5) The price of underlying share in the market at the time of grant Rs. 125.90				

MANAGEMENT DISCUSSION AND ANALYSIS

Industry structure and developments

The Indian economy roared back in 2010, with the Gross Domestic Product, growing at 8.6 per cent in the first quarter (January-March) and then going up a notch closer to nine per cent in the next two quarters of April-June and July-September. The overall outlook remained bright, with industrial growth set to be in double digits and good a monsoon brightening the prospects of agricultural production. The biggest concern arose from inflation, which the government failed to tame for almost all of 2010.

There was consolidation that was witnessed in the financial markets in 2010-11. The BSE Sensex has given 11 % return in FY11. The capital markets continued to remain vibrant and thereby there were 49 IPOs that flooded the markets in 2010-11(April 2010-February 2011) and thereby raising Rs. 34,846 crores. The market capitalization of NSE stood at Rs. 61,95,967 crores as on Feb 28 2011. The number of Foreign Institutional investors registered with SEBI stood at 1,703 till Feb 2011 and their investments in equity stood at \$30,691 mn till Feb 2011.

The movements of the stock markets impact your company being an Investment Company. India's inflation rates remain at an all time high despite various economic and other measures been taken by the Government and RBI from time to time to curb the same. Crude oil prices are a constant threat with the potential for negative consequences for India's macro outlook.

Opportunities and Threats

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

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

LKP Securities Ltd. is one of the reputed broking houses of the country, having a network of 407 outlets across India. 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, phenomenal growth in secondary market volumes,

introduction of new products like mini derivative contracts & Securities Lending & Borrowing Scheme, introduction of new instruments in the F & O segment, trading in Mutual Funds through exchanges etc. provide significant business opportunities for the Company. LKP Securities Ltd. has recently launched Currency Derivatives on 7th April 2011.

Capital market activities in which most of our activities depend on is also influenced by global events and hence there is an amount of uncertainty in the near term outlook of the market. The economic crisis in some countries in the Europe and Middle East has added some volatility globally and Indian stock market has not yet decoupled from such global trends. The recent increase in inflation rate in India is a cause of concern as it can affect corporate profitability. The percentage of retail savings that is channelled into equities and equity related products in the country are still much lower than in developed countries. Fast economic growth generating higher savings and better corporate performance is likely to provide growth opportunities for the business of LKP Securities Ltd.

Segment-wise Performance

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

Outlook

The Indian economy is expected to grow at a healthy rate over 9 percent for FY 2011-12 leading to huge investments by both public and private sector. The performance of capital market in India has a direct correlation with the prospect of economic growth and political stability. Though the growth projections for FY 2011-12 appear reassuring, there are certain downside risks such as pace and shape of global recovery, effect of withdrawal of fiscal stimulus and hardening of commodity prices and interest rates are expected to trigger large capital inflows in EMs which in turn could lead to inflationary pressures and asset price bubble.

Risks and Concerns

The stock broking industry has recently witnessed intense competition, falling brokerage rates and the entry of several big players. The Company's Subsidiary Company continues to achieve cost efficiencies through the application of technology.

However with the availability of financial resources, we are hopeful that the said Company will be able to take the opportunities of the expanding business opportunities.

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

Internal Control Systems and their adequacy

The Company has satisfactory internal control system.

LKP Securities Ltd. 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 firms of Chartered Accountants in branches and head office. 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, 2011 stands at Rs. 130,774,890 divided into 13,077,489 equity shares of Rs. 10/- each fully paid up.

Reserve and Surplus

The Reserves and Surplus increased from Rs. 12,553.12 lacs to Rs. 14,013.70 lacs.

Investments

The total investment decreased to Rs. 3,996.60 lacs as at March 31, 2011 against Rs. 7,352.20 lacs at the end of the previous year.

Loan

Secured loan increased to Rs. 7,328.44 lacs from Rs. 1,732.91 lacs.

Total Income

During the year under consideration total income was Rs. 5,374.28 lacs as against Rs. 3,612.25 lacs in the previous year.

Other Income

During the year under consideration other income was Rs. 149.99 lacs as against Rs. 435.71 lacs in the previous year.

Interest and Finance Charges

During the year under consideration total interest and finance charges were Rs.357.35 lacs as against Rs. 623.18 lacs in the previous year.

Provision for Tax

During the year under consideration the provision for tax, was Rs. 664.79 lacs as against Rs. 178.07 lacs in the previous year.

Human Resources

There has been no material development on the Human Resource/Industrial Relations front during the year. As on 31st March 2011 the Company had 45 employees.

The Company believes in sharing based on performance & potential. Hence the Company has granted Employees Stock Options during the year under review to employees in recognition of their performance and as a measure of retention.

LKP Securities Ltd. places significant importance to its human capital. As on 31st March 2011 there are 303 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.

For and on behalf of the Board of Directors

Mumbai
Date: April 29, 2011

(M. V. Doshi)
Executive Chairman

REPORT ON CORPORATE GOVERNANCE

1. Company's philosophy on Corporate Governance

The Company is committed to good Corporate Governance. The Company fully realises the rights of its shareholders to information on the performance of the Company. 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 Board of Directors of the Company has adopted the Code of Conduct for its members and senior management executives.

2. Board of Directors

Composition

The composition and category of Directors as on 31st March 2011 are as follows:

Category	Name of Directors	Designation
Promoter	Mr. M. V. Doshi	Executive Chairman
Independent & Non Executive	Mr. Milan S. Bhise	Director
Independent & Non Executive	Mr. Vineet N. Suchanti	Director
Independent & Non Executive	Mr. Hariharan Padmanabhan	Director
Promoter	Mr. Pratik M. Doshi	Director
Nominee	Mr. Sayanta Basu	Director

The Board has optimum combination of Independent and Non-Independent Directors. Non-Executive Independent Directors of your Company have no pecuniary relationship or any transaction with your Company.

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

Board Meeting

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

There were four Board Meetings held during the financial year ended 31st March 2011, namely on 28th April 2010, 12th July 2010, 26th October 2010 and 21st January 2011.

Attendance, Other Directorship & Membership,

Membership and Attendance of each Director at the Board of Directors' Meetings held during the year and the last Annual General Meeting and the number of other Directorship/ Membership of Board Committees as on 31st March 2011:

S. No.	Name of the Director	Board Meeting Attended	Attendance at Last AGM	No. of Directorship in Boards (Excluding LKP Finance Ltd.)		No. of Chairmanship / Membership in other Board Committees (Excluding LKP Finance Ltd.)#	
				Public	Private	Chairmanship	Membership
1	Mr. Mahendra V. Doshi	4	Yes	4	5	1	3
2	Mr. Vineet N. Suchanti	4	Yes	5	--	--	--
3	Mr. Milan S. Bhise	3	No	--	--	--	--

4	Mr. Hariharan Padmanabhan	2	No	--	--	--	--
5	Mr. Sayanta Basu	3	Yes	--	1	--	--
6	Mr. Pratik M. Doshi	4	Yes	2	6	--	--

#Committee of Audit, Investor Grievances and Remuneration

Profile of Director being Re-appointed:

Name	Mr. Vineet N. Suchanti	Mr. Milan S. Bhise
Age	41 Years	49 Years
Date of Appointment	26 th July, 2001	26 th July, 2001
Qualification	MBA – U. S. A. University of Rochester	M. A., LL.B., D.M.S.
Expertise	Mr. Vineet N. Suchanti has vast experience in the field of Finance, Capital Market and Business Administration.	Mr. Milan S. Bhise has vast experience in the field of Corporate Laws, commercial arbitration and Legal Matters. He has been practicing as an Advocate and Solicitor for last 19 years. He is the proprietor of M/s. Milan Bhise and Co., Advocates and Solicitors (UK).
Other Directorships	1. Keynote Corporate Services Ltd. - (Managing Director) 2. Keynote Capitals Ltd. 3. Keynote Commodities Ltd. 4. Team India Managers Ltd. 5. Arteries Insurance Broking Ltd.	Nil
*Chairman / Member of Committee of the Board of the Companies on which he is a Director as on 29 th April 2011.	1. LKP Finance Ltd. Audit Committee- Chairman 2. Share Transfer Committee- Member 3. Compensation Committee - Member 4. Investors Grievances Committee - Member	1. LKP Finance Ltd. Audit Committee- Member 2. Compensation Committee - Member 3. Investors Grievances Committee - Chairman
Shareholding in the Company	Nil	Nil

3 Audit Committee

The Board has set up Audit Committee having two Independent Directors Mr. Milan S. Bhise and Mr. Vineet N. Suchanti are members. Mr. Vineet N. Suchanti is the Chairman of the Audit Committee and was present at the last Annual General Meeting. Mr. M. V. Doshi is also a member of Audit Committee.

Audit Committee meetings were held on 28th April 2010, 12th July 2010, 26th October 2010 and 21st January 2011. All the members have attended the aforesaid meetings except at the meeting dated 12th July 2010, where leave of absence was granted to Mr. Milan S. Bhise. The Statutory Auditors were the invitees to the above meetings. The scope of activities and powers of Audit Committee includes the areas prescribed under the Clause 49 of the Listing Agreement and section 292A of the Companies Act, 1956.

4. Remuneration of Directors

During the year under review the Company has paid Rs. 171.34 lacs towards remuneration (details of which are provided in Schedule 16 of the Notes to the Accounts) to Mr. Mahendra V. Doshi, Executive Chairman of the Company pursuant to the special resolution passed by members through postal ballot on March 17, 2010. At present, Independent Directors are not paid any remuneration.

Professional Fees to Director

The Board of Directors has approved the payment of professional fees of Rs. One Crore p.a. to Mr. Sayanta Basu for rendering professional services to the Company, pursuant to Special Resolution dated 17th March 2010 passed by members through postal ballot.

Sitting Fees paid to Directors for attending Board Meetings

1. Mr. Milan S. Bhise	Rs. 15,000/-
2. Mr. Vineet N. Suchanti	Rs. 20,000/-
3. Mr. Hariharan Padmanabhan	Rs. 10,000/-
4. Mr. Pratik M. Doshi	Rs. 20,000/-
5. Mr. Sayanta Basu	Nil
6. Mr. M. V. Doshi	Nil

5. Shareholders Grievance Committee

The Board has set up Shareholders Grievance Committee having two Independent Directors, Mr. Milan S. Bhise and Mr. Vineet N. Suchanti as members. Mr. Milan S. Bhise is the Chairman of the said Committee. Mr. Girish Innani, Company Secretary of the Company is compliance officer. During the year 11 shareholders' letters/complaints were received out of which 9 were about non receipt of Dividend Warrant/s and one each about issue of Duplicate Share Certificate/s and non receipt of Share Certificate/s after Transfer. There is no complaint which has remained un-addressed. No transfer of shares is pending as on date.

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

6. Compensation Committee

The Board of Directors has constituted Compensation Committee of Directors consisting Mr. M. V. Doshi as Chairman and Mr. Milan S. Bhise and Mr. V. N. Suchanti as Members of said Committee for administration and superintendence of Company's 'Employees' Stock Option Scheme 2010'.

The said Committee is entrusted with the authority to administer Employees Stock Option Scheme.

7. General Body Meetings

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

Financial Year	Day	Date	Time
2009-2010	Monday	12 th July, 2010	11.00 a. m.
2008-2009	Tuesday	2 nd June, 2009	10.30 a.m.
2007-2008	Saturday	9 th August, 2008	10.30 a.m.

Location

All the above Annual General Meetings of the Company were held at M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Mumbai 400 001.

Business

Year	Special Resolution passed.
2009-2010	No Special resolution passed.
2008-2009	No Special resolution passed.
2007-2008	To approve Change of Name of the Company as LKP Finance Limited.

During the last year no business had been conducted through postal ballot.

At present, the Company does not have any resolution to be decided by the members by postal ballot.

8. Disclosure

- There are no related party transactions made by the Company with its Promoters, Directors or Management, their subsidiaries or relatives other than that mentioned in notes to the accounts. The Register of Contracts containing the transactions in which Directors are interested is regularly placed before the Board for its approval.
- During the last three years, there were no strictures or penalties imposed either by Securities and Exchange Board of India or the Stock Exchanges or any regulatory authority for non-compliance of any matter related to the capital market.
- No personnel have been denied access to the Chairman or members of the Audit Committee. The mechanism of Whistle Blower Policy is not established.
- To the extent possible, the Company has complied with the mandatory requirement of this clause.
- The Company has complied with all applicable Accounting Standards in preparation of its financial statements.

9. Means of Communication

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

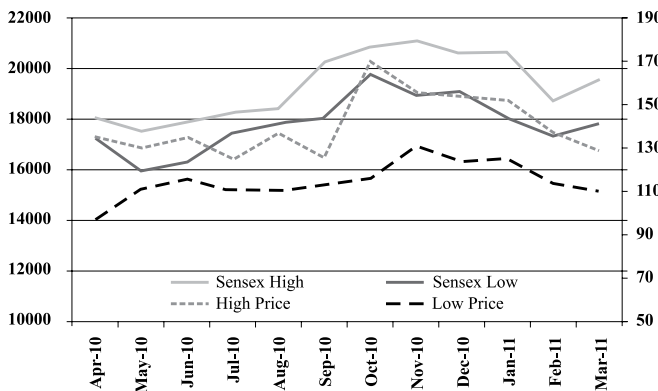
10. General Shareholder Information

AGM Date, Time and Venue	Friday, 10 th June 2011 at 10.30 a.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Mumbai 400 001.
Financial Calendar	April to March
	Announcement of Audited / Un-audited Results (tentative)
	1 st Quarter - Last week of July
	2 nd Quarter - Last week of October
	3 rd Quarter - Last week of January

	4 th Quarter - Last week of June
Book Closure	June 6, 2011 to June 10, 2011 (both days inclusive)
Dividend payment date	On or after June 11, 2011
Listing on Stock Exchange	The Bombay Stock Exchange Limited, Mumbai (Code-507912). The Company has paid the listing fees for the period from 1 st April 2011 to 31 st March 2012. The Company is taking up the matter with appropriate authority of the Stock Exchange, Ahmedabad subsequent to their refusal for accepting voluntary delisting application.
Demat ISIN No. for Depositories	INE 724A01017

Market Price Data and Performance in comparison to BSE Sensex

Month	High Price	Low Price	No. of Shares	No. of Trades	BSE Sensex	
					High	Low
Apr 10	135.00	97.00	2,36,412	2,002	18048	17277
May 10	130.00	111.00	20,35,684	1,157	17537	15960
Jun 10	134.80	115.00	5,09,687	2,755	17920	16318
Jul 10	125.00	110.00	1,15,913	1,098	18238	17396
Aug 10	136.00	110.00	4,18,573	3,631	18475	17820
Sep 10	125.50	113.25	5,44,757	2,022	20268	18027
Oct 10	170.10	115.70	10,96,246	5,175	20855	19769
Nov 10	155.75	130.70	1,23,287	1,385	21109	18955
Dec 10	154.00	123.10	1,30,932	1,342	20552	19075
Jan 11	152.00	125.00	6,40,464	1,520	20665	18038
Feb 11	136.95	113.50	5,46,194	932	18691	17296
Mar 11	129.00	110.45	1,54,155	705	19575	17792


Registrar and Share Transfer Agent

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

Share Transfer System

The Company's Shares are traded on Bombay Stock Exchange 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, which normally meets twice in a month. The Share Transfers are registered and returned within period of 22 days from the date of lodgment, if documents are complete in all respect.

Distribution of shareholding as on 31st March 2011

Shares slab	Share Holders	%	Total Shares	Amount (Rs.)	%
Upto - 500	5159	89.16	692562	6925620	5.30
501 - 1000	282	4.87	220981	2209810	1.69
1001 - 2000	154	2.66	233604	2336040	1.79
2001 - 3000	48	0.83	121972	1219720	0.93
3001 - 4000	22	0.38	76749	767490	0.59
4001 - 5000	17	0.29	77351	773510	0.59
5001 - 10000	47	0.81	304100	3041000	2.33
10001 & Above	57	0.99	11350170	113501700	86.79
Total :	5786	100.00	13077489	130774890	100.00

Share holding pattern as on 31st March 2011

Category	No. of shares held	% of share holding
1 Indian Promoters/ Persons acting in concert	71,22,947	54.47
2 Directors (other than Promoters)	3,01,384	02.31
2 Mutual Funds and UTI	1,400	00.01
3 Banks, Financial Institutions and Insurance Companies	2,550	00.02
4 FIIs	3,85,861	02.95
5 Private Corporate Bodies	24,05,050	18.39
6 Indian Public	18,87,227	14.43
7 Foreign Corporate Bodies	7,27,489	05.56
8 NRIs / OCBs	2,43,581	01.86
Total	1,30,77,489	100.00

Dematerialization of equity Shares and liquidity

As on 31st March 2011, 96.13 % of the Company's total shares represented by 1,25,70,990 shares were held in dematerialized form.

Out standing GDR/Warrants/Convertible Instruments

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

Address for correspondence

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

For and on behalf of Board of Directors

Mumbai
 Date: April 29, 2011

(M. V. Doshi)
 Executive Chairman

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members,
LKP Finance Limited

We have examined the compliance of conditions of Corporate Governance by LKP Finance Limited for the year ended on 31st March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange Limited.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement, except that appointment of at least one common independent director of the

holding Company on the Board of subsidiaries of the Company as required under sub-clause i of the item at paragraph III of Clause 49 of the Listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March, 2011, no investor grievances are pending/un-addressed by the Company as on 29th April, 2011, as per the records maintained by the Company and presented to the Shareholders' Grievance Committee.

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

Mumbai,
Date: 29th April, 2011

A.D.Shenoy
Partner
Membership No.11549

AUDITORS REPORT TO THE MEMBERS OF LKP FINANCE LIMITED

We have audited the attached Balance Sheet of LKP Finance Limited (formerly known as LKP Merchant Financing Limited) as at 31st March 2011 and the Profit & Loss Account of the Company for the year ended on that date annexed thereto and also the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors Report) Order, 2003 (as amended), issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956 (the Act) and on the basis of such checks, as we considered appropriate, we give in Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
 2. Further to our comments in paragraph 1 above:
 - a) We have 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 accounts as required by law have been kept by the company so far as appears from our examination of the books.
 - c) The Balance Sheet, the Profit and Loss Account and the Cash Flow statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow statement dealt with by the report are in compliance with the accounting standards referred to in section 211(3C) of the Companies Act, 1956.
 - e) On the basis of written representations received from the directors of the Company as on 31st March, 2011 and taken on record by the Board of Directors of the Company none of the directors of the Company is disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of the sub-section (1) of Section 274 of the Companies Act, 1956.
3. In our opinion and to the best of our information and according to the explanations given to us the accounts read together with notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
 - (a) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March 2011.
 - (b) In the case of the Profit and Loss Account of the profit for the year ended on that date.
 - (c) In the case of Cash Flow Statement of the Cash Flows for the year ended on that date.

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

Place: Mumbai
Date: 29th April, 2011

A.D.Shenoy
Partner
Membership No.11549

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITORS REPORT

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) The fixed assets have been physically verified by the management during the year. As explained to us no discrepancies were noticed on such verification.
(c) During the year the company has not disposed off any substantial part of its fixed assets so as to affect the going concern.
2. The company does not have any stock of raw materials, stores, spare parts, finished goods and therefore clause ii (a), (b), (c) (of the Order) are not applicable.
3. The company has neither taken nor granted any loans, secured or unsecured from Companies, firms or any other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for services provided. During the course of our audit, we have neither come across nor have we been informed of any major weaknesses in the aforesaid internal control procedures.
5. (a) On the basis of our examination of the books of account and according to the information and explanations provided by the Management, we are of the opinion that the transactions that need to be entered into the register in pursuance of Section 301 of the Act have been so entered in the said register.
(b) In our opinion and according to the information and explanations given to us there are no transactions aggregating in value during the year to more than Rs. 5 lacs.
6. The company has not accepted any deposits from the public within the meaning of the provision of Section 58A and 58AA of the Act.
7. The company has no Internal Auditor however the Company's internal control procedures, which, in our opinion, are commensurate with its size and nature of its business.
8. The Company is a Loan and Investment Company hence clause (viii) of the Order is not applicable.
9. (a) According to the information and explanations given to us by the Management and on the basis of the examination of the books of account carried out by us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, and other statutory dues with the appropriate authorities. There were no undisputed arrears of statutory dues outstanding as at 31st March, 2011 for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us by the Management and the records of the company examined by us there was one dispute (A.Y03-04) pending before Income Tax Appellate Tribunal and the demand is NIL.
10. Based on our audit procedures and the information and explanations given to us by the Management, we are of the opinion that the Company has not availed any Loans from Financial Institution and there are no dues Financial Institution. Hence default in repayment of dues does not arise
11. As per the books and records of the company examined by us, the Company has granted loans against pledge of shares and proper records have been maintained.
12. Clause (xiii) of the Order is not applicable as the company is not a Chit Fund company or nidhi /mutual benefit fund /society.
13. In our opinion the Company has maintained proper records of transactions and contracts in respect of dealing and trading in shares, securities, debentures and other investments during the year and timely entries have been generally made therein. All shares, debentures and other investments have been held by the company in its own name.
14. The Company has given a guarantee to a Bank for Rs 5.00 crores on behalf of its Subsidiary, where the terms and conditions are not prejudicial to the interests of the company.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
16. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term investments.
17. The Company has not made any preferential allotment of shares during the year and therefore, paragraph 4 (viii) of the Order is not applicable.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. However the company has granted ESOP no's 8, 50,000 to its employees.
19. The Company has not raised any money by way of public issue during the year and therefore paragraph 4(xx) of the Order is not applicable.
20. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of the audit.

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

A.D.Shenoy
Partner

Place: Mumbai
Date: 29th April, 2011

Membership No.11549

BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule	Rupees	Rupees	As at 31-3-2010 Rupees
I SOURCES OF FUNDS :				
1. Shareholders Funds				
a. Share Capital	1	130,774,890		130,774,890
b. Reserves and Surplus	2	1,401,370,305		1,255,312,758
			1,532,145,195	1,386,087,648
2. Loan Funds				
Secured Loans	3	732,844,129		
			732,844,129	173,290,744
TOTAL			2,264,989,324	<u>1,559,378,392</u>
II APPLICATION OF FUNDS :				
1. Fixed Assets				
a. Gross Block	4	56,331,166		55,354,054
b. Less : Depreciation / Amortisation		44,969,259		44,188,239
c. Net Block			11,361,907	11,165,815
2. Deferred Tax Asset				
			46,317,875	47,297,000
3. Investments				
	5		399,660,823	735,219,853
4. Current Assets, Loans & Advances				
a. Stock on hand	6	367,479,934		118,730,949
b. Sundry Debtors	7	35,051,777		984,537
c. Cash & Bank Balances	8	649,453,083		376,905,527
d. Loans & Advances	9	1,070,737,083		691,609,500
		2,122,721,877		1,188,230,513
Less : Current Liabilities and Provisions				
a. Liabilities	10	62,583,311		84,737,016
b. Provisions	11	252,489,847		337,797,773
		315,073,158		422,534,789
Net Current Assets			1,807,648,719	765,695,724
TOTAL			2,264,989,324	<u>1,559,378,392</u>
SIGNIFICANT ACCOUNTING POLICIES	15			
NOTES TO THE ACCOUNTS	16			
BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE	17			
SCHEDULES 1 TO 17 ANNEXED HERETO FORM PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT				

As per our Report attached.

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

Executive Chairman **M. V. Doshi**

Director **V. N. Suchanti**

Director **P. M. Doshi**

A. D. Shenoy
 Partner
 Membership No 11549

Mumbai
 Dated : 29th April,2011

Mumbai
 Dated : 29th April,2011

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011.

	Schedule	Rupees	Rupees	Previous Year Rupees
INCOME :				
Net Income from Operations			522,428,686	317,654,384
Other Income	12		14,999,672	43,570,990
			<u>537,428,358</u>	<u>361,225,374</u>
EXPENDITURE :				
Establishment Charges	13	42,144,264		29,166,559
Administrative and other expenses	14	131,118,154		59,171,204
			<u>173,262,418</u>	<u>88,337,763</u>
			<u>364,165,940</u>	<u>272,887,611</u>
Interest and Finance charges.		35,735,525		62,318,168
Depreciation.		781,020		598,728
			<u>36,516,545</u>	<u>209,970,715</u>
Operating Profit / (Loss)			327,649,395	209,970,715
PROFIT/(LOSS) BEFORE TAXATION			327,649,395	209,970,715
PROVISION FOR TAXATION-CURRENT			65,500,000	35,000,000
PROVISION FOR DEFERRED TAX NET			979,125	(17,193,000)
PROFIT AFTER TAXATION			261,170,270	192,163,715
(SHORT) / EXCESS PROVISION FOR TAX EARLIER YEARS			34,918,677	--
EXCESS DIVIDEND TAX FOR EARLIER YEAR			353,583	1,693,734
PROFIT BROUGHT FORWARD FROM LAST YEAR			167,286,189	313,398,778
AMOUNT AVAILABLE FOR APPROPRIATION			463,728,719	507,256,227
APPROPRIATIONS :				
TRANSFERRED TO GENERAL RESERVE			50,000,000	20,000,000
CAPITAL REDEMPTION RESERVE ACCOUNT			--	3,612,630
SPECIAL RESERVE FUND			52,234,054	209,257,350
PROPOSED DIVIDEND			130,774,890	91,542,423
TAX ON PROPOSED DIVIDEND			21,214,957	15,557,635
PROFIT CARRIED TO BALANCE SHEET			209,504,820	167,286,189
EARNINGS PER SHARE BASIC (Note 4 on Schedule 16)			19.97	14.69
EARNINGS PER SHARE DILUTED (Note 4 on Schedule 16)			18.79	14.69
SIGNIFICANT ACCOUNTING POLICIES	15			
NOTES TO THE ACCOUNTS	16			
BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE	17			
SCHEDULES 1 TO 17 ANNEXED HERETO FORM PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT				

As per our Report attached.

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

A. D. Shenoy
 Partner
 Membership No 11549

Mumbai
 Dated : 29th April,2011

Executive Chairman **M. V. Doshi**
Director **V. N. Suchanti**
Director **P. M. Doshi**

Mumbai
 Dated : 29th April,2011

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2011.

		As at 31-3-2010	
		Rupees	Rupees
SCHEDULE 1 - SHARE CAPITAL			
Authorised			
(i) 2,00,00,000 Equity Shares of Rs 10/- each.		200,000,000	200,000,000
(ii) 10,00,000 Redeemable Cumulative Preference Shares of Rs.100/-each		100,000,000	100,000,000
		<u>300,000,000</u>	<u>300,000,000</u>
Issued,Subscribed & Paid Up :			
1,30,77,489 (Previous Year 1,27,11,263)Equity Shares of Rs 10/- each	130,774,890		127,112,630
Add : Nil (Previous Year 7,27,489) Equity Shares issued	--		7,274,890
Less : Nil (Previous Year 3,61,263) Shares extinguished on buy back	--		3,612,630
		<u>130,774,890</u>	<u>130,774,890</u>
	TOTAL	<u><u>130,774,890</u></u>	<u><u>130,774,890</u></u>
Note:			
1. The above equity shares include 22,50,000 Equity shares allotted as Bonus Shares by capitalization of Share Premium Account.			
SCHEDULE 2- RESERVES & SURPLUS			
Capital Reserve			
Share Warrants monies forfeited		19,400,000	19,400,000
Share Premium Account			
Balance as per last Balance Sheet.	275,075,267		221,552,221
Add : Premium received during the year	-		80,023,790
Less: Amount paid in excess of face value on buy back.	-		26,500,744
		<u>275,075,267</u>	<u>275,075,267</u>
Capital Redemption Reserve Account			
Balance as per last Balance Sheet.	4,500,000		4,500,000
Add: Transferred from Profit & Loss account.	--	4,500,000	--
		<u>4,500,000</u>	<u>4,500,000</u>
Special Reserve Fund			
Balance as per last Balance Sheet.	209,257,350		
Add: Transferred from Profit & Loss account.	52,234,054	261,491,404	209,257,350
General Reserve			
Balance as per last Balance Sheet.	579,793,951		559,793,951
Add: Transferred from Profit & Loss account.	50,000,000		20,000,000
		<u>629,793,951</u>	<u>579,793,951</u>
Employee Stock Options			
Employee Stock Options Outstanding.	6,692,785		
Less: Deferred Employee Compensation	5,087,922	1,604,863	--
Balance in Profit & Loss Account		<u>209,504,820</u>	<u>167,286,189</u>
	TOTAL	<u><u>1,401,370,305</u></u>	<u><u>1,255,312,757</u></u>
SCHEDULE 3 - SECURED LOANS			
Term Loan from Housing Development Finance Corp Ltd (secured against mortgage of properties and pledge of shares)		--	120,000,000
Loan from Corporates against pledge of shares.		344,650,000	53,019,233
Vehicle Loan (Secured against hypothecation of the Vehicle)		40,932	271,511
Bank Overdraft (Secured against pledge of Fixed Deposit Receipts and Securities)		388,153,197	--
	TOTAL	<u><u>732,844,129</u></u>	<u><u>173,290,744</u></u>

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2011 - (Contd.)
SCHEDULE 4 - FIXED ASSETS
Rupees

Description of Assets	Gross Block (At Cost)				Depreciation			Net Block	
	As at 1st April 2010	ADDITIONS	DEDUCTIONS	As at 31st March, 2011	As at 31st March, 2010	Depreciation for the year	As at 31st March, 2011	As at 31st March, 2011	As at 31st March 2010
	Office Premises	7,048,255			7,048,255	3,674,109	108,480	3,782,589	3,265,666
Premises	10,621,000			10,621,000	4,675,084	265,128	4,940,212	5,680,788	5,945,916
Furniture & Fixtures	14,344,299			14,344,299	14,258,297	35,460	14,293,757	50,542	86,002
Air Conditioners	2,494,127			2,494,127	2,406,138	12,120	2,418,258	75,869	87,989
Office Equipment's	20,069,824			20,069,824	19,010,798	138,684	19,149,482	920,342	1,059,026
Vehicle	776,548	977,113		1,753,661	163,813	221,148	384,961	1,368,700	612,735
Grand Total	55,354,053	977,113	--	56,331,166	44,188,239	781,020	44,969,259	11,361,907	11,165,814
Previous Year	62,130,974	23,825	6,800,745	55,354,054			44,188,239	11,165,815	

Notes : 1) Cost of office premises includes cost of shares of Rs.250/- in Embassy Center Premises Co-operative Society Ltd and cost of shares of Rs 250/- in Great Eastern Gardens Condominium.

SCHEDULE 5 - INVESTMENTS (at Cost)

As at 31-3-2010

Quoted Equity Shares Fully Paid (at Cost)	Quantity	Face Value	Cost Rupees	Quantity	Face Value	Cost Rupees
<u>NAME OF THE COMPANY</u>						
Tata Motors Ltd	8	10	3,061	8	10	3,061
Maharashtra Polybutane Ltd	30,000	10	666,189	30,000	10	666,189
JSW Steel Ltd	47	10	1,280	47	10	1,280
D S Kulkarni Developers Ltd	583	10	64,130	583	10	64,130
Central Bank of India	--	--	--	25,000	10	797,750
Thomas Cook (India) Ltd	39,440	1	1,402,974	11,282,110	10	365,040,758
NHPC Ltd	131,910	10	3,050,198	131,910	10	4,748,760
Reliance Industries Ltd	--	--	--	52,000	10	17,401,939
ITC Ltd (Includes 2,00,000 Bonus Shares)	300,000	10	16,463,417			--
Reliance Broadcast Network Ltd	700,000	10	59,500,000			--
Mercator Lines Limited	500,000	10	18,541,232			--
City Union Bank Limited	200,000	10	8,699,837			--
Manganese Ore India Limited	3,406	10	1,277,250			--
South Indian Bank Limited	1,000,000	10	20,647,019			--
8.95% IDBI UPPER TIER II 2024 BONDS	4	1,000,000	4,219,047	4	1,000,000	4,219,047
SUB-TOTAL			134,535,634			392,942,914
UNQUOTED & FULLY PAID UP:						
Thomas Cook (India) Ltd 0.001% Class B Preference Shares	319,765	10	5,062,680	319,765	10	5,062,680
Thomas Cook (India) Ltd 0.001% Class C Preference Shares (Class B & C Preference Shares are Convertible into Equity Shares within a period of seven years on Thomas Cook (India) Limited achieving certain levels of EPS)	271,800	10	4,303,274	271,800	10	4,303,274
The Saraswat Co-op Bank Ltd. (Equity Shares)	1,005	10	10,050	1,005	10	10,050
The Hindustan Times Ltd. (Equity Shares)	5,600	10	1,256,500	5,600	10	1,256,500
LKP Holdings Pvt Ltd (Equity Shares)	7,600	10	76,000	7,600	10	76,000
Hemavathy Power & Light Pvt Ltd. (Equity Shares)			--	20,000,000	5	100,000,000
Business India Publication Ltd (Equity Shares)	1,338,000	10	20,070,000			-
SUB-TOTAL			30,778,504			110,708,504
INVESTMENT IN MUTUAL FUNDS :						
BenchMark Mutual Fund.	147,342	1000	14,735	147,342	1000	14,735
SUB-TOTAL			14,735			14,735
INVESTMENT IN SUBSIDIARY COMPANIES :						
LKP Securities Ltd.-Equity Shares	26,190,650	2	107,931,950	25,635,000	2	105,153,700
LKP Securities Ltd-Preference Shares	1,100,000	10	110,000,000	1,100,000	10	110,000,000
Gayatri Cement & Chemicals Industries Pvt.Ltd	21,000	100	16,400,000	21,000	100	16,400,000
SUB-TOTAL			234,331,950			231,553,700
TOTAL			399,660,823			735,219,853
i. Aggregate of quoted investments - At Cost			134,535,634			392,942,914
- Market Value			138,710,738			763,067,616
ii. Aggregate of unquoted investments - At Cost.			265,125,189			346,495,986

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2011 - (Contd.)
SCHEDULE 6 - STOCK ON HAND

	Rupees	As at 31-3-2010 Rupees
a. In Securities		
- Valued at cost or market value whichever is lower	367,479,934	118,730,949
TOTAL	<u>367,479,934</u>	<u>118,730,949</u>

SCHEDULE 7 - SUNDRY DEBTORS

(Unsecured, Considered Good)

Other Debtors

Outstanding for more than 6 months

Other debtors considered good.

--	--
35,051,777	984,537
TOTAL	<u>984,537</u>

SCHEDULE 8 - CASH AND BANK BALANCES

Cash on hand	6,040	8,724
Balance with Scheduled Banks:		
in Current Account	8,443,042	33,442,802
in Fixed Deposit	641,000,000	343,450,000
Balance with Co-op Bank:		
in Current Account	4,001	4,001
TOTAL	<u>649,453,083</u>	<u>376,905,527</u>

SCHEDULE 9 - LOANS & ADVANCES

(Considered Good)

Advances to Companies and others

Due from Subsidiary Company

 Advances recoverable in cash or in kind or for
 value to be received

Advance Tax, Self Assesment Tax & TDS

Deposits

180,000,000	35,601,857
11,306,128	11,359,201
773,618,649	441,414,157
105,123,908	202,535,965
688,398	698,320
TOTAL	<u>691,609,500</u>

SCHEDULE 10 - LIABILITIES

Sundry Creditors	20,347,732	2,109,178
Advances Received	39,957,362	81,234,594
Unclaimed Dividend (FY 07-08)	318,855	322,062
Unclaimed Dividend (FY 08-09)	1,048,439	1,071,182
Unclaimed Dividend (FY 09-10)	910,924	--
Investor Education and Protection Fund	--	--
Small Scale Industries	--	--
TOTAL	<u>62,583,312</u>	<u>84,737,016</u>

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2011 - (Contd.)
SCHEDULE 11 - PROVISIONS

	Rupees	As at 31-3-2010 Rupees
Provision for Income Tax	100,500,000	230,000,000
Provision for Fringe Benefit Tax	--	697,715
Proposed Dividend (including Tax)	151,989,847	107,100,058
TOTAL	252,489,847	337,797,773

SCHEDULE 12 - OTHER INCOME

Profit on Sale of Assets	--	26,146,554
Provision for NPA no longer required	--	12,874,332
Bad Debts recovered	12,999,672	3,400,000
Miscellaneous Income	2,000,000	1,150,104
TOTAL	14,999,672	43,570,990

SCHEDULE 13 - ESTABLISHMENT CHARGES

Salary and Allowances.	36,669,072	27,814,567
Contribution to Provident Fund/ESIC.	654,315	896,573
Other Allowances	2,784,636	385,164
Staff Welfare	431,378	70,255
Employee Stock Compensation Expense	1,604,863	--
TOTAL	42,144,264	29,166,559

SCHEDULE 14 - ADMINISTRATIVE EXPENSES

Rent, Rates & Taxes	287,194	350,104
Repairs - Others	82,399	315,509
Advertisement	60,889	309,917
Directors Fees	60,000	65,000
Travelling & Conveyance	5,610,163	5,025,076
Postage, Telegram & Telephones	643,814	877,583
Legal and Professional Charges	26,682,925	8,362,832
Printing & Stationery	159,529	330,934
Auditors Remuneration :		
Audit fees	150,000	137,875
Tax audit fees	25,000	27,575
Irrecoverable Lease rentals Written off	--	12,463,218
Irrecoverable Loans Written off	65,980,000	--
Brokerage	4,906,892	27,717,180
Donation	125,000	101,000
Miscellaneous Expenses	26,344,350	3,087,401
TOTAL	131,118,154	59,171,204

SCHEDULE – 15 SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

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

2. Use of Estimates

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

3. Revenue Recognition

In respect of lease and hire purchase agreement it is the Company's general policy to accrue income as per the terms of the Agreement entered into with the lessees / hirers from time to time. In respect of disputed lease agreement, which is contested in court the lease rentals will be accounted as and when received. Hire purchase and service charges are accounted on equated basis over the period of contracts.

In respect of other heads of income the Company follows the practice of accounting for such Income on accrual basis except delayed payment charges and interest income on loans and advances, which are accounted on the basis of certainty of collection, and/or receipt basis.

4. Fixed Assets & Depreciation

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

The Company provides depreciation as under:

- a) On assets for own use : On written down value method at the rates and in the manner specified in Schedule XIV to the Companies Act 1956 as amended on 16th December, 1993.
- b) On assets acquired and leased: On straight line method at the rates so as to write off the assets over the period of lease.

5. Stock in Trade

- a) The securities acquired with the intention of short term holding and trading positions are considered as stock-in-trade and disclosed as current assets.
- b) The securities held as stock-in-trade under current assets are valued at lower of cost or market value. In case of units of mutual fund, net asset value of units declared by the mutual funds is considered as market value.

6. Investments

Securities which are intended to be held for one year or more are classified as 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

7. Earning Per Share

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20- Earning per Share prescribed by the Companies (Accounting Standards) Rule, 2006. 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.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earning per share is computed by dividing the net profit after tax by the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

8. Taxes on Income

- a) Current Tax: Provision for current tax is made on the estimated taxable income at the rate applicable to the relevant assessment year.
- b) Deferred Tax : In accordance with the Accounting Standard 22-“Accounting for Taxes on the Income”, issued by the Institute of Chartered Accountants of India, the deferred tax for the timing difference is measured using the tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date.

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

9. Employee Benefits

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

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

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

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

10. Derivative Transactions—Equity & Commodities Futures and Options

Gains are recognized only on settlement /expiry of derivative instruments.

All open positions are marked to market and unrealized losses are provided for. Unrealized gains, if any, on marked to market are not recognized.

- 11. a. Contingent Liabilities are disclosed by way of a note to the financial statements after careful evaluation by the management of the facts and legal aspects of the matters involved.
- b. Contingent Assets are neither recognized nor disclosed.

SCHEDULE 16 - NOTES TO THE ACCOUNTS:

1. Contingent Liabilities:

Guarantee given to a Bank -- Rs 5.00 crores.(Previous Year Rs. 5.00 crores)

- 2. The company has contributed towards its gratuity liability for employees to Life Insurance Corporation of India - Group Gratuity Scheme based on the annual contribution as intimated by Life Insurance Corporation of India.

D) Reconciliation of opening and closing balances of the present value of the obligation

		31.03.2011	31.03.2010
		Rs. in lacs	Rs. in lacs
a.	Present value of obligation at the beginning of the year	42.65	39.48
b.	Current service cost	3.73	3.91
c.	Interest Cost	3.41	3.16
d.	Benefits paid	(4.01)	(10.49)
e.	Actuarial (Gain)/Loss	2.39	6.59
f.	Present value of the obligation at the end of the year	48.17	42.65

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

		31.03.2011 Rs. in lacs	31.03.2010 Rs. in lacs
a.	Fair value of Plan Assets at the beginning of the year	46.81	44.45
b.	Expected return on Plan Assets	4.44	3.84
c.	Contributions	6.72	9.01
d.	Benefits paid	(4.01)	(10.49)
e.	Actuarial (Gain)/Loss on Plan Assets	Nil	Nil
f.	Fair value of Plan Assets at the end of the year	53.95	46.81

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

		31.03.2011 Rs. in lacs	31.03.2010 Rs. in lacs
a.	Present value of obligation at the end the year	48.17	42.65
b.	Fair value of Plan Assets at the end of the year	53.95	46.81
c.	Excess of Fair value of Plan Assets over present value of obligation	5.78	4.16

IV)

		31.03.2011 Rs. in lacs	31.03.2010 Rs. in lacs
a.	Expenses charged to Profit & Loss Account	6.00	9.01

3. Managerial Remuneration under Section 198 of the Act to Executive Chairman

	2010-11 Rs. in lacs	2009-10 Rs. in lacs
Salary	36.00	36.00
House Rent Allowance	18.00	18.00
Commission	117.00	42.00
Contribution to Provident Fund	0.09	0.09
Perquisites	0.25	0.65
Total	171.34	96.74
Computation of net profits in accordance With Section 198 read with Section 309(5) of the Act.		
Profit before Taxation as per Profit and Loss Account	3276.49	2099.71
Add :		
Remuneration to Director	171.34	96.75
Directors Fees	0.60	0.65
Depreciation as per Profit and Loss Account	7.81	5.99
Profit on sale of Fixed Assets as per Section 349 of the Act	--	29.47
	3456.24	132.85

Less :		
Depreciation as per Section 350 of the Act	5.90	5.05
Profit on sale of Fixed Assets as per books	--	261.47
	5.90	266.52
Net Profit as per Section 198 of the Companies Act, 1956	3450.33	1966.04
Maximum permissible remuneration to Executive Chairman restricted as per Shareholders' approval to 5% of the net profits of the company	172.52	98.30
Directors Sitting Fees	0.60	0.65

Note: Commission to Executive Chairman was approved by the shareholders through postal ballot (17th March, 2010).

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

	2010-11	2009-10
Profit after Taxation (Rs in lacs)	2611.70	1921.64
Number of Shares Outstanding	13,077,489	13,077,489
	Rs. Ps.	Rs. Ps.
Earnings per shares (Basic)	19.97	14.69
Earnings per shares (Diluted)	18.79	14.69
Face Value of Share	10	10

5. Taxation :

- a. The company has made adequate provision for Income Tax based on the current year's taxable income. As the tax under Minimum Alternative Tax is higher than the tax computed under the normal provisions of the Income Tax Act, 1961 provision for current tax has been made as per Minimum Alternative Tax provisions of the Income Tax Act, 1961.

- b. Deferred Tax Asset / (Liability)

	As at 31.03.2011 Rs. in lacs	For the year Rs. in lacs	As at 31.03.2010 Rs. in lacs
Written down value differential	(23.57)	1.46	(25.03)
Brought forward losses	486.67	11.25	498.00
	463.18	9.79	472.97

- c. Income Tax assessments have been completed upto Asst. Year 2009-2010.
6. As per the Accounting Standard 18, disclosure of transactions with the related parties as defined in the Accounting Standards are given below :

(i) List of related parties and relationships.

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

(ii) Transaction with related parties.

	Subsidiary Company	Associate Company	Key Managerial Personnel	Total (Rs. In Lacs)
Rent Income	10.32	---	---	10.32
Directors Remuneration	---	---	171.34	171.34

7. Expenditure in Foreign Currency

	For the year Rs. in lacs	Previous year Rs. in lacs
Foreign Travel	Nil	5.87

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

The Company has not changed its accounting policy for income recognition (which is on accrual basis). The Prudential Norms of the RBI require the company to derecognize certain income and make provisions for non-performing assets. As the market value of the quoted shares as at 31.03.2011 was higher as compared to the cost, no provision is required.

9. In compliance with Section 45IC of the Reserve Bank of India Act, the company has appropriated 20% of the Net Profit to Special Reserve Fund. (Pr Yr Rs 2092.57)
10. Tax Deducted at Source on income: Rs. 61.21 lacs (Previous Year Rs. 110.77 lacs)
11. The company has no amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, [MSMED Act] as at 31st March, 2011.
12. There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at 31st March, 2011
13. Advances include Rs 2,487.50 lacs towards purchase of office premises
14. Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by ICAI. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis. During the year the company has granted 8,25,000 Stock Options (from 21.04.2010 onwards) under Employees' Stock Option Scheme 2010 to employees. The Grant price of the option varies from Rs 117.50 to Rs 121.12 and the vesting period ranges from 3 to 4 years.
15. During the year the company has entered into Futures & Options contracts on the National Stock Exchange in the Equity Segment. The open position as on 31.03.2011 is Rs 559.57 lacs (Previous Year Rs 666 lacs).
16. Miscellaneous Expenses include Rs 200 lacs paid to Thomas Cook (India) Ltd as compensation for termination of non compete agreement before the end of its scheduled term. In an earlier year the money received under the non compete agreement was accounted as income.
17. Previous Year's Figures are regrouped / reclassified wherever necessary.

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2011.
SCHEDULE 17-- BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details	
Registration No.	32831/A
State Code	11
Balance Sheet Date	31.03.2011
II Capital Raised during the year (Amount in Rs.Thousands)	
Public Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL
Private Placement	NIL
III Positions of Mobilization and Deployment of Funds (Amount in Rs.Thousands)	
Total Liabilities	2,580,062
Total Assets	2,580,062
Sources of Funds :	
Paid-Up Capital	130,775
Reserves & Surplus	1,401,370
Secured Loans	732,844
Unsecured Loans	--
Application of Funds :	
Net Fixed Assets	11,362
Investments	399,661
Nett.Current Assets	1,807,649
Misc.Expenditure	--
Accumulated Losses.	--
IV. Performance of Company (Amount in Rs. Thousands)	
Turnover	537,428
Total Expenditure	209,779
Profit/(Loss) Before Tax	327,649
Profit/(Loss) After Tax	435,078
Earning Per Share in Rs. (Basic)	19.97
Earning Per Share in Rs. (Diluted)	18.79
Dividend rate in Rs.	10.00
V. General Names of Three Principal products /services of Company (as per monetary terms)	
Item Code No.	N.A.
Product Description :	N.A.

As per our Report attached.

For FORD, RHODES, PARKS & CO., Executive Chairman **M. V. Doshi**
Chartered Accountants
 Firm Registration No.102860W **Director** **V. N. Suchanti**

A. D. Shenoy **Director** **P. M. Doshi**
Partner
 Membership No 11549

Mumbai
 Dated : 29th April,2011

Mumbai
 Dated : 29th April,2011

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

(Rs In Lacs)

	As at 31.3.2011	As at 31.3.2010
A. Cash Flow From Operating Activities:		
Net Profit before interest & tax	3,633.85	3,352.06
Adjustments for:		
Depreciation	7.81	5.99
Interest Expense	357.36	(623.18)
Balances Written off	659.80	124.63
Employee Stock Compensation Expenses	16.05	
Profit on sale of assets	-	(261.47)
Dividend Received	(83.37)	(97.65)
Profit on sale of investments	(3,090.50)	(2,250.18)
	<u>(2,132.85)</u>	<u>(3,101.86)</u>
Operating Profit before Working Capital Changes	1,501.00	250.20
Adjustments for working capital changes	(8,039.41)	107.38
Cash Generated from operations	(6,538.41)	357.58
Interest paid	(357.36)	(623.18)
Direct taxes paid	(661.21)	(528.04)
Net cash from operating activities	<u>(7,556.98)</u>	<u>(793.64)</u>
B Cash flow from investing activities		
Purchase of fixed assets	(9.77)	(0.24)
Sale of fixed assets (net)	-	300.00
Purchase of Investments	(2,686.78)	(2,213.84)
Sale of Investments	8,371.10	2,919.96
Dividend received	83.37	97.65
Net cash used in investing activities	<u>5,757.92</u>	<u>1,103.53</u>
C Cash flow from financing activities		
Buy back of equity shares	-	571.85
Increase in borrowings	5,595.53	(3,590.73)
Dividend paid (including tax)	(1,071.00)	(1,024.07)
Net cash used in financing activities	<u>4,524.53</u>	<u>(4,042.95)</u>
Net increase in cash and cash equivalents	2,725.47	(3,733.06)
Cash and cash equivalents. (opening)	3,769.06	7,502.12
Cash and cash equivalents. (closing)	6,494.53	3,769.06

This is the Cash flow statement referred to in our report of even date

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

 A. D. Shenoy
 Partner
 Membership No 11549

 Mumbai
 Dated : 29th April, 2011

Executive Chairman	M. V. Doshi
Director	V. N. Suchanti
Director	P. M. Doshi

 Mumbai
 Dated : 29th April, 2011

AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF LKP FINANCE LTD ON THE CONSOLIDATED FINANCIAL STATEMENTS OF LKP FINANCE LTD, AND ITS SUBSIDIARIES.

1. We have audited the attached Consolidated Balance Sheet of LKP Finance Ltd. ("the company") and its subsidiaries as at 31st March 2011, the Consolidated Profit and Loss Account for the year ended on that date annexed thereto, and the Consolidated Cash Flow Statements for the year ended on that date, which we have signed under reference to this report. Our responsibility is to express an opinion on this consolidated statement based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The financial statements of the subsidiary LKP Securities Ltd have been audited by us whose financial reflect total assets of Rs 4,579.22 lacs as at 31st March, 2011 and total revenues of Rs 4,697.59 lacs for the year ended on that date. The financial statements of the subsidiary Gayatri Cement & Chemical Industries Pvt Ltd have been audited by us whose financials reflect total assets of Rs 24.05 lacs as at 31st March, 2011 and total revenues of Rs 25.85 lacs for the year ended on that date.
4. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of the Company and its subsidiaries included in the consolidated financial statements.
5. On the basis of the information and explanation given to us and on the consideration of the separate audit reports on individual audited financial statements of the Company, and its subsidiary, we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the consolidated Balance Sheet, of the consolidated state of affairs of the Company and its subsidiaries as at 31st March 2011.
 - (b) In the case of the consolidated Profit and Loss Account, of the consolidated results of operations of the Company and its subsidiaries for the year then ended and
 - (c) In the case of the consolidated Cash Flow Statement, of the consolidated Cash Flows of the Company and its subsidiaries for the year then ended.

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

A.D. Shenoy
Partner

Membership No 11549

Place : Mumbai
Date : 29th April, 2011.

CONSOLIDATED BALANCE SHEET OF LKP FINANCE LIMITED AND ITS SUBSIDIARY COMPANIES AS AT 31ST MARCH, 2011

	Schedule	Rs in Lacs	Rs in Lacs	As at 31.3.2010 Rs in Lacs
I SOURCES OF FUNDS :				
1. Shareholders Funds				
a. Share Capital	1	1,307.75		1,307.75
c. Reserves and Surplus	2	14,453.22		12,975.62
			15,760.97	14,283.37
2. Loan Funds				
a. Secured Loans	3	9,703.87		3,414.72
b. Unsecured Loans	4	-		56.00
			9,703.87	3,470.72
TOTAL			25,464.84	17,754.09
II APPLICATION OF FUNDS :				
1. Fixed Assets	5			
a. Gross Block		2,667.14		2,646.27
b. Less : Depreciation		1,816.96		1,667.15
c. Net Block			850.18	979.12
d. Goodwill on consolidation			697.50	670.77
2. Deferred Tax Asset (Net)			566.46	588.82
3. Investments	6		1,889.15	5,261.61
4. Current Assets, Loans & Advances				
a. Stock on hand	7	3,674.80		1,300.14
b. Sundry Debtors	8	4,474.69		2,786.98
c. Cash & Bank Balances	9	8,171.32		5,791.03
d. Loans & Advances	10	12,933.43		8,910.86
		29,254.24		18,789.01
Less : Current Liabilities and Provisions				
a. Liabilities	11	4,972.38		4,864.09
b. Provisions	12	2,820.31		3,671.15
		7,792.69		8,535.24
Net Current Assets			21,461.55	10,253.77
TOTAL			25,464.84	17,754.09

NOTES TO THE ACCOUNTS,
ACCOUNTING POLICIES &
CASH FLOW STATEMENT
SCHEDULES 1 TO 16 ANNEXED HERETO FORM PART OF
THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

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

Executive Chairman **M. V. Doshi**
Director **V. N. Suchanti**
Director **P. M. Doshi**

A.D. Shenoy
Partner
Membership No 11549
Mumbai
Dated : 29th April,2011.

Mumbai
Dated : 29th April,2011

CONSOLIDATED PROFIT & LOSS ACCOUNT OF LKP FINANCE LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE PERIOD ENDED 31ST MARCH, 2011.

	Schedule	Rs in Lacs	Rs in Lacs	Previous Year Rs in Lacs
INCOME :				
Income from Operations			9,732.30	8,013.77
Other Income	13		355.10	529.25
			10,087.40	8,543.02
EXPENDITURE :				
Establishment Charges	14	2,081.19		1,784.06
Administrative and other expenses	15	3,833.80		3,296.05
			5,914.99	5,080.11
Interest and Finance charges.		659.08		836.54
Depreciation.		205.35		250.44
			864.43	1,086.98
Operating Profit / (Loss)			3,307.98	2,375.93
PROFIT BEFORE TAXATION			3,307.98	2,375.93
PROVISION FOR DEFERRED TAX NET			(12.57)	315.68
PROVISION FOR TAXATION			(668.44)	(350.00)
PROVISION FOR DIMINUTION IN INVESTMENTS			1.76	--
			2,628.73	2,341.61
PROFIT AFTER TAXATION (SHORT) / EXCESS			2,628.73	2,341.61
PROVISION FOR TAX EARLIER YEARS			349.18	--
EXCESS DIVIDEND AND TAX ADDED BACK			3.54	16.94
PROFIT BROUGHT FORWARD FROM LAST YEAR			2,092.31	3,133.46
AMOUNT AVAILABLE FOR APPROPRIATION			5,073.76	5,492.01
APPROPRIATIONS:				
TRANSFERRED TO GENERAL RESERVE			500.00	200.00
CAPITAL REDEMPTION RESERVE ACCOUNT			--	36.13
SPECIAL RESERVE FUND			522.34	2,092.57
PROPOSED DIVIDEND			1,307.75	915.42
TAX ON PROPOSED DIVIDEND			212.15	155.58
PROFIT CARRIED TO BALANCE SHEET			2,531.52	2,092.31

NOTES TO THE ACCOUNTS,
ACCOUNTING POLICIES &
CASH FLOW STATEMENT

SCHEDULES 1 TO 16 ANNEXED HERETO FORM PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

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

Executive Chairman **M. V. Doshi**
Director **V. N. Suchanti**
Director **P. M. Doshi**

A.D. Shenoy
Partner
Membership No 11549
Mumbai
Dated : 29th April,2011.

Mumbai
Dated : 29th April,2011

SCHEDULES TO THE CONSOLIDATED ACCOUNTS AS AT 31ST MARCH, 2011 - (Contd.)

	As at 31.3.2010	As at 31.3.2011		As at 31.3.2010	As at 31.3.2011
	Rs in Laacs	Rs in Laacs		Rs in Laacs	Rs in Laacs
SCHEDULE 1 - SHARE CAPITAL					
Authorised					
(i) 2,00,00,000 Equity Shares of Rs 10/- each.	2,000.00	2,000.00			
(ii) 10,00,000 Redeemable Cumulative Preference Shares of Rs.100/-each	1,000.00	1,000.00			
	<u>3,000.00</u>	<u>3,000.00</u>			
Issued,Subscribed & Paid up :					
1,30,77,489 (Previous Year 1,27,11,263)Equity Shares of Rs 10/- each	1,307.75	1,271.13			
Add : Nil (Previous Year 7,27,489) Equity Shares issued	-	72.75			
Less : Nil (Previous Year 3,61,263) Shares extinguished on buy back	-	36.13			
	<u>1,307.75</u>	<u>1,307.75</u>			
TOTAL	<u>1,307.75</u>	<u>1,307.75</u>			
SCHEDULE 2- RESERVES & SURPLUS					
Capital Reserve					
Share warrants monies forfeited during the year.	194.00	194.00			
Share Premium Account					
Balance as per last Balance Sheet.	2,750.75	2,215.52			
Add : Premium received during the year	-	800.24			
Less: Amount paid in excess of face value on buy back.	-	265.01			
	<u>2,750.75</u>	<u>2,750.75</u>			
Capital Redemption Reserve Account					
Balance as per last Balance Sheet.	45.00	8.87			
Add : Transferred from Profit & Loss account.	-	36.13			
	<u>45.00</u>	<u>45.00</u>			
Special Reserve Fund					
Balance as per last Balance Sheet.	2,092.57	2,092.57			
Add : Transferred from Profit & Loss account.	522.34	2,614.91			
General Reserve					
Balance as per last Balance Sheet.	5,800.99	5,800.99			
Add : Transferred from Profit & Loss account.	500.00	-			
	<u>6300.99</u>	<u>5800.99</u>			
Employee Stock Options					
Employee Stock Options Outstanding.	66.93	-			
Less: Deferred Employee Compensation	50.88	16.05			
Balance in Profit & Loss Account	2,531.52	2,092.31			
TOTAL	<u>14,453.22</u>	<u>12,975.62</u>			
SCHEDULE 3 - SECURED LOANS					
Term Loans from Financial Institutions	-	1,200.00			
Loan from Corporate against pledge of shares	3,446.50	530.19			
Vehicle Loan A/c	7.40	33.24			
Working Capital Loans From Banks	6,249.97	1,651.29			
TOTAL	<u>9,703.87</u>	<u>3,414.72</u>			
SCHEDULE 4 - UNSECURED LOANS					
Inter Corporate Deposit	-	56.00			
TOTAL	<u>-</u>	<u>56.00</u>			

SCHEDULE 5 - FIXED ASSETS

(Rs in laacs)

Description of Assets	Gross Block (At Cost)				Depreciation				Net Block	
	As at 1st April 2010	ADDITIONS	DEDUCTIONS	As at 31st March, 2011	As at 31st March, 2010	For the Year	Deductions for the year	As at 31st March, 2011	As at 31st March, 2011	As at 31st March, 2010
I. OWN ASSETS										
Office Premises	128.18	0.00	-	128.18	80.73	2.46	-	83.19	44.99	47.45
Premises	106.21			106.21	46.75	2.65	-	49.40	56.81	59.46
Furniture & Fixtures	530.46	3.73	-	534.19	336.58	35.72	-	372.30	161.89	193.88
Air Conditioners	24.97		-	24.97	24.06	0.12	-	24.18	0.79	0.91
Office Equipment's	1,585.22	93.79		1,679.01	1,057.71	135.21	-	1,192.92	486.09	527.51
Vehicles	227.25	9.77	97.03	139.99	109.14	23.26	55.54	76.86	63.13	118.11
Leasehold Improvements	43.98	10.61		54.59	12.18	5.92	-	18.10	36.49	31.80
Total	2,646.27	117.90	97.03	2,667.14	1,667.15	205.34	55.54	1,816.95	850.18	979.12
Previous Year	2,639.36	128.93	122.02	2,646.27				1,667.15	979.12	

SCHEDULE 16 – SIGNIFICANT ACCOUNTING POLICIES.
1. Basis of Accounting

1. The accounts have been prepared on historical cost convention. The Company follows the accrual basis of accounting. The financial statements are prepared in accordance with the accounting standards specified in the Companies (Accounting Standards) Rules, 2006 notified by the Central Government, in terms of section 211 (3C) of the Companies Act, 1956.

2. Principles of Consolidation

(a) The consolidated financial statements relate to LKP Finance Ltd (formerly known as LKP Merchant Financing Limited ('the Company) and its Subsidiary Companies.

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

- The financial statements of The Company and its Subsidiary Companies have been combined on a line-by-line basis by adding together income and expenses, after fully eliminating intra-group balances and intra-group transactions.
- The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.
- The excess of cost to the company of its investments in the Subsidiary Companies is recognised in the financial statements as goodwill.
- No disclosure has been made for share of profit and share in net assets of the subsidiary, LKP Securities Ltd in respect of Minority interest (0.19% of the Subsidiary's Equity Capital).

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

Name of the Company	Country of Incorporation	% of voting power held as at 31st March, 2011.
1. LKP Securities Limited	India	99.81
2. Gayatri Cement & Chemical Industries Pvt Ltd	India	100.00

(c) Other Significant Accounting Policies

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

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

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

	2010-11	2009-10
Profit after Taxation (Rupees in Lacs)	2,628.73	2,341.61
Number of Shares Outstanding	1,30,77,489	1,30,77,489
	Rs. Ps.	Rs. Ps.
Earnings per shares (Basic)	20.10	17.91
Earnings per shares (Diluted)	18.90	17.91
Face Value of Share	10	10

5) As per the Accounting Standard 18, issued by the Institute of Chartered Accounts Of India, disclosures of transactions with the related parties as defined in the Accounting Standards are given below:

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

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

Name of the Related Party	Relationship
1. LKP Securities Ltd.	Subsidiary Company
2. Gayatri Cement & Chemical Industries Pvt Ltd	Subsidiary Company
3. Peak Plastonics Pvt. Ltd.	Director Interested
4. MKM Share & Stock Brokers Ltd.	Director Interested
5. Sea Glimpse Investments Pvt. Ltd.	Director Interested
6. Bhavna Holdings Pvt. Ltd.	Director Interested
7. M/s. L.K. Panday	Director Interested
8. Mr. M V Doshi	Key Managerial Personnel

(ii) Transaction with related parties.

	Subsidiary Company	Associate	Key Managerial Personnel	Total (Rs. in Lacs)
Rent income	10.32	–	–	10.32
Directors Remuneration	–	–	171.34	171.34

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

Capital	NIL
Reserves & Surplus	449.85
Total Assets	2825.28
Total Liabilities	2825.28
Details of Investments	235.86
Turnover	4723.44
Profit before taxation	41.81
Provision for taxation	16.22
Profit after taxation	27.35
Proposed Dividend	NIL

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	As at 31.3.2011	As at 31.3.2010
	Rs in Lacs	Rs in Lacs
A. Cash Flow From Operating Activities:		
Net Profit before interest & tax	2,648.90	3,158.80
Adjustments for:		
Depreciation	205.35	250.44
Interest Expenses	659.08	(782.87)
Balances written off	720.80	128.19
Employee Stock Compensation Expenses	16.05	-
Loss on sale of fixed assets	17.81	(256.46)
Dividend Received	(84.12)	(97.72)
Profit on sale of investments	(3,081.59)	(2,185.68)
	(1,546.62)	(2,944.10)
Operating Profit before Working Capital Changes	1,102.28	214.70
Adjustments for working capital changes	(8,203.33)	(1,422.68)
Cash Generated from operations	(7,101.05)	(1,207.98)
Interest paid	(659.08)	(782.87)
Direct taxes paid	(709.53)	(484.00)
Net cash from operating activities	(8,469.66)	(2,474.85)
B. Cash flow from investing activities		
Purchase of fixed assets	(117.90)	(128.93)
Sale of fixed assets	23.68	318.67
Purchase of Investments	(2,717.80)	(1,280.87)
Sale of Investments	8,415.70	3,377.47
Dividend received	84.12	97.72
Net cash used in investing activities	5,687.80	2,384.06
C. Cash flow from financing activities		
Buy Back of equity shares.	-	571.85
Increase in borrowings	6,233.15	(2,423.58)
Dividend paid	(1,071.00)	(1,024.07)
Net cash used in financing activities	5,162.15	(2,875.80)
Net increase in cash and cash equivalents	2,380.29	(2,966.59)
Cash and cash equivalents. (opening)	5,791.03	8,757.62
Cash and cash equivalents. (closing)	8,171.32	5,791.03

As per our Report attached

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

Executive Chairman **M. V. Doshi**
Director **V. N. Suchanti**
Director **P. M. Doshi**

A.D. Shenoy
Partner
Membership No 11549
Mumbai
Dated : 29th April, 2011.

Mumbai
Dated : 29th April, 2011

Important Communication to Members

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill their details in the table provided below and register the same with:

M/s. Adroit Corporate Services Private Limited (Unit: LKP Finance Limited)
 19, Jaferbhoy Industrial Estate, 1st Floor, Makawana Road, Marol Naka, Andheri (East), Mumbai 400 059

Or

Send by e. mail to: Mr. Surendra V. Gawade - surendrag@adroitcorporate.com / Mr. Pratap Y. Pujare - pratapp@adroitcorporate.com

REQUEST TO COMPANY FOR SERVICE OF DOCUMENT THROUGH ELECTRONIC MODE

Name and Address	Folio No. /DP/ID No.	e-mail ID.	Signature



LKP Finance Limited

Registered Office : 203, Embassy Centre, Nariman Point, Mumbai - 400 021.

ATTENDANCE SLIP

27th Annual General Meeting on Friday, 10th June, 2011

R/F No.

DP/ID NO.

Mr./Mrs./Miss.....

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the 27th Annual General Meeting of the Company held at M. C. Ghia Hall, Hargovindas Building, 18/20, Kaikhuskru Dubash Marg, Mumbai - 400 001, at 10.30 a. m. on Friday, 10th June 2011

.....
 Proxy's Name in Block Letters

.....
 Member's/Proxy's Signature

NOTES :

1. This Meeting is of Members only and you are requested not to bring with you any person who is not a Member.
2. Shareholders/Proxy holders are requested to bring the attendance slips with them when they come to the Meeting and hand over at the entrance after affixing their signature on them.
3. Shareholders are requested to bring their copy of the Annual Report alongwith them to the Annual General Meeting, as copies of the Report will not be distributed again at the Meeting, in view of the increasing cost of the Annual Report.
4. If it is intended to appoint a proxy, the Form of Proxy should be completed and deposited at the Registered Office of the Company at least 48 hours before the Meeting.



LKP Finance Limited

Registered Office : 203, Embassy Centre, Nariman Point, Mumbai - 400 021.

PROXY

R/F No.

DP/ID NO.

I/We.....of.....
in the district of..... being a
 member/members of LKP Finance Ltd. hereby appoint.....
of.....
in the district of.....or failing him
of.....
in the district of..... as my/our

Proxy to vote for me/us on my/our behalf at the 27th Annual General Meeting of the Company to be held on Friday, 10th June 2011 and at any adjournment thereof.

As witness my hand this day of.....2011.

Signed

Affix 1 Re.
 Revenue
 Stamp

BOOK-POST



If undelivered, please return to :

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