



**21 st
ANNUAL REPORT
2013 - 2014**

LIPPI SYSTEMS LIMITED

(CIN: L22100GJ1993PLC020382)

AHMEDABAD

LIPPI SYSTEMS LIMITED

BOARD OF DIRECTORS

Shri Nandlal J. Agrawal	Managing Director
Shri Kunal N. Agrawal	Director
Shri Sanjaybhai C. Agrawal	Director
Shri Minesh C. Shah	Director
Shri Kamlesh S. Sharma	Director
Shri Tirthraj A. Pandya	Director
Shri Mahendra S. Patel	Director
Shri Gopal D. Sharma	CFO

Company Secretary

Shri Darshan B. Shah

AUDITORS

Ashok Dhariwal & Co.
Chartered Accountants
A/602, Nar Narayan Complex,
Navrangpura,
Ahmedabad - 380 009.

BANKERS

Indian Overseas Bank.
Stadium Road Branch,
Ahmedabad - 380 009.

REGISTERED OFFICE

3rd Floor, Satya Complex,
Opp. IOC Petrol Pump,
132ft Ring Road, Satellite,
Ahmedabad - 380 015.

LIPPI SYSTEMS LIMITED

NOTICE TO MEMBER

Notice is hereby given that 21st Annual General Meeting of the members of the company will be held on Tuesday, 30th September, 2014 at 11:30 a.m. at the registered office of the company at 3rd Floor, Satya Complex, Nr. Ashwamegh IV, 132 Feet Ring Road, Satellite, Ahmedabad – 380015, to transact the following business:-

ORDINARY BUSINESS

1. To receive and adopt the Audited Balance Sheet as at 31st March, 2013, Profit and Loss account for the year ended on that date together with the directors report and auditor's report thereon.
2. To appoint Mr. Sanjay C Agrawal (DIN:00075210), who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors of the company to hold office from the conclusion of this AGM until the conclusion of the fourth consecutive AGM and to fix their remuneration and to pass the following resolution thereof;

"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, M/s. Ashok Dhariwal & Co., Chartered Accountants (Registration No. 100648W), be and are hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting of the Company (subject to ratification of the appointment by the members at every AGM held after this AGM) on such remuneration as may be determined by the Board of Directors of the Company on a year to year basis".

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr Kunal Nandlal Agrawal (DIN: 00169324), who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. September 28, 2013 pursuant to the provisions of section 161 of the Companies Act, 2013 and Article of Association of the Company and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company."

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder

LIPPI SYSTEMS LIMITED

(including any statutory modification(s) or re-enactment thereof)("the Act") read with Schedule IV of the Act and clause 49 of the Listing Agreement, Shri Kamlesh S Sharma (holding DIN 01563040), an Independent Director of the Company, in respect of whom the Board has received recommendation from the Remuneration Committee of the Board (now Nomination and Remuneration Committee) for the appointment, be and is hereby appointed as an Independent Director on the Board of the Company to hold office for a term up to five (5) consecutive years effective from 1st April, 2014 up to 31st March, 2019."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof)("the Act") read with Schedule IV of the Act and clause 49 of the Listing Agreement, Shri Tirthraj A Pandya (holding DIN 02972285), an Independent Director of the Company, in respect of whom the Board has received recommendation from the Remuneration Committee of the Board (now Nomination and Remuneration Committee) for the appointment, be and is hereby appointed as an Independent Director on the Board of the Company to hold office for a term up to five (5) consecutive years effective from 1st April, 2014 up to 31st March, 2019."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof)("the Act") read with Schedule IV of the Act and clause 49 of the Listing Agreement, Shri Mahendra S Patel (holding DIN 03017155), an Independent Director of the Company, in respect of whom the Board has received recommendation from the Remuneration Committee of the Board (now Nomination and Remuneration Committee) for the appointment, be and is hereby appointed as an Independent Director on the Board of the Company to hold office for a term up to five (5) consecutive years effective from 1st April, 2014 up to 31st March, 2019."

Place: Ahmedabad

For and on Behalf Of Board Of Directors

Date: 20/08/2014

Nandlal J. Agrawal

Chairman & Managing Director

(DIN : 00336556).

LIPPI SYSTEMS LIMITED

NOTES :

1. A member entitled To attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. 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. The proxies in order to be effective must be lodged with the company not less than 48 hours before the commencement of the meeting.
3. As per clause 49 of the listing agreement(s), information regarding appointment/re-appointment of Directors and Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of special business to be transacted are annexed hereto.
4. The Register of Members and Share Transfer books of the company will remain close from Tuesday, the 23rd September, 2014 to Monday, the 29th September, 2014 (both days inclusive).
5. All documents referred to in the accompanying notice and explanatory statement will be kept open for inspection at the Registered Office of Company on all working days between 11.00 a.m. to 1.00 p.m. prior to date of Annual General Meeting.
6. Members are requested to bring their attendance slip along with their copies of Annual Report to the meeting.
7. Members holding the shares in physical mode are requested to notify immediately the change of their address and bank particulars to the R & T Agent of the Company. In case shares held in dematerialized form, the information regarding change of address and bank particulars should be given to their respective Depository Participant.
8. Voting through electronic means:

The Company is pleased to offer e-voting facility to all its members to enable them to cast their vote electronically in terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement (including any statutory modification or re-enactment thereof for the

time being in force). Accordingly, a member may exercise his vote by electronic means and the Company may pass any resolution by electronic voting system in accordance with the above provisions.

LIPPI SYSTEMS LIMITED

The instructions for e-voting are as under:

Section A - E-voting Process-

Step1: Open your web browser during the voting period and log on to the e-Voting Website: www.evotingindia.com.

Step2: Click on "Shareholders" to cast your vote(s)

Step3: Select the Electronic Voting Sequence Number (EVSN) i.e. "140903086" along with "COMPANYNAME" i.e. "Lippi Systems Limited" from the drop down menu and click on "SUBMIT".

Step4: Please enter User ID –

- a. For account holders in CDSL :- Your 16 digits beneficiary ID
- b. For account holders in NSDL :- Your 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.

Step5: Enter the Image Verification as displayed and Click on Login.

Step6: 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.

Step7: If you are a first time user follow the steps given below:

7.1 Enter your 10 digit alpha-numeric PAN issued by Income Tax Department. For members who have not updated their PAN with the Depository Participant are requested to use the first two letters of their name and the last 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.

7.2 Enter the Date of Birth (DOB) recorded in the demat account or registered with the Company for the demat account in DD/MM/YYYY format#

Step8: After entering these details appropriately, click on "SUBMIT" tab.

Step9: First time user holding shares in Demat form will now reach Password Generation menu wherein they are required to create their login password in the password field. Kindly note that this password can also be used by the Demat holders for voting for resolution 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.

If Demat account holder has forgotten the changed password then Enter the User ID

LIPPI SYSTEMS LIMITED

and the image verification code and click on Forgot Password and enter the details as prompted by the system.

Members holding shares in physical form will then directly reach the Company selection screen.

Step10: Click on the EVSN of the Company i.e. "140903086" to vote.

Step11: On the voting page, you will see Resolution description and against the same the option 'YES/NO' for voting. Select the relevant option as desired YES or NO and click on submit.

Step12: Click on the Resolution File Link if you wish to view the Notice.

Step13: 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.

Step14: Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

SECTION B - COMMENCEMENT OF E-VOTING PERIOD AND OTHER E-VOTING INSTRUCTIONS

- I.** The e-Voting period commences on September 24, 2014 (9.00 a.m.) and ends on September 25, 2014 (6.00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on cutoff date (record date) of August 22, 2014 may cast their vote electronically. The e-Voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- ii.** The voting rights of shareholders shall be in proportion to their shares of the Paid Up Equity Share Capital of the Company.
- iii.** CS Nitesh Shah, Practicing Company Secretary (Membership No.: ACS 35681; CP No: 13222) (Address: 1, Padmavati Apartment, Satyanarayan Society, Ramnagar, Sabarmati, Ahmedabad-380005, Gujarat, India) has been appointed as the Scrutinizer to scrutinize the e-Voting process.
- iv.** The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any and submit forth with to the Chairman of the Company.
- v.** The Results shall be declared on the date of AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.lippisystems.com and on the website of CDSL <https://www.evotingindia.co.in> within two days of the passing of the resolutions at

LIPPI SYSTEMS LIMITED

the AGM of the Company and communicated to the BSE Limited and Ahmedabad Stock Exchange Limited, where the shares of the Company are listed.

- vi. The resolutions shall be deemed to be passed on the date of the Annual General Meeting, subject to receipt of sufficient votes.
- vii. For Members holding shares in physical form, the password and default number can be used only for e-Voting on the resolutions given in the notice.
- viii. Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates, link their account which they wish to vote on and then cast their vote. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com. They should also upload a scanned copy of the Board Resolution / 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 vote.
- ix. You can also update your mobile number and E-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-Voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.
- x. 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.

Contact Details:

Company : Lippi Systems Limited (CIN: L22100GJ1993PLC020382),
3rd Floor, Opp. IOC Petrol Pump, Nr. Ashwamegh-IV, 132ft Ring Road,
Satellite, Ahmedabad-380015, Gujarat, India.
Phone Number : 079-26750060/61/62 **Fax :** 079-26750063
E-mail ID : officelippi@gmail.com

Registrar and Transfer Agent:

Cameo Corporate Services Limited
"Subramanian Building", 1, Club House Road, Chennai-600002
Phone Number : 044-28460390, **Fax:** 044-28460129
E-mail : investor@cameoindia.com.

e-Voting Agency : Central Depository Services (India) Limited
E-mail ID : helpdesk.evoting@cdslindia.com

Scrutinizer : CS Nitesh Shah,
Practising Company Secretary
E-mail ID : niteshshah16@gmail.com.

LIPPI SYSTEMS LIMITED

ANNEXURE TO NOTICE EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

For Item no: 4

Mr. Kunal N Agrawal graduated in 2007 with a bachelor's degree in Commerce from the Gujarat University of Ahmedabad and also has an MBA in Finance & Marketing from the University of North Carolina at Charlotte(U.S) . He is young and dynamic person with good experience in the field of Finance and Marketing.

Considering his versatile and diversified experience, the Board of Directors on the recommendation of Nomination and Remuneration Committee at its meeting held on September 28, 2013 appointed Mr. Kunal N Agrawal as an Additional Director at a remuneration of 5 lacs (Rupees Five Lacs Only) per annum including salary, perks and other benefits with a liberty to the Board of Directors or Nomination and Remuneration Committee to revise the remuneration without approval of Shareholders within the prescribed ceiling limit of Schedule V and other applicable provisions of the Companies Act, 2013.

In the event of absence or inadequacy of profits of the Company in any financial year, Mr. Kunal N Agrawal will be entitled to receive the remuneration, perquisites and benefits as aforesaid, subject to the compliance with the applicable provisions of Schedule V of the Companies Act, 2013. The Whole Time Director shall not be paid any sitting fees for attending the meeting of the Board of Directors or Committee thereof.

The Board of Directors recommends the said resolution for your approval.

Mr. Kunal N Agrawal is deemed to be interested in the said resolution as it relates to his appointment. Mr. Nandlal J Agrawal is MD of Company, he is also interested in the said resolution .None of the other Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolution.

For Item no: 5 to 7

Mr. Kamlesh Sharma, Mr. Tirthraj Pandya and Mr. Mahendra Patel has been acting as Independent Director on the Board of the Company under the provisions of Clause 49 of the Listing Agreement since March 2004, March 2010 and April 2010 Respectively . Pursuant to the recommendations of Remuneration Committee (now Nomination and Remuneration Committee) of the Board, your Board has at their meeting held on 14th August, 2014 recommended the appointment of aforesaid Directors as Independent Directors on the Board of the Company for a term of five (5) consecutive years effective from 1st April, 2014 till 31st March, 2019.

LIPPI SYSTEMS LIMITED

The Companies Act, 2013 and the rules made thereunder ("the Act"), which became effective from 1st April, 2014, have brought sea changes in the laws relating to Independent Directors ("INEDs") encompassing their appointment, tenure of such appointment, role and responsibilities, retirement, etc. In terms of provisions of Section 149(10) of the Act, an INED shall hold office for a term up to five (5) consecutive years and as per Schedule IV of the Act, the appointment of INEDs shall be approved at the meeting of the shareholders. As per the provisions of Section 149(13) read with explanation to Section 152(6) of the Act, the period of office of INEDs will not be liable to determination by retirement of directors by rotation at the Annual General Meeting.

Mr. Kamlesh Sharma, Mr. Tirthraj Pandya and Mr. Mahendra Patel given his consent and the declaration regarding his independence in terms of the provisions of the Act. In the opinion of the Board, he fulfill the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as Independent Director of the Company.

The resolution contained in Item no. 5 to 7 of the accompanying Notice, accordingly, seek members' approval for appointment of Mr. Kamlesh Sharma, Mr. Tirthraj Pandya and Mr. Mahendra Patel as an Independent Director on the Board of the Company.

Except Mr. Kamlesh Sharma, Mr. Tirthraj Pandya and Mr. Mahendra Patel, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution as set out at Item no. 5 to 7 The Board recommends this resolution for your approval.

Place: Ahmedabad

For and on Behalf Of Board Of Directors

Date: 20/08/2014

Nandlal J. Agrawal

Chairman & Managing Director

(DIN: 00336556)

