

# **21<sup>st</sup>**

## **Annual Report**

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**PETROCHEMICALS LIMITED**

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**(AN ISO 9001:2000 COMPANY)**

**2013 - 2014**

## BOARD OF DIRECTORS

Shri Sandeep Seth

Shri Jaideep Seth

Shri Rajesh Sharma

Shri Naresh N. Chhabria

Mrs. Anisha Seth

Managing Director

Director

Director

Director

Whole Time Director

## AUDITORS

S.M. Kapoor & C0.

## COMPANY SECRETARY

Mr. S. R. Narayanan

## BANKERS

Indian Overseas Bank

HDFC Bank Ltd

Axis Bank Ltd

## CORPORATE OFFICE

10 Luthra Industrial Premises

Ground Floor, Andheri Kurla Road

Safed Pool, Mumbai 400072

## REGISTERED OFFICE

Shed No.C1B/316, GIDC Panoli, Tal Ankleshwar

Dist. Bharuch, Gujarat Pin.394116

CIN No.: L99999GJ1992PLC018626

## REGISTRARS & TRANSFER AGENTS

Big Share Services Pvt. Ltd

E-2 Ansa Industrial Estate

Saki Vihar Road, Saki Naka

Andheri (East) Mumbai 400072.

Tel: 28470652/28475207

**NOTICE**

**NOTICE** is hereby given that the Twenty first Annual General Meeting of the Members of **LAFFANS PETROCHEMICALS LIMITED** will be held on Friday, 26<sup>th</sup> day of September, 2014 at 12.30 p.m. at Shalimar Hotel, Ankleshwar, Bharuch, Gujarat to transact the following business:

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2014, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Jaideep Seth, who retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.
3. To appoint Auditors of the Company and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution  
**“RESOLVED THAT** M/s. S. M. Kapoor & Co., Chartered Accountants, Mumbai [ICA Registration No. 104809W] be and are hereby reappointed as auditors of the Company to hold office from the conclusion of this annual general meeting till the conclusion of Twenty Fourth annual general meeting of the Company on such remuneration as may be fixed in this behalf by the Board of Directors of the Company.”

**SPECIAL BUSINESS:**

4. To appoint Mr. Rajesh Sharma (DIN:02516921) as an Independent Director and in this regard to consider and, if thought fit, to pass, with or without modification the following resolution as an ordinary Resolution:  
**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Rajesh Sharma (DIN:02516921), who was appointed as an Independent Director pursuant to the provisions of Listing Agreement, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to March 31, 2019.”
5. To appoint Mr. Naresh Naraindas Chhabria (DIN:03463187) as an Independent Director and in this regard to consider and, if thought fit, to pass, with or without modification as an Independent Director the following resolution as an ordinary Resolution:  
**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Naresh Naraindas Chhabria (DIN:03463187), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to March 31, 2019.”
6. To appoint Mrs. Anisha Seth (DIN:06867960) as Woman Director as required by Sebi and in this regard to consider and, if thought fit, to pass, with or without modification the following resolution as an Ordinary Resolution:  
**“RESOLVED THAT** appoint Mrs. Anisha Seth (DIN:06867960) in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director liable to retire by rotation.”
7. To appoint Mrs. Anisha Seth (DIN:06867960) as an Whole-time Director and in this regard to consider and, if thought fit, to pass, with or without modification the following resolution as an Ordinary Resolution:  
**“RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and

all other applicable provisions of Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) approval of the Company be and is hereby accorded to appointment of Mrs. Anisha Seth (DIN:06867960) as Whole-Time Director of the Company, for a period of 5 (Five) years with effect from 1<sup>st</sup> July, 2014 on the terms and conditions including remuneration as set out in the statement annexed to the Notice convening this meeting, with the liberty to the Board of directors (herein after referred to as 'Board' which term shall be deemed to include the Human Resource, Nomination and Remuneration Committee of the Board) to alter and vary terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Mrs. Anisha Seth, subject to the same not exceeding the limits specified in Schedule V to the Companies Act, 2013 or any statutory modification(s) or enactment thereof.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**By Order of the Board of Directors**

**Place: Mumbai**  
**Dated: 29<sup>th</sup> May, 2014**

**Sandeep Seth**  
**Managing Director.**  
**DIN: 00316075**

**Regd. Office:**

Shed No. C1B/316, GIDC Panoli,  
Tal. Ankleshwar, Dist, Bharuch,  
Gujarat- 394116.

**NOTES:**

- 1 A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not be a Member of the Company.
2. A proxies in order to be effective must be deposited at the registered office of the Company not less than 48 hours before the meeting. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder
3. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business to be transacted at the meeting as set out above is annexed hereto and forms part of the Notice.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, 16<sup>th</sup> day of September, 2014 to Friday, 26<sup>th</sup> day of September, 2014 (both days inclusive).
5. Share holders seeking any information with regard to accounts are requested to write to the Company early so as to enable the management to keep the information ready.
6. **Voting through electronic means**

In Compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote at the 21<sup>st</sup> Annual General Meeting (AGM) by electronic means and the items of business as detailed in this Notice may be transacted through e-voting services provided by the Central Depository Services Limited (CDSL). E-voting detailed instructions form is attached.

Notice of the 21<sup>st</sup> Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes through electronic mode unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Notice of the 21<sup>st</sup> Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting is being sent through the permitted mode.

The instructions for e-voting are as under:

1. Use the following URL for e-voting: [www.evotingindia.com](http://www.evotingindia.com)
2. Enter the login credentials i.e., user id and password mentioned below:  
 User – ID For Members holding shares in Demat Form:-
  - a) For NSDL :- 8 Character DP ID followed by 8 Digits Client ID
  - b) For CDSL :- 16 digits beneficiary ID
 For Members holding shares in Physical Form:-
  - Event no. followed by Folio Number registered with the company
 Password As e-mailed. In case of shareholders who have not registered their e-mail addresses, their Password has been communicated in the physical ballot form sent to them.  
 First time shareholders can login to the e-Voting system using their user-id (i.e. demat account number / folio number), PAN and Date of Birth (DOB) or Bank account number mentioned for the said demat account or folio. Physical shareholders will have to login with the Folio number, PAN and either DOB or Dividend Bank details for every voting.  
 Captcha Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.
3. After entering the details appropriately, click on LOGIN.
4. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (az), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, email etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
5. You need to login again with the new credentials.
6. On successful login, the system will prompt you to select the EVENT i.e., LAFFANS PETROCHEMICALS LIMITED.
7. On the voting page, the number of shares as held by the shareholder as on the Cut-off Date will appear. If you desire to cast all the votes assenting/dissenting to the Resolution then enter all shares and click “FOR” / “AGAINST” as the case may be. You are not required to cast all your votes in the same manner. You may partially enter any number in “FOR” and partially in “AGAINST” but the total number in “FOR/ AGAINST” taken together should not exceed your total shareholding as mentioned hereinabove. You may also choose the option “ABSTAIN” in case you wish to abstain from voting. If you do not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.
8. Shareholders holding multiple folios/demat account shall choose the voting process separately for each folios/demat account.
9. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the resolution.
10. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through e-mail at [rnshah1954@yahoo.com](mailto:rnshah1954@yahoo.com)
11. Once you have cast your vote on a resolution you will not be allowed to modify it subsequently.

12. The e-voting portal will be open for voting from Friday, September 19, 2014 (9.00 a.m. IST) to Saturday, September 20, 2014 (6.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on September 16, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
13. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on September 16, 2014.
14. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <https://evoting.cdsl.com> or contact Ms. Rutika of Big Share Services Pvt. Ltd. at 022 28470652 or at 022 28475207.
15. It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
16. The results of e-voting will be placed by the Company on its website: [www.laffanspetrochemical.com](http://www.laffanspetrochemical.com) in within two days of the AGM and also communicated to the stock exchanges, where the shares of the Company are listed.
17. The resolutions proposed will be deemed to have been passed on the date of the AGM subject to receipt of the requisite number of votes in favour of the resolutions.
18. Mr. Rajnikant N. Shah, Practicing Company Secretary, (Membership No. FCS 1629) has been appointed as the Scrutiniser to scrutinise the e-voting process.
7. In terms of Clause 35 B of the Listing Agreement, those members, who do not have access to e-voting facility, may send their assent or dissent in writing on the Ballot Form sent along with this AGM Notice so as to reach the Scrutinizer at the address- Mr. Rajnikant N. Shah, Practicing Company Secretary, (Membership No. FCS 1629), C/o Big Share Services Pvt. Ltd., Unit : Laffans Petrochemicals Limited, E-2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai – 400 072 on or before September 19, 2014. Any Ballot Form received after this date will be treated as if the reply from the member has not been received.
8. All the documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Company's Registered Office at Shed No. C1B/316, GIDC Panoli, Tal. Ankleshwar, Dist. Bharuch, Gujarat – 394 116 on all working days of the Company, between 10.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.
9. Members/Proxies are requested to bring their attendance slip duly filled in along with their copy of Annual Report to the Meeting.

**ANNEXURE TO THE NOTICE:**

Explanatory statement pursuant to Section 102 of the Companies Act, 2013 and forming part of the Notice dated 29<sup>th</sup> May, 2014.

**Item No.4:**

Mr. Rajesh Sharma (DIN:02516921) was appointed as an Independent Director by the Board of Directors of the Company under the Provisions of Listing Agreements with stock exchanges.

Mr. Rajesh Sharma is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a director.

Section 149 of the Act *inter alia* stipulates the criteria of independence should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from Mr. Rajesh Sharma that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Rajesh Sharma fulfils the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement. Mr. Rajesh Sharma is independent of the management.

Mr. Rajesh Sharma is a B.COM and has the 17 Years Work Experience. He does not hold any shares in the Company.

Mr. Rajesh Sharma is on the Board of Ricon Impex Private Limited.

Your Directors recommend the Resolution for your approval. None of the other Directors except Mr. Rajesh Sharma is deemed to be concerned or interested in this item of business.

Copy of the draft letter for appointment of Mr. Rajesh Sharma as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

**Item No.5:**

Mr. Naresh Naraindas Chhabria (DIN:03463187) was appointed as an Additional Director and Independent Director by the Board of Directors of the Company at its Meeting held on 2<sup>nd</sup> May, 2014. He holds office up to the date of the forthcoming Annual General Meeting of the Company pursuant to Section 161 of the Companies Act, 2013.

The Company has received a notice from a Member signifying his intention to propose Mr. Naresh Naraindas Chhabria as a candidate for the office of Director of the Company at the ensuing Annual General Meeting. Mr. Naresh Naraindas Chhabria is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a director.

Section 149 of the Act *inter alia* stipulates the criteria of independence should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from Mr. Naresh Naraindas Chhabria that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Naresh Naraindas Chhabria fulfils the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement. Mr. Naresh Naraindas Chhabria is independent of the management.

Mr. Naresh Naraindas Chhabria is a B. Com. And has 16 Years work experience. He does not hold any shares in the Company.

Mr. Naresh Naraindas Chhabria is on the Board of Pittoresco Caffes International Private Limited.

Your Directors recommend the Resolution for your approval. None of the other Directors except Mr. Naresh

Naraindas Chhabria is deemed to be concerned or interested in this item of business.

Copy of the draft letter for appointment of Mr. Naresh Naraindas Chhabria as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

**Item No.6:**

Mrs. Anisha Seth (DIN:06867960) was appointed as an Additional and Woman Director by the Board of Directors of the Company at its Meeting held on 2<sup>nd</sup> may, 2014. She holds office up to the date of the forthcoming Annual General Meeting of the Company pursuant to Section 161 of the Companies Act, 2013.

The Company has received a notice from a Member signifying her intention to propose Mrs. Anisha Seth as a candidate for the office of Director of the Company at the ensuing Annual General Meeting. Mrs. Anisha Seth is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a director.

In the opinion of the Board, Mrs. Anisha Seth (DIN:06867960) fulfills the conditions for her appointment as an Director as specified in the Act.

Mrs. Anisha Seth is a M. Ed. and she does not hold any shares in the Company.

Mrs. Anisha Seth has 18 Years Experience in Administration and Human resources Development.

Your Directors recommend the Resolution for your approval. None of the other Directors except Mrs. Anisha Seth and Mr. Sandeep Seth are deemed to be concerned or interested in this item of business.

**Item No.7:**

Mrs. Anisha Seth (DIN:06867960) was appointed as a Whole-Time Director for a period of 5 (Five) years with effect from 1<sup>st</sup> July, 2014 period upto 30<sup>th</sup> June, 2019. The remuneration payable to Mrs. Anisha Seth and other terms and conditions are set out as below, keeping in view the provisions of Sections 196, 197, 203 & Schedule V of the Companies Act, 2013 and rules framed there under.

The general terms of the appointment of Mrs. Anisha Seth referred to in resolution in item no.4 of the notice are as under.

**A. REMUNERATION:**

Salary of Rs.70,000/- per month.

Mrs. Anisha Seth is a M. Ed. and she does not hold any shares in the Company.

Mrs. Anisha Seth has 18 Years Experience in Administration and Human resources Development.

Your Directors recommend the Resolution for your approval. None of the other Directors except Mrs. Anisha Seth and Mr. Sandeep Seth are deemed to be concerned or interested in this item of business.

**Details of the Directors seeking re-appointment/appointment at the Annual General Meeting**

Particulars	Mr. Rajesh Jagdish Sharma	Mr. Naresh Naraindas Chhabria
<b>Date of Birth</b>	29/03/1967	10/07/1973
<b>Date of Appointment</b>	08 <sup>th</sup> June, 2012	02 <sup>nd</sup> May, 2014
<b>Expertise in specific area</b>	A qualified B.Com with vast experience of 17 years in various fields.	A qualified B.Com with experience of 16 years in various industries.
<b>Directorship held in other public Companies (excluding Foreign Companies And Section 25 Companies)</b>	Nil	Nil



<b>Memberships/ Chairmanships of other Public Companies (includes only Audit and Shareholders'/ Investors' Grievance Committees)</b>	Nil	Nil
<b>Remuneration Committees</b>	Nil	Nil
<b>Number of shares held</b>	Nil	Nil
<b>Particulars</b>	<b>Mr. Jaideep Seth</b>	<b>Mrs. Anisha Seth</b>
<b>Date of Birth</b>	20/09/1963	09/07/1969
<b>Date of Appointment</b>	08 <sup>th</sup> June, 2012	02 <sup>nd</sup> May, 2014
<b>Expertise in specific area</b>	A matriculate and has 20 years of experience in sales and marketing.	A qualified M. Ed. with 18 years of experience in business administration and human resource development.
<b>Directorship held in other public Companies (excluding Foreign Companies And Section 25 Companies)</b>	Nil	Nil
<b>Memberships/ Chairmanships of other Public Companies (includes only Audit and Shareholders'/ Investors' Grievance Committees)</b>	Nil	Nil
<b>Remuneration Committees</b>	Nil	Nil
<b>Number of shares held</b>	Nil	Nil

By Order of the Board of Directors

**Place: Mumbai**  
**Dated: 29<sup>th</sup> May, 2014**

**Sandeep Seth**  
**Managing Director.**  
**DIN: 00316075**

**Regd. Office:**

Shed No. C1B/316, GIDC Panoli,  
Tal. Ankleshwar, Dist, Bharuch,  
Gujarat- 394116.

**DIRECTORS' REPORT**

Dear fellow members,

Your Directors have pleasure in presenting the 21<sup>st</sup> Annual Report together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2014.

**FINANCIAL RESULTS**

Rs. in Lacs

PARTICULARS	31.03.2014	31.03.2013
Sales and other income	<b>4789.54</b>	<b>1082.75</b>
Profit/Loss before depreciation, Tax and interest	(68.91)	864.53
Interest	0.61	0.71
Profit/Loss before depreciation and tax	(69.52)	863.82
Depreciation for the year	9.43	9.29
Profit/Loss before Tax	(78.95)	854.53
Provision for Tax	-	(178.00)
Deferred Tax Assets/(Liability)	43.92	42.99
Profit after tax	(35.03)	719.52
Prior year Tax adjustments	0.00	0.00
Balance in P & L Account	3992.38	3272.86
Balance available for appropriation	3957.35	3992.38
Transfer to General Reserve	Nil	Nil
Balance carried to Balance Sheet	3957.35	3992.38

**OPERATION:**

Your company has generated gross income of Rs. 4789.54 lacs as compared to Rs. 1082.75 lacs for previous year. The income by way of trading during the year amounted to Rs.4323.65 lacs compared to Rs. 504.03 in the previous year. Income from services amounted to Rs.73.18 Lacs compared to Rs.68.20 Lacs in the previous year. The previous years profitability figures are not comparable as it included a one time exceptional gain.

**DIVIDEND:**

Due to net loss of Rs. 35.03 Lacs, it would not be possible to recommend any dividend for declaration. Your Directors regret their inability to recommend any Dividend for the year under review.

**DIRECTORS:**

In accordance with the provisions of the Companies Act, 2013 and the Company's Articles of Association Mr. Jaideep Seth retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for reappointment at the ensuing Annual General Meeting.

Mr. Naresh Naraindas Chhabria and Mrs. Anisha Seth have been appointed as Additional Directors with effect from 02<sup>nd</sup> May, 2014.

Board hereby recommends appointing Mr. Naresh Naraindas Chhabria as Independent Director and Mrs. Anisha Seth as Director cum Whole-Time Director at the ensuing Annual General Meeting of the Company.

Mr. Ambalal C. Patel, Independent Director of the Company has shown his unwillingness to be appointed as an Independent Director at the ensuing Annual General Meeting of the Company due to his involvement in various other listed companies.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirements under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper