

# 23<sup>rd</sup> Annual Report

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**PETROCHEMICALS LIMITED**

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

**2015 - 2016**

**BOARD OF DIRECTORS**

Shri Sandeep Seth

Shri Jaideep Seth

Shri Rajesh Thadani

Shri Naresh N. Chhabria

Mrs. Anisha Seth

Shri Avinash Gupta

Managing Director

Non-Executive Director

Independent Director

Independent Director

Whole Time Director

Independent Director

**AUDITORS**

S.M. Kapoor &amp; CO.

**COMPANY SECRETARY**

Mr. S. R. Narayanan

**BANKERS**

Indian Overseas Bank

HDFC Bank Ltd

**CORPORATE OFFICE**

10 Luthra Industrial Premises

Ground Floor, Andheri Kurla Road

Safed Pool, Mumbai 40007

**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

<b>CONTENTS</b>	<b>Page No.</b>
Notice	3
Director's Report	8
Management Discussion and Analysis	26
Corporate Governance Report & Annexures	27
Auditor Certificate on Corporate Governance	36
Independent Auditor's Report	37
Balance sheet	40
Statement of Profit & Loss	41
Statement of Cash Flow	42
Notes to Financial Statement	43
Form AOC-2	55
Route Map of the Venue	58
Attendance Slip & Proxy Form	59

## NOTICE

**NOTICE** is hereby given that the Twenty Third Annual General Meeting of the Members of **LAFFANS PETROCHEMICALS LIMITED** will be held on Thursday, 29<sup>th</sup> day of September, 2016 at 12.00 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, 2016, 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 (DIN: 03130620), 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 and as recommended by the Audit Committee, the Company hereby ratifies the appointment of M/s. S. M. Kapoor & Co., Chartered Accountants, (Firm Registration No 104809W), as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting (AGM) till conclusion of next Annual General Meeting, with remuneration as may be decided by the Board of Directors.”

### **SPECIAL BUSINESS: ORDINARY RESOLUTION:**

4. To appoint Mr. Avinash Gupta (DIN: 01407807) 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 the SEBI (LODR) Regulations, Shri Avinash Gupta (DIN: 01407807), who was appointed as an Additional Non Executive Independent Director pursuant to the provisions of Section 149 and 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, 2021.”

**By Order of the Board of Directors**

**Place: Mumbai**  
**Dated: 12<sup>th</sup> August, 2016**

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

### **Regd. Office:**

Shed No. C1B/316, GIDC Panoli,  
Tal. Ankleshwar, Dist, Bharuch, Gujarat- 394116.  
CIN: L99999GJ1992PLC018626  
Email: [lplho@vasnl.com](mailto:lplho@vasnl.com)  
Website: [www.laffanspetrochemical.com](http://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 Monday, 19<sup>th</sup> day of September to Thursday, 29<sup>th</sup> September(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 Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote at the 23<sup>rd</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.

The facility for voting, either through electronic voting system or ballot/polling paper shall also be made available at the venue of the AGM, apart from the remote e-voting facility provided prior to the date of AGM. The members 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. The members who have already cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again at the AGM.

The Company has appointed **Mr. Sandeep Tripathi, Proprietor of, S. Tripathi & Associates, Practicing Chartered Accountant (FRN 019806C)**, as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner.

The Scrutinizer shall make a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, during the remote e-voting and voting at the AGM, not later than three days of conclusion of the meeting, to the Chairman or a person, authorised by him in writing. The Chairman or a person, authorised by him in writing, shall declare the results of the AGM forthwith. The results declared along with the Scrutiniser's report shall be placed on the Company's website and on the website of CDSL and shall be communicated to the Stock Exchanges.

Notice of the 23<sup>rd</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 23<sup>rd</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 e-voting period commences on September 26, 2016 (9.00 am) and ends on September 28, 2016 (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, 2016, 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:

Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)

Click on “Shareholders” tab.

Now, select the “COMPANY NAME” from the drop down menu and click on “SUBMIT”

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.

Next enter the Image Verification as displayed and Click on Login.

If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

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

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>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 last 8 digits of the demat account/ folio number in the PAN field.</li> <li>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. E.g. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li> </ul>
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 De-tails#	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"> <li>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 <b>the number of shares held by you as on the cut off date</b> in the <b>Dividend Bank details field</b>.</li> </ul>

- (i) After entering these details appropriately, click on “SUBMIT” tab.
- (ii) 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.
- (iii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (iv) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (v) 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.

- (vi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (vii) 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.
- (viii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (ix) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (x) 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.co.in> and register themselves as Corporate.

They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto: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](mailto: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 <Date and Time> and ends on <Date and Time>. 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 <Record Date>, 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.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- 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. Details of directors seeking re-appointment at the annual general meeting form an integral part of the notice and are provided in the statement pursuant to Section 102 of the Act. The Director has furnished requisite declaration for his re-appointment
- 11. An electronic copy of the 23<sup>rd</sup> of AGM of the of Annual Report (including the Notice ) of the Company, *inter alia* indicating the process and manner of e-voting alongwith attendance slip and proxy form is being sent to all members whose emails ID are registered with the Company/DP’s for Communication purposes, for the members other than above physical copy of the annual report is being sent in the permitted mode.
- 12. A route map showing direction to reach the venue of 23<sup>rd</sup> Annual general meeting is given at the end of the this annual report as per the requirement of the Secretarial Standard 2 on General meeting

**ANNEXURE TO THE NOTICE:**

Statement setting out material facts pursuant to Section 102 of the Companies Act, 2013, (the Act)

**Item No.4:**

Mr. Avinash Gupta (DIN: 01407807) was appointed as an Additional Director and Independent Director by the Board of Directors of the Company at its Meeting held on 12<sup>th</sup> February, 2016. 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. Avinash Gupta, as a candidate for the office of Director of the Company at the ensuing Annual General Meeting. Mr. Avinash Gupta, 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. Avinash Gupta that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and SEBI (LODR) Regulation, 2015..

In the opinion of the Board, Mr. Avinash Gupta, fulfills the conditions for his appointment as an Independent Director as specified in the Act and SEBI(LODR) Regulation 2015, Mr. Avinash Gupta, is independent of the management.

Mr. Avinash Gupta hold a master degree in finance (MBA) and has more than 15 Years experience in business and finance. He does not hold any shares in the Company.

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

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

**Details of the Directors seeking appointment at the Annual General Meeting as per the disclosure requirement of under SEBI (LODR) Regulations 2015.**

Particulars	Avinash Gupta
Date of Birth	12/02/1975
Date of Appointment	12/02/2016
Expertise in specific area	A qualified MBA with more than 15 years of experience in Business Administration and Finance.
Directorship held in other public Companies (excluding Foreign Companies And Section 25 Companies)	Nil
Memberships/ Chairmanships of other Public Companies (includes only Audit and Shareholders'/ Investors' Grievance Committees)	Nil
Remuneration Committees in other Company	Nil
Number of shares held	Nil

**By Order of the Board of Directors**

**Place: Mumbai**

**Dated: 12<sup>th</sup> August, 2016**

**Regd. Office: DIN: 00316075**

Shed No. C1B/316, GIDC Panoli,

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

CIN: L99999GJ1992PLC018626; Email: [lplho@vasnl.com](mailto:lplho@vasnl.com);

Website: [www.laffanspetrochemical.com](http://www.laffanspetrochemical.com); Contact: 022-28511919/1918/2929.

**Sandeep Seth  
Managing Director.**

## Director's Report

Dear Members,

Your Directors have pleasure in presenting their 23<sup>rd</sup> Annual report on the affairs of the Company together with the Audited Statement of Accounts for the year ended on 31<sup>st</sup> March, 2016.

### Financial Performance:

#### A summary of company's financial performance for 2015-2016:

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
Sales for the year	40,53,123.00	65,13,237.00
Profit before Interest & finance charges, depreciation & taxation	34,55,554.34	12,51,898.87
<b>Less: Interest &amp; finance Charges</b>	44,615.22	15,049.05
Operating profit before depreciation & taxation	34,10,939.12	12,36,849.82
<b>Less: Depreciation, amortization &amp; impairment of asset</b>	13,61,723.00	12,16,734.00
Profit before Exceptional Items	20,49,216.12	20,115.82
<b>Add: Exceptional Items</b>	0.00	0.00
<b>Profit before taxation</b>	20,49,216.12	20,115.82
Current Tax & Prior Year	(35,000).00	0.00
Deferred Tax Liability	(1,40,159).00	(3,79,443).00
<b>Profit after taxation</b>	<b>18,74,057.12</b>	<b>(3,59,327.18)</b>
<b>Add: Balance brought forward</b>	39,53,75,906.88	39,57,35,234.18
Profit available for appropriation	<b>39,72,49,964.00</b>	<b>39,53,75,907.00</b>
<b>Less: Appropriation:</b>		
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
<b>Balance carried forward to Balance Sheet</b>	<b>397,249,964.00</b>	<b>39,53,75,907.00</b>

#### Operating & Financial Performance & Internal Control:

Your company has generated gross revenue of ₹ 34415887.96 as compared to ₹ 34771526.18 for previous year. The income by way of trading during the year amounted to ₹ 4053123 compared to ₹ 6513237 in the previous year. The company has been able to achieve a nominal profit after 5 years of operating losses. The company's non compete clause with Huntsman Corporation has come to an end as of 31/3/2016 where the company was prohibited to do any past related businesses resulting in negative financial implications coupled with past liabilities towards DGFT and other authorities which continues. The company has started imports of chemicals from China and other regions and is seeking opportunities towards indenting and trading of chemicals based on its past experience. The company has stopped imports of Pharma APi,s which resulted in losses. The company's ware housing activities with Huntsman has also come to an end along with its Non compete Clause. The industry continues to face challenges with very cheap imports from Middle east and China.

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](http://www.laffanspetrochemical.com)

There is no change in the nature of the business of the Company. 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, 2016 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, 2016. There were no unclaimed or unpaid deposits as on March 31, 2016.

**Transfer to Reserve:**

The Company has not transferred any amount to reserves.

**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, 2016.

**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, 2016 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 4 (four) Board Meetings and 4 (four) Audit Committee Meetings were convened and held.

The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

**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 31<sup>st</sup> March, 2016, 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, 2016 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:**

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.

**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:**

The Company has not made any Loans or given Guarantees or provided security to any person and has not made any investment that attracts the provisions of Section 186 of the Companies Act, 2013 during the Financial Statements.

**Related Party Transactions:**

There were contracts or arrangements entered into by the company during the year, which attracts the provision of Section 188 of the Companies Act, 2013. details of which provided in form AOC-2. 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.

There are no materially significant related party transactions made by the Company with promoters, directors, KMP or other designated persons which may have a potential conflict with the interest of the Company.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website [www.laffanspetrochemical.com](http://www.laffanspetrochemical.com) .

**Conservation of energy, technology absorption, foreign exchange earnings and outgo:8**

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.

**Internal Control System**

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**

Mr. Avinash Gupta (DIN:01407807) has been appointed as Additional Non Executive Independent Director with effect from 12th February, 2016 and Mr. Rajesh Thadani (DIN: 00009889) as Non Executive Independent Director with effect from 26th September, 2015.

**Re-appointments**

As per the provisions of the Companies Act, 2013 and the Articles of Association of the company, Mr. Jaideep Seth (DIN 03130620) will retire in the ensuing Annual General Meeting and being eligible, seek re-appointment. The Board of Directors recommends his re-appointment.

**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 of over ₹ 1.50 lacs per month.

**Auditors**

At the Annual General Meeting held on 26<sup>th</sup> September, 2015 M/s. S. M. Kapoor & Co., Chartered Accountants, Statutory Auditors of the Company having registration number (FRN No. 104809W) were appointed as statutory auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2017. In terms of first proviso of section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification by members at every annual general meeting. The Company has received a certificate from the statutory auditors to the effect that their re-appointment, if made, would be within the limits prescribed.

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. S. M. Kapoor & Co., Statutory Auditors, in their report.

**Internal Auditors**

M/s. Govind Prasad & Co, Chartered Accountants were appointed as an Internal Auditor for Financial Year 2015-2016, they performs the duties of internal auditors of the company and their report is reviewed by the audit committee from time to time.

**Secretarial Auditors and Secretarial Audit Report**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Jitendra Lekhwani & Co., a Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed as "**Annexure C**".

There are no qualifications, reservations or adverse remarks or disclaimers made by the Secretarial Auditors, in their report.

**Obligation Of Company Under The Sexual Harassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013:**

In order to prevent sexual harassment of women at work place the Company has adopted a policy for prevention of Sexual Harassment of Women at workplace under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and during the year Company has not received any complaint of such harassment.

**Insider Trading:**

In compliance with the SEBI regulation on prevention of Insider Trading, your Company has framed a comprehensive code which lays down guidelines and advises the Directors and employees of the Company on procedures to be followed and disclosures to be made, while dealing in securities of the Company. During the year under review, the Company adopted Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive information and the Code of Conduct for Prohibition of Insider Trading in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

**The Extract of the Annual Return in form MGT-9:**

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as “**Annexure D**”.

**Transfer Of Amounts To Investor Education And Protection Fund:**

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore; there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

**Board Evaluation:**

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an evaluation of every director’s performance was carried out. An evaluation sheet was given to each director wherein certain criteria were set out for which ratings are to be given.

**Research & Development:**

As Company is not into manufacturing activity, there was no Research and Development activity carried out by the Company during the financial year under review.

**Website of The Company:**

The Company maintains a website [www.laffanspetrochemical.com](http://www.laffanspetrochemical.com) where detailed information of the company and its products are provided.

**Code of Conduct:**

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Code has been placed on the Company’s website [www.laffanspetrochemical.com](http://www.laffanspetrochemical.com). The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code.

**Vigil mechanism/whistle Blower Policy:**

The Company has established a vigil mechanism/Whistle Blower Policy for Directors and employees to report their genuine concerns, details of which have been given in the Corporate Governance Report annexed to this Report.

**Following details are also available on the website of the Companies on [www.laffanspetrochemical.com](http://www.laffanspetrochemical.com)**

1. The details of such familiarization programmes
2. The policy on Related Party Transactions
3. Code of conduct for Board of Directors and Employees

4. Code of internal procedure and conduct under insider trading regulation.
5. Policy on Board Diversity
6. Nomination & Remuneration Policy etc.

**Management Discussion and Analysis Report:**

Management's discussion and analysis Report is annexed herewith as "**Annexure E**".

**Report on Corporate Governance**

A separate report on Corporate Governance is attached to this report along with Statutory Auditor's certificate on its compliance in "**Annexure F**".

**Cautionary Statement**

The statements contained in the Board's Report and Management Discussion and Analysis contain certain statements relating to the future and therefore are forward looking within the meaning of applicable securities, laws and regulations. Various factors such as economic conditions, changes in government regulations, tax, regime, other statues, market forces and other associated and individual factors may however lead to variation in actual results. Readers are cautioned not to place undue reliance on the forward looking statements.

**Acknowledgments**

Your Directors take this opportunity to place on record their appreciation and sincere gratitude to the Government of India, Governments of Gujarat & Maharashtra, Authorities and the Bankers to the Company for their valuable support and look forward to their continued co-operation in the years to come. Your Directors also acknowledge the support and co-operation received from the employees and all those who have helped in the day to day management.

**For and on behalf of the Board of Directors**

Place: Mumbai  
Dated: 12<sup>TH</sup> August, 2016

Sandeep Seth  
(Managing Director)  
DIN: 00316075

Anisha Seth  
(Director)  
DIN: 06867960

**ANNEXURE – A****NOMINATION AND REMUNERATION POLICY**

The Board of Directors of the Company has adopted a Nomination & Remuneration Policy for determining qualifications, positive attributes and independence of a Director and criteria for

Director's appointment and remuneration which is framed by Nomination and remuneration Committee. The features of the Policy are as follows:

- The Company, while constituting the Board shall draw members from diverse fields such as finance, law, management, architecture, technical, marketing, manufacturing, corporate governance, operations or other disciplines related to the Company's business. There shall be no discrimination on the basis of gender, while determining the Board composition.
- A director shall be a person of integrity, who possesses relevant expertise and experience. He shall uphold ethical standards of integrity and probity and act objectively and constructively. He shall exercise his responsibilities in a bona-fide manner in the interest of the company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the Company in implementing the best corporate governance practices.
- An Independent director should meet the requirements of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, concerning independence of directors. The Company shall also obtain certification of independence from the Independent Director in accordance with the Companies Act, 2013.
- The objective of the policy is to have a compensation framework that will reward and retain talent.
- The remuneration will be such as to ensure that the correlation of remuneration to performance is clear and meets appropriate performance benchmarks.
- Remuneration to Key Managerial Personnel, Senior Management and other employees will involve a balance between fixed and variable pay reflecting short and long term performance objectives of the employees in line with the working of the Company and its goals.
- For Directors, the Performance Pay will be linked to achievement of Business Plan.
- For Heads of Department, the Performance Pay will be linked to achievement of functional plan which is derived from the business plan. The functional plan includes both, short-term and long-term objectives.
- The above will take into consideration industry performance, customer performance and overall economic environment.
- For other management personnel, the Performance Pay will be linked to achievement of individual set objectives and part of this will also be linked to overall company performance

**ANNEXURE – B****Information under Section 134(3)(m) of the Companies Act, 2013 read with rule 8(3) the Companies (Accounts) Rules, 2014 and forming part of the Report of the Directors**

(A) Conservation of energy- Not Applicable

(B) Technology absorption- Not Applicable

**(C) Foreign exchange earnings and Outgo-**

The Company's main line of business is trading of chemicals. The Company has achieved Export Turnover of ₹ Nil during the year under report 2015-2016, as compared to ₹ Nil in the previous year, 2013-2014.

Sr. No.	Particulars	2015-2016	2014-2015
1	Foreign Exchange Earned	00	00
	Export of Goods of F.O.B basis		
2	Outgo of Foreign Exchange		
	i) Raw Materials	30,82,159.00	22,69,740.00
	ii) Consumable Store	-	-
-	iii) Capital Goods	-	-
	iv) Foreign Travels	-	-
	v) Others	312429.00	00
	vi) Dividend	-	-

**ANNEXURE –C****Form No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE PERIOD 01-04-2015 TO 31-03-2016**

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,

The Members,

**Laffans Petrochemicals limited**

Shed no.C1b/316 GidcPanoli, Ankleshwar

Gujarat - 394116

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices **LAFFANS PETROCHEMICALS LIMITED (CIN: L99999GJ1992PLC018626)** hereinafter called (the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of **LAFFANS PETROCHEMICALS LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering **1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **LAFFANS PETROCHEMICALS LIMITED** ("the Company") for the audit period **1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not Applicable)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011- (**Not applicable during the audit period**)
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992-
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009- (**Not applicable during the Audit Period**)
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999- (**Not applicable during the Audit Period**)
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- (**Not applicable**)



- f. The securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the companies act and dealing with client
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- **Not applicable.**
  - h. Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2009- **Not applicable.**
- (vi) We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

We are of the opinion that the management has complied with the following laws specifically applicable to the Company:

1. Income Tax Act, 1961
2. Service Tax, 1994
3. Corporate Laws
4. Securities & Exchange Board of India Act, 1992
5. Stock Exchange - Listing Agreement Compliance

We have also examined compliance with applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) The Listing Agreements entered into by the Company with BSE Limited & Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective from December 1, 2015)

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above:

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the company commensurate with size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulation and guidelines.

Jitendra Lekhwani  
Practising Company Secretary  
C.P.NO. : 10709  
ACS NO. : 25927

Mumbai 12<sup>th</sup> August, 2016

**Annexure-D****MGT-9 – EXTRACT OF ANNUAL RETURN**

Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014

**I. Registration and other Details**

CIN	L99999GJ1992PLC018626
Registration Date	27 <sup>th</sup> November, 1992
Name of the Company	LAFFANS PETROCHEMICALS LIMITED
Category	Company Limited by shares
Sub-Category	Indian Non-Government Company
Address of the Registered Office	SHED NO. C1B/316, GIDC PANOLI, ANKLESHWAR – 394116, GUJARAT
Contact details	Tel: (022) 28511918 / 28512929 / 28518862, Fax: (022) 28513186; Email: <a href="mailto:Laffans1@vsnl.com">Laffans1@vsnl.com</a> Website: <a href="http://www.laffanspetrochemical.com">www.laffanspetrochemical.com</a>
Whether Listed Company	Yes
Name, Address and Contact details of Registrar and Transfer Agent	M/s. Bigshare Services Pvt. Ltd. E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai – 400 072 Tel.: + 91-22-4043 0200, Fax: +91-22-2847 5207 Email: <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a>

**II. Principal Business Activities**

All the business activities contributing 10 % or more of the total turnover of the Company

Sl. No.	Name and Description of main products	NIC Code of the Product	% to total turnover of the Company
1	Dealing in Petroleum Chemicals	51102	100%

**II. Particular of Holding, Subsidiary and Associate Companies: Nil**

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
<i>A. Promoters</i>									
(1) Indian									
a) Individual/HUF	3907702	4250	3911952	48.90	3907702	4250	3911952	48.90	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	3907702	4250	3911952	48.90	3907702	4250	3911952	48.90	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other –Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):	-	-	-	-	-	-	-	-	-
<i>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</i>	3907702	4250	3911952	48.90	3907702	4250	3911952	48.90	-

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
<i>B. Public Shareholding</i>									
1. Institutions									
a) Mutual Funds	0	10600	10600	0.13	0	10600	10600	0.13	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	0	10600	10600	0.13	0	10600	10600	0.13	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	358467	57000	415467	5.19	337610	57000	394610	4.93	(0.96)
ii) Overseas	-	-	-	--	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	2887807	724910	3612717	45.16	39500332	718610	3668642	31.25	(13.96)
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	1212505	65500	1278005	15.98	1119120	49600	1168720	14.61	1.37
c) Others (specify)									
Clearing member	100	-	100	0.0	751	-	751	0.01	Nominal
Market Maker	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Non Resident Indians (Repat)	49164	-	49164	0.61	13445	-	13445	0.17	-0.45
Non Resident Indians (Non-Repat)	-	-	-	-	-	-	-	-	-
Foreign Companies	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Independent Directors	-	-	-	-	-	-	-	-	-
HUF	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):	3295538	781910	4077448	50.97	3301838	775610	4077448	50.97	-0.000
<i>Total Public Shareholding (B)=(B)(1)+ (B)(2)</i>	3295538	792510	4088048	51.10	3301838	786210	4088048	51.10	-0.000
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	7203240	796760	8000000	100	7209540	790460	8000000	100	-

**IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)****i) Category-wise Share Holding.****(ii) Shareholding of Promoters**

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in share holding during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
Mr. Sandeep Seth	3911952	48.90	N.A	3911952	48.90	N.A	No change

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Mr. Sandeep Seth				
At the beginning of the year	3911952	48.90	3911952	48.90
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/ sweat equity etc):	No Change During the year			
At the End of the year	3911952	48.90	3911952	48.90

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

	Shareholding at the beginning of the year		Change during the year			Cumulative Shareholding during the Year	
	No. of shares	% of total shares of the company	Date	Increase / Decrease in shareholding	Reason	No. of shares	% of total shares of the company
1. LAFFANS INDIA LIMITED							
At the beginning of the year	227,700	2.85	-	-		227,700	2.85
At the End of the year	227,700	2.85	-	-		227,700	2.85
2. RAHUL DILIPBHAI JHAVERI							
At the beginning of the year	121500	1.52				121500	1.52
At the End of the year	121500	1.52				121500	1.52
3. MAHENDRA GIRDHARILAL							
At the beginning of the year	140546	1.76				140546	1.76
			24.04.2015	200	Transfer	140746	1.76
			01.05.2015	9242	Transfer	149988	1.87
			22.05.2015	1000	Transfer	150988	1.89
			29.05.2015	3200	Transfer	154188	1.93
			12.06.2015	10	Transfer	154198	1.93
			19.06.2015	280	Transfer	154478	1.93
			30.06.2015	1	Transfer	154479	1.93
			10.07.2015	4485	Transfer	158964	1.99

	Shareholding at the beginning of the year		Change during the year			Cumulative Shareholding during the Year	
	No. of shares	% of total shares of the company	Date	Increase / Decrease in shareholding	Reason	No. of shares	% of total shares of the company
			17.07.2015	1793	Transfer	160757	2.01
			24.07.2015	1558	Transfer	162315	2.03
			31.07.2015	4990	Transfer	167305	2.09
			07.08.2015	21000	Transfer	188305	2.35
			11.09.2015	1000	Transfer	189305	2.37
			30.09.2015	302	Transfer	189607	2.37
			01.01.2016	1800	Transfer	191407	2.39
At the End of the year	191407	2.39				191407	2.39
<b>4. NARAYAN MANGILAL MALU</b>							
At the beginning of the year	87266	1.09				87266	1.09
At the End of the year	83266	1.04				83266	1.04
<b>5. SANJAY SETH</b>							
At the beginning of the year	99000	1.24				99000	1.24
At the End of the year	57862	0.72				57862	0.72
<b>7. SANJAY SETH</b>							
At the beginning of the year	99000	1.24	No Change During the year.			99000	1.24
At the End of the year	99000	1.24				99000	1.24
<b>8. ARUNA VAGERIA</b>							
At the beginning of the year	48201	0.60	No Changes during the year.			48201	0.60
At the End of the year	48201	0.60				48201	0.60
<b>9. DHEERAJ KUMAR LOHIA</b>							
At the beginning of the year	33179	0.41	----	---	--	33179	0.41
			30-10-2015	10060	Transfer	43239	0.54
			06-11-2015	1654	Transfer	44893	0.56
			08-01-2016	2800	Transfer	47693	0.56
			19-02-2016	4512	Transfer	52205	0.60
			26-02-2016	6144	Transfer	52205	0.65
			04-03-2016	480	Transfer	58349	0.73
			11-03-2016	5000	Transfer	58829	0.74
			25-03-2016	4000	Transfer	63829	0.80
			31-03-2016	2450	Transfer	67829	0.85
At the End of the year	70279	0.88				44968	0.88
<b>10. KONDEPUDI PALLAVI</b>							
At the beginning of the year	46000	0.58				46000	0.58
At the End of the year	46000	0.58				46000	0.58

**(v) Shareholding of Directors and Key Managerial Personnel:**

	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Mr. Sandeep Seth (Managing Director)				
At the beginning of the year	3911952	48.90	3911952	48.90
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/ sweat equity etc):	No Change During the year			
At the End of the year	3911952	48.90	3911952	48.90
Mr. Jaideep Seth (Director)				
At the beginning of the year	0	0	0	0
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/ sweat equity etc):	No Change During the year			
At the End of the year	0	0	0	0
Mr. Naresh N. Chhabria (Director)				
At the beginning of the year	0	0	0	0
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/ sweat equity etc):	No Change During the year			
At the End of the year	0	0	0	0
Mr. Avinash Gupta (Director)				
At the beginning of the year	0	0	0	0
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/ sweat equity etc):	No Change During the year			
At the End of the year	0	0	0	0
Mrs. Anisha Seth (Whole-Time Director)				
At the beginning of the year	0	0	0	0
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/ sweat equity etc):	No Change During the year			
At the End of the year	0	0	0	0
Mr. Mahalinga Booba Kotian (CFO)				
At the beginning of the year	0	0	0	0
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/ sweat equity etc):	No Change During the year			
At the End of the year	0	0	0	0
Mr. Rajesh Thadani ( Director)				
At the beginning of the year	0	0	0	0
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/ sweat equity etc):	No Change During the year			
At the End of the year	0	0	0	0
Mr. S R Narayanan (Company Secretary)				
At the beginning of the year	0	0	0	0
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/ sweat equity etc):	No Change During the year			
At the End of the year	0	0	0	0

**V. Indebtedness****Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)				
Change in Indebtedness during the financial year	-	-	-	-
• Addition	-	-	-	-
• Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

**VI. Remuneration of Directors and Key Managerial Personnel****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Particulars of Remuneration	Mr. Sandeep Seth (Managing Director)	Mrs. Anisha Seth (Whole-time Director)	Total Amount
Gross salary			
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18,00,000	8,40,000	26,40,000
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
Stock Option	-	-	-
Sweat Equity	-	-	-
Commission			
- as % of profit	-	-	-
- others			
Others	-	-	-
Total (A)	18,00,000	8,40,000	26,40,000
Ceiling as per the Act	As per Section II of Schedule V of the Companies Act, 2013	As per Section II of Schedule V of the Companies Act, 2013	₹ 42,00,000/- (Overall limits as per Section II of Schedule V of the Companies Act, 2013)

**B. Remuneration to other directors:**

Particulars of Remuneration	Name of Directors				Total Amount
	Mr. Jaideep Seth	Mr. Avinash Gupta	Mr. Naresh Chhabria	Mr. Rajesh Thadani	
Independent Directors					
• Fee for attending board / committee meetings	-	-	-	-	-
• Commission	-	-	-	-	-
• Others	-	-	-	-	-
<b>Total (1)</b>					
<b>Other Non-Executive Directors</b>					
• Fee for attending board / committee meetings	-	-	-	-	-
• Commission	-	-	-	-	-
• Others	688000	-	-	-	6,88,000
<b>Total (2)</b>	<b>688,000</b>	-	-	-	<b>6,88,000</b>
<b>Total (B)=(1+2)</b>	<b>6,88,000</b>	-	-	-	<b>6,88,000</b>

**C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD**

Particulars of Remuneration	Key Managerial Personnel		Total Amount
	Company Secretary Mr. S R Narayanan	CFO Mr. M B. Kotian	
Gross salary			
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	60,000	1,87,200	2,47,200
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	--	--
Stock Option	-	-	-
Sweat Equity	-	-	-
Commission - as % of profit - others	-	-	-
Others	-	-	-
<b>Total</b>	<b>60,000</b>	<b>1,87,200</b>	<b>2,47,200</b>



**VII. Penalties / Punishment/ Compounding of Offences:**

During the year there were no penalties, punishment, compounding charges paid by the company.

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/Court]	Appeal made, if any (give details)
<b>COMPANY</b>					
Penalty			N.A		
Punishment					
Compounding					
<b>DIRECTORS</b>					
Penalty			N.A		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			N.A		
Punishment					
Compounding					

**ANNEXURE-E****MANAGEMENT DISCUSSION AND ANALYSIS****Performance Highlights:**

The Company has reported a gross income of ₹ 30362765 , during the year 2015-16 by way of Sales, earning of interest on investment, dividend income, rent income, profit on sale of investments as compared to gross income of ₹ 28258289, for the previous year.

Due to recessionary trends which continued globally, your Company's sales is slightly decreased in comparison to performance of the previous year due to market crises

During the year, despite the downfall in sales, Company has generated better revenues as compared to that during the previous financial year 2015 – 2016 through earning of interest on investment, dividend income, rent income, profit on sale of investments.

During the year, Company has made a tremendous recovery and earned a profit of ₹ 1874057 after tax, As against the loss of ₹ 359327 for the previous year

During the year under review, the Company has put a focus on trading in various chemicals product and is striving to gain market share in a very competitive market.

**Future Prospects/Outlook:**

Your Company is continuously working on strengthening the business. Your Company has been successfully executing major orders from prestigious customers and it has been enjoying the confidence of all customers across the country with repeat orders. Your Company has embarked on improving margins in all products by reducing the various costs. The results of these initiatives are expected to improve the overall profitability of the Company further during the current year.

**ANNEXURE-F**  
**REPORT ON CORPORATE GOVERNANCE**

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the Listing Agreement with the BSE Limited (BSE) the Directors present the Company's report on corporate governance for the year ended March 31, 2016.

**1. Company's Philosophy On Corporate Governance:**

Corporate Governance broadly refers to a set of rules and practices designed to govern the behavior of corporate enterprises. The Company's philosophy on Corporate Governance envisages accountability, responsibility and transparency in the conduct of the Company's business and its affairs vis-à-vis its employees, shareholders, bankers, lenders, government, suppliers, dealers etc. and accordingly lays great emphasis on regulatory compliances. The Company firmly believes that Corporate Governance is a powerful tool to sub serve the long term growth of the Company and continues to give high priority to the principles and practices of good Corporate Governance and has accordingly benchmarked its practices with the existing guidelines of corporate governance as laid down in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**2. Board Of Directors:**

**2.1. Composition and Category of Directors**

The Board of Directors of the Company have an optimum combination of Executive , Non-Executive and Independent Directors who represents a good professionalism.

The Board's Composition is in accordance with the requirements of Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015

Composition of Board of Directors as on March 31,2016.

Name of Director	Category
Mr. Sandeep Seth	Executive- Managing Director
Mrs. Anisha Seth	Whole-Time Director
Mr. Jaideep Seth	Non-Executive
Mr. Naresh Chhabaria	Independent-Non-Executive Director
Mr. Rajesh Thadani*	Independent-Non-Executive Director
Mr. Avinash Gupta**	Independent Non-Executive Director (Additional)

\*Mr. Rajesh Thadani has been appointed as Non-Executive Independent Director w.e.f. 26.09.2015

\*\*Mr. Avinash Gupta has been appointed as Additional Non- Executive Independent Director w.e.f. 12.02.2016.

**2.2 Directorship and Committee Membership in other Companies:**

None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Regulation 26(1) of Listing Regulation with Stock Exchange) across all the Companies in India in which he is a Director.

Independent Directors do not serve in more than 7 Listed Companies. None of the Independent Directors are Whole Time Directors in any Listed so the limitation mentioned in Regulation 25 (1) of the Listing Regulation with the Stock Exchange is not applicable.

Directorships and membership of Committees in other companies held by Directors as on March 31, 2016 are given below:

Name of Director	*Number of Directorship(s) held in other Indian public limited Companies	**Committees Positions	
		Committee Chairmanship	Committee Membership
Mr. Sandeep Seth	0	Nil	Nil
Mrs. Anisha Seth	0	Nil	Nil
Mr. Jaideep Seth	0	Nil	Nil
Mr. Naresh Chhabria	0	Nil	Nil
Mr. Rajesh Thadani	0	Nil	Nil
Mr. Avinash Gupta	0	Nil	Nil

\*Directorships do not include directorships in Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.

\*\*Chairmanship/ Membership of committees of Board of Directors include only Audit and Stakeholder Relations Committees of other Public Limited Companies.

### 2.3) Appointment /Re-appointment of Directors

During the financial year, Mr. Rajesh Thadani has been appointed as Non-Executive Independent Director w.e.f. 26.09.2015 and Mr. Avinash Gupta has been appointed as an Additional Non-Executive Independent Director w.e.f. 12.02.2016.

### 2.4) Information Supplied to the Board:

The Board of the Director of the Company is presented with relevant information in advance on various matters related to working of the Company, specially those requires deliberation. In addition to items which requires approval of the Board or its noting. The Information is provided on various items. The information supplied by management to the Board of the Company is in accordance with various Regulations of SEBI (LODR) Regulations, 2015.

### 2.5) Orderly Succession to Board and Senior Management:

The Board of Director of the Company satisfies itself about the plans in place for orderly succession for appointment to the Board and to Senior Management.

### 2.6) Review of Legal Compliance reports:

During the year, the Board periodically reviewed compliances reports with respect to the various laws applicable to the Company, as prepared and placed before it by the management.

### 2.7) Maximum tenure of Independent Directors

The maximum tenure of Independent Directors is in accordance with the Companies Act,2013. The terms and conditions of appointment of independent Directors are placed on the Company's websites.

### 2.8) Formal letter of Appointment to Independent Directors

The Company has issued formal letter to each Independent Directors in the manners as provided in the Companies Act, 2013. The terms and conditions of appointment of Independent Directors are placed on Company's websites [www.laffanspetrochemical.com](http://www.laffanspetrochemical.com)

### 2.9) Re-appointment of Directors (liable to retire by rotation)

Shri Jaideep Seth (DIN 03130620), retires by rotation and being eligible offer himself for re-appointment. His brief resume is as under:

Name of the Director	Shri Jaideep Seth
DOB	20/09/1963
Date of Appointment	08/06/2012
Qualification & Expertise in specific functional areas	Providing valuable inputs and guidance on various matters relating to strategic planning and performance, marketing expansion, new business decision of the Company.
List of other Directorship held In (other listed Companies)	NIL
<i>chairmanships / memberships of committees of director in others listed companies</i>	NIL

### 1.10. Board Meetings Held

Four Board Meetings were held during the financial year ended on 31<sup>st</sup> March, 2016. These were held on 29<sup>th</sup> May; 2015, 14<sup>th</sup> August, 2015; 09<sup>th</sup> November, 2015; 12<sup>th</sup> February, 2016.

### 1.11. Attendance of each director at the Board meetings held during the financial year ended 31st March, 2016 and the last AGM held on September 26, 2015:

Director	No. of Board meetings held	No. of Board meetings attended	Last AGM Yes/No
Mr. Sandeep Seth	4	4	Yes
Mrs. Anisha Seth*	4	3	Yes
Mr. Jaideep Seth	4	4	Yes
Mr. Naresh Chhabria*	4	3	Yes
Mr. Rajesh Thadani	4	4	Yes
Mr. Avinash Gupta	4	1	No

### 3.) INDEPENDENT DIRECTORS MEETING:

As required under Regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Independent Directors meeting was held on 12<sup>th</sup> February, 2016, inter alia, to discuss:

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as a Whole;
2. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.
3. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.
4. **Familiarization Programme for Independent Directors:** If any person joins the Board of the Company as an Independent Director, the company conducts the seminars/power point presentations at regular intervals so that the new Independent Director gets acquainted with the nature of the Company. The new person will come to know about various roles, duties, rights and responsibilities that has to be performed during the course of time.

### 4.) Audit Committee

#### 4.1. Terms of reference.

The terms of reference for Audit Committee has been specified in Part C of Schedule II under Regulation 18(3) of Listing Obligation and Disclosure Requirements (LODR), Regulation, 2015 with Stock Exchange where the information will be reviewed by the Audit Committee.

#### 4.2. Composition of the Audit Committee:

The Company has constituted a qualified Audit Committee as required under section 177 of the Companies Act, 2013. The Audit Committee comprises of three directors as members. All the members are well versed with finance, accounts, corporate laws and general business practices. Mr. Naresh Chhabria, Chairman of the Committee is an Independent and has related financial and accountancy expertise.

Name of the Member	Category	Designation
Mr. Naresh Chhabria	Independent Director	Chairman
Mr. Rajesh Thadani*	Independent Director	Member
Mr. Jaideep Seth	Non-Executive Director	Member

#### 4.3. Audit Committee meetings:

During the year under the review, the Committee met four times, i.e. on 29<sup>th</sup> May, 2015, 14<sup>th</sup> August, 2015, 09<sup>th</sup> November, 2015, and 12<sup>th</sup> February, 2016.

##### Attendance at the meetings of the Audit Committee:

Name of the Member	Designation	No. of meetings during the year	
		Held	Attended
Mr. Naresh Chhabria	Chairman	4	4
Mr. Rajesh Thadani*	Member	4	4
Mr. Jaideep Seth	Member	4	4

#### 5) Nomination & Remuneration Committee:

##### 5.1. Term of Reference:

The broad terms of reference of the Nomination and Remuneration Committee are:

- To formulate the criteria for determining qualifications, positive attributes and independence for appointment of a Director and recommend to the Board, policies relating to the remuneration of the Directors, key managerial personnel and other employees;
- To formulate the criteria for evaluation of all the Directors on the Board;
- To devise a policy on Board diversity; and
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

The **Nomination and Remuneration Policy** devised in accordance with Section 178(3) and (4) of the Companies Act, 2013 has been published as an Annexure to the Directors Report. Further, the details of remuneration paid to all the Directors and the other disclosures required to be made under the Listing Agreement.

##### 5.2. Composition of Nomination and Remuneration Committee:

The Company has constituted a Nomination and Remuneration Committee as required under Section 178 of the Companies Act, 2013 read with Regulation 19 of Listing Obligation and Disclosure Requirements (LODR), Regulation, 2015 with Stock Exchange. The Nomination and Remuneration Committee was reconstituted on 29<sup>th</sup> May, 2015.

The Nomination and Remuneration Committee now comprises of three directors as members. Mr. Naresh Chhabria, Chairman of the Committee is an Independent.

Name of the Member	Category	Designation
Mr. Naresh Chhabria	Independent Director	Chairman
Mr. Rajesh Thadani*	Independent Director	Member
Mr. Jaideep Seth	Non-Executive Director	Member

### 5.3. Committee Meetings:

During the year under the review, the Committee met two times, i.e. on 29<sup>th</sup> May, 2015, 14<sup>th</sup> August 2015, 12<sup>th</sup> February 2016.

#### Attendance at the meetings of the Nomination & Remuneration Committee:

Name of the Member	Status	No. of meetings during the year	
		Held	Attended
Mr. Naresh Chhabria	Chairman	3	3
Mr. Rajesh Thadani*	Member	3	3
Mr. Jaideep Seth	Member	3	3

### 1.4. Details of Remuneration Paid to the Directors in 2015-16:

- **Remuneration paid to Executive Directors:**

(Amt. in ₹)

Name	Salary	Bonuss	Other perks	Commission	Total
Mr. Sandeep Seth	18,00,000	Nil	Nil	Nil	18,00,000
Mrs. Anisha Seth	8,40,000	Nil	Nil	Nil	8,40,000

- **Remuneration paid to Non-Executive Directors:**

(Amt. in ₹)

Name	Salary	Sitting Fees	No. of Shares held
Mr. Jaideep Seth	6,88,000	Nil	Nil
Mr. Naresh Chhabria	Nil	Nil	Nil

### 6) SHARE TRANSFER COMMITTEE/STAKEHOLDER RELATIONSHIP COMMITTEE:

The Stakeholder Relationship Committee has been constituted under the Chairmanship of Mr. Jaideep Seth with Mr. Sandeep Seth as the other member to facilitate speedy disposal of requests pertaining to transfer, transmission of shares in physical form, issue of duplicate share certificates, to consider and review shareholders'/investors' grievances and complaints and to ensure that all shareholders'/investors' grievance and correspondence are attended to expeditiously and satisfactorily unless constrained by incomplete documentation and/ or legal impediments.

- **Shareholder/ Investor Service:**

Shareholder/ Investor Service is handled by the Managing Director who provides timely services. The Company received Nil complaints during the year and there was no case/ complaint unresolved at the end of the year.

- **Name & Designation of the Compliance Officer:**

Mr. Sandeep Seth, Managing Director and Compliance Officer.

### 7) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

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.

**8) GENERAL BODY MEETINGS:****8.1. Particulars of last three Annual General Meetings and the Special Resolutions passed thereat:**

<b>Financial Year</b>	<b>Date &amp; Time</b>	<b>Location</b>	<b>Special Resolution passed</b>
2012-2013	September 30, 2013 at 12.30 p.m.	Shalimar Hotel, Ankleshwar, Dist. Bharuch, Gujarat	No special resolution passed
2013-2014	September 26, 2014 at 12.30 p.m.	Shalimar Hotel, Ankleshwar, Dist. Bharuch, Gujarat	No special resolution passed
2014-2015	September 26, 2015 at 12.30 p.m	Shalimar Hotel, Ankleshwar, Dist. Bharuch, Gujarat	No special resolution passed

**8.2. Special Resolution passed through Postal Ballot:**

No Special Resolution is being put through postal ballot as there is no such business that statutorily required voting through postal ballot in ensuing AGM.

**9) DISCLOSURES:**

**9.1.** All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulation, 2015 during the financial year were in the ordinary course of business and on an arms length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards has been made in the notes to the Financial Statements.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website.

**9.2. Details of non compliance/ penalties/ strictures imposed on the Company by the Statutory Authorities:**

The Company has complied with the requirements of the Stock Exchanges, Securities and Exchange Board of India and other statutory authorities on all matters relating to capital markets during the last three years and no penalties or strictures have been imposed on the Company by any Stock Exchange, Securities and Exchange Board of India or other statutory authorities.

**9.3. Whistle Blower Policy affirmation that no person has been denied access to Audit Committee:**

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and the revised clause 49 of the Listing Agreement, the Company has a Whistle-Blower Policy for establishing a vigil mechanism for Directors and employees to report genuine concerns regarding unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics policy. The said mechanism also provides for adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. We affirm that no employee of the Company was denied access to the Audit Committee. The said Whistle-Blower Policy has been hosted on the website of the Company at [www.laffanspetrochemical.com](http://www.laffanspetrochemical.com)

**9.4. Details of Compliance with mandatory requirement:**

The Company has fully complied with the mandatory requirement of Clause 49 of the Listing Agreement entered into with the Stock Exchange. The non-mandatory requirements contained in Annexure XIII to Clause 49 of the Listing Agreement with the Stock Exchanges have not been adopted.

**9.5. Subsidiaries/Material Subsidiaries:**

The Company does not have any subsidiary company under section 2(87) of the Companies Act, 2013 and is not applicable to the Company as per the provisions of Listing Regulation.



### 9.6. CEO & MD / CFO Certification

The Managing Director and the CFO have issued certificate pursuant to the provisions of Listing Agreement and SEBI (LODR) Regulation, 2015, certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

### 9.7. MEANS OF COMMUNICATION:

The quarterly and annual financial results are sent to the Stock Exchanges immediately after they are approved and taken on record by the Board of Directors. These financial results are normally published in the "Free Press Journal" and "Navshakti" and are also made available on the website of the Company, 'www.laffanspetrochemical.com' Annual Reports are dispatched to all the shareholders. No presentation was made to the institutional investors or analysts during the year.

### 9.9. Code of Conduct:

The Board of Directors has laid down a Code of Conduct for all the Board Members and Senior Management Personnel of the Company to ensure adherence to a high ethical professional conduct by them in the discharge of their duties. The Code of Conduct has also been posted onto the website of the Company. All the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year 31.03.2016. Declaration on affirmation of Code of Conduct is forming part of the this Report.

### 9.10.General Information for Shareholders:

a.	Registered office	At Shed No.C1b/316 Gidc Panoli, Ankleshwar Bharuch Gj 394116.
b.	Annual General Meeting Day, Date, Time & Venue	Thursday, 29 <sup>th</sup> September, 2016 At 12:00 P.M. at Shalimar Hotel, Station Road, Ankleshwar, Bharuch - 394 116.
c.	Financial Year	April 01 to March 31
d.	Financial Calendar (tentative)	June 30, 2015- Second week of August, 2015 September 30, 2015- Second week of November, 2015 December 31, 2015-Second week of February, 2015 March 31, 2015-Last week of May, 2015. Dividend Payment Date Not Applicable
e.	Date of Book closure	19 <sup>th</sup> September, 2016 to 29 <sup>th</sup> September, 2016 (both days inclusive).
f.	Listing on Stock Exchanges	The shares of the Company are listed on BSE Limited (BSE), Vadodara Stock Exchange Limited (VSEL),: Delhi Stock Exchange (DSE) V
g.	Stock Code/ ID	BSE: 524522/ LAFFANSQ VSEL: 288 DSE: 6832
h.	Registrars and Transfer Agents	The Company has appointed Big Share Services Pvt. Ltd. of Mumbai as the Registrars and Share Transfer Agents. For any assistance regarding share transfers, transmissions, change of address, duplicate/missing share certificate and other relevant matters, please write to the Registrars and Transfer Agents, at the address given below: Big Share Services Pvt. Ltd. E-2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai – 400 072.
i.	Share Transfer System	The equity shares of the Company are primarily dealt with in electronic form in the depository system with no involvement of the Company. There are negligible or no transfers made in physical form. As regards transfer of shares held in physical form the transfer documents can be lodged with Registrars and Transfer Agents at the above mentioned address.

**j. Stock Market Data:**

MONTH	Market Price Per Share (₹) (BSE)	
	Highest	Lowest
April, 2015	9.50	7.50
May, 2015	9.40	7.61
June, 2015	8.50	7.35
July, 2015	9.55	7.71
August, 2015	9.90	7.52
September, 2015	8.03	6.33
October, 2015	10.30	7.71
November, 2015	10.20	8.06
December, 2015	9.09	7.46
January, 2016	11.03	8.6
February, 2016	10.17	8.50
March, 2016	9.72	8.20

**k. Distribution of Shareholding as on March 31, 2016**

No. of shares	No. of *shareholders	% of shareholders	No. of shares held	% of shareholding
1 - 500	3452	79.21	836182	10.45
501 - 1000	512	11.75	429886	5.37
1001 - 2000	172	3.95	269407	3.37
2001 - 3000	58	1.33	152185	1.90
3001 - 4000	26	0.60	95403	1.19
4001 - 5000	37	0.85	176627	2.21
5001 - 10000	53	1.22	387379	4.84
Over 10000	48	1.10	5652931	70.66
Total	4358	100	8000000	100

**Note: Each folio of shareholder is considered separately for counting No. of Shareholders, in case of multiple folio of individual shareholder.**

**l. Dematerialization of Shares and Liquidity as on March 31, 2016**

Category	No. of Shares held	No of Shareholders	% of Total Shareholding
Shares held in Demat Form	7209640	4316	90.12
Shares held in Physical Form	790360	4	9.88
<b>TOTAL</b>	<b>80,00,000</b>	<b>4320</b>	<b>100.00</b>

**m. Investor Correspondence**

For any queries, investors are requested to get in touch with the Company's Registrar and Transfer Agents:

- Big Share Services Pvt. Ltd.

Address: E-2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai – 400 072. Tele: +91-22-40430200, fax:+91-22-28475207, E-mail: investor@bigshareonline.com.

**n. Compliance Certificate of The Auditors**

Certificate from the Auditors of the Company, M/s. S. M Kappor & Co., Chartered Accountants confirming compliance with the conditions of Corporate Governance as stipulated under Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is forming part of the Annual Report.

## Declaration

I hereby confirm that the Company has obtained from all the members of the Board and senior management personnel, affirmation that they have complied with the Code of Conduct for directors and senior managerial personnel in respect of the financial year ended March 31, 2016.

Mumbai, 12th August , 2016

Sandeep Seth  
Managing Director

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## CERTIFICATE FROM CFO /MD

We have reviewed financial statements and the cash flow statement for the quarter and year ended March 31, 2016 and that to the best of their knowledge and belief:

these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the auditors and the Audit committee:

significant changes in internal control over financial reporting during the year;

significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

M. B. Kotian  
Chief Financial Officer  
Mumbai, 12th August , 2016

Sandeep Seth  
Managing Director

**Auditors' Certificate regarding compliance of conditions of Corporate Governance.**

To,

The Members of

**Laffans Petrochemicals Ltd.**

We have examined the compliance of conditions of corporate governance of **Laffans Petrochemicals Ltd.** for the period ended 31<sup>st</sup> March, 2016 as stipulated in Chapter IV SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI (Listing Obligation and disclosure Requirement) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For S. M. KAPOOR & Co.**  
Chartered Accountants

**S. M. Kapoor**  
(Partner)

Membership No. 005133  
Firm Registration No. 104809W

Place: Mumbai  
Date: 30th May, 2016

## INDEPENDENT AUDITORS' REPORT

To the Members of,

**LAFFANS PETROCHEMICALS LIMITED**

### Report on the Financial Statements

*We have audited the accompanying financial statements of LAFFANS PETROCHEMICALS ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information..*

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- b) in the case of the Statement of Profit and Loss, of the **Profit** for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Emphasis of Matters

In our opinion and the best of our information and according to the explanation given to us, there is no matter which may have an adverse effect on the functioning of the company.

### Report on other Legal and Regulatory Requirements

As required by the Companies (Audit Report) Order, 2016 ("the order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the Annexure -A, a statement on the matters specified in Para 3 and 4 of the order.

As required by section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the Directors as on 31 March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016, from being appointed as a Director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls, our financial reporting of the company and the operating effectiveness of such controls, the system of internal financial controls over financial reporting of the company was not made available to us to enable us to determine if the company has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2016. We have considered the disclaimer reported above in determining the nature, timing and extent of audit tests applied in our audit of the financial statements of the company, and the disclaimer does not affect our opinion on the financial statements of the company.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor) Rules 2014, in our opinion and to our best of our information and according to the explanations given to us
  - i. The Company did not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which required to be transferred to Investor Education and Protection Fund by the Company.

**For S. M. KAPOOR & Co.**  
Chartered Accountants

**S. M. Kapoor**  
(Partner)

Membership No. 005133  
Firm Registration No. 104809W

Place: Mumbai  
Date: 30th May, 2016

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**(ANNEXURE TO AUDITOR'S REPORT)**

- (i) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has physically verified certain assets during the period in accordance with a programme of verification, which in our opinion provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanations given to no material discrepancies were noticed on such verification. In our opinion fixed assets have been properly dealt with in the books of accounts.
  - (c) In our opinion and according to the information and explanations given to us In our opinion and according to the information and explanations given to us, the title deeds of the immovable properties of the company are held in the name of the company.
- (ii) In respect of its Inventories, in our opinion and according to the information and explanations given to us, the management at reasonable intervals has physically verified the trading goods and no material discrepancies were noticed on physical verifications.
- (iii) According to the information and explanations given to us, the Company has not granted loan to any party covered in register u/s. 2(76) hence, clause iii(a), (b) and (c) are not applicable.
- (iv) In respect of loans investments and guarantees, In our opinion and according to the information and explanations given to us, provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with.

- (v) In our opinion and according to the information and explanation given to us, the company has not accepted deposits from the public as per section 73 to 76 or any other relevant provisions of the Companies Act, 2013.
- (vi) According to information and explanation given to us, the maintenance of cost records has not been prescribed by the Central Government sub section (1) of section 148 of the Companies Act 2013.
- (vii) According to the information and explanations given to us in respect of statutory and other dues:
- (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value added Tax, cess and any other statutory dues with the appropriate authorities during the period.
  - (b) There are no disputed dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty, Value Added Tax, Cess and any other statutory dues with the appropriate authorities during the period except:
    - i) Sales Tax Liability of ₹ 1,01,13,369 for the year 2008-09 (P.Y. ₹ 1,01,13,369) against which appeal is pending
    - ii) Income Tax Liability for A.Y. 2009-10 ₹ 78,60,520/- (P.Y. 78,60,520/-) Against which appeal is pending.
    - iii) Income Tax Liability for A.Y. 2008-09 ₹ 7,69,746/- (P.Y. 7,69,746/-) Against which appeal is pending.
    - iv) Income Tax Liability for A.Y. 2009-10 ₹ 1,65,808/- (P.Y. 1,65,808/-) Against which appeal is pending.
    - v) Income Tax Liability for A.Y 2012-13 ₹ 9,11,22,060/- against which Appeal is pending.
  - (vi) In our opinion and according to the information and explanations given to us, since the company has not Taken any loan financial institutions, banks and debenture holders, clause viii is not applicable.
  - (vii) In our opinion and according to the information and explanations given to us, the company has not raised any money by way of public issue/follow-on offer and the company has not availed any term loan, the clause ix is not applicable.
  - (viii) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the period.
  - (ix) In our opinion and according to the information and explanations given to us, the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act.
  - (x) Since the company is not a Nidhi Company, clause xii is not applicable.
  - (xi) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Section 188 and 177 of Companies Act, 2013 and the relevant details have been disclosed in the financial statement etc. as required by the accounting standards and Companies Act, 2013.
  - (xii) In our opinion and according to the information and explanations given to us, the company has not made any preferential allotment/private placement of shares or fully or partly convertible debentures during the year under review.
  - (xiii) In our opinion and according to the information and explanations given to us,, the non- cash transactions with directors or persons connected with them, in our opinion, provisions of Section 192 have been complied with.

**For S. M. KAPOOR & Co.**  
Chartered Accountants

**S. M. Kapoor**  
(Partner)

Membership No. 005133  
Firm Registration No. 104809W

Place: Mumbai  
Date: 30th May, 2016

## BALANCE SHEET AS AT 31ST MARCH, 2016

PARTICULARS	NOTE NO.	AS AT 31ST MARCH 2016		AS AT 31ST MARCH 2015	
		₹		₹	
<b>I EQUITY AND LIABILITIES</b>					
<b>1) SHAREHOLDERS FUNDS</b>					
a) Share Capital	3	80,000,000		80,000,000	
b) Reserves & Surplus	4	457,849,964	537,849,964	455,975,907	535,975,907
<b>2) NON-CURRENT LIABILITIES</b>					
a) Long Term Provisions	5	223,787		206,221	
b) Other Non Current Liabilities	6	1,800,000	2,023,787	1,800,000	2,006,221
<b>3) CURRENT LIABILITIES</b>					
a) Trade Payables	7	4,362,089		1,333,144	
b) Other Current Liabilities	8	10,148,241	14,510,330	10,926,578	12,259,722
<b>TOTAL</b>			554,384,081		550,241,850
<b>II ASSETS</b>					
<b>1) NON-CURRENT ASSETS</b>					
a) Fixed Assets					
i) Tangible Assets	9	12,629,209		13,801,233	
b) Non-Current Investments	10	418,927,980		407,384,625	
c) Deferred Tax Assets (Net)	11	6,018,741		6,158,900	
d) Long Term Loans and Advances	12	64,694,073	502,270,003	64,134,881	491,479,639
<b>2) CURRENT ASSETS</b>					
a) Inventories	13	-		-	
b) Trade Receivables	14	25,736,693		34,687,480	
c) Cash and cash equivalents	15	26,155,508		23,607,656	
d) Short Term Loans and Advances	16	221,877	52,114,078	467,075	58,762,211
<b>TOTAL</b>			554,384,081		550,241,850
<b>Significant Accounting Policies and Notes to financial Statements</b>	2				

As per our report of even date  
For S. M. Kapoor & Co.  
Chartered Accountants

For and on Behalf of the Board

S.M. Kapoor  
Partner  
Membership No. 005133  
Firm Regn. No. 104809W

Sandeep Seth  
Director  
DIN: 00316075

Anisha Seth  
Director  
DIN: 03130620

S.R.Narayanan  
Company Secretary

Place : Mumbai  
Date : 30th May, 2016



**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2016**

<b>PARTICULARS</b>	<b>NOTE NO.</b>	<b>2015-16 ₹</b>	<b>2014-15 ₹</b>
<b>I INCOME</b>			
1 Revenue from Operations	17	4,053,123	6,513,237
2 Other Income:	18	30,362,765	28,258,289
<b>Total Revenue</b>		<b>34,415,888</b>	<b>34,771,526</b>
<b>II EXPENSES:</b>			
3 Purchase of Trading Goods	19	3,810,598	4,003,678
4 Change in inventories of Finished Goods Stock in Process and Stock in trade	20	-	2,507,531
5 Employee Benefits Expense	21	1,074,558	2,328,673
6 Finance Costs	22	44,615	15,049
7 Depreciation and Amortization Expense		1,361,723	1,216,734
8 Other Expenses	23	26,075,178	24,679,745
<b>Total Expenses</b>		<b>32,366,672</b>	<b>34,751,410</b>
Profit Before Tax		2,049,216	20,116
Tax Expenses			
Current		(35,000)	-
Deferred		(140,159)	(379,443)
<b>Profit for the year</b>		<b>1,874,057</b>	<b>(359,327)</b>
Earning per equity share of face value of ₹ 10/- each		0.23	(0.04)
Basic and Diluted (In ₹)			
<b>Significant Accounting Policies and Notes to financial Statements</b>	2		

As per our report of even date  
For S. M. Kapoor & Co.  
Chartered Accountants

For and on Behalf of the Board

S.M. Kapoor  
Partner  
Membership No. 005133  
Firm Regn. No. 104809W

Sandeep Seth  
Director  
DIN: 00316075

Anisha Seth  
Director  
DIN: 03130620

S.R.Narayanan  
Company Secretary

Place : Mumbai  
Date : 30th May, 2016

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016**

		31st March 2016 ₹	31st March 2015 ₹
<b>A.</b>	<b>Cash Flow from Operating Activities</b>		
	Net Profit before Tax	2,049,216	20,116
	Adjustments for:		
	Depreciation	1,361,723	1,216,734
	Interest (Net)	(1,576,414)	(1,894,365)
	Loss on Sale of Assets	-	37,647
	Profit from Investments	(23,090,132)	(22,632,817)
	Dividend	(1,866,897)	(67,477)
	Operating Profit before Working Capital Changes	(23,122,503)	(23,320,162)
	Adjustments for:		
	Trade & Other receivables	9,195,985	11,068,876
	Inventories	-	2,507,531
	Trade Payables	2,268,174	(3,120,540)
	Cash generated from Operations	(11,658,344)	(12,864,295)
	Interest paid	(1,576,414)	(1,894,365)
	Taxes Paid	594,192	577,678
	Net Cash from Operating activities	(10,676,122)	(11,547,608)
<b>B.</b>	<b>Cash Flow from Investing Activities</b>		
	Purchase of Fixed Assets	189,699	2,302,734
	Sale of fixed Assets	-	(345,000)
	Purchase of Investments net of sale	(11,546,777)	(16,353,055)
	Dividends	(1,866,897)	(67,477)
	Net Cash used in Investing Activities	(13,223,974)	(14,462,798)
<b>C.</b>	<b>Cash Flow from Financing Activities</b>		
	Proceeds from Long /Short term borrowings	-	-
	Repayment of long term borrowings	-	-
	Net Cash used in Financing Activities	-	-
	Net Increase in Cash & equivalents	2,547,852	2,915,190
	Opening Balance of Cash & Cash equivalents	23,607,656	20,692,466
	Closing Balance of Cash & Cash equivalents	26,155,508	23,607,656
		2,547,852	2,915,190

**AUDITORS CERTIFICATE**

We have verified the above Cash Flow Statement of M/S. Laffans Petrochemicals Limited, derived from Audited Financial Statements for the period ended 31st March, 2016 and found the same to be drawn in accordance herewith and also with the requirements of clause 32 of the listing agreements with Stock Exchanges.

As per our report of even date  
For S. M. Kapoor & Co.  
Chartered Accountants

For and on Behalf of the Board

S.M. Kapoor  
Partner  
Membership No. 005133  
Firm Regn. No. 104809W

Sandeep Seth  
Director  
DIN: 00316075

Anisha Seth  
Director  
DIN: 03130620

S.R.Narayanan  
Company Secretary

Place : Mumbai  
Date : 30th May, 2016

## NOTES TO FINANCIAL STATEMENT

### NOTES

To the financial statements for the year ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

1. Background:

Laffans Petrochemicals Limited is a listed Company and engaged in manufacturing of petrochemical products. In the year 2011, the Company had sold its manufacturing unit and thereafter engaged in the business of trading in chemicals and API and in commodities arbitrage.

2. ACCOUNTING POLICIES

a) Basis of Accounting:

i) Financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 2013.

ii) The Company adopts the accrual concept in the preparation of accounts unless otherwise stated.

b) Use of Estimates:

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known/ materialized.

c) Fixed Assets

Fixed Assets are stated at cost of acquisition less depreciation and impairment of asset. The Company Capitalizes all costs relating to acquisitions and installations of fixed assets till the date of Commissioning and starting of commercial production.

d) Depreciation:

Depreciation on fixed assets is being provided on straight Line Method at the method prescribed under Schedule II of the Companies Act, 2013.

e) Inventories:

Inventories of Commodity Arbitrage is valued at Cost.

Inventories of trading items of chemicals and API, is valued at cost and market value whichever is lower.

f) Revenue Recognition:

I. The revenue is recognized as per contract note of sale of Arbitrage, in case of sale of services on completion of Job and in case of sale of trading, on raising of invoice and transfer of material to the party.

II. Other income is recognized on accrual basis.

III. In conformity with generally accepted accounting principles, Income from Growth FMP Investments are recognized on redemption.

IV. Dividend is recognized when the right to receive payment is established by the Balance Sheet date.

g) Sales:

Sale comprises of the trading in Commodities Arbitrage and trading in chemicals and API.

h) Investments:

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of long term investments.

On disposal of an investment, the difference between the carrying amount and the net disposal proceeds is charged to the statement of profit and loss.

i) Foreign Currency Transaction:

The foreign currency transaction involving foreign exchange on revenue accounts are accounted at the exchange rates prevailing on the date of transaction. Foreign currency remained unsettled at the year-end are translated at the year-end rate and the difference is charged to profit & loss account.

j) Retirement Benefit Scheme:

Employer's Contribution to P.F. has been charged to P & L A/c. and deposited with concerned authority.

Gratuity is accounted for on estimate basis and charged to P & L account on accrual basis. However as per AS-15 issued by Institute of Chartered Accountant of India, Retirement benefit to be provided on the basis of actuarial valuation but the same is not implemented by the company.

k) Borrowing Cost:

Borrowing cost incurred in relation to the acquisition, construction of assets are capitalized as the part of the cost of such assets up to the date when such assets are ready for intended use. Other borrowings cost are charged as an expense in the year in which these are incurred.

l) Taxes on Income:

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities related to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961.

m) Impairment of Assets:

An assets is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment

loss is charged for when an assets is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

n) PROVISIONS, CONTINGENT LIABILITIES and CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

o) Contingent Liability :

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle an obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. The Details are as under:

- i) Sales Tax Liability of ₹ 1,01,13,369 for the year 2008-09 (P.Y. ₹ 1,01,13,369) against which appeal is pending
- ii) Income Tax Liability for A.Y. 2009-10 ₹ 78,60,520/- (P.Y. 78,60,520/-) Against which appeal is pending.
- iii) Income Tax Liability for A.Y. 2008-09 ₹ 7,69,746/- (P.Y. 7,69,746/-) Against which appeal is pending.
- iv) Income Tax Liability for A.Y. 2009-10 ₹ 1,65,808/- (P.Y. 1,65,808/-) Against which appeal is pending.
- v) Income Tax Liability for A.Y 2012-13 ₹ 9,11,22,060/- against which Appeal is pending.
- p) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ Nil (P.Y. Nil).
- q) Auditors remuneration

Audit Fees	1,50,000	(1,50,000)
Tax Audit Fees	50,000	( 50,000)
Other matters	50,000	( 2,00,000)
Service Tax	35,180	( 49,440)
	2,85,180	(4,49,440)

r) VALUE OF IMPORTS ON CIF BASIS In ₹

Trading Material	30,82,159.00	( 22,69,740.00)
------------------	--------------	-----------------

s) Expenditure in foreign Currency In ₹

Commission	0.00	( 0.00)
Foreign Traveling	312429.00	( 0.00)

t) Earning in foreign currency (₹ in lacs)

F.O.B Value of exports	0.00	( 0.00)
------------------------	------	---------

- u) Sundry Debtors, Sundry Creditors & advances are subject to confirmation by the respective parties. Necessary Adjustments in account will be made in the year in which discrepancy, if any, may be noticed.
- v) Sundry Loan & Advances and other assets are, in the opinion of management stated at the amount realizable in the ordinary course of business and provision for all known and determined liabilities are adequate and not in excess of the amounts reasonably required.

## w) Earnings per Share.

Net Profit available for equity share holders ₹	18,74,057
Weighted Average No. equity Shares	80,00,000
Basic & Diluted Earning per Share (₹)	0.23
(Equity Share of face value of ₹ 10 each)	

## x) Related Parties Disclosures:

List of related parties with whom transaction have been taken place and Relationships:

<b>Name of the related party</b>	<b>Relationship</b>
Sandeep Seth	) Key Management Personnel
Jaideep Seth	) Director
Anisha Seth	) Director

Transactions during the year with related parties:

Expenditure

Payment to and provisions

Key Management Personnel Directors Remuneration	₹ 20,02,362	(20,33,133)
Rent	₹ 27,26,880	(24,00,000)
Director Directors Remuneration	₹ 10,08,000	(12,00,000)
Rent	₹ 1,68,000	(Nil)

y) Previous year figures have been regrouped/ reclassified wherever necessary.

z) Figures in to bracket pertain to previous year.

As per our report of even date  
For S. M. Kapoor & Co.  
Chartered Accountants

For and on Behalf of the Board

S.M. Kapoor  
Partner  
Membership No. 005133  
Firm Regn. No. 104809W

Sandeep Seth  
Director  
DIN: 00316075

Anisha Seth  
Director  
DIN: 03130620

S.R.Narayanan  
Company Secretary

Place : Mumbai  
Date : 30th May, 2016

		As at 31st March 2016 ₹	As at 31st March 2015 ₹
<b>NOTE NO.</b>			
<b>3</b>	<b>SHARE CAPITAL AUTHORISED</b> 11,000,000 Equity Shares (PY11,000,000) of ₹ 10/- each	110,000,000	110,000,000
	<b>ISSUED, SUBSCRIBED &amp; PAID-UP</b> 8,000,000 (P.Y. 8,000,000) Equity Shares of ₹ 10 each fully paid up	80,000,000	80,000,000
		80,000,000	80,000,000
	<b>Reconciliation of the no. of equity shares outstanding at the beginning and at the end of the year.</b>		

	As at 31st March 2016		As at 31st March 2015	
	Nos.	Amount	No.	Amount
Equity Shares of ₹ 10/- each fully paid up Balance, Beginning of the year	8,000,000	80,000,000	8,000,000	80,000,000
Issued/Deletion during the year	-	-	-	-
<b>Balance. End of the year</b>	<b>8,000,000</b>	<b>80,000,000</b>	<b>8,000,000</b>	<b>80,000,000</b>
<b>Terms/rights attached to equity shares</b>				
The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share.				
In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.				
<b>The Detail of Registered Shareholders holding more than 5% shares:</b>				

	As at 31st March 2016		As at 31st March 2015	
	Nos.	Amount	No.	Amount
Sandeep Seth	3,911,952	39,119,520	3,911,952	39,119,520

<b>4</b>	<b>RESERVES AND SURPLUS</b>				
	General Reserve As per Last Balance Sheet	60,600,000	60,600,000	60,600,000	60,600,000
	Balance in Profit and Loss Statement As per Last Balance Sheet	395,375,907		395,735,234	
	Add: Profit for the year	1,874,057	397,249,964	(359,327)	395,375,907
			457,849,964		455,975,907

		As at 31st March 2016 ₹	As at 31st March 2015 ₹
<b>5</b>	<b>LONG TERM PROVISIONS</b>		
	Provisions for Gratuity	223,787	206,221
		223,787	206,221
<b>6</b>	<b>OTHER NON CURRENT LIABILITIES</b>		
	Deposit from Security	1,800,000	1,800,000
		1,800,000	1,800,000
<b>7</b>	<b>TRADE PAYABLES</b>		
	For Goods		
	Micro, Small & Medium Enterprise	-	-
	Others	3,082,159	178,382
	For Expenses	1,279,930	1,154,762
		4,362,089	1,333,144

**Note:** The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company is Nil

<b>8</b>	<b>OTHER CURRENT LIABILITIES</b>		
	Other Payables	10,148,241	10,926,578
		10,148,241	10,926,578

**Note:** Other Payable includes Sales Tax Liability of ₹ 107.33 Lacs (Previous Year Sales Tax Liability ₹ 107.33 Lacs)

## NOTE NO. 9

### DEPRECIATION CHART AS AT 31 MARCH 2016

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	OPENING BALANCE	ADDITION	SALES/ ADJ.	TOTAL	OPENING	FOR THE YEAR	W/BACK/ ADJ.	TOTAL	AS ON 31-03-2015	AS ON 31-03-2014
Building	15,000,000	-	-	15,000,000	5,678,500	475,500	-	6,154,000	8,846,000	9,321,500
Computers	129,579	-	-	129,579	50,363	57,218	-	107,581	21,998	79,216
Office Equipments	835,768	154,699	-	990,467	135,708	166,638	-	302,346	688,121	700,060
Electrical Installation	436,000	-	-	436,000	17,249	41,420	-	58,669	377,331	418,751
Furniture & Fixtures	273,210	35,000	-	308,210	50,242	27,194	-	77,436	230,774	222,968
Vehicle	4,997,918	-	-	4,997,918	1,939,180	593,753	-	2,532,933	2,464,985	3,058,738
<b>Total</b>	<b>21,672,475</b>	<b>189,699</b>	<b>-</b>	<b>21,862,174</b>	<b>7,871,242</b>	<b>1,361,723</b>	<b>-</b>	<b>9,232,965</b>	<b>12,629,209</b>	<b>13,801,233</b>
Previous Year	20,088,260	2,302,734	718,519	21,672,475	6,990,380	1,216,734	335,872	7,871,242	13,801,233	13,097,880



**10 NON CURRENT INVESTMENTS**

	As at 31st March 2016 ₹	As at 31st March 2015 ₹
<b>QUOTED AND TRADE AT COST IN EQUITY SHARES</b>		
Equity Shares	12,723,373	
(Market Value as on 31st March 2016 ₹ 1,27,01,490/- (PY Nil)		
<b>UNQUOTED NON TRADE AT COST IN MUTUAL FUNDS</b>		
143,707.93 (P.Y. 14,840456) units in Birla SL Frontline Equity Fund REG (D)	3,996,103	450,000
NAV as on 31st March 2016 ₹ 33,91,507/-		
10,037.442 (P.Y. 10037.442) units in Birla SL Frontline Equity Fund REG (G)	1,650,000	1,650,000
NAV as on 31st March 2016 ₹ 15,60,320/-		
10,945.060 (P.Y. 10,945.060) units in Birla SL Frontline Equity Fund REG (G)	1,725,548	1,725,548
NAV as on 31st March 2016 ₹ 1,701,410/-		
Nil (P.Y. 14,840.456) units in Birla Sunlife Saving Fund Growth REG Plan	-	2,932,826
NAV as on 31st March 2016 ₹ Nil		
27,42,078.650 (P.Y. 27,42,078.650) units in BSL Medium Term Plan Growth Reg	43,379,980	43,379,980
NAV as on 31st March 2016 ₹ 5,11,19,475/-		
Nil (P.Y. 1,368.459) units in Franklin India Treasury Man AC Super Inst Plan G	-	2,702,700
NAV as on 31st March 2016 ₹ Nil		
17,398.608 (P.Y. 17,398.608) units in HDFC Cash Management Fund Treasury Adv PL Ret Growth	-	1,427,616
NAV as on 31st March 2016 ₹ Nil		
Nil (P.Y. 78,397.467) units in HDFC Liquid Fund G	-	2,045,584
NAV as on 31st March 2016 ₹ 2,159,154/-		
48,530.540 (P.Y. 48,530.540) units in HDFC Midcap Fund Growth	1,728,680	1,728,680
NAV as on 31st March 2016 ₹ 1,759,232/-		
78,516.293 (P.Y. 17,398.608) units in HDFC Midcap Opp.Fund D	2,053,455	471,306
NAV as on 31st March 2016 ₹ 18,77,482/-		
1,16,468.457 (1,16,468.457) units in HDFC Midcap Opp.Fund G	4,150,000	4,150,000
NAV as on 31st March 2016 ₹ 42,21,981/-		
5,587.643 (P.Y. 5,587.643) units in ICICI Prud Flex Income REG Plan Growth	-	1,432,277
NAV as on 31st March 2016 ₹ Nil		
21,80,589.226 (P.Y. 21,80,589.226) units in ICICI Prud Income Opport Fund REG Plan Growth	38,411,079	38,411,079
NAV as on 31st March 2016 ₹ 4,55,23.071/-		
Nil (P.Y. 870.119) units in ICICI Liquid Regular Plan Growth	-	169,799
NAV as on 31st March 2016 ₹ Nil		

	As at 31st March 2016 ₹	As at 31st March 2015 ₹
64,856.837 (P.Y. 13,790.012) units in ICICI Prud Value Discover REG D NAV as on 31st March 2016 ₹ 18,36,745/-	2,095,309	463,640
38,385.233 (P.Y. 38,385.233) units in ICICI Prud Value Discover REG G NAV as on 31st March 2016 ₹ 41,75,929/-	4,150,000	4,150,000
16,065.200 (P.Y. 16,065.200) units in ICICI Prud Value Discover Fund Regular Growth NAV as on 31st March 2016 ₹ 17,47,733/-	1,724,453	1,724,453
Nil (P.Y. 2,11,530.699) units in IDFC Money Manager FD Treasury Plan Growth REG Pl NAV as on 31st March 2016 ₹ Nil	-	4,516,011
91,904.487 (P.Y. 4,283.585) units in IDFC Premier Equity Fund Reg D NAV as on 31st March 2016 ₹ 26,46,647/-	3,126,326	150,000
19,274.907 (P.Y. 19,274.907) units in IDFC Premier Equity Fund Reg G NAV as on 31st March 2016 ₹ 13,13,747/-	1,350,000	1,350,000
1,000,000 (P.Y. 1,000,000) units in Kotak Equity Saving G NAV as on 31st March 2016 ₹ 10,966,100/-	10,000,000	10,000,000
1,54,853.139 (P.Y. 8,370.119) units in Reliance Equity Opp D NAV as on 31st March 2016 ₹ 41,87,570/-	5,064,919	315,687
23,191.700 (P.Y. 23,191.700) units in Reliance Equity Opp Gr NAV as on 31st March 2016 ₹ 15,40,198/-	1,697,600	1,697,600
19,741.635 (P.Y. 19,741.635) units in Reliance Equity Opp G NAV as on 31st March 2016 ₹ 13,11,074/-	1,500,000	1,500,000
Nil (P.Y. 7.870.Nil) units in Reliance Liquid Treas Plan NAV as on 31st March 2016 ₹ Nil	-	25,801
2,263.098 (P.Y. Nil) units in Reliance Money Manager Fund Gr Pl Gr Option NAV as on 31st March 2016 ₹ 43,30,873/-	-	4,222,802
385 (P.Y. 385) units in Religare NDPMS Series CL VIII NAV as on 31st March 2016 ₹ 42,762,497/-	38,500,000	38,500,000
200 (P.Y. 200) units in Religare NDPMS Series CL XI NAV as on 31st March 2016 ₹ 18,810,024/-	20,000,000	20,000,000
11,964.530 (P.Y. 11,964.530) units in SBI Magnum Multi Plus SC93 G NAV as on 31st March 2016 ₹ 1,794,983/-	1,723,209	1,723,209
2,133.814.725 (P.Y. 2,133,814.725) units in Sundaram Flexi Fund Flexi Income Plan Reg Growth NAV as on 31st March 2016 ₹ 44,619,560/-	37,372,698	37,372,698
Nil (P.Y. 35,785.630) units in UTI Opp Fund Gr NAV as on 31st March 2016 ₹ Nil.	-	1,724,990
184,027.441 (P.Y. Nil) units in DSP Blackrock Focus 25 Fund Growth NAV as on 31st March 2016 ₹ 27,23,606/-	3,050,000	-

	As at 31st March 2016 ₹	As at 31st March 2015 ₹
151781.920 (P.Y. Nil) units in DSP Blackrock Focus 25 Fund G	2,500,000	-
NAV as on 31st March 2016 ₹ 25,49,936/-		
3,611,206.250 (P.Y. 3,611,206.250) units in IDFC Dynamic Bond Fund Growth (Regular Plan)	52,600,000	52,600,000
NAV as on 31st March 2016 ₹ 64,385,291/-		
89786.918 (P.Y. Nil) units in Franklin Build India Fund G	2,500,000	-
NAV as on 31st March 2016 ₹ 25,53,369/-		
9379.014(P.Y. Nil) units in Franklin India Prima Plus Growth	4,000,000	-
NAV as on 31st March 2016 ₹ 40,43,872/-		
165469.681(P.Y. Nil) units in ICICI Pru Flexible Income Daily Div	17,496,069	-
NAV as on 31st March 2016 ₹ 1,74,96,069/-		
9317.060 (P.Y. Nil) units in ICICI Pru Value Discovery Fund	1,000,000	-
NAV as on 31st March 2016 ₹ 10,43,231/-		
1522308.962(P.Y. Nil) units in IDFC Ultra Short Term Fund	32,000,000	-
NAV as on 31st March 2016 ₹ 3,24,51,365/-		
244227.983 (P.Y. Nil) units in Kotak Select Focus Fund	5,450,000	
NAV as on 31st March 2016 ₹ 54,12,581/-		
2283992.833(P.Y. Nil) units in Kotak Treasury Ad Fund REG DD	23,022,192	
NAV as on 31st March 2016 ₹ 2,30,22,191/-		
146486.342(P.Y. Nil) units in SBI Blue Chip Fund	4,000,000	
NAV as on 31st March 2016 ₹ 41,90,242/-		
58610.64 (P.Y. Nil) units in SBI Blue Chip Fund Ongoing	1,600,000	
NAV as on 31st March 2016 ₹ 16,36,462/-		
Nil (P.Y.18,150.453) units in Templeton India Short Term Income Retail Plan Growth	-	43,600,000
NAV as on 31st March 2016 ₹ Nil		
Nil (P.Y.766,016.713) units in UTI Short Term Plan Institutional Growth	-	11,000,000
NAV as on 31st March 2016 ₹ Nil		
234536.305 (P.Y. 324,842.479) units in Kotak Bond Short Term Plan Growth	5,380,005	7,451,529
NAV as on 31st March 2016 ₹ 66,08,483/-		
Nil (P.Y.2,197,190,526) units in Templeton India Income Opportunity S Fund Growth	-	30,000,000
NAV as on 31st March 2016 ₹ Nil		
Nil (P.Y.40,750.730) units in IDFC Banking Debit Fund Regular Plan Growth	-	418,811
NAV as on 31st March 2016 ₹ Nil		
1971948.52 (P.Y.2,272,387.763) units in L&T Income Opportunity S Fund Growth	26,206,982	30,200,000
NAV as on 31st March 2016 ₹ 33,395,737/-		
	418,927,980	407,384,625

**Note:** Investments in the form of FMP's maturing in less than one year from the end of the financial year has been considered as current Investment.

		As at 31st March 2016 ₹	As at 31st March 2015 ₹
<b>11</b>	<b>DEFERRED TAX ASSETS</b>		
	The Company has during the year in accordance with Accounting Standard AS-22 "Accounting for taxes on Income" issued by the Institute of Chartered Accountants of India, recognised in the Profit and Loss Account a difference of ₹ 1,40,159 Between net, deferred tax asset of ₹ 60,18,741 as on 31st March 2016 and on the deferred tax assets of ₹ 61,58,900/- as on 31st March 2015.		
	Deferred tax Liabilities and assets are on account of the following timing differences.		
	Deferred Tax Liability		
	On account of depreciation	1,958,203	2,086,874
	Total	1,958,203	2,086,874
	Deferred Tax Assets		
	On account of Employees Benefits	69,150	63,722
	On account of Statutory Payments U/s 43B	3,007,559	3,316,559
	MAT Credit entitlement	4,900,234	4,865,493
	Total	7,976,943	8,245,774
	<b>Net Deferred Tax Asset</b>	<b>6,018,741</b>	<b>6,158,900</b>

		As at 31st March 2016 ₹		As at 31st March 2015 ₹	
<b>12</b>	<b>LONG TERM LOANS AND ADVANCES</b>				
	Taxes Paid (net of Provisions)				
	Taxes Paid	88,108,432		87,514,240	
	Less: Provision for Income Tax	66,886,000	21,222,432	66,851,000	20,663,240
	Other Advances		43,471,641		43,471,641
			64,694,073		64,134,881

**Note:** Other Advances includes amount paid towards Advance for premises.

<b>13</b>	<b>INVENTORIES</b>		
	(As per inventory taken, valued and certified by the Director of the Company)		
	Trading Goods of Commodity Arbitrage	-	-
	Trading Goods of Chemicals/API	-	-
		-	-

<b>14</b>	<b>TRADE RECEIVABLES</b>		
	(Unsecured considered good)		
	Over six months	22,168,510	33,437,810
	Others	3,568,183	1,249,671
		25,736,693	34,687,480

		As at 31st March 2016 ₹	As at 31st March 2015 ₹
<b>15</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	Cash on hand	641,252	641,252
	Balance with Bank	5,514,256	2,966,404
	Fixed Deposit with Banks	20,000,000	20,000,000
		26,155,508	23,607,656

<b>16</b>	<b>SHORT TERM LOANS AND ADVANCES</b>		
	Balance in Service Tax/Vat Credit	56,019	36,608
	Others	165,859	430,467
		221,877	467,075

<b>17</b>	<b>REVENUE FROM OPERATIONS</b>		
	Sale of Commodities- Arbitrage	-	-
	Sale of Chemicals	4,053,123	6,513,237
	Income from Services	-	-
		4,053,123	6,513,237

Chemical Includes Speciality Chemicals

<b>18</b>	<b>OTHER INCOME</b>		
	Interest Recd. Gross	1,621,029	1,909,414
	Dividend Recd.	1,866,897	67,477
	Warehousing Income	3,780,000	3,600,000
	Foreign Currency Rate Difference	-	20,683
	Profit on Sale of Investments	23,090,132	22,632,817
	Other non operating income	4,707	27,898
		30,362,765	28,258,289

<b>19</b>	<b>PURCHASE OF TRADING GOODS</b>		
	Purchase of Commodities- Arbitrage	-	-
	Purchase of Chemicals/API Imported	3,810,598	3,257,558
	Custom Duty	-	746,120
		3,810,598	4,003,678

		As at 31st March 2016 ₹	As at 31st March 2015 ₹
<b>20</b>	<b>CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS AND STOCK IN TRADE</b>		
	Closing Stock of Trading Goods- Commodity Arbitrage	-	-
	Closing Stock of Trading Goods- Chemicals	-	-
	Opening Stock of Trading Goods- Commodity Arbitrage	-	-
	Opening Stock of Trading Goods- Chemicals	-	2,507,531
		-	2,507,531

		As at 31st March 2016 ₹	As at 31st March 2015 ₹
<b>21</b>	<b>EMPLOYEE BENEFITS EXPENSE</b>		
	Salaries and Wages	1,005,214	2,149,316
	Contribution to PF and Other Funds	3,996	72,618
	Gratuity	17,566	20,365
	Staff Welfare Expenses	47,782	86,374
		1,074,558	2,328,673

Gratuity has been provided on estimated basis which is not in accordance with Accounting Standard 15 "Retirement Benefits". As per AS 15, Gratuity should have been provided on the basis of actuarial valuation.

<b>22</b>	<b>FINANCE COSTS</b>		
	Interest Expenses	-	-
	Bank Charges & Commission	44,615	15,049
		44,615	15,049

		As at 31st March 2016 ₹	As at 31st March 2015 ₹
<b>23</b>	<b>OTHER EXPENSES</b>		
	<b>Direct Expenses</b>		
	Labour Charges	142,800	25,483
	Clearing & Forwarding Charges	-	53,610
	Carriage Inward	-	13,993
		142,800	93,086
	<b>Other Expenses</b>		
	Advertisement Expenses	100,189	81,038
	Rates & Taxes	400,452	866,668
	Rent	3,174,880	2,400,000
	General Expenses	351,743	629,865
	Telephone and Other Communication Expenses	269,912	276,609
	Motor car Expenses	370,456	580,658
	Repairs & Maintenance Others	461,352	821,626
	Festival Expenses	11,750	21,500
	Travelling Expenses	1,013,424	825,101
	Electricity Expenses	446,095	381,609
	Entertainment Expenses	444,739	257,568
	Bad Debts	12,321,853	11,269,300
	Printing & Stationery	155,782	129,599
	Conveyance Expenses	179,882	444,422
	Auditor's Remuneration	229,000	224,720
	Custodial Charges	3,522	-
	Loss on Sale of Vehicles	-	37,647
	Directors Remunerations	2,808,000	3,000,000
	Loss from Shares	15,032	-
	STT Paid	15,597	-
	Sundry Balance W/off	8,380	93
	Insurance Expenses	66,506	41,620
	Legal & Professional Expenses	3,083,833	2,297,016
		25,932,378	24,586,659
		26,075,178	24,679,745

**FORM NO. AOC -2**

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

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis. : **NIL**
2. Details of material contracts or arrangements or transactions at Arm's length basis.

<b>SL. No.</b>	<b>Particulars</b>	<b>Details</b>
a)	Name (s) of the related party & nature of relationship	Mr. Sandeep Seth (Managing Director)
b)	Nature of contracts/arrangements/transaction	Leasing/Renting of Premises
c)	Duration of the contracts/arrangements/transaction	Ongoing
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Payment of Monthly Rent of ₹ 264573.33 (Approx.)
e)	Date of approval by the Board	29 <sup>th</sup> May 2015
f)	Amount paid as advances, if any	NIL

For and on behalf of the Board of Directors,

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

Anisha Seth  
(Director)  
**DIN:06867960**





## Form NO. MGT-12

### Polling Paper

[Pursuant to Section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies  
(Management and Administration) Rules, 2014]

Name of the Company : **LAFFANS PETROCHEMICALS LIMITED**

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

Corporate Office: 10, Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri East,  
Mumbai- 400072. CIN:**L99999GJ1992PLC018626** [E-Mail: [lpkho@vsnl.com](mailto:lpkho@vsnl.com)]

[Website: [www.laffanspetrochemical.com](http://www.laffanspetrochemical.com)] [Tel no: 022 28511919]

### BALLOT PAPER

Sl. No.	Particulars	Details
1	Name of the First Named Shareholder (in block letters)	
2	Postal address	
3	Registered Folio No./*Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4	Class of Share	<b>Equity Share</b>

I hereby exercise my vote in respect of Ordinary Resolution(s) enumerated below by recording my assent or dissent to the said Resolution in the 23rd Annual General Meeting of the Company held on 29th September, 2016 (Thursday) at 12.00 p.m. at Shalimar Hotel, Ankleshwar, Bharuch, Gujarat in the following manner:

Sl. No.	Item No.	No. of Shares held by me	I assent to the Resolution	I dissent to the Resolution
1	Adoption of the audited Balance Sheet and Profit & Loss Account for the year ended March 31, 2016 and the reports of the Board of Directors and Auditors thereon. (as an Ordinary Resolution)			
2	Appointment of Director in place of Mr. Jaideep Seth who retires by rotation and being eligible offers herself for re-appointment.(as an Ordinary Resolution)			
3	To ratify the Appointment of Auditors and fixing of their remuneration.(as an Ordinary Resolution)			
4	Appointment of Mr. Avinash Gupta as an Independent Director of the Company.(As an Ordinary Resolution)			

Place: Ankleshwar, Bharuch

Date: 29th September, 2016 (Signature of the Shareholder)

# ROUTE MAP OF THE VENUE OF THE AGM,

Hotel Shalimar  
Station Road, Ankleshwar, Bharuch  
Phone : 02642- 268435, 243537  
Fax : 02642-240482



# LAFFANS PETROCHEMICALS LIMITED

CIN: L99999GJ1992PLC018626

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

Corporate Office: 10, Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri East, Mumbai- 400072.

[E-Mail: lplho@vsnl.com] [Website: www.laffanspetrochemical.com] [Tel no: 022 28511919].

## ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

Folio No./Client ID :

I hereby record my presence at the 23rd ANNUAL GENERAL MEETING to be held at Shalimar Hotel, Ankleshwar, Bharuch, Gujarat on September 29, 2016 at 12.00 p.m.

Member's/Proxy's Full Name

Member's/Proxy's Signature

TEAR HERE

Form No. MGT-11

# LAFFANS PETROCHEMICALS LIMITED

CIN: L99999GJ1992PLC018626

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

Corporate Office: 10, Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri East, Mumbai- 400072.

[E-Mail: lplho@vsnl.com] [Website: www.laffanspetrochemical.com] [Tel no: 022 28511919].

## PROXY FORM

Name of the Member (s):	Folio No./Client Id:
Registered Address:	DP ID:
E-mail Id:	

I/We, being the member (s) of ..... shares of the above named company, hereby appoint :

- Name : ..... Address : .....  
E-mail Id : ..... Signature : ..... or failing him
- Name : ..... Address : .....  
E-mail Id : ..... Signature : ..... or failing him
- Name : ..... Address : .....  
E-mail Id : ..... Signature : ..... or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23rd Annual General Meeting of the company, to be held at Shalimar Hotel, Ankleshwar, Bharuch, Gujarat on September 29, 2016 at 12.00 p.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Particulars	Optional*	
		For	Against
1.	Adoption of the audited Balance Sheet and Profit & Loss, Account for the year ended March 31, 2016 and the reports of the Board of Directors and Auditors thereon. (Ordinary Resolution)		
2.	Re-appointment of Mr. Jaideep Seth, who retires by rotation (Ordinary Resolution)		
3.	To ratify the Appointment of Auditors and fixing of their remuneration. (Ordinary Resolution)		
4.	Appointment Mr. Avinash Gupta, as an Independent Director of the Company (Ordinary Resolution)		

Signed this ..... day of ....., 2016

Signature of Shareholder : ..... Signature of Proxy holder(s) : .....

Affix  
1 Rupee  
Revenue  
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.

A proxy need not be a member of the Company.



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**PETROCHEMICALS LIMITED**

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10, Luthra Industrial Premiese,  
Ground Floor, Andheri - Kurla Road,  
Safed Pool, Mumbai - 400 072