



LKP FINANCE LIMITED

CIN: L65990MH1984PLC032831

Regd. Office : 203, Embassy Centre, Nariman Point, Mumbai – 400 021.

Tel: 91-22-40024785 / 86 Fax: 91-22-22874787

E. Mail: lkpfinvestor.relations@lkpsec.com Website: www.lkpsec.com

POSTAL BALLOT NOTICE

(Pursuant to Section 110 of the Companies Act, 2013)

Dear Shareholders

Notice is hereby given pursuant to Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 for seeking the consent of the Members for the proposed resolution appended below to be passed through Postal Ballot. The Explanatory Statement pertaining to the said Resolutions setting out the material facts and the reasons thereof is annexed hereto along with the Postal Ballot Form.

Resolution No. 1 : Alteration of Articles of Association

To consider and if thought fit, to give ASSENT / DISSENT to the following resolutions as a Special Resolution:

“RESOLVED THAT, pursuant to the provision of Section 14 and other applicable provisions, if any of the Companies Act, 2013 including any statutory modifications or re-enactments thereof for the time being in force, and subject to approvals, permissions and sanctions from the appropriate authority, if any, the Articles of Association of the Company be and are hereby altered in the manner set out herein below:

- i) The following Article be inserted as Article No. 76A after existing Article No. 76
“76A. Electronic Voting.
A member may exercise his vote at a meeting by electronic means in accordance with section 108 of the Companies Act 2013 and shall vote only once.”
- ii) The following Article be inserted as Article No. 97A after existing Article No. 97
“97A. Participation through Electronic Mode – Board Meeting.

Notwithstanding anything contained in article 97, the Director(s) of the Company may participate in the Meetings of the Board through Video Conference facility and / or any other permissible electronic or communication facility. Provided that such participation by the Director(s) at Meeting(s) of the Board through Video Conference facility and/or use of any other permissible electronic or communication facilities shall be subject to the Rules, Guidelines and permission issued / laid down by the Regulatory / Statutory Authorities in this regard from time to time and meeting(s) so conducted and attended by the Directors in the prescribed manner shall be deemed to have been conducted and attended as if the same has been at a duly convened meeting of the Board.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take all the requisite, incidental, consequential and necessary steps to implement the forgoing resolution and to do and perform all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, desirable or appropriate in the best interest of the Company, to settle any question, query, doubt or difficulty that may arise in this regard, and to execute/publish all such notices, applications, deeds, agreements, documents, papers, undertakings/bonds and writings as may be necessary and required for giving effect to this resolution.”

Resolution No. 2: Authorization to the Board of Directors for mortgaging and/or creating charge on all or any of the movable or immovable assets and / or immovable property of the Company for securing borrowings for the purpose of the Company.

To consider and if thought fit, to give ASSENT / DISSENT to the following resolutions as a Special Resolution:

“RESOLVED THAT in supersession of resolution passed by the shareholders in its Annual General Meeting held on 1st August, 1991 and pursuant to the provisions of Section 180(1) (a) of the Companies Act, 2013 read with relevant rules (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the provisions of the Articles of Association of the Company, consent of the Company be and is hereby accorded in favour of the Board of Directors of the Company for mortgaging and/or charging of all or any of the movable and/or immovable properties of the company, both present and future, or the whole or substantially the whole of the undertaking or the undertakings of the company for securing the borrowing on bonds or on term loans or in any other manner in the Indian Currency and in any Foreign Currency for the purpose of the business of the Company;

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do or cause to be done all such acts, deeds and other things as may be required or considered necessary or incidental thereto for giving effect to this resolution.”

Resolution No. 3: Approval of Employee Stock Option Plan 2014 of the Company.

To consider and if thought fit, to give ASSENT / DISSENT to the following resolutions as a Special Resolution:

“RESOLVED that pursuant to the provisions of Section 62 and all other applicable provisions of the Companies Act, 2013 (“the Act”) and the provisions contained in the Securities And Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (including any statutory modification(s) or re-enactment of the Act or the Regulations, for the time being in force) and other applicable provisions of law and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the board of directors of the Company (hereinafter referred to as “the board” which term shall be deemed to include the Compensation Committee of the board which has been authorised to exercise the power conferred by this resolution), consent of the members be and is hereby accorded to the board to create, offer, issue and allot at any time to or for the benefit of such person(s) who are in permanent employment of the Company, including directors

of the Company, whether working in India or out of India under a scheme titled "Employee Stock Option Plan 2014" (hereinafter referred to as the "ESOP" or "scheme" or "plan") such number of equity options and/or equity linked instruments (including options), (hereinafter collectively referred to as "securities") of the Company which could give rise to the issue of equity shares not exceeding 7,75,000 (Seven Lakhs Seventy Five Thousand) equity shares of Rs. 10/- each at such price, in one or more tranches and on such terms and conditions, as may be fixed or determined by the board in accordance with the applicable provisions of the law as may be prevailing at that time.

RESOLVED FURTHER that the said Securities may be allotted directly to such employees/directors or in accordance with a scheme framed in that behalf and that the scheme may also envisage for providing any financial assistance to the employee to acquire, purchase or subscribe to the securities of the Company.

RESOLVED FURTHER that the limits for the maximum number of stock options that can be granted to employees or directors in any financial year and in aggregate shall be 4,10,000 (Four Lakh Ten Thousands) per person.

RESOLVED FURTHER that the new equity shares to be issued and allotted by the Company in the manner aforesaid shall stand *pari passu* in all respects with the then existing equity shares of the Company and be listed with the Stock Exchange(s) where the existing security of the Company is listed.

RESOLVED FURTHER that "Employee Stock Option Plan 2014" be and is hereby approved and that the same be implemented under the supervision of Compensation Committee constituted for the purpose by the Board of Directors of the Company.

RESOLVED FURTHER that for the purpose of giving effect to any creation, offer, issue, allotment or listing of securities, the board be and is hereby authorized on behalf of the Company to evolve, decide upon and bring in to effect the scheme and make any modifications, changes, variations, alterations or revisions in the said scheme from time to time or to suspend, withdraw or revive the scheme from time to time as may be specified by any statutory authority and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the board to secure any further consent or approval of the members of the Company."

Resolution No. 4: Approval of grant of options under Employee Stock Option Plan 2014 to eligible employees of the Subsidiary Company.

To consider and if thought fit, to give ASSENT / DISSENT to the following resolutions as a Special Resolution:

"RESOLVED that pursuant to the provisions of Section 62 and all other applicable provisions of the Companies Act, 2013 ("the Act") and the provisions contained in the Securities And Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (including any statutory modification(s) or re-enactment of the Act or the Regulations, for the time being in force) and other applicable provisions of law and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the board of directors of the Company (hereinafter referred to as "the board" which term shall be deemed to include the Compensation Committee of the board which has been authorised to exercise the power conferred by this resolution), consent of the members be and is hereby accorded to the board to extend the benefits of Employees Stock Option Plan 2014 proposed in the resolution under Item 3 in this notice, to the eligible employees / directors of the subsidiary Company, as may from time to time be allowed under prevailing laws, rules and regulations, and/or amendments thereto from time to time, on such terms and conditions as may be decided by the board.

RESOLVED FURTHER that for the purpose of giving effect to any creation, offer, issue, allotment or listing of securities, the board be and is hereby authorized on behalf of the Company to evolve, decide upon and bring in to effect the scheme and make any modifications, changes, variations, alterations or revisions in the said scheme from time to time or to suspend, withdraw or revive the scheme from time to time as may be specified by any statutory authority and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any questions, difficulties, or doubts that may arise in this regard without requiring the board to secure any further consent or approval of the members of the Company."

Resolution No. 5: Approval of grant of options under Employee Stock Option Plan 2014 to Identified Eligible Employee.

To consider and if thought fit, to give ASSENT / DISSENT to the following resolutions as a Special Resolution:

"RESOLVED that pursuant to the provisions of Section 62 and all other applicable provisions of the Companies Act, 2013 ("the Act") and the provisions contained in Securities And Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (including any statutory modification(s) or re-enactment of the Act or the Regulations, for the time being in force) and other applicable provisions of law and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the board of directors of the Company (hereinafter referred to as "the board" which term shall be deemed to include the Compensation Committee of the board which has been authorised to exercise the power conferred by this resolution), consent of the members be and is hereby accorded to the board for grant of options under Employees Stock Option Plan 2014 proposed in the resolution under Item 3 in this notice to Mr. Anish Unadkat, who is a Identified Employee in term of Rule 12(4)(b) of Companies (Share Capital and Debentures) Rules, 2014, such number of equity options and / or equity linked instruments (including options), (hereinafter collectively referred to as "securities") of the Company which could give rise to the issue of equity shares not exceeding 4,10,000 (Four Lakhs Ten Thousand) equity shares at such price, in one or more tranches and on such terms and conditions, as may be fixed or determined by the board in accordance with the applicable provisions of the law as may be prevailing at that time.

RESOLVED FURTHER that for the purpose of giving effect to any creation, offer, issue, allotment or listing of securities, the board be and is hereby authorized on behalf of the Company to evolve, decide upon and bring in to effect the scheme and make any modifications, changes, variations, alterations or revisions in the said scheme from time to time or to suspend, withdraw or revive the scheme from time to time as may be specified by any statutory authority and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any questions, difficulties, or doubts that may arise in this regard without requiring the board to secure any further consent or approval of the members of the Company."

Resolution No. 6: Approval of grant of options under Employee Stock Option Plan 2014 to Identified Eligible Employee.

To consider and if thought fit, to give ASSENT / DISSENT to the following resolutions as a Special Resolution:

"RESOLVED that pursuant to the provisions of Section 62 and all other applicable provisions of the Companies Act, 2013 ("the Act") and the provisions contained in the Securities And Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (including any statutory modification(s) or re-enactment of the Act or the Regulations, for the time being in force) and other applicable provisions of law and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the board of directors of the Company (hereinafter referred to as "the board" which term shall be deemed to include the Compensation Committee of the board which has been authorised to exercise the power conferred by this resolution), consent of the members be and is hereby accorded to the board for grant of options under Employees Stock Option Plan 2014 proposed in the resolution under Item 3 in this notice to Mr. Keval Bhanushali, who is a Identified Employee in term of Rule 12(4)(b) of Companies (Share Capital and Debentures) Rules, 2014, such number of equity options and / or equity linked instruments (including options), (hereinafter collectively referred to as "securities") of the Company which could give rise to the issue of equity shares not exceeding 2,00,000 (Two Lakhs) equity shares at such price, in one or more tranches and on such terms and conditions, as may be fixed or determined by the board in accordance with the applicable provisions of the law as may be prevailing at that time.

RESOLVED FURTHER that for the purpose of giving effect to any creation, offer, issue, allotment or listing of securities, the board be and is hereby authorized on behalf of the Company to evolve, decide upon and bring in to effect the scheme and make any modifications, changes, variations, alterations or revisions in the said scheme from time to time or to suspend, withdraw or revive the scheme from time to time as may be specified by any statutory authority and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any questions, difficulties, or doubts that may arise in this regard without requiring the board to secure any further consent or approval of the members of the Company."

By the order of the Board of Directors
LKP FINANCE LIMITED

Place: Mumbai
Date: 4th November, 2014

Girish Innani
General Manager (Legal) & Company Secretary

NOTES:

- 1) An explanatory statement setting out the material facts and reasons for the proposed Special Resolutions pursuant to Section 102 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 is annexed hereto.
- 2) All the documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company on all working days (except Saturdays, Sundays and bank holidays) between 10:00 a.m. to 1:00 p.m. up to the date of declaration of the result of Postal Ballot.
- 3) The Board of Directors has appointed Mr. Nishant Jawasa, Practicing Company Secretary, proprietor of Nishant Jawasa and Associates as the Scrutinizer for conducting the Postal Ballot voting and E. voting process in accordance with the law in a fair and transparent manner.
- 4) The shareholders are requested to carefully read the instructions printed in the attached Postal Ballot Form. The Postal Ballot Form, duly completed and signed should be returned in the enclosed self addressed postage prepaid envelope directly to the Scrutinizer so as to reach the Scrutinizer before the close of working hours on or before **30th December, 2014**. Any Postal Ballot Form received after such date shall be treated as if the reply from the shareholders has not been received.
- 5) Shareholders are requested not to send any other paper along with the Postal Ballot Form in the enclosed self addressed business reply envelope, as all such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer and the Company would not be able to act on the same.
- 6) In compliance with the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, the Company has also extended **e-voting facility** as an alternate, for its Members to enable them to cast their votes electronically instead of dispatching Postal Ballot Form through post.
- 7) As a matter of Green initiative, shareholders, who have registered their e-mail IDs for receipt of documents in electronic mode, are being sent Notice of Postal Ballot by e-mail and Shareholders who have not registered their e-mail IDs, will receive Notice of Postal Ballot along with Postal ballot Form physically. Shareholders who have received Postal Ballot Notice by e-mail and who wish to vote through Physical Postal Ballot Form, can download Postal Ballot Form through the website of the Company or seek duplicate Postal Ballot Form from Company Secretary, LKP Finance Limited., 112 A, Embassy Centre, Nariman Point, Mumbai 400 021, fill in the details and send the same to the Scrutinizer.
- 8) The Scrutinizer will submit the report to the Chairman of the Company after completion of scrutiny of the Postal Ballot Forms and e.voting.
- 9.) The results of the Postal Ballot and e-voting will be announced by the Chairman of the Company or by the Executive Chairman or any other Director on 2nd January, 2015 and will also be informed to the Stock Exchange and hosted on the Company's website www.lkpsec.com

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on December 01, 2014 at 9.00 a.m. and ends on December 30, 2014 at 6.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 27th November 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

- iv. **Maximum Period within which the options shall be vested**
The Maximum period of vesting shall be 3 years from the date of grant of option(s).
- v. **Exercise Price**
The exercise price for the purpose of the grant of options will be computed at a discount upto 5 % on the average of the closing price of the Company's shares, in the highest traded stock exchange, during the last 15 days preceding the date of grant of options.
- vi. **Exercise period and the process of Exercise**
The exercise period shall be 5 years from the date of vesting, within which the options vested in any eligible employee have to be exercised.
The option shall be deemed to be exercised when the Company receives in writing notice of exercise in the prescribed form from the person entitled to exercise the option. The vested options will lapse if not exercised within the specified exercise period.
- vii. **Appraisal process for determining the eligibility of the employee to ESOP**
The appraisal process for determining the eligibility of the employee will be determined by the compensation committee, and will be based on criteria such as the seniority of the employee, length of service, performance record, merit of the employee, future potential contribution of the employee and / or any such other criteria that may be determined by the compensation committee at its sole discretion.
- viii. **Maximum number of options/shares to be issued per employee/director and in aggregate**
The maximum number of options granted to an employee / director shall not be more than 4,10,000 in a year and in aggregate.
- ix. **Disclosure and Accounting Policies**
The Company shall comply with the disclosures and shall conform to the accounting policies specified in under Regulation 15 of Securities And Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
- x. **Method of option valuation**
To calculate the stock-based remuneration, the Company shall use the Intrinsic Value method for valuation of options granted. The difference between the employee remuneration cost so computed and the cost that shall have been recognized if it had used the fair value of the options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on EPS of the Company shall also be disclosed in the Directors' Report.
- xi. **Taxes / Levies**
Liability of paying taxes as may be imposed / levied on the Options granted to ESOP- 2014 shall be entirely on the option holder.
- xii. **Lock in period, if any:** Nil
- xiii. The conditions under which option vested in employees may lapse e.g. in case of termination of employment for misconduct: In case of termination of employment for misconduct Options (Vested as well as Unvested) shall stand automatically forfeited on the termination date.
- xiv. The Company shall comply with the applicable accounting standards as prescribed under Regulation 15 of Securities And Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 .

As the scheme will entail further shares to be offered to persons other than existing shareholders of the Company, consent of the members is sought pursuant to the provisions of Section 62 and all other applicable provisions, if any, of the Act, and as per the requirement of Securities And Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

As per the Rule 12(4) of Companies (Share Capital and Debentures) Rules, 2014, a separate Resolution is required to be passed if :-

- i) Grant of option to employees of Subsidiary, and
- ii) Grant of option to identified employees, during any one year, equal to or exceeding 1% of the issued capital of the Company at the time of grant of option.

Therefore the separate resolutions under item no. 4, 5 and 6 are being proposed accordingly to cover those employees, and/or such other persons as may be permitted from time to time, under prevailing laws, rules and regulations, and/or amendments thereto from time to time.

The Board of Directors of the Company has approved the above proposal and recommends the passing of the proposed Special Resolution by Members of the Company as contained in the Notice of the Postal Ballot.

The Directors or Key Managerial Persons or their relatives do not have any concern or interest, financial or otherwise, in passing of the said Resolution except to the extent of the securities that may be offered to them under the Plan.

By the order of the Board of Directors
LKP FINANCE LIMITED

Place: Mumbai
Date: 4th November, 2014

Girish Innani
General Manager (Legal) & Company Secretary

- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xvi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

EXPLANATORY STATEMENT
(Pursuant to section 102 of the Companies Act, 2013)

Resolution No: 1

- i) **Article No. 76A:** Section 108 of Companies Act, 2013 provides that a member may exercise his vote through electronic means. In order to provide such facility to the members of your Company, the new article is being inserted in Articles of Association of your Company.
- ii) **Article No. 97A:** Section 173 of Companies Act, 2013 and rules made thereunder have recognized the video conferencing and other audio visual means as mode of participation in the Board Meeting. The rules further provides that the notice to the directors regarding meeting of Board of Directors should provide the option of attending the meeting through video conferencing and other audio visual means. In order to recognize such mode of attending the meeting of Board, the new article is being inserted in Articles of Association of your Company to enable such means for attending the board meeting by directors of your Company.

The Board of Directors of the Company has approved the above proposal and recommends the passing of the proposed Special Resolution by Members of the Company as contained in the Notice of the Postal Ballot.

The Directors or Key Managerial Persons or their relatives do not have any concern or interest, financial or otherwise, in passing of the said Resolution except to the extent of their shareholding in the Company.

Resolution No: 2

The Shareholders of the Company in its Annual General Meeting held on 1st August, 1991 had given their consent for mortgaging properties / assets of the company by passing an ordinary resolution. As per the requirements of Section 180(1) (a) of the Companies Act, 2013, rules made there under and any other statutory and procedural formalities to be complied with in this regard, the Board of Directors of the Company, except with the consent of Shareholders of the Company by passing a Special Resolution, shall not create mortgage and/or charge on all or any of the immovable and/or movable properties of the Company, both present and future, or otherwise.

The operations of the Company have increased substantially and in order to meet the growing funds requirement of the Company, funds are required to be raised by creation of security on the immovable/movable properties of the Company.

Therefore, it is proposed to authorize the Board of Directors of the Company to mortgage/create charge on immovable and/or movable properties of the Company, both present and future, or to sell, lease or other vice dispose off the whole or substantially the whole of the undertaking or the undertakings of the company for securing the borrowing on bonds or on term loans or in any other manner in the Indian Currency and in any Foreign currency for the purpose of the business of the Company as per the requirements of Section 180(1) (a) of the Companies Act, 2013, Rules made thereunder and any other statutory and procedural formalities to be complied with in this regard.

The Board of Directors of the Company has approved the above proposal and recommends the passing of the proposed Special Resolution by Members of the Company as contained in the Notice of the Postal Ballot.

The Directors or Key Managerial Persons or their relatives do not have any concern or interest, financial or otherwise, in passing of the said Resolution except to the extent of their shareholding in the Company.

Resolution No: 3, 4, 5 and 6

With a view to motivating the employees of the Company and its subsidiary (LKP Securities Limited) by rewarding performance, retaining best talents and to enable them to participate in the future growth and financial success of the Company, the Board has considered it prudent to introduce "Employee Stock Option Plan 2014" (herein after referred as the "ESOP-2014" or "Plan"). The Scheme has been formulated in accordance with the Securities And Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The Compensation Committee was constituted with majority of independent directors for administration of the Scheme.

The salient features of the "ESOP-2014" or "Plan" are as follows.

- i. **Total number of options to be granted:**
The Compensation Committee shall grant up to 7,75,000 (Seven Lakhs Seventy Five Thousand) options under the Scheme to the eligible employees and directors of the Company including those of its subsidiary. Each option (after it is vested) will be exercisable for one equity share of Rs. 10/- each fully paid up on payment of the exercise price to the Company in term of the scheme.
- ii. **Identification of the class of employees entitled for ESOP**
All permanent employees of the Company and its subsidiary as defined in the Securities And Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (including any statutory modifications or re-enactments of the acts or the guidelines for the time being in force), and as may decided by the Compensation Committee from time to time.
Employees may be granted Stock Options based on performance and such other criteria as the Compensation Committee may, in its absolute discretion decide. The options granted to an employee will not be sold, transferable, assigned, mortgaged, pledged or otherwise alienated in any manner other than as set out in the scheme.
- iii. **Requirement of vesting and period of vesting**
The Compensation Committee shall decide the manner and period of vesting of options at the time of grant, with minimum vesting period of 1 year.



LKP FINANCE LIMITED

CIN: L65990MH1984PLC032831

Regd. Office : 203, Embassy Centre, Nariman Point, Mumbai – 400 021.

Tel: 91-22-40024785 / 86 Fax: 91-22-22874787

E. Mail: lkpfininvestor.relations@lkpsec.com Website: www.lkpsec.com

POSTAL BALLOT FORM

(1) Name & Registered Address of :
the sole/first named Member
(In Block Letters)

(2) Name(s) of the joint Member(s), :
(if any) (In Block Letters)

(3) Registered Folio No. / :
DP ID / Client ID No.*:
*(Applicable to investors holding
shares in dematerialised form)

(4) Number of Shares held :

(5) I/We hereby exercise my/our vote in respect of the Special Resolutions to be passed through postal ballot for the business stated in the accompanying Postal Ballot Notice dated November 04, 2014 by sending my/our assent or dissent to the said resolutions by placing the tick (✓) mark at the appropriate box below:

Description	No. of Shares	I/We assent to the Resolution	I/We dissent to the Resolution
1. Special Resolution pursuant to the provision of Section 14 and other applicable provisions of the Companies Act, 2013 for Alteration of Articles of Association.			
2. Special Resolution pursuant to the provisions of Section 180(1) (a) of the Companies Act, 2013, authorization to the Board of Directors for mortgaging and/or creating charge on all or any of the movable or immovable assets and / or immovable property of the Company for securing borrowings for the purpose of the Company.			
3. Special Resolution pursuant to the provisions of Section 62 Companies Act, 2013 for Approval of Employee Stock Option Plan 2014 of the Company.			
4. Special Resolution pursuant to the provisions of Section 62 Companies Act, 2013 for Approval of grant of options under Employee Stock Option Plan 2014 to eligible employees of the Subsidiary Company.			
5. Special Resolution pursuant to the provisions of Section 62 Companies Act, 2013 for Approval of grant of options under Employee Stock Option Plan 2014 to Mr. Anish Unadkat, Identified Eligible Employee.			
6. Special Resolution pursuant to the provisions of Section 62 Companies Act, 2013 for Approval of grant of options under Employee Stock Option Plan 2014 to Mr. Keval Bhanushali, Identified Eligible Employee.			

Place :

Date :

Signature of the Shareholder/ Beneficial owner

ELECTRONIC VOTING PARTICULARS

EVEN (E. Voting Event No.)	User ID	Password

Note : Please read the instructions printed overleaf carefully before exercising your vote.

Last date for receipt of Postal Ballot Forms by Scrutinizer is Tuesday, 30th December, 2014.

GENERAL INSTRUCTIONS

1. The voting rights for the Equity Shares are one vote per Equity Share, registered in the name of the Shareholders/Beneficial Owners.
2. Voting by Postal Ballot, in the physical form or e-voting, can be exercised only by the Shareholder or his/her duly constituted attorney or in case of bodies corporate, the duly authorised person. Voting rights in a Postal Ballot cannot be exercised by a Proxy.
3. Voting period commences on and from **1st December, 2014 and ends on 30th December, 2014**.
4. The result of the voting on the Resolution will be declared at the Registered Office of the Company at 203, Embassy Centre, Nariman Point, Mumbai 400 021 on **2nd January, 2015** at 5.30 PM onwards.
5. Members can opt for only one mode of voting, i.e., either by Physical Ballot or e-voting. If you are opting for e-voting, then do not vote by Physical Ballot also and vice versa. However, in case Members cast their vote by Physical Ballot and e-voting, then voting done through valid Physical Ballot shall prevail and voting done by e-voting will be treated as invalid.
6. The Scrutinizer's decision on the validity of the Postal Ballot shall be final.

Any query in relation to the Resolutions proposed to be passed by Postal Ballot may be sent to: General Manager (Legal) and Company Secretary, LKP Finance Ltd., 203, Embassy Centre, Nariman Point, Mumbai 400021 or email girish_inani@lkpsec.com

INSTRUCTIONS FOR VOTING BY PHYSICAL POSTAL BALLOT FORM

1. A Shareholder desirous of exercising vote by physical Postal Ballot should complete the Postal Ballot Form in all respects and send it after signature to the Scrutinizer in the attached self-addressed postal pre-paid envelope which shall be properly sealed. However, envelopes containing Postal Ballot Form, if sent by courier, at the expense of the Member will also be accepted. Members are requested to convey their assent or dissent in this Postal Ballot Form only. The assent or dissent received in any other form or manner shall be considered as invalid.
2. The self addressed envelope bears the address of the scrutinizer appointed by the board of directors of the company.
3. There will be only one postal ballot form for every folio/client ID.
4. The Postal Ballot Form should be signed by the Shareholder as per specimen signature registered with the Registrar/Depository. In case the Equity Shares are jointly held, this Form should be completed and signed (as per specimen signature registered with Registrar/Depository) by the first named Member and in his/her absence, by the next named Member. Holders of Power of Attorney (POA) on behalf of the Members may vote on the Postal Ballot mentioning the registration number of the POA or enclosing an attested copy of the POA. In case of shares held by companies, trusts, societies etc., the duly completed postal ballot form should be accompanied by a certified true copy of their board resolution/authority. Unsigned Postal Ballot Forms will be rejected.
5. Duly completed postal ballot form should reach the company before closing of the business hours on 5.30 p.m. on **30th December, 2014**. Postal ballot form received after this date will be strictly treated as not received.
6. The Notice will be despatched to all the Members by post (and electronically by e-mail to those members who have registered their E-mail IDs with the Company), whose name appear in the Register of Members / Record of Depositories as on Thursday, the **27th November, 2014**.
7. The vote should be cast either in favour or against the resolution(s) by putting the tick[] mark in the column provided for assent or dissent. A member need not use all his votes nor does he need to cast all his votes in the same way. If a member desire to cast only a part of his/her/its votes or cast part of them in favour and part of them against the resolution, the number of shares in respect of which votes are cast should be mentioned in the respective columns, in the absence of which, all the votes shall be deemed to have been cast as per the tick mark placed by the member.