

24th

Annual Report



PETROCHEMICALS LIMITED

(AN ISO 9001:2000 COMPANY)

2016- 2017

BOARD OF DIRECTORS

Shri Sandeep Seth

Mrs. Anisha Seth

Shri Jaideep Seth

Shri Rajesh Thadani

Shri Naresh N. Chhabria

Shri Avinash Gupta

Managing Director

Whole Time Director

Non-Executive Director

Independent Director

Independent Director

Independent Director

COMPANY SECRETARY

Mr. S. R. Narayanan

Chief Financial Officer

Shri M.B. Kotian

AUDITORS

S.M. Kapoor & Co. For F.Y. 2016-17

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

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NOTICE

NOTICE is hereby given that the 24th Annual General Meeting of the Members of **LAFFANS PETROCHEMICALS LIMITED** will be held on Friday, 29th September, 2017 at 11.00 a.m. at Shalimar Hotel, Ankeshwar, Bharuch 394116, Gujarat, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31st March, 2017 together with 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 and, being eligible, offers herself 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 the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) and The Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. Govind Prasad & Co, Chartered Accountants, be and is hereby appointed as Auditors of the Company in place of the retiring auditors M/s. **S. M. Kapoor & Co., Chartered Accountants** to hold office for a period of five consecutive years commencing from the financial years 2017-18 (subject to ratification of their appointment at every AGM, if so required under the Act), on a remuneration that may be determined by the audit committee & Board in consultation with the auditors.”

**By order of the Board of Directors
For Laffans Petrochemicals Limited**

**Sandeep Seth
(Managing Director)
DIN: 00316075**

Place: Mumbai

Date: 14th August 2017

Registered Office:

Shed No. C1B/316, GIDC Panoli,

Tal. Ankleshwar, Dist, Bharuch, Gujarat- 394116.

Email: lplho@vsnl.com

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ('the meeting') IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in 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.

2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting or upload it on the e-voting portal, authorizing their representative to attend and vote their behalf at the meeting.
3. The instrument appointing the proxy, duly completed, must be deposited at the Company's Registered Office not less than FORTY-EIGHT (48) HOURS before the commencement of the meeting. A proxy form for the AGM is enclosed.
4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and until the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the company.
5. Members/proxies/authorised representatives should bring the duly filled attendance slip, enclosed herewith with to attend the meeting.
6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 ('the Act') and The Register of Contracts or Arrangements, in which Directors are interested, maintained under Section 189 of the Act, will be available for inspection by the members at the AGM.
7. The Register of Members and the Share Transfer Book shall be closed from Saturday, 23rd September, 2017 to Friday 29th September, 2017 (both day inclusive) for the purpose of the AGM.
8. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to Company or Registrar and Transfer Agents (RTA).
9. Members are requested to address all correspondence relating to investor services to the Registrar and Share Transfer Agents, Big Share Services Pvt. Ltd, E-2 Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East) Mumbai 400072.
10. With a view to using the natural resources responsibly, we request shareholders to update their email address, with their Depository Participants in case of demat holding and RTA in case of physical holding to enable the Company to send communications electronically.
11. The Annual Report for 2016-17, the Notice of 24th AGM and instruction for e-voting along with the attendance slip and proxy form, are being sent by electronic mode to the members whose e-mail addresses are registered with the Company / Depository Participant(s), unless any member has requested for a physical copy of the said document. For members who have not registered their e-mail addresses, physical copies of the said document are being sent by the permitted mode.
12. Members may also note that the Annual report (including the Notice of 24th AGM) for 2016-17 will be available on the Company's website, Website: www.laffanspetrochemical.com.
13. Relevant documents referred to in the accompanying Notice and the statements are open for inspection by the members at the registered office of the Company on all working days, except Saturday, during business hours up to the date of the meeting.

14. Additional information, pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard 2 in respect of the Directors seeking appointment / re-appointment at the AGM is furnished as annexure to the Corporate Governance Report.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company /RTA.
16. Members holding shares in single name and physical form may obtain Nomination Forms from the Company's Registrar and Transfer Agents. Members holding shares in electronic form may obtain the Nomination Forms from their respective Depository Participants.
17. The members holding shares in the same name or in the same order of names, under different folios, are requested to notify the relevant details of the said holdings to M/s Big Share Services Pvt. Ltd for consolidation of their shareholding in to a single folio.
18. In case of joint holder attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote.
19. Non-Resident Indian Members are requested to inform RTA, immediately of:
 - (a) Change in their residential status on return to India for permanent settlement.
 - (b) Particulars of their bank account maintained in India with complete name, branch account type, account number and address of the bank with pin code number, if not furnished earlier.
20. Information and other instructions relating to e-voting are as under
 - (a) Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').
 - (b) The facility for voting through polling paper shall also be made available at the venue of the AGM. The members who are attending the meeting who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting.
 - (c) The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
 - (d) The Company has engaged the services of Central Depository Services Limited (CDSL) as the agency to provide e-voting facility.
 - (e) The Board of Directors of the Company has appointed Mr. Makarand Patwardhan, Proprietor of M/s. Makarand Patwardhan & Co., Practicing Company Secretaries (COP 9031) as the Scrutinizer, for scrutinizing the e-voting and ballot voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
 - (f) Voting rights shall be reckoned on the paid up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. 22nd September, 2017.
 - (g) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. 22nd September, 2017, only shall be entitled to avail the facility of remote e-voting / Poll.

The instructions for shareholders voting electronically are as under:

- I. The voting period begins on Tuesday 26th September, 2017 at 9.00 a.m. and ends on Thursday 28th September, 2017 at 5.00 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 22nd September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- II. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- III. The shareholders should log on to the e-voting website www.evotingindia.com.
- IV. Click on Shareholders tab. Now, select the “ LAFFANS PETROCHEMICAL LIMITED” from the drop down menu and click on “SUBMIT”
- V. Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- VI. Next enter the Image Verification as displayed and Click on Login.
- VII. 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.
- VIII. 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.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both 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).

- IX. After entering these details appropriately, click on “SUBMIT” tab.
- X. 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.
- XI. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- XII. Click on the EVSN for the relevant <LAFFANS PETROCHEMICAL LIMITED> on which you choose to vote..
- XIII. 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.
- XIV. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- XV. 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.

XVI. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

XVII. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

XVIII. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

XIX. Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

XX. 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 linked in the login should be emailed 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.

XXI. 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.

21. A route map showing direction to reach the venue of 24th Annual general meeting is given at the end of the this notice as per the requirement of the Secretarial Standard 2 on General meeting.

22. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.laffanspetrochemical.com and on the website of CDSL immediately after the declaration of result by the Chairman of the meeting or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchange viz. Bombay Stock Exchange Limited (BSE Limited)

**By order of the Board of Directors
For Laffans Petrochemicals Limited**

**Sandeep Seth
(Managing Director)
DIN: 00316075**

Place: Mumbai

Date: 14th August, 2017

Registered Office:

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

CIN: L99999GJ1992PLC018626

E-mail: lpkho@vsnl.com

DIRECTOR'S REPORT**To the Members,**

The Directors present the 24th Annual Report of the Company along with the audited financial statements for the financial year (FY) ended on March 31, 2017.

FINANCIAL SUMMARY/HIGHLIGHTS, OPERATIONS, STATE OF AFFAIRS

The financial performance of the Company for the year ended March 31, 2017 is summarized below:

(Amount in Rs.)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Total Revenue	5,33,55,089	3,44,15,888
Total Exp.	5,18,18,736	3,23,66,672
Profit before exceptional items & tax	15,36,353	20,49,216
Current Tax for the year& Prior Year	---	(35,000)
Deferred Tax Liability	1,69,903	(1,40,159)
Profit after taxation	17,06,256	18,74,057

STATE OF COMPANY AFFAIRS:

Total income of the Company during the FY. 2016-17 was Rs. 5,33,55,089/- reflecting an increase of Rs. 1,89,39,201/- over previous year. Profit for the year stood at Rs. 15,36,353/- as against Rs. 20,49,216/- for the previous year reflecting a slight decrease of Rs 512863. .

DIVIDEND

To conserve resources which would assist in future growth of the Company, no dividend is recommended by the Board for the financial year ended March 31, 2017.

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, 2017 and the date of this Report of the Directors.

SUBSIDIARIES, JOINT VENTURE OR ASSOCIATES COMPANIES DURING THE YEAR

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

DETAILS OF BOARD AND COMMITTEE'S MEETING

The Board of Directors met 4 (Four) times during the year ended March 31, 2017. The details of Composition Board and Committee Meetings (viz. Audit Committee, Nomination & Remuneration Committee, & Stakeholder Relationship Committee), and their attendance inter-alia, are given under Corporate Governance 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:

- in the preparation of the annual accounts for the financial year ended 31st March, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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, 2017 and of the profit and loss of the company for that period;
- 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.

STATEMENT ABOUT INDEPENDENT DIRECTOR UNDER SUB-SECTION (6) OF SECTION 149 OF COMPANIES ACT 2013

The Company has received the declaration from each Independent Directors that they meet the criteria of independence laid down under Section 149(6) of Companies Act, 2013, under Regulation 16(b) of SEBI (LODR) Regulations, 2015.

NOMINATION & REMUNERATION POLICY

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 of the Act, 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 Act are given in the notes to the Financial Statements.

INTERNAL FINANCIAL CONTROL SYSTEM

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.

CHANGE IN NATURE OF BUSINESS

Your Company has not undergone any changes in the nature of the business during the financial year.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITIONS OF THE COMPANY

There have been no material changes and commitments affecting the financial positions of the Company which have occurred between the end of the financial year to which the financial statements relate and the date of the report.

RELATED PARTY TRANSACTIONS

There were contracts or arrangements entered into by the company in accordance with provisions of section 188 of the Companies Act, 2013. All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. Thus not requires the approval of shareholders. All Related Party Transactions are placed before the Audit Committee for approval.

None of the Directors has any pecuniary relationships or transactions vis-à-vis the company. there were no material transaction during the year hence not required any disclosure in form AOC-2.

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

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND 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 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.

DIRECTORS OR KEY MANAGERIAL PERSONNEL

During the year under review, no change occurred in the composition of the Board and Committee's.

No Changes occurred in the position of KMP, Company Secretary and Chief Financial officer of the Company

As per the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Ms. Anisha Seth (DIN 06867960) , Directors, retires by rotation at the ensuing Annual General Meeting and, being eligible, offer herself for re-appointment.

Brief profile of Director retiring by rotation and seeking re-appointment are given under Corporate Governance Report.

MANAGERIAL REMUNERATION

The information required pursuant to Section 197 of the Companies Act, 2013 read rule 5 of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, The prescribed particulars of employees required under section 134(3)(q) read rule 5 of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, in respect of employees of the Company is not provided, as there are no employees drawing remuneration exceeding the limits prescribed under aforesaid rules.

The information required pursuant to Section 197 read with Rule 5 (1) (i) of The Companies (Appointment and Remuneration) Rules, 2014 in respect of ratio of remuneration of each director to the median remuneration of the employees of the Company for the Financial Year, will be made available for inspection at its registered office of the Company during the working hours for a period of twenty one days before the date of annual general meeting of the company pursuant to Section 136 of the Companies Act, 2013 and members, if any interested in obtaining the details thereof, shall make specific request to the Company Secretary and Compliance officer of the Company in this regard.

Further details of remuneration of each director have been provided under MGT-9 extract of Annual Return appended as Annexure – D of this report. Hence not repeated the same under corporate governance report.

AUDITORS

M/s. S. M. Kapoor & Co., Chartered Accountants, Statutory Auditors of the Company for F.Y 2016-17 (FRN104809W), holds office up to forthcoming AGM.

M/s. S. M. Kapoor & Co., have completed the period of 10 (ten) years and will also be completing the additional transition period of 3 (three) years at the conclusion of the forthcoming AGM.

Accordingly, the term of the present Auditors, S. M. Kapoor & Co., expires at the conclusion of the forthcoming AGM. The Audit Committee and the Board of Directors place on record their appreciation for the professional services rendered by S. M. Kapoor & Co., during their association with the Company as its Auditors.