



ONE BKC, 13th Floor, 1302, B-Wing Plot No. C-66, G-Block, Bandra Kurla Complex, Bandra (E) Mumbai-400051
Tel.: 6693 0813 / 0830 • Email : lpelho@laffanspetrochemical.com

Date: August 24, 2022

To,
The Department of Corporate Services,
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai 400001

Script Code: 524522

Dear Sir/ Madam,

Subject: Intimation pursuant to Regulation 34 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

We hereby intimate that, the Twenty-ninth (29th) Annual General Meeting ("AGM") of the Company will be held on Thursday, September 15, 2022 at 10.30 a.m. at Hotel Lord Plaza, C4/6 GIDC, Old National Highway No. 8, Ankleshwar Gujarat- 393002.

Pursuant to Regulation 34 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company along with the Notice of AGM for the financial year 2021-22 which is being sent to the Members, through electronic mode.

29th Annual Report and Notice of the Annual General Meeting are also available on the website of the company at www.laffanspetrochemicals.com

Request you to take the same on record.

Thanking You

Yours Faithfully

For Laffans Petrochemicals Limited

Anupam J Vyas

Company Secretary and Compliance officer

M.N. No A60464



Encl: a/a



29th

Twenty Ninth
ANNUAL REPORT

2021-22



Laffans

PETROCHEMICALS LIMITED

BOARD OF DIRECTORS

Mr. Sandeep Seth
Mrs. Anisha Seth
Mr. Rajesh Thadani
Mr. Deepak Roy
Mr. Rudolph Quadros
Mr. Gajraj Mishra*

DESIGNATIONS

Managing Director
Whole Time Director
Independent Director
Independent Director
Independent Director
Independent Director

DIN

00316075
06867960
00009889
08023836
08536580
09454405

* Mr. Rudolph Quadros resigned from the post of Non-Executive Director w.e.f January 27, 2022 and Mr. Gajraj Mishra was appointed w.e.f January 27, 2022

AUDITORS

Pushp K. Sahu & Co.

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Anupam J Vyas ICSI Membership No. A60464

SECRETARIAL AUDITORSS

Trusha D Shah & Co.

REGISTERED OFFICE

Shed No.C1B/316, GIDC Panoli,
Tal Ankleshwar, Dist. Bharuch, Gujarat – 394 116.
[CIN No.: L99999GJ1992PLC018626]

CORPORATE OFFICE

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

BANKERS

ICICI Bank Ltd
HDFC Bank Ltd

REGISTRARS & TRANSFER AGENTS

Big Share Services Pvt. Ltd
Office No. S6-2, 6th Floor,
Pinnacle Business Park, Next to Ahura Centre,
Mahakali Caves Road,
Andheri – East, Mumbai – 400093,
Maharashtra, India.
Board No: 022 – 62638200, Extn. 206
Fax No: 022 – 62638299, Mobile: +91 7045454392
rajeshm@bigshareonline.com
www.bigshareonline.com

| CONTENTS | Page No. |
|---|----------|
| Notice of 29 th Annual General Meeting | 3 |
| Director's Report | 9 |
| Annexure A | 15 |
| Secretarial Audit Report MR-3 | 16 |
| Management Discussion and Analysis Report | 20 |
| Corporate Governance Report | 21 |
| Auditor's Corporate Governance Report | 30 |
| CFO/MD Certificate | 31 |
| Annexure 5 | 32 |
| Independent Auditors Report | 33 |
| Financial Report and Notes to Accounts | 42 |
| Attendance Slip | 61 |
| MGT-11 Proxy Form | 61 |
| Route Map for 29 th Annual General Meeting | 60 |
| MGT-12 | 62 |



29th Annual Report 2021-22

NOTICE

NOTICE is hereby given that the 29th Annual General Meeting of the Members of **Laffans Petrochemicals Limited** will be held on Thursday September 15, 2022 at 10:30 A.M. at Hotel Lords Plaza C4/6 GIDC Old National Highway No.8 Ankleshwar, Gujarat- 393002, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended March 31, 2022 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mrs. Anisha Seth (DIN: 06867960), who retires by rotation and being eligible, offers herself for re-appointment.
3. **Appointment of Statutory Auditors of the Company**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, JMR & Associates LLP, Chartered Accountants (Firm Registration No. 106912W/W10300 be and is hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (“AGM”) till the conclusion of the thirty-fourth AGM to be held in the year 2027, at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.”

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

Place: Gujarat
Date: August 14, 2022

Sandeep Seth
Managing Director
(DIN: 00316075)

Registered Office:

Shed No. C1B/316, GIDC Panoli,
Tal. Ankleshwar, Dist., Bharuch, Gujarat 394116
Email: 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 Friday, 9th September, 2022 to Thursday, 15th September, 2022 (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, office no. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri – East, Mumbai – 400093.
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. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020 and due to the current Covid situation, the Annual Report for F.Y. 2021-22, the Notice of 29th AGM and instruction for e-voting along with the attendance slip and proxy form is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website and websites of the Stock Exchanges i.e. BSE Limited.
12. 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.

13. 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.
14. 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.
Members may also note that the Annual report (including the Notice of 29th AGM) for F.Y. 2021-22 will be available on the Company's website, Website: www.laffanspetrochemical.com.
15. 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.
16. 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.
17. In case of joint holder attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote.
18. 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.
19. 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 Trusha D Shah & Co, Practicing Company Secretary (Membership No. A41022 & COP 19908) 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. 24th September, 2022.
 - (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. 24th September, 2022, 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 Monday, September 12, 2022 at 9.00 a.m. and ends on Wednesday, September 14, 2022 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 September 08, 2022 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.
The shareholders should log on to the e-voting website www.evotingindia.com.
- III. Click on Shareholders tab. Now, select the “LAFFANS PETROCHEMICAL LIMITED” from the drop down menu and click on “SUBMIT”
- IV. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- V. Next enter the Image Verification as displayed and Click on Login.
- VI. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- VII. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

| | |
|---|--|
| PAN | 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"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field. |
| Dividend Bank Details OR Date of Birth (DOB) | 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"> 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). |

- VIII. After entering these details appropriately, click on “SUBMIT” tab.
- IX. 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.
- X. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- XI. Click on the EVSN for the relevant <LAFFANS PETROCHEMICAL LIMITED> on which you choose to vote.

- XII.** On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- XIII.** Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- XIV.** After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- XV.** Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- XVI.** You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- XVII.** 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.
- XVIII.** 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.
- XIX. Note for Non – Individual Shareholders and Custodians:**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- 20.** A route map showing direction to reach the venue of 29th Annual general meeting is given at the end of the notice as per the requirement of the Secretarial Standard-2 on General meeting.
- 21.** The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.laffanspetrochemical.com and on the website of CDSL immediately after the declaration of result by the Chairman of the meeting or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchange viz. Bombay Stock Exchange Limited (BSE Limited).

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

Sandeep Seth
Managing Director
(DIN: 00316075)

Place: Gujarat
Date: August 14, 2022

Registered Office:

Shed No. C1B/316, GIDC Panoli,
Tal. Ankleshwar, Dist., Bharuch, Gujarat 394116
Email: lpkho@laffanspetrochemical.com

DETAILS OF THE DIRECTORS SEEKING ~~APPOINTMENT~~/ RE-APPOINTMENT:

| | |
|--|---------------------------------|
| Name of the Director: | Mrs. Anisha Seth |
| Date of first appointment: | 24-10-2019 |
| Expertise in specific functional areas: | General Management |
| Qualifications: | M.Ed |
| Key terms and conditions of appointment/ reappointment: | As per the terms of appointment |
| Number of Equity shares held in Company: | 2,11,749 shares |
| List of other Directorship held In (other listed Companies): | Nil |
| Chairmanships / memberships of committees of director in others listed companies: | Nil |

DIRECTORS REPORT

Dear Members,

The Directors present 29th Annual Report of the company along with the audited financial statements for the financial year ended on March 31, 2022

1. **FINANCIAL SUMMARY/ HIGHLIGHTS/ OPERATIONS STATE OF AFFAIRS**

The Financial performance of the company for the year ended on March 31, 2022 is summarized below:

[in Rupees]

| Particulars | Year ended on 31.03.2022 | Year ended on 31.03.2021 |
|--|--------------------------|--------------------------|
| Total Revenue | 263,117,308 | 242,021,438 |
| Less: Total Expenses | 283,928,738 | 185,876,967 |
| Profit before exceptional items and Tax | -20,811,430 | 56,144,471 |
| Less: Current tax for the year and prior year | - | 10,500,000 |
| Less: Deferred tax liability | 3,304,294 | 12,299,743 |
| Profit after taxation | 17,507,136 | 33,344,728 |

Financial Statement:

As per Regulation 33 of the Securities board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “Listing Regulation”) and applicable provisions of the Companies Act, 2013 read with the rules there under, the Financial Statements of the Company for F.Y. 2021-22. The Financial Statements for the year 2021-22 have been prepared in compliance with the new set of Indian Accounting standards (INDAS) 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 (‘INDAS’) 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 Indian AS, as presented under Section 133 of Companies Act, 2013 (“the Act”) read with the relevant rules issued there under and there relevant accounting principles generally accepted in India as applicable.

2. **NOTE ON COVID:**

a. Impact of COVID 19 pandemic second wave on business activity of the Company:

In Fiscal 2021 has seen the health crisis deepen, and the world’s attention is focused on India’s response to it. With so many global businesses relying on India’s Manufacturing sector to run their core operations, the industry’s resilience has wide ranging global impact. Corporations, along with delivering business continuity for clients, must, with renewed vigor, ensure the wellbeing of their employees and the communities in which they operate.

Comprehending the importance of the role played by vaccines in our fight against the virus, we have been working very closely with government authorities and medical experts to put together various frameworks for the immunization drive to encourage employees and their family members to get vaccinated.

Our focus on our client commitments remained unwavering through this period, reflecting in the record number of large deals we secured even while working remotely. With our operations teams ensuring smooth work-from-home processes and remote collaboration.

3. **TRANSFER TO RESERVE:**

During the year under review, no amount was transferred to the Reserves.

4. **DIVIDEND:**

During the year under review, no dividend was declared by the Company.

5. SHARE CAPITAL:

During the year under review the Company has neither issued nor allotted any further Shares and accordingly there was no change in share capital of the Company. The paid up Equity Share Capital of the Company as on March 31, 2022 is Rs. 8,00,00,000/- divided into 80,00,000 Equity Shares of Rs. 10/- each.

6. OPERATING & FINANCIAL PERFORMANCE & INTERNAL CONTROL:**• Performance of the Company:**

Your company has generated gross revenue of Rs. 263,117,308/- as compared to Rs. 242,021,438/- in the previous year. The revenue from operations by way of trading during the year amounted to Rs. 219,446,601/- compared to Rs. 167,961,123/- in the previous year. The company had started in its financial year imports of chemicals from Dubai and is seeking opportunities towards indenting and trading of chemicals based on its past experience.

• Performance of Subsidiary Companies/Associate Companies/Joint Ventures:

The Company does not have any Holding or Associate Company.

• Internal Control:

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

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

7. CHANGE IN THE NATURE OF BUSINESS OF THE COMPANY:

There was no change in the nature of business during the financial year under review.

8. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

No material changes and commitments affecting the financial position of the Company occurred between the end of the Financial Year to which this Financial Statements relate on the date of this report.

9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in Annexure "A" and is attached to this report.

10. POLICY DEVELOPED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY (CSR):

Pursuant to Section 135 of Companies Act 2013 the Company does not fall within the criteria to contribute towards the CSR.

11. DEPOSITS:

Your Company had not accepted the deposits from the public as per Section 74 of Companies Act, 2013 read with Rule 20 of the Companies (Acceptance of Deposits) Rules, 2014.

12. LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

The details of the Loans, Guarantees or Investments made under Section 186 of the Companies Act, 2013 by the Company, to other Body Corporate or persons are given in notes to the Financial Statements.

13. RELATED PARTY CONTRACTS AND ARRANGEMENTS:

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. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval Disclosures pursuant to Accounting Standards on related party transactions have been made in the notes to the Financial Statements.

The Board of Directors has approved the policy on transactions with related parties ("RPT Policy"), pursuant to the recommendation of the Audit Committee. In line with the requirements of the Act, RBI Regulations and the SEBI Listing Regulations, the Company has formulated the RPT Policy which is also available on the Company's website at www.laffanspetrochemical.com. The RPT Policy intends to ensure that proper reporting; approval and disclosure processes are in place for all transactions between the Company and the related parties.

14. CORPORATE GOVERNANCE:

As per the Regulation 27(2) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, it is not Applicable for the Company to attach a separate Corporate Governance report as Annexure "C" to the Boards' Report is furnished and attached to this Report

15. ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2022 is available on the Company's website.

16. PARTICULARS OF EMPLOYEES:

The information required in accordance with Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Further, the Company has no person in its employment drawing salary of Rs. 60 lakhs per annum or Rs. 5 lakhs per month as defined under the provisions of Section 197 of the Companies Act, 2013, read with Rule 5(2) and 3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

17. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW:

During the financial year 2021-22, Four (4) Board Meetings were held on June 03, 2021, August 12, 2021, November 01, 2021 & January 27, 2021. The Board Meetings were held in compliance with the provisions of the Companies Act, 2013.

18. DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its Responsibility Statement:-

- a. in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. 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 at the end of the Financial Year and of the Profit and Loss of the Company for that period;

- c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the Directors had prepared the annual accounts on a going concern basis;
- e. 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 and
- f. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

19. DISCLOSURE UNDER SECTION 164(2) OF THE COMPANIES ACT, 2013:

The Company has received the disclosure in Form DIR - 8 from its Directors being appointed or re-appointed and has noted that none of the Directors are disqualified under Section 164(2) of the Companies Act, 2013 read with Rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014.

20. DECLARATION OF INDEPENDENT DIRECTORS:

The Independent Directors submitted their disclosures to the Board that they fulfil all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules as per the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015.

21. EVALUATION OF THE BOARD'S PERFORMANCE:

In compliance with the requirements of Section 134(3) (p) of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, the performance of the Board was carried out during the year under review. The Board was evaluated for its performance based on the following factors:

- Attendance of Board Meetings and Committees;
- Contribution made to the Board discussions and future planning;
- Level of commitment to the stakeholders' interest;
- Initiatives towards the growth of the Business and profitability and
- Providing outlook, viewpoints and feedback taking the Company ahead beyond expectations.

22. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES:

The Board has framed a Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, Independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 based on the recommendation of Nomination and Remuneration Committee.

The Board of Directors has, based on the recommendation of the NRC of the Company, approved the policy on Directors appointment and remuneration for Directors, KMP and other employees, which is available on the website of the Company at www.laffanspetrochemical.com

23. DIRECTORS AND KEY MANAGERIAL PERSONNEL INFORMATION:

• **RESIGNATION OF DIRECTOR:**

In accordance with the provisions of the Companies Act, 2013, Mr. Rudolph Quadros (DIN: 08536580) resigned as a Director from the Board of Directors of the Company.

• **APPOINTMENT OF DIRECTOR:**

In accordance with the provisions of the Companies Act, 2013, Mr. Gajraj Mishra (DIN: 09454405) was appointed as a Director on the Board of Directors of the Company.

24. SECRETARIAL AUDIT:

In accordance with the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has got the Secretarial Audit conducted from the Practicing Company Secretary.

A Secretarial Audit Report issued by Trusha D Shah & Co, Practicing Company Secretaries, in Form MR - 3, in respect of the Secretarial Audit of the Company for the Financial Year ended March 31, 2022, is furnished and attached to this Report as Annexure "E".

25. STATUTORY AUDITORS OF THE COMPANY:

At the Annual General Meeting held on September 28, 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 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.

26. COST AUDITORS:

The Company is not required to maintain cost records as per the Companies (Cost Records and Audit) Amendments Rules, 2014 as the turnover of the Company for the Financial Year 2020-21 was less than Rupees 35 Crores.

27. AUDITORS REPORT:

The notes to accounts referred to in the Auditor's Report are self-explanatory and, therefore, do not call for any further comments.

28. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS:

The notes on the financial statement referred in the Auditor's Report are self-explanatory and do not call for any further comments. The Auditor's Report does not contain any qualification, reservation, adverse remark or disclaimer for the Financial Year 2021-22. During the year under review, the Statutory Auditor and the Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

29. NOMINATION AND REMUNERATION POLICY:

The Board of Directors of the Company has, on recommendation of the Nomination & Remuneration Committee, framed and adopted a policy for selection and appointment of Directors, Senior Management and their remuneration.

The Board of Directors has, based on the recommendation of the NRC of the Company, approved the policy on Directors' appointment and remuneration for Directors, KMP and other employees", is available on the website of the Company at www.laffanspetrochemical.com.

30. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM:

Your Company has constituted an Audit Committee as required under Section 177 of the Companies Act, 2013 and has also established Vigil Mechanism for their employees and Directors to report their genuine concerns

or grievances. The Board has accepted all the recommendations of the Audit Committee during the year under review as and when brought to their notice.

The mechanism framed by the Company is in compliance with the requirements of the Act and SEBI Listing Regulations and the same is available on the website of the Company at www.laffanspetrochemical.com

31. LISTING:

Your Company's Equity Capital is listed on the Bombay Stock Exchange. The Company confirms that it has paid annual listing fees due to these stock exchanges for the year 2021-22 and has been diligent in observing all the compliances as stipulated in the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015.

32. DEPOSITORY SYSTEM:

Your Company has entered into agreement with the National Securities Depository Limited as well as the Central Depository Services (India) Limited (CDSL) to enable shareholders to hold shares in a dematerialized form. The Company also offers simultaneous dematerialization of the physical shares lodged for transfer.

33. INTERNAL CONTROL SYSTEM:

Your Company continuously invests in strengthening its internal control processes and has appointed Praveen Lokwani & Co, Chartered Accountants, (Firm Registration No. 143818W as the Internal Auditors of the Company. The Company has put in place as adequate system of internal control commensurate with its size and nature of business.

The systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company and ensuring compliance with corporate policies. Audit Committee periodically reviews the performance of internal audit system.

The Audit Committee reviews adherence to internal control systems and internal audit reports. Further, the Board annually reviews the effectiveness of the Company's internal control system.

34. SHARES & SECURITIES:

a) Buy Back of Securities

The Company has not bought back any of its securities during the year under review.

b) Sweat Equity

The Company has not issued any Sweat Equity Shares during the year under review.

c) Bonus Shares

No Bonus Shares were issued during the year under review.

d) Employees Stock Option Plan

The Company has not provided any Stock Option Scheme to the employees.

35. ACKNOWLEDGEMENTS:

Your Directors sincerely appreciate the high degree of professionalism, commitment and dedication displayed by the employees at all levels. Your Directors also wish to place on record their gratitude to the shareholders for their continued support and confidence.

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

Place: Gujarat
Date: August 14, 2022

Sandeep Seth
Managing Director
(DIN: 00316075)

ANNEXURE – A

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- Not Applicable

The Company's main line of business is import. The Company has achieved Export Turnover of Rs. Nil during the year under report 2021-2022.

| SR. NO. | PARTICULARS | FY 2021-2022 | FY 2020-2021 |
|----------|----------------------------------|--------------|--------------|
| 1 | Foreign Exchange Earned | | |
| | Export of Goods of F.O.B basis | NIL | NIL |
| 2 | Outgo of Foreign Exchange | | |
| - | i) Raw Materials | NIL | NIL |
| | ii) Consumable Store | NIL | NIL |
| | iii) Capital Goods | NIL | NIL |
| | iv) Foreign Travels | NIL | NIL |
| | v) Others | NIL | NIL |
| | vi) Dividend | NIL | NIL |

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

Place: Gujarat
Date: August 14, 2022

Sandeep Seth
Managing Director
(DIN: 00316075)

ANNEXURE –B**Form MR-3****SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To

The Members,

Laffans Petrochemicals Limited

Shed No. C1B/316, GIDC Panoli,

Ankleshwar,

Bharuch, Gujarat – 394 116

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Laffans Petrochemicals Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's 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 authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015 complied with the Statutory provisions listed hereunder with certain exceptions and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the extent, in the manner and subject to the reporting made hereinafter.

We have examined:

- (a) all the documents and records made available to us and explanation provided by Laffans Petrochemicals Limited (CIN: L99999GJ1992PLC018626) ("listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) all other document/filing, as may be relevant, which has been relied upon to make this certification, for the financial year ended 31st March, 2022 ("Review Period") in respect of compliance with the provisions of:
 - (i) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued there under; and
 - (ii) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made there under and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/guidelines issued thereunder, have been examined, include:-

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-law framed hereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment;

Not Applicable

5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India , 1992 ('SEBI Act');

(a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

Not Applicable

(c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

(f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

Not Applicable

(g) Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013;

Not Applicable

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

Not Applicable

(i) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(j) The Secretarial Standards issue by the Institute of Company Secretaries of India.

(k) Other regulations as applicable to the Company and circulars/guidelines issued thereunder;

And based on the above examination, we hereby report that, during the Review Period

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder except the following –

| Sr. No. | Laws | Particulars |
|---------|--|---|
| 1. | Companies Act, 2013 | Filing of Form MGT-14 for following matters as resolved by the Board of Directors at its meeting – a. Appointment of Secretarial Auditor b. Approval of Financial Statements including unaudited and Board's Report |
| 2. | The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 | Due to technical issues, the website of the Company i.e. www.laffanspetrochemical.com is not up-to-date as per the provisions of the LODR Regulations. |

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/guidelines issued thereunder in so far as it appears from our examination of those records,

(c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

| Sr. No. | Actions by | Details of violation taken by | Details of action taken | Observations by Practicing Company Secretary |
|---------|------------|---|---|---|
| 1. | BSE | Regulation 33: Non-submission of the financial results within the period prescribed under this regulation for the quarter & Financial year end March 31, 2020 | Penalty of Rs. 53,100/- (including GST@18%) | According to our examination & explanation provided by the Company to us the delay was due CoVID19 pandemic a global phenomenon. After receipt of regret letter for waiver of fine, the Company has made the payment within the time frame & also produced us the paid receipt of such penalty |

- (d) The Exchange had sought clarification from the Company on September 15, 2021 with reference to significant movement in price, in order to ensure that investors have latest relevant information about the company and to inform the market so that the interest of the investors is safeguarded.

The Company had thereby clarified within the stipulated timeline that -

- the company has been sharing all requisite events, information, announcements from time to time which may have a bearing on the operations/performance of the company.
- It also includes price sensitive information etc.
- there was no pending information/ announcement to be made as on the date which requires disclosures in accordance with the regulatory requirement
- there was no material event in the company which may inflate or deflate the price movement of the shares of the company and that the movement in the price is purely market driven.

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 clarification on the agenda items before the meeting and for meaningful participation at the meeting.

All decision at Board Meetings and Committee Meetings are carried 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 the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Trusha D. Shah & Co.

Practicing Company Secretary

Trusha Shah

Company Secretary

Membership No.: 41022

COP No.: 19908

UDIN: A041022D000814256

Place: Mumbai

Date: August 18, 2022

Note: This report is to be read with our letter of even date which is annexed as “ANNEXURE A” and forms an integral part if this report.

“ANNEXURE A”**To****The Member,**

Laffans Petrochemicals Limited
Shed No. C1B/316, GIDC Panoli,
Ankleshwar,
Bharuch, Gujarat – 394 116

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

1. Maintenance of Secretarial records 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 the 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. Where ever required, we have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the 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 efficacy or effectiveness with which the management has conducted the affairs of the Company.

Trusha D. Shah & Co.**Practicing Company Secretary****Trusha Shah****Company Secretary****Membership No.: 41022****COP No.: 19908****UDIN: A041022D000814256****Place: Mumbai****Date: August 18, 2022**

ANNEXURE - C

MANAGEMENT DISCUSSION ANALYSIS REPORT

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 the market share in very competitive market.

FINANCIAL PERFORMANCE OF THE COMPANY:

- Share Capital: The issued and paid-up share capital of the Company is Rs. 8,00,00,000/- consisting of 80 Lacs Equity shares of Rs.10/- each as on March 31, 2022.
- As on March 31, 2022 the reserves and surplus are Rs. 50,22,30,436/-
- **Secured loans**

During the year under review Company had not borrowed any secured loan.

Result from operation

Total income of company during the F.Y 2021-22 was Rs. 26,31,17,308/- reflecting an increase of Rs. 2,10,95,870/- over previous year. There is a loss for the year of Rs. 1,75,07,136/- as against the profit of Rs. 3,33,44,728/- in the previous year.

Industry structure and development

Specialty chemicals

Internal control system

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

Human Resources

Company has good relations with its employees

Insurance

Laffans Petrochemicals Limited has insured its assets and operations against all insurable risks including fire, earthquake, flood, and etc. as part of its overall risk management strategies. Safety, Health and Environment

At Laffans, safety is considered a high priority and all efforts are made to ensure safe working environment for employees. All probable incidents are analyzed and corrective actions are taken. Employees are trained in safe practices to be followed at work places at all the times.

Environmental Preservation

Quality of human life is the most important factor to sustain life and this could be achieved through preservation of natural environment. The Company's R & D Department continues to develop new shades in an environmentally sustainable manner. The Company always consumes eco-friendly Raw-materials, chemicals. The Company has also installed an Effluent Treatment plant for proper treatment of waste water. Your company's strength lies in consistent quality consciousness and eco-friendly awareness.

Material developments in Human Resources / Industrial Relations

The company has always considered human resources as the driving force for progress and success and they are the main assets of the company. Management is of the firm belief that the growth of the company is due to the continuous contribution from its manpower. The company has the required number of skilled and semi-skilled persons and it constantly tries to improve their quality and productivity and provides a congenial working environment for them. The company is committed for continual improvement in all aspects of social standard, business and employee's welfare to grow as an ethical business. We believe that harmony amongst employees, employer and business leads to socio economic improvement. The industrial relations continued to be extremely cordial during the year.

Risk Factor

The company is mainly dependent on imports from Gulf countries as the transit times often goes beyond 30 days the market price may fluctuate by the time the goods arrive for sale. The last year has seen many such fluctuations resulting in the company doing limited imports of chemical. The company therefore restrains from long term contacts.

Opportunity

The company is not dependent on any one product type and is constantly seeking new products based on local demand. The company has identified several Chinese firm to represent them in India through exclusive agency. The Indian chemical market continues to grow and cheaper import allows opportunities in this area.

Further increasing demand of specialty chemicals, favorable government policy, GST regime would be beneficial for the business of the company in the upcoming years, future prospects/outlook

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

ANNEXURE-D

REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended **March 31, 2022**, in accordance with Regulation 34 (3) and read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The "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 (LODR 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. The Board of the Company comprised of 5 (Five) Directors as on March 31, 2022.

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, 2022.

| Name of the Directors | Category |
|------------------------------|----------------------|
| Mr. Sandeep Seth | Managing Director |
| Mrs. Anisha Seth | Whole Time Director |
| Mr. Rajesh Thadani | Independent Director |
| Mr. Deepak Roy | Independent Director |
| Mr. Gajraj Mishra | Independent Director |

** Mr. Rudolph Quadros resigned from the post of Non-Executive Director w.e.f. 27th January 2022*

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) cross all the Companies in India in which they hold directorship.

Independent Directors do not serve in more than 7 Listed Companies. None of the Independent Directors are Whole Time Directors in any Listed Companies. Accordingly, the limitation mentioned in Regulation 17A of the LODR Regulation is not applicable.

Directorships and membership of Committees in other companies held by Directors as on March 31, 2022 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 | None | None |
| Mrs. Anisha Seth | 0 | None | None |
| Mr. Rajesh Thadani | 0 | None | None |
| Mr. Deepak Roy | 0 | None | None |
| Mr. Gajraj Mishra | 0 | None | None |

** Mr. Rudolph Quadros resigned from the post of Non-Executive Director w.e.f. January 27, 2022 and Mr. Gajraj Mishra was appointed as a Non-Executive Director w.e.f. January 27, 2022*

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:

Mrs. Anisha Seth (DIN: 06867960), Whole Time -Director of the company who retires by rotation and being eligible, offers herself for re-appointment.

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 compliance 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 website www.laffanspetrochemical.com

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 website www.laffanspetrochemical.com.

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

Mrs. Anisha Seth (DIN 06867960), retires by rotation and being eligible offers herself for re-appointment. His brief particulars is as under:

| | |
|--|---------------------------------|
| Name of the Director: | Mrs. Anisha Seth |
| Date of first appointment: | 24-10-2019 |
| Expertise in specific functional areas: | General Management |
| Qualifications: | M.Ed |
| Key terms and conditions of appointment/ reappointment: | As per the terms of appointment |
| Number of Equity shares held in Company: | 2,11,749 shares |
| 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 (4) Board Meetings were held on June 03, 2021, August 12, 2021, November 01, 2021 & January 27, 2022 during the year. Board Meetings were held in compliance with the provisions of the Companies Act, 2013.

2.11 Attendance of each director at the Board meetings held during the financial year ended March 31, 2022 and the previous Annual General Meeting held on September 28, 2021:

| Name of the Directors | No. of Board meetings held | No. of Board meetings attended | Previous AGM Yes/No |
|------------------------------|-----------------------------------|---------------------------------------|----------------------------|
| Mr. Sandeep Seth | 4 | 4 | Yes |
| Mrs. Anisha Seth | 4 | 4 | Yes |
| Mr. Rajesh Thadani | 4 | 4 | Yes |
| Mr. Deepak Roy | 4 | 4 | Yes |
| Mr. Rudolph Quadros* | 4 | 3 | Yes |
| Mr. Gajraj Mishra* | 4 | 1 | No |

** Mr. Rudolph Quadros resigned from the post of Non-Executive Director w.e.f. January 27, 2022 and Mr. Gajraj Mishra was appointed as a Non-Executive Director w.e.f. January 27, 2022.*

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 meeting of the Independent Directors was held on February 15, 2022, inter alia, to discuss:

- Evaluation of the performance of Non Independent Directors and the Board of Directors as a Whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- 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.
- **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 have been specified in Part C of Schedule II under Regulation 18(3) of Listing Obligation and Disclosure Requirements (LODR), Regulation, 2015 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, Chairman of the Committee is an Independent Director and has financial and accountancy expertise. The Audit Committee constitutes the following -

| Name of the Member | Category | Designation |
|----------------------|----------------------|-------------|
| Mr. Rajesh Thadani | Independent Director | Chairman |
| Mr. Rudolph Quadros* | Independent Director | Member |
| Mr. Sandeep Seth | Managing Director | Member |
| Mr. Gajraj Mishra* | Independent Director | Member |

** Mr. Rudolph Quadros resigned from the post of Non-Executive Director w.e.f. January 27, 2022 and Mr. Gajraj Mishra was appointed as a Non-Executive Director w.e.f. January 27, 2022.*

4.3 Audit Committee meetings:

During the year under the review, the Committee met FOUR (4) times, i.e. on June 03, 2021, August 12, 2021, November 01, 2021 & January 27, 2022.

Attendance at the meetings of the Audit Committee:

| Name of the Member | Designation | No. of meetings during the year | |
|----------------------|-------------------|---------------------------------|----------|
| | | Held | Attended |
| Mr. Rajesh Thadani | Chairman | 4 | 4 |
| Mr. Rudolph Quadros* | Member | 4 | 3 |
| Mr. Sandeep Seth | Managing Director | 4 | 4 |
| Mr. Gajraj Mishra * | Member | 4 | 1 |

** Mr. Rudolph Quadros resigned from the post of Non-Executive Director w.e.f. January 27, 2022 and Mr. Gajraj Mishra was appointed as a Non-Executive Director w.e.f. January 27, 2022*

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** is devised in accordance with Section 178(3) and (4) of the Companies Act, 2013 and has been published as an Annexure to the Directors Report. Further, the details of remuneration paid to all the Directors and the other disclosures as required to be made under the LODR Regulations are complied with.

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.

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

| Name of the Member | Category | Designation |
|----------------------|----------------------|-------------|
| Mr. Rajesh Thadani | Independent Director | Chairman |
| Mr. Rudolph Quadros* | Independent Director | Member |
| Mr. Deepak Roy | Independent Director | Member |
| Mr. Gajraj Mishra * | Independent Director | Member |

** Mr. Rudolph Quadros resigned from the post of Non-Executive Director w.e.f. January 27, 2022 and Mr. Gajraj Mishra was appointed as a Non-Executive Director w.e.f. January 27, 2022*

5.3 Nomination and Remuneration Committee Meetings:

During the year under the review, the Committee met FOUR (4) times, i.e. on June 03, 2021, August 12, 2021, November 01, 2021 & January 27, 2022.

Attendance at the meetings of the Nomination & Remuneration Committee:

| Name of the Member | Designation | No. of meetings during the year | |
|----------------------|-------------|---------------------------------|----------|
| | | Held | Attended |
| Mr. Rajesh Thadani | Chairman | 4 | 4 |
| Mr. Rudolph Quadros* | Member | 4 | 3 |
| Mr. Deepak Roy | Member | 4 | 4 |
| Mr. Gajraj Mishra * | Member | 4 | 1 |

** Mr. Rudolph Quadros resigned from the post of Non-Executive Director w.e.f. January 27, 2022 and Mr. Gajraj Mishra was appointed as a Non-Executive Director w.e.f. January 27, 2022*

5.4 Details of Remuneration Paid to the Directors in 2021-22:

Remuneration paid to Executive Directors: [per annum]

(Amount in Rs.)

| Name | Salary | Bonus | Other perks | Commission | Total |
|------------------|-----------|-------|-------------|------------|-----------|
| Mr. Sandeep Seth | 42,00,000 | -- | -- | -- | 42,00,000 |
| Mrs. Anisha Seth | 8,40,000 | -- | -- | -- | 8,40,000 |

Remuneration paid to Non-Executive Directors:

(Amount in Rs.)

| Name | Salary | Sitting Fees | No. of Shares held |
|---------------------|--------|--------------|--------------------|
| Mr. Rajesh Thadani | - | - | NIL |
| Mr. Deepak Roy | - | - | NIL |
| Mr. Rudolph Quadros | - | - | NIL |
| Mr. Gajraj Mishra | - | - | NIL |

6. Share Transfer Committee/Stakeholder Relationship Committee

The Stakeholder Relationship Committee has been constituted under the Chairmanship of Mr. Rajesh Thadani with Mr. Sandeep Seth and Mrs. Anisha 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 accordingly, there was no case/ complaint unresolved at the end of the year.

Name & Designation of the Compliance Officer:

Mr. Anupam J Vyas,

Company secretary 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 as well.

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 |
|----------------|--------------------------------|--|--|
| 2018-19 | September 30, 2019 at 11.15 am | Shed No. C1B/316 GIDC, Panoli, Ankleshwar, Gujarat-394116 | No special Resolution passed |
| 2019-20 | September 28, 2020 at 11.15 am | Shed No. C1B/316 GIDC, Panoli, Ankleshwar, Gujarat-394116 | <ol style="list-style-type: none"> 1. Appointment of Mr. Rudolph Quadros [DIN 08356580] from Additional Independent Director to Independent Director 2. Re-appointment of Mr. Rajesh Udham Thadani [DIN 00009889] as an Independent Director for 5 years 3. Appointment of Mrs. Anisha Seth as an Whole-time Director for 5 years [DIN 06867960] 4. Re-appointment of Mr. Sandeep Seth as a Managing Director for 5 years [DIN 00316075] |
| 2020-21 | September 28, 2021 at 11.30 am | Shed No. C1B/316 GIDC, Panoli, Ankleshwar, Gujarat-394116 | No special Resolution passed |

8.2 Special Resolution passed through Postal Ballot:

Ordinary Resolution was passed through Postal ballot from March 15, 2022 to April 14, 2022 for Appointment of Mr. Gajraj Mishra [DIN 09454405] as an Independent Director on the Board of the Company.

9. Disclosures
9.1 All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the LODR Regulations, 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 behaviour, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics policy. The said mechanism also provides for adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. We affirm that no employee of the Company was denied access to the Audit Committee. The said Whistle-Blower Policy has been hosted on the website of the Company at www.laffanspetrochemical.com.

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 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 Regulations.

9.5 CEO & MD / CFO Certification:

The Managing Director and CFO have issued certificate pursuant to the provisions of Listing Agreement and SEBI (LODR) Regulations, 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 "Financial Express" and "Desh-Pardes ni Aaj Kal" [Gujarati] 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 as "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 March 31, 2022. Declaration on affirmation of Code of Conduct forms a part of this Report.

9.9 General Information for Shareholders:

| | |
|--|--|
| 1. Registered office | Shed No. C1B/316, GIDC Panoli, Ankleshwar, Bharuch, Gujarat 394116. |
| 2. Annual General Meeting Day, Date, Time & Venue | 29 th Annual General Meeting. Thursday, September 15, 2022 at 10.30 A.M. at the Hotel Lords plaza, C4/6, GIDC National Highway No.8, Ankleshwar Gujarat 393002 |
| 3. Financial Year | April 1, 2021 to March 31, 2022 |
| 5. Date of Book closure | September 09, 2022 to September 15, 2022 [both days inclusive] |
| 6. Listing on Stock Exchanges | The shares of the Company are listed on - <ul style="list-style-type: none"> • BSE Limited (BSE), • Vadodara Stock Exchange Limited (VSEL), • Delhi Stock Exchange (DSE) |
| 7. Stock Code/ ID | BSE: 524522/ LAFFANSQ VSEL: 288 DSE: 6832 DSE: 6832 |
| 8. Registrars and Transfer Agents | The Company has appointed Big Share Services Pvt. Ltd. of Mumbai as the Registrars and Share Transfer Agents for any assistance regarding share transfers, transmissions, change of address, duplicate/missing share certificate and other relevant matters. Please write to the Registrars and Transfer Agents, at the address given below: Big Share Services Pvt. Ltd. Office No. S6-2 6 th Floor Pinnacle Business Park Next to Ahura Centre Mahakali Caves Andheri – East Mumbai – 400093 Maharashtra India. Board No : 022 – 62638200 Extn. 206 Fax No : 022 – 62638299 M : +91 7045454392 |
| 9. Share Transfer System | The equity shares of the Company are primarily dealt with in electronic form in the depository system with no involvement of the Company. There are no transfers made in physical form. |

10. Stock Market Data

| Month | Market Price Per Share (Rs.) (BSE) | |
|----------------|------------------------------------|--------|
| | Highest | Lowest |
| April 2021 | 20.5 | 15.1 |
| May 2021 | 23.55 | 18.55 |
| June 2021 | 28.75 | 22.15 |
| July 2021 | 30.5 | 23.2 |
| August 2021 | 29.9 | 21.15 |
| September 2021 | 42.95 | 22.85 |
| October 2021 | 47.25 | 39.55 |
| November 2021 | 47.9 | 39.1 |
| December 2021 | 46.25 | 38 |
| January 2022 | 44.3 | 38.8 |
| February 2022 | 45 | 38.5 |
| March 2022 | 46.9 | 37 |

11. Distribution of Shareholding as on March 31, 2022

| Shareholding of Nominal | No. of shareholders* | % of Total Shareholders | Share amount | % of Total |
|-------------------------|----------------------|-------------------------|--------------------|------------|
| 1-500 | 3310 | 84.0315 | 72,08,480 | 9.0106 |
| 501-1000 | 370 | 9.3932 | 30,82,090 | 3.8526 |
| 1001-2000 | 115 | 2.9195 | 18,15,900 | 2.2699 |
| 2001-3000 | 40 | 1.0155 | 10,43,900 | 1.3049 |
| 3001-4000 | 15 | 0.3808 | 5,41,010 | 0.6763 |
| 4001-5000 | 25 | 0.6347 | 11,94,030 | 1.4925 |
| 5001-10000 | 27 | 0.6855 | 18,48,310 | 2.3104 |
| Above 100001 | 37 | 0.9393 | 6,32,66,280 | 79.0828 |
| Total | 3939 | 100.00 | 8,00,00,000 | 100 |

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, 2022

| Category | No. of Shares held | % of Total Shareholding |
|------------------------------|--------------------|-------------------------|
| Shares held in Demat Form | 7265740 | 90.82 |
| Shares held in Physical Form | 734260 | 09.18 |
| TOTAL | 80,00,000 | 100 |

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.

Office No. S6-2 | 6th Floor | Pinnacle Business Park | Next Ahura Centre

Mahakali Caves | Andheri – East | Mumbai – 400093 | 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, 2022.

By order of the Board of Directors

For Laffans Petrochemicals Limited

Place: Gujarat

Date: August 14, 2022

Sandeep Seth
Managing Director
(DIN: 00316075)

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, 2022 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 PUSHP K. SAHU & CO.

(Chartered Accountants)

Sd/-

PUSHP K. SAHU

(Partner)

Place: Mumbai

Date: August 14, 2022

CERTIFICATE FROM CFO AND MD

- A. We have reviewed financial statements and the cash flow statement for the quarter and year ended March 31, 2022 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.

For Laffans Petrochemicals Ltd

For Laffans Petrochemicals Ltd

Sd/-

Sd/-

Place: Mumbai

Sandeep Seth

M. B. Kotian

Date: August 14, 2022

Managing Director

Chief Financial Officer

Annexure 5

Details pertaining to remuneration as required under section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014

The Company has appointed Managing Director, Executive and Non-executive Director, Chief Financial Officer and Company Secretary as on March 31, 2022. Non-Executive Independent Directors are paid remuneration only by way of sitting fees for attending the Board/ Committee meetings. Hence the ratio and comparison are not provided for Non-Executive Directors.

| Sr. No. | Particulars | Disclosure |
|---------|--|---|
| 1 | The Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year; | The ratio of remuneration of the Executive Director to the median remuneration of the employee is 48 |
| 2 | Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year; | Percentage increase in remuneration is in between 5% to 26% |
| 3 | Percentage increase in the median remuneration of employees in the financial year; | 2.5% |
| 4 | Number of permanent employees on the rolls of company; | 7 |
| 5 | Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration; | The average 1% increase has been made in the salaries of employees other than the managerial personnel in financial year 2021-2022, whereas increase in the remuneration of Key Managerial Personnel was in the range of 5% to 26%. |
| 6 | Affirmation that the remuneration is as per the remuneration policy of the company. | Yes |

- (i) the expression “median” means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one;
- (ii) if there is an even number of observations, the median shall be the average of the two middle values.

INDEPENDENT AUDITOR'S REPORT

To the Members of LAFFANS PETROCHEMICALS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **LAFFANS PETROCHEMICALS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2022, and the statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows ended on that date, and 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 Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act 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 on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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 | Evaluation of uncertain tax Positions The Company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes. | Principal Audit Procedures: Obtained details of tax assessment and demands for the year ended March 31, 2022 from management which have been ensured by experts and they have verified management's underlying assumptions in estimating the tax provision, demands and the possible outcome of the disputes. |
| 2 | Recoverability of Direct / Indirect Tax receivables As at March 31, 2022 Other Current Assets in respect of GST Inputs recoverable amount to Rs. 47.25 Lacs (P.Y Rs.39.38 Lacs). | Principal Audit Procedures:- Experts have reviewed the nature of the amount recoverable, the sustainability and likelihood of which shall be determined upon final resolutions. |

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work, we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the 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, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 judgements 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.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

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 judgement and maintain professional scepticism 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 Act, 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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, 2020 ("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. (A) 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 financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(B) 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:

- a) The Company has disclosed the impact of pending litigations on its financial position in its financial statements
- b) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

- d) i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries")

or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- ii) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries")

or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- iii) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement

- e) The company has not declared any dividend (final/interim) during the previous financial year.

C) With respect to the other matters to be included in the Auditor's Report under section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For Pushp K. Sahu & Co.

Chartered Accountants

Firm Registration No. 128013W

CA Pushp Kant Sahu

Proprietor

Membership No. 112502

UDIN No.: 22112502AJSPEB5101

Place: Mumbai

Date: 27 May 2022

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Laffans Petrochemicals Limited of even date)

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property plant and equipment.
- (b) The Company does not hold any intangible Assets
- (c) The Company has a program of verification to cover all the items of property plant and equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (d) 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.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii) (a) In respect of its Inventories, there is no closing stock on the reporting date. Also the Company has done all high sea sales transaction during the year and hence physical verification of goods could not be performed. Stating all the facts this clause does not apply to the company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of the security of current assets at any point of time during the year. Accordingly, clause 3(ii) (b) of the Order is not applicable to the Company.
- iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in or provided security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, clause 3(iii) of the order is not applicable to the Company.
- 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 had been complied with.
- v) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2022 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- 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 generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears.

- (c) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2022 on account of dispute are given below:

| Nature of the Statute | Nature of dues | Forum where Dispute is pending | Period to which the Amount Relates | Amount ₹ |
|------------------------------|-----------------------|--|---|-----------------|
| The Income Tax Act, 1961 | Income Tax | Appeal is pending before Appellate Tribunal. | AY 2017-18 | 43,42,296 |
| The Sales Tax Act | Sales tax | Appeal is pending before Appellate Tribunal | FY 2008-09 | 97,33,201 |

- viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not obtained any loan and defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender.
 - According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
 - In our opinion and according to the information and explanations given to us by the management, loans were applied for the purpose for which the loans were obtained.
 - According to the information and explanations given to us and on the basis of our examination of the records of the Company, no funds raised for short term basis have been utilized for long term purposes.
 - The Company does not have any subsidiaries, joint ventures or associates. Accordingly, paragraph 3(ix) (e) of the order is not applicable to the Company
 - The Company does not have any subsidiaries, joint ventures or associates. Accordingly, paragraph 3(ix) (f) of the order is not applicable to the Company.
- ix) a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (x)(a) of the Order is not applicable to the Company.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x) (b) of the Order is not applicable.
- x) a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
 - According to the information and explanations given to us, the company has received no whistle blower complaints.
- xi) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, clause 3(xii) of the Order is not applicable.

- xii) 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 statements as required by the applicable accounting standards.
- xiii) a) According to the information and explanations given to us and procedures performed by us, the company has an internal audit system commensurate with the size and nature of its business.
b) The reports of the Internal Auditors for the period under audit were considered by us.
- xiv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with directors or persons connected to its directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi) a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clauses 3(xvi) (a) and 3(xvi) (b) of the Order are not applicable.
b) The Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, clause 3(xvi) (b) of the Order is not applicable.
c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi) (c) of the Order is not applicable.
d) According to the information and explanations provided to us during the course of audit, the Group does not have any CICs.
- xvii) The company has not incurred cash losses in the current and in the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx) In our opinion and according to the information and explanations given to us, the Company does not fulfil the thresholds u/s section 135 of Companies Act, 2013 and hence, the Company is not liable for any payments towards Corporate Social Responsibility. Accordingly, clause 3(xx) of the Order is not applicable.

For Pushp K. Sahu & Co.

Chartered Accountants

Firm Registration No. 128013W

CA Pushp Kant Sahu

Proprietor

Membership No. 112502

UDIN No.: 22112502AJSPEB5101

Place: Mumbai

Date: 27 May 2022

ANNEXURE“B” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 2 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Laffans Petrochemicals Limited of even date)

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, 2022 in conjunction with our audit of the 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 (the “ICAI”). 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, to the best of our information and according to the explanations given to us, 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 2022, 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

CA Pushp Kant Sahu

Proprietor

Membership No. 112502

UDIN No.: 22112502AJSPEB5101

Place: Mumbai

Date: 27 May 2022

BALANCE SHEET AS AT 31ST MARCH, 2022

((Rupees in Thousands))

| Particulars | Notes | As at March 31, 2022 | As at March 31, 2021 |
|--|-------|----------------------|----------------------|
| I. ASSETS | | | - |
| (1) Non-current assets | | | |
| (a) Property, Plant and Equipment | 2 | 70,365.49 | 74,421.23 |
| (b) Deferred tax assets (net) | 4 | | |
| (c) Financial Assets | | | |
| (i) Investment | 3 | 5,09,645.24 | 4,85,601.56 |
| (d) Income Tax Assets (net) | 5 | 5,899.57 | 5,598.66 |
| (e) Other non-current assets | 6 | - | 43,471.64 |
| Total non current assets | | 5,85,910.30 | 6,09,093.09 |
| (2) Current Assets | | | |
| (a) Inventories | | | - |
| (b) Financial Assets | | | |
| (i) Trade receivables | 7 | 24,887.08 | 52,186.82 |
| (ii) Cash and cash equivalents | 8 | 290.84 | 468.03 |
| (c) Other current assets | 9 | 12,161.90 | 19,285.51 |
| Total current assets | | 37,339.82 | 71,940.36 |
| Total Assets | | 6,23,250.12 | 6,81,033.45 |
| II. EQUITY AND LIABILITIES | | | |
| (1) Equity | | | |
| (a) Equity Share capital | 10 | 80,000.00 | 80,000.00 |
| (b) Other Equity | 11 | 5,02,230.45 | 5,19,753.89 |
| Total equity | | 5,82,230.45 | 5,99,753.89 |
| LIABILITIES | | | |
| (2) Non current liabilities | | | |
| (a) Employee benefit obligations | 12 | 340.59 | 318.84 |
| (b) Deferred tax liabilities (net) | 4 | 828.95 | 4,133.25 |
| Total non current liabilities | | 1,169.54 | 4,452.09 |
| (3) Current liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Trade payables | 13 | 26,727.53 | 53,310.43 |
| (b) Other current liabilities | 14 | 13,122.60 | 13,017.04 |
| (c) Current tax liabilities | 15 | - | 10,500.00 |
| Total Current liabilities | | 39,850.13 | 76,827.47 |
| Total liabilities | | 41,019.67 | 81,279.56 |
| TOTAL EQUITY AND LIABILITIES | | 6,23,250.12 | 6,81,033.45 |
| Summary of significant accounting policies | 1 | | |

As per our report of even date

For Pushp K. Sahu & Co.

Chartered Accountants

Firm Regn No. 128013W
Pushp Kant Sahu

Proprietor

M.No.112502

Place:- Mumbai

Date:- 27th May 2022

UDIN:- 22112502AJSPEB5101

For and on behalf of the Board of Directors of

Laffans Petrochemicals Limited
Sandeep Seth

Director

DIN No. 00316075

Place:- Mumbai

Date:- 27th May 2022

Anisha Seth

Director

DIN No. 06867960

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2022

((Rupees in Thousands))

| Particulars | Notes | March 31, 2022 | March 31, 2021 |
|--|-------|--------------------|--------------------|
| Revenue | | | |
| I. Revenue from Operations | 16 | 2,19,446.60 | 1,67,961.12 |
| II. Other income | 17 | 43,670.71 | 74,060.32 |
| III. Total Income (I+II) | | 2,63,117.31 | 2,42,021.44 |
| IV. Expenses | | | |
| Cost of Traded Goods | 18 | 2,12,646.53 | 1,60,938.19 |
| Employee benefits expense | 19 | 8,104.30 | 7,629.45 |
| Finance costs | 20 | 1,327.39 | 1,219.03 |
| Depreciation and amortization expense | 2 | 4,696.75 | 4,511.95 |
| Other expenses | 22 | 57,153.76 | 11,578.34 |
| Total Expenses (IV) | | 2,83,928.73 | 1,85,876.96 |
| V. Profit/(loss) before Exceptional Items and Tax (III-IV) | | (20,811.42) | 56,144.48 |
| VI. Exceptional Items | | - | - |
| VII. Profit/(loss) before Tax (V-VI) | | (20,811.42) | 56,144.48 |
| VIII. Tax expense: | | | |
| 1. Less: Current Tax | | - | 10,500.00 |
| 2. Less: Tax on previous years | | - | - |
| 3. Less: Deferred Tax | | 3,304.29 | 12,299.74 |
| IX. Profit/(Loss) for the period from continuing operations (VII-VIII) | | (17,507.13) | 33,344.74 |
| X. Profit/(Loss) for the period from discontinued operations | | - | - |
| XI. Tax expense of discontinued operations | | - | - |
| XII. Profit/(Loss) from Discontinued operations after tax (X-XI) | | - | - |
| XIII. Profit/(Loss) for the period (IX+XII) | | (17,507.13) | 33,344.74 |
| XIV. Other comprehensive income | | | |
| A (I) Items that will not be reclassified to profit or loss | | | |
| i) Post employment benefit obligation | | 21.75 | 21.75 |
| ii) Fair Valuation Gain on investments | | - | - |
| (II) Income tax related to items that will not be reclassified to profit or loss | | (5.44) | (5.44) |
| 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 | | - | - |
| Other comprehensive income for the year, net of tax | | 16.31 | 16.31 |
| XV. Total comprehensive income for the period (XIII+XIV) | | (17,523.44) | 33,328.43 |
| XVI. Earnings per equity share (for continuing operations) | | | |
| 1. Basic | | (2.19) | 4.17 |
| 2. Diluted | | (2.19) | 4.17 |

As per our report of even date

For Pushp K. Sahu & Co.

Chartered Accountants

Firm Regn No. 128013W
Pushp Kant Sahu

Proprietor

M.No.112502

Place:- Mumbai

Date:- 27th May 2022

UDIN:- 22112502AJSPEB5101

For and on behalf of the Board of Directors of

Laffans Petrochemicals Limited
Sandeep Seth

Director

DIN No. 00316075

Place:- Mumbai

Date:- 27th May 2022

Anisha Seth

Director

DIN No. 06867960

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

((Rupees in Thousands))

| Particulars | | 31-Mar-22 | 31-Mar-21 |
|-------------|--|--------------------|-------------------|
| A | CASH FLOW FROM OPERATING ACTIVITIES | | |
| | Net Profit before Tax as per statement of Profit & Loss | (20,811.42) | 56,144.48 |
| | Adjustemnt for: | | |
| | Depreciation & amortization expenses | 4,696.75 | 4,511.95 |
| | Dividend classified as investing cash flow | (232.56) | (524.95) |
| | Gratuity Expenses | 21.75 | 21.75 |
| | Interest income classified as investing cash flow | (4,588.72) | (1,003.91) |
| | Fair Valuation Gain/Loss | (16,615.92) | (48,616.32) |
| | Profit on sale of Investment | 33,894.53 | (7,037.07) |
| | Sundry balance written back | - | (416.19) |
| | Taxes paid | (10,500.00) | 4,033.25 |
| | Finance cost | 1,327.39 | 1,219.03 |
| | | 8,002.62 | (47,812.46) |
| | Opereating Profit before Working Capital Changes | (12,808.80) | 8,332.02 |
| | Adjustemnt for: | | |
| | Increase/(Decrease) in trade payables | (26,582.90) | 24,473.77 |
| | Increase/(Decrease) in other current liabilities | 105.56 | 1,402.80 |
| | Decrease/(Increase) in trade receivables | 27,299.74 | (23,629.08) |
| | Decrease/(Increase) in investments | (7,427.76) | (9,818.00) |
| | Decrease/(Increase) in other current assets | 12,352.73 | (5,879.40) |
| | | 5,747.38 | (13,449.92) |
| | Net Cash flow from Operating activities after tax | (7,061.41) | (5,117.90) |
| B | CASH FLOW FROM INVESTING ACTIVITIES | | |
| | Payment from property, plant & equipment | 734.96 | (368.14) |
| | Dividend | 232.56 | 524.95 |
| | Interest received | 4,588.72 | 1,003.91 |
| | Net Cash flow from investing activity | 5,556.24 | 1,160.73 |
| C | CASH FLOW FROM FINANCING ACTIVITY | | |
| | Interest paid | 1,329.39 | 1,219.03 |
| | Net Cash flow from financing activity | 1,329.39 | 1,219.03 |
| | Net increase in cash & cash equivalent | (175.79) | (2,738.14) |
| | Cash & cash equivalent - Opening | 468.03 | 3,206.18 |
| | Cash & cash equivalent - Closing | 290.84 | 468.03 |

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 Kant Sahu
 Proprietor
 M.No.112502

Sandeep Seth
 Director
 DIN No. 00316075

Anisha Seth
 Director
 DIN No. 06867960

Place:- Mumbai
 Date:- 27th May 2022
 UDIN:- 22112502AJSPEB5101

Place:- Mumbai
 Date:- 27th May 2022

STATEMENT OF CHANGES IN EQUITY

((Rupees in Thousands))

A:- EQUITY SHARE CAPITAL

I- Current reporting period

| Balance as at 01-04-2021 | Changes in equity share capital due to prior period errors | Restated Balance as at 01-04-2021 | Changes in equity share capital during the year | Balance as at 31-03-2022 |
|--------------------------|--|-----------------------------------|---|--------------------------|
| 80,000 | - | 80,000 | - | 80,000 |

II- Previous reporting period

| Balance as at 01-04-2020 | Changes in equity share capital due to prior period errors | Restated Balance as at 01-04-2020 | Changes in equity share capital during the year | Balance as at 31-03-2021 |
|--------------------------|--|-----------------------------------|---|--------------------------|
| 80,000.00 | - | 80,000.00 | - | 80,000.00 |

B:- OTHER EQUITY

| Particulars | Reserve and Surplus | | | | Total |
|--|----------------------------|-----------------|------------------|----------------------------|-------------|
| | Securities Premium Reserve | General Reserve | Retained Earning | Other Comprehensive Income | |
| As on 31 March 2022 | | | | | |
| Balance at the beginning of the reporting period i.e 1st April, 2021 | - | 60,600.00 | 4,59,154.39 | - | 5,19,754.39 |
| Changes in Accounting Policy/ Prior period error | - | - | - | - | - |
| Restated opening balance as on 01-04-2021 | - | - | - | - | - |
| Total Comprehensive Income for the year | - | - | (16.32) | - | (16.32) |
| Transfer to/(from) retained earnings | - | - | (17,507.13) | - | (17,507.13) |
| Any other changes (to be specified) | - | - | - | - | - |
| Balance at the end of the reporting period i.e 31st March, 2022 | - | 60,600.00 | 4,41,630.95 | - | 5,02,230.95 |
| As on 31 March 2021 | | | | | |
| Balance at the beginning of the reporting period i.e 1st April, 2020 | - | 60,600.00 | 4,25,825.47 | - | 4,86,425.47 |
| Changes in Accounting Policy/ Prior period error | - | - | - | - | - |
| Restated opening balance as on 01-04-2020 | - | - | - | - | - |
| Total Comprehensive Income for the year | - | - | (16.32) | - | (16.32) |
| Transfer to/(from) retained earnings | - | - | 33,345.24 | - | 33,345.24 |
| Any other changes (to be specified) | - | - | - | - | - |
| Balance at the end of the reporting period i.e 31st March, 2021 | - | 60,600.00 | 4,59,154.39 | - | 5,19,754.39 |

As per our report of even date

For Pushp K. Sahu & Co.

Chartered Accountants

Firm Regn No. 128013W

Pushp Kant Sahu

Proprietor

M.No.112502

Place:- Mumbai

Date:- 27th May 2022

UDIN:- 22112502AJSPEB5101

For and on behalf of the Board of Directors of

Laffans Petrochemicals Limited

Sandeep Seth

Director

DIN No. 00316075

Place:- Mumbai

Date:- 27th May 2022

Anisha Seth

Director

DIN No. 06867960

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022**Note 1****A Company Background**

Laffans Petrochemicals Limited is a listed Company. It was 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.

(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 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. 97,33,201 for the year 2008-09 (P.Y. Rs.97,33,201) against which appeal is pending
- ii) Income Tax Liability for A.Y 2017-18 Rs 43,42,296/- against which Appeal is pending.

Note 2: Property, plant and equipment

(Rs. in Thousand)

| | DESCRIPTION | Deemed Cost | | | | | | Depreciation | | | | | | Net Block | |
|--------|-------------------------|------------------|------------------------------------|------------------|------------------------------------|------------------|-----------------|-----------------------|--------------|-----------------|-----------------------|-------------|-----------------|------------------|------------------|
| Sr No. | | As at 01-04-2020 | Additions/ Deductions/ Written off | As at 31-03-2021 | Additions/ Deductions/ Written off | As at 31-03-2022 | Upto 31-03-2020 | During the FY 2020-21 | Adjust-ments | Upto 31-03-2021 | During the FY 2021-22 | Adjustments | Upto 31-03-2022 | As at 31-03-2022 | As at 31-03-2021 |
| A | Building: | | | | | | | | | | | | | | |
| | Building: | 67,433.44 | - | 67,433.44 | | 67,433.44 | 3,316.54 | 2,332.72 | - | 5,649.26 | 2,332.72 | - | 7,981.98 | 59,451.46 | 61,784.18 |
| B | Furniture & Fixtures: | | | | | | | | | | | | | | |
| | Furniture & Fixtures: | 7,582.28 | - | 7,582.28 | 887.13 | 8,469.41 | 1,382.28 | 727.67 | - | 2,109.95 | 793.90 | - | 2,903.85 | 5,565.56 | 5,472.33 |
| C | Vehicles: | | | | | | | | | | | | | | |
| | Motor Car | 9,182.22 | 933.37 | 10,115.59 | (793.93) | 9,321.66 | 3,875.00 | 852.99 | - | 4,727.99 | 882.46 | - | 5,610.45 | 3,711.21 | 5,387.60 |
| D | Office Equipments: | | | | | | | | | | | | | | |
| | Office Equipments | 2,937.67 | 222.53 | 3,160.20 | 511.83 | 3,672.03 | 1,397.40 | 453.46 | - | 1,850.86 | 552.59 | - | 2,403.46 | 1,268.57 | 1,309.34 |
| | Electrical Installation | 573.68 | - | 573.68 | | 573.68 | 188.04 | 60.07 | - | 248.11 | 60.07 | - | 308.18 | 265.49 | 325.57 |
| F | Computer : | | | | | | | | | | | | | | |
| | Computer | 523.50 | - | 523.50 | 36.00 | 559.50 | 296.27 | 85.03 | - | 381.30 | 75.00 | - | 456.30 | 103.20 | 142.21 |
| | Total | 88,232.79 | 1,155.90 | 89,388.69 | 641.03 | 90,029.71 | 10,455.53 | 4,511.95 | - | 14,967.47 | 4,696.75 | - | 19,664.22 | 70,365.49 | 74,421.23 |

Note 3 : Financial Assets- Investments

(Rs. in Thousand)

| | | 31-Mar-2022 | | 31-Mar-2021 | |
|-----|---|-------------|-----------|-------------|-------------|
| | | Quantity | Amount | Quantity | Amount |
| (a) | Investment in Equity Shares (Quoted and Trade) | | | | |
| | Equity Shares | - | 42,082.78 | - | 34,615.62 |
| (b) | Others (Unquoted and Non Trade) | | | | |
| | Kotak Med Term Fund Direct | - | - | 13,67,189 | 25,251.98 |
| | Axis New Oppoertunities AIF -9049897774 | 60 | 7,197.35 | 51 | 12,025.20 |
| | Oldbridge Vantage AIF -OVF -294 | - | - | 3,38,861 | 12,040.17 |
| | L & T Short Term Income Fund | 1 | 0.02 | 1 | 0.02 |
| | Kotak Select Focus Fun - Ask | - | - | 1,47,782 | 7,201.41 |
| | Axis Banking and Psu Debt Fund Growth | 20,968 | 44,885.92 | 20,968 | 43,180.90 |
| | IDFC Banking and PSU Debt Fund Reg. Plan Gr | 13,07,762 | 26,176.69 | 13,07,762 | 25,154.41 |
| | IDFC Banking and PSU Debt Direct | - | - | 12,37,080 | 24,173.17 |
| | Mirae Asset Cash Management Fund Collection Ac | 722 | 770.24 | 700 | 752.88 |
| | Hdfc Ultra Short Term Fund Direct G | 35,92,442 | 44,592.26 | 86,13,669 | 1,02,842.04 |
| | Aditya Birla Sunlif Saving Fund | - | - | 20,711 | 8,754.77 |
| | ICICI Prudential Saving Fund | - | - | 21,702 | 9,028.03 |
| | ICICI Home Finance Company Ltd | - | - | 20 | 11,493.00 |
| | Axis Focused 25 Fund Collection a/c | - | - | 58,230 | 2,411.30 |
| | HDFC Index Fund Nifty Direct G | - | - | 49,956 | 6,822.03 |
| | Bharat Bond FOF | 22,00,910 | 26,425.00 | 22,00,910 | 24,934.99 |
| | Axis Banking & Psu Debt Fund G | 8,970 | 19,202.50 | 8,970 | 18,473.08 |
| | HDFC Corporate Bond Fund (G) | - | - | 9,13,250 | 22,429.85 |
| | Aditya Birla SL - Corporate Bond Fund (G) | - | - | 1,29,841 | 11,153.90 |
| | ICICI Prudential Mutual Fund Collection 1 AC | 8,88,391 | 21,842.25 | 8,88,391 | 20,883.14 |
| | Motilal Oswal Multicap 35 Reg (G) | - | - | 92,853 | 2,925.57 |
| | HDFC Corporate Bond Fund Collections A/c | - | - | 7,15,542 | 18,019.85 |
| | HDFC Liquid Direct G | 1,684 | 7,046.68 | 3,129 | 12,658.12 |
| | IDFC Ultra Short Term Fund Direct - G | 16,53,186 | 20,517.70 | 16,53,186 | 19,790.46 |

(Rs. in Thousand)

| | 31-Mar-2022 | | 31-Mar-2021 | |
|---|--------------------|--------------------|--------------------|--------------------|
| | Quantity | Amount | Quantity | Amount |
| ICICI Prudential Saving Fund (G) -F.No. 16779032/84 | - | - | 20,638 | 8,585.67 |
| Nippon India Liquid BeES | 1,292 | 1,292.26 | - | - |
| Powergrid Infrastructure Investment Trust | 20,900 | 2,799.00 | - | - |
| Aditya Birla Sun Life Saving Fund - G | 30,605 | 13,476.16 | - | - |
| Edelweiss Greater China Eq Offshore Fund Regular G | 4,721 | 189.20 | - | - |
| HDFC Floating Rate Debt Fund - G | 3,38,263 | 13,394.96 | - | - |
| ICICI Prudential Savings Fund - G | 30,904 | 13,392.64 | - | - |
| IDFC Corporate Bond Fund - G | 8,51,115 | 13,391.95 | - | - |
| Kotak Nasdaq 100 FOF Reg G | 5,15,002 | 5,900.74 | - | - |
| Unity Nifty Index Fund Growth | 39,796 | 4,631.27 | - | - |
| HDFC Liquid Fund Post IPO Collection a/c | 4,505 | 18,852.63 | - | - |
| White Oak India Equity Fund IV | 1 | 9,804.81 | - | - |
| Edelweiss Dynamic Growth Equity Fund Collection a/c | 32,37,774 | 38,518.83 | - | - |
| Edelweiss Greater China Equity Offshore Fund Direct | 56 | 1,171.43 | - | - |
| IDFC Arbitrage Direct - G | 3,59,090 | 10,023.39 | - | - |
| 7.72% State Bank of India (3rd Sep 2026) | 2 | 20,844.93 | - | - |
| Edelweiss Crossover Opportunities Fund Series III | 4,92,700 | 5,515.06 | - | - |
| HDFC Index Fund Nifty 50 Plan Direct Growth | 36,380 | 5,956.32 | - | - |
| Axis Growth Avenues AIF I | 65 | 6,490.18 | - | - |
| Kotak Bond Short Term Direct Growth | 2,51,132 | 11,475.68 | - | - |
| Kotak Saving Fund Direct Plan Growth | 4,01,080 | 14,450.99 | - | - |
| HDFC Liquid Direct-G | 8,345 | 34,922.79 | - | - |
| Parag Parikh Flexi Cap Fund Collection a/c | 45,905 | 2,410.64 | - | - |
| Total Non Current Investment | 1,63,44,730 | 5,09,645.24 | 1,98,11,391 | 4,85,601.56 |

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

(Rs. in Thousand)

| | 31-Mar-2022 | 31-Mar-2021 |
|---|-----------------|-------------------|
| Deferred tax assets | | |
| The balance comprises temporary differences attributable to: | | |
| Employee Benefits | 88.55 | 82.90 |
| Statutory Payments | 2,530.63 | 2,530.63 |
| MAT Credit entitlement | 4,412.83 | 4,412.83 |
| Total | 7,032.01 | 7,026.36 |
| Deferred tax liability | | |
| Set off of deferred tax liabilities pursuant to set off provisions | | |
| The balance comprises temporary differences attributable to: | | |
| Depreciation on fixed asset | 4,052.89 | 3,634.38 |
| Fair Valuation of Investment | 3,808.07 | 7,525.23 |
| Total | 7,860.96 | 11,159.61 |
| Deferred tax assets / (liability) (Net) | (828.95) | (4,133.25) |

Note 5: Income Tax Assets (net)

(Rs. in Thousand)

| | 31-Mar-2022 | 31-Mar-2021 |
|---|-----------------|-----------------|
| Income Tax advances (net off provision for tax) | 5,899.57 | 5,598.66 |
| Total Income Tax Assets | 5,899.57 | 5,598.66 |

Note 6: Other non-current assets

(Rs. in Thousand)

| | 31-Mar-2022 | 31-Mar-2021 |
|--|-------------|------------------|
| a) Advances recoverable in cash or kind for value to be received | - | 43,471.64 |
| Total Other non-current assets | - | 43,471.64 |

Note 7: Trade receivables

| | 31-Mar-2022 | 31-Mar-2021 |
|--|------------------|------------------|
| Secured - Considered Good | - | - |
| Unsecured- Considered Good | 24,887.08 | 52,186.82 |
| Unsecured- Credit Impaired | - | - |
| Less: Allowance for expected credit loss | - | - |
| Total Trade receivables | 24,887.08 | 52,186.82 |

Trade Receivables Ageing Schedule
Outstanding for following periods from due date of payment as at 31st March, 2022

(Rs. in Thousand)

| Particulars | Not Due | Less than 6 months | 6 months to 1 Year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|----------|--------------------|--------------------|-----------|-----------|-------------------|------------------|
| (i) Undisputed Trade Receivables - considered good | - | 24,887.08 | - | - | - | - | 24,887.08 |
| (ii) Undisputed Trade Receivables - considered doubtful | - | - | - | - | - | - | - |
| (iii) Disputed Trade Receivables - considered good | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables - considered doubtful | - | - | - | - | - | - | - |
| Total Amount | - | 24,887.08 | - | - | - | - | 24,887.08 |

Outstanding for following periods from due date of payment as at 31st March, 2021

(Rs. in Thousand)

| Particulars | Not Due | Less than 6 months | 6 months to 1 Year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|----------|--------------------|--------------------|-----------|-----------|-------------------|------------------|
| (i) Undisputed Trade Receivables - considered good | - | 52,186.82 | - | - | - | - | 52,186.82 |
| (ii) Undisputed Trade Receivables - considered doubtful | - | - | - | - | - | - | - |
| (iii) Disputed Trade Receivables - considered good | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables - considered doubtful | - | - | - | - | - | - | - |
| Total Amount | - | 52,186.82 | - | - | - | - | 52,186.82 |

Movement in expected credit loss allowance

(Rs. in Thousand)

| Particulars | 31-Mar-2022 | 31-Mar-2021 |
|----------------------------------|-------------|-------------|
| Balance at beginning of the year | - | - |
| Add:- Provision during the year | - | - |
| Balance at end of the year | - | - |

Note 8: Cash and Cash Equivalents

(Rs. in Thousand)

| Particulars | 31-Mar-2022 | 31-Mar-2021 |
|--|---------------|---------------|
| Cash on hand | 241.03 | 416.63 |
| Balance with Banks | | |
| - In Current Account | 49.81 | 51.40 |
| Total Cash and Cash Equivalents (free balances) | 290.84 | 468.03 |

Note 9: Other Current Assets

(Rs. in Thousand)

| Particulars | 31-Mar-2022 | 31-Mar-2021 |
|---|------------------|------------------|
| Balances with Government Treasury (Tax recoverable) | 4,725.77 | 3,938.46 |
| Others | 7,436.13 | 15,347.05 |
| Total Other Current Assets | 12,161.90 | 19,285.51 |

Note 10: Share Capital

(Rs. in Thousand)

| Particulars | 31-Mar-2022 | 31-Mar-2021 |
|--|--------------------|--------------------|
| Authorised: | | |
| 11,000,000 Equity Shares (March 31,2021: 11,000,000) of Rs. 10/- each | 1,10,000.00 | 1,10,000.00 |
| Total Authorised Share Capital | 1,10,000.00 | 1,10,000.00 |
| Issued ,Subscribed And Paid Up: | | |
| 8,000,000 Equity Shares (March 31,2021: 8,000,000;) of Rs. 10/- each fully paid up | 80,000.00 | 80,000.00 |
| Total Issued Share Capital | 80,000.00 | 80,000.00 |

A. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

(Rs. in Thousand)

| Particulars | 31-Mar-2022 | 31-Mar-2021 |
|---|------------------|------------------|
| At the beginning of the period | 80,000.00 | 80,000.00 |
| Issued during the period | - | - |
| Outstanding at the end of the period | 80,000.00 | 80,000.00 |

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. Shares held by the Promoters at the end of the year 2021-22

| Name of shareholder | 31-Mar-2022 | | | 31-Mar-2021 | | |
|---------------------|------------------------|--------------|--------------------------|------------------------|------------------------|--------------------------|
| | Number of equity share | % of holding | % change during the year | Number of equity share | Number of equity share | % change during the year |
| Sandeep Seth | 4418469 | 55.23 | 0.59 | 4371425 | 54.64 | 0.50 |

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

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

| Name of shareholder | 31-Mar-2022 | | 31-Mar-2021 | |
|---------------------|------------------------|--------------|------------------------|--------------|
| | Number of equity share | % of holding | Number of equity share | % of holding |
| Directors: | | | | |
| Sandeep Seth | 44,18,469 | 55.23% | 43,71,425 | 54.64% |

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

Note 11: Other Equity

(Rs. in Thousand)

| Retained Earnings | 31-Mar-2022 | 31-Mar-2021 |
|---|--------------------|--------------------|
| As Per Last Balance Sheet | 4,59,153.89 | 4,25,825.47 |
| ADD : Profit for the year | (17,507.13) | 33,344.74 |
| Items of other comprehensive income recognised directly in retained earnings:- | | |
| Post employment benefit obligation | (21.75) | (21.75) |
| Tax effect on post employment benefit obligation | 5.44 | 5.44 |
| Closing Balance of Retained earnings | 4,41,630.45 | 4,59,153.89 |
| General Reserve | 60,600.00 | 60,600.00 |
| Closing Balance of General Reserve | 60,600.00 | 60,600.00 |
| Closing Balance of Other Equity | 5,02,230.45 | 5,19,753.89 |

Note 12: Employee Benefit Obligations

(Rs. in Thousand)

| Particulars | 31-Mar-2022 | 31-Mar-2021 |
|---|---------------|---------------|
| Gratuity (Ref "Note" below) | 340.59 | 318.84 |
| Total Employee Benefit Obligations | 340.59 | 318.84 |

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

CURRENT LIABILITIES:
Note 13 : Trade Payables

(Rs. in Thousand)

| Particulars | 31-Mar-2022 | 31-Mar-2021 |
|--------------------------------|------------------|------------------|
| a) For Materials | 26,198.93 | 53,020.95 |
| b) For Expenses | 528.60 | 289.48 |
| Total of Trade Payables | 26,727.53 | 53,310.43 |

Trade Payable Ageing Schedule
Outstanding for following periods from due date of payment as at 31st March, 2022 (Rs. in Thousand)

| Particulars | Unbilled | Not Due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|-----------------------|----------|---------|------------------|-----------|-----------|-------------------|-----------|
| (i) MSME | - | - | - | - | - | - | - |
| (ii) Others | - | - | 26,727.53 | - | - | - | 26,727.53 |
| (iii) Disputed MSME | - | - | - | - | - | - | - |
| (iii) Disputed Others | - | - | - | - | - | - | - |
| Total Amount | - | - | 26,727.53 | - | - | - | 26,727.53 |

Outstanding for following periods from due date of payment as at 31st March, 2021 (Rs. in Thousand)

| Particulars | Unbilled | Not Due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|-----------------------|----------|---------|------------------|-----------|-----------|-------------------|-----------|
| (i) MSME | - | - | - | - | - | - | - |
| (ii) Others | - | - | 53,310.43 | - | - | - | 53,310.43 |
| (iii) Disputed MSME | - | - | - | - | - | - | - |
| (iii) Disputed Others | - | - | - | - | - | - | - |
| Total Amount | - | - | 53,310.43 | - | - | - | 53,310.43 |

Note 14: Other Current Liabilities (Rs. in Thousand)

| Particulars | 31-Mar-2022 | 31-Mar-2021 |
|--|------------------|------------------|
| a) Statutory dues payable | 10,507.49 | 10,656.47 |
| b) Others | 2,615.11 | 2,360.57 |
| Total Other Current Liabilities | 13,122.60 | 13,017.04 |

Note 15: Current Tax Liabilities (Net) (Rs. in Thousand)

| Particulars | 31-Mar-2022 | 31-Mar-2021 |
|--|-------------|------------------|
| a) Current Tax Liabilities (Net) | - | 10,500.00 |
| Total Other Current Liabilities | - | 10,500.00 |

Note 16: Revenue from operations

| Particulars | 31-Mar-2022 | 31-Mar-2021 |
|---------------------------|--------------------|--------------------|
| Sale of Goods | 2,19,446.60 | 1,67,961.12 |
| Total Other Income | 2,19,446.60 | 1,67,961.12 |

Note 17: Other Income (Rs. in Thousand)

| Particulars | 31-Mar-2022 | 31-Mar-2021 |
|------------------------------------|------------------|------------------|
| Interest Income | 1,036.36 | 1,101.87 |
| Dividend Income | 232.56 | 524.95 |
| Income from Investments | 3,552.57 | - |
| Profit on sale of Investments | 43,895.60 | 16,363.92 |
| Fair Valuation gain on investments | (16,615.92) | 55,653.39 |
| Other Income | 11,569.54 | 416.19 |
| Total Other Income | 43,670.71 | 74,060.32 |

Note 18: Cost of Material Consumed

(Rs. in Thousand)

| Particulars | 31-Mar-2022 | 31-Mar-2021 |
|-----------------------------------|--------------------|--------------------|
| Opening Stock | - | - |
| Purchase of Trading Goods | 2,12,646.53 | 1,60,938.19 |
| | 2,12,646.53 | 1,60,938.19 |
| Less: Closing stock | - | - |
| Total Cost of Traded Goods | 2,12,646.53 | 1,60,938.19 |

Note 19: Employee Benefit Expenses

(Rs. in Thousand)

| Particulars | 31-Mar-2022 | 31-Mar-2021 |
|--|-----------------|-----------------|
| Staff Salary, Bonus & Incentives | 7,752.37 | 7,464.13 |
| Staff Welfare Expenses | 351.93 | 165.32 |
| Total Employee Benefit Expenses | 8,104.30 | 7,629.45 |

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

Note 20: Finance Cost

(Rs. in Thousand)

| Particulars | 31-Mar-2022 | 31-Mar-2021 |
|---|-----------------|-----------------|
| Interest and other finance Expenses | 33.88 | 69.67 |
| Bank Charges | 1,293.51 | 1,149.36 |
| Finance costs expensed in profit or loss | 1,327.39 | 1,219.03 |

Note 21: Other Expenses

(Rs. in Thousand)

| Particulars | 31-Mar-2022 | 31-Mar-2021 |
|--|------------------|------------------|
| Advertisement Expenses | 113.98 | 141.39 |
| Rates & Taxes | 907.09 | 356.75 |
| General Expenses | 1,403.25 | 628.32 |
| Telephone and Other Communication Expenses | 115.59 | 135.66 |
| Motor Car Expenses | 662.03 | 300.14 |
| Repairs & Maintenance Others | 804.39 | 624.15 |
| Festival Expenses | 9.80 | - |
| Travelling Expenses | 943.09 | 1,579.31 |
| Electricity Expenses | 317.26 | 167.24 |
| Entertainment Expenses | 864.96 | 156.90 |
| Printing & Stationery | 99.88 | 61.34 |
| Conveyance Expenses | 190.85 | 178.45 |
| Auditor's Remuneration | 250.00 | 250.00 |
| Custodial and Other Charges | 36.16 | 27.30 |
| Commission Charges | - | 3,522.87 |
| Foreign Currency Rate Difference | 4,616.58 | 2,310.81 |
| STT Paid and other share & investment related expenses | 223.10 | - |
| Insurance Expenses | 59.47 | 56.20 |
| Legal & Professional Expenses | 1,702.41 | 1,081.51 |
| Sundry Balance W/off | 43,471.64 | - |
| Security Expenses | 58.30 | - |
| Loss on Sale of Asset | 93.94 | - |
| Donation Expenses | 210.00 | - |
| Total Other Expenses | 57,153.76 | 11,578.34 |

Note 21.1: Payment to Auditors

(Rs. in Thousand)

| Particulars | 31-Mar-2022 | 31-Mar-2021 |
|-----------------------------------|---------------|---------------|
| Statutory Audit Fees | 250.00 | 250.00 |
| Total Payments to Auditors | 250.00 | 250.00 |

Note 22: Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 is provided as under for the year 2021-22

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 23: Earnings Per Share

(Rs. in Thousand)

| Particulars | 31-Mar-2022 | 31-Mar-2021 |
|--|-------------|-------------|
| a) Basic and diluted earnings per share in rupees (face vale - Rs. 10 per share) | (2.19) | 4.17 |
| b) Profit after tax as per Statement of Profit and Loss | (17,523) | 33,328 |
| c) Weighted average number of equity shares outstanding | 80,00,000 | 80,00,000 |

Note 24: Information on related party transactions as required by Ind AS 24 - 'Related Party Disclosure' for the year ended 31st March, 2022:
I. List of Related Parties
c) Key Management Personnel:

- i) Mr. Sandeep Seth
- ii) Mr. Jaideep Seth
- iii) Mrs. Anisha Seth
- iv) Mr. Rudolph Victor Quadros (Resigned w.e.f 27/01/2022)
- v) Mr. Mahalinga Booba Kotian
- vi) Mr. Anupam Jitendra Vyas - Company Secretary

II. Details of related party transactions during the year ended 31st March, 2022:

(Rs. in Thousand)

| Particulars | 31-Mar-2022 | 31-Mar-2021 |
|--|-------------|-------------|
| i) Remuneration to Key Management Personnel | | |
| Mr. Sandeep Seth | 4,200.00 | 4,200.00 |
| Mrs. Anisha Seth | 840.00 | 840.00 |
| Mr. Jaideep Seth | 672.00 | 672.00 |
| Mr. Rudolph Victor Quadros | 207.50 | 194.00 |
| Mr. Mahalinga Booba Kotian | 230.40 | 228.00 |
| Mr. Anupam Jitendra Vyas | 340.00 | 100.00 |

Note 25:

| Particulars | Numerator | Denominator | 31-Mar-2022 | 31-Mar-2021 | Variances | Reasons |
|------------------------------------|----------------------------|-----------------------------|-------------|-------------|-----------|-----------------------------|
| 1. Current Ratio | Current Assets | Current Liabilities | 0.94 | 0.94 | 0.00 | |
| 2. Debt Equity Ratio* | Total Debt | Shareholder's Equity | - | - | - | No Debt |
| 3. Debt Service Coverage Ratio* | EBIDTA | Interest + Principal | - | - | - | No Debt |
| 4. Return on Equity | Net Profit After Tax | Avg Shareholder's Fund | (0.03) | 0.00 | (0.03) | |
| 5. Inventory Turnover Ratio | Cost of Good Sold | Average Inventory | - | - | - | No Closing Inventory |
| 6. Trade Receivable Turnover Ratio | Net Credit Sales | Average Accounts Receivable | 5.69 | 0.01 | 5.68 | Increase in Turnover |
| 7. Trade Payable Turnover Ratio | Net Credit Purchase | Average Accounts Payables | 5.31 | 0.01 | 5.30 | Increase in Turnover |
| 8. Net Capital Turnover Ratio | Net Sales | Working Capital | (87.42) | (34.37) | (53.05) | Increase in Turnover |
| 9. Net Profit Ratio | Net Profit After Tax | Net Sales | (7.99) | 19.84 | (27.83) | Increase in Other Expenses |
| 10. Return on Capital Employed | EBIT | Capital Employed | (0.03) | 0.09 | (0.13) | Increase in Other Expenses |
| 11. Return on Investment | Other than Business Income | Average Investment | 0.10 | 0.04 | 0.06 | Increase in Interest Income |

* Company is debt free, hence Debt Equity Ratio and Debt Service Coverage Ratio is not applicable.

** As on current year and previous financial company does not have any closing inventory hence Inventory Turnover Ratio is not applicable.

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 Kant Sahu
Proprietor
M.No.112502

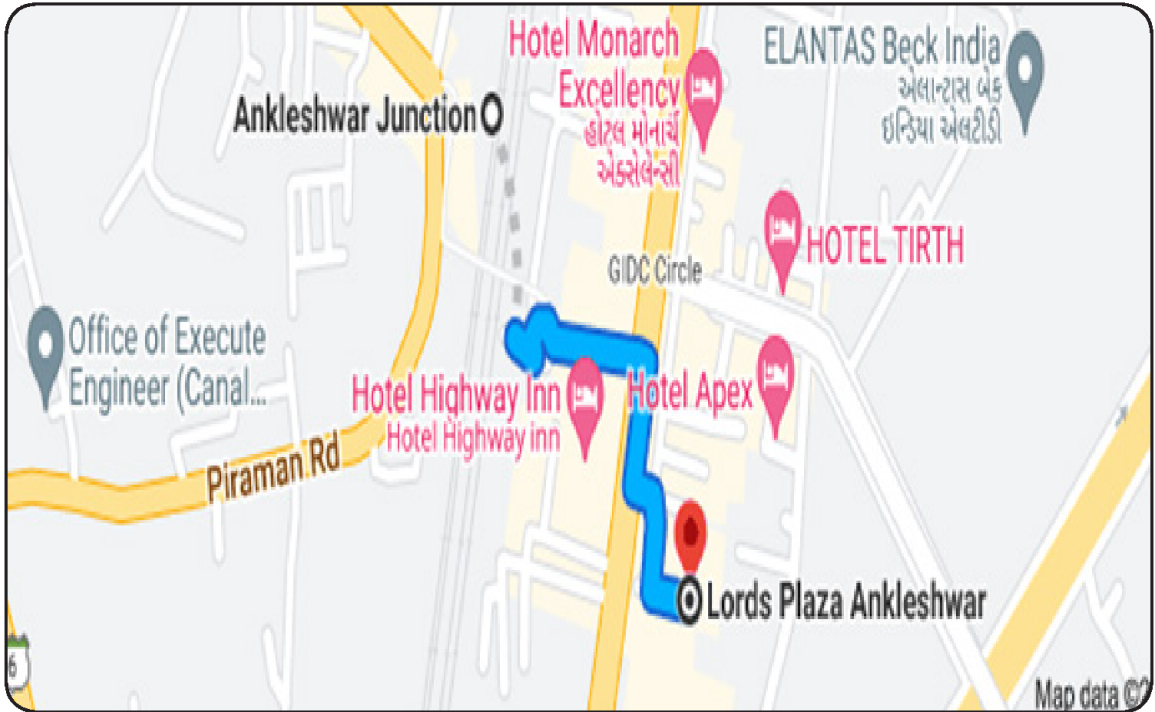
Sandeep Seth
Director
DIN No. 00316075

Anisha Seth
Director
DIN No. 06867960

Place:- Mumbai
Date:- 27th May 2022
UDIN:- 22112502AJSPEB5101

Place:- Mumbai
Date:- 27th May 2022

ROUTE MAP FOR VENUE OF 29TH ANNUAL GENERAL MEETING.



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 29th Annual General Meeting to be held at Hotel Lords Plaza C4/6 GIDC Old National Highway No.8 Ankleshwar, Gujarat- 393002 on September 15, 2022 at 10.30 a.m.

Member's/Proxy's Full Name

Member's/Proxy's Signature

Form No. MGT-11

LAFFANS PETROCHEMICALS LIMITED

CIN: L99999GJ1992PLC018626

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

Corporate Office: 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]

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 29th Annual General Meeting of the company, to be held Hotel Lords Plaza, C4/6, GIDC, Old National Highway No.8, Ankleshwar, Gujarat- 393002 on September 15, 2022 at 10.30 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, 2022 | | |
| 2. | Re-appointment of Mrs. Anisha Seth who retires by rotation | | |
| 3. | Appointment of JMR & Associates LLP as Statutory Auditors of the Company | | |

Signed this day of, 2022

Affix
1 Rupee
Revenue
Stamp

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

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.

Form NO. MGT-12

Polling Paper

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

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

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

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

CIN:L99999GJ1992PLC018626

[E-Mail: lplho@laffanspetrochemical.com], [Website: www.laffanspetrochemical.com]

[Tel no: 022-66930813/66930830]

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 | Equity Share |

I hereby exercise my vote in respect of Resolution(s) enumerated below by recording my assent or dissent to the said Resolution in the 29th Annual General Meeting of the Company held on Tuesday, September 15, 2022 at 10.30 a.m. Hotel Lords Plaza C4/6 GIDC Old National Highway No.8 Ankleshwar, Gujarat- 393002 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, 2022 together with the Reports of the Board of Directors and Auditors thereon. (as an Ordinary Resolution) | | | |
| 2 | To appoint a Director in place of Mrs. Anisha Seth (DIN: 06867960), who retires by rotation and being eligible, offers himself for re-appointment. | | | |
| 3 | To Appoint the JMR & Associates LLP [FRN 106912W/W100300] as Statutory Auditors of the Company | | | |

Place: Ankleshwar, Bharuch

Date: August 14, 2022

(Signature of the Shareholder)



Reg. 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, Mumbai 400051.