

22nd

Annual Report



PETROCHEMICALS LIMITED

(AN ISO 9001:2000 COMPANY)

2014 - 2015

BOARD OF DIRECTORS

Shri Sandeep Seth

Managing Director

Shri Jaideep Seth

Director

Shri Rajesh Thadani

Director

Shri Naresh N. Chhabria

Director

Mrs. Anisha Seth

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 Second Annual General Meeting of the Members of **LAFFANS PETROCHEMICALS LIMITED** will be held on Saturday, 26th day of September, 2015 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 31st March, 2015, 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 Mrs. Anisha Seth (DIN: 06867960), who retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.
3. To ratify the appointment of the Auditors and to fix their remuneration and in this regards pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of sections 139(9) and 142(1) and other applicable provisions, if any, of the Companies Act, 2013, read with rules made there under, the appointment of M/s. S. M. Kapoor & Co., Chartered Accountants, (Firm Registration No 104809W) approved in the 21st Annual General Meeting until 24th Annual General Meeting is hereby ratified in this Annual General Meeting till conclusion of next Annual General Meeting, with remuneration as may be decided by the Board of Directors.”

SPECIAL BUSINESS:

4. To appoint Mr. Rajesh Thadani (DIN: 00009889) 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 Thadani (DIN: 00009889), 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, 2020.”

By Order of the Board of Directors

Place: Mumbai
Dated: 29th May, 2015

Sandeep Seth
Managing Director
DIN: 00316075

Regd. Office:

Shed No. C1B/316, GIDC Panoli,
 Tal. Ankleshwar, Dist, Bharuch, Gujarat- 394116.
 CIN: L99999GJ1992PLC018626
 Email: lplho@vsnl.com
 Website: www.laffanspetrochemical.com
 Contact: 022-28511919/1918/2929.

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 Wednesday, 16th day of September, 2015 to Saturday, 26th day of September, 2015 (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 22nd 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 22nd 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 22nd Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting is being sent through the permitted mode.

The e-voting period commences on September 22, 2015 (9.00 am) and ends on September 25, 2015 (5.00 pm). During this period shareholder of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 19, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Kindly note that, each Member can opt for only one mode for voting i.e. either by Physical Ballot at Annual General Meeting or through e-voting.

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (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.
- (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 demat account/ folio number in the PAN field. • In case the folio 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 folio number 100 then enter RA00000100 in the PAN field.

DOB	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.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <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 number of shares held by you as on the cut off date in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then reach directly 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.
- (xiv) 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 changed password then Enter the User ID and the image verification code and click on Forgot Password& enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) 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.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on September 22, 2015 (9.00 am) and ends on September 25, 2015 (5.00 pm). 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 September 19, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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.

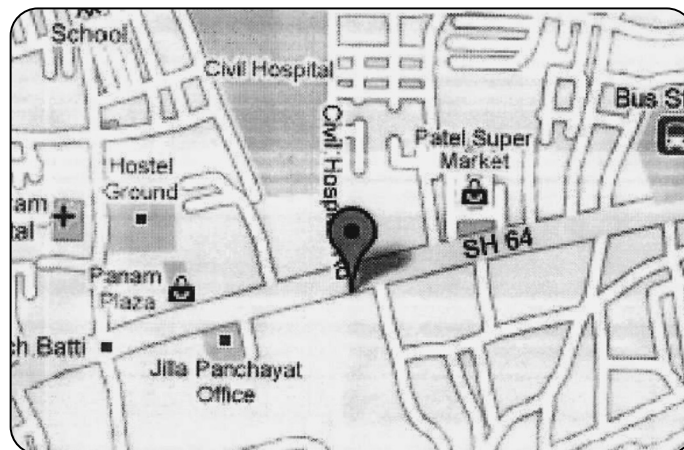
7. In terms of Clause 35 B of the Listing Agreement, those members, who do not have access to e-voting facility, may send their assent or dissent in writing on the Ballot Form sent along with this AGM Notice so as to reach the Scrutinizer at the address- Mrs. Ragini Chokshi, Practicing Company Secretary, (Membership No. FCS 2390), 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 20, 2015. 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.
10. The route map of the venue of the AGM is given herein below:

HOTEL SHALIMAR

STATION ROAD
BHARUCH

PHONE: 02642 268435, 243537
FAX: 240482

LOCATION & MAP



ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No.4:

Mr. Rajesh Thadani (DIN: 00009889) was appointed as an Additional Director and Independent Director by the Board of Directors of the Company at its Meeting held on 14th November, 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. Rajesh Thadani as a candidate for the office of Director of the Company at the ensuing Annual General Meeting. Mr. Rajesh Thadani 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 Thadani 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 Thadani fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement. Mr. Rajesh Thadani is independent of the management. Mr. Rajesh Thadani is a Post Graduate (M.Com) & MBA and has 25 Years experience in business. He does not hold any shares in the Company.

Mr. Rajesh Thadani is on the Board of Fairprice Traders (India) Pvt Ltd, Sealtite Gaskets Pvt Ltd, Kanishka Properties Pvt Ltd, Ideal Properties Pvt Ltd and Gavotte Traders Pvt Ltd.

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

Copy of the draft letter for appointment of Mr. Rajesh Thadani 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.

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

Particulars	Mrs. Anisha Seth	Mr. Rajesh Thadani
Date of Birth	09/07/1969	13/01/1970
Date of Appointment	2 nd May, 2014	14 th November, 2014
Expertise in specific area	A qualified M.Ed. with 19 years of experience in Business Administration and human resource development.	A qualified M.com & MBA with 25 years of experience in business.
Directorship held in other public Companies (excluding Foreign Companies And Section 25 Companies)	Nil	Nil
Memberships/ Chairmanships of other Public Companies (includes only Audit and Shareholders'/ Investors' Grievance Committees)	Nil	Nil
Remuneration Committees	Nil	Nil
Number of shares held	Nil	Nil

By Order of the Board of Directors

Place: Mumbai
Dated: 29th May, 2015

Sandeep Seth
Managing Director
DIN: 00316075

Regd. Office:

Shed No. C1B/316, GIDC Panoli,
Tal. Ankleshwar, Dist, Bharuch, Gujarat- 394116.
CIN: L99999GJ1992PLC018626
Email: lplho@vsnl.com
Website: www.laffanspetrochemical.com
Contact: 022-28511919/1918/2929.

Board's Report

Dear Members,

Your Directors have pleasure in presenting their 22nd Annual report on the affairs of the Company together with the Audited Statement of Accounts for the year ended on 31st March, 2015

Financial Performance:

A summary of company's financial performance for 2014-2015:

(₹ in Lakhs)

Particulars	Year Ended 31.03.2015	Year Ended 31.03.2014
Sales for the year	65.13	4396.83
Profit before Interest & finance charges, depreciation & taxation	12.52	(68.91)
Less: Interest & finance Charges	0.15	0.61
Operating profit before depreciation & taxation	12.37	(69.52)
Less: Depreciation, amortization & impairment of asset	12.17	9.43
Profit before Exceptional Items	0.20	(78.95)
Add: Exceptional Items	0.00	0.00
Profit before taxation	0.20	(78.95)
Current Tax & Prior Year	0.00	0.00
Deferred Tax Liability	(3.79)	43.92
Profit after taxation	(3.59)	(35.03)
Add: Balance brought forward	3,957.35	3,992.38
Profit available for appropriation	3,953.76	3,957.35
Less: Appropriation:		
Transfer to General Reserve	0.00	0.00
Interim Dividend	0.00	0.00
Tax on Interim Dividend	0.00	0.00
Proposed Dividend	0.00	0.00
Provision for Tax on Proposed Dividend	0.00	0.00
Balance carried forward to Balance Sheet	3,953.76	3,957.35

Operating & Financial Performance, Internal Control:

Your company has generated gross income of Rs. 347.72 Lacs as compared to Rs. 4789.54 lacs for previous year. The income by way of trading during the year amounted to Rs.65.13 lacs compared to Rs. 4323.65 in the previous year. Income from services amounted to Rs. Nil compared to Rs. 73.18 Lacs in the previous year.

The Company has in place an established internal control system designed to ensure proper recording of financial and operational information and compliance with various internal controls and other regulatory and statutory compliances. Code of Internal controls which require that the Director review the effectiveness of internal controls and compliances controls, financial and operational risks, risk assessment and management systems and related party transactions, have been complied with.

Company's Policies on Remuneration, Whistle Blower and also Code of Conduct applicable to Directors and Employees of the Company has been complied with. These Policies and Code of Conduct are available on the Company's website www.laffanspetrochemical.com

There is no change in the nature of the business of the Company. There were no companies which became or ceased to be the Subsidiaries, joint ventures or associate companies during the year. There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future. There were no material changes and commitment affecting the financial position between March 31, 2015 and date of this Report of Directors.

Deposits:

The Company has not invited/ accepted any deposits from the public during the year ended March 31, 2015. There were no unclaimed or unpaid deposits as on March 31, 2015.

Transfer to Reserve:

The Company has not transferred any amount to reserves.

Dividend:

Due to net loss of Rs. 3.59 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.

SIGNIFICANCE AND MATERIAL ORDER PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS.

There were no significance and material orders passed by regulators or courts or tribunals impacting the going concern status and company operations in future. There were no material changes and commitments affecting the financial position of the company occurring between March 31, 2015 and the date of this Report of the Directors.

SUBSIDIARIES, JOINT VENTURE OR ASSOCIATES COMPANIES DURING THE YEAR:

The Company has no subsidiaries, joint ventures or associated companies therefore disclosures in this regards are not provided in this report.

Number of meeting of the Board:

During the year 2014-15, the Board of Directors met seven times viz. on 2nd May, 2014; 29th May, 2014; 1st July, 2014; 12th August, 2014; 14th November, 2014; 14th February, 2015 and 10th March, 2015.

The details relating to Audit Committee Meetings has been set out in the Corporate Governance Report annexed with this report which forms part of this report.

Directors' Responsibility Statement:

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Sections 134(3) (c) read section 134(5) of the Companies Act, 2013 of the Companies Act, 2013:

- (i) in the preparation of the annual accounts for the financial year ended 31st March, 2015, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2015 and of the profit and loss of the company for that period;
- (iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) the directors had prepared the annual accounts on a going concern basis; and
- (v) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (vi) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

D. Statement on declaration given by independent directors under sub-section (6) of section 149:

All Independent Directors have given declarations that they meet the criteria of independent as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing agreement.

Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178:

The Policy of the Company on Directors' appointment and remuneration including criteria for determining

qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of section 178, is appended as **Annexure A** to this Report.

Particulars of loans, guarantees or investments under section 186:

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

RELATED PARTY TRANSACTIONS:

Particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 in the form AOC-2:

All the contracts/ arrangements/ transactions that were entered into by the Company during the financial year with related parties were on an arm's length basis and in the ordinary course of business. During the year, the Company had not entered into any contract/ arrangement/ transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transaction. All Related Party Transactions are placed before the Audit Committee for approval.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website www.laffanspetrochemical.com.

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

1. **Details of contracts or arrangements or transactions not at arm's length basis: Nil**
2. **Details of material contracts or arrangement or transactions at arm's length basis:**
 - a) **Name of the related party and nature of relationship:** Mr. Sandeep Seth, Managing Director
 - b) **Nature of transaction:** Payment for Office Rent
 - b) **Duration of transaction:** Not Applicable
 - d) **Salient terms of transaction:** Monthly Rent of Rs. 2,00,000/- per month
 - e) **Date of Approval by Board, if any:** Not Applicable
 - f) **Amount paid as advances, if any:** Nil

Conservation of energy, technology absorption, foreign exchange earnings and outgo:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as "**Annexure B**".

Risk management policy and its implementation:

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are discussed at the meetings of the Audit Committee and the Board of Directors of the Company.

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory as well as Internal Auditors.

Corporate Social Responsibility:

The Company is not required to constitute a Corporate Social Responsibility Committee as it does not fall within purview of Section 135(1) of the Companies Act, 2013 and hence it is not required to formulate policy on corporate social responsibility.

Statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and Individual Directors:

The formal annual evaluation has been done by the board of its own performance and that of its committee and individual directors on the basis of evaluation criteria specified in the Nomination and Remuneration policy of the Company. A member of the Board/committee did not participate in the discussion of his/her evaluation.