



ONE BKC, 13th Floor, 1302, B-Wing Plot No. C-66, G-Block, Bandra Kurla Complex, Bandra (E) Mumbai-400051  
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Corporate Relations Department,  
BSE Limited  
PhirozeJeejeebhoy Towers,  
Dalal Street,  
Mumbai- 400001

**BSE Code No. 524522**

**Sub: Submission of Notice of 26<sup>th</sup> Annual General Meeting and Annual Report of Laffans Petrochemicals Limited for the Financial Year 2018-19.**

Dear Sir,

With reference to above, please find enclosed herewith Notice of 26<sup>th</sup> Annual General Meeting of the Company and Annual Report of the Company for the Financial Year 2018-19 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Please take the above on your record and disseminate the same for the information of investors.

Thanking you,

Yours faithfully,

For Laffans Petrochemicals Limited.

Sandeep Seth  
Managing Director  
(DIN: 00316075)

Encl.: as above

# 26<sup>th</sup> Annual Report

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**PETROCHEMICALS LIMITED**

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

**2018- 2019**

**BOARD OF DIRECTORS**

Shri Sandeep Seth	Managing Director
Shri Jaideep Seth	Non-Executive Director
Shri Rajesh Thadani	Independent Director
Mrs. Anisha Seth	Whole Time Director
Shri Deepak Jagannath Roy	Independent Director

**AUDITORS**

Pushp K. Sahu & Co.

**COMPANY SECRETARY**

Mr. S. R. Narayanan

**BANKERS**

Indian Overseas Bank

HDFC Bank Ltd

**CORPORATE OFFICE**

ONE BKC, 13th Floor, 1302, B-Wing,  
Plot No.C-66, G-Block,  
Bandra Kurla Complex, Bandra (E),  
Mumbai – 400051

**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  
Bharat Tin Works Building, 1st Floor,  
Opp. Vasant Oasis, Next to Keys Hotel,  
Makwana Road, Andheri - (East),  
Mumbai – 400059, Maharashtra, India.  
Board No : 022-62638200, Extn. 206  
Fax No : 022-62638299, M : +91 7045454392  
rajeshm@bigshareonline.com  
www.bigshareonline.com

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## NOTICE

**NOTICE** is hereby given that the 26<sup>th</sup> Annual General Meeting of the Members of **LAFFANS PETROCHEMICALS LIMITED** will be held on Monday, 30<sup>th</sup> September, 2019 at 11:15 A.M. at registered office of the Company situated at Shed No. C1B/316, GIDC Panoli, Ankleshwar, Bharuch 394116, Gujarat, to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2019 together with 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 and being eligible, offers himself for re-appointment.

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

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

**Place: Mumbai**

**Date: 5<sup>th</sup> September, 2019**

### **Registered Office:**

Shed No. C1B/316, GIDC Panoli,

Tal. Ankleshwar, Dist, Bharuch,

Gujarat 394116.

Email: [lpkho@laffanspetrochemical.com](mailto:lpkho@laffanspetrochemical.com)

### **NOTES:**

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

A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting or upload it on the e-voting portal, authorizing their representative to attend and vote their behalf at the meeting.
3. The instrument appointing the proxy, duly completed, must be deposited at the Company's Registered Office not less than FORTY-EIGHT (48) HOURS before the commencement of the meeting. A proxy form for the AGM is enclosed.
4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and until the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
5. Members/proxies/authorised representatives should bring the duly filled attendance slip, enclosed herewith to attend the meeting.
6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 ('the Act') and The Register of Contracts or Arrangements, in which Directors are interested, maintained under Section 189 of the Act, will be available for inspection by the members at the AGM.

7. The Register of Members and the Share Transfer Book shall be closed from Tuesday, 17<sup>th</sup> September, 2019 to Monday, 30<sup>th</sup> September, 2019 (both day inclusive) for the purpose of the AGM.
8. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to Company or Registrar and Transfer Agents (RTA).
9. Members are requested to address all correspondence relating to investor services to the Registrar and Share Transfer Agents, Big Share Services Pvt. Ltd, E Bharat Tin Works Building, 1st Floor, Opp. Vasant Oasis, Next to Keys Hotel, Makwana Road, Andheri – East, Mumbai – 400059.
10. With a view to using the natural resources responsibly, we request shareholders to update their email address, with their Depository Participants in case of demat holding and RTA in case of physical holding to enable the Company to send communications electronically.
11. The Annual Report for F.Y. 2018-19, the Notice of 26<sup>th</sup> AGM and instruction for e-voting along with the attendance slip and proxy form, are being sent by electronic mode to the members whose e-mail addresses are registered with the Company / Depository Participant(s), unless any member has requested for a physical copy of the said document. For members who have not registered their e-mail addresses, physical copies of the said document are being sent by the permitted mode.
12. Members may also note that the Annual report (including the Notice of 26<sup>th</sup> AGM) for F.Y. 2018-19 will be available on the Company's website, Website: [www.laffanspetrochemical.com](http://www.laffanspetrochemical.com).
13. Relevant documents referred to in the accompanying Notice and the statements are open for inspection by the members at the registered office of the Company on all working days, except Saturday, during business hours up to the date of the meeting.
14. Additional information, pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard-2 in respect of the Directors seeking appointment / re-appointment at the AGM is furnished as annexure to the Corporate Governance Report.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company /RTA.
16. Members holding shares in single name and physical form may obtain Nomination Forms from the Company's Registrar and Transfer Agents. Members holding shares in electronic form may obtain the Nomination Forms from their respective Depository Participants.
17. The members holding shares in the same name or in the same order of names, under different folios, are requested to notify the relevant details of the said holdings to M/s Big Share Services Pvt. Ltd for consolidation of their shareholding in to a single folio.
18. In case of joint holder attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote.
19. Non-Resident Indian Members are requested to inform RTA, immediately of:
  - (a) Change in their residential status on return to India for permanent settlement.
  - (b) Particulars of their bank account maintained in India with complete name, branch account type, account number and address of the bank with pin code number, if not furnished earlier.

20. Information and other instructions relating to e-voting are as under

- (a) Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').
- (b) The facility for voting through polling paper shall also be made available at the venue of the AGM. The members who are attending the meeting who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting.
- (c) The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
- (d) The Company has engaged the services of Central Depository Services Limited (CDSL) as the agency to provide e-voting facility.
- (e) The Board of Directors of the Company has appointed Mr. Jitendra Lekhwani, Practicing Company Secretary (Membership No. 25927 & COP 10709) as the Scrutinizer, for scrutinizing the e-voting and ballot voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
- (f) Voting rights shall be reckoned on the paid up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. 20<sup>th</sup> September, 2019.
- (g) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. 20<sup>th</sup> September, 2019, only shall be entitled to avail the facility of remote e-voting / Poll.

**The instructions for shareholders voting electronically are as under:**

- I. The voting period begins on Friday, 27<sup>th</sup> September, 2019 at 9.00 a.m. and ends on Sunday 29<sup>th</sup> September, 2019 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20<sup>th</sup> September, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- II. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- III. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- IV. Click on Shareholders tab. Now, select the "LAFFANS PETROCHEMICAL LIMITED" from the drop down menu and click on "SUBMIT"
- V. Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- VI. Next enter the Image Verification as displayed and Click on Login.
- VII. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

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

**For Members holding shares in Demat Form and Physical Form**

<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 8 digits of the sequence number in the PAN Field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- IX. After entering these details appropriately, click on “SUBMIT” tab.
- X. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- XI. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- XII. Click on the EVSN for the relevant <LAFFANS PETROCHEMICAL LIMITED> on which you choose to vote.
- XIII. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- XIV. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- XV. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- XVI. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- XVII. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- XVIII. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- XIX. Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- XX. Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- XXI. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
21. A route map showing direction to reach the venue of 26<sup>th</sup> Annual general meeting is given at the end of the notice as per the requirement of the Secretarial Standard-2 on General meeting.
22. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.laffanspetrochemical.com](http://www.laffanspetrochemical.com) and on the website of CDSL immediately after the declaration of result by the Chairman of the meeting or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchange viz. Bombay Stock Exchange Limited (BSE Limited).

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

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

**Place: Mumbai**

**Date: 5<sup>th</sup> September, 2019**

**Registered Office:**

Shed No. C1B/316, GIDC Panoli,

Tal. Ankleshwar, Dist, Bharuch,

Gujarat 394116.

Email: [lplho@laffanspetrochemical.com](mailto:lplho@laffanspetrochemical.com)



## Director's Report

Dear Members,

The Directors present the 26<sup>th</sup> Annual Report of the Company along with the audited financial statements for the financial year (FY) ended on **March 31, 2019**.

### **FINANCIAL SUMMARY/HIGHLIGHTS, OPERATIONS, STATE OF AFFAIRS:**

The financial performance of the Company for the year ended March 31, 2019 is summarized below:

**(Amount in Rs.)**

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
Total Revenue	5,33,45,756	4,80,63,224
Total Exp.	6,42,89,208	4,30,83,753
<b>Profit before exceptional items &amp; tax</b>	<b>(1,09,43,452)</b>	<b>49,79,471</b>
Current Tax for the year & Prior Year	-	(27,00,000)
Deferred Tax Liability	24,08,442	44,97,110
<b>Profit after taxation</b>	<b>(85,35,010)</b>	<b>67,76,581</b>

### **Financial Statement:**

As per Regulation 33 of the Securities board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (herein after referred to as "Listing Regulation") and applicable provisions of the Companies Act, 2013 read with the rules thereunder, the Financial Statements of the Company for F.Y. 2018-19. The Financial Statements for the year 2018-19 have been prepared in compliance with the new set of Indian Accounting standards (IND AS) and the comparatives for the corresponding previous financial year 2017-18 have also been prepared in compliance with the new set of Indian Accounting standards (IND AS). The Ministry of Corporate Affairs (MCA), vide its notification in the official gazette dated 16th February, 2015, has made applicable the India Accounting Standard ('IND AS') to certain classes of Companies. For the Company, Ind AS was applicable from 1st April, 2017 with a transaction dated of 1st April, 2016. The Financial results have been prepared in accordance with the recognition and measurement principles laid down under Ind AS, as presented under Section 133 of Companies Act, 2013 ("the Act") read with the relevant rules issued there under and the relevant accounting principles generally accepted in India as applicable.

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

Your company has generated gross revenue of Rs. 5,33,45,756 as compared to Rs. 4,80,63,224 for previous year. The income by way of trading during the year amounted to Rs. 377,27,845 compared to Rs. 156,60,292 in the previous year. Income from services amounted to Rs. Nil compared to Rs. Nil in the previous year. The company is focusing more on polymer imports rather than chemical imports in lieu of erratic price movements and fluctuation of currency. The company is exploring imports of Coal as part of its commodity trading which is likely to commence shortly.

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.

The income tax demand on the company of around Rs 10 crore that was passed by the Assessment officer under section 143(3) of the Income Tax Act where the company went into appeal and thereby pending with the Income Tax Appellate Tribunal in respect of Assessment Year 2012- 2013 was heard on 22.03.2019. Your company is confident of the demand being dismissed and the appeal being allowed based on the facts of the case.

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, 2019 and date of this Report of Directors.

**Subsidiaries, Joint Venture or Associates Companies during the Year:**

You Company has neither any Subsidiary nor Joint Venture nor Associates Company. During the year under review, none of the Companies have become or ceased to be Company's Subsidiaries, Joint ventures or Association Companies.

**Deposits:**

The Company has not invited/ accepted any deposits from the public during the year ended March 31, 2019. There were no unclaimed or unpaid deposits as on March 31, 2019.

**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, 2019.

**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, 2019 and the date of this Report of the Directors.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**RETIREMENT BY ROTATION:**

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Jaideep Seth (DIN: 03130620) is due to retire by rotation at the 26th Annual General Meeting and being eligible, offer himself for re- appointment.

Brief profile of the proposed appointee together with other disclosures in terms of Regulation 36 (3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are mentioned in the Notice which is part of this Annual Report.

**APPOINTMENT AND RESIGNATION OF DIRECTOR AND KEY MANAGERIAL PERSONNEL:**

Appointment of Mr. Deepak Jagannath Roy (DIN: 08023836) as an Independent Director with effect from 13<sup>th</sup> August, 2018.

**Number of meeting of the Board:**

During the financial 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.

- (i) In the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2019, 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, 2019 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.

**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.

**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.

**Nomination & Remuneration Policy:**

The Board has framed a policy on the recommendation of the Nomination & Remuneration Committee, which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection, appointment and remuneration of Board Members/ Key Managerial Personnel and other employees. Is annexed herewith as "**Annexure A**".

**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:**

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.

**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.

**Remuneration of Directors, Key Managerial Personnel and particulars of employees:**

The remuneration paid to the Directors is in accordance with the Nomination and remuneration policy formulated in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the listing Regulation (Including any statutory modification(s) or re-enactments(s) thereof for time being in Force).

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

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

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

**Auditors:**

At the Annual General Meeting held on 28<sup>th</sup> September, 2018 M/s. Pushp K. Sahu & Co., Chartered Accountant, Statutory Auditors of the Company having registration number (FRN No. 128013W) were appointed as statutory auditors of the Company for a term of 5 (five) years from the conclusion of the 25th AGM (subject to ratification of such appointment by the Members at every AGM, if required) till the conclusion of the 30th AGM at such remuneration as may be determined by the Board of Directors and the said Auditors from time to time. 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.

The said Auditors have confirmed their eligibility for appointment in terms of Section 139 of the Act.

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

**Internal Auditors:**

Independent Practicing Chartered Accountants were appointed as an Internal Auditor for Financial Year 2018-19, they performed the duties of internal auditors of the Company as prescribed under the Act 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 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Board has appointed M/s. Jitendra Lekhwani, Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report for the financial year ended March 31, 2019 is annexed herewith marked as 'Annexure C' to this Report.

There is no qualification, reservations or adverse remarks made by Secretarial Auditors in the Audit Report.

**Cost Auditor:**

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

**Reporting Of Frauds by Auditor:**

During the year under review, neither the Statutory Auditors nor the Secretarial Auditor has reported to the Audit Committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which needs to be mentioned in the Board's 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:**

During the Year, Evaluation cycle was completed which included the Evaluation of the Board as a whole, Board Committees and Directors. The exercise was done in the Independent Directors meeting and Nomination and Remuneration Committee meeting of the Company. The Evaluation process focused on various aspects of the Board and Committees functioning such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors on parameters such as attendance, contribution and independent judgment.

**Corporate Social Responsibility (CSR):**

Your Company does not fall in the criteria mentioned under Section 135 of the Companies Act, 2013, for applicability of the provisions of Corporate Social Responsibility. Hence, your Company is not required to constitute CSR Committee and to comply with other provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

**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.

**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**"

**Management Discussion and Analysis Report:**

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

**Secretarial Standards:**

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

**Disclosure with Respect to Demat Suspense Account / Unclaimed Suspense Account**

The Company reports that no shares issued pursuant to Public Issue remains unclaimed hence the Clause of Disclosure with respect to Demat Suspense Account / Unclaimed Suspense Account is not applicable.

**Dematerialization:**

Your Company has tied up with Central Depository Services (India) Ltd. (CDSL) to enable the shareholders to trade and hold share in an electronic/dematerialized form. The shareholders' are advised to take benefit of dematerialization.

**Risk Management:**

All material Risks faced by the Company are identified and assessed. For each of the risks identified, corresponding controls are assessed and policies and procedures are put in place for monitoring, mitigating and reporting risk on a periodic basis.

**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: 5<sup>th</sup> September, 2019

Sandeep Seth  
(Managing Director)  
DIN: 00316075

Anisha Seth  
(Director)  
DIN: 06867960

S.R. Narayanan  
(Company Secretary)

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

**1. INTRODUCTION:**

This policy has been formulated by the Committee and approved by the Board of Directors.

**2. OBJECTIVE OF THE COMMITTEE:**

The Committee shall:

- a. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
- b. Formulation of criteria for evaluation of Independent Director and the Board
- c. Devising a policy on Board diversity.
- d. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- e. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

**3. DEFINITIONS:**

3.1 Board means Board of Directors of the Company.

3.2 Director means Directors of the Company.

3.2 Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.

3.4 Company means Laffans Petrochemicals Limited.

3.5 Independent Director means Independent Director as provided under clause 49 of the Listing Agreement and/or under the Companies Act, 2013.

3.6 Key Managerial Personnel means Key Managerial Personnel as defined Section 2(51) of the Companies Act, 2013.

3.7 Senior Management The expression “senior management” means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

**4. GENERAL APPOINTMENT CRITERIA:**

4.1 The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.

4.2 The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made there under, Listing Agreement or any other enactment for the time being in force.

4.3 The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made there under, Listing Agreement or any other enactment for the time being in force.

**5. ADDITIONAL CRITERIA FOR APPOINTMENT OF INDEPENDENT DIRECTORS:**

The appointment of Independent director shall be governed as per the provisions of clause 49 of the Listing Agreement (as amended from time to time) and the Companies Act, 2013.

**6. TERM / TENURE:**

The Term / Tenure of the Directors shall be governed as per provisions of the Companies Act, 2013 and rules made there under as amended from time to time, and as per listing agreement.

**7. REMOVAL:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations or any other reasonable ground, the Committee may recommend to the Board for removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

**8. CRITERIA FOR EVALUATION OF INDEPENDENT DIRECTOR AND THE BOARD:**

Following are the Criteria for evaluation of performance of Independent Directors and the Board:

**8.1 Executive Directors:**

The Executive Directors shall be evaluated on the basis of targets / Criteria given to executive Directors by the Board from time to time.

The Independent Directors shall take the views of the executive director(s) and non-executive director(s) to review the performance of the Chairman of the Company.

**8.2 Non-Executive Director:**

The Non-Executive Directors shall be evaluated on the basis of the following criteria i.e. whether they:

- a. act objectively and constructively while exercising their duties;
- b. exercise their responsibilities in a bona fide manner in the interest of the company;
- c. devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- d. do not abuse their position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- e. refrain from any action that would lead to loss of his independence
- f. inform the Board immediately when they lose their independence,
- g. assist the Company in implementing the best corporate governance practices.
- h. strive to attend all meetings of the Board of Directors and the Committees;
- i. participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- j. strive to attend the general meetings of the Company
- k. keep themselves well informed about the Company and the external environment in which it operates;
- l. moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.
- m. Abide by Company's Memorandum and Articles of Association, Company's policies and procedures including code of conduct, insider trading guidelines etc.
- n. Provide various directions in the best interest of the Company on key issues.

Apart for aforesaid criteria, the Non-Executive Directors (including Independent Directors) shall be evaluated on any other criteria as the Board/Committee/Independent Directors as they deemed proper from time to time.

**8.3 Board (including Various Committees):**

The Board (including various committees) shall be evaluated on the basis of the following criteria i.e. whether:

- a. the Board Ensure the integrity of financial information and robustness of financial and other controls.
- b. the Board oversees the management of risk and review the effectiveness of risk management process.
- c. the Board of directors works as a team.
- d. the Board is robust in taking and sticking to decisions.
- e. the Board as a whole up to date with latest developments in the regulatory environment and the market.



- f. sufficient Board and committee meetings, of appropriate length, being held to enable proper consideration of issues.
- g. the relationships and communications with shareholders are well managed.
- h. the relationships and communications within the board constructive.
- i. all directors allowed or encouraged to participate fully in board discussions.
- j. the Board take the Initiative to maintain moral value of the Company.
- k. the Board contribute to enhance overall brand image of the Company.

Apart from aforesaid criteria, the Board (including Committees) shall be evaluated on any other criteria as the Board/Committee/Independent Directors as they deemed proper from time to time.

#### **9. POLICY ON BOARD DIVERSITY:**

The appointment of director(s) on the Board should be based on merit that complements and expands the skills, experience and expertise of the Board as a whole, taking into account gender, age, professional experience and qualifications, educational background, and any other factors that the Board might consider relevant and applicable from time to time towards achieving a diverse Board.

The Nomination & Remuneration Committee is (among other things) responsible for: reviewing the structure, size and composition of the Board and the appointment of new directors of the Company from time to time to ensure that it has a balanced composition of skills, experience and expertise appropriate to the requirements of the businesses of the Company, with due regard to the benefits of diversity on the Board.

#### **10. REMUNERATION:**

10.1 The Committee will recommend the remuneration to be paid to the Managing Director, Whole-time Director, KMP and Senior Management Personnel to the Board for their approval.

The level and composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate directors, Key Managerial Personnel and Senior Management of the quality required to run the company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

10.2 Director/ Managing Director

Besides the above Criteria, the Remuneration/ compensation/ commission etc. to be paid to Director/ Managing Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

10.3 Non executive Independent Directors

The Non- Executive Independent Director may receive remuneration by way of sitting fees as decided by the Board from time to time for attending meetings of Board or Committee thereof; Provided that the amount of such fees shall not exceed the ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

10.4 KMPs / Senior Management Personnel etc.

The Remuneration to be paid to KMPs/ Senior Management Personnel shall be based on the experience, qualification and expertise of the related personnel and governed by the limits, if any prescribed under the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

10.5 Other employees:

Without prejudice to what is stated in para 10.1 to 10.4, the remuneration to be paid to the other employees shall be decided by the management of the Company based on the experience, qualification, expertise of the employees or any other criteria as may be decided by the Management.

#### **11. SUCCESSION PLANNING:**

The Nomination & Remuneration Committee shall work with the Board on the Leadership succession plan, and shall also prepare contingency plan for succession in case of any exigencies.

**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 import. The Company has achieved Export Turnover of Rs. Nil during the year under report 2018-2019.

<b>Sr. No.</b>	<b>Particulars</b>	<b>2018-2019</b>	<b>2017-2018</b>
<b>1</b>	<b>Foreign Exchange Earned</b>	-	-
	Export of Goods of F.O.B basis	-	-
<b>2</b>	<b>Outgo of Foreign Exchange</b>		
	i) Raw Materials	-	-
	ii) Consumable Store	-	-
-	iii) Capital Goods	-	-
	iv) Foreign Travels	-	-
	v) Others	-	-
	vi) Dividend	-	-

**ANNEXURE –C****Form No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE PERIOD 01-04-2018 TO 31-03-2019**

*[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 Gidc Panoli, 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, 2018 to 31<sup>st</sup> March, 2019** 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, 2018 to 31<sup>st</sup> March, 2019** 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 during Audit Period**)
- (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 as the Company has not bought back any of its securities during the Audit Period**)
  - 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 as the Company has not bought back any of its securities during the Audit Period)**
- h.** Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2009- **(Not applicable as the Company has not bought back any of its securities during the Audit Period)**

(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. The manufacture, Storage and Import of Hazardous Chemicals Rules, 1989
2. The Water (Prevention and Control of Pollution) Act, 1974.
3. The Environment (Protection)( Second Amendment)Rules,1992
4. The legal Metrology Act,2009
5. The Petroleum Act, 1934
6. The factories Act,1948

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.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the Minutes of the meetings of the Board of directors or Committee of the Board as the case may be.

**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.

For Jitendra Lekhwani,  
(Company Secretaries)

Sd/-

Jitendra Lekhwani  
(Proprietor)

Place: Mumbai

Date: 5<sup>th</sup> September, 2019

C.P. No. 10709/ACS No. 25927

**Annexure –A**

**To,  
The Members,  
Laffans Petrochemicals limited**

Shed no.C1b/316 Gidc Panoli, Ankleshwar,  
Gujarat - 394116.

Our report of even date is to be read along with this letter.

1. The maintenance of secretarial record is the responsibility of the management of the company. Our Responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records.

We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provision of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For Jitendra Lekhwani,  
(Company Secretaries)

Sd/-  
Jitendra Lekhwani  
(Proprietor)

Place: Mumbai  
Date: 5<sup>th</sup> September, 2019

C.P. No. 10709/ACS No. 25927

**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 (31.03.2018)]

**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) 66930813\66930830, Fax: (022) 26503186; Email: <a href="mailto:lpkho@laffanspetrochemical.com">lpkho@laffanspetrochemical.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 Bharat Tin Works Building, 1st Floor, Opp. Vasant Oasis, Next to Keys Hotel, Makwana Road   Andheri – East, Mumbai – 400059, Maharashtra, India. Board No : 022 – 62638200, Fax No : 022 – 62638299   M : +91 7045454392 Email: <a href="mailto:rajeshm@bigshareonline.com">rajeshm@bigshareonline.com</a> <a href="http://www.bigshareonline.com">www.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%

**III. Particular of Holding, Subsidiary and Associate Companies: Nil****IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity).****i) Category-wise Share Holding**

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	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	3958941	4250	3963191	49.54	4309476	4250	4313726	53.92	4.38
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1)</b>	<b>3958941</b>	<b>4250</b>	<b>3963191</b>	<b>49.54</b>	<b>4309476</b>	<b>4250</b>	<b>4313726</b>	<b>53.92</b>	<b>4.38</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-

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	
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) =(A) (1)+(A)(2)</b>	<b>3958941</b>	<b>4250</b>	<b>3963191</b>	<b>49.54</b>	<b>4309476</b>	<b>4250</b>	<b>4313726</b>	<b>53.92</b>	<b>4.38</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
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) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>10600</b>	<b>10600</b>	<b>0.13</b>	<b>0</b>	<b>10600</b>	<b>10600</b>	<b>0.13</b>	<b>-</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	349379	57000	406379	5.08	42273	57000	99273	1.24	(3.84)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1346241	637710	1983951	24.80	1337411	608810	1946221	24.33	(0.47)
ii) Individual shareholders holding nominal share capital in excess of Rs1 lakh	1559249	65500	1624749	20.31	1554430	65500	1619930	20.25	(0.06)
c) Others (specify)									
Clearing member	1680	-	1680	0.02	1447	0	1447	0.02	(0.00)
Market Maker	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Non Resident Indians (Repat)	4150	-	4150	0.05	4003	-	4003	0.05	(0.00)
Non Resident Indians (Non-Repat)	5300	-	5300	0.07	4800	-	4800	0.06	(0.01)
Foreign Companies	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Independent Directors	-	-	-	-	-	-	-	-	-
HUF	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):</b>	<b>3265999</b>	<b>760210</b>	<b>4026209</b>	<b>50.33</b>	<b>2944364</b>	<b>731310</b>	<b>3675674</b>	<b>45.95</b>	<b>(4.38)</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>3265999</b>	<b>770810</b>	<b>4036809</b>	<b>50.46</b>	<b>2944364</b>	<b>741910</b>	<b>3686274</b>	<b>46.08</b>	<b>(4.38)</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>7224940</b>	<b>775060</b>	<b>8000000</b>	<b>100</b>	<b>7253840</b>	<b>746160</b>	<b>8000000</b>	<b>100</b>	<b>-</b>

## (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	3963186	49.5399	N.A	4313721	53.9216	N.A	4.3817
Mr. Jaideep Seth	05	0.0001	N.A	05	0.0001	N.A	--

## (iii) Change in Promoters' Shareholding (please specify, if there is change)

	Shareholding at the beginning of the year			Cumulative Shareholding during the Year			
	No. of shares	% of total shares of the company	Date	Increase/ Decreasing in shareholding	Reason	No. of shares	% of total shares of the company
<b>Mr. Sandeep Prem Seth</b>							
At the beginning of the year							
Mr. Sandeep Seth	3963186	49.54	01-04-2018				
			27-04-2018	10000	Buy	3973186	49.66
			04-05-2018	3955	Buy	3977141	49.71
			11-05-2018	7185	Buy	3984326	49.80
			08-06-2018	1500	Buy	3985826	49.82
			15-06-2018	326000	Buy	4311826	53.90
			13-07-2018	1895	Buy	4313721	53.92
Mr. Jaideep Seth	05	0.0001	<b>NO CHANGES DURING THE YEAR</b>			05	0.0001

## (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
<b>1. LAFFANS INDIA LIMITED</b>							
At the beginning of the year	2,27,700	2.85	-	-	-	2,27,700	2.85
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	15.06.2018	-227000	Transfer	--	--
At the End of the year	700	0.01	-	-	-	700	0.01
<b>2. MAHENDRA GIRDHARILAL</b>							
At the beginning of the year	1,98,451	2.48	-	-	-	1,98,451	2.48
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):							
At the End of the year	1,98,451	2.48	-	-	-	1,98,451	2.48



	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
<b>3. DHEERAJ KUMAR LOHIA</b>							
At the beginning of the year	1,69,074	2.11	-	-	-	1,69,074	2.11
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	16-11-2018	500	Transfer	1,69,574	2.12
			30-11-2018	2000	Transfer	1,71,574	2.14
			07-12-2018	850	Transfer	1,72,424	2.16
			14-12-2018	1384	Transfer	1,73,808	2.17
			21-12-2018	4546	Transfer	1,78,354	2.23
			28-12-2018	55	Transfer	1,78,409	2.23
			04-01-2019	100	Transfer	1,78,509	2.23
			15-03-2019	2810	Transfer	1,81,319	2.27
			22-03-2019	1500	Transfer	1,82,819	2.29
At the End of the year	1,82,819	2.29	30-03-2019	--	--	1,82,819	2.29
<b>4. S N RAJAN</b>							
At the beginning of the year	1,41,621	1.77				1,41,621	0.33
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			06-04-2018	5571	Transfer	1,47,192	1.84
			13-04-2018	2645	Transfer	1,49,837	1.87
			20-04-2018	-7221	Transfer	1,42,616	1.78
			27-04-2018	21478	Transfer	1,64,094	2.05
			04-05-2018	1500	Transfer	1,65,594	2.07
			18-05-2018	1629	Transfer	1,67,223	2.09
			25-05-2018	220	Transfer	1,67,443	2.09
			01-06-2018	1015	Transfer	1,68,458	2.11
			08-06-2018	19315	Transfer	1,87,773	2.35
			22-06-2018	1729	Transfer	1,89,502	2.37
			29-06-2018	790	Transfer	1,90,292	2.38
At the End of the year	1,90,292	2.38	31-03-2019	--	--	1,90,292	2.38
<b>5. RAHUL DILIPBHAI JGAVERI</b>							
At the beginning of the year	1,21,500	1.52				1,21,500	1.52
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			04-05-2018	-121500	Transfer	0	0.00
			06-07-2018	121500	Transfer	121500	1.52
At the End of the year	1,21,500	1.52	31-03-2019	-	-	1,21,500	1.52
<b>6. NATHALIA MENEZES</b>							
At the beginning of the year	40,998	0.51				40,998	0.51
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			No Changes during the year			0	0.00
At the End of the year	40,998	0.51	-	-	-	40,998	0.51

	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
<b>7. SANJAY SETH</b>							
At the beginning of the year	99000	1.24				99000	1.24
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment)			15-06-2018	-99000	Transfer	0	0.00
At the End of the year	0	0	31-03-2019			0	0
<b>8. SHARAD KANAYALAL SHAH</b>							
At the beginning of the year	97631	1.22	No Changes during the year			97631	1.22
At the End of the year	97631	1.22				97631	1.22
<b>9. MADHUBEN DHIRAJLAL GANDHI</b>							
At the beginning of the year	60000	0.75	----	---	--	60000	0.75
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			No Changes during the year				
At the End of the year	60000	0.75				60000	0.75
<b>10. JALPA HITESH JHAVERI</b>							
At the beginning of the year	39,000	0.49				39,000	0.49
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			No Changes during the year				
At the End of the year	39,000	0.49	31-03-2019			39,000	0.49
<b>11. ANISHA SANDEEP SETH</b>							
At the beginning of the year	67,111	0.84	--	--	--	67,111	0.84
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			20-04-2018	1000	Transfer	68,111	0.85
			25-05-2018	3168	Transfer	71,279	0.89
			28-09-2018	250	Transfer	71,529	0.89
			18-01-2019	1126	Transfer	72,655	0.91
			25-01-2019	2881	Transfer	75,536	0.94
			01-02-2019	10000	Transfer	85,536	1.07
At the End of the year	85,536	1.07	31-03-2019	--	--	85,536	1.07
<b>12. KONDEPUDI PALLAVI</b>							
At the beginning of the year	46,000	0.58	--	--	--	46,000	0.58
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			No Changes during the year				
At the End of the year	46,000	0.58	--	--	--	46,000	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
<b>Mr. Sandeep Seth (Managing Director)</b>				
At the beginning of the year	3963186	49.54	3963186	49.54
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/ sweat equity etc):	Buy 27-04-2018 10000 Shares 04-05-2018 3955 Shares 11-05-2018 7185 Shares 08-06-2018 1500 Shares 15-06-2018 326000 Shares 13-07-2018 1895 Shares			
At the End of the year	4313721	53.92	4313721	53.92
<b>Mr. Jaideep Seth (Director)</b>				
At the beginning of the year	5	0	5	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
<b>Mr. Deepak Jagannath Roy (Director)</b>				
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
<b>Mr. Avinash Gupta (Director)</b>				
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
<b>Mrs. Anisha Seth (Whole-Time Director)</b>				
At the beginning of the year	67,111	0.84	67111	0.84
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/ sweat equity etc):	Buy 20-04-2018 1000 Shares 25-05-2018 3168Shares 28-09-2018 250 Shares 18-01-2019 1126 Shares 25-01-2019 2881 Shares 01-02-2019 10000 Shares			
At the End of the year	85,536	1.07	85,536	1.07
<b>Mr. Mahalinga Booba Kotian (CFO)</b>				
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):				
At the End of the year	0	0	0	0

	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
<b>Mr. Rajesh Thadani ( Director)</b>				
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):				
At the End of the year	0	0	0	0
<b>Mr. S R Narayanan (Company Secretary)</b>				
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):				
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
<b>Indebtedness at the beginning of the financial year</b>	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>				
<b>Change in Indebtedness during the financial year</b>	-	-	-	-
• Addition	-	-	-	-
• Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

#### 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
<b>Gross salary</b>			
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	38,67,500	8,40,000	47,07,500
(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	-	-	-
<b>Commission</b>			
- as % of profit	-	-	-
- others			
Others	-	-	-
<b>Total (A)</b>	<b>38,67,500</b>	<b>8,40,000</b>	<b>47,07,500</b>

**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	
<b>Particulars of Remuneration</b>	<b>Mr. Jaideep Seth</b>	<b>Mr. Avinash Gupta</b>	<b>Mr. Deepak Jagannath Roy</b>	<b>Mr. Rajesh Thadani</b>	<b>Total Amount</b>
<b>Independent Directors</b>					
• 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					
<b>Total (2)</b>					
<b>Total (B)=(1+2)</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	
<b>Gross salary</b>			
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	66,000	2,16,000	2,82,000
(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	-	-	-
<b>Total</b>	<b>66,000</b>	<b>2,16,000</b>	<b>2,82,000</b>

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

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

## ANNEXURE-E

### MANAGEMENT DISCUSSION AND ANALYSIS

#### OVERVIEW:

Company is operating in the business of trading in specialty chemicals on whole sale basis through various distributors of the Company.

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.

#### FINANCIAL PERFORMANCE OF THE COMPANY:

- **Share Capital:**

The issued and paid-up share capital of the Company is Rs. 80,000,000/- consisting of 80 lacs Equity shares of Rs.10/- each as on 31<sup>st</sup> March, 2019.

- **Reserves and Surplus:**

As on 31<sup>st</sup> March, 2019 the reserves and surplus are Rs. 52,60,43,179/-.

- **Secured Loans:**

There are no secured loans outstanding as on 31<sup>st</sup> March, 2019.

#### Results of Operation:

Total income of the Company during the F.Y. 2018-19 was Rs. 5,33,45,756/- reflecting an increase of Rs. 52,82,532/- over previous year. Loss for the year Rs. 85,35,010 /- as against the profit Rs. 67,76,581/- for the previous year.

#### Industry Structure & Development:

Specialty chemicals.

#### Internal Control System:

Company has adequate internal control procedures commensurate with the size of the Company and nature of its Business for the purchase of raw materials and fixed assets and for the sale of goods.

#### Human Resources:

The Company has good relation with its employees.

#### Risks Factor:

The Company is a bulk importer of chemicals and commodities and price fluctuations have been rapid leading to losses by the time goods arrive in India. The company is now taking a limited and conservative approach to safe guard itself from such uncertainties. The company is only focusing on high seas sales as a measure to ensure it is not burdened with any bad debts.

#### Opportunity

The company's business is such that it has to continue to strive for products which are in demand with minimum chances of excess supply. The company is once again looking into the opportunity of commodity imports on bulk items such as coal and tapping the power and steel sectors who have large consumption. The company wants to move gradually with limited resources to test the markets in this sector. The company's profitability has been effected by its investments in the Debt and Capital markets and is constantly looking at risk free returns.

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

The Directors present the Company's Report on Corporate Governance for the year ended **March 31, 2019**, in accordance with Regulation 34 (3) and read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The "Listing Regulation/LODR Regulation").

**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.

As per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and applicable provisions of the Companies Act, 2013 (the Act), a report on Corporate Governance is detailed below:

**2. Governance Structure:**

• **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.

As on March 31, 2019, Laffans Board comprised of 6 (Five) Directors, viz., the Chairman & Managing Director and 1 (One) Non-Executive –Non-Independent Directors, 1 (One) Executive Director, 3 (Three) Non-Executive - Independent Director.

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, 2019.

<b>Name of Director</b>	<b>Category</b>
Mr. Sandeep Seth	Executive- Managing Director
Mrs. Anisha Seth	Whole-Time Director
Mr. Jaideep Seth	Non-Executive Director
Mr. Rajesh Thadani	Independent-Non-Executive Director
Mr. Deepak Jagannath Roy	Independent Non-Executive Director
Mr. Avinash Gupta	Independent Non-Executive Director

\*Mr. Deepak Jagannath Roy (Independent-Non-Executive Director) was appointed with effect from 13<sup>th</sup> August 2018.

**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, 2019 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. Deepak Jagannath Roy*	0	Nil	Nil
Mr. Rajesh Thadani	0	Nil	Nil
Mr. Avinash Gupta	0	Nil	Nil

\*Mr. Deepak Jagannath Roy (Independent-Non-Executive Director) was appointed with effect from 13/08/2018.

\*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. Deepak Jagannath Roy was appointed as Independent-Non-Executive Director with effect from 13/08/2018.

### 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, especially those which requires deliberation. In addition to items which requires approval of the Board or it's 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 Sandeep Seth (DIN 00316075), retires by rotation and being eligible offer himself for re-appointment. His brief resume is as under:

<b>Name of the Director</b>	<b>Shri Jaideep Seth</b>
Designation	Non-Executive Director
Date of Appointment	08/06/2012
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
Chairmanships / memberships of committees of director in others listed companies	NIL

**2.10. Board Meetings Held:**

Four Board Meetings were held during the financial year ended on 31<sup>st</sup> March, 2019. These meetings were held on May 30, 2018; August 13, 2018; November 13, 2018 and February 13, 2019.

**2.11. Attendance of each director at the Board meetings held during the financial year ended 31<sup>st</sup> March, 2019 and the last AGM held on September 28, 2018:**

<b>Director</b>	<b>No. of Board meetings held</b>	<b>No. of Board meetings attended</b>	<b>Last AGM Yes/No</b>
Mr. Sandeep Seth	4	4	Yes
Mrs. Anisha Seth	4	4	Yes
Mr. Jaideep Seth	4	4	Yes
Mr. Deepak Jagannath Roy	3	3	Yes
Mr. Rajesh Thadani	4	2	No
Mr. Avinash Gupta	4	2	No

\*Mr. Deepak Jagannath Roy (Independent-Non-Executive Director) was appointed with effect from 13/08/2018.

**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 February 13, 2019, 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. Rajesh Thadani appointed, Chairman of the Committee is an Independent Director and has financial and accountancy expertise.

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

\* Mr. Rajesh Thadani Independent Director was appointed as Chairman of the Committee with effect from 14/11/2017.

##### 4.3. Audit Committee meetings:

During the year under the review, the Committee met four times, i.e. on May 30, 2018; August 13, 2018; November 13, 2018 and February 13, 2019.

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

Name of the Member	Designation	No. of meetings during the year	
		Held	Attended
Mr. Rajesh Thadani	Member	4	2
Mr. Jaideep Seth	Member	4	4
Mr. Avinash Gupta	Member	4	2

#### 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 SEBI (LODR) Regulation, 2015 with Stock Exchange.

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

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

\* Mr. Rajesh Thadani Independent Director was appointed as Chairman of the Committee with effect from 14/11/2017.

### 5.3. Nomination and Remuneration Committee Meetings:

During the year under the review, the Committee met four times, i.e. on May 30, 2018; August 13, 2018; November 13, 2018 and February 13, 2019.

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

Name of the Member	Status	No. of meetings during the year	
		Held	Attended
Mr. Rajesh Thadani	Member	4	2
Mr. Jaideep Seth	Member	4	4
Mr. Avinash Gupta	Member	4	2

### 5.4. Details of Remuneration Paid to the Directors in 2018-19:

#### Remuneration paid to Executive Directors:

(Amt. in Rs.)

Name	Salary	Bonus	Other perks	Commission	Total
Mr. Sandeep Seth	38,67,500	Nil	Nil	Nil	38,67,500
Mrs. Anisha Seth	8,40,000	Nil	Nil	Nil	8,40,000

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

(Amt. in Rs.)

Name	Salary	Sitting Fees	No. of Shares held
Mr. Jaideep Seth	Nil	Nil	Nil
Mr. Deepak Jagannath Roy	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:

Financial Year	Date & Time	Location	Special Resolution passed
2015-2016	September 29, 2016 at 12.00 p.m.	Shalimar Hotel, Ankleshwar, Dist. Bharuch, Gujarat	No special resolution passed
2016-2017	September 29, 2017 at 11.00 a.m.	Shalimar Hotel, Ankleshwar, Dist. Bharuch, Gujarat	No special resolution passed
2017-2018	September 28, 2018 at 12.30 p.m.	Shed No. C1B/316, GIDC Panoli Ankleshwar, Dist. Bharuch, Gujarat	No special resolution passed

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

There was no resolution passed through Postal Ballot during F.Y. 2018-19.

## 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 arm's 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.

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.

### 9.2. 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 behavior, 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)

### 9.3. 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.

### 9.4. 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.

### 9.5. CEO & MD / CFO Certification:

The Managing Director and 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.

**9.6. 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.

**9.7. Compliance Certificate:**

Compliance Certificate for Corporate Governance from Statutory Auditor (Practicing Chartered Accountant) of the Company is given "Annexure-I" to this report.

**9.8. 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 ended 31.03.2019. Declaration on affirmation of Code of Conduct is forming part of this Report.

**9.9. General Information for Shareholders:**

<b>1. Registered office</b>	Shed No. C1B/316, GIDC Panoli, Ankleshwar, Bharuch, Gujarat 394116.
<b>2. Annual General Meeting Day, Date, Time &amp; Venue</b>	26 <sup>th</sup> Annual General Meeting. Monday, September 30, 2019 at 11.15 A.M. at the Registered office of the Company Situated at Shed No. C1B/316, GIDC Panoli, Ankleshwar, Bharuch. Gujarat 394116.
<b>3. Financial Year</b>	April 1, 2018 to March 31, 2019
<b>4. Financial Calendar (tentative)</b>	June 30, 2019- Second week of August, 2019 September 30, 2019- Second week of November, 2019 December 31, 2019-Second week of February, 2020 March 31, 2020-Last week of May, 2020. Dividend Payment Date Not Applicable
<b>5. Date of Book closure</b>	September 17, 2019 to September 30, 2019 (both days inclusive).
<b>6. Listing on Stock Exchanges</b>	The shares of the Company are listed on BSE Limited (BSE), Vadodara Stock Exchange Limited (VSEL), Delhi Stock Exchange (DSE)
<b>7. Stock Code/ ID</b>	BSE: 524522/ LAFFANSQ VSEL: 288 DSE: 6832
<b>8. Registrars and Transfer Agents</b>	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: <b>Big Share Services Pvt. Ltd.</b> E-2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai – 400072. Tel: 28470652/28475207

		<b>Big Share Services Pvt. Ltd.</b> Bharat Tin Works Building   1st Floor   Opp. Vasant Oasis   Next to Keys Hotel Makwana Road   Andheri – East   Mumbai – 400059   Maharashtra   India. Board No : 022 – 62638200 Extn. 206 Fax No : 022 – 62638299   M : +91 7045454392
<b>9.</b>	<b>Share Transfer System</b>	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.

**10. Stock Market Data**

MONTH	Market Price Per Share (Rs.) (BSE)	
	Highest	Lowest
April, 2018	28.75	24.15
May, 2018	26	25.9
June, 2018	23	23
July, 2018	22.35	22.35
August, 2018	18.6	18.6
September, 2018	23.35	18.10
October, 2018	19.5	18.45
November, 2018	19.2	19.00
December, 2018	19.95	18.05
January, 2019	23	22.95
February, 2019	19.5	18.45
March, 2019	20.15	20.15

**11. Distribution of Shareholding as on March 31, 2019**

Shareholding of Nominal	No. of shareholders*	% of Total b	Share Amount	% of Total
1 - 5000	3229	81.0085	7679890	9.5999
5001 - 10000	427	10.7125	3585260	4.4816
10001 - 20000	138	3.4621	2204930	2.7562
20001 - 30000	47	1.1791	1242290	1.5529
30001 – 40000	23	0.5770	851970	1.0650
40001 - 50000	38	0.9533	1815050	2.2688
50001 - 100000	41	1.0286	2976520	3.7206
Above 100001	43	1.0788	59644090	74.5551
<b>Total</b>	<b>3986</b>	<b>100</b>	<b>80000000</b>	<b>100</b>

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

**12. Dematerialization of Shares and Liquidity as on March 31, 2019**

Category	No. of Shares held	No of Shareholders	% of Total Shareholding
Shares held in Demat Form	72,53,840	2,297	90.67
Shares held in Physical Form	7,46,160	1,689	9.33
<b>TOTAL</b>	<b>80,00,000</b>	<b>3,986</b>	<b>100.00</b>

**13. 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.**

Bharat Tin Works Building | 1st Floor | Opp. Vasant Oasis | Next to Keys Hotel

Makwana Road | Andheri – East | Mumbai – 400059 | Maharashtra | India.

Board No : 022 – 62638200 Extn. 206 Fax No : 022 – 62638299 |

Mob : +91 7045454392

**14. Compliance Certificate by the Auditors**

Certificate from the Auditors of the Company, M/s. Pushp K. Sahu & 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, 2019.

Place: Mumbai

Date: 5<sup>th</sup> September, 2019

Sd/-

Sandeep Seth  
Managing Director

**CERTIFICATE FROM CFO /MD**

- A.** We have reviewed financial statements and the cash flow statement for the quarter and year ended March 31, 2019 and that to the best of their knowledge and belief:
- 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 2) 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.
- B.** 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 violate of the listed entity's code of conduct.
- C.** 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.
- D.** We have indicated to the auditors and the Audit committee:
- 1) significant changes in internal control over financial reporting during the year;
  - 2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - 3) 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.

Place: Mumbai  
Date: 30<sup>th</sup> May, 2019

Sd/-  
Sandeep Seth  
Managing Director

Sd/-  
M. B. Kotian  
Chief Financial Officer



**Annexure-I****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 March 31, 2019 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 PUSHHP K. SAHU & CO.**  
(Chartered Accountants)

Place: Mumbai  
Date: 30<sup>th</sup> May, 2019

Name of Partner  
(Partner)

## INDEPENDENT AUDITOR'S REPORT

### To the Members of LAFFANS PETROCHEMICALS LIMITED

#### Report on the Audit of the Financial Statements

##### Opinion

We have audited the financial statements of Laffans Petrochemicals Limited (“the Company”), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the financial statements”)

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, of the state of affairs of the Company as at March 31, 2019, and profit/loss, changes in equity and its cash flows for the year ended on that date.

##### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in *the Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<b>Evaluation of uncertain tax Positions</b> <b>The Company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes.</b>	<b>Principal Audit Procedures:</b> Obtained details of tax assessment and demands for the year ended March 31,2019 from management. We involved our experts to verify the management underlying assumptions in estimating the tax provision and the possible outcome of the disputes
2	<b>Recoverability of Direct / Indirect Tax receivables As at March 31,2019 Other Current Assets and Non-current Assets in respect of Income tax and GST Inputs recoverable amounting to Rs. 3.02 Crore and Rs. 26.95 Lakh respectively.</b>	<b>Principal Audit Procedures:-</b> We have involved our experts to review the nature of the amount recoverable, the sustainability and likelihood of recoverability upon final resolutions

##### Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting 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 controls, 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

### **Report on Other Legal and Regulatory Requirements**

- 1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 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 the Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - (d) In our opinion, the aforesaid standalone 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 the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - (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 Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any,
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

**For Pushp K. Sahu & Co.**  
Chartered Accountants  
Firm Registration No. 128013W

(Pushp K. Sahu)  
Proprietor

Membership No. 112502

Place: Mumbai  
Date : 30th May 2019

## Annexure - A to the Auditor's Report

### Annexure to the Independent Auditor's Report of even date to the members of Laffans Petrochemicals Limited, on the financial statements for the year ended 31st March 2019

- (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 complied
- (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 Rs.1,01,13,369 for the year 2008-09 against which appeal is pending
    - ii) Income Tax Liability for A.Y. 2009-10 Rs.8,07,960/- against which appeal is pending.
    - iii) Income Tax Liability for A.Y. 2008-09 Rs.53,03,950/- against which appeal is pending.
    - iv) Income Tax Liability for A.Y 2012-13 Rs.8,36,50,990/- against which Appeal is pending. However ITAT partially allowed an appeal dated 29.05.2019
    - v) Income Tax Liability for A.Y 2015-16 Rs.45,67,000/- against which Appeal is pending.
- (viii) 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.
- (ix) 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.
- (x) 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.

- (xi) 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.
- (xii) Since the company is not a Nidhi Company, clause xii is not applicable.
- (xiii) 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.
- (xiv) 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.
- (xv) 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 Pushp K. Sahu & Co.**  
Chartered Accountants  
Firm Registration No. 128013W

(Pushp K. Sahu)  
Proprietor  
Membership No. 112502

Place: Mumbai  
Date : 30th May 2019

**“ANNEXURE B” TO THE INDEPENDENT AUDITORS’ REPORT****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“ the Act “ )**

We have audited the internal financial controls over financial reporting of **LAFFANS PETROCHEMICALS LIMITED** (“the Company”) as of March 31, 2019 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India .These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over the financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorities of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of the internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of the changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Pushp K. Sahu & Co.**  
Chartered Accountants  
Firm Registration No. 128013W

(Pushp K. Sahu)  
Proprietor  
Membership No. 112502

Place: Mumbai  
Date : 30th May 2019



**BALANCE SHEET AS AT 31ST MARCH, 2019**

(All amounts in Indian Rupees unless otherwise stated)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
<b>I. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	2	8,01,77,409	1,76,67,653
(b) Deferred tax assets (net)	4	45,02,017	20,93,575
(c) Financial Assets			
(i) Investment	3	44,22,35,474	51,63,23,702
(d) Income Tax Assets (net)	5	3,02,02,590	2,57,71,841
(e) Other non-current assets	6	4,34,71,641	4,48,64,064
<b>Total non current assets</b>		<b>60,05,89,131</b>	<b>60,67,20,835</b>
<b>(2) Current Assets</b>			
(a) Inventories		89,92,782	-
(b) Financial Assets			
(i) Trade receivables	7	23,78,292	90,87,372
(ii) Cash and cash equivalents	8	29,48,640	23,99,394
(c) Other current assets	9	54,16,815	1,86,96,179
<b>Total current assets</b>		<b>1,97,36,529</b>	<b>3,01,82,945</b>
<b>Total Assets</b>		<b>62,03,25,660</b>	<b>63,69,03,780</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity Share capital	10	8,00,00,000	8,00,00,000
(b) Other Equity	11	52,60,43,179	53,45,91,125
<b>Total equity</b>		<b>60,60,43,179</b>	<b>61,45,91,125</b>
<b>LIABILITIES</b>			
<b>(2) Non current liabilities</b>			
(a) Employee benefit obligations	12	2,75,334	2,57,911
(b) Other non current liabilities	13	46,622	46,622
<b>Total non current liabilities</b>		<b>3,21,956</b>	<b>3,04,533</b>
<b>(3) Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	14	37,172	45,01,107
(ii) Trade payables	15	19,73,912	69,43,163
(b) Other current liabilities	16	1,19,49,441	1,05,63,852
<b>Total Current liabilities</b>		<b>1,39,60,525</b>	<b>2,20,08,122</b>
<b>Total liabilities</b>		<b>1,42,82,481</b>	<b>2,23,12,655</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>62,03,25,660</b>	<b>63,69,03,780</b>

See accompanying notes to the financial statements

As per our report of even date

**For Pushp K. Sahu & Co.**

Chartered Accountants

**Firm Regn No. 128013W****Pushp K. Sahu**

Proprietor

M.No.112502

Place:- Mumbai

Date:-30th May, 2019

For and on behalf of the Board of Directors of

**Laffans Petrochemicals Limited****Sandeep Seth**

Director

DIN No. 00316075

**Anisha Seth**

Director

DIN No. 06867960

**S.R. Narayanan**

Company

Secretary

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2019**

(All amounts in Indian Rupees unless otherwise stated)

Particulars	Notes	March 31, 2019	March 31, 2018
<b>Revenue</b>			
I. Revenue from Operations (Gross)	17	3,77,27,845	1,56,60,292
II. Other income	18	1,56,17,911	3,24,02,932
<b>III. Total Income (I+II)</b>		<b>5,33,45,756</b>	<b>4,80,63,224</b>
<b>IV. Expenses</b>			
Cost of materials consumed	19	3,63,42,668	1,47,48,960
Employee benefits expense	20	68,28,582	41,95,739
Finance costs	21	6,70,617	3,37,290
Depreciation and amortization expense		34,46,786	18,89,531
Other expenses	22	1,70,00,555	2,19,12,233
<b>Total Expenses (IV)</b>		<b>6,42,89,208</b>	<b>4,30,83,753</b>
<b>V. Profit/(loss) before Exceptional Items and Tax (III-IV)</b>		<b>(1,09,43,452)</b>	<b>49,79,471</b>
<b>VI. Exceptional Items</b>		-	-
<b>VII. Profit/(loss) before Tax (V-VI)</b>		<b>(1,09,43,452)</b>	<b>49,79,471</b>
<b>VIII. Tax expense:</b>			
1. Less:- Current Tax		-	27,00,000
2. Add:- Deferred Tax		24,08,442	44,97,110
<b>IX. Profit/(Loss) for the period from continuing operations (VII-VIII)</b>		<b>(85,35,010)</b>	<b>67,76,581</b>
<b>X. Profit/(Loss) for the period from discontinued operations</b>		-	-
<b>XI. Tax expense of discontinued operations</b>		-	-
<b>XII. Profit/(Loss) from Discontinued operations after tax (X-XI)</b>		-	-
<b>XIII. Profit/(Loss) for the period (IX+XII)</b>		<b>(85,35,010)</b>	<b>67,76,581</b>
<b>XIV. Other comprehensive income</b>			
A (I) Items that will not be reclassified to profit or loss			
i) Post employment benefit obligation		17,423	16,557
ii) Fair Valuation Gain on investments		-	-
(II) Income tax related to items that will not be reclassified to profit or loss		(4,486)	(4,263)
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax related to items that will be reclassified to profit or loss		-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>12,937</b>	<b>12,294</b>
<b>XV. Total comprehensive income for the period (XIII+XIV)</b>		<b>(85,47,947)</b>	<b>67,64,287</b>
<b>XVI. Earnings per equity share (for continuing operations)</b>			
1. Basic		(1.07)	0.85
2. Diluted		(1.07)	0.85

As per our report of even date  
**For Pushp K. Sahu & Co.**  
Chartered Accountants  
**Firm Regn No. 128013W**

For and on behalf of the Board of Directors of  
**Laffans Petrochemicals Limited**

**Pushp K. Sahu**  
Proprietor  
M.No.112502

**Sandeep Seth**  
Director  
DIN No. 00316075

**Anisha Seth**  
Director  
DIN No. 06867960

**S.R. Narayanan**  
Company  
Secretary

Place:- Mumbai  
Date:-30th May, 2019

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019**

(All amounts in Indian Rupees unless otherwise stated)

Particulars		31-Mar-19	31-Mar-18
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit before Tax as per statement of Profit & Loss	(1,09,43,452)	49,79,471
	Adjustemnt for:		
	Depreciation & amortization expenses	34,46,786	18,89,531
	Dividend classified as investing cash flow	(19,95,150)	(42,24,964)
	Gratuity Expenses	17,423	16,557
	Interest income classified as investing cash flow	(12,67,717)	-
	Fair Valuation Gain/Loss	(86,11,748)	(1,52,59,485)
	Profit on sale of Investment	(29,44,456)	-
	Sundry balance written back	(7,98,840)	(9,480)
	Taxes paid	(70,91,629)	(28,04,136)
	Finance cost	6,70,617	3,37,290
	<b>Opereating Profit before Working Capital Changes</b>	(1,85,74,714)	(2,00,54,686)
	Adjustemnt for:	(2,95,18,166)	(1,50,75,215)
	Increase/(Decrease) in trade payables	(49,69,251)	43,24,111
	Increase/(Decrease) in non current liabilities	-	(23,88,056)
	Increase/(Decrease) in other current liabilities	13,85,589	4,42,352
	Decrease/(Increase) in trade receivables	67,09,080	22,77,707
	Decrease/(Increase) in investments	8,56,44,432	1,42,96,604
	Decrease/(Increase) in other non current assets	13,92,423	(13,92,423)
	Decrease/(Increase) in other current assets	1,32,79,364	(1,84,94,071)
	Decrease/(Increase) in stock	(89,92,782)	-
	<b>Net Cash flow from Operating activities after tax</b>	9,44,48,855	(9,33,774)
		<b>6,49,30,689</b>	<b>(1,60,08,988)</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Payment from property, plant & equipment	(6,25,09,756)	74,74,495
	Dividend	19,95,150	42,24,964
	Interest received	12,67,717	-
	<b>Net Cash flow from investing activity</b>	<b>(5,92,46,889)</b>	<b>1,16,99,459</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITY</b>		
	Proceeds from Borrowing	(44,63,937)	45,01,107
	Interest paid	(6,70,617)	(3,37,292)
	<b>Net Cash flow from financing activity</b>	<b>(51,34,554)</b>	<b>41,63,814</b>
	Net increase in cash & cash equivalent	<b>5,49,246</b>	<b>(1,45,716)</b>
	Cash & cash equivalent - Opening	23,99,394	25,45,110
	Cash & cash equivalent - Closing	29,48,640	23,99,394

As per our report of even date

**For Pushp K. Sahu & Co.**

Chartered Accountants

**Firm Regn No. 128013W**

For and on behalf of the Board of Directors of

**Laffans Petrochemicals Limited****Pushp K. Sahu**

Proprietor

M.No.112502

**Sandeep Seth**

Director

DIN No. 00316075

**Anisha Seth**

Director

DIN No. 06867960

**S.R. Narayanan**

Company

Secretary

Place:- Mumbai

Date:-30th May, 2019

**STATEMENT OF CHANGES IN EQUITY**

(All amounts in Indian Rupees unless otherwise stated)

**A:- EQUITY SHARE CAPITAL**

Balance at the beginning of the reporting period i.e 1st April,2017	Changes in equity share capital during the year 2017-18	Balance at the end of the reporting period i.e 31st March, 2018	Changes in equity share capital during the year 2018-19	Balance at the end of the reporting period i.e 31st March, 2019
8,00,00,000	-	8,00,00,000	-	8,00,00,000

**B:- OTHER EQUITY**

Particulars	Reserve and Surplus				Total
	Securities Premium Reserve	General Reserve	Retained Earning	Other Comprehensive Income	
<b>As on 31 March 2018</b>					
Balance at the beginning of the reporting period i.e 1st April, 2017	-	6,06,00,000	46,72,26,838	-	60,78,26,838
Total Comprehensive Income for the year	-	-	(12,294)	-	(12,294)
Transfer to/(from) retained earnings	-	-	67,76,581	-	67,76,581
Balance at the end of the reporting period i.e 31st March,2018	-	6,06,00,000	47,39,91,125	-	61,45,91,125
<b>As on 31 March 2019</b>					
Balance at the beginning of the reporting period i.e 1st April,2018	-	6,06,00,000	47,39,91,125	-	61,45,91,125
Total Comprehensive Income for the year	-	-	(12,937)	-	(12,937)
Transfer to/(from) retained earnings	-	-	(85,35,010)	-	(85,35,010)
Balance at the end of the reporting period i.e 31st March,2019	-	6,06,00,000	46,54,43,179	-	60,60,43,179

As per our report of even date

**For Pushp K. Sahu & Co.**

Chartered Accountants

**Firm Regn No. 128013W****Pushp K. Sahu**

Proprietor

M.No.112502

For and on behalf of the Board of Directors of

**Laffans Petrochemicals Limited****Sandeep Seth**

Director

DIN No. 00316075

**Anisha Seth**

Director

DIN No. 06867960

**S.R. Narayanan**

Company

Secretary

Place:- Mumbai

Date:-30th May, 2019

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019**

(All amounts in Indian Rupees unless otherwise stated)

**A Company Background**

Laffans Petrochemicals Limited is a listed Company and engaged in manufacturing of petrochemicals 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.

**B Significant accounting policies**

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

**B.1 Basis of preparation and presentation****(i) Statement of compliance with Ind AS**

The company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 issued by Ministry of Corporate Affairs in respect of sections 133. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment. The financials for the year ended March 31, 2018 of the company are the first financial statements prepared in compliance with Ind AS. The date of transition to Ind AS is April 1, 2016. The financial statements upto the year ended March 31, 2017, were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 ("I-GAAP") and other relevant provisions of the Act. The figures for the year ended March 31, 2017 have now been restated as per Ind AS to provide comparability.

**(ii) Basis of accounting**

The Company maintains accounts on accrual basis following the historical cost convention, except for

- certain financial instruments that are measured at fair value in accordance with Ind AS;
- certain items of property, plant and equipment that were revalued in earlier years in accordance with the I-GAAP principles. The carrying value of all the items of property, plant and equipment and investment property as on date of transition is considered as the deemed cost.

**(iii) Use of Estimates**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the accounting policies.

This note provides an overview of the areas that involved a high degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

**(iv) Critical estimates and judgements**

The areas involving critical estimates or judgements are:

- Estimation of current tax expense and payable
- Estimation of defined benefit obligation
- Recognition of revenue

**B.2 Summary of significant Accounting Policies****a Property, plant and equipment**

All items of property, plant and equipment are stated at cost (i.e. cost of acquisition or construction) less accumulated depreciation/accumulated impairment. Such cost includes purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

**Depreciation and Amortisation:**

Depreciation on Property, Plant and Equipment is provided using the Straight Line Method based on the estimated useful lives of the assets and is charged to the Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013.

**Impairment**

At Balance Sheet date, an assessment is done to determine whether there is any indication of impairment in the carrying amount of the Company's assets. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

An assessment is also done at each Balance Sheet date whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. If any such indication exists the asset's recoverable amount is estimated. The carrying amount of the fixed asset is increased to the revised estimate of its recoverable amount but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss is recognised in the Statement of Profit and Loss for the year.

After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the fixed asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on Written Down Value basis over its remaining useful life.

**b 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 trading, on raising of invoice and transfer of material to the party.
- II. Other income is recognized on accrual basis
- III. Dividend is recognized when the right to receive payment is established by the Balance sheet date.

**c Investments and other financial assets**

**(i) Classification**

The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through Profit or loss), and
- those measured at amortised cost.

The classification depends on the company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

**(ii) Measurement**

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Profit or Loss A/c.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

### Equity Instruments

The company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss.

#### (iii) Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

#### (iv) Derecognition of financial assets

A financial asset is derecognised only when:

- ‘ - The company has transferred the rights to receive cash flows from the financial asset or
- ‘ - retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the company has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

#### (v) Income recognition

##### Dividend

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the company, and the amount of the dividend can be measured reliably.

#### d Transactions in Foreign Currency

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

#### e Trade receivables

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

#### f Employee Benefits

##### (a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**(b) Post-employment obligations****i. Defined contribution plans**

The company pays provident fund contributions to publicly administered provident funds, employee state insurance scheme and and superannuation scheme for eligible employees as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

**ii. Defined benefit plans**

- Gratuity scheme

Gratuity is accounted on estimate basis and charged to Profit and Loss account on accrual basis. However as per Ind AS-19 Gratuity has been provided on actuarial valuation, which is not followed in accordance with Ind AS-19 “Employee Benefit”

**g Income tax**

The income tax expense or credit for the period is the tax payable on the current period’s taxable income based on the applicable income tax rate for each jurisdiction (in accordance with the Income Tax Act, 1961) adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unabsorbed depreciation (as per taxation laws) only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred income tax is provided on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The Company has thus disclosed the Income Tax Assets/ Liabilities on a net basis as the same is settled within the same tax jurisdiction, which is in line with Ind AS 12.

**h Provision and Contingencies**

The Company creates a provision when there exists a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

**i Earnings Per Share****(i) Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares

**(ii) Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:



- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**j Cash and Cash Equivalents**

Cash and cash equivalents include cash and cheques in hand, bank balance.

**k Trade and other payables**

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

**l Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

**m 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 Rs. 1,01,13,369 for the year 2008-09 (P.Y. Rs.1,01,13,369) against which appeal is pending
- ii) Income Tax Liability for A.Y. 2009-10 Rs.8,07,960/- (P.Y. 8,07,960/-) Against which appeal is pending
- iii) Income Tax Liability for A.Y. 2008-09 Rs.53,03,950/- (P.Y. 53,03,950/-) Against which appeal is pending.
- iv) Income Tax Liability for A.Y 2012-13 Rs 8,36,50,990/-(P.Y. 8,36,50,990/-) against which Appeal is pending.
- iv) Income Tax Liability for A.Y 2015-16 Rs 45,67,0000/-(P.Y. 45,67,0000/-) against which Appeal is pending.

**m Rounding off amounts**

All amounts disclosed in the financial statements and notes have been rounded off to nearest lakhs as per the requirement of schedule III unless otherwise stated.

As per our report of even date

**For Pushp K. Sahu & Co.**

Chartered Accountants

**Firm Regn No. 128013W**

**Pushp K. Sahu**

Proprietor

M.No.112502

For and on behalf of the Board of Directors of

**Laffans Petrochemicals Limited**

**Sandeep Seth**

Director

DIN No. 00316075

**Anisha Seth**

Director

DIN No. 06867960

**S.R. Narayanan**

Company

Secretary

Place:- Mumbai

Date:-30th May, 2019

**Note 2: Property, plant and equipment**

Sr No.	DESCRIPTION	Deemed Cost							Net Block						
		As at 01-04-2017	Additions/ Deductions/ Written off	As at 31-03-2018	Additions/ Deductions/ Written off	As at 31-03-2019	Upto 31/3/2017	During the FY 2017-18	Adjustments	Upto 31-03-2018	During the FY 2018-19	Adjustments	Upto 31-03-2019	As at 31-03-2019	As at 31-03-2018
<b>A</b>	<b>Building:</b>														
	Building:	88,46,000	-	88,46,000	5,85,87,441	6,74,33,441	4,75,500	4,75,500	-	9,51,000	11,82,771	-	21,33,771	6,52,99,670	78,95,000
<b>B</b>	<b>Furniture &amp; Fixtures:</b>														
	Furniture & Fixtures:	2,84,184	22,27,694	25,11,878	41,28,884	66,40,762	31,810	2,45,985	-	2,77,795	4,26,467	-	7,04,262	59,36,500	22,34,083
<b>C</b>	<b>Vehicles:</b>														
	Motor Car	31,53,778	41,41,419	72,95,197	18,87,019	91,82,216	6,14,602	7,64,546	-	13,79,148	12,64,009	-	26,43,157	65,39,059	59,16,049
<b>D</b>	<b>Office Equipments:</b>														
	Office Equipments	6,65,794	9,95,765	16,61,559	11,47,105	28,08,664	1,69,011	2,78,342	-	4,47,353	4,80,072	-	9,27,425	18,81,239	12,14,206
	Electrical Installation	3,77,331	-	3,77,331	1,96,345	5,73,676	41,420	41,420	-	82,840	45,126	-	1,27,966	4,45,710	2,94,491
<b>F</b>	<b>Computer :</b>														
	Computer	1,73,185	1,09,618	2,82,803	9,748	2,92,551	85,240	83,739	-	1,68,979	48,341	-	2,17,320	75,231	1,13,824
	<b>Total</b>	<b>1,35,00,272</b>	<b>74,74,496</b>	<b>2,09,74,768</b>	<b>6,59,56,543</b>	<b>8,69,31,311</b>	<b>14,17,583</b>	<b>18,89,532</b>	<b>-</b>	<b>33,07,115</b>	<b>34,46,786</b>	<b>-</b>	<b>67,53,901</b>	<b>8,01,77,409</b>	<b>1,76,67,653</b>

**Note 3 : Financial Assets- Investments**

	31-Mar-2019		31-Mar-2018	
	Quantity	Amount	Quantity	Amount
<b>(a) Investment in Equity Shares (Quoted and Trade)</b>				
Equity Shares	-	6,30,03,050	-	8,55,12,530
<b>(b) Others (Unquoted and Non Trade)</b>				
Birla SL Frontline Equity Fund REG (D)	1,66,749	44,30,532	1,73,255	45,60,060
Birla SL Frontline Equity Fund REG (G)	-	-	10,037	21,38,532
Birla Sunlife Frontline Eq Fund Gr Reg- Religare	-	-	9,500	19,48,609
HDFC Mid Cap Opp Fubnd Gr- Religare	-	-	39,756	22,12,662
HDFC Midcap Oppor Fund (D)	2,36,546	67,33,761	92,437	28,72,744
HDFC Midcap Oppor Fund (G)	-	-	81,078	44,88,448
ICICI Pru Value Discovery REG (D)	-	-	81,562	23,47,344
ICICI PRU INCOME OPP FUND REG PLAN GROWTH	-	-	21,80,589	5,29,15,487
Kotak Bond Short Term Plan Growth	-	-	2,34,536	76,03,948
Sundaram Flexi Fund Flexi Income Plan Regular Growth	-	-	21,33,815	5,20,36,059
BSL Medium Term Plan Growth Regular	-	-	8,74,093	1,92,10,543
L & T Income Opportunities Fund	-	-	19,71,949	3,92,56,368
SBI Bluechit Fund Ongoing Account	-	-	58,611	21,81,640
DSP Blackrock Focus 25 Fund - G	-	-	1,51,782	34,35,584
Franklin Build India Fund -G	-	-	89,787	37,68,079
ICICI Prudential Value Discovery Fund	-	-	9,317	13,63,645
SBI Blue Chip Fund	-	-	1,46,486	57,14,535
Hdfc Short Term Opportunity fund	-	-	1,56,028	53,72,658
Kotak Floater Short Term	-	-	17,743	5,04,42,231
Axa Corporate	-	-	21,62,330	2,89,74,580
Dsp Blackrock Focus 25 Fund	-	-	3,00,420	40,24,730
Franklin India Prima Plus	-	-	1,50,516	52,84,435
Kotak Med Term Fund Direct	13,67,189	2,18,56,567	13,67,189	2,04,81,721
Kotak Select Focus Fund Reg	-	-	3,42,077	77,62,078
Reliance Home Finance Ltd	60	2,94,01,514	-	2,75,88,000
Franklin India Low Duration Fund	7,17,710	1,56,03,020	7,22,260	1,44,27,582

	31-Mar-2019		31-Mar-2018	
	Quantity	Amount	Quantity	Amount
Axis New Oppoertunities AIF -9049897774	50	48,66,291	25	25,19,586
Oldbridge Vantage AIF -OVF -294	3,38,861	94,58,482	77,942	74,16,169
SBI Active Select Fund -901789891	1	86,04,601	1	97,02,159
L & T Short Term Income Fund	5,44,455	1,09,02,760	5,44,455	1,01,69,380
Kotak Select Focus Fun - Ask	1,47,782	55,74,182	1,97,518	66,11,890
Kotak Tresury Ad. Fund Reg. Plan Dial. Div	1,39,848	42,72,747	2,68,082	75,57,082
Most Focused Multicap 35 Fund	2,19,249	49,92,100	2,50,672	68,49,650
Motilal Oswal Ultra Short Term Fund Direct Growth	-	-	5,48,931	75,57,082
Sbi Premier Liquid Fund	32	16,617	16	15,873
Franklin India Feeder Franklin Us Opp G	92,415	27,97,528	-	-
Franklin India Smaller Com Fund Grow	41,071	22,60,387	-	-
Hdfc Credit Risk Debt Fund Reg G	3,74,534	57,13,554	-	-
Mirae Asset India Equity Fund (Alpha)	53,080	27,16,198	-	-
Motilal Oswal Multi Cap 35 Fund	92,855	24,12,122	-	-
Axis Banking and Psu Debt Fund Growth	20,968	3,66,31,164	-	-
Axis Focused 25 Fund Dr Plan Growth	1,86,654	54,55,904	-	-
Icici Prudential Bluechip Fund Direct Plan	1,26,824	56,58,885	-	-
Icici Prudential Liquid Fund Growth	13,349	36,76,510	-	-
IDFC Banking and PSU Debt Fund Reg. Plan Gr	13,07,762	2,10,19,008	-	-
Kotak Liquid Scheme Reg. Plan Growth	2,473	93,30,076	-	-
Kotak Money Market Scheme Reg. Plan Growth	1,468	45,14,459	-	-
Motilal Oswal Multi Cap 35 Direct Fund	2,03,736	55,50,205	-	-
IDFC Banking and PSU Debt Direct	12,37,080	2,00,73,483	-	-
Kotak Standard Multicap Fund D	2,73,106	69,58,743	-	-
Mirae Asset Cash Management Fund Collection Ac	9,691	1,04,29,855	-	-
Mirae Asset India Equity Fund (Ask)	30,229	10,90,838	-	-
Hdfc Ultra Short Term Fund Direct G	95,44,679	9,99,74,782	-	-
Motilal Oswal Multi Cap 35 Direct D	2,66,214	62,55,549	-	-
<b>Total Non Current Investment</b>	<b>38,78,533</b>	<b>44,22,35,474</b>	<b>1,54,44,794</b>	<b>51,63,23,702</b>

**Note 4: Deferred tax assets / (liability) (Net)**

	31-Mar-2019	31-Mar-2018
<b>Deferred tax assets</b>		
<b>The balance comprises temporary differences attributable to:</b>		
Employee Benefits	71,587	66,412
Statutory Payments	25,30,632	25,06,299
MAT Credit entitlement	81,60,281	49,00,234
<b>Total</b>	<b>1,07,62,500</b>	<b>74,72,945</b>
<b>Deferred tax liability</b>		
<b>Set off of deferred tax liabilities pursuant to set off provisions</b>		
<b>The balance comprises temporary differences attributable to:</b>		
Depreciation on fixed asset	17,77,684	13,47,112
Fair Valuation of Investment	44,82,799	40,32,258
<b>Total</b>	<b>62,60,483</b>	<b>53,79,370</b>
<b>Deferred tax assets / (liability) (Net)</b>	<b>45,02,017</b>	<b>20,93,575</b>

**Note 5: Income Tax Assets (net)**

	31-Mar-2019	31-Mar-2018
Income Tax advances (net off provision for tax)	3,02,02,590	2,57,71,841
<b>Total Income Tax Assets</b>	<b>3,02,02,590</b>	<b>2,57,71,841</b>

**Note 6: Other non-current assets**

	31-Mar-2019	31-Mar-2018
a) Advances recoverable in cash or kind for value to be received	4,34,71,641	4,48,64,064
<b>Total Other non-current assets</b>	<b>4,34,71,641</b>	<b>4,48,64,064</b>

**Note 7: Trade receivables**

	31-Mar-2019	31-Mar-2018
Unsecured, Considered Good		
Trade Receivable	23,78,292	90,87,372
Receivable from related parties	-	-
Less: Allowance from doubtful debts	-	-
<b>Total Trade receivables</b>	<b>23,78,292</b>	<b>90,87,372</b>

**Note 8: Cash and Cash Equivalents**

	31-Mar-2019	31-Mar-2018
Cash on hand	7,20,381	7,78,100
Balance with Banks		
- In Current Account	22,28,259	16,21,294
<b>Total Cash and Cash Equivalents (free balances)</b>	<b>29,48,640</b>	<b>23,99,394</b>

**Note 9: Other Current Assets**

	31-Mar-2019	31-Mar-2018
Balances in service Tax/Vat Credit/ GST Credit	26,95,305	11,57,022
Others	27,21,510	1,75,39,157
<b>Total Other Current Assets</b>	<b>54,16,815</b>	<b>1,86,96,179</b>

**Note 10: Share Capital**

	31-Mar-2019	31-Mar-2018
<b>Authorised:</b>		
11,000,000 Equity Shares (March 31,2018: 11,000,000) of Rs. 10/- each	11,00,00,000	11,00,00,000
<b>Total Authorised Share Capital</b>	<b>11,00,00,000</b>	<b>11,00,00,000</b>
<b>Issued ,Subscribed And Paid Up:</b>		
8,000,000 Equity Shares (March 31,2018: 8,000,000;) of Rs. 10/- each fully paid up	8,00,00,000	8,00,00,000
<b>Total Issued Share Capital</b>	<b>8,00,00,000</b>	<b>8,00,00,000</b>
<b>A. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period</b>		
At the beginning of the period	8,00,00,000	8,00,00,000
Issued during the period	-	-
<b>Outstanding at the end of the period</b>	<b>8,00,00,000</b>	<b>8,00,00,000</b>

**B. Terms and rights attached to equity shares**

The Company has only one class of shares referred to as equity shares having a par value of Rs.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.

**C. Shareholder holding more than 5% of equity shares in the Company\***

Name of shareholder	31-Mar-2019		31-Mar-2018	
	Number of equity share	% of holding	Number of equity share	% of holding
Directors: Sandeep Seth	43,09,471	53.87%	39,11,952	48.90%

\* As per the records of the Company, including its register of members

**Note 11: Other Equity**

Retained Earnings	31-Mar-2019	31-Mar-2018
AS Per Last Balance Sheet	47,39,91,125	46,72,26,838
ADD : Profit for the year	(85,35,010)	67,76,581
ADD : IND AS Transition Adjustments	-	-
<b>Items of other comprehensive income recognised directly in retained earnings:-</b>		
Post employment benefit obligation	(17,423)	(16,557)
Tax effect on post employment benefit obligation	4,486	4,263
<b>Closing Balance of Retained earnings</b>	<b>46,54,43,179</b>	<b>47,39,91,125</b>
General Reserve	6,06,00,000	6,06,00,000
<b>Closing Balance of General Reserve</b>	<b>6,06,00,000</b>	<b>6,06,00,000</b>
<b>Closing Balance of Other Equity</b>	<b>52,60,43,179</b>	<b>53,45,91,125</b>

**Note 12: Employee Benefit Obligations**

	31-Mar-2019	31-Mar-2018
Gratuity (Ref "Note" below)	2,75,334	2,57,911
<b>Total Employee Benefit Obligations</b>	<b>2,75,334</b>	<b>2,57,911</b>

Gratuity has been provided on estimated basis which is not in accordance with Ind AS-19 "Employee Benefit"

**Note 13: Non Current Liabilities**

	31-Mar-2019	31-Mar-2018
Deposit from security	46,622	46,622
<b>Total of non current liabilities</b>	<b>46,622</b>	<b>46,622</b>

**CURRENT LIABILITIES:****Note 14 : Borrowings**

	31-Mar-2019	31-Mar-2018
a) Bank Overdraft	37,172	45,01,107
<b>Total of Trade Payables</b>	<b>37,172</b>	<b>45,01,107</b>

**Note 15 : Trade Payables**

	31-Mar-2019	31-Mar-2018
a) For Materials	-	55,05,332
b) For Fixed Assets	6,35,098	2,40,157
c) For Expenses	13,38,814	11,97,674
<b>Total of Trade Payables</b>	<b>19,73,912</b>	<b>69,43,163</b>

**Note 16: Other Current Liabilities**

	31-Mar-2019	31-Mar-2018
a) Statutory dues payable	1,08,52,877	99,52,074
b) Others	10,96,564	6,11,778
<b>Total Other Current Liabilities</b>	<b>1,19,49,441</b>	<b>1,05,63,852</b>

**Note 17: Revenue from operations**

	31-Mar-2019	31-Mar-2018
Sale of Goods	3,77,27,845	1,56,60,292
<b>Total Other Income</b>	<b>3,77,27,845</b>	<b>1,56,60,292</b>

**Note 18: Other Income**

	31-Mar-2019	31-Mar-2018
Interest Income	12,67,717	-
Dividend Income	19,95,150	42,24,964
Profit on sale of Investments	29,44,456	89,02,985
Fair Valuation gain on investments	86,11,748	1,92,65,504
Other Income	7,98,840	9,480
<b>Total Other Income</b>	<b>1,56,17,911</b>	<b>3,24,02,932</b>

**Note 19: Cost of Material Consumed**

	31-Mar-2019	31-Mar-2018
Opening Stock	-	-
Purchase of Trading Goods	4,53,35,450	1,47,48,960
	4,53,35,450	1,47,48,960
Less:- Closing stock as on 31.03.2019	89,92,782	-
<b>Total Cost of Material Consumed</b>	<b>3,63,42,668</b>	<b>1,47,48,960</b>

**Note 20: Employee Benefit Expenses**

	31-Mar-2019	31-Mar-2018
Staff Salary, Bonus & Incentives	66,61,686	41,51,797
Staff Welfare Expenses	1,66,896	39,778
Contribution to Provident Fund and Other Funds	-	4,164
<b>Total Employee Benefit Expenses</b>	<b>68,28,582</b>	<b>41,95,739</b>

Gratuity has been provided on estimated basis which is not in accordance with Ind AS-19 "Employee Benefit"

**Note 21: Finance Cost**

	31-Mar-2019	31-Mar-2018
Interest Expenses	2,86,388	2,31,478
Bank Charges and Commission	3,84,229	1,05,812
<b>Finance costs expensed in profit or loss</b>	<b>6,70,617</b>	<b>3,37,290</b>

**Note 22: Other Expenses**

	31-Mar-2019	31-Mar-2018
Security Charges	1,10,000	1,64,511
Advertisement Expenses	1,79,258	87,784
Rates & Taxes	3,04,436	5,95,849
Rent	7,47,000	27,62,000
General Expenses	7,49,752	8,58,890
Telephone and Other Communication Expenses	1,14,857	1,44,998
Motor car Expenses	7,27,850	5,72,105
Repairs & Maintenance Others	47,66,501	2,67,297
Festival Expenses	12,000	4,976
Travelling Expenses	19,31,597	26,98,274
Electricity Expenses	4,86,748	3,60,125
Entertainment Expenses	6,26,561	7,66,463
Bad Debts	-	86,45,350
Printing & Stationery	2,90,658	1,17,311
Conveyance Expenses	1,31,756	1,19,402
Auditor's Remuneration	2,50,000	2,70,000
Custodial and Other Charges	15,047	1,57,476
Commission Charges	2,00,000	
Foreign Currency Rate Difference	9,40,088	66,853
GST and STT Paid	20,674	1,71,795
Sundry Balance W/off	-	-
Insurance Expenses	2,53,838	35,146
Legal & Professional Expenses	41,41,934	30,45,629
<b>Total Other Expenses</b>	<b>1,70,00,555</b>	<b>2,19,12,233</b>

**Note 22.1: Payment to Auditors**

	31-Mar-2019	31-Mar-2018
Statutory Audit Fees	2,50,000	2,70,000
<b>Total Payments to Auditors</b>	<b>2,50,000</b>	<b>2,70,000</b>

**Note 23: Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 is provided as under for the year 2018-19**

The company has not received any information from its suppliers regarding registration under the Micro, Small and Medium Enterprises Development Act, 2006. Hence, the information required to be given in accordance with section 22 of the said Act, is not ascertained.

**Note 24: Earnings Per Share**

Particulars	31-Mar-2019	31-Mar-2018
a) Basic and diluted earnings per share in rupees (face vale - Rs. 10 per share)	(1.07)	0.85
b) Profit after tax as per Statement of Profit and Loss	(85,47,947)	67,64,287
c) Weighted average number of equity shares outstanding	80,00,000	80,00,000

**Note 25: Information on related party transactions as required by Ind AS 24 - 'Related Party Disclosure' for the year ended 31st March, 2018.**

**I. List of Related Parties**

**Key Management Personnel:**

- i) Mr. Sandeep Seth
- ii) Mr. Jaideep Seth
- iii) Mrs. Anisha Seth

**II. Details of related party transactions during the year ended 31st March, 2019:**

Particulars	31-Mar-2019	31-Mar-2018
<b>i) Rent Paid</b>		
Mr. Sandeep Seth	-	20,90,000
Mr. Jaideep Seth	6,72,000	6,72,000
<b>ii) Remuneration to Key Management Personnel</b>		
Mr. Sandeep Seth	38,67,500	20,32,640
Mrs. Anisha Seth	8,40,000	8,40,000

**Note 26:**

Company has also deal with the cotton seed oil cake along with the petro chemicals products.

As per our report of even date  
**For Pushp K. Sahu & Co.**  
 Chartered Accountants  
**Firm Regn No. 128013W**

For and on behalf of the Board of Directors of  
**Laffans Petrochemicals Limited**

**Pushp K. Sahu**  
 Proprietor  
 M.No.112502

**Sandeep Seth**  
 Director  
 DIN No. 00316075

**Anisha Seth**  
 Director  
 DIN No. 06867960

**S.R. Narayanan**  
 Company  
 Secretary

Place:- Mumbai  
 Date:-30th May, 2019



**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. Jaideep Seth (Non-Executive 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 Annual Rent of Rs. 6,72,000/-
e)	Date of approval by the Board	30th May, 2018
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**

S.R.Narayanan  
(Company Secretary)

# LAFFANS PETROCHEMICALS LIMITED

CIN: L99999GJ1992PLC018626

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

Corporate Office: ONE BKC, 13th Floor, 1302, B-Wing, Plot No.C-66, G-Block,

Bandra Kurla Complex, Bandra (E), Mumbai – 400051.

[E-Mail: lplho@laffanspetrochemical.com] [Website: www.laffanspetrochemical.com] [Tel no: 022-66930813\66930830]

## ATTENDANCE SLIP

**To be handed over at the entrance of the Meeting Hall**

Folio No./Client ID :

I hereby record my presence at the 26<sup>th</sup> Annual General Meeting to be held at Shed No.C1B/316, GIDC Panoli, Tal. Ankleshwar, Dist, Bharuch, Gujarat- 394116 on Monday, September 30, 2019 at 11.15 a.m.

Member's/Proxy's Full Name

Member's/Proxy's Signature

Form No. MGT-11

# LAFFANS PETROCHEMICALS LIMITED

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## 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 26<sup>th</sup> Annual General Meeting of the company, to be held Shed No.C1B/316, GIDC Panoli, Tal. Ankleshwar, Dist, Bharuch, Gujarat- 394116 on September 30, 2019 at 11.15 a.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Particulars	Optional*	
		For	Against
1.	Adoption of Financial Statements for the year ended March 31, 2019.		
2.	Re-appointment of Mr. Jaideep Seth who retires by rotation.		

Signed this ..... day of ....., 2019

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

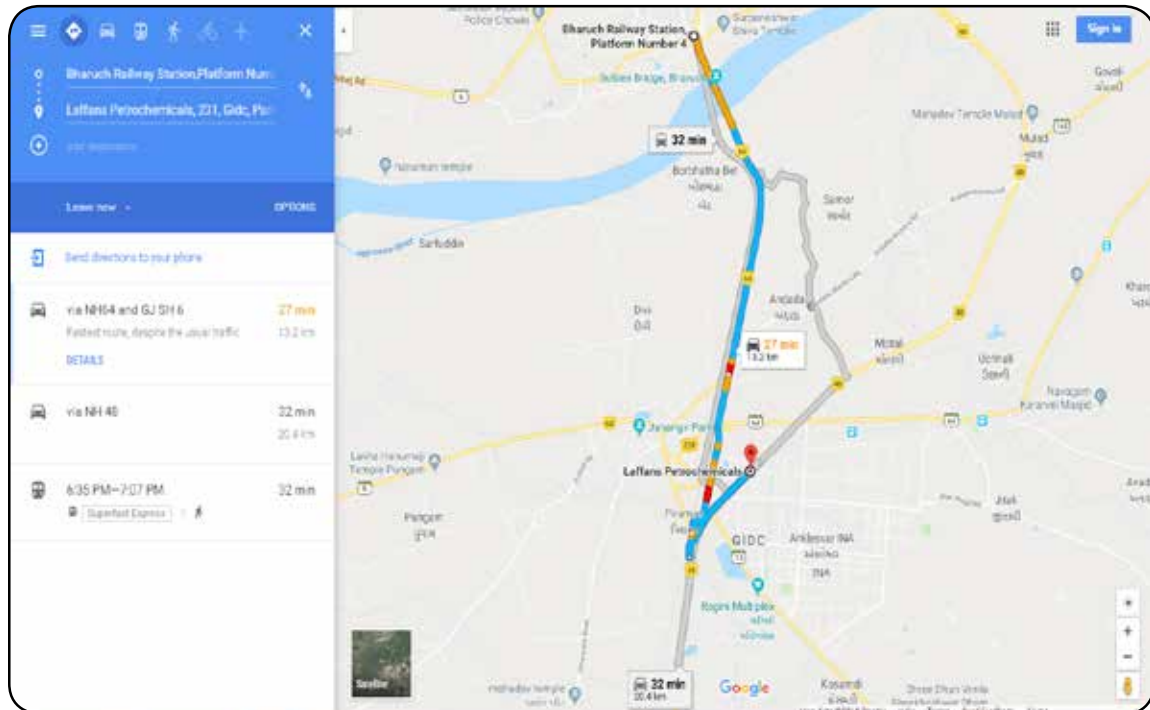
Affix  
1 Rupee  
Revenue  
Stamp

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.

# ROUTE MAP OF THE VENUE OF THE AGM,

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



## 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.

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CIN:**L99999GJ1992PLC018626**

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### 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 Resolution(s) enumerated below by recording my assent or dissent to the said Resolution in the 26th Annual General Meeting of the Company held on Monday, 30<sup>th</sup> September, 2019 at 11.15 a.m. at Laffans Petrochemicals Limited Shed No. C1B/316, GIDC Panoli, Ankleshwar, Bharuch 394116, Gujarat on Monday, 30<sup>th</sup> September, 2019 at 11.15 a.m 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	To receive, consider and adopt the Audited Financial Statements for the financial year ended 31st March, 2019 together with the Reports of the Board of Directors and Auditors thereon. (as an Ordinary Resolution)			
2	To appoint a Director in place of Mr. Jaideep Seth (DIN: 03130620), who retires by rotation and being eligible, offers himself for re-appointment.			

Place: Ankleshwar, Bharuch

Date: 30<sup>th</sup> September, 2019

(Signature of the Shareholder)



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**PETROCHEMICALS LIMITED**

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ONE BKC, 13th Floor, 1302, B-Wing,  
Plot No.C-66, G-Block, Bandra Kurla Complex,  
Bandra (E), Mumbai – 400051