



Panama

PETROCHEM LTD.

37th ANNUAL REPORT 2018-19





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Board of Directors

Mr. Amirali E. Rayani	Chairman (Executive)
Mr. Amin A. Rayani	Managing Director & CEO
Mr. Hussein V. Rayani	Joint Managing Director
Mr. Samir A. Rayani	Whole-Time Director
Mr. Madan Mohan Jain	Independent Director
Mr. Mukesh Mehta	Independent Director
Ms. Nargis Mirza Kabani	Independent Director
Mr. Kumar Raju Nandimandalam	Independent Director

Chief Financial Officer

Mr. Pramod Maheshwari

**Company Secretary &
Compliance Officer**

Ms. Gayatri Sharma

Auditors

Bhuta Shah & Co LLP
Chartered Accountants, Mumbai, India

Bankers

HDFC Bank Limited
Citibank N.A.
IDFC Bank
Standard Chartered Bank
DCB Bank Limited
DBS Bank Limited
Yes Bank Limited
Axis Bank
RBL Bank
IDBI Bank Limited

Listed at

BSE Limited
National Stock Exchange of India Limited
Luxembourg Stock Exchange (GDRs)

Corporate Office

401, Aza House, 24, Turner Road
Bandra (W), Mumbai 400 050, India
Tel : 91-22-42177777
Fax : 91-22-42177788
Website : www.panamapetro.com
E-mail : ho@panamapetro.com

Registrar & Share Transfer Agents

Bigshare Services Private Limited
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road
Marol, Andheri East, Mumbai-400059
Maharashtra
Tel : 91-22- 62638200
Fax : 91-22- 62638299
E-mail : info@bigshareonline.com

Plants

Ankleshwar, Daman, Taloja, and Dahej

Registered Office

Plot No: 3303, G.I.D.C. Estate,
Ankleshwar 393 002, Gujarat, India
Tel : 91-2646-221 068
Fax : 91-2646-250281
Corporate Identification Number
(CIN) : L23209GJ1982PLC005062
Email : ankl@panamapetro.com



NOTICE

CIN : L23209GJ1982PLC005062

Notice is hereby given that the **THIRTY – SEVENTH ANNUAL GENERAL MEETING** of the Members of **PANAMA PETROCHEM LIMITED** will be held on Tuesday, September 17, 2019 at 11:30 A.M. at Conference hall of Hotel Lords Plaza at C 4/6, GIDC, Old National Highway No. 8, Ankleshwar, Gujarat 393 002 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) for the financial year ended March 31, 2019 together with the Reports of the Board of Directors & Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. Hussein V. Rayani (DIN 00172165), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

Special Business:

4. To re-appoint Mr. Amirali E. Rayani (DIN: 00002616) as Whole-time Director designated as Chairman and in this regard, to consider and if thought fit, to pass the following resolution as **Special Resolution:**

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Members be and is hereby accorded to re-appoint Mr. Amirali E. Rayani (DIN: 00002616) as Whole-time Director designated as Chairman of the Company, for a period of 5 (five) years with effect from June 29, 2019, on the terms and conditions including remuneration as set out below, with liberty to the Board of Directors (which term shall be deemed to include Nomination and Remuneration Committee the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit, subject to the same not exceeding the limits specified under Section 197, read with Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

- A. SALARY: ₹ 3,00,000/- Per month with annual increment at such rate as may be approved by the Board of Directors of the company on the recommendation of Nomination and Remuneration Committee based on merit and taking into account the Company's performance .
- B. BONUS: As may be decided by the Board of Directors.
- C. PERQUISITES & ALLOWANCE :
 - i. In addition to the salary, Mr. Amirali E. Rayani will be also entitled to perquisites and allowances including medical reimbursement and leave travel concessions for self and family; telephone expenses at residence, club fees and personal accident insurance, accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and / or allowances for utilisation of gas, electricity, water, furnishing and repairs or such other perquisites and/or cash compensation in accordance with the rules applicable to other senior executives of the company. For the purposes of calculating the above, perquisites shall be evaluated as per Income tax Rules wherever applicable.
 - ii. Company's contribution to provident fund, superannuation fund and annuity fund to the extent these are, either singly or put together, not taxable under the Income tax act; gratuity as per the Rules of the company and encashment of leave at the end of the tenure will not be included for the purpose of computation of the overall ceiling of remuneration.



- iii. Car used on the company's business and telephone and other communication facilities at residence will not be considered as perquisites.

Any increment in salary and perquisite & allowance, as may be determined by the Board shall be within the limits specified under Section 197, read with Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

- D. REIMBURSEMENT OF EXPENSES: Reimbursement of actual entertainment expenses, expenses incurred for travelling, board and lodging including for their respective spouses and attendant(s) during business trips, any medical assistance provided including for their respective family members; and provision of cars for use on the Company's business and, fuel expenses, insurance premium or other out of pocket expenses incurred in course of the official duties shall be reimbursed at actual and not considered as perquisites.
- E. REMUNERATION BASED ON NET PROFITS: In addition to the salary, perquisites and allowances as set out above, Mr. Amirali E. Rayani shall be entitled to receive remuneration based on net profits which will be determined by the Board and / or Nomination and Remuneration Committee of the Board for each financial year.
- F. NATURE OF DUTIES:
 - (i) He will perform his duties with regard to all work of the Company and he will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board.
 - (ii) He will act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
 - (iii) He will adhere to the Company's Code of Business Conduct & Ethics for Directors and Management Personnel.
- G. TERMINATION: The office of Mr. Amirali E. Rayani will be terminated forthwith by notice in writing on the vacation of office of Director by virtue of section 167,169 and other applicable provisions of the Companies Act, 2013 or By giving 6 months notice in writing by either party.

RESOLVED FURTHER THAT In the event of loss or inadequacy of profits in any financial year, The Company shall pay to Mr. Amirali E. Rayani the above remuneration by way of salary, bonus and other allowances as a minimum remuneration but not exceeding the limits specified under Section II of Part II of Schedule V to the Companies Act, 2013, or any statutory modifications therein or enactment thereof, as may be agreed by the Board of Directors and Mr. Amirali E. Rayani of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

- 5. To re-appoint Mr. Amin A. Rayani (DIN: 00002652) as Managing Director & CEO and in this regard, to consider and if thought fit, to pass the following resolution as **Special Resolution:**

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Members be and is hereby accorded to re-appoint of Mr. Amin A. Rayani (DIN: 00002652) as Managing Director & Chief Executive Officer of the Company, for a period of 5 (five) years with effect from June 29, 2019, on the terms and conditions including remuneration as set out below, with liberty to the Board of Directors (which term shall be deemed to include Nomination and Remuneration Committee the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit, subject to the same not exceeding the limits specified under Section 197, read with Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;



- A. SALARY: ₹ 2,85,000/- Per month with annual increment at such rate as may be approved by the Board of Directors of the company on the recommendation of Nomination and Remuneration Committee based on merit and taking into account the Company's performance .
- B. BONUS: As may be decided by the Board of Directors.
- C. PERQUISITES & ALLOWANCE :
- i. In addition to the salary, Mr. Amin A. Rayani will be also entitled to perquisites and allowances including medical reimbursement and leave travel concessions for self and family; telephone expenses at residence, club fees and personal accident insurance, accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and / or allowances for utilisation of gas, electricity, water, furnishing and repairs or such other perquisites and / or cash compensation in accordance with the rules applicable to other senior executives of the company. For the purposes of calculating the above, perquisites shall be evaluated as per Income tax Rules wherever applicable.
 - ii. Company's contribution to provident fund, superannuation fund and annuity fund to the extent these are, either singly or put together, not taxable under the Income tax act; gratuity as per the Rules of the company and encashment of leave at the end of the tenure will not be included for the purpose of computation of the overall ceiling of remuneration.
 - iii. Car used on the company's business and telephone and other communication facilities at residence will not be considered as perquisites.
- Any increment in salary and perquisite & allowance, as may be determined by the Board shall be within the limits specified under Section 197, read with Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.
- D. REIMBURSEMENT OF EXPENSES: Reimbursement of actual entertainment expenses, expenses incurred for travelling, board and lodging including for their respective spouses and attendant(s) during business trips, any medical assistance provided including for their respective family members; and provision of cars for use on the Company's business and, fuel expenses, insurance premium or other out of pocket expenses incurred in course of the official duties shall be reimbursed at actual and not considered as perquisites.
- E. REMUNERATION BASED ON NET PROFITS: In addition to the salary, perquisites and allowances as set out above, Mr. Amin A. Rayani shall be entitled to receive remuneration based on net profits which will be determined by the Board and / or Nomination and Remuneration Committee of the Board for each financial year.
- F. NATURE OF DUTIES:
- (i) He will perform his duties with regard to all work of the Company and he will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board and the functions of the Whole-time Director will be under the overall authority of the Managing Director.
 - (ii) He will act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
 - (iii) He will adhere to the Company's Code of Business Conduct & Ethics for Directors and Management Personnel.
- G. TERMINATION: The office of Mr. Amin A. Rayani will be terminated forthwith by notice in writing on the vacation of office of Director by virtue of section 167,169 and other applicable provisions of the Companies Act, 2013 or By giving 6 months notice in writing by either party.



RESOLVED FURTHER THAT In the event of loss or inadequacy of profits in any financial year, The Company shall pay to Mr. Amin A. Rayani the above remuneration by way of salary, bonus and other allowances as a minimum remuneration but not exceeding the limits specified under Section II of Part II of Schedule V to the Companies Act, 2013, or any statutory modifications therein or enactment thereof, as may be agreed by the Board of Directors and Mr. Amin A. Rayani of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

6. To re-appoint Mr. Samir Rayani (DIN: 00002674) as Whole-time Director designated as Executive Director and in this regard, to consider and if thought fit, to pass the following resolution as **Special Resolution:**

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members be and is hereby accorded to re-appoint Mr. Samir A. Rayani (DIN: 00002674) as Whole-time Director designated as Executive Director of the Company, for a period of 5 (five) years with effect from June 29, 2019, on the terms and conditions including remuneration as set out below, with liberty to the Board of Directors (which term shall be deemed to include Nomination and Remuneration Committee the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit, subject to the same not exceeding the limits specified under Section 197, read with Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

- A. SALARY: ₹ 2,75,000/- Per month with annual increment at such rate as may be approved by the Board of Directors of the company on the recommendation of Nomination and Remuneration Committee based on merit and taking into account the Company's performance .
- B. BONUS: As may be decided by the Board of Directors.
- C. PERQUISITES & ALLOWANCE :
- In addition to the salary, Mr. Samir A. Rayani will be also entitled to perquisites and allowances including medical reimbursement and leave travel concessions for self and family; telephone expenses at residence, club fees and personal accident insurance, accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and / or allowances for utilisation of gas, electricity, water, furnishing and repairs or such other perquisites and/or cash compensation in accordance with the rules applicable to other senior executives of the company. For the purposes of calculating the above, perquisites shall be evaluated as per Income tax Rules wherever applicable.
 - Company's contribution to provident fund, superannuation fund and annuity fund to the extent these are, either singly or put together, not taxable under the Income tax act; gratuity as per the Rules of the company and encashment of leave at the end of the tenure will not be included for the purpose of computation of the overall ceiling of remuneration.
 - Car used on the company's business and telephone and other communication facilities at residence will not be considered as perquisites.

Any increment in salary and perquisite & allowance, as may be determined by the Board shall be within the limits specified under Section 197, read with Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

- D. REIMBURSEMENT OF EXPENSES: Reimbursement of actual entertainment expenses, expenses incurred for travelling, board and lodging including for their respective spouses and attendant(s) during business trips, any medical assistance



provided including for their respective family members; and provision of cars for use on the Company's business and, fuel expenses, insurance premium or other out of pocket expenses incurred in course of the official duties shall be reimbursed at actual and not considered as perquisites.

- E. REMUNERATION BASED ON NET PROFITS: In addition to the salary, perquisites and allowances as set out above, Mr. Samir Rayani shall be entitled to receive remuneration based on net profits which will be determined by the Board and / or Nomination and Remuneration Committee of the Board for each financial year.
- F. NATURE OF DUTIES:
- (i) He will perform his duties with regard to all work of the Company and he will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board.
 - (ii) He will act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
 - (iii) He will adhere to the Company's Code of Business Conduct & Ethics for Directors and Management Personnel.
- G. TERMINATION: The office of Mr. Samir A. Rayani will be terminated forthwith by notice in writing on the vacation of office of Director by virtue of section 167, 169 and other applicable provisions of the Companies Act, 2013 or by giving 6 months' notice in writing by either party.

RESOLVED FURTHER THAT In the event of loss or inadequacy of profits in any financial year, The Company shall pay to Mr. Samir A. Rayani the above remuneration by way of salary, bonus and other allowances as a minimum remuneration but not exceeding the limits specified under Section II of Part II of Schedule V to the Companies Act, 2013, or any statutory modifications therein or enactment thereof, as may be agreed by the Board of Directors and Mr. Samir A. Rayani of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

7. To re-appoint Mr. Mukesh Mehta (DIN: 00002702), as an Independent Director and in this regard, to consider and if thought fit, pass the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Mukesh Mehta (DIN: 00002702), who was appointed as an Independent Director for a term of five consecutive years and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years, i.e. up to March 31, 2024."

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

8. To re-appoint Mr. Madan Mohan Jain (DIN: 00003580), as an Independent Director and in this regard, pass the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being



in force), Mr. Madan Mohan Jain (DIN: 00003580), who was appointed as an Independent Director for a term of five consecutive years and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years, i.e. up to March 31, 2024.”

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

9. To appoint Mr. Kumar Raju Nandimandalam (DIN:00829724), as an Independent Director and in this regard, to consider and if thought fit, pass the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Sections 152, 161 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and on the basis of recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, Mr. Kumar Raju Nandimandalam (DIN:00829724), who was appointed as an Additional Director designated as an Independent Director of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company;

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or amendment(s) thereof for the time being in force), Mr. Kumar Raju Nandimandalam (DIN:00829724), Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (Five) consecutive years and that he shall not be liable to retire by rotation;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

10. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2020 and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

RESOLVED THAT pursuant to Section 148 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, the Company hereby ratifies the remuneration of ₹ 2.00 lakhs (Rupees two lakhs only) per annum plus out-of-pocket expenses payable to GMVP & Associates LLP, who are appointed as the Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Proxies, in order to be effective, must be received at the Company’s Registered Office not less than 48 hours before the Meeting. Proxies submitted on behalf of companies, societies, partnership firms, etc. must be supported by appropriate resolution/ authority, as applicable, issued on behalf of the nominating organization. Members are requested to note that a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.



2. **Corporate Members:** Corporate Members intending to send their authorised representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.
3. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
4. Members/ Proxies should bring the enclosed Attendance Slip duly filled in, for attending the Annual General Meeting, along with their copy of the Annual Report. Copies of the Annual Report will not be distributed at the Meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from September 11, 2019 to September 13, 2019 (both days inclusive).

Payment of dividend as recommended by the Board of Directors, if declared at the Annual General Meeting will be payable to those Shareholders holding shares in electronic form as per the beneficiary position downloaded from the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) as at the close of business hours on September 10, 2019 and to those Members holding shares in physical form, after giving effect to valid transfers in respect of transfer requests lodged with the Company as at close of business hours September 10, 2019. Dividend will be paid within two weeks from the date of declaration of dividend.

6. To avoid loss of dividend warrants in transit and undue delay in receipt of dividend warrants, the Company provides the facility to the Members for remittance of dividend directly in their bank accounts through electronic means. The facility is available at all bank branches which have registered themselves as participating banks with National Payment Corporation of India and have joined the Core Banking System. Members holding shares in physical form and desirous of availing this facility are requested to provide their latest bank account details (Core Banking Solutions Enabled Account Number, 9 digit MICR and 11 digit IFS Code), along with their Folio Number, to the Company's Share Registrar and Transfer Agents. Members holding shares in electronic form are requested to provide the details to their respective Depository Participants.
7. Members holding shares in physical form are requested to advise any change of address/ mandate/ bank details immediately to the Company's Share Registrar and Transfer Agents (M/s Bigshare Services Pvt. Ltd). Members holding shares in electronic form must send the advice about change in address mandate/bank details to their respective Depository Participant only and not to the Company or the Company's Share Registrar and Transfer Agents.
8. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.
9. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website, [www. panamapetro.com](http://www.panamapetro.com)
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to their respective Depository Participants. Members holding shares in physical form are requested to submit their PAN details to the Share Registrar and Transfer Agents.
11. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate risks associated with physical shares and for ease in portfolio management. Members can contact the Company's Share Registrar and Transfer Agents for assistance in this regard.
12. All documents referred to in the Notice are open for inspection at the Registered Office of the Company on all working days except Saturdays, Sundays and Public Holidays between 11.00 A.M. and 1.00 P.M. up to the date of the Annual General Meeting. The aforesaid documents will be also available for inspection by members at the Meeting.



13. Members desirous of obtaining any information as regards to the accounts and operations of the Company are requested to write at least one week before the meeting so that the same could be complied in advance.
14. Members are hereby informed that the Company is required to transfer any money lying in the Unpaid Dividend Account, which remains unpaid or unclaimed for a period of seven years from the date of such transfer to the Unpaid Dividend Account, to the credit of the Investor Education and Protection Fund ('the Fund') established by the Central Government. Members are also requested to note that, pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended) ('IEPF Rules'), the Company is also obliged to transfer all shares on which dividend has not been paid or claimed for seven consecutive years or more to the Demat Account of the IEPF Authority notified by the Ministry of Corporate Affairs ('IEPF Demat Account').

As per the above provisions, all unclaimed dividend upto interim dividend of financial year 2011-12 has been transferred by the Company to the Fund. Shares in respect of which dividend remained unclaimed for seven consecutive years or more have also been transferred to the IEPF Demat Account. Members who have not yet encashed their dividend warrant(s) for the financial year ended March 31, 2012 (final dividend) and for any subsequent financial year, are requested to make their claims to the Company without any delay, to avoid transfer of their dividend/ shares to the Fund/ IEPF Demat Account.

15. Electronic copy of the Annual Report for FY 2019-20 is being sent to all Members whose email addresses are registered with the Company/ Depository Participants for communication purposes, unless any Member has requested for a hard copy of the same. For Members who have not registered their email addresses, physical copies of the Annual Report for F.Y. 2019-20 are being sent in the permitted mode.
16. **To support the "Green Initiative", Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**
17. In terms of and in compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015, and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer remote e-voting facility as an alternate to all its Members to enable them to cast their vote electronically instead of casting the vote at the Meeting. The Members who have cast their votes by remote e-voting may participate in the Meeting even after exercising their right to vote through remote e-voting but shall not be allowed to cast vote again at the Meeting. For this purpose, the Company has entered into an agreement with CDSL for facilitating e-voting to enable the Shareholders to cast their votes electronically. The Company is also providing facility for voting by Ballot at the Annual General Meeting apart from providing remote e-voting facility for all those members who are present at the general meeting but have not cast their votes by availing the remote e-voting facility.
18. The remote e-voting facility shall be opened from, Saturday, September 14, 2019 at 9.00 A.M. to Monday, September 16, 2019 till 5.00 P.M., both days inclusive. The remote e-voting facility shall not be allowed beyond 5.00 P.M., on September 16, 2019. During the period when facility for remote e-voting is provided, the members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date/entitlement date, may opt for remote e-voting. Provided that once the vote on a resolution is cast by the member, he shall not be allowed to change it subsequently or cast the vote again.
19. The Company has fixed Tuesday, September 10, 2019, as the cut off date for identifying the Shareholders for determining the eligibility to vote by electronic means or in the Meeting by Ballot. Instructions for exercising voting rights by remote e-voting are attached herewith and form part of this Notice. 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/ entitlement date only shall be entitled to avail the facility of remote e-voting as well as voting at the Annual General Meeting.

20. Any person who becomes a member of the Company after the dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e, September 10, 2019, may obtain the User ID and Password by sending an email request to cs@panamapetro.com. Members may also send a request to Ms. Gayatri Sharma, Company Secretary, by writing to her at, 401, Aza House, 24 Turner Road, Bandra (w), Mumbai, 400050.
21. The Voting Rights will be reckoned on the paid-up value of shares registered in the name of shareholders on Tuesday, September 10, 2019, the cut-off date/entitlement date for identifying the Shareholders for determining the eligibility to vote by electronic means or at the Meeting by Ballot.
22. The Notice of the Meeting is being placed on the website of the Company viz., www.panamapetro.com and on the website of CDSL viz., www.cdslindia.com.
23. Mr. Milind Nirkhe, Company Secretary in Whole Time Practice, (CP No.2312) has been appointed as a Scrutinizer for conducting the voting by Ballot at the Meeting and remote e-voting process in a fair and transparent manner.
24. The results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company at www.panamapetro.com and on the website of CDSL at www.cdslindia.com, immediately after the results are declared by the Chairman.
25. **The instructions for members for voting electronically are as under:-**

The voting period begins on Saturday, September 14, 2019 at 9.00 A.M. to Monday, September 16, 2019 till 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, September 10, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

A. In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" 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	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker /mail) 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 serial number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(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 <Company Name> 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 out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.



(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. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. 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.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

B. In case of members receiving the physical copy:

- (a) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (b) 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

By Order of the Board of Directors
For **Panama Petrochem Ltd**

Date : August 14, 2019
Place : Mumbai

Gayatri Sharma
Company Secretary & Compliance Officer

Registered Office:
Plot No. 3303, G.I.D.C. Estate
Ankleshwar - 393 002, Gujarat



STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“the Act”)

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 4

Mr. Amirali E. Rayani (aged 75 years) is the Founder of Panama Petrochem Limited. He is the main promoter of the Company and has been actively associated with the Company since its inception and has played a key role in bringing the Company to its present heights. He has a vast experience of over 45 years in Petroleum industry. He oversees the entire operations of the Company. His knowledge of the business environment and vast experience in general management has been an asset to the Company.

Mr. Amirali E. Rayani was re-appointed as a Whole-time Director designated as Chairman of the Company at the 32 Annual General Meeting of the Company, for a period of five years ended on June 28, 2019. As part of the initiative to create enduring guidance for the Company, the Board of Directors of the Company subject to the approval of members, and on the recommendation of Nomination & Remuneration Committee, had approved the re-appointment of Mr. Amirali E. Rayani as Whole-time Director designated as Chairman of the Company for a further period of five years commencing from June 29, 2019 at its meeting held on May 24, 2019, on the terms and conditions and remuneration as set out in Resolution No. 4 of the accompanying notice.

The Resolution No. 4 may be treated as a written memorandum setting out the terms of re-appointment of Mr. Amirali E. Rayani under section 190 of the Companies Act 2013.

Mr. Amirali E. Rayani satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under Section 196(3) of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

Further, Mr. Amirali E. Rayani has also confirmed that he is not debarred from holding the office of Director by virtue of any SEBI order or any such authority pursuant to circulars dated June 20, 2018 issued by BSE Limited and the National Stock Exchange of India Limited pertaining to enforcement of SEBI orders regarding appointment of Directors by the listed companies.

Details of Mr. Amirali E. Rayani are provided in the notice convening this meeting.

Mr. Amirali E. Rayani and Mr. Amin A. Rayani who is his relative and Managing Director & CEO of the Company are interested in the resolution, and his other relative may be deemed to be interested to the extent of their shareholding interest, if any, in the resolution set out at Item No. 4 the Notice, which pertain to his re-appointment and remuneration payable to him.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

Mr. Amirali E. Rayani who attained the age of seventy five years, thus pursuant to section 196 and other applicable sections of the Companies Act 2013, if any, read with Schedule V to the Act, the Board recommends the Special Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

Item Nos. 5 and 6

The Board of Directors of the Company, at its meeting held on May 24, 2019 has, subject to the approval of members, re-appointed Mr. Amin A. Rayani as Managing Director and Chief Executive Officer, for a period of 5 (five) years from the expiry of his present term, i.e. with effect from June 29, 2019, at the remuneration recommended by the Nomination and Remuneration Committee of the Board and approved by the Board.



Further, the Board at its meeting held on May 24, 2019 has, subject to the approval of members, re-appointed Mr. Samir A. Rayani as Whole-time Director, designated as Executive Director, for a period of 5 (five) years from the expiry of his present term, i.e. with effect from June 29, 2019, at the remuneration recommended by the Nomination and Remuneration Committee and approved by the Board.

It is proposed to seek the members' approval for the re-appointment of and remuneration payable to Mr. Amin A. Rayani as Managing Director and Chief Executive Officer and Mr. Samir A. Rayani as Whole-time Director, designated as Executive Director, in terms of the applicable provisions of the Act.

Mr. Amin A. Rayani and Mr. Samir A. Rayani satisfy all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for their re-appointment. They are not disqualified from being appointed as Directors in terms of Section 164 of the Act.

Further, Amin A. Rayani and Mr. Samir A. Rayani have also confirmed that they are not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to circulars dated June 20, 2018 issued by BSE Limited and the National Stock Exchange of India Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies.

The Resolution Nos. 5 & 6 may be treated as a written memorandum setting out the terms of re-appointment of Mr. Amin A. Rayani and Mr. Samir A. Rayani under section 190 of the Companies Act 2013.

Details of Mr. Amin A. Rayani and Mr. Samir A. Rayani are provided in the notice convening this meeting.

Mr. Amin A. Rayani and Mr. Samir A. Rayani are interested in the resolutions set out respectively at Item Nos. 5 and 6 of the Notice, which pertain to their respective re-appointments and remuneration payable to each of them. Mr. Amirali E. Rayani who is the relative of Mr. Amin A. Rayani and Chairman of the Company is concerned or interested in the Resolution No. 5.

The other relatives of Mr. Amin A. Rayani and Mr. Samir A. Rayani may be deemed to be interested in the resolutions set out respectively at Item Nos. 5 and 6 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the Special Resolutions set out at Item Nos. 5 and 6 of the Notice for approval by the shareholders.

Item Nos. 7 and 8

Mr. Mukesh Mehta & Mr. Madan Mohan Jain were appointed as Independent Directors of the Company for a period of five consecutive years. The Nomination & Remuneration Committee of the Board of Directors, on the basis of the reports of performance evaluation, has recommended re-appointment of Mr. Mukesh Mehta & Mr. Madan Mohan Jain as Independent Directors for a second term of 5 (five) consecutive years on the Board of the Company.

The Board, based on the performance evaluation and as per the recommendation of the Nomination & Remuneration Committee, considers that, given their backgrounds and experiences and contributions made by them during their tenure, the continued association of Mr. Mukesh Mehta & Mr. Madan Mohan Jain would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors. Accordingly, the Board in its meeting held on February 12, 2019, subject to the approval of members had re-appointed Mr. Mukesh Mehta & Mr. Madan Mohan Jain as Independent Directors of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years on the Board of the Company. And has recommended their reappointment for approval of the shareholders.

Mr. Mukesh Mehta & Mr. Madan Mohan Jain are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.



The Company has also received declarations from Mr. Mukesh Mehta & Mr. Madan Mohan Jain that they meet the criteria of independence as prescribed both under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, Mr. Mukesh Mehta & Mr. Madan Mohan Jain fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Regulations. Mr. Mukesh Mehta & Mr. Madan Mohan Jain are independent of the management.

Mr. Mukesh Mehta & Mr. Madan Mohan Jain have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Mr. Mukesh Mehta & Mr. Madan Mohan Jain have also confirmed that they are not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to circulars dated June 20, 2018 issued by BSE Limited and the National Stock Exchange of India Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies.

Details of Mr. Mukesh Mehta & Mr. Madan Mohan Jain are provided in the Notice.

Copy of draft letters for respective appointment of Mr. Mukesh Mehta & Mr. Madan Mohan Jain setting out the terms and conditions are available for inspection by the members at the registered office of the Company.

Mr. Mukesh Mehta & Mr. Madan Mohan Jain are interested in the resolutions set out respectively at Item Nos. 7 & 8 of the Notice with regard to their respective re-appointment.

The relatives of Mr. Mukesh Mehta & Mr. Madan Mohan Jain may be deemed to be interested in the resolutions set out respectively at Item Nos. 7 & 8 of the Notice, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolutions.

The Board recommends the Special Resolutions set out at Item Nos. 7 & 8 of the Notice for approval by the members.

Item No. 9

Mr. Kumar Raju Nandimandalam (DIN:00829724), was appointed as an Additional Director of the Company w.e.f August 10, 2018, pursuant to Section 161 of the Act. Mr. Kumar Raju Nandimandalam holds office as Director up to the date of the forthcoming Annual General Meeting ('AGM') and is eligible for appointment as a Director. The Company has received a Notice under Section 160 of the Act from a member, proposing the appointment of Mr. Kumar Raju Nandimandalam as a Director of the Company.

Mr. Kumar Raju Nandimandalam has consented to act as Director of the Company and has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Mr. Kumar Raju Nandimandalam fulfills the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations and he is independent of the management.

Mr. Kumar Raju Nandimandalam has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. Mr. Kumar Raju Nandimandalam has also confirmed that he is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to circulars dated June 20, 2018 issued by BSE Limited and the National Stock Exchange of India Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies. Further, Mr. Kumar Raju Nandimandalam is not disqualified from being appointed as Director in terms of Section 164 of the Act.



The Board, based on the recommendation of the Nomination and Remuneration Committee, commends his appointment as Independent Director for a period of five years.

Copy of draft letter for appointment of Mr. Kumar Raju Nandimandalam setting out the terms and conditions are available for inspection by the members at the registered office of the Company.

Mr. Kumar Raju Nandimandalam is interested and concerned in the Resolutions mentioned at Items No.9 of the Notice. Relatives of Mr. Kumar Raju Nandimandalam may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Ordinary Resolution set out at Item No. 9 of the Notice for approval by the shareholders.

Item No. 10

The Board, on the recommendation of the Audit Committee, has approved the appointment of GMVP & Associates LLP, Cost Accountants, as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020 on remuneration of ₹ 2.00 lakhs (Rupees two lakhs only) per annum plus out of pocket expenses, if any.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Ordinary Resolution set out at Item No. 10 of the Notice for approval by the shareholders.

By Order of the Board of Directors
For **Panama Petrochem Ltd**

Date : August 14, 2019
Place : Mumbai

Gayatri Sharma
Company Secretary & Compliance Officer

Registered Office:

Plot No. 3303, G.I.D.C. Estate
Ankleshwar - 393 002, Gujarat



Details of Directors seeking appointment/ re-appointment at the AGM

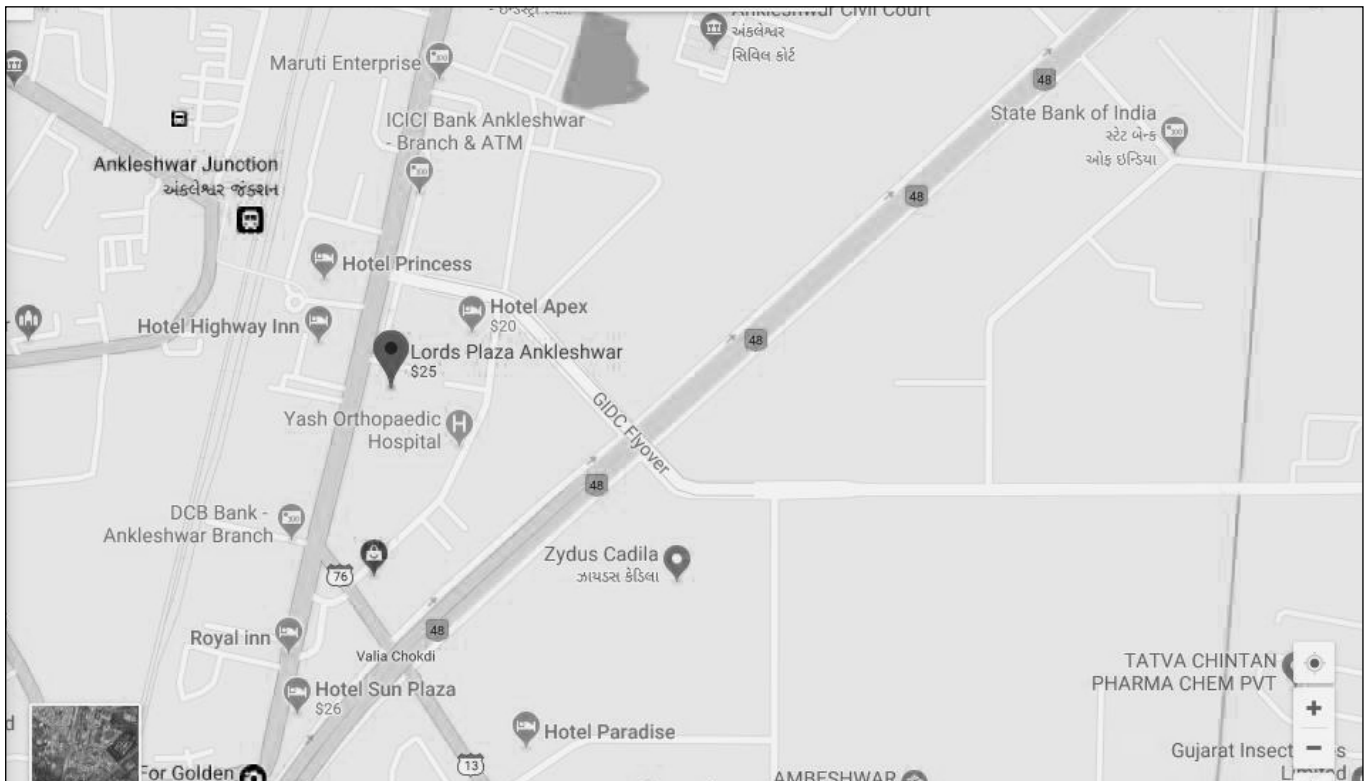
[Pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standards - 2 on General Meetings]

Name of Director	Mr. Amirali E. Rayani	Mr. Hussein V. Rayani	Mr. Amin A. Rayani	Samir A. Rayani	Mr. Mukesh Mehta	Mr. Madan Mohan Jain	Mr. Kumar Raju Nandimandalam
DIN	00002616	00172165	00002652	00002674	00002702	00003580	00829724
Date of Birth	26.02.1944	16.01.1978	17.05.1972	19.12.1975	20.07.1958	01.03.1944	25.06.1967
Date of Appointment	09.03.1982	31.10.2015	01.12.2000	01.12.2000	22.03.2003	30.12.2005	10.08.2018
Expertise in specific functional area	Mr. Amirali E. Rayani is the main promoter of the Company and has been actively associated with the Company since its inception and has played a key role in bringing the Company to its present heights. He has an experience of over 40 years in Petroleum industry. He oversees the entire operations.	Mr. Hussein V. Rayani holds Masters Degree in chemical engineering from University of Southern California and has been associated with the Company for more than 20 years. He has a vast experience and expertise in the fields of production and marketing. Mr. Hussein V. Rayani led multiple initiatives to accelerate production and sales of the Company.	Mr. Amin A. Rayani holds a bachelors degree in Commerce and is associated with the Company for over 23 years. He is currently Managing Director & CEO of the Company. He has vast experience and expertise in finance, production and marketing and thus oversees the same with respect of the Company.	Mr. Samir Rayani holds a bachelors degree in engineering (Chemical) from Mumbai University. He has been associated as a Whole-time Director overseeing the administrative aspects of the Company. He has a wide knowledge of production and marketing of Petroleum Products.	Mr. Mukesh Mehta holds a Bachelors degree in Commerce from Mumbai University. He has vast experience of 25 years in the field of exports. He is an expert in business planning and for export strategy and guides the Company in this regard.	Mr. Madan Mohan Jain holds a bachelors degree in science. He was earlier associated with ONGC as a Chief Geologist. He has an experience of over 35 years in field geological operations and petroleum exploration.	Mr. Kumar Raju Nandimandalam has Rich and wide experience of more than 28 years in the fields of Petroleum and Lubricants. He is a founding Member and Managing Director of LSR Speciality Oils Private Limited and LSR Lubricants Private Limited. He oversees the entire operations of the Company.
Qualification	SSC	Masters Degree in chemical engineering from University of Southern California	Bachelor's degree in commerce	Bachelor's degree in engineering (chemical)	Bachelor's degree in commerce	Bachelor's degree in science	B.Tech in Chemical engineering from A.C College of Technology, Anna University, Chennai. M.S in Chemical engineering from Illinois Institute of technology , Chicago, USA.
Directorship held in other Indian public limited Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Chairman/ Member of the Committee Board of Directors of the other Indian public limited Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil
No. of shares held in the Company	1536000	830550	1432500	1638750	Nil	Nil	Nil



Name of Director	Mr. Amirali E. Rayani	Mr. Hussein V. Rayani	Mr. Amin A. Rayani	Samir A. Rayani	Mr. Mukesh Mehta	Mr. Madan Mohan Jain	Mr. Kumar Raju Nandimandalam
Disclosure of Relationship 1) Directors	Mr. Amirali E. Rayani is directly related to Mr. Amin A. Rayani	Mr. Hussein V. Rayani is not directly related to any Director.	Mr. Amin A. Rayani is directly related to Mr. Amirali E. Rayani	Mr. Samir A. Rayani is not directly related to any Director.	Mr. Mukesh Mehta is not related to any director or KMP of the Company	Mr. Madan Mohan Jain is not related to any director or KMP of the Company	Mr. Kumar Raju Nandimandalam is not related to any director or KMP of the Company
2) Key Managerial Personnel	NA	NA	NA	NA	NA	NA	NA
No. of Board Meetings attended during the year	4 out of 4	4 out of 4	4 out of 4	4 out of 4	4 out of 4	4 out of 4	3 out of 3
Details of remuneration last drawn (2018-19)	₹ 36.00 lakhs	₹ 33.00 lakhs	₹ 34.20 lakhs	₹ 33.00 Lakhs	₹ 2.30 lakhs	₹ 2.00 lakhs	₹ 0.85 lakhs
Terms and conditions of re-appointment	As mentioned in resolution no. 4	As per the resolution passed by the shareholders of the company on 34 th AGM held on September 26, 2016.	As mentioned in resolution no. 5	As mentioned in resolution no. 6	As mentioned in resolution no. 7	As mentioned in resolution no. 8	As mentioned in resolution no. 9

Route Map to the venue of the AGM





DIRECTORS' REPORT

Dear Members

Your Directors have pleasure in presenting the Thirty – seventh Annual Report of the Company together with the Audited Statement of Accounts for the Financial Year ended March 31, 2019.

FINANCIAL HIGHLIGHTS

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	2018-2019	2017-2018	2018-2019	2017-2018
Net Profit before Tax	5,766.39	8,354.09	7,154.22	9,015.41
Less: Provision for Taxes	1,965.85	2,918.11	1,965.85	2,918.11
Net Profit After Tax	3,800.54	5,435.98	5,188.37	6,097.30
Other Comprehensive Income	(5.06)	1.91	(5.06)	1.91
Add : Profit Brought Forward	22,997.49	18,044.99	25,133.68	19,519.86
Profit available for appropriation	26,792.97	23,482.88	30,316.99	25,619.07
Dividend	725.92	403.29	725.92	403.29
Dividend distribution tax	149.22	82.10	149.22	82.10
Profit Carried Forward to Balance Sheet	25,917.83	22,997.49	29,441.85	25,133.68

OPERATIONAL PERFORMANCE

- Earnings before Interest, Depreciation and Tax & Amortization on a standalone basis decreased by 17.59% to ₹ 8116.35 lakhs.
- Net Profit on a standalone basis reduced by 30.08% to ₹ 3,800.54 lakhs.
- Revenue from Operations on a standalone basis reduced by 9.38% to ₹ 1,07,810.49 lakhs.
- The consolidated revenue from operations of the Company for the year ended March 31, 2019 was ₹ 1,26,932.57 lakhs a reduced by 5.68% on a Year on Year basis.
- Net Profit on a consolidated basis reduced by 15.02% to ₹ 5,188.37 lakhs.
- EPS on standalone basis reduced from ₹ 8.99 to ₹ 6.28.
- EPS on consolidated basis reduced from ₹ 10.08 to ₹ 8.58.

MANAGEMENT DISCUSSION & ANALYSIS

The detailed Management Discussion & Analysis Report for the year under review, as stipulated under Listing Regulations is presented in a separate section forming part of the Annual Report.

DIVIDEND

Your Board of Directors is pleased to propose a dividend at the rate of ₹ 1.2 per share (i.e. 60%) of ₹ 2/- each for the financial year 2018-19. (previous year ₹ 1.2 per share)

The dividend will be paid to the members holding shares in electronic form as per the beneficiary position downloaded from the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) as at the



close of business hours on September 10, 2019 and to those Members holding shares in physical form, after giving effect to valid transfers in respect of transfer requests lodged with the Company as at close of business hours September 10, 2019. Dividend will be paid within two weeks from the date of declaration of dividend.

The total outflow towards dividend on Equity Shares for the year would be ₹ 875.14 lakhs (including dividend tax).

TRANSFER TO RESERVES

The Company does not propose to transfer any amount to the General Reserve out of the amount available for appropriations.

CREDIT RATING

We are glad to announce that your Company got credit rating from one of the leading credit rating agencies CARE and is assigned a "CARE A-" Stable rating to the Long Term Facilities and "CARE A2+" rating to the Short Term Facilities.

SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2019 was ₹ 1,209.87 lakhs. During the year under review, the Company has not issued any shares. The Company has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company.

MATERIAL CHANGES AFFECTING THE COMPANY

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this report. There has been no change in the nature of business of the Company.

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

As on March 31, 2019 your Company has only one subsidiary, Panol Industries RMC FZE, UAE.

The Consolidated Financial Statements of the Company and its subsidiary, form part of the Annual Report and are reflected in the Consolidated Financial Statements of the Company.

The Company has adopted a Policy for determining Material Subsidiaries in terms of Regulation 16 (1) (c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The Policy, as approved by the Board, is uploaded on the Company's website: <http://panamapetro.com/wp-content/uploads/2015/12/msp.pdf>

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the accompanying Financial Statements.

PERFORMANCE AND FINANCIAL POSITION OF PANOL INDUSTRIES RMC FZE

Net sales of Panol Industries RMC FZE have increased significantly from ₹ 15,629.94 lakhs in the previous year to ₹ 19,122.08 lakhs during 2018-19. Net profit during the period is boosted 110% to ₹ 1,387.81 lakhs, as compared to a net profit of ₹ 661.32 lakhs in the previous year.

Panol Industries RMC FZE, UAE, is a wholly owned subsidiary of the Company. The Company has built a brand new manufacturing facility in Ras Al Khaimah (UAE). At this new facility the Company will manufacture petroleum specialty products to cater to the GCC & MENA regions.



The plant enjoys logistic advantage since it is situated on the port and has direct dedicated pipelines to receive and discharge raw material and finished products directly to bulk vessels.

During the year under review, no Company has become or ceased to be a subsidiary of the Company. The Company does not have any associate or joint venture Companies. A statement containing the salient features of the financial position of the subsidiary companies in Form AOC.1 is annexed as Annexure A.

RELATED PARTY TRANSACTIONS

All Related Party Transactions that were entered into during the financial year were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the Listing Regulations.

No material Related Party Transactions were entered during the financial year by the Company. Accordingly, the disclosure of Related Party Transactions, as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company and hence not provided.

All Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are planned/repetitive in nature. Related Party Transactions entered into pursuant to omnibus approval so granted are placed before the Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

The Company has adopted a Related Party Transactions Policy. The Policy, as approved by the Board, is uploaded on the Company's website at the web link: <http://panamapetro.com/wp-content/uploads/2016/01/Related-Party-Transactions.pdf>

Details of the transactions with Related Parties are provided in the accompanying financial statements.

RISK MANAGEMENT

Your Company has adopted a Risk Management Policy/ Plan in accordance with the provisions of the Companies Act, 2013 and the Listing Regulations. It establishes various levels of accountability and overview within the Company, while vesting identified managers with responsibility for each significant risk.

The Company has laid down procedures to inform the Audit Committee as well as the Board of Directors about risk assessment and management procedures and status.

This risk management process covers risk identification, assessment, analysis and mitigation. Incorporating sustainability in the process also helps to align potential exposures with the risk appetite and highlights risks associated with chosen strategies.

DIRECTORS

Your Company's Board comprises of 8 Directors with considerable experience in their respective fields. Of these 4 are Executive Directors and 4 Non Executive (Independent) Directors. The Chairman of the Board is an Executive Director.

APPOINTMENT & CESSATION OF DIRECTORS

In accordance with the provisions of Section 152 of the Act and the Company's Articles of Association, Mr. Hussein Rayani, Director retires by rotation and, being eligible offers himself for re-appointment. The Board recommends his re-appointment for the consideration of the Members of the Company at the forthcoming Annual General Meeting.

The Board of Directors at their meeting held on August 10, 2018, on recommendations of the Nomination & Remuneration Committee, and subject to approval of shareholders, during the year under review, appointed Mr. Kumar Raju Nandimandalam as an Additional (Independent) Director on the Board of Directors of the Company in accordance with Section 149(4) of the Act, with effect from August 10, 2018 to hold office for a term of 5 (five) consecutive years.



The Nomination & Remuneration Committee of the Board of Directors, on the basis of the reports of performance evaluation, has recommended re-appointment of Mr. Mukesh Mehta & Mr. Madan Mohan Jain as Independent Directors for a second term of 5 (five) consecutive years on the Board of the Company at the forthcoming Annual General Meeting by way of special resolutions.

The Board of Directors at their meeting held on May 24, 2019, on recommendations of the Nomination & Remuneration Committee, inter alia, approved the following changes to the Board of Directors of the Company, subject to approval of shareholders of the Company.

- (a) Re- appointment of Mr. Amirali Rayani (75 years) as a as Whole-time Director designated as Chairman of the Company with effect from June 29, 2019.
- (b) Re- appointment of Mr. Amin A. Rayani as Managing Director & Chief Executive Officer of the Company, for a period of 5 (five) years with effect from June 29, 2019.
- (c) Re-appointment of Mr. Samir A. Rayani as Whole-time Director designated as Executive Director of the Company, for a period of 5 (five) years with effect from June 29, 2019

Brief profiles of directors seeking appointments/ reappointments have been given in the Notice convening the Annual General Meeting.

Mr. Dilip Phatarphekar, an Independent Director of the Company informed the Board of Directors at its meeting held on August 10, 2018, of his desire to step down from directorship in view of his age. Mr. Dilip Phatarphekar had joined the Board in the year 2005 and since then has been an integral part of the Board and its Committees where he was a member.

He has contributed immensely to the functioning of the Board and the management has also benefitted from his advice and directions. The Board places on record gratitude for his advice and guidance

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16 (1) (b) of the Listing Regulations. In the opinion of the Board, they fulfill the conditions of independence as specified in the Act and the Rules made there under and are independent of the management.

In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties.

APPOINTMENTS/RESIGNATIONS OF THE KEY MANAGERIAL PERSONNEL

No Key Managerial Personnel has resigned or appointed during the year under review. However, The Board of Directors at their meeting held on May 24, 2019, on recommendations of the Nomination & Remuneration Committee reappointed Mr. Amin A. Rayani as Managing Director & Chief Executive Officer of the Company, for a period of 5 (five) years with effect from June 29, 2019.

BOARD AND COMMITTEE MEETINGS

Your Company's Board of Directors met four times during the financial year under review. A calendar of Meetings is prepared and circulated in advance to your Directors.

Audit Committee of the Company as constituted by the Board is headed by Mr. Madan Mohan Jain with Mr. Samir Rayani and Mr. Mukesh Mehta as Members. There have not been any instances during the year when recommendations of the Audit Committee were not accepted by the Board. All the recommendations made by the Audit Committee were accepted by the Board.



Details of the composition of the Board and its Committees and of the Meetings held and attendance of the Directors at such Meetings, are provided in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Act and the Listing Regulations.

PROCEDURE FOR NOMINATION AND APPOINTMENT OF DIRECTORS:

The Nomination and Remuneration Committee is responsible for developing competency requirements for the Board based on the industry and strategy of the Company. Board composition analysis reflects in-depth understanding of the Company, including its strategies, environment, operations, and financial condition and compliance requirements.

The Nomination and Remuneration Committee conducts a gap analysis to refresh the Board on a periodic basis, including each time a Director's appointment or re-appointment is required. The Committee is also responsible for reviewing and vetting the resume of potential candidates vis-à-vis the required competencies and meeting potential candidates, prior to making recommendations of their nomination to the Board. At the time of appointment, specific requirements for the position, including expert knowledge expected, is communicated to the appointee.

CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF A DIRECTOR:

The Nomination and Remuneration Committee has formulated the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of Section 178 (3) of the Act and Regulation 19 read with Part D of Schedule II of the Listing Regulations.

Independence: In accordance with the above criteria, a Director will be considered as an 'Independent Director' if he/ she meets with the criteria for 'Independent Director' as laid down in the Companies Act, 2013 and Regulation 16 (1) (b) of the Listing Regulations.

Qualifications: A transparent Board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, and gender. It is also ensured that the Board has an appropriate blend of functional and industry expertise. While recommending the appointment of a Director, the Nomination and Remuneration Committee considers the manner in which the function and domain expertise of the individual will contribute to the overall skill-domain mix of the Board.

Positive Attributes: In addition to the duties as prescribed under the Companies Act, 2013 the Directors on the Board of the Company are also expected to demonstrate high standards of ethical behavior, strong interpersonal skills and soundness of judgment. Independent Directors are also expected to abide by the 'Code for Independent Directors' as outlined in Schedule IV to the Act.

ANNUAL EVALUATION OF BOARD PERFORMANCE AND PERFORMANCE OF ITS COMMITTEES AND OF DIRECTORS:

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, the Board had carried out evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees.

The Nomination and Remuneration Committee has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors.

The Board's functioning was evaluated on various aspects, including inter alia structure of the Board, including qualifications, experience and competency of Directors, diversity in Board and process of appointment; Meetings of the Board, including regularity and frequency, agenda, discussion and dissemination of information; functions of the Board, including strategy and performance evaluation, corporate culture and values, governance and compliance, evaluation of risks, grievance redressal for investors, stakeholder value and responsibility, conflict of interest, review of Board evaluation and facilitating Independent Directors to perform their role effectively; evaluation of management's performance and feedback, independence of management from the Board, access of Board and management to each other, succession plan and professional development; degree of fulfillment of key responsibilities, establishment and delineation of responsibilities to Committees, effectiveness of Board processes, information and functioning and quality of relationship between the Board and management.



Directors were evaluated on aspects such as attendance and contribution at Board/ Committee Meetings and guidance/ support to the management outside Board/ Committee Meetings. In addition, the Chairman was also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members and motivating and providing guidance to the Managing Director & CEO.

Areas on which the Committees of the Board were assessed included degree of fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of meetings. The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Board as a whole. The Nomination and Remuneration Committee also reviewed the performance of the Board, its Committees and of the Directors. The Chairman of the Board provided feedback to the Directors on an individual basis, as appropriate. Significant highlights, learning and action points with respect to the evaluation were presented to the Board.

REMUNERATION POLICY

Your Company has adopted a Remuneration Policy for the Directors, Key Managerial Personnel and Senior Management, pursuant to the provisions of the Act and Listing Regulations.

The philosophy for remuneration of Directors, Key Managerial Personnel of the Company is based on the commitment of fostering a culture of leadership with trust. The Remuneration Policy of the Company is aligned to this philosophy.

The Nomination and Remuneration Committee has considered the following factors while formulating the Policy:

- (i) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- (ii) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (iii) Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

Details of the Remuneration Policy are given in the Corporate Governance Report.

LISTING OF SHARES

Your Company's shares are listed on the BSE Limited and National Stock Exchange of India Limited. The Company has paid the listing fees for the year 2018–2019. The GDRs of the Company are listed on Luxembourg Stock Exchange.

CORPORATE GOVERNANCE

Your Company has implemented all the mandatory requirements pursuant to Listing Regulations. A separate report on Corporate Governance is given as a part of the Annual Report along with the certificate received from the Practicing Company Secretary, M/s. Milind Nirkhe & Associates, Company Secretaries, confirming the compliance.

PUBLIC DEPOSITS

During the year under report, your Company did not accept any deposits from the public.

INSURANCE

Your Company has taken adequate insurance cover for all its assets.

INTERNAL FINANCIAL CONTROLS

Your Company has in place adequate internal financial controls with reference to financial statements. Your Company has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to



the 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 disclosures.

CORPORATE SOCIAL RESPONSIBILITY

As a socially responsible Company, your Company has a strong sense of community responsibility.

As its operations have expanded, your Company has retained a collective focus on the various areas of corporate sustainability that impact people, environment and the society at large. Founded on the philosophy that society is not just another stakeholder in its business, but the prime purpose of it, the Company, across its various operations is committed to making a positive contribution.

The Board has constituted a Corporate Social Responsibility Committee headed by Mr. Mukesh Mehta as Chairman, with Mr. Amin A. Rayani and Ms. Nargis Kabani as Members. The Company has adopted a Corporate Social Responsibility (CSR) Policy in compliance with the provisions of the Companies Act, 2013. As part of its CSR initiatives, the Company has undertaken projects in the areas of promoting health care and education. The above projects are in accordance with Schedule VII of the Act. The Company has spent ₹ 32.90 lakhs towards the CSR projects during the current Financial Year 2018-19.

The Annual Report on CSR activities is annexed as Annexure B.

POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. The Company has also constituted an Internal Complaints Committee, to inquire into complaints of sexual harassment and recommend appropriate action.

The Company has not received any complaint of sexual harassment during the financial year 2018-19.

TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the applicable provisions of the Companies Act, 2013, the amounts of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the unpaid dividend account of the Company are required to be transferred to the Investor Education and Protection Fund (IEPF) set up by the Government of India. Consequently no claim shall lie against the Company in respect of any such amounts.

The amount of unpaid / unclaimed dividend up to the financial year 2011-2012 (interim) has been transferred to IEPF. Members who have not yet encashed their dividend warrant(s) for the financial year ended March 31, 2012 and for any subsequent financial year, are requested to make their claims to the Company without any delay, to avoid transfer of their dividend/ shares to the Fund/ IEPF Demat Account.

Members are also requested to note that, pursuant to the provisions of Section 124 of the Act and the IEPF Rules, the Company is obliged to transfer all shares on which dividend has not been paid or claimed for seven consecutive years or more to an IEPF Demat Account.

Members/ claimants whose shares, unclaimed dividend, have been transferred to the IEPF Demat Account or the Fund, as the case may be, may claim the shares or apply for refund by making an application to the IEPF Authority in Form IEPF- 5 (available on iepf.gov.in) along with requisite fee as decided by the IEPF Authority from time to time. The Member/ Claimant can file only one consolidated claim in a financial year as per the IEPF Rules.



VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blower Policy, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

No significant material orders have been passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

AUDITORS

• **STATUTORY AUDITORS**

Pursuant to the provisions of the Act and the Rules made there under, Bhuta Shah & Co LLP Chartered Accountants, (Previously known as M/s Bhuta Shah & Co.) were appointed as Statutory Auditors of the Company from the conclusion of the 33th AGM held on September 14, 2015 till the conclusion of the AGM to be held in the year 2020.

The Auditors have issued an unmodified opinion on the Financial Statements for the financial year ended March 31, 2019.

The Auditors' Report for the financial year ended March 31, 2019 on the financial statements of the Company is a part of this Annual Report.

• **COST AUDITORS**

The Company is required to maintain cost records as specified by the Central Government under sub-section (1) of Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, and accordingly such accounts and records are made and maintained in the prescribed manner.

Based on the Audit Committee recommendation at its meeting held on May 24, 2019, GMVP & Associates LLP (LLPIN :- AAG-7360) were appointed by the Board as the Cost Auditors of the Company for conducting an audit of the cost accounting records of the Company for financial year commencing from April 1, 2019 to March 31, 2020.

Pursuant to the provisions of Section 148 of the Act read with The Companies (Audit and Auditors) Rules, 2014, Members are requested to consider the ratification of the remuneration payable to GMVP & Associates LLP.

• **SECRETARIAL AUDITOR**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed CS. Milind Nirkhe, Practicing Company Secretary (Proprietor), Practicing under the name & style M/S Milind Nirkhe & Associates, CP No: 2312 to undertake the Secretarial Audit of the Company for the year ended March 31, 2019. The Secretarial Audit Report for the year under review is annexed as Annexure C.

The Auditors' Report and the Secretarial Audit Report for the financial year ended March 31, 2019 do not contain any qualification, reservation, adverse remark or disclaimer.

SECRETARIAL STANDARDS OF ICSI

The Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS - 1) and General Meetings (SS - 2) issued by The Institute of Company Secretaries of India and approved by the Central Government.



REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditors 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.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A. Conservation of Energy:

The Company is aware of energy consumption and environmental issues related to it and is continuously making sincere efforts towards conservation of energy. The Company is in fact engaged in the continuous process of further energy conservation through improved operational and maintenance practices.

The Company has taken adequate actions to conserve the energy as Process time reduction by technically improved blending system.

(i) Steps Taken or Impact on Conservation of Energy:

In line with the Company's commitment towards conservation of energy, all plants continue with their efforts aimed at improving energy efficiency through innovative measures to reduce wastage and optimize consumption. Some of the measures taken by the Company in this direction are as under Include:

1. At its Plants, the Company has carried out various actions to optimize energy consumption and reduce losses.
2. Energy efficient motors are being installed in order to optimize use of power.

(ii) Steps taken by the Company for utilizing alternate sources of Energy:

In addition to various initiatives around energy efficiencies, the Company has also focused on renewable sources of energy. Various steps taken for utilizing alternate sources of energy.

(iii) Capital Investment on Energy Conservation Equipments:

During the year, the Company has invested in various energy conservation equipments. The equipment in which investment was made included, various energy efficient electric motors. The Company has also installed power efficient material handling and flowing system which has played role in energy saving.

The Company has technically improved its thermo packs to get better fuel efficiency and lower emission stack.

B. Technology Absorption:

(i) Efforts made towards Technology Absorption:

Technology is a key enabler and core facilitator as one of the strategic pillars of the Company. Since inception your Company has been at the forefront of leveraging technology to provide better products and services to its customer.

The Company has an updated R & D Center at its Ankleshwar Plant. It is the technical centre of the Company and has been the backbone for most of our major product breakthroughs. This Centre at Ankleshwar is fully equipped with modern testing & analytical equipments. The Centre is operated by the team of well qualified technocrats, as a result, the in – house R & D unit of Panama has been recognized by the **Ministry of Science & Technology & the Department of Scientific and Industrial Research (DSIR)**. With this recognition Company will spend more on



R & D activities and get more new products which will be of better quality. It will also assist in research for import substitution, energy conservation and control of pollution. The in-house R & D facility has enabled us to develop new products.

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution:

Technology has responded by being true strategic partner with business. The Company has derived many benefits from R & D and technology absorption which includes product development, product improvement & effective cost management, technology has also played a major role in ensuring high level of service delivery.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

- (a) the details of technology imported: The Company has not imported any technology during the last three financial years.
- (b) the year of import: Not Applicable
- (c) whether the technology has been fully absorbed: Not Applicable
- (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable

Expenditure on research & development

The expenditure on R & D activities incurred during the year is given hereunder:

Particulars	(₹ in lakhs)
Capital	0.00
Revenue	33.01
Total R & D Expenditure	33.01
Total Turnover	107,810.49
Total R & D Expenditure as a Percentage of total turnover	0.30

C. Foreign exchange earnings and outgo:

- i. Export Activities:** During the year under review the Company has made Import / Export as given in (ii) below.
- ii. Foreign Exchange Earnings and Outgo:**

	(₹ in lakhs)
Total Foreign Exchange Inflow	36,403.13
Total Foreign Exchange outflow	64,641.88

PARTICULARS OF EMPLOYEES

The information required under Section 197(12) of the Act read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and the information required under Rule 5 (2) and (3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure D forming part of the Report.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92 (3) of the Act and Rule 12 (1) of The Companies (Management and Administration) Rules, 2014, the extract of Annual Return in form MGT 9 is annexed as Annexure E. Report and is also available on the Company's website at www.panamapetro.com



AUDITORS' REPORT

Comments made by the Statutory Auditors in the Auditors' Report are self- explanatory and do not require any further clarification.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of the provisions of Section 134 (3) (c) and 134 (5) of the Companies Act, 2013, and to the best of their knowledge and belief and according to the information and explanations obtained by them and same as mentioned elsewhere in this Report, the attached Annual Accounts and the Auditors' Report thereon, your Directors confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- (ii) they have 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 of the Company for that period;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the annual accounts on a going concern basis;
- (v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

ACKNOWLEDGEMENT

We thank our Clients, Investors, Dealers, Suppliers and Bankers for their continued support during the year. We place on record our appreciation for the contributions made by employees at all levels. Our consistent growth was made possible by their hard work, solidarity, co-operation and support.

By Order of the Board of Directors
For **Panama Petrochem Ltd**

Amirali E Rayani
Chairman
DIN:00002616

Date : August 14, 2019
Place : Mumbai



ANNEXURE A TO THE DIRECTORS' REPORT

FORM AOC.1

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures [Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]

Part "A": Subsidiaries

(₹ in lakhs)

Sr. No.	Particulars	1
1	Name of subsidiary	Panol Industries RMC FZE, UAE
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	N.A
3	Reporting currency and exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	AED (AED 1 = 18.8699 INR)
4	Share Capital	5,185.62
5	Reserves & Surplus	4,072.44
6	Total Assets	18,913.43
7	Total liabilities	9,655.37
8	Investments	0
9	Turnover	19,122.08
10	Profit before taxation	1,387.81
11	Provision for taxation	0
12	Profit after taxation	1,387.81
13	Proposed Dividend	Nil
14	% of shareholding	100%

Part B of the Annexure is not applicable as there are no associate companies/ joint ventures of the Company as on March 31, 2019.

By Order of the Board of Directors
For **Panama Petrochem Ltd**

Amirali E Rayani
Chairman
DIN:00002616

Date : August 14, 2019
Place : Mumbai



ANNEXURE B TO THE DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1.	A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.	<p>Panama's CSR policy, which encompasses the Company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large. The Company has framed its CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website at the web link:</p> <p>http://panamapetro.com/wp-content/uploads/2015/12/CSR-policy.pdf</p> <p>Overview of Activities: In line with the CSR policy and in accordance of schedule VII of the Companies Act, 2013 your company undertook various activities during the year. Key initiative undertaken.</p> <ul style="list-style-type: none"> • Promoting health care • Promoting education
2.	The Composition of the CSR Committee.	<p>Mr. Mukesh Mehta (Chairman)</p> <p>Mr. Amin A. Rayani</p> <p>Ms. Nargis Kabani</p>
3.	Average net profit of the Company for last three financial year.	5,898.74 lakhs
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	117.97 lakhs
5.	<p>Details of CSR spent for the financial year:</p> <p>(a) Total amount to be spent for the financial year</p> <p>(b) Amount unspent, if any:</p> <p>(c) Manner in which the amount spent during the financial year is detailed below:</p>	<p>117.97 lakhs (2% of average net profit of last three years)</p> <p>85.07</p> <p>The manner in which the amount is spent is annexed.</p>
6.	In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.	Since some of the projects undertaken by the Company are ongoing projects where the Company will have a continuing engagement over few years, part of the spend out of the total allocated budget for such projects will be in the next year.
7.	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.	The implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

Amin A. Rayani
Managing Director & CEO
DIN:00002652

Mukesh Mehta
Chairman - CSR Committee
DIN: 00002702

Date : August 14, 2019

Place : Mumbai



Annexure to CSR Report (point 5 (c) of the CSR Report)

(₹ in lakhs)

Sr. No.	CSR Project or activity indentified	Sector in which the project is covered (clause no. of Schedule VII to the Companies Act, 2013, as amended)	Projects or programs(1) Local area or other(2)Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads:(1) Direct expenditure on projects or programs (2) overheads	Cumulative expenditure upto the reporting period	Amount spent : Direct or through implementation agency
1	Fidai Girls Educational Institute	Clause (ii), Promoting education	Mumbai, Maharashtra	100.00	30.90	30.90	Direct
2	Ismaliya Helping Society	Clause (ii), Promoting education	Mumbai, Maharashtra	15.00	0.50	0.50	Direct
3	Dr. Godboles Heart care centre	Clause (i) Promoting Healthcare	Mumbai, Maharashtra	1.90	1.00	1.00	Direct
4	St. Francis Institute of Art & Design	Clause (ii), Promoting education	Mumbai, Maharashtra	1.10	0.50	0.50	Direct
Total				118.00	32.90	32.90	

By Order of the Board of Directors
For **Panama Petrochem Ltd**

Amirali E Rayani
Chairman
DIN:00002616

Date : August 14, 2019
Place : Mumbai



ANNEXURE C TO THE DIRECTORS' REPORT

**Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED March 31, 2019.
*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule no.9 of the
Companies (Appointment and Remuneration Personnel) Rules, 2014***

To,
The Members,
PANAMA PETROCHEM LIMITED

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by PANAMA PETROCHEM LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the PANAMA PETROCHEM LIMITED'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 authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2019 ('Audit Period'), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **PANAMA PETROCHEM LIMITED** ("the Company") for the financial year ended on March 31, 2019 ('Audit Period'), according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company for the audit period)
 - d. The Securities and Exchange Board of India (share Based Employee Benefits) Regulations, 2014 ; (Not applicable to the Company for the audit period)
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company for the audit period)
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company for the audit period)



- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company for the audit period)
- vi. Other laws specifically applicable to the Company namely
 - The Petroleum Act, 1934
 - Lubricating Oils & Greases (Processing, Supply, & distribution Regulation) Orders, 1987
 - Drugs & Cosmetics Act, 1940
 - Water (Prevention and Control of Pollution) Act, 1974
 - Air (Prevention and Control of Pollution) Act, 1981
 - Industries (Development & Regulations) Act, 1951
 - Hazardous Waste (Management, Handling & Trans-boundary Movement) Rule-2008

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The SEBI (Listing Obligation & Disclosure Requirements), Regulation 2015 entered into by the Company with Stock Exchanges

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

I 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.

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

Decisions at the Board Meetings were taken unanimously.

I 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.

I further report that during the audit period the company there are no events having a major bearing on the Companies Affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Place : Mumbai
Date : August 14, 2019

Signature:
CS.MILIND NIRKHE
FCS No: 4156
C P No.: 2312



‘Annexure A’

To,
The Members
PANAMA PETROCHEM LIMITED.

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Mumbai
Date : August 14, 2019

Signature:
CS.MILIND NIRKHE
FCS No: 4156
C P No.: 2312



ANNEXURE D TO THE DIRECTORS' REPORT

[Pursuant to Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

1. The ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the financial year:

(**Explanation:** (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)

2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary, or Manager, if any, in the financial year:

The ratio of remuneration of each Director to the Median Remuneration of all employees who were on the payroll of the Company and the percentage increase in remuneration of the Directors during the financial year 2018-19 are given below:

Directors	Ratio to Median	Percentage Increase in Remuneration
Mr. Amirali Rayani	17.65	Nil
Mr. Samir Rayani	16.18	Nil
Mr. Hussein Rayani	16.18	Nil

Managing Directors & CEO	Ratio to Median	Percentage Increase in Remuneration
Mr. Amin Rayani	16.76	Nil

The percentage increase in remuneration of the Chief Financial Officer is 10% and of the Company Secretary is 10%

3. The percentage increase in the median remuneration of employees in the financial year: 10%
4. The number of permanent employees on the rolls of Company: 151
5. Average percentile increase 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 percentage increase in the salaries of employees other than the managerial personnel in the last financial year is 10%, and there is no increase in the managerial remuneration. The increment given to each individual employee is based on the employees' potential, experience as also their performance and contribution to the Company's progress over a period of time and also benchmarked against a comparable basket of relevant companies in India.
6. Affirmation that the remuneration is as per the Remuneration Policy of the Company: It is affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and Senior Management, adopted by the Company.

Disclosure under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016

The following details are given in respect of top ten employees in terms of remuneration



Name & age (years), designation, remuneration (₹ in lakhs), qualification & experience (Years), date of commencement of employment, last employment held (Name of employer, post held)

1. Mr. Pramod Maheshwari (42), Chief Financial Officer, ₹ 38.97 lakhs, B.Com., CA, (19), 19.04.2010, Unimark Remedies Limited- General Manager
2. Mr. Amirali Rayani (75), Chairman, ₹ 36.00 lakhs, SSC.,(47), 09.03.1982, None.
3. Mr. Amin Rayani (47), Managing Director & CEO, ₹ 34.20 lakhs, B.Com., (23), 01.12.2000, None
4. Mr. Samir Rayani (44), Whole-time Director, ₹ 33 lakhs, B.E.-Chemical. (22) 01.12.2000, None.
5. Mr. Hussein Rayani (41), Joint Managing Director, ₹ 33 lakhs, Masters Degree in Chemical Engineering (20), 01.04.2004 , None
6. Ms. Gayatri Sharma (34), Company Secretary & Compliance Officer ₹ 29 lakhs, B.Com ,CS, LL.B. (11), 08.12.2010, Pinkcity Buildhome Pvt. Ltd. - Company Secretary
7. Mr. Santosh Kamath (45), National Sales Manager, ₹ 27.32 lakhs, B.E (Chemical), (24), 01.11.2012, M/s ITW Chemin- OEM Sales
8. Mr. Pradip kumar Nikam (57), Vice President, ₹ 21.24 lakhs, BE Electrical, (35), 20.01.1982, Kankariya Chemicals
9. Mr. P.K Johari (62), Area Sales Manager, ₹ 20.62 lakhs, MSC (40), 01.04.2016, GP Petroleum Ltd.-Senior Vice President-RPO
10. Mr. Mayur Jagdish Parikh (40), Area Sales Manager ₹ 18.55 lakhs, B.Sc.(chemistry), DBM (18.5), 01.08.2013, GP Petroleum Ltd.- Senior Marketing Manager

Notes:

1. The nature of employment is contractual for all the above employees.
2. None of the employees of the Company is related to any Director of the Company except Mr. Amirali Rayani - Chairman of the Company and Mr. Amin Rayani - Managing Director & CEO of the Company.
4. Name of the employees employed throughout the year were in receipt of remuneration of not less than ₹ 1 crore and 2 lakhs for the year: Nil
5. Name of the employees employed for the part of the year were in receipt of remuneration of not less than ₹ 8.50 lakhs per month: Nil
6. The percentage of equity shares held by the employee in the Company within the meaning of Clause (iii) of sub rule (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 - Not Applicable

By Order of the Board of Directors
For **Panama Petrochem Ltd**

Amirali E. Rayani
Chairman

DIN:00002616

Date : August 14, 2019

Place : Mumbai



ANNEXURE E TO THE DIRECTORS' REPORT

**FORM NO. MGT.9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2019**

**[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of
The Companies (Management and Administration) Rules, 2014]**

I. REGISTRATION AND OTHER DETAILS

CIN	L23209GJ1982PLC005062
Registration Date	March 9, 1982
Name of the Company	Panama Petrochem Limited
Category / Sub-Category of the Company	Public Company/ Limited by Shares
Address of the Registered Office and contact details	Plot no.3303, GIDC Estate , Ankleshwar, Gujarat -393002 Tel : 91-2646-221 068 Fax : 91-2646-250281
Whether listed company	Yes
Name, address and contact details of Registrar & Transfer Agent	Bigshare Services Private Limited, 1st Floor, Bharat Tin Works Building, Opp.Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai-400059 Tel : 91-22-62638200 Fax : 91-22-62638299 mail : info@bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the products / services	% to total turnover of the Company
1	Panoil	192 (Manufacture of refined petroleum products)	96.60%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Panoil Industries RMC FZE	N.A	Subsidiary	100	2(87)



IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Statement Showing Shareholding Pattern										
Category of Shareholder		No. of Shares held at the beginning of the year: 01/04/2018				No. of Shares held at the end of the year :31/03/2019				% Change
		Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
(A)	Shareholding of Promoter and Promoter Group2									
1)	Indian									
(a)	INDIVIDUAL / HUF	27784356	0	27784356	45.93	27784356	0	27784356	45.93	0.00
(b)	Central / State government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	BODIES CORPORATE	2162595	0	2162595	3.57	2505016	0	2505016	4.14	0.57
(d)	FINANCIAL INSTITUTIONS / BANKS	0	0	0	0.00	0	0	0	0.00	0.00
(e)	ANY OTHERS (Specify)									
	(i) GROUP COMPANIES	0	0	0	0.00	0	0	0	0.00	0.00
	(ii) TRUSTS	0	0	0	0.00	0	0	0	0.00	0.00
	(iii) DIRECTORS RELATIVES	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL (A)(1) :	29946951	0	29946951	49.50	30289372	0	30289372	50.07	0.57
2)	Foreign									
(a)	BODIES CORPORATE	0	0	0	0.00	0	0	0	0.00	0.00
(b)	INDIVIDUAL	0	0	0	0.00	0	0	0	0.00	0.00
(c)	INSTITUTIONS	0	0	0	0.00	0	0	0	0.00	0.00
(d)	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
(e)	ANY OTHERS (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL (A)(2) :	0	0	0	0.00	0	0	0	0.00	0.00
	Total holding for promoters									
	(A)=(A)(1) + (A)(2)	29946951	0	29946951	49.50	30289372	0	30289372	50.07	0.57
(B)	Public shareholding									
1)	Institutions									
(a)	Central / State government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	FINANCIAL INSTITUTIONS / BANKS	7189	0	7189	0.01	19620	0	19620	0.03	0.02
(c)	MUTUAL FUNDS / UTI	0	102000	102000	0.17	0	0	0	0.00	(0.17)
(d)	VENTURE CAPITAL FUNDS	0	0	0	0.00	0	0	0	0.00	0.00
(e)	INSURANCE COMPANIES	0	0	0	0.00	0	0	0	0.00	0.00
(f)	FII'S	48813	0	48813	0.08	48813	0	48813	0.08	0.00
(g)	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.00	0	0	0	0.00	0.00
(h)	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
(i)	ANY OTHERS (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
(j)	FOREIGN PORTFOLIO INVESTOR	385515	0	385515	0.64	388393	0	388393	0.64	0.00
(k)	ALTERNATE INVESTMENT FUND	50650	0	50650	0.08	0	0	0	0.00	(0.08)
	SUB TOTAL (B)(1) :	492167	102000	594167	0.98	456826	0	456826	0.76	(0.23)
2)	Non-institutions									
(a)	BODIES CORPORATE	733462	15750	749212	1.24	523201	15750	538951	0.89	(0.35)
(i)	NBFC	25	0	25	0.00	0	0	0	0.00	0.00



Statement Showing Shareholding Pattern										
Category of Shareholder		No. of Shares held at the beginning of the year: 01/04/2018				No. of Shares held at the end of the year :31/03/2019				% Change
		Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
(b)	INDIVIDUAL									
	(i) (CAPITAL UPTO TO ₹ 1 Lakh)	6956818	644390	7601208	12.57	6589907	584140	7174047	11.86	(0.71)
	(ii) (CAPITAL GREATER THAN ₹ 1 Lakh)	2169682	52500	2222182	3.67	2596469	52500	2648969	4.38	0.71
(c)	ANY OTHERS (Specify)									
	(i) TRUSTS	19702	0	19702	0.03	19702	0	19702	0.03	0.00
	(ii) CLEARING MEMBER	203769	0	203769	0.34	108450	0	108450	0.18	(0.16)
	(iii) NON RESIDENT INDIANS (NRI)	351112	0	351112	0.58	157447	0	157447	0.26	(0.32)
	(iv) NON RESIDENT INDIANS (REPAT)	57595	0	57595	0.10	276457	0	276457	0.46	0.36
	(v) NON RESIDENT INDIANS (NON REPAT)	134396	0	134396	0.22	113461	0	113461	0.19	(0.03)
	(vi) DIRECTORS RELATIVES	0	0	0	0.00	0	0	0	0.00	0.00
	(vii) EMPLOYEE	0	0	0	0.00	0	0	0	0.00	0.00
	(viii) OVERSEAS BODIES CORPORATES	0	0	0	0.00	1747146	0	1747146	2.89	2.89
	(ix) UNCLAIMED SUSPENSE ACCOUNT	0	0	0	0.00	0	0	0	0.00	0.00
	(x) IEPF	183192	0	183192	0.30	306581	0	306581	0.51	0.20
(d)	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
(e)	FOREIGN PORTFOLIO INVESTOR	0	0	0	0.00	63602	0	63602	0.11	0.11
	SUB TOTAL (B)(2) :	10809753	712640	11522393	19.05	12502423	652390	13154813	21.75	2.70
	Total Public Shareholding									
	(B)=(B)(1) + (B)(2)	11301920	814640	12116560	20.03	12959249	652390	13611639	22.50	2.47
(C)	Shares held by Custodians and against which Depository Receipts have been issued									
(a)	SHARES HELD BY CUSTODIANS									
	(i) Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
	(ii) Public	18430087	0	18430087	30.47	16592587	0	16592587	27.43	(3.04)
	SUB TOTAL (C)(1) :	18430087	0	18430087	30.47	16592587	0	16592587	27.43	(3.04)
	(C)=(C)(1)	18430087	0	18430087	30.47	16592587	0	16592587	27.43	(3.04)
	Grand Total (A) + (B) + (C)	59678958	814640	60493598	100.00	59841208	652390	60493598	100.00	0.00

(ii) Shareholding of Promoters

Sr. No.	NAME	Shareholding at the beginning of the year 01/04/2018			Shareholding at the end of the year 31/03/2019			% Change in shareholding during the year
		Number of Shares	% Shares of the Company	% of Shares Pledged/encumbered to total shares	Number of Shares	% Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	AKBARALI ESSABHAI RAYANI	1504125	2.4864	0.0000	1504125	2.4864	0.0000	0.0000
2	AMIN AMIRALI RAYANI	1432500	2.3680	0.0000	1432500	2.3680	0.0000	0.0000
3	AMIRALI ESSABHAI RAYANI	1536000	2.5391	0.0000	1536000	2.5391	0.0000	0.0000
4	ARIF AMIRALI RAYANI	1780029	2.9425	0.0000	1780029	2.9425	0.0000	0.0000



Sr. No.	NAME	Shareholding at the beginning of the year 01/04/2018			Shareholding at the end of the year 31/03/2019			% Change in shareholding during the year
		Number of Shares	% Shares of the Company	% of Shares Pledged/encumbered to total shares	Number of Shares	% Shares of the Company	% of Shares Pledged/encumbered to total shares	
5	BEGUMBANU AKBERALI RAYANI	2144625	3.5452	0.0000	2144625	3.5452	0.0000	0.0000
6	CHEMINE AMIN RAYANI	1783794	2.9487	0.0000	1783794	2.9487	0.0000	0.0000
7	GULSHAN SALIMALI RAYANI	142500	0.2356	0.0000	142500	0.2356	0.0000	0.0000
8	HUSSEIN VAZIRALI RAYANI	830550	1.3730	0.0000	830550	1.3730	0.0000	0.0000
9	IQBAL VAZIRALI RAYANI	1832977	3.0300	0.0000	1832977	3.0300	0.0000	0.0000
10	ITTEFAQ ICE AND COLD STORAGE COMPANY PRIVATE LIMITED	0	0.0000	0.0000	342421	0.5660	0.0000	0.5660
11	ITTEFAQ ICE AND COLD STORAGE COMPANY PRIVATE LIMITED	2162595	3.5749	0.0000	2162595	3.5749	0.0000	0.0000
12	MALIKA VAZIRALI RAYANI	1011342	1.6718	0.0000	1011342	1.6718	0.0000	0.0000
13	MUNIRA HUSSEIN RAYANI	888750	1.4692	0.0000	888750	1.4692	0.0000	0.0000
14	NABAT AMIRALI RAYANI	2219625	3.6692	0.0000	2219625	3.6692	0.0000	0.0000
15	NILIMA SHAHNAWAZ KHERAJ	3000	0.0050	0.0000	3000	0.0050	0.0000	0.0000
16	SALIMALI ESSABHAI RAYANI	1884	0.0031	0.0000	1884	0.0031	0.0000	0.0000
17	SALIMALI ESSABHAI RAYANI	1519703	2.5122	0.0000	1519703	2.5122	0.0000	0.0000
18	SAMIR AKBARALI RAYANI	1638750	2.7090	0.0000	1638750	2.7090	0.0000	0.0000
19	SAPNA SAMIR RAYANI	1522207	2.5163	0.0000	1522207	2.5163	0.0000	0.0000
20	SERENA IQBAL RAYANI	720000	1.1902	0.0000	720000	1.1902	0.0000	0.0000
21	SHELINA ARIFALI RAYANI	4182412	6.9138	0.0000	4182412	6.9138	0.0000	0.0000
22	VAZIRALI ESSABHAI RAYANI	17083	0.0282	0.0000	17083	0.0282	0.0000	0.0000
23	VAZIRALI ESSABHAI RAYANI	1072500	1.7729	0.0000	1072500	1.7729	0.0000	0.0000
	Total	29946951	49.5043	0.0000	30289372	50.0703	0.0000	0.5660

(iii) Change in Promoters' Shareholding

Sr. No.	Reason	Date	Share holding		Cumulative shareholding during the year.		
			Number of Shares	% of total shares of the company	Number of Shares	% of total shares of the company	
1	At the beginning of the year		29946951	49.50	29946951	49.50	
2	INCREASE	Acquisition from Secondary Market	08/06/2018	1246	0.00	29948197	49.51
3	INCREASE	Acquisition from Secondary Market	15/06/2018	44788	0.07	29992985	49.58
4	INCREASE	Acquisition from Secondary Market	22/06/2018	92445	0.15	30085430	49.73
5	INCREASE	Acquisition from Secondary Market	06/07/2018	2168	0.00	30087598	49.74
6	INCREASE	Acquisition from Secondary Market	13/07/2018	5596	0.01	30093194	49.75
7	INCREASE	Acquisition from Secondary Market	07/09/2018	33267	0.06	30126461	49.8
8	INCREASE	Acquisition from Secondary Market	14/09/2018	35805	0.06	30162266	49.86
9	INCREASE	Acquisition from Secondary Market	28/09/2018	14441	0.02	30176707	49.88
10	INCREASE	Acquisition from Secondary Market	05/10/2018	25231	0.04	30201938	49.93
11	DECREASE	Acquisition from Secondary Market	12/10/2018	552	0.00	30201386	49.92
12	INCREASE	Acquisition from Secondary Market	19/10/2018	552	0.00	30201938	49.93
13	INCREASE	Acquisition from Secondary Market	01/03/2019	24606	0.04	30226544	49.97



Sr. No.		Reason	Date	Share holding		Cumulative shareholding during the year.	
				Number of Shares	% of total shares of the company	Number of Shares	% of total shares of the company
14	INCREASE	Acquisition from Secondary Market	15/03/2019	312	0.00	30226856	49.97
15	INCREASE	Acquisition from Secondary Market	22/03/2019	62516	0.10	30289372	50.07
	At the end of the year					30289372	50.07

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

Sr. No.	NAME	No. of Shares at the beginning / End of the year	Date	Increase/ Decrease in shareholding	Reason	Number of Shares	Percentage of total shares of the company
1	CITIBANK N.A. NEW YORK, NYADR DEPARTMENT	18430087	31-Mar-18	0	Transfer	18430087	30.47
			13-Apr-18	844	Transfer	18430931	30.47
			20-Apr-18	-522	Transfer	18430409	30.47
			27-Apr-18	-322	Transfer	18430087	30.47
			4-May-18	312	Transfer	18430399	30.47
			11-May-18	-312	Transfer	18430087	30.47
			8-Jun-18	-1837500	Transfer	16592587	27.43
			29-Jun-18	519	Transfer	16593106	27.43
			6-Jul-18	-312	Transfer	16592794	27.43
			13-Jul-18	-207	Transfer	16592587	27.43
			31-Aug-18	19656	Transfer	16612243	27.46
			7-Sep-18	-16791	Transfer	16595452	27.43
			14-Sep-18	-2837	Transfer	16592615	27.43
			21-Sep-18	-28	Transfer	16592587	27.43
			12-Oct-18	3520	Transfer	16596107	27.43
			19-Oct-18	-3520	Transfer	16592587	27.43
			26-Oct-18	118	Transfer	16592705	27.43
			2-Nov-18	-118	Transfer	16592587	27.43
			9-Nov-18	16	Transfer	16592603	27.43
			16-Nov-18	-16	Transfer	16592587	27.43
			30-Nov-18	205	Transfer	16592792	27.43
			7-Dec-18	-205	Transfer	16592587	27.43
			11-Jan-19	26	Transfer	16592613	27.43
			18-Jan-19	-26	Transfer	16592587	27.43
			1-Feb-19	7500	Transfer	16600087	27.44
			8-Feb-19	-7500	Transfer	16592587	27.43
			8-Mar-19	1	Transfer	16592588	27.43
			15-Mar-19	-1	Transfer	16592587	27.43
		16592587	30-Mar-19	0	Transfer	16592587	27.43
2	AVIATOR GLOBAL INVESTMENT FUND	0	31-Mar-18		Transfer	0	0.00
			8-Jun-18	1837500	Transfer	1837500	3.04



Sr. No.	NAME	No. of Shares at the beginning / End of the year	Date	Increase/ Decrease in share-holding	Reason	Number of Shares	Percentage of total shares of the company
			27-Jul-18	-90354	Transfer	1747146	2.89
		1747146	30-Mar-19	0	Transfer	1747146	2.89
3	ANIL KUMAR GOEL	868500	31-Mar-18	0	Transfer	868500	1.44
		868500	30-Mar-19	0	Transfer	868500	1.44
4	RAMESH DAMANI	0	31-Mar-18		Transfer	0	0.00
			8-Jun-18	23206	Transfer	23206	0.04
			29-Jun-18	9174	Transfer	32380	0.05
			27-Jul-18	10000	Transfer	42380	0.07
			16-Aug-18	20000	Transfer	62380	0.10
			24-Aug-18	14393	Transfer	76773	0.13
			21-Sep-18	7139	Transfer	83912	0.14
			28-Sep-18	244744	Transfer	328656	0.54
			5-Oct-18	15230	Transfer	343886	0.57
			12-Oct-18	11990	Transfer	355876	0.59
			19-Oct-18	8149	Transfer	364025	0.60
			26-Oct-18	6401	Transfer	370426	0.61
			2-Nov-18	76598	Transfer	447024	0.74
			9-Nov-18	25626	Transfer	472650	0.78
			16-Nov-18	500	Transfer	473150	0.78
			30-Nov-18	1000	Transfer	474150	0.78
			7-Dec-18	12826	Transfer	486976	0.81
			14-Dec-18	18098	Transfer	505074	0.83
			21-Dec-18	2	Transfer	505076	0.83
			25-Jan-19	1437	Transfer	506513	0.84
			1-Feb-19	500	Transfer	507013	0.84
			8-Feb-19	1084	Transfer	508097	0.84
			15-Feb-19	1000	Transfer	509097	0.84
			22-Feb-19	1500	Transfer	510597	0.84
			15-Mar-19	20000	Transfer	530597	0.88
		530597	30-Mar-19	0	Transfer	530597	0.88
5	SEEMA GOEL	504715	31-Mar-18	0	Transfer	504715	0.83
		504715	30-Mar-19	0	Transfer	504715	0.83
6	MADHUKAR SHETH	496493	31-Mar-18	0	Transfer	496493	0.82
			6-Apr-18	-18181	Transfer	478312	0.79
		478312	30-Mar-19	0	Transfer	478312	0.79
7	KITARA INDIA SMALL & MICRO CAP OPPORTUNITY FUND (CEIC) LIMITED	0	31-Mar-18		Transfer	0	0.00
			27-Jul-18	116425	Transfer	116425	0.19
			19-Oct-18	15143	Transfer	131568	0.22



Sr. No.	NAME	No. of Shares at the beginning / End of the year	Date	Increase/ Decrease in share-holding	Reason	Number of Shares	Percentage of total shares of the company
			11-Jan-19	24993	Transfer	156561	0.26
			18-Jan-19	7	Transfer	156568	0.26
			1-Mar-19	20000	Transfer	176568	0.29
			8-Mar-19	3969	Transfer	180537	0.30
			15-Mar-19	4445	Transfer	184982	0.31
		184982	30-Mar-19	0	Transfer	184982	0.31
8	THE EMERGING MARKETS SMALL CAP SERIES OF THE DFA INVESTMENT TRUST COMPANY	97447	31-Mar-18	0	Transfer	97447	0.16
			6-Apr-18	4120	Transfer	101567	0.17
			13-Apr-18	3206	Transfer	104773	0.17
			20-Apr-18	8823	Transfer	113596	0.19
			27-Apr-18	8959	Transfer	122555	0.20
			11-May-18	4000	Transfer	126555	0.21
		126555	30-Mar-19	0	Transfer	126555	0.21
9	XITIJ MADHUKAR SHETH .	122400	31-Mar-18	0	Transfer	122400	0.20
		122400	30-Mar-19	0	Transfer	122400	0.20
10	WORLD INVESTMENT OPPORTUNITIES FUNDS	114575	31-Mar-18	0	Transfer	114575	0.19
			21-Sep-18	-20165	Transfer	94410	0.16
			28-Sep-18	-94410	Transfer	0	0.00
		0	30-Mar-19	0	Transfer	0	0.00
11	STOCK HOLDING CORPN OF INDIA LTD	102000	31-Mar-18	0	Transfer	102000	0.17
			25-May-18	-102000	Transfer	0	0.00
		0	30-Mar-19	0	Transfer	0	0.00
12	BHARTI AXA LIFE INSURANCE COMPANY LTD	100000	31-Mar-18	0	Transfer	100000	0.17
			13-Jul-18	-6540	Transfer	93460	0.15
			20-Jul-18	-20111	Transfer	73349	0.12
			31-Aug-18	-19654	Transfer	53695	0.09
			7-Sep-18	-2843	Transfer	50852	0.08
			14-Sep-18	-5506	Transfer	45346	0.08
			30-Nov-18	-9237	Transfer	36109	0.06
			18-Jan-19	-11846	Transfer	24263	0.04
			1-Feb-19	-12649	Transfer	11614	0.02
			29-Mar-19	-11614	Transfer	0	0.00
		0	30-Mar-19	0	Transfer	0	0.00
13	SHRIRAM INSIGHT SHARE BROKERS LTD.	90546	31-Mar-18	0	Transfer	90546	0.15
			6-Apr-18	-25	Transfer	90521	0.15



Sr. No.	NAME	No. of Shares at the beginning / End of the year	Date	Increase/ Decrease in share-holding	Reason	Number of Shares	Percentage of total shares of the company
			13-Apr-18	-137	Transfer	90384	0.15
			20-Apr-18	-63	Transfer	90321	0.15
			27-Apr-18	110	Transfer	90431	0.15
			4-May-18	40	Transfer	90471	0.15
			11-May-18	235	Transfer	90706	0.15
			18-May-18	-6390	Transfer	84316	0.14
			25-May-18	-82733	Transfer	1583	0.00
			1-Jun-18	-793	Transfer	790	0.00
			8-Jun-18	-325	Transfer	465	0.00
			15-Jun-18	-40	Transfer	425	0.00
			22-Jun-18	-45	Transfer	380	0.00
			29-Jun-18	62	Transfer	442	0.00
			30-Jun-18	-62	Transfer	380	0.00
			6-Jul-18	5	Transfer	385	0.00
			27-Jul-18	2	Transfer	387	0.00
			3-Aug-18	-7	Transfer	380	0.00
			10-Aug-18	50	Transfer	430	0.00
			13-Aug-18	-50	Transfer	380	0.00
			16-Aug-18	5	Transfer	385	0.00
			24-Aug-18	-138	Transfer	247	0.00
			31-Aug-18	-67	Transfer	180	0.00
			14-Sep-18	100	Transfer	280	0.00
			21-Sep-18	-100	Transfer	180	0.00
			29-Sep-18	-100	Transfer	80	0.00
			12-Oct-18	35	Transfer	115	0.00
			19-Oct-18	-35	Transfer	80	0.00
			26-Oct-18	25	Transfer	105	0.00
			2-Nov-18	21	Transfer	126	0.00
			9-Nov-18	-16	Transfer	110	0.00
			16-Nov-18	-30	Transfer	80	0.00
			21-Dec-18	80	Transfer	160	0.00
			28-Dec-18	-80	Transfer	80	0.00
			18-Jan-19	-30	Transfer	50	0.00
			15-Feb-19	28	Transfer	78	0.00
			22-Feb-19	-28	Transfer	50	0.00
			15-Mar-19	100	Transfer	150	0.00
			22-Mar-19	-100	Transfer	50	0.00
			29-Mar-19	110	Transfer	160	0.00
		160	30-Mar-19	0	Transfer	160	0.00
14	MARLON REGO	75345	31-Mar-18	0	Transfer	75345	0.12
		75345	30-Mar-19	0	Transfer	75345	0.12



(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Shareholding at the beginning		Date	Reason	Increase / Decrease	Cumulative shares during end	
		Shares	% of Total Shares of company				Shares	% of Total Shares of Company
1	PRAMOD MAHESHWARI	0	0.00				0	0.00
2	GAYATRI SHARMA	0	0.00				0	0.00
3	AMIRALI ESSABHAI RAYANI	1536000	2.54				1536000	2.54
4	NARGIS MIRZA KABANI	0	0.00				0	0.00
5	MUKESH MEHTA	0	0.00				0	0.00
6	MADAN MOHAN JAIN	0	0.00				0	0.00
7	SAMIR A. RAYANI	1638750	2.71				1638750	2.71
8	AMIN A. RAYANI	1432500	2.37				1432500	2.37
9	HUSSEIN VAZIRALI RAYANI	830550	1.37				830550	1.37
10	KUMAR RAJU NANDIMANDALAM	0	0.00				0	0.00

V. INDEBTEDNESS

Indebtedness of the company including interest outstanding/ accrued but not due for payment

(₹ in lakhs)

	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,963.31	Nil	Nil	2,963.31
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) interest accrued nut not due	Nil	Nil	Nil	Nil
Total(i+ii+iii)	2,963.31	Nil	Nil	2,963.31
Change in during the financial year Indebtedness				
• Addition	7504.32	Nil	Nil	7504.32
• Reduction	Nil	Nil	Nil	Nil
Net Change	7,504.32	Nil	Nil	7,504.32
Indebtedness at the end of the financial year				
i) Principal Amount	10467.63	Nil	Nil	10467.63
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	10,467.63	Nil	Nil	10,467.63



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time directors and / or Manager

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager				Total Amount
		Amirali E. Rayani (Chairman)	Amin A. Rayani (Managing Director)	Samir A. Rayani (Executive Whole time Director)	Hussein V. Rayani (Joint Managing Director)	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	36.00	34.20	33.00	33.00	136.20
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify	Nil	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total(A)	36.00	34.20	33.00	33.00	136.20
	Ceiling as per the Act	581.87 lakhs, being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)				

B. Remuneration to other Directors (Independent Directors):

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Madan Mohan Jain	Kumar Raju Nandi	Mukesh Mehta	Nargis Kabani	
1	Independent Directors :					
	• Fee for attending board committee meetings	2.00	0.85	2.30	1.50	6.65
	• Commission	Nil	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (1)	2.00	0.85	2.30	1.50	6.65
2	Others Non-Executive Directors:					
	• Fee for attending board committee meetings	None	None	None	None	None
	• Commission					
	• Other, please specify					



Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Madan Mohan Jain	Kumar Raju Nandi	Mukesh Mehta	Nargis Kabani	
	Total (2)	Nil	Nil	Nil	Nil	Nil
	Total (B) = (Total 1+ Total 2)	2.00	0.85	2.30	1.50	6.65
	Total Managerial Remuneration/ sitting fees	2.00	0.85	2.30	1.50	6.65
	Overall Ceiling as per the Act	58.19 lakhs being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)				

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

(₹ In lakhs)

Sr. No.	Particular of Remuneration	Key Managerial Personnel		Total Amount
		Pramod Maheshwari (CFO)	Gayatri Sharma (CS)	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	38.97	29.00	67.97
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission - as % of profit -others, specify	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil
	Total	38.97	29.00	67.97

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

The Company, its directors or other officers were not subject to penalties/ punishment/ compounding of offences during the year under review.

By Order of the Board of Directors
For **Panama Petrochem Ltd**

Amirali E. Rayani
Chairman
DIN:00002616

Date : August 14, 2019
Place : Mumbai



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The management of Panama Petrochem Ltd. presents the analysis of the Company for the year ended on March 31, 2019 and its outlook for the future. This outlook is based on assessment of the current business environment. It may vary due to future economic and other developments both in India and abroad.

This management discussion and analysis ("MD&A") of Panama Petrochem Ltd. for the year ended on March 31, 2019 contains financial highlights but does not contain the complete financial statements of the Company. It should be read in conjunction with the Company's audited financial statements for the year ended on March 31, 2019.

GLOBAL ECONOMY

In 2018, the global economy began its journey on a firm footing with estimated global economic growth of 3.6% [Source: World Economic Outlook by International Monetary Fund (IMF)]. During the second half of 2018, this rate of development gradually declined, owing to impending US-China trade dispute and some slowdown across developed markets.

Emerging and developing markets of Asia maintained their steady progress at 6.4% during 2018. However, it's important to note that India's economy expanded at 7.1% in 2018 vis-à-vis 6.7% in 2017, whereas China's growth deteriorated from 6.9% in 2017 to 6.6% in 2018 (Source: IMF). Sub-Saharan Africa's economy also sustained a steady rise of 3% during the year.

INDIAN ECONOMY

On the domestic front, the full-year GDP growth rate is pegged at 7% for FY 2018-19. This was due to the waning effects of the demonetisation exercise and the disruption in supply chains following the implementation of the Goods and Services Tax (GST). However, the growth trends continued to remain choppy throughout the year. Industrial activity across sectors showed only a marginal improvement .

Crude prices saw a significant uptrend in the first half of the year, rising by more than 40% before retracing back during the second half. However, overall inflation in the economy remained contained on the back of low food prices resulting from higher agriculture output and low global food prices.

The Indian currency saw a significant depreciation, falling to lows of 74.3 per USD mark mid-year before recovering. The last month of FY 2018-19 saw the Rupee recover sharply to 68-69 per USD range on the back of renewed portfolio inflows as well as revised views on a likely long pause from the US Fed on its interest rates.

INDUSTRY OVERVIEW

Crude oil prices saw high volatility during the year. The prices touched near 4-year high amid geo-political concerns and production cut by OPEC. In the later part of the year, prices moderated due to global economic concerns, crude stock build-up in the US and weaker energy demand growth projection.

Brent crude oil prices averaged US \$ 70.1/bbl in FY 2018-19, higher by 22% y-o-y. Oil prices increased despite significantly higher production from nonOPEC suppliers. Heightened geopolitical tensions in the Middle East, sanctions on Iran, sharp production decline in Venezuela and armed conflict in Libya added to the uncertainty in oil supply.

Global oil demand is expected to grow by 1.3 mb/d in CY 2019 supported by moderating oil prices and start-up of petrochemical projects in US and China. US crude production is expected to grow sharply in 2019 as well.

BUSINESS OVERVIEW

Established in 1982, Panama Petrochem Ltd., today is one of the India's leading manufacturers and exporters for various kinds of Petroleum specialties. Company's diverse range of products includes Mineral Oils, Liquid Paraffins, Transformer Oils, Petroleum Jellies, Ink Oils, and other Petroleum Specialty Products.



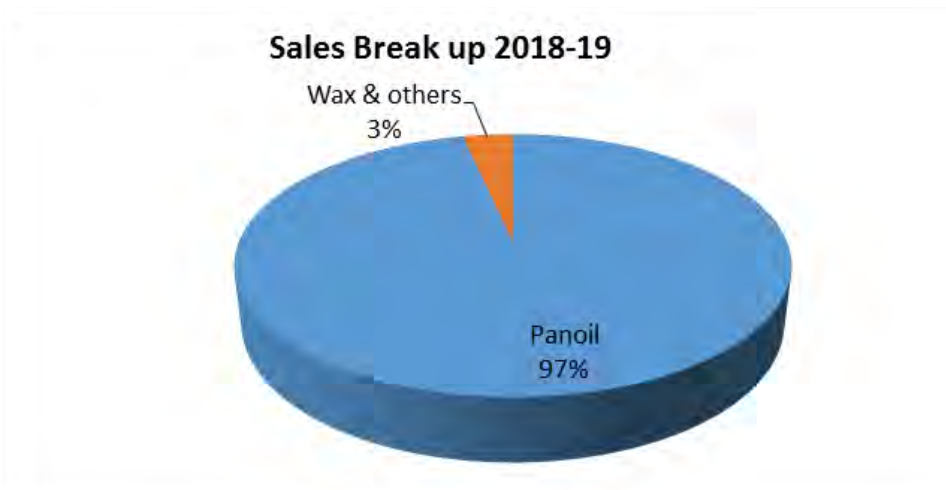
MANUFACTURING FACILITIES

The Company has adequate manufacturing capacity to cater the domestic as well as International requirements. Its four manufacturing units, all located in western India, namely in Ankleshwar (Gujarat), Daman (Union Territory), Taloja (Raigadh, Maharashtra) and Dahej (Bharuch, Gujarat). The Company's products are exported to more than 40 countries globally. The Company has the certification of being a Star Export House. The Company has a fully equipped state-of-the-art Research and Development Center at its Ankleshwar unit where it formulates new and value-added products. The Company manufactures more than 80 product variants used across 6-7 broad industry segments. The Company is accredited as ISO 9001:2008 certification by Benchmark.

The Company develops customized products as per client specification in the field of petroleum and feeds to various industries like Printing Ink, Resin, Cosmetics, Rubber products, Pharmaceuticals, Engineering and Chemicals including Petro Chemicals.

Over the years, the Company has formed strong relations with its clientele, comprising of leading names across sectors. Its ability to offer customized products complying with global quality standards has enabled to generate not only repeat business from existing clients, but also general referral business from new clients.

PRODUCT WISE SALES BREAK UP FOR THE FINANCIAL YEAR 2018-19



Panoil is the key product of the Company, it has various variants depending upon its end use application.

FUTURE OUTLOOK

Recent round of policy rate cuts announced by the Reserve Bank of India are expected to alleviate the tight credit conditions that have persisted since the second half of FY 2018-19 and thus provide a boost to the industrial sector.

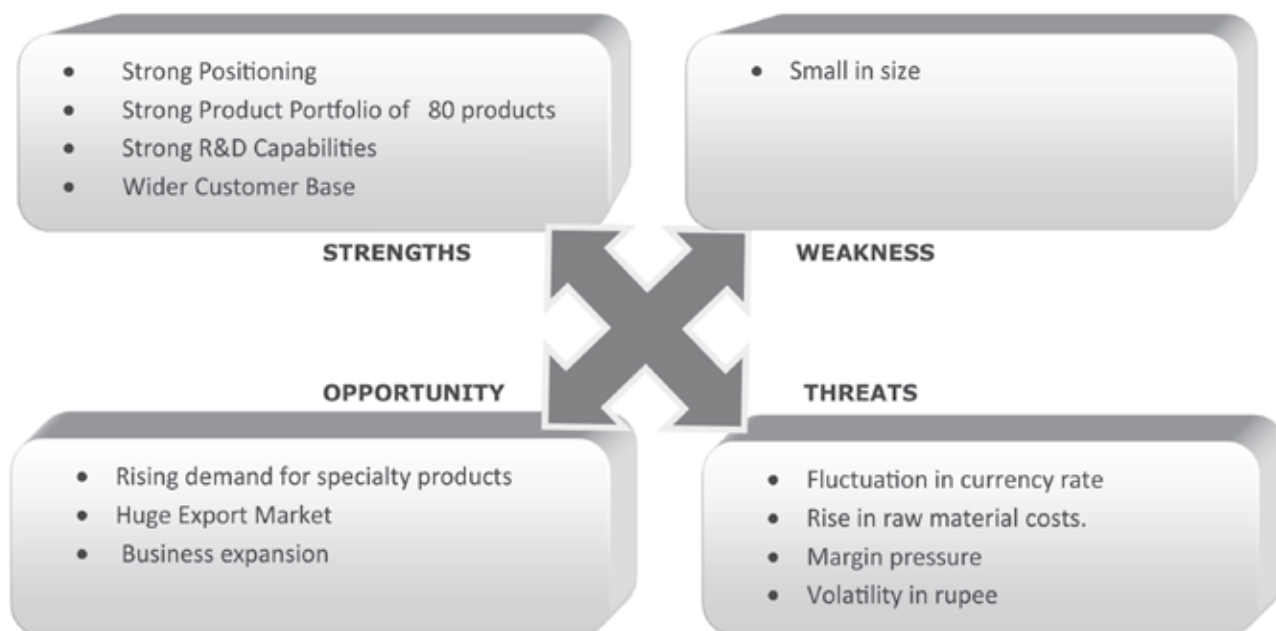
The aggregate demand of all the key segments in the petrochemical industry is likely to regain a sharp positive trajectory, with key players aiming to ramp up scale.

The Company is planning to expand its operations to withstand against the negative market forces. The Company is hopeful to override the adverse effects of the price fluctuations in the petroleum industry by resorting to bulk purchases and cost control measures.

It is management's view that the Company will continue to strengthen its financial position with stable production volumes and positive improvements in Commodity prices.



SWOT PROFILE



OPPORTUNITIES:

The recent positive signs emerging from the western world, augur well for our international business more particularly for some of the specialized products strategically earmarked for export markets.

With increasing industrialization, focus on infrastructural development and outsourcing boom, the demand for the petroleum products manufactured by the Company is likely to further improve in the coming years. Demand for intermediates, specialty chemicals etc. will increase the demand for petroleum specialty products. This will result in a significant growth in this industry. Growing demand from the rubber industry, personal care industry, and power sector will lead to a strong demand in petroleum products. The relationship established by the company with the clientele would help in further growth in its business. Moreover, the company has been increasing its presence in the export markets like USA, Africa, Europe and Asia.

THREATS:

Changes in Government policies, especially regarding import of Base Oil will have an adverse impact on the performance of the Company. However, considering the multifarious purposes for which it is used and the domestic supplies are not adequate to meet the domestic demand, the possibilities for such adverse changes in Government policies appear to be remote.

RISKS AND CONCERNS

• **Strategic and Commercial Risks**

Company's financial performance is subject to the fluctuating prices of crude oil and downstream petroleum products. Prices of products are affected by supply and demand, both globally and regionally. Factors that influence fluctuations in crude prices and crude availability include operational issues, natural disasters, political instability, economic conditions and Government pricing policy of petroleum products among others.



- **Environmental Risks**

All phases of the oil business present environmental risks and hazards. As a result, they are subject to environmental regulation pursuant to a complex blend of federal, provincial, and municipal laws and regulations. The Company is in compliance with current applicable environmental rules and regulations.

- **Financial Risks**

Financial risks associated with the petroleum industry include fluctuation in commodity prices, interest rates, and currency exchange rates and profitability of the Company depends on the prices and availability of the base oils. Foreign exchange risk is tracked and managed within the risk management framework. The interest rate risk is managed by the Company through various financial instruments available to convert floating rate liabilities into fixed rate liabilities or vice-versa.

- **Operational Risks**

Operational risks include competitive environmental factors, reservoir performance uncertainties and dependence upon third parties for commodity transportation & processing and a complex regulatory environment. The Company closely follows the applicable government regulations. The Company carries insurance coverage to protect itself against those potential losses that could be economically insured.

- **Cyber Security Risks**

The use of information and telecommunication technologies is increasing, resulting in greater security threats to its digital infrastructure. A breach of its digital security or disruptions to its digital infrastructure, due to intentional actions, such as cyber-attacks or human error could lead to serious impacts to its businesses. These impacts may include injury to staff, loss of control, impact on continuity or damage to assets and services, harm to the environment, the loss of sensitive data or information, legal and regulatory breaches and reputational damage. But the Company continues to strengthen its responses to cyber security threats through proactive and reactive risk mitigations.

- **Safety Risks**

Safety is an ever-evolving journey. The company's manufacturing facilities have adopted Safety Management System. Regular audits are conducted to assess the on-ground implementation of various processes prescribed by Safety Management System. Critical safety incidents are studied by the senior leadership.

PERFORMANCE

The year under review was a challenging year, Earnings before Interest, Depreciation, and Tax & Amortization on a standalone basis reduced by 17.59% to ₹ 8,116.35 lakhs. Net Profit on a standalone basis reduced by 30.08% to ₹ 3,800.54 lakhs.

Revenue from Operations on a standalone basis has also come down by 9.38% to ₹ 1,07,810.49 lakhs.

EPS on standalone basis reduced from ₹ 8.99 to ₹ 6.28.

The extreme volatility of the Indian Rupee, acute tightness of the financial markets, and margin pressures were amongst the main reasons for reduced Profit of the year.

HUMAN RESOURCE / INDUSTRIAL RELATIONS

The Company recognizes the importance and contribution of its human resources for its growth & development and values their talent, integrity and dedication. The Company offers a highly entrepreneurial culture with a team based approach that we believe encourages growth and motivates its employees. The Company has been successful in attracting and retaining key professionals and intends to continue to seek fresh talent to further enhance and grow its business.



INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has in place, adequate internal control systems and procedures covering all the financial and operating functions. These have been designed to provide adequate assurance to the management regarding compliance with the accounting standards by maintenance of appropriate accounting records, monitoring the economy and efficiency of operations, protecting the assets of the Company from losses and ensuring the reliability of financial and operational information through proper compliance with the statutory enactments and its rules and regulations.

The Company has an effective and adequate internal audit and control system .The Internal audits are conducted by firm of Chartered Accountants, ably supported by an internal team staffed with qualified and experienced people. All operational activities are subject to internal audits at frequent intervals. The existing audit and inspection procedures are reviewed periodically to enhance their effectiveness, usefulness and timeliness.

The Audit Committee of the Board of Directors, regularly reviews the findings of the internal auditors, adequacy of internal controls, financial controls, compliance with the accounting standards, as well as recommends to the Board, the adoption of the quarterly and annual results of the Company and appointment of auditors. The Audit Committee also reviews the related party transactions, entered into by the Company during each quarter.

CAUTIONARY STATEMENT

Readers are cautioned that this Management Discussion and Analysis may contain certain forward looking statements based on various assumptions on the Company’s present and future business strategies and the environment in which it operates. The Company’s actual performance may differ materially from those expressed or implied in the statement as important factors could influence Company’s operations such as effect of political conditions in India and abroad, economic development, new regulations and Government policies and such other factors beyond the control of the Company that may impact the businesses as well as its ability to implement the strategies.

By Order of the Board of Directors
For **Panama Petrochem Ltd**

Amirali E. Rayani
Chairman
DIN:00002616

Date : August 14, 2019
Place : Mumbai



REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The fundamental principle of Corporate Governance is achieving sustained growth legally and ethically and in the best interest of all stakeholders. It is not mere compliance of laws, rules and regulations, but a commitment to values, best management practices and adherence to the highest ethical principles in all its dealings, to achieve the objects of the Company, enhance stakeholder value and discharge its social responsibility.

Your Company's Corporate Governance philosophy is to continuously strive to attain higher levels of accountability, transparency, responsibility, and fairness in all aspects of its operations. Our business culture and practices are founded upon a common set of values that govern our relationships with customers, employees, shareholders, suppliers, bankers and the communities in which we operate.

Our Corporate Governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as the leadership and governance of the Company.

Your Company believes that Good Corporate Governance is essential ingredient of any business, a way of life rather than a mere legal compulsion.

The Company is conscious of its responsibility as a good corporate citizen. The Company values transparency, professionalism and accountability.

Your Company is in compliance with the requirements of Corporate Governance stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

2. BOARD OF DIRECTORS

(a) Composition

The Board of Directors, along with its Committees, provides leadership and guidance to the management and directs and supervises the performance of the Company, thereby enhancing stakeholder value. Your Company has an engaged and well informed Board with qualifications and experience in diverse areas. The Board composition is in conformity with the Listing Regulations and the Companies Act, 2013 ('the Act').

The Company recognizes and embraces the importance of a diverse Board in its success and it believes that a truly diverse Board would leverage differences in thought, perspective, knowledge, skill and industry experience, which will enrich Board discussions and enable effective decision making. The Board has an optimal mix of Executive and Non-Executive Directors who have considerable expertise in their respective fields including competencies required in context of Company's businesses. The Board effectively separates the functions of governance and management and balances deliverables.

As on March 31, 2019 Your Company's Board comprises of 8 Directors with considerable experience in their respective fields. Of these 4 are Executive Directors and 4 Non Executive (Independent) Directors. The Chairman of the Board is an Executive Director.

All Directors possess relevant qualifications and experience which enable them to effectively contribute to the Company in their capacity as Directors.

None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (Committees being Audit Committee and Stakeholders Relationship Committee), across all the Companies in which he/ she is a Director.



None of the Directors holds office in more than 20 companies and in more than 10 public companies. All Directors are also in compliance of the limit on Independent Directorships of listed companies as prescribed in Regulation 25 (1) of the Listing Regulations.

(b) Meetings and attendance during the year

Four Board Meetings were held during the financial year April 1, 2018 to March 31, 2019. The maximum gap between any two Board meetings was less than One Hundred and Twenty days.

The agenda was circulated well in advance to the Board members, along with comprehensive background information on the items in the agenda to enable the Board to arrive at appropriate decisions. The information as required under Part A of Schedule II to the Listing Regulations is made available to the Board. The Company Secretary, in consultation with the Chairman & Managing Director, drafts the agenda of the meetings.

At Board Meetings, the Chairman apprises the Board on the overall performance of the Company. The Board also, inter alia, reviews the quarterly, half-yearly and annual financial results, compliance reports on all laws applicable to the Company, minutes of Board Meetings of subsidiaries and minutes of meetings of Committees of the Board. In addition, the Board is kept informed of all major events. Based on the agenda, members of the senior leadership are invited to attend the Board Meetings, which brings in requisite accountability and provides developmental inputs.

Details of attendance of Directors in the Board Meetings during the financial year April 1, 2018 to March 31, 2019 are as under:

Sr. no.	Name of the Director	Category of Directorship	Attendance details		
			Board Meetings Attended	% of total meetings attended during the tenure as a Director	Last AGM
1	Mr. Amirali E. Rayani	Executive Director	4	100	Yes
2	Mr. Amin A. Rayani	Executive Director	4	100	Yes
3	Mr. Hussein V. Rayani	Executive Director	4	100	Yes
4	Mr. Samir A. Rayani	Executive Director	4	100	Yes
5	Mr. Mukesh Mehta	Independent Non-Executive	4	100	Yes
6	Mr. Dilip S. Phatarphekar (resigned w.e.f August 10, 2018)	Independent Non-Executive	0 of 1	0	N.A.
7	Mr. Madan Mohan Jain	Independent Non-Executive	4	100	Yes
8	Ms. Nargis Mirza Kabani	Independent Non-Executive	4	100	No
9.	Mr. Kumar Raju Nandimandalam (appointed w.e.f August 10, 2018)	Independent Non-Executive	3 of 3	100	No

Number of Board Meetings held and the dates of the Board Meeting

During the Financial Year April 1, 2018 to March 31, 2019, 4 (Four) meetings were held on the following dates:

May 25, 2018, August 10, 2018, October 26, 2018, and February 12, 2019



(c) Number of Other Companies or Committees the Director is a Director / Member / Chairman:

Name of the Director & Designation	Category	Directorship held in other listed entities	No. of positions held in other Public Companies		
			Board	Committee	
				Membership	Chairmanship
Mr. Amirali E. Rayani	Executive Director (Chairman)	Nil	Nil	Nil	Nil
Mr. Amin A. Rayani	Executive Director (Managing Director & CEO)	Nil	Nil	Nil	Nil
Mr. Hussein V. Rayani	Executive Director (Joint Managing Director)	Nil	Nil	Nil	Nil
Mr. Samir A. Rayani	Executive Director	Nil	Nil	Nil	Nil
Mr. Madan Mohan Jain	Independent & Non - Executive Director	Independent Director -Ess Dee Aluminium Ltd.	1	2	1
Mr. Mukesh Mehta	Independent & Non - Executive Director	Nil	Nil	Nil	Nil
Ms. Nargis Mirza Kabani	Independent & Non - Executive Director	Nil	Nil	Nil	Nil
Mr. Kumar Raju Nandimandam (appointed w.e.f August 10,2018)	Independent & Non - Executive Director	Nil	Nil	Nil	Nil

1. Excludes Directorships in Associations, Private Limited Companies, Foreign Companies, Government Bodies and Companies registered under Section 8 of the Companies Act, 2013.
2. Mr. Dilip Phatarphekar resigned from the Board of the Company w.e.f. August 10, 2018
3. Only Audit Committee and Stakeholders Relationship Committee of Indian Public Companies have been considered for committee positions.
4. Mr. Amirali E. Rayani & Mr. Amin A. Rayani are directly related to each other, Mr. Samir A. Rayani & Mr. Hussein V. Rayani are members of the extended family.
5. Mr. Madan Mohan Jain resigned from the Board of Ess Dee Aluminum Ltd. w.e.f June 13, 2019

(d) Independent Directors

The Independent Directors have submitted declaration(s) that they meet the criteria of Independence laid down under the Companies Act, 2013 and the Listing Regulations. The Board of Directors, based on the declaration(s) received from the Independent Directors, have verified the veracity of such disclosures and confirm that the Independent Directors fulfill the conditions of independence specified in the Listing Regulations and are independent of the management of the Company.

The Company has also issued formal appointment letters to all the Independent Directors in the manner provided under the Companies Act, 2013 read with the Rules issued thereunder. A sample letter of appointment/ re-appointment containing the terms and conditions, issued to the Independent Directors, is posted on the Company's website.

Based on intimations/disclosures received from the Directors periodically, none of the Directors of the Company hold memberships/Chairmanships more than the prescribed limits.



During the year under review Mr. Dilip Phatarphekar, an Independent Director of the Company has resigned before the expiry of his tenure. He has expressed his inability to continue as director of the Company due to his health issues and decided to retire upon attaining the age of 80 years and tendered his resignation effective from August 10, 2018.

The Company has received the resignation letter confirming the resignation is tendered due to health issues only and no other reason is provided therein.

(e) Selection of Independent Directors

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/profession, and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee, for appointment, as Independent Directors on the Board. The Committee, inter alia, considers qualification, positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other companies by such persons in accordance with the Company's Policy for Selection of Directors and determining Directors' independence. The Board considers the Committee's recommendation, and takes appropriate decision.

(f) Board and Director Evaluation and criteria for evaluation

During the year, the Board has carried out an annual evaluation of its own performance, performance of the Directors (including independent directors), as well as the evaluation of the working of its Committees.

The Nomination and Remuneration Committee has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors. The criteria for Board Evaluation include inter alia, degree of fulfillment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning.

Criteria for evaluation of individual Directors include aspects such as attendance and contribution at Board/ Committee Meetings and guidance/ support to the management outside Board/ Committee Meetings. In addition, the Chairman was also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members and motivating and providing guidance to the Managing Director & CEO.

(g) Familiarization Programme for Independent Directors

The Company has an orientation programme upon induction of new Directors, as well as other initiatives to update Directors on a continuous basis. The Company also has an ongoing familiarization programme for its Independent Directors, with the objective of familiarizing them with the Company, its operations and business model, nature of the industry Corporate Overview Statutory Reports Financial Statements and environment in which it operates, the regulatory environment applicable to it, the CSR projects undertaken by the Company and also the roles, rights and responsibilities of Independent Directors. During the year, the Company organized several familiarization programmes for Directors.

The familiarization programme for Independent Directors is disclosed on the Company's website at the following web link: <http://panamapetro.com/wp-content/uploads/2018/04/Microsoft-Word-familiarization-programme.pdf>

(h) Separate Meeting of Independent Directors

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on October 26, 2018, as required under Schedule IV to the Companies Act, 2013 (Code for Independent Directors) and Regulation 25 (3) of the Listing Regulations.



At the Meeting, the Independent Directors:

- Reviewed the performance of Non-Independent Directors and the Board as a whole;
- Reviewed the performance of the Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors; and
- Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All Independent Directors of the Company attended the Meeting of Independent Directors. Mr. Madan Mohan Jain chaired the Meeting.

(i) Skills, Expertise and Competencies of the Board

The Board of Directors has, identified the following core skills/ expertise/competencies of Directors as required in the context of business of the Company for its effective functioning:

- Leadership experience in managing companies and associations including general management.
- Financial skills: Understanding the financial statements, financial controls, risk management, mergers and acquisition, etc.
- Experience in human resources and communication.
- Relevant experience and knowledge in the matters of Safety and Corporate Social Responsibility including environment, sustainability, community and values.
- Sales & Marketing: Experience in sales and marketing management based on understanding of industry.
- General management/Governance: Strategic thinking, decision making and protect interest of all stakeholders.
- Expertise in the field of science and knowledge in the field petroleum industry.

3. AUDIT COMMITTEE

(a) Terms of Reference of Audit Committee

The Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

Role of Audit Committee inter alia, includes the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of statutory auditors, including cost auditors, and fixation of audit fees and other terms of appointment.
- Approving payment to statutory auditors for any other services rendered by them.
- Reviewing with the management, the annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by the management.



- Significant adjustments made in financial statements arising out of audit findings.
- Compliance with listing and other legal requirements relating to financial statements.
- Disclosure of related party transactions.
- Qualifications in draft audit report.
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice, and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing and monitoring the auditors independence and performance and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing with the management, performance of statutory auditors, including cost auditors and internal auditors, adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Discussion with internal auditors, any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature, and reporting the matter to the Board.
- Discussion with statutory auditors, before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults, if any, in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism.
- Approval of appointment of the CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing qualifications, experience and background of the candidate.
- Carrying out such other functions as may be specifically referred to the Committee by the Company's Board of Directors and/or other Committees of Directors.
- Reviewing financial statements, in particular the investments made by the Company's unlisted subsidiaries.
- Reviewing the following information:
 - The Management Discussion and Analysis of financial condition and results of operations;
 - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;



- Management letters/letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of internal auditors / chief internal auditor.

(b) Composition, name of Members, Chairman and their attendance at meetings during the year

The Audit Committee of the Company is constituted in accordance with the provisions of Regulation 18 of the Listing Regulations and the provisions of Section 177 of the Companies Act, 2013. All members of the Committee are financially literate.

During the Financial Year April 1, 2018 to March 31, 2019, 4 (Four) meetings were held on the following dates:

May 25, 2018, August 10, 2018, October 26, 2018, and February 12, 2019

The gap between two meetings did not exceed 120 days.

The attendance of each member of the committee is given below.

Name of the Member	Attendance at the Audit Committee Meeting	% of total meetings attended during the tenure as a Director / Secretary
Mr. Madan Mohan Jain (Chairman)	4	100
Mr. Mukesh Mehta(Member)	4	100
Mr. Samir A. Rayani (Member)	4	100
Company Secretary		
Ms. Gayatri Sharma	4	100

During the year, the Audit Committee reviewed key audit findings covering operational, financial and compliance areas. Risk mitigation plans covering key risks affecting the Company were presented to the Committee.

The meetings of the Audit Committee are usually attended by the Chairman, the Chief Financial Officer, the Head of Internal Audit, the Company Secretary and a representative of the Statutory Auditors. The Business and Operation Heads are invited to the Meetings, when required. The Company Secretary acts as the secretary to the Committee. Occasionally, the Audit Committee also meets without the presence of any Executives of the Company.

The Chairman of the Audit Committee, Mr. Madan Mohan Jain was present at the Annual General Meeting of the Company held on August 20, 2018.

4. NOMINATION AND REMUNERATION COMMITTEE

The Committee's constitution and terms of reference are in compliance with Provisions of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

(a) Terms of Reference of Nomination and Remuneration Committee, inter alia, includes the following

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/ or removal.
- To carry out evaluation of every Director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.



- To formulate the criteria for evaluation of Independent Directors and the Board.
- To devise a policy on Board diversity.
- To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria.
- To ensure relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

(b) Composition, name of Members, chairman and their attendance at meetings during the year

During the Financial Year April 1, 2018 to March 31, 2019, 2 (two) meetings were held on the August 10, 2018 and October 26, 2018.

Name of the Member	Attendance at the Nomination & Remuneration Meeting	% of total attended during the tenure as a Director / Secretary
Mr. Mukesh Mehta (Chairman)	2	100
Mr. Madan Mohan Jain (Member)	2	100
Ms. Nargis Kabani (appointed on August 7, 2018) (Member)	2	100
Ms. Gayatri Sharma (secretary)	2	100

Mr. Dilip Phatarphekar resigned w.e.f. August 10, 2018.

The Chairman of the Nomination and Remuneration Committee, Mr. Mukesh Mehta was present at the Annual General Meeting of the Company.

(c) Remuneration Policy of the Company

The Company's philosophy for remuneration of Directors, key managerial personnel and senior management is based on the commitment of fostering a culture of leadership with trust.

The Company has adopted a Policy for remuneration of Directors, Key Managerial Personnel and other employees, which is aligned to this philosophy. The key factors considered in formulating the Policy are as under:

- (i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (iii) remuneration to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The key principles governing the Company's Remuneration Policy are as follows:



Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

- Fixed pay:**

The Whole-time Director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break up of the pay scale and quantum of perquisites including, employer’s contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

- Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

- Provisions for excess remuneration:**

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

Remuneration to Non- Executive / Independent Director:

- Remuneration / Commission:**

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder.

- Sitting Fees:**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed ₹ 1 (One) lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

- Commission:**

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

No remuneration is paid to any Non-Executive Directors during the financial year April 1, 2018 to March 31, 2019 except sitting fee for attending Board meetings and committee meetings.

(d) Details of the Executive Directors Remuneration for the financial year ended March 31, 2019

(₹ in lakhs)

REMUNERATION		DIRECTORS				
		Executive Directors				Non-Executive Directors
		Mr. Amirali E. Rayani	Mr. Amin A. Rayani	Mr. Samir A Rayani	Mr. Hussein V.Rayani	
(a)	Salary & Allowances (fixed)	36.00	34.20	33.00	33.00	Nil
(b)	Benefits & Perquisites	Nil	Nil	Nil	Nil	Nil
(c)	Bonus / Commission Additional Salary	Nil	Nil	Nil	Nil	Nil



(d)	Pension, Contribution to Provident fund & Superannuation Fund	Nil	Nil	Nil	Nil	Nil
(e)	Stock Option Details(if any)	The Company has not offered any Stock Options to its employees.				
(f)	Notice period	The Agreement may be terminated by either party giving the other party six months' notice.			Reasonable (to be decided by the Board) written notice, to be served	
(g)	Severance fess	Nil			Nil	

Note:

- i. The agreement with each Executive Director is for a period of 5 years.
- ii. There were no performance linked incentive paid to the directors for the year 2018-19

(e) Details of the Sitting Fees paid to Non-Executive Directors for the financial year ended March 31, 2019
(₹ in lakhs)

Name of the Non-Executive Director	Amount of Sitting Fees Paid
Mr. Madan Mohan Jain	2.00
Mr. Dilip S. Phatarphekar	0.00
Mr. Mukesh Mehta	2.30
Ms. Nargis Mirza Kabani	1.50
Mr. Kumar Raju Nandimandalam	0.85

(f) Shareholdings of Non-Executive Directors

None of the Non-Executive Directors held shares in the Company as on March 31, 2019.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board has constituted Stakeholders Relationship Committee in accordance with the Provisions of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

Terms of Reference of Stakeholders Relationship Committee

- To look into redressing shareholders and investors' complaints and to expedite the process of redressal of complaints like transfer of shares, non-receipt of annual report, non-receipt of declared dividends etc. and carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

(a) Composition, name of Members, chairman and their attendance at meetings during the year

Name of the Member	Attendance at the Stakeholders Relationship Committee Meeting	% of total attended during the tenure as a Director / Secretary
Mr. Mukesh Mehta (Chairman)	4	100
Mr. Dilip S. Phatarphekar (resigned w.e.f August 10, 2018)	0 out of 1	0
Mr. Madan Mohan Jain (Member)	3 out of 3	100
Mr. Amin A. Rayani (Member)	4	100
Mr. Amirali E. Rayani (Member)	4	100
Company Secretary		
Ms. Gayatri Sharma	4	100



1. *Mr. Mukesh Mehta was appointed as Chairman of the Committee w.e.f August 10, 2018*
2. *Mr. Madan Mohan Jain was appointed as member of the Committee w.e.f August 10, 2018*
3. *Mr. Dilip Phatarphekar resigned w.e.f. August 10, 2018.*

(b) Meetings of the Committee

During the Financial Year April 1, 2018 to March 31, 2019, 4 (Four) meetings were held on the following dates:

May 25, 2018, August 10, 2018, October 26, 2018, and February 12, 2019.

(c) Name & Designation of the Compliance Officer

Ms. Gayatri Sharma, Company Secretary is the Compliance Officer of the Company.

(d) Redressal of Complaints

Shareholders may send their complaint for redressal to the email ID: cs@panamapetro.com

(e) No. of Complaints received, resolved and pending during the financial year:

During the financial year, the company has received three complaints from the shareholders, all of which have been resolved. There was no pending complaint from any shareholder as on March 31, 2019.

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of 'corporate social responsibility policy' and observe practices of Corporate Governance at all levels

The Committee's constitution and terms of reference meet with the requirements of the Companies Act, 2013.

(a) Terms of Reference of the Committee, inter alia, includes the following

- To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating activities to be undertaken by the Company in compliance with provisions of the Companies Act, 2013 and rules made there under.
- To recommend the amount of expenditure to be incurred on the CSR activities.
- To monitor the implementation of the framework of the CSR Policy.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

The Board has adopted the CSR Policy as formulated and recommended by the Committee. The same is displayed on the website of the Company. The Annual Report on CSR activities for the year 2018-19 forms a part of the Directors' Report.

(b) Composition of Corporate Social Responsibility Committee

During the Financial Year April 1, 2018 to March 31, 2019, 2 (Two) meetings were held on the following dates:

May 25, 2018 and February 12, 2019.



Name of the Member	Attendance at the Corporate Social Responsibility Committee Meeting	% of total attended during the tenure as a Director / Secretary
Mr. Mukesh Mehta (Independent & Non Executive Director- Chairman)	2	100
Mr. Amin A. Rayani (Managing Director & CEO- Member)	2	100
Ms. Nargis Kabani (Member)	2	100
Company Secretary		
Ms. Gayatri Sharma	2	100

7. GENERAL BODY MEETINGS

(a) Particulars of past three Annual General Meetings of the Company

Year	Date	Venue	Time	No. of Special Resolution(s) passed
2016	September 26, 2016	Plot No. 3303, G.I.D.C. Estate, Ankleshwar - 393 002, Gujarat	11:30 A.M	0
2017	September 18, 2017	Plot No. 3303, G.I.D.C. Estate, Ankleshwar - 393 002, Gujarat	11:30 A.M	0
2018	August 20, 2018	Rajmahal Conference hall of Hotel Lords Plaza at C 4/6, GIDC, Old National Highway No. 8, Ankleshwar, Gujarat 393 002	11:30 A.M	1

(b) Postal Ballot

The Company had not conducted any postal ballot during the year.

(c) Disclosure Regarding appointment /re-appointment of Director in the ensuing AGM

As required under Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standard - 2, particulars of the Directors seeking appointment/ re-appointment are provided in the notice convening this meeting.

8. CODE OF CONDUCT

The Company has adopted the Code of Conduct for all Board members and senior management which incorporates the duties of Independent Directors as laid down in the Companies Act, 2013. The Code is posted on the Company's website. All Board members and senior management personnel (as per Regulation 26 (3) of the Listing Regulations) have affirmed compliance with the applicable Code of Conduct.

A declaration to this effect, signed by the Managing Director & CEO forms part of this Report.

Apart from receiving sitting fees that they are entitled to under the Companies Act, 2013 as Non-Executive Directors and reimbursement of expenses incurred in the discharge of their duties, none of the Non-Executive Directors has any other material pecuniary relationship or transactions with the Company, its promoters, its Directors, its senior management or its subsidiaries and associates. None of the Non- Executive Directors are inter-se related to each other.

The Directors and senior management of the Company have made disclosures to the Board confirming that there are no material financial and/ or commercial transactions between them and the Company that could have potential conflict of interest with the Company at large.

**9. SUBSIDIARIES**

The Board of Directors of the Company has approved a Policy for determining Material Subsidiaries which is in line with the Listing Regulations as amended. The said policy has been uploaded on the website of the Company. Panol Industries RMC FZE becomes a material subsidiary in the current accounting year as per the thresholds laid down under the Listing Regulations and accordingly requirements relating to composition of Board of Directors of Unlisted Material subsidiary is complied with.

The Company's Audit Committee reviews the consolidated financial statements of the Company as well as the financial statements of the subsidiaries, including the investments made by the subsidiaries. The minutes of the Board Meetings, along with a report of the significant transactions and arrangements of the unlisted subsidiary of the Company are periodically placed before the Board of Directors of the Company.

10. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading, under the SEBI (Prohibition of Insider Trading) Regulations, 2015 with a view to regulate trading in securities by the Directors, KMPs and designated employees of the Company. The Code lays down guidelines for procedures to be followed and disclosures to be made by insiders while trading in the shares of the Company.

SEBI notified several amendments to SEBI Insider Trading Regulations pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 which were effective from April 1, 2019, the above Code was amended to align it with the amendments to SEBI (Prohibition of Insider Trading) Regulations, 2015. As per the revised Code, The Company has also adopted Policy on Enquiry in case of leak or suspected leak of Unpublished Price Sensitive Information (UPSI) and Policy for Determination of Legitimate Purposes.

11. DISCLOSURES**(a) Related Party Transactions**

There are no materially significant related party transactions with its Promoters, Directors or the Management, their Subsidiaries or Relatives etc., which may have potential conflict with the interest of the Company at large. The other related party transactions are given in Notes to Accounts annexed to and forming the part of Balance Sheet and Profit and Loss Account of the Company. The Company has formulated a Related Party Transactions Policy and the same is displayed on the Company's website at the web link <http://panamapetro.com/wp-content/uploads/2016/01/Related-Party-Transactions.pdf>

(b) Non-compliance by the Company, Penalties, Strictures

There were no instances of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

(c) Disclosure of Risk management

The Company has a well defined risk management framework in place. The Company periodically places before the Audit Committee and the Board the key risks and the risk assessment and mitigation procedures followed by the Company.

(d) Whistle Blower Policy

The Company has formulated a policy for employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. The policy also lays down the mechanism to prohibit managerial personnel from taking adverse action against employees, who are disclosing



in good faith alleged wrongful conduct on matter of public concern involving violation of law, mismanagement, misappropriation of public funds etc.

The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

(e) Material Subsidiary

The Company has formulated a policy for determining material subsidiaries and the Policy is disclosed on the Company's website at the web link. <http://panamapetro.com/wp-content/uploads/2015/12/Subsidiary-Policy.pdf>

(f) Disclosure of Accounting Treatment

The Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 and other relevant provisions of the Act.

(g) Details of compliance with mandatory requirements

The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance. A certificate from the practicing Company Secretary to this effect has been included in this report.

(h) Managing Director & CEO and the Chief Financial Officer certification

The Managing Director & CEO and the Chief Financial Officer have certified to the Board in accordance with Part B of Schedule II to the Listing Regulations pertaining to CEO/ CFO certification for the Financial Year ended March 31, 2019.

(i) Adoption of non mandatory requirements

The status of compliance with the non-mandatory requirements listed in Part E of Schedule II of the Listing Regulations, is as under

- **Reporting of Internal Auditor**

The Internal Auditor reports to the Audit Committee.

- **Audit qualifications**

The financial statements of the Company are with unmodified audit opinion.

(j) Prevention, prohibition and redressal of sexual harassment at workplace:

Status of complaints in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013 for the FY 2018-19 is as follows:

Number of complaints filed during the financial year :0

Number of complaints disposed of during the financial year :0

Number of complaints pending as on end of the financial year :0

(k) Details of utilisation of funds

The Company has not raised any funds through preferential allotment or qualified institutions placement.



(l) Confirmation by the Board of Directors regarding acceptance of recommendation of all Committees

In terms of the amendments made to the Listing Regulations, the Board of Directors confirm that during the year, it has accepted all recommendations received from all its Committees.

(m) Fees paid to Statutory Auditor

A total fee of ₹ 16.75 lakhs was paid by the Company and its subsidiaries, on a consolidated basis, for all services to Bhuta Shah & Co. LLP, Statutory Auditors and all entities in the network firm/ network entity of which they are part.

12 MEANS OF COMMUNICATION

(a) Quarterly Results / Annual Results

The quarterly and the annual results, published in the format prescribed by the Listing Regulations read with the Circular issued thereunder, are approved and taken on record by the Board of Directors of the Company . The approved results are forthwith uploaded on the designated portals of the Stock Exchanges where the Company’s shares are listed viz., NSE Electronic Application Processing System (NEAPS) of the National Stock Exchange of India Ltd. (NSE) and BSE Online Portal of BSE Ltd. (BSE). The results are also published within 48 hours either in Economic Times or Gujarat Today (English & Gujarati editions) and also displayed on the Company’s website, www.panamapetro.com

(b) Posting of Information on the website of the Company:

The Annual / Quarterly results of the Company, Share Holding Pattern, and other official news are regularly posted on its website www.panamapetro.com

(c) The Management Discussion and Analysis Report forms a part of the Annual Report.

13 GENERAL SHAREHOLDERS INFORMATION

(a) Annual General Meeting

Day & Date : Tuesday, September 17, 2019
 Time : 11.30 A.M.
 Venue : Conference hall of Hotel Lords Plaza at C 4/6, GIDC,
 Old National Highway No. 8, Ankleshwar, Gujarat - 393 002.

(b) Financial Year: April 2018 to March 2019

Financial Calendar

Events	Tentative time frame
Financial Reporting for the second quarter ending September 30, 2019	2nd week of November, 2019
Financial Reporting for the third quarter ending December 31, 2019	2nd week of February, 2020
Financial Reporting for the fourth quarter ending March 31, 2020	Last Week of May, 2020

(c) Dates of Book Closure:

September 11, 2019 to September 13, 2019 (Both days inclusive)

(d) Dividend Payment Date:

Interim - N.A
 Final - within two weeks from the declaration of the dividend



(e) Listing on Stock Exchanges:

Equity Shares

The Shares of the Company are listed on the BSE Limited & National Stock Exchange of India Ltd.

Stock Code :

BSE Limited : 524820

National Stock Exchange of India Limited : PANAMAPET

Demat ISIN Number for NSDL & CDSL : INE305C01029

The Company has paid the listing fees to these Stock Exchanges for the year 2018-19.

Global Depository Receipts(GDRs)

The GDRs of the Company are listed on Luxembourg Stock Exchange.

Security codes of GDRs

COMMON CODE: 065195372

ISIN : US6982941055

CUSIP : 698294105

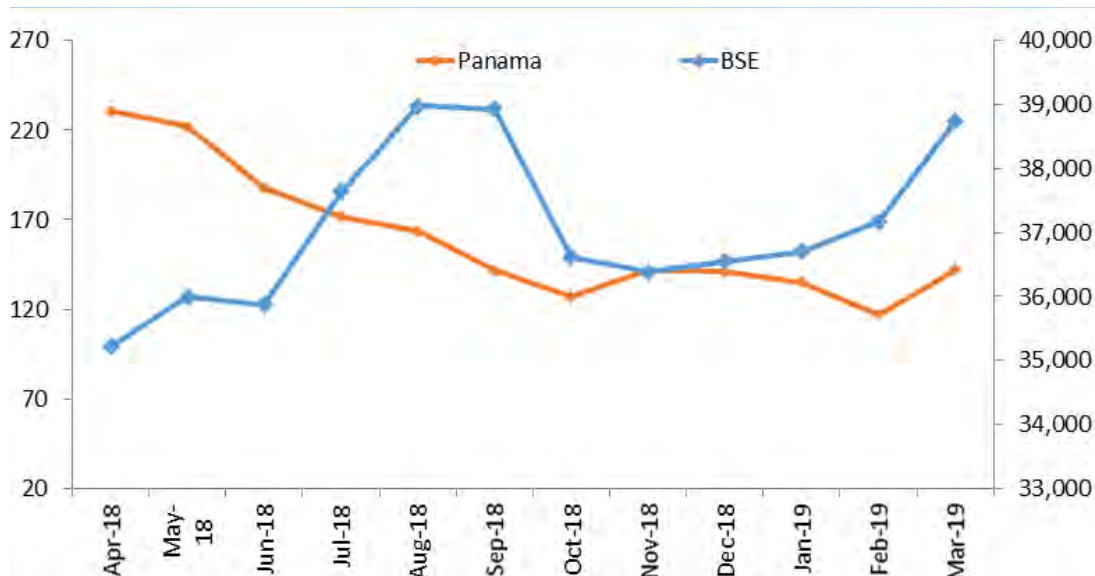
(f) Market Price Data:

High/ low of market price of the Company's equity shares traded on BSE during the last financial year April 1, 2018 to March 31, 2019 were as follows:

Month	High (₹) BSE	High (₹) NSE	Low (₹) BSE	Low (₹) NSE	Month	High (₹) BSE	High (₹) NSE	Low (₹) BSE	Low (₹) NSE
April	230.85	232.20	188.10	190.00	October	127.00	127.00	102.15	102.00
May	222.20	225.05	160.00	158.15	November	141.75	142.80	118.55	116.30
June	187.90	189.80	137.50	138.00	December	141.00	141.05	120.85	117.95
July	171.65	174.70	138.10	139.30	January	134.95	133.00	108.00	108.00
August	163.65	164.95	130.00	130.50	February	117.00	115.00	88.80	90.10
September	141.65	142.60	105.00	105.00	March	142.00	142.95	113.00	111.65

Source: www.bseindia.com & www.nseindia.com

(g) Performance in comparison to BSE SENSEX





(h) Registrar and Share Transfer Agent & Share Transfer System

Members may correspond with the Company's Registrars & Share Transfer Agents, M/s Bigshare Services Pvt. Ltd., quoting there Folio No./ DP ID and Client ID at the following address:

Name	Bigshare Services Pvt. Ltd.
Address	1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai-400059.
Telephone No.	91-22-62638200
E mail	info@bigshareonline.com

(i) Share Transfer System

The Company's shares are traded in the BSE Ltd. & National Stock Exchange of India Limited, compulsorily in Demat mode. The transfer are processed within the time stipulated under the Listing Regulations subject to the documents being in order.

Effective April 1, 2019, SEBI has amended Regulation 40 of the Listing Regulations, which deals with transfer or transmission or transposition of securities. According to this amendment, the requests for effecting the transfer of listed securities shall not be processed unless the securities are held in dematerialised form with a Depository. Therefore, for effecting any transfer, the securities shall mandatorily be required to be in demat form.

(j) Distribution of Shareholding as on March 31, 2019:

Shareholding of Nominal Value of		Shareholders		Share Amount	
₹	₹	Number	% to Total	In ₹	% to Total
(1)	(2)	(3)	(4)	(5)	(6)
Up to 5,000		11274	95.0751	7896192	6.5265
5,001	10,000	272	2.2938	1915756	1.5834
10,001	20,000	167	1.4083	2368904	1.9580
20,001	30,000	48	0.4048	1207060	0.9977
30,001	40,000	21	0.1771	757994	0.6265
40,001	50,000	14	0.1181	622554	0.5146
50,001	100,000	24	0.2024	1762970	1.4572
100,001 and Above		38	0.3205	104455766	86.3362
Total		11858	100	120987196	100

(k) Shareholding Pattern as on March 31, 2019

Category	Total Shares	Percentage
CLEARING MEMBER	108450	0.18
CORPORATE BODIES	538951	0.89
CORPORATE BODIES (PROMOTER CO)	2505016	4.14
DIRECTORS	5437800	8.99
FINANCIAL INSTITUTIONS	5544	0.01
FOREIGN COMPANY	1747146	2.89



Category	Total Shares	Percentage
FOREIGN INST. INVESTOR	48813	0.08
FOREIGN PORTFOLIO INVESTOR	388393	0.64
FOREIGN PORTFOLIO INVESTOR (INDIVIDUAL)	63602	0.11
GLOBAL DEPOSITORY RECEIPTS	16592587	27.43
IEPF	306581	0.51
NON NATIONALISED BANKS	14076	0.02
NON RESIDENT INDIAN	547365	0.90
PUBLIC	9823016	16.24
RELATIVES OF DIRECTOR	22346556	36.94
TRUSTS	19702	0.03
Total	60493598	100.00

(l) Secretarial Audit

- M/s Milind Nirkhe & Associates, Practicing Company Secretaries have conducted a Secretarial Audit of the Company for the year 2018-19. Their Audit Report confirms that the Company has complied with the applicable provisions of the Companies Act, 2013 and the Rules made there under, Listing Regulations, applicable SEBI Regulations and other laws applicable to the Company. The Secretarial Audit Report forms part of the Directors' Report.
- Pursuant to Regulation 40 (9) of the Listing Regulations with the Stock Exchanges, certificates have been issued on a half-yearly basis, by a Company Secretary in practice.
- A Company Secretary in practice carries out a quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and the total issued and listed capital. The audit confirms that the total issued/ paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).
- In accordance with the SEBI Circular dated February 8, 2019, the Company has obtained an Annual Secretarial Compliance Report from M/s Milind Nirkhe & Associates ,Practicing Company Secretaries confirming compliances with all applicable SEBI Regulations, Circulars and Guidelines for the year ended March 31, 2019.
- M/s Milind Nirkhe & Associates, Practicing Company Secretaries have issued a certificate confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority. The Certificate of Company Secretary in practice is annexed herewith as a part of the report

(m) Dematerialization of shares and liquidity:

As on March 31, 2019 about 98.92% of the Company's equity paid-up capital had been dematerialized. Trading in equity shares of the Company at the Stock Exchange is permitted compulsorily in demat mode.

(n) Commodity price risk or foreign exchange risk and hedging activities:

During the year, the Company has managed foreign exchange risk and hedged to the extent considered necessary. Net open exposures are reviewed regularly and covered through forward contracts .

**(o) Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity:**

Outstanding GDRs as on March 31, 2019 are 4,91,469 representing 16592587 Equity shares constituting 27.43% of the paid up share capital of the Company.

(p) Credit Rating:

CARE has given the credit rating of CARE A-; Stable for Long-term Bank Facilities CARE A2+ for short term Bank Facilities of the Company.

(q) Plant Locations:

The Company has the following units located at:

1. Plot No: 3303, GIDC Industrial Estate, Ankleshwar-393 002, Gujarat.
Tel: 91-2646-221 068 / 250 281
Email: ankl@panamapetro.com
2. Survey No: 78/2, Daman Industrial Estate, Unit III, Poly Cab Road, Village Kadaiya, Dist. Daman, Daman (UT)-396 210.
Tel: 91-260-329 1311
Email: daman@panamapetro.com
3. Plot No. H-12, M.I.D.C., Taloja, Navi Mumbai - 410208.
Tel: 91-22-27411456
Email: taloja@panamapetro.com
4. Plot No. 23 & 24 SEZ ,Dahej, Bharuch District, Gujarat-392110.
Tel:91-2641-320980
Email: dahej@panamapetro.com

(r) Address for Correspondence:

The shareholders may send their communication grievances/ queries to the Registrar and Share Transfer Agents at their Address mentioned above or to the Company at:

Corporate Office:

Panama Petrochem Ltd.
401, Aza House, 24, Turner Road,
Bandra (W), Mumbai 400 050
Phone: 022- 42177777 Fax: 022- 42177788
e-mail: cs@panamapetro.com

By Order of the Board of Directors

For **Panama Petrochem Ltd**

Amirali E. Rayani

Chairman

DIN:00002616

Date : August 14, 2019

Place : Mumbai



CEO Certificate On Corporate Governance

To,
The Members of
PANAMA PETROCHEM LIMITED

I, Amin A. Rayani, Managing Director & CEO of Panama Petrochem Limited hereby declare that all the members of the Board of Directors and senior management personnel have affirmed compliance with the Code of Conduct, as applicable to them, for the financial year ended March 31, 2019.

For **PANAMA PETROCHEM LIMITED**

Place: Mumbai
Date : May 24, 2019

Amin A. Rayani
Managing Director & CEO
DIN :00002652

Registered Office :
Plot No.3303, GIDC Estate,
Ankleshwar - 393 002.

CEO & CFO Certification

To,
The Board of Directors,
PANAMA PETROCHEM LIMITED

We hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2019 and that to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the Company'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 company during the year which are fraudulent illegal or violative of the Company'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 Company 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:
 - i) significant changes in internal control over financial reporting during the year;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **PANAMA PETROCHEM LIMITED**

Amin A Rayani
Managing Director & CEO

Date : May 24, 2019
Place : Mumbai

Pramod Maheshwari
CFO



Certificate Of Non-Disqualification Of Directors

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by Panama Petrochem Limited, having its Registered office at Plot No. 3303, GIDC Estate, Ankleshwar, Gujart 393002 and also the information provided by the Company, its officers, agents and authorized representatives, we hereby report that during the Financial Year ended on March 31, 2019, in our opinion, none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of Company by the Board/Ministry of Corporate Affairs or any such Statutory authority.

For **MILIND NIRKHE & ASSOCIATES**
Company Secretaries

MILIND NIRKHE
Membership No: 4156
CP NO: 2312

Place: Mumbai
Date: May 24 , 2019

Practicing Company Secretary's Certificate on Corporate Governance

To
The Members of Panama Petrochem Limited

We have examined the compliance of conditions of Corporate Governance by Panama Petrochem Limited ('the Company') for the year on March 31, 2019 as stipulated under Regulation 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and disclosure Requirements) Regulation, 2015 ("SEBI Listing Regulations").

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 Corporate Governance. It is neither 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 Listing Regulations.

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 **MILIND NIRKHE & ASSOCIATES**
Company Secretaries

MILIND NIRKHE
Membership No: 4156
CP NO: 2312

Place: Mumbai
Date: August 14 , 2019



INDEPENDENT AUDITOR’S REPORT

To the Members of Panama Petrochem Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Panama Petrochem Limited (“the Company”)**, which comprises of the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the standalone financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements gives a true and fair view in conformity, with the aforesaid Ind AS and other accounting principles generally accepted in India 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, 2019, the profit (other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Key Audit Matters

Sr. No.	Key Audit Matter	Auditor’s Response
1	<p>Inventory Existence:</p> <p>The Company recognized inventory of ₹ 31,070.45 Lakhs as at 31 March 2019. Inventory held at various locations across India.</p> <p>Within Each Location, inventory is stored in warehouses, tanks, containers and tanks attached to the Bonded Custom Warehouse.</p> <p>This is a key audit matter because of the</p> <ul style="list-style-type: none"> • Significance of the inventory balance to the statement of financial position and • Complexity involved in determining inventory quantities on hand due to the number, conversion from Ltr. to Kgs., location and diversity of inventory storage locations, inventories lying with third parties etc. 	<p>We attended inventory counts at few locations, which we selected based on financial significance and risk.</p> <p>For locations attended, we performed the following procedures at each site:</p> <ul style="list-style-type: none"> • Selected a sample of inventory items and compared the quantities we counted • Observed a sample of managements inventory count procedures to assess compliance with Company Policy and • Made enquiries regarding obsolete inventory items and inspected the condition of items counted. <p>We have also evaluated a selection of controls over inventory existence across the Company. Also obtained confirmation for inventories held with third parties.</p>



Sr. No.	Key Audit Matter	Auditor's Response
2	<p>Trade Receivables: Trade receivables comprise a significant portion of the current assets of the Company and serve as security for a majority of the Company short-term debt. As indicated in Note 6.2 to the Standalone financial statements. The receivables provision has made based on Expected Credit Loss method. Accordingly, the estimation of the allowance for trade receivables is a significant judgement area and is therefore considered a key audit matter.</p>	<p>We assessed the validity of material long outstanding receivables by obtaining third-party confirmations of amounts receivable. We also considered payments received subsequent to year-end, insurance held for overseas trade receivables, past payment history and unusual patterns to identify potentially impaired balances. The assessment of the appropriateness of the allowance for trade receivables comprised a variety of audit procedures across the Company including:</p> <ul style="list-style-type: none"> • Assessing the appropriateness and reasonableness of the assumptions applied in the managements' assessment of the receivables allowance; • Consideration of the creditworthiness of significant trade receivables over 90 days; • Consideration and concurrence of the agreed payment terms; • Verification of receipts from trade receivables subsequent to year-end; • Inspection of credit insurance policies; and • Considered the completeness and accuracy of the disclosures. To address the risk of management bias, we evaluated the results of audit procedures on other key balances to assess whether or not there was an indication of bias. We were satisfied that the Company's trade receivables are fairly valued and adequately provided. We further considered whether the provisions were misstated and concluded that they were appropriate in all material respects, and disclosures related to trade receivable in the standalone financial statements are appropriate.

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

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

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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.

**Responsibility of Management for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 the standalone financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone 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 financial controls 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.



- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - ii. 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.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Bhuta Shah & Co LLP**
Chartered Accountants
Firm Registration No. 101474W / W100100

Harsh Bhuta
Partner
Membership No. 137888

Place : Mumbai
Date : 24th May 2019

“Annexure A”

To the Independent Auditors' Report on the standalone Ind AS financial statements of Panama Petrochem Limited for the year ended 31st March, 2019

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **of Panama Petrochem 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 **Panama Petrochem Limited** (“the Company”) as of 31 March 2019 in conjunction with our audit of the standalone Ind AS 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 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 ('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 Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over 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 Act, 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 system 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 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 changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company, have 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 March 31, 2019, based on the internal control over financial reporting criteria established by the respective companies 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 **Bhuta Shah & Co LLP**

Chartered Accountants

Firm Registration No. 101474W / W100100

Harsh Bhuta

Partner

Membership No. 137888

Place : Mumbai

Date : 24th May 2019



“Annexure B”

To the Independent Auditors’ Report on the standalone Ind AS financial statements of Panama Petrochem Limited for the year ended 31st March, 2019

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

- i. In respect of property, plant and equipments:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipments.
 - b) As informed to us, the property, plant and equipments have been physically verified by the management during the period according to a phased programme. In our opinion, such programme is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification by the management.
 - c) According to information & explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties, as reflected in PPE schedule, are held in the name of the Company.

- ii. In respect of its inventories:

As informed to us, the physical verification of the inventories was done by the management at reasonable intervals as at year end and we have received confirmation with respect to. inventories lying with third parties. In our opinion, the frequency of verification is reasonable. Further, on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.

- iii. The Company has not granted loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act and accordingly, the provisions of Clause (iii) (a) to (c) of Para 3 of the Order are not applicable to the Company.
- iv. The Company has not granted any loan under section 185 of the Act. The Company has complied with the provisions of section 186 of the Act, with respect to the investment and guarantees. The Company has neither given any security nor given any loans during the year.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public as per the provisions of section 73 to 76 of the Act and rules framed thereunder, and accordingly, the provisions of Clause (v) of Para 3 of the Order are not applicable to the Company.
- vi. We have broadly reviewed accounts and records maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section (1) of Section 148 of the Act, related to manufacture of specialty petroleum products and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of records with a view to determine whether they are accurate.
- vii. In respect of statutory dues:
 - a) According to the information and explanations given to us and according to the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, Employees’ State Insurance, Income-tax, Goods and Service tax, cess or/ and any other material statutory dues wherever applicable.

According to the information and explanations given to us there were no outstanding statutory dues as on 31 March 2019 for a period of more than six months from the date they became payable.

- b) According to the information and explanation given to us, there are no dues outstanding in respect of Income-tax, VAT, Excise duty, Service tax, Custom duty, Goods and Service tax, Cess or/and any other material statutory dues wherever applicable, which have not been deposited on account of any dispute, except the following;



Name of the Statute	Nature of the Dues	Amount (₹ In lakhs)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	2.42	F.Y. 2015-16	Addl. Commissioner Service Tax -I and II, Mumbai
Custom Act, 1962	Custom Duty, Fine and Penalty	109.96	FY 2011-12	High Court, Mumbai
Central Excise Act, 1944	Central Excise Duty	23.17	December 2013 to October 2014	CESTAT, Ahmedabad
Central Excise Act, 1944	Central Excise Duty	40.47	F.Y. 2016-17	The Assistant Commissioner CGST & Central Excise Commissionerate, Surat.
Central Excise Act, 1944	Central Excise Duty	27.97	F.Y. 2017-18	The Assistant Commissioner CGST & Central Excise Commissionerate, Surat.

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company did not have any borrowings from financial institutions, government or dues to debenture holders.
- ix. Based on our audit procedures and on the basis of information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. According to the information and explanations given to us, the term loans raised have been applied by the Company during the year for the purposes for which they were raised.
- x. Based upon the audit procedures performed and the information and explanations given by the management, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, the provisions of Clause (xii) of Para 3 of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on 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.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with the directors, requiring compliance with Section 192 of the Companies Act.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3 (xvi) of the Order is not applicable to the Company.

For **Bhuta Shah & Co LLP**

Chartered Accountants

Firm Registration No. 101474W / W100100

Harsh Bhuta

Partner

Membership No. 137888

Place : Mumbai

Date : 24th May 2019



BALANCE SHEET AS AT 31 MARCH 2019

Particulars	Notes	As at 31 March 2019 ₹ In lakhs	As at 31 March 2018 ₹ In lakhs
Assets			
1. Non-current assets			
(a) Property, Plant and Equipment	3	9,982.21	8,607.20
(b) Capital work-in-progress	3	1,105.05	1,227.79
(c) Investment property	4	1,026.73	527.88
(d) Intangible Assets	5	-	-
(e) Financial Assets			
(i) Investments	6.1	5,199.46	5,196.81
(ii) Others	6.6	49.52	42.15
(f) Other non-current assets	8	47.81	120.37
Total Non Current Assets		17,410.78	15,722.20
2. Current assets			
(a) Inventories	7	31,070.45	39,462.10
(b) Financial Assets			
(i) Trade Receivables	6.2	26,369.01	27,855.69
(ii) Cash and cash equivalents	6.4	338.18	2,453.22
(iii) Bank Balances other than (iii) above	6.5	184.24	148.43
(iv) Loans	6.3	109.73	56.44
(v) Others	6.6	319.99	199.01
(c) Current Tax Assets (Net)	15	167.62	-
(d) Other Current Assets	8	2,304.56	3,827.58
(e) Assets classified as held for sale		-	-
Total Current Assets		60,863.78	74,002.47
Total Assets		78,274.56	89,724.67
Equity and Liabilities			
Equity			
(a) Equity Share Capital	9	1,209.87	1,209.87
(b) Other Equity	10	36,094.54	33,174.20
Total Equity		37,304.41	34,384.07
Liabilities			
1. Non-current Liabilities			
(a) Provisions	12	73.12	56.82
(b) Deferred Tax Liabilities (Net)	13	901.64	747.34
(c) Other Non-current Liabilities		-	-
Total Non -current Liabilities		974.76	804.16
2. Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	11.1	10,467.63	2,963.31
(ii) Trade Payables	11.2	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		27,919.55	49,697.86
(iii) Other Financial Liabilities	11.3	1,475.43	1,687.92
(b) Provisions	12	16.87	13.66
(c) Current Tax Liabilities (Net)	15	-	71.27
(d) Other Current Liabilities	14	115.91	102.42
Total Current Liabilities		39,995.39	54,536.44
Total Equity and Liabilities		78,274.56	89,724.67
Significant Accounting Policies	2		
The accompanying notes are an integral part of the financial statements			

As per our report of even date
For Bhuta Shah & Co LLP
Chartered Accountants
Firm Registration No. 101474W/W100100

For and on behalf of the board of directors of
Panama Petrochem Limited

CA. Harsh Bhuta
Partner
Membership No : 137888

Amirali E. Rayani
Chairman
DIN:00002616

Amin A. Rayani
Managing Director & CEO
DIN:00002652

Pramod Maheshwari
CFO
Place: Mumbai
Date : 24 May 2019

Gayatri Sharma
Company Secretary & Compliance Officer

Place: Mumbai
Date : 24 May 2019



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Year ended 31 March 2019 ₹ In lakhs	Year ended 31 March 2018 ₹ In lakhs
Income			
Revenue from operations	16	1,07,810.49	1,18,967.45
Other income	17	253.61	134.85
Total Income		1,08,064.10	1,19,102.30
Expenditure			
Cost of material consumed	18	89,368.68	96,590.99
Purchase of traded goods	19	2,103.78	3,919.61
Change in inventories of traded goods and finished goods	20	(90.79)	(355.60)
Excise duty	16	-	1,952.70
Employee benefits expense	21	839.99	718.91
Finance costs	22	1,956.00	1,150.95
Depreciation and Amortisation expense	23	393.96	343.39
Other expenses	24	7,726.09	6,427.26
Total Expenses		1,02,297.71	1,10,748.21
Profit for the year before tax		5,766.39	8,354.09
Tax expenses			
Current tax	39	1,873.00	2,832.00
Deferred tax	39	157.03	86.11
Short/(excess) provision of tax relating to earlier years		(64.18)	-
Total tax expenses		1,965.85	2,918.11
Profit for the year from continuing operations		3,800.54	5,435.98
Other Comprehensive Income			
A) Items that will not be reclassified subsequently to profit or loss			
(i) Re-measurement gains/(losses) on defined benefit plans		(10.43)	(2.93)
(ii) Equity instruments through other comprehensive income		2.65	3.82
(iii) Income tax related to above		2.72	1.02
Other Comprehensive Income		(5.06)	1.91
Total Comprehensive Income		3,795.48	5,437.89
Basic and Diluted earnings per share in ₹ (face value of ₹ 2 each) (Refer Note 38)		6.28	8.99
Significant Accounting Policies			
The accompanying notes are an integral part of the financial statements.			

As per our report of even date

For Bhuta Shah & Co LLP
Chartered Accountants
Firm Registration No. 101474W/W100100

CA. Harsh Bhuta
Partner
Membership No : 137888

Place: Mumbai
Date : 24 May 2019

For and on behalf of the board of directors of
Panama Petrochem Limited

Amirali E. Rayani
Chairman
DIN:00002616

Pramod Maheshwari
CFO
Place: Mumbai
Date : 24 May 2019

Amin A. Rayani
Managing Director & CEO
DIN:00002652

Gayatri Sharma
Company Secretary & Compliance Officer



CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

Particulars	31 March 2019 ₹ In lakhs	31 March 2018 ₹ In lakhs
A. Cash Flows from operating activities		
Profit before tax from continuing operation	5,766.39	8,354.09
Adjustments for -		
Depreciation on property, plant and equipment and investment property	393.96	343.39
Finance costs	1,956.00	1,150.95
(Profit)/loss on sale of property, plant and equipment (net)	(1.48)	(1.57)
Profit on sale of current investments (net)	-	(7.33)
Unrealized foreign exchange loss/(gain)	(745.96)	1,045.70
Interest income	(22.34)	(34.70)
Dividend income	(0.08)	(1.87)
Lease rental	(209.53)	(58.89)
Bad debts, provision for doubtful debts	17.73	23.74
Operating profit before working capital changes	7,154.69	10,813.50
(Increase)/decrease in trade Receivables	1,212.33	(10,063.23)
(Increase)/decrease in inventories	8,391.65	(16,481.98)
(Increase)/decrease in loans and advances	(125.60)	31.81
(Increase)/decrease in other current assets	1,530.32	(2,701.33)
Increase/(decrease) in trade Payables	(20,695.40)	23,155.07
Increase/(decrease) in other financial liabilities and provisions	(164.48)	1,122.75
Increase/(decrease) in other liabilities	-	-
Cash generated from operations	(2,696.49)	5,876.61
Income tax paid	(2,047.71)	(3,002.53)
Net cash flow from operating activity (A)	(4,744.20)	2,874.07
B. Cash flows from investing activities		
Additions to property, plant and equipment and investment property	(2,109.33)	(2,137.82)
Sales of property, plant and equipment	13.14	4.46
Sale of current investments	0.00	102.21
Redemption/maturity of bank deposits (having original maturity of more than three months)	(36.06)	471.55
Advances given to subsidiary	(56.10)	(26.20)
Repayment of Advance given to subsidiary received	-	11.53
Interest received	20.10	39.44
Rent received	209.53	58.89
Dividend received	0.08	1.87
Net cash flow from/(used in) investing activities (B)	(1,958.64)	(1,474.07)



Particulars	31 March 2019 ₹ In lakhs	31 March 2018 ₹ In lakhs
C. Cash flows from financing activities		
Proceeds/ (Repayment) from/of short-term borrowing (net)	7,504.32	1,683.09
Interest paid	(1,961.06)	(1,160.90)
Dividend paid	(726.23)	(400.45)
Dividend tax paid	(149.22)	(82.10)
Net cash flow from/(used in) financing activities (C)	4,667.81	39.64
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(2,035.03)	1,439.65
Effect of exchange differences on cash & cash equivalents held in foreign currency	(80.32)	11.00
Cash and cash equivalents at the beginning of the year	2,476.92	1026.28
Cash and cash equivalents at the end of the year	361.57	2,476.92
Components of Cash and Cash Equivalents		
Cash on hand	4.76	2.61
With banks		
- on current accounts	333.42	2,450.61
- on deposit accounts	-	-
- on unpaid dividend accounts *	23.39	23.70
Total Cash and Cash Equivalents (refer note 6.5)	361.57	2,476.92

* The company can utilize these balances only towards the settlement of the respective unpaid dividend.

Note :

The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind As 7 specified under section 133 of the Companies Act, 2013.

Previous year's figures have been regrouped/rearranged wherever necessary to make them comparable with those of current year.

As per our report of even date attached

For Bhuta Shah & Co LLP

Chartered Accountants
Firm Registration No. 101474W/W100100

CA. Harsh Bhuta

Partner
Membership No : 137888

**For and on behalf of the board of directors of
Panama Petrochem Limited**

Amirali E. Rayani

Chairman
DIN:00002616

Amin A. Rayani

Managing Director & CEO
DIN:00002652

Pramod Maheshwari

CFO

Gayatri Sharma

Company Secretary & Compliance Officer

Place: Mumbai

Date : 24 May 2019

Place: Mumbai

Date : 24 May 2019



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

Equity Share Capital	₹ In lakhs
Balance as at 1 April 2017	806.58
Changes in equity share capital during the year (Bonus Issue)	403.29
Balance as at 31 March 2018	1,209.87
Changes in equity share capital during the year	-
Balance as at 31 March 2019	1,209.87

Other Equity

	Reserves and Surplus				Retained earnings
	Investment Allowance Reserve	Capital Redemption Reserves	Securities Premium Account	General reserve	
Balance as at 1 April 2017	0.24	55.35	9,366.42	1,157.99	18,044.99
Profit for the year	-	-	-	-	5,435.98
Other comprehensive income	-	-	-	-	1.91
Bonus shares issued	-	(55.35)	(347.94)	-	-
	-	-	-	-	-
Total Comprehensive income for the year	0.24	-	9,018.48	1,157.99	23,482.88
Dividend for 2016-2017	-	-	-	-	403.29
Dividend tax on Dividend for 2016-2017	-	-	-	-	82.10
	-	-	-	-	485.39
Balance as at 31 March 2018	0.24	-	9,018.48	1,157.99	22,997.49
Profit for the year	-	-	-	-	3,800.54
Other comprehensive income	-	-	-	-	(5.06)
	-	-	-	-	3,795.48
Dividend for 2017-2018	-	-	-	-	725.92
Dividend tax on Dividend for 2017-2018	-	-	-	-	149.22
Balance as at 31 March 2019	0.24	-	9,018.48	1,157.99	25,917.83

Notes :

The Board of Directors have recommended dividend @ 60% i.e. ₹ 1.20 per equity share [face value ₹ 2 each] aggregating to ₹ 875.14 lakhs [including dividend distribution tax] for the year ended 31 March 2019.

- Investment Allowance Reserve : This reserve represents Govt grants received against investments.
Capital Redemption Reserves : This reserve is a statutory reserve created at the time of buy back of shares and utilized in financial year 2017-2018 for bonus issue of equity shares.
Securities Premium : Premium collected on issue of securities are accumulated as part of securities premium.
General Reserve : General reserve forms part of the retained earnings and is permitted to be distributed to shareholders as dividend.
Retained Earning : This represents profits remaining after all appropriations. This is free reserve and can be used for distribution of profits.

As per our report of even date

For Bhuta Shah & Co LLP

Chartered Accountants
Firm Registration No. 101474W/W100100

CA. Harsh Bhuta

Partner
Membership No : 137888

Place: Mumbai

Date : 24 May 2019

For and on behalf of the board of directors of
Panama Petrochem Limited

Amirali E. Rayani

Chairman
DIN:00002616

Pramod Maheshwari

CFO

Place: Mumbai

Date : 24 May 2019

Amin A. Rayani

Managing Director & CEO
DIN:00002652

Gayatri Sharma

Company Secretary & Compliance Officer

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019****1. Company Information**

Panama petrochem Limited (“the Company”) is a public limited Company domiciled in India. The registered office of the Company is at Plot No. 3303, GIDC Estate, Ankleshwar 393002, Gujarat, India and corporate office at 401, Aza House, Turner Road, Bandra West, Mumbai 400050. The Company was incorporated on 9th March 1982.

The Company is engaged in the manufacture of specialty petroleum products for diverse user industries like printing, textiles, rubber, pharmaceuticals, cosmetics, power and other industrial oil.”

The equity shares of the Company are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. The Global Depository Receipts (GDRs) of the Company are listed on the Luxembourg stock exchange.

Authorisation of financial statements

The standalone financial statements were authorised for issue in accordance with a resolution of the Board of Directors passed on 24 May 2019.

2. Significant Accounting Policies:**(A) Basis of Preparation of Financial Statements**

- (i) **Compliance with Ind AS:** The standalone financial statements have been prepared to comply, in all material aspects, with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Companies Act, 2013. The standalone financial statements upto the year ended 31st March 2017 were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

Effective 1st April, 2017, the Company has adopted Ind AS and adoption was carried out in accordance with Ind AS 101 first time adoption of accounting standards, with 1st April, 2016 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

- (ii) **Classification of assets and liabilities :** All assets and liabilities have been classified as current or non-current based on the Company’s normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Deferred tax assets and liabilities are classified as non-current on net basis.

- (iii) **Historical cost convention :** The financial statements have been prepared on going concern basis under the historical cost convention except:

- (a) certain financial instruments (including derivative instruments) and
(b) defined benefit plans

Which are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

- (iv) **Functional and presentation currency :** The Company’s functional and presentation currency is Indian Rupee (₹). All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs (₹ lakhs), except otherwise indicated.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

- (v) **Fair value measurement** : The Company measures certain financial assets and financial liabilities including derivatives and defined benefit plans at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability take place either

- (a) in the principal market for the asset or liability or
- (b) in the absence or a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(B) Property, Plant and Equipment

- (i) Freehold land is carried at historical cost and all other property, plant and equipment are shown at cost (net of adjustable taxes) less accumulated depreciation and accumulated impairment losses. The cost of an asset comprises of its purchase price, non refundable / adjustable purchase taxes and any cost directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management, the initial estimate of any decommissioning obligation, if any and for assets that necessarily take a substantial period of time to get ready for their intended use, finance costs. The purchase price is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The cost also includes trial run cost and other operating expenses such as freight, installation charges etc. The projects under construction are carried at costs comprising of costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and attributable borrowing costs.
- (ii) Lease arrangements for land are identified as finance lease, in case such arrangements result in transfer of the related risks and rewards to the Company classifies land lease arrangement with a term in excess of 99 years as a finance lease.
- (iii) Stores and spares which meet the definition of property, plant and equipment and satisfy the recognition criteria of Ind AS 16 are capitalised as property, plant and equipment.
- (iv) When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

- (v) An Item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset or significant part) is included in the Statement of Profit and Loss when the asset is derecognised.
- (vi) In line with the provisions of Schedule II to the Companies Act, 2013, the Company depreciates significant components of the main asset (which have different useful lives as compared to the main asset) based on the individual useful life of those components. Useful life for such components of property, plant and equipment has been assessed based on the historical experience and internal technical inputs.
- (vii) Depreciation on property, plant and equipment is provided as per written down value method based on useful life prescribed under Schedule II to the Companies Act, 2013. The Company has assessed the estimated useful lives of its property, plant and equipment and has adopted the useful lives and residual value as prescribed in Schedule II.

The property, plant and equipment acquired under finance lease are depreciated over the period of lease. Depreciation on stores and spares specific to an item or property, plant and equipment is based on life of the related property, plant and equipment. In other cases, the stores and spares are depreciated over their estimated useful life based on the technical assessment.

- (viii) The residual values and useful lives of property, plant and equipment are reviewed at each financial year end, and changes, if any, are accounted prospectively.
- (ix) Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date. These are stated at cost to date relating to items or project in progress, incurred during construction / preoperative period. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other non-current Assets".

(C) Investment Property

Investment properties are properties held to earn rentals and / or for capital appreciation (including property under construction for such purpose). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with the requirements of Ind AS 16 for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property is included in the Statement of Profit and Loss in the period in which the property is derecognised.

Depreciation on investment property is provided as per written down value method based on estimated useful life which is considered at 60 years based on internal assessment.

(D) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets namely computer software is amortized at the rate of 33.33 % on a straight line basis over the estimated useful economic life.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Profit and Loss Statement when the asset is derecognized.

(E) Borrowing Costs

Borrowing costs are charged to Statement of Profit and Loss except to the extent attributable to acquisition / construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(F) Impairment of Non-financial Assets

At each balance sheet date, an assessment is made of whether there is any indication of impairment.

If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

(G) Non-current Assets held for sale

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the assets is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

(H) Inventories

Inventories are valued as follows:



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Raw materials	Lower of cost or net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a First In First Out (FIFO) basis. Cost of raw materials comprises of cost of purchase (net of discount) and other cost in bringing the inventory to their present location and condition excluding Cenvat credit / Countervailing duty. Customs duty on stock lying in bonded warehouse is included in cost.
Work-in-progress and Finished goods	Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a First In First Out (FIFO) basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(I) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

(i) Sale of Goods:

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. The Company collects goods and service tax/sales taxes and value added taxes (GST/VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

(ii) Interest income:

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included under the head "other income" in the Statement of Profit and Loss.

(iii) Dividend income:

Revenue is recognized when the shareholders' right to receive payment is established by the reporting date. Dividend income is included under the head "other income" in the Statement of Profit and Loss.

(iv) Rental Income:

Revenue is recognised on the basis of income arising from operating lease of investment properties is accounted for on a straight-line basis over the lease unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases and is included in the head "other income" in the Statement of Profit and Loss.

(v) Others:

Revenue is recognised in respect of export incentives, insurance / other claims etc., when it is reasonably certain that the ultimate collection will be made.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(J) Expenditure on Research and Development

Revenue expenditure on Research and Development is charged to Statement of Profit and Loss under the appropriate heads of expenses. Expenditure relating to property, plant and equipment are capitalised under respective heads.

(K) Foreign Currency Transactions

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting such monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in financial statements, are recognized as income or as expenses in the year in which they arise.

(iv) Forward Contracts

The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

(L) Employee Benefits

All employee benefits payable wholly within 12 months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

Post Retirement Benefits

The Company operates the following post-employment schemes:

- (a) defined benefit plan - gratuity
- (b) defined contribution plan - provident fund

Defined benefit plan - Gratuity obligation



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Post-employment benefits (benefits which are payable on completion of employment) are measured on a discounted basis by the Projected Unit Credit Method on the basis of actuarial valuation annually.

The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less fair value of plan assets.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

Defined contribution plan

Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective fund are due. There are no other obligations other than the contribution payable to the respective fund.

(M) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset(s) or the arrangement conveys a right to use the asset, even if the right is not explicitly specified in an arrangement.

(a) As Company is the lessee

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the Profit and Loss Statement on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the Profit and Loss Statement. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Profit and Loss Statement.

(b) Company is the lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the Profit and Loss Statement on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the Profit and Loss Statement. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Profit and Loss Statement.

(N) Taxation

Income tax expense comprises of current tax expense and the net change in the deferred tax asset or liability during the year.

- (a) Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India.
- (b) Deferred Tax: Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are off set if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

- (c) Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT Credit is allowed to be carried forward. In the year in which the Company recognizes MAT Credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the Profit and Loss Statement and shown as "MAT Credit Entitlement." The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the sufficient period.

(O) Segment Reporting

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

The Chief Operational Decision Maker monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. The operating segments have been identified on the basis of nature of product/services.

The board of directors of the Company has appointed the Managing Director as the chief operating decision maker (CODM) who is assessing the financial performance and position of the Company, and makes strategic decisions.

(P) Earning per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events, if any, such as bonus issue, bonus elements in a rights issue to existing shareholders, shares split and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Q) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates

Contingent liabilities are disclosed in the case of:

- a) a present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- b) a present obligation arising from the past events, when no reliable estimate is possible;
- c) a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

(R) Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

I. Financial Assets

A. Initial recognition and measurement :

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of the financial asset [other than financial assets at fair value through profit or loss (FVTPL)] are added to the fair value of the financial assets. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset. Transaction costs of financial assets carried at FVTPL are expensed in the Statement of Profit and Loss.

B. Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in the following categories:

- (i) Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

- b) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

- (ii) Debt instruments included within the Fair Value Through Profit or Loss (FVTPL) category are measured at fair value with all changes recognised in the Statement of Profit and Loss.
- (iii) Equity instruments: All equity instruments within the scope of Ind-AS 109 are measured at fair value. Equity instruments which are classified as held for trading are measured at FVTPL. For all other equity instruments, the Company decides to measure the same either at Fair Value Through Other Comprehensive Income (FVTOCI) or FVTPL. The Company makes such selection on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments measured at FVTOCI, all fair value changes on the instrument, excluding dividends, are recognised in Other Comprehensive Income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of such instruments.

- iv) Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

C. De-recognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (i.e. removed from the Company's balance sheet) when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, and either:
 - (i) the Company has transferred substantially all the risks and rewards of the asset, or
 - (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

D. Impairment of financial assets:

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on trade receivables and other advances. The Company follows 'simplified approach' for recognition of impairment loss on these financial assets. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

II. Financial Liabilities

A. Initial recognition and measurement:

Financial liabilities are classified at initial recognition as :

- (i) financial liabilities at fair value through profit or loss,
- (ii) loans and borrowings, payables, net of directly attributable transaction costs or
- (iii) derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Company's financial liabilities include trade and other payables, loans and borrowings including derivative financial instruments.

B. Subsequent measurement :

The measurement of financial liabilities depends on their classification, as described below:

- (i) Borrowings:** Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished and the consideration paid is recognised in the Statement of Profit and Loss as other gains / (losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender has agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

- (ii) Trade and other payables:** These amounts represent liabilities for goods and services provided to the Company prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within twelve months of recognition. Trade and other payables are presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

- (iii) Derivative financial instruments:** The Company uses derivative financial instruments, such as foreign exchange forward contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Hedge accounting :

The Company designates certain hedging instruments which include derivatives, embedded derivatives and non derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges or hedges of



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

net investments in foreign operations. At the inception of the hedge relationship, the Company documents the relationship between the hedging instruments and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

C. De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another, from the same lender, on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

D. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

- (a) Operating lease commitments – Company as lessor;
- (b) Assessment of functional currency;
- (c) Evaluation of recoverability of deferred tax assets

Estimates and assumptions

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year :

- a) Useful lives of property, plant and equipment, investment property and intangible assets;
- b) Fair value measurements of financial instruments ;
- c) Impairment of non-financial assets;
- d) Taxes;
- e) Defined benefit plans (gratuity benefits);
- f) Provisions;
- g) Valuation of inventories;
- h) Contingencies



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

03. Tangible assets

₹ In lakhs

	Freehold land	Leasehold Land	Factory Building	Non Factory Building	Plant & Equipment	Office Equipment	Computers	Furniture and fixtures	Vehicles	Total
Cost or valuation										
At 1 April 2017	6.19	2,857.53	1,490.43	2,524.59	2,494.18	116.47	82.05	342.55	495.84	10,409.83
Additions	-	4.04	146.16	-	998.22	10.20	5.97	61.78	85.90	1,312.27
Other adjustments	-	-	-	-	-	-	-	-	(36.07)	-36.07
Re-classification to Investment Property	-	-	-	(578.63)	-	-	-	-	-	-578.63
At 31 March 2018	6.19	2,861.57	1,636.59	1,945.96	3,492.40	126.67	88.02	404.33	545.67	11,107.40
Additions	-	22.16	135.48	1,592.93	390.86	6.65	5.16	15.15	111.11	2,279.50
Other adjustments	-	-	-	-	-	-	-	-	(54.10)	(54.10)
Re-classification to Investment Property	-	-	-	(566.67)	-	-	-	-	-	(566.67)
At 31 March 2019	6.19	2,883.73	1,772.07	2,972.22	3,883.26	133.32	93.18	419.48	602.68	12,766.13
Depreciation										
At 1 April 2017	-	362.27	344.14	225.16	739.94	83.88	71.40	152.56	261.38	2,240.73
Re-classification to Investment Property	-	-	-	(41.60)	-	-	-	-	-	(41.60)
Charge for the year	-	36.23	46.30	31.48	103.02	11.42	8.22	38.68	58.90	334.25
Other adjustments	-	-	-	-	-	-	-	-	(33.18)	(33.18)
At 31 March 2018	-	398.50	390.44	215.04	842.96	95.30	79.62	191.24	287.10	2,500.20
Re-classification to Investment Property	-	-	-	(49.70)	-	-	-	-	-	(49.70)
Charge for the year	-	36.45	51.06	39.25	140.35	10.29	5.11	40.31	53.04	375.86
Other adjustments	-	-	-	-	-	-	-	-	(42.44)	(42.44)
At 31 March 2019	-	434.95	441.50	204.59	983.31	105.59	84.73	231.55	297.70	2,783.92
Net Block										
At 31 March 2018	6.19	2,463.07	1,246.15	1,730.92	2,649.44	31.37	8.40	213.09	258.57	8,607.20
At 31 March 2019	6.19	2,448.78	1,330.57	2,767.63	2,899.95	27.73	8.45	187.93	304.98	9,982.21
Capital work-in-progress										
At 31 March 2018	-	-	-	1,227.79	-	-	-	-	-	1,227.79
At 31 March 2019	-	-	-	1,105.05	-	-	-	-	-	1,105.05

Notes:-

3.1 Factory Building includes those constructed on leasehold land:

	Gross Block	Depreciation For the year	Accumulated Depreciation	Net Block
At 31 March 2018	1,390.60	42.11	313.66	1,076.94
At 31 March 2019	1,672.24	47.81	404.52	1,267.72

3.2 Non Factory Building includes those constructed on leasehold land:

At 31 March 2018	99.43	2.33	8.93	90.50
At 31 March 2019	411.06	2.55	11.49	399.57

3.3 Non Factory Building Re-classified as investments properties as per Ind AS 40

At 31 March 2019	-	-	-	-
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3.4 Capital expenditure on research & development

a) Addition to fixed assets includes capital assets of ₹ Nil lakhs (31 March 2018 : ₹ 13.14 lakhs)

b) Gross block includes fixed assets in research & development (R&D) unit

Furniture ₹ 4.08 lakhs (31 March 2018 : ₹ 4.08 lakhs)

Lab Equipments ₹ 93.24 lakhs (31 March 2018 : ₹ 93.24 lakhs)

Computer ₹ 00.55 lakh (31 March 2018 : ₹ 00.55 lakh)

Air Conditioner ₹ 1.13 lakhs (31 March 2018 : ₹ 1.13 lakhs)

3.5 The Board currently estimates that there are no components which have significantly different lives from the underlying primary assets



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

4. Investment Property

	As at 31.03.2019 ₹ in lakhs	As at 31.03.2018 ₹ in lakhs
I. Gross Carrying Amount		
Balance at the beginning of the year	578.63	-
Additions	566.67	578.63
Deletions	-	-
Balance at the end of the year	1,145.30	578.63
II. Accumulated Depreciation and Impairment		
Balance at the beginning of the year	50.75	-
Depreciation for the year	18.11	9.15
Accumulated depreciation on Addition/deletions	49.70	41.60
Balance at the end of the year	118.56	50.75
III Net Carrying Amount at end of the year	1,026.73	527.88
IV. Fair value of investment property at the end of the year	1,920.46	960.23

4.1 Information regarding income and expenditure of Investment Property

	2018-2019 ₹ in lakhs	2017-2018 ₹ in lakhs
Rental income derived from investment properties	200.39	55.66
Direct operating expenses (including repairs and maintenance) generating rental income	10.26	6.24
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
Profit arising from investment properties before depreciation and indirect expenses	190.13	49.42
Less – Depreciation	18.11	9.15
Profit arising from investment properties before indirect expenses	172.02	40.27

4.2 Fair value of the Company's investment properties

The fair value of the Company's investment properties as at 31 March 2018 was arrived at on the basis of a valuation carried out by independent registered valuers not related to the Company. The Company has adopted policy of revaluing investment property generally every three years unless there are any significant changes in the circumstances requiring earlier revaluation. Accordingly, the Company has continued with the same valuation for the year ended 31 March 2019.

4.3 a) Details of the Company's Investment properties and information about their Fair value hierarchy

Valuation as at	Fair value measurement	
	31.03.2019	31.03.2018
	1,920.46	960.23



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

b) Reconciliation of fair value

	2018-2019 ₹ in lakhs	2017-2018 ₹ in lakhs
Opening balance	960.23	-
Fair value difference	-	-
Purchases/Reclassification	960.23	960.23
Closing balance	1,920.46	960.23

c) Description of valuation techniques used and key inputs to valuation on investment properties

The investment properties have been valued at Fair Market Value. It is the value of the property at which it can be sold in open market at a particular time free from forced value or sentimental value. Prevailing market value is a result of demand/ supply /merits /demerits of properties and various locational, social, economical, political factors and circumstances. Prevailing market value can be estimated through market survey, through dependable data/sale instances, local estate developers/ brokers, real estate portal enquiries and verbal enquiries in neighbourhood area.

5. Other Intangible Assets

	As at 31.03.2019 ₹ in lakhs	As at 31.03.2018 ₹ in lakhs
I. Gross Carrying Amount		
Balance at the begning of the year	7.11	7.11
Additions	-	-
Deletions	-	-
Balance at the end of the year	7.11	7.11
II. Accumulated Depreciation and Impairment		
Balance at the begning of the year	7.11	7.11
Depreciation for the year	-	-
Accumulated depreciation on deletions	-	-
Balance at the end of the year	7.11	7.11
III. Net Carrying Amount at end of the year	-	-



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

6 Financial Assets

6.1 Non-current Investments (fully paid up)

	As at 31.03.2019 ₹ in lakhs	As at 31.03.2018 ₹ in lakhs
Investments in equity instruments		
Unquoted		
1,795 (31 March 2018 : 1,795) fully paid equity shares of ₹ 10 each of Bharuch Enviro Infrastructure Limited	0.19	0.19
975 (31 March 2018 : 975) Fully paid equity shares of ₹ 100 each of The Marol Co operative Industrial Estate Limited	0.98	0.98
33,018 (31 March 2018 : 33,018) Fully Paid Equity Shares of AED 1,000 each of Panol Industries RMC FZE, UAE	5,185.62	5,185.62
	5,186.79	5,186.79
Aggregate amount of Unquoted Investments - gross	5,186.79	5,186.79
Aggregate amount of impairment in value of investments	-	-
Aggregate amount of Unquoted Investments - net	5,186.79	5,186.79
Quoted		
6,200 (31 March 2018 : 6,200) fully paid equity shares of face value of ₹ 10 each of DCB Bank Limited	12.67	10.02
	12.67	10.02
Aggregate amount of Quoted Investments - gross	12.67	10.02
Aggregate amount of impairment in value of investments	-	-
Aggregate amount of Quoted Investments - net	12.67	10.02

6.2 Trade Receivables

	As at 31.03.2019 ₹ in lakhs	As at 31.03.2018 ₹ in lakhs
Current		
Unsecured, Considered good	26,439.55	27,908.50
Considered doubtful	13.89	13.89
	26,453.44	27,922.39
Less: Allowance for doubtful debts	13.89	13.89
	26,439.55	27,908.50
Less: Impairment under expected credit loss	70.54	52.81
	26,369.01	27,855.69

The entity has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follow



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Ageing	Expected credit loss (%)
0-180 days past due	5.09%
180-365 days past due	10.31%
More than 365 days past due	12.89%

Age of receivables	As at 31.3.2019 ₹ in lakhs	As at 31.3.2018 ₹ in lakhs
0-180 days past due	192.35	339.42
180-365 days past due	164.50	115.45
More than 365 days past due	339.72	183.44

Movement in the expected credit loss allowance	Year ended 31.3.2019 ₹ in lakhs	Year ended 31.3.2018 ₹ in lakhs
Balance at the beginning of the year	52.81	29.07
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	17.73	23.74
Balance at the end of the year	70.54	52.81

6.3 Loans and advances

	As at 31.03.2019 ₹ in lakhs	As at 31.03.2018 ₹ in lakhs
Current		
Other Loans		
Unsecured, considered good	109.73	56.44
	109.73	56.44

6.4 Cash and Cash Equivalents

	As at 31.03.2019 ₹ in lakhs	As at 31.03.2018 ₹ in lakhs
Balances with banks		
On Current accounts	333.42	2,116.58
Cheques in hand	-	334.03
Cash Balances		
Cash on hand	4.76	2.61
	338.18	2,453.22



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

6.5 Other bank balances

	As at 31.03.2019 ₹ in lakhs	As at 31.03.2018 ₹ in lakhs
Deposit accounts with more than 3 months but less than 12 months maturity	160.85	124.73
Security against guarantee / margin money deposits	-	-
Unpaid dividend accounts	23.39	23.70
	184.24	148.43

6.6 Other Financial Assets

Non-current

Bank deposits with more than 12 months maturity	15.57	15.63
Security Deposits	33.95	26.52
	49.52	42.15

Current

Security Deposits	229.20	145.18
Derivative Asset	-	21.38
Receivable against expenses incurred on behalf of subsidiary (Refer note 36)	82.30	26.20
Other Financial Assets	8.49	6.25
	319.99	199.01
	369.51	241.16

7 Inventories

Raw Material	28,685.25	37,144.85
Finished Goods	1,545.53	624.17
Traded Goods	719.48	1,550.05
Packing Material	120.19	143.03
	31,070.45	39,462.10

8 Other Assets

Non-current

Capital Advances	47.81	120.37
Others including duties and taxes receivable (other than Cenvat & GST Balance)	-	-
	47.81	120.37

Current

Cenvat/GST balances	1,648.93	3,210.57
Advances to vendors	397.94	444.56
Others including duties and taxes receivable (other than Cenvat/GST balances)	257.69	172.45
	2,304.56	3,827.58



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

9 Equity Share Capital

	As at 31.03.2019 ₹ in lakhs	As at 31.03.2018 ₹ in lakhs
Authorised shares		
12,77,50,000 (31 March 2018 : 12,77,50,000, equity shares of ₹ 2 each)	2,555.00	2,555.00
Issued shares		
6,04,93,598 (31 March 2018 : 6,04,93,598 equity shares of ₹ 2 each)	1,209.87	1,209.87
Subscribed and fully paid-up shares		
6,04,93,598 (31 March 2018 : 6,04,93,598 equity shares of ₹ 2 each)	1,209.87	1,209.87

a) Reconciliation of number of shares

	Nos.	₹ in lakhs
As at 1.4.2018	6,04,93,598	1209.87
Issued during the year	-	-
As at 31.3.2019	6,04,93,598	1,209.87

b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share, however the holders of global depository receipts (GDR's) do not have any voting rights in respect of shares represented by the GDR's till the shares are held by the custodian bank. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive assets in proportion to the number of equity shares held by the shareholders.

c) Details of shareholders holding more than 5% of equity shares

	As at 31.03.2019		As at 31.03.2018	
	No of Shares	% holding in the class	No of Shares	% holding in the class
Equity Shares of ₹ 2 each fully paid up				
Ms. Shelina Arif Rayani	41,82,412	6.91%	41,82,412	6.91%
Shares held by Custodian as against which global depository receipts have been issued (Citi Bank N.A.)	1,65,92,587	27.43%	1,84,30,087	30.47%

d) Aggregate number of shares issued for consideration other than cash

	31st March 2019 No of Shares	31st March 2018 No of Shares
Shares issued as bonus	-	2,01,64,533



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

10. Other Equity

	As at 31.03.2019 ₹ in lakhs	As at 31.03.2018 ₹ in lakhs
Investment Allowance Reserve		
Balance at the beginning & at the end of the year	0.24	0.24
	0.24	0.24
Capital Redemption Reserves		
Balance at the beginning of the year	-	55.35
Less:- Utilized for Bonus Issue	-	55.35
Balance at the end of the year	-	-
Securities Premium Account		
Balance at the beginning of the year	9,018.48	9,366.42
Less:- Utilized for Bonus Issue	-	347.94
Balance at the end of the year	9,018.48	9,018.48
General reserve		
Balance at the beginning of the year	1,157.99	1,157.99
Add: Transfer from surplus in the Statement of Profit and Loss	-	-
Balance at the end of the year	1,157.99	1,157.99
Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	22,997.49	18,044.99
Add: Profit / (Loss) for the year	3,800.54	5,435.98
Add/Less: Other comprehensive income arising from re-measurement of defined benefit obligation net of income tax	(10.43)	(2.93)
Add/Less: Equity instruments through other comprehensive income	2.65	3.82
Add/Less: Income tax related to above	2.72	1.02
	26,792.97	23,482.88
Less: Appropriations		
Dividend Paid	725.92	403.29
Tax on Dividend Paid	149.22	82.10
Total Appropriations	875.14	485.39
Net Retained earning	25,917.83	22,997.49
Total other equity	36,094.54	33,174.20

Notes:

- Investment Allowance Reserve : Investment Allowance Reserve is a statutory reserve and can be utilise for further issue of capital.
- Capital Redemption Reserves : CRR is a statutory reserve created at the time of buy back of shares and utilized in Financial Year 2017-2018 for bonus issue of equity shares.
- Securities Premium : Premium collected on issue of securities are accumulated as part of securities premium. Utilisation of such reserve is restricted by The Companies Act, 2013.

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

General Reserve	:	General reserve forms part of the retained earnings and is permitted to be distributed to shareholders as dividend.
Retained Earning	:	This represents profits remaining after all appropriations. This is free reserve and can be used for distribution of profits.

11 Financial Liabilities**11.1 Short-term Borrowings (Secured)**

	As at 31.03.2019	As at 31.03.2018
	₹ in lakhs	₹ in lakhs
Cash Credits from banks	10,467.63	2,963.31
Secured by ;		
i) hypothecation of inventories, receivables and other current assets and		
ii) first pari-passu charge by way of equitable mortgage by deposit of title deeds of the Company's certain immovable properties at Ankleshwar, Daman, Marol industrial estate.		
The cash credit is repayable on demand and carried an interest rate of 9.55% to 14.05% p.a.	10,467.63	2,963.31

11.2 Trade payables**Current**

Trade payables		
Micro and Small Enterprises	-	-
Other than Micro and Small Enterprises	27,919.55	49,697.86
(Refer Note 32 for details of dues to micro and small enterprises)	27,919.55	49,697.86

11.3 Other Financial Liabilities**Current****Financial liabilities at fair value through profit or loss (FVTPL)**

Derivatives liabilities carried at fair value	174.13	-
Other Financial liabilities at amortised cost		
Unpaid dividends	23.39	23.70
Security deposit	150.23	43.22
Income tax deducted at source	50.90	57.38
Duties and taxes	1,015.97	1,477.68
Creditors for capital goods	60.81	85.94
	1,475.43	1,687.92



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

12 Provisions

	As at 31.03.2019 ₹ in lakhs	As at 31.03.2018 ₹ in lakhs
Non Current		
Provision for gratuity (Refer Note 34)	73.12	56.82
	73.12	56.82
Current		
Provision for gratuity (Refer Note 34)	16.87	13.66
Provision for CSR	-	-
	16.87	13.66
	89.99	70.48

13 Deferred Tax Liability (Net)

Deferred Tax Liability	963.19	792.00
Deferred Tax Assets	61.55	44.66
Net Deferred Tax Liability	901.64	747.34

Deferred Tax Assets

Deductible temporary differences		
Provision for doubtful debts and advances	4.81	4.81
Provision for ECL	24.65	18.28
Defined benefit obligation	31.45	21.38
Others	0.64	0.19
	61.55	44.66

Deferred Tax Liability

Taxable temporary differences		
Property, plant and equipment and investment property	962.27	792.00
Other financial liabilities	0.93	-
	963.20	792.00

14 Other Liabilities

Current

Advances from customers	71.80	85.58
Other liabilities	44.11	16.84
	115.91	102.42



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

15 Current tax assets and liabilities

	As at 31.03.2019 ₹ in lakhs	As at 31.03.2018 ₹ in lakhs
Current tax assets	-	-
Current tax liabilities		
Income tax payable (Gross)	6,763.68	6,246.18
Less: Advance Tax Paid	6,931.30	6,174.91
Current tax (assets)/liabilities	(167.62)	71.27

16 Revenue from Operations

	2018-2019 ₹ in lakhs	2017-2018 ₹ in lakhs
Sale of products		
Finished products	1,04,145.83	1,14,851.19
Traded products	3,664.66	4,116.26
	1,07,810.49	1,18,967.45

Sale of goods includes excise duty collected from customers of ₹ Nil (Previous year ₹ 1952.70 lakhs)

17 Other Income

	2018-2019 ₹ in lakhs	2017-2018 ₹ in lakhs
Interest income	22.34	34.70
Dividend income - Long-term investments	0.08	1.87
Net gain on sale of investments	-	7.33
Gain on Foreign Currency Transactions and Translation (net)	-	7.36
Profit on sale of property, plant and equipments (net)	1.48	1.57
Rent received	209.53	58.89
Miscellaneous income	20.18	23.13
	253.61	134.85



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

18 Cost of Materials Consumed

	2018-2019 ₹ in lakhs	2017-2018 ₹ in lakhs
Raw material consumed		
Inventory at the beginning of the year	37,144.85	21,077.30
Add : Purchases	78,516.42	1,10,572.69
	1,15,661.27	1,31,649.99
Less : Inventory at the end of the year	28,685.25	37,144.85
Cost of raw material consumed	86,976.02	94,505.14
Packing material consumed		
Inventory at the beginning of the year	143.03	84.20
Add : Purchases	2,369.82	2,144.68
	2,512.85	2,228.88
Less : Inventory at the end of the year	120.19	143.03
Cost of packing material consumed	2,392.66	2,085.85
Total material consumed	89,368.68	96,590.99
Details of raw material consumed		
Base Oil	75,685.63	75,555.61
Others	11,290.39	18,949.53
	86,976.02	94,505.14
Details of inventory		
Base oil & Wax	28,685.25	37,144.85
Packing material	120.19	143.03
	28,805.44	37,287.88

Imported and indigenous raw materials consumed

	% of total consumption 31 March 2019	₹ In lakhs 31 March 2019	% of total consumption 31 March 2018	₹ In lakhs 31 March 2018
Imported	85%	73,980.82	77%	72,649.44
Indigenous	15%	12,995.20	23%	21,855.70
	100%	86,976.02	100%	94,505.14

19 Purchase of Traded Goods

	2018-2019 ₹ in lakhs	2017-2018 ₹ in lakhs
Base oils	-	1,640.84
Waxes	2,103.78	2,278.77
	2,103.78	3,919.61



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

20 (Increase) / Decrease in Inventories

	2018-2019 ₹ in lakhs	2017-2018 ₹ in lakhs
Inventories at the end of the year		
Finished Goods	1,545.53	624.17
Traded Goods	719.48	1,550.05
	2,265.01	2,174.22
Inventories at the beginning of the year		
Finished Goods	624.17	401.64
Traded Goods	1,550.05	1,416.98
	2,174.22	1,818.62
	(90.79)	(355.60)

21 Employee Benefits Expense

Salaries, Wages and Bonus	781.78	640.82
Contribution to employees' provident and other funds	30.17	26.59
Gratuity expense	18.47	39.51
Staff Welfare Expenses	9.57	11.98
	839.99	718.90

22 Finance costs

Interest	1,668.94	843.26
Bank charges	287.06	307.69
	1,956.00	1,150.95

23 Depreciation / Amortisation (Refer Note 3 and 4)

Depreciation on property, plant and equipment	375.85	334.24
Depreciation on investment property	18.11	9.15
Amortisation of intangible assets	-	-
	393.96	343.39



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

24 Other Expenses

	2018-2019 ₹ in lakhs	2017-2018 ₹ in lakhs
Power and fuel	102.18	82.12
Water charges	8.75	7.18
Increase/(decrease) of excise duty on inventory	-	(32.53)
Repairs and maintenance		
Buildings	52.57	60.90
Machinery	92.42	101.67
Others	62.80	48.35
Insurance	152.93	198.05
Rent	116.81	97.48
Rates and taxes	26.27	22.55
Communication costs	39.70	46.29
Legal and professional fees	131.07	109.94
Payment to auditor (Refer details below)	16.75	15.75
Director sitting fees	6.65	7.75
Clearing and forwarding expenses	2,333.44	2,385.92
Freight outwards	1,983.45	1,880.53
Travelling and conveyance	331.58	228.17
Advertising and sales promotion	161.57	194.37
Brokerage and commission	337.11	268.62
Security charges	49.66	36.12
Bad debts and sundry balances written off	34.48	84.26
CSR expense and donation (Refer note 25)	37.49	119.39
Premium on forward exchange contract amortized	205.80	105.40
Exchange loss (net)	1,020.47	-
Miscellaneous expenses	422.14	358.97
	7,726.09	6,427.25

Payment to auditor (excluding service tax & GST)

As auditor:

Statutory audit and limited review fees	15.00	14.00
Tax audit fees	1.75	1.75
	16.75	15.75

- 25.** The Company has spent ₹ 32.90 lakhs (Previous year ₹ 114.13 lakhs) towards Corporate Social Responsibility expenditure (including capital expenditure ₹ Nil, Previous year ₹ Nil) and debited the same to the Statement of Profit and Loss as against ₹ 117.97 lakhs computed as per the provisions of section 135(5) of the Companies Act, 2013.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

	2018-2019 ₹ in lakhs	2017-2018 ₹ in lakhs
Amount to be spent during the year	117.97	74.08
Amount spent during the year	32.90	114.13

26. Expenses on Scientific Research

The Company has incurred total expenditure of ₹ 33.01 lakhs (previous year ₹ 44.80 lakhs) on account of Research & Development expenses the break up of which is as follows :

(a) Revenue Expenditure

Employment Cost	32.35	30.68
Laboratory Charges	0.66	0.98
TOTAL	33.01	31.66

(b) The Gross Block of Property, Plant and Equipment in Note 3 includes the following assets purchased for Research & Development:

Furniture & Fixture	4.08	4.08
Laboratory Equipment	93.24	93.24
Computer & Accessories	0.55	0.55
Air Conditioner	1.13	1.13
	99.00	99.00

27. Value of imports calculated on CIF basis (accrual)

Raw materials (Includes Goods in transit)	62,785.53	82,973.16
Traded goods	1,208.16	1,420.04
	63,993.69	84,393.20

28. Expenditure in foreign currency

Brokerage & Commission	81.66	5.97
Bank Interest	495.68	435.98
Bank Charges	19.63	23.30
Travelling Expenses	49.10	13.16
Others	2.12	6.08
	648.19	484.49

29. Earnings in foreign exchange

Exports at F.O.B Value	36,403.13	50,066.20
	36,403.13	50,066.20



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

30. Contingent Liabilities

	2018-2019 ₹ in lakhs	2017-2018 ₹ in lakhs
i) Service tax Matter disputed with the Deputy Commissioner of Service Tax (Dispute regarding demand raised on service tax payable on interest on usance charges for the period April 2012 to March 2016)	-	2.42
ii) Custom Matter disputed The Hon'ble High Court of Judicature, Mumbai	126.70	126.70
iii) Excise Matter disputed Central Excise, Customs and Sales Tax and Commissioner (Appeals) Daman & Surat.	40.47	168.35
iv) Excise Matter disputed Central Excise, Customs and Sales Tax and Hon'ble CESTAT, Ahmedabad.	27.97	-
v) Bank Guarantees	6,043.78	1,981.75
vi) Corporate Guarantees	6,225.42	5,853.97
	12,464.34	8,133.19

The management does not expect these claims to succeed. Accordingly no provision for contingent liability has been recognised in the financial statements.

31. Capital and other commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	32.49	1,134.97
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32. Details of dues to micro and small enterprises as defined under the MSMED Act 2006 *

	31 March 2019	31 March 2018
a. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises	-	-
- Interest due on above	-	-
b. The amount of interest paid by the buyer in terms of section 16 of the Micro and Small enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro and Small Enterprise Development Act, 2006.	-	-
d. The amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro and Small Enterprises Development Act, 2006.	-	-

*The company has initiated the process of identification of suppliers registered under Micro and Small Enterprise Development Act, 2006, by obtaining confirmations from all suppliers. Information has been collated only to the extent of information received as at the balance sheet date.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

33. Details of loans given, investments made and guarantee given covered u/s 186 (4) of the Companies Act, 2013

Name of the company	Balance as at	
	31-Mar-19 ₹ In lakhs	31-Mar-18 ₹ In lakhs
Panol Industries RMC FZE, UAE (Bank Guarantee US \$ 85 lakhs PY US \$ 25 lakhs)	5,879.56	1,626.10
Panol Industries RMC FZE, UAE (Corporate Guarantee US \$ 90 lakhs PY US \$ 90 lakhs)	6,225.42	5,853.97

34. Employee Benefits:

i) Defined Contribution Plan:

Company's contribution to Provident Fund ₹ 26.14 lakhs (Previous year ₹ 22.85 lakhs).

The company also contributes to the following:

-Employee State Insurance Contribution Fund : ₹ 3.98 lakhs (Previous year Rs. 3.75 lakhs)

ii) Defined Benefit Plan:

The following table sets out the funded status of the Gratuity Plan and the amounts recognised in the Company's financial statements:

	₹ In lakhs	
	As at 31 March 2019	As at 31 March 2018
(a) Change in the obligation benefits:		
Projected benefit obligation at the beginning of the year	145.79	99.71
Service Cost	13.67	12.44
Interest cost	9.43	6.07
Actuarial (Gains) / Losses on Obligations - Due to Change in Financial Assumptions	1.67	(4.87)
Actuarial (Gains) / Losses on Obligations - Due to Change in Demographic Assumptions	(4.47)	-
Actuarial (Gains) / Losses on Obligations - Due to Experience	14.69	7.82
Past Service Cost	-	25.49
Benefits paid	(9.39)	(0.87)
Projected benefit obligation at the end of the year	171.39	145.79
(b) Change in the plan assets:		
Fair value of the plan assets at the beginning of the year	75.29	70.79
Expected return on plan assets	6.09	4.50
Employer's contribution	-	-
Benefits paid	-	-
Return on plan assets, excluding interest income	-	-
Fair value of the plan assets at the end of the year	81.38	75.29
Funded status [Surplus / (Deficit)]	(90.01)	(70.50)



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

	As at 31 March 2019	₹ In lakhs As at 31 March 2018
(c) Net Gratuity and other cost:		
Service cost	13.67	12.44
Past service cost and loss/(gain) on curtailments	-	25.49
Interest on defined benefit obligation	4.81	1.59
Interest income	-	-
Net gratuity cost	18.48	39.52
(d) Amounts recognised in the statement of other comprehensive income:		
Actuarial gain/(loss)	11.90	2.95
Return on plan assets, excluding interest income	(1.47)	(0.02)
Net income / (expense) for the period recognised in other comprehensive income	-	-
	10.43	2.93
(e) Category of Assets:		
Policy of Insurance	100%	100%
	100%	100%
(f) Assumptions used in accounting for the Gratuity Plan:	%	%
Discount rate	7.40%	7.55%
Expected rate of return on plan assets	7.40%	7.55%
Age of Retirement	60	58
Annual increase in salary cost	6%	6%
(g) Sensitivity Analysis :		
<u>Discount rate Sensitivity</u>		
Increase by 0.5%	165.94	141.64
% Change	-3.17%	-2.84%
Decrease by 0.5%	177.21	150.19
% Change	3.40%	3.03%
<u>Salary growth rate Sensitivity</u>		
Increase by 0.5%	175.86	148.75
% Change	2.61%	2.04%
Decrease by 0.5%	167.50	142.97
% Change	-2.26%	-1.93%
<u>Withdrawal rate Sensitivity</u>		
Withdrawal rate X 110%	172.30	146.57
% Change	0.53%	0.54%
Withdrawal rate X 90%	170.36	144.95
% Change	-0.59%	-0.57%



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

35. Segment Information

A. Factors used to identify the entity's reportable segments, including the basis of organisation

For management purposes, as the Company is in the business of manufacturing and trading of specialty petroleum products, the Company has considered petroleum products as the only business segment for disclosure in this context of Indian Accounting Standard 108.

The Managing Director (MD) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by operating segment. The MD reviews revenue and gross profit as the performance indicator for the operating segment. However, the Company's finance (including finance cost and finance income) and income taxes are managed on a company as a whole basis and are not allocated to any segment.

Geographical segment of the organisation

For the purpose of geographical segment the sales are divided into two segments - within India and outside India. The accounting policies of the segments are the same as those described in Note 2 (O)

B. Information about reportable segment

The following table shows the distribution of the Company's reportable segment by geographical market, regardless of where the goods were produced:

Particulars	2018-2019			2017-2018		
	Within India	Outside India	Total	Within India	Outside India	Total
Revenue						
Sales to external customers	70,331.80	37,478.69	1,07,810.49	67,653.44	51,314.01	1,18,967.45
Other segment information						
Segment Assets	70,419.09	7,801.20	78,220.29	82,406.37	7,292.30	89,698.67
Capital Expenditure:						
Additions to tangible & intangible fixed assets (Including CWIP)	2,279.50	-	2,279.50	1,312.27	-	1,312.27

₹ in lakhs

36. Details of related party transactions in accordance with Ind AS 24 'Related Party Disclosures'

(a) Names of related parties with whom transactions have taken place during the year**Key Management Personnel**

Amirali E Rayani
Amin A Rayani
Samir Rayani
Hussein Rayani

Relatives of key management personnel

Akbarali Rayani (Brother of Mr. Amirali E Rayani)
Vazirali Rayani (Brother of Mr. Amirali E Rayani)
Salimali Rayani (Brother of Mr. Amirali E Rayani)



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Arif Rayani (Brother of Mr. Amin Rayani)
 Nilima Kheraj (Sister of Mr. Samir Rayani)
 Munira Rayani (Wife of Mr. Hussein Rayani)
 Iqbal Rayani (Brother of Mr. Hussein Rayani)

Subsidiary (Wholly owned)

Panol Industries RMC FZE, UAE

(b) Transactions with Related Parties

Transaction with Key Managerial Personnel and relatives of Key Managerial Personnel	2018-2019 ₹ In lakhs	2017-2018 ₹ In lakhs
Remuneration paid to Key Managerial Personnel		
Amirali E Rayani	36.00	27.00
Amin A Rayani	34.20	24.30
Samir Rayani	33.00	21.75
Hussein Rayani	33.00	21.75
Remuneration paid to Relative of Key Managerial Personnel		
Akbarali Rayani	5.40	5.40
Vazirali Rayani	5.40	5.40
Salimali Rayani	5.40	5.40
Arif Rayani	12.00	12.00
Nilima Kheraj	5.40	5.40
Munira Rayani	5.40	5.40
Iqbal Rayani	-	12.00
Payment of Rent		
Rent paid to Key Managerial Personnel		
Amin A Rayani	5.46	5.46
Samir Rayani	6.66	6.66
Rent paid to Relative of Key Managerial Personnel		
Arif Rayani	3.10	3.10
Transaction with Subsidiary		
Bank Guarantee Given (US \$ 85 Lakhs PY US \$ 25 Lakhs)	5,879.56	1,626.10
Corporate Guarantee Given (US \$ 90 Lakhs PY US \$ 90 Lakhs)	6,225.42	5,853.97
Reimbursement of expenses incurred on behalf of subsidiary	54.27	26.00
Purchases of Raw Material from subsidiary	-	16.30
Balances at the end of the year with wholly owned subsidiary		
Receivable against expenses incurred on behalf	80.47	26.00
Payable against purchases	-	16.30



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

37. Leases

Operating Lease: company as lessee

The Company has entered into arrangements for taking on lease and license basis certain office premises and warehouses. The specified disclosure in respect of these agreements is given below :

	2018-2019 ₹ In lakhs	2017-2018 ₹ In lakhs
Lease payments recognized in the profit and loss statement for the year	68.01	52.99

Notes:

- (i) There is no escalation clause in the lease agreement
- (ii) There are no restrictions imposed by lease arrangements
- (iii) There are no subleases

38. Earnings per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations :

Profit after tax attributable to equity shareholders	3,800.54	5,435.98
Net profit for calculation of basic and diluted EPS	3,800.54	5,435.98
	No. of shares	No. of shares
Weighted average number of equity shares in calculating basic EPS	6,04,93,598	6,04,93,598
Basic Earnings per share	6.28	8.99
Diluted Earnings per share	6.28	8.99

39. Tax expense

(a) Amounts recognised in the statement of profit and loss

Current tax expense		
Current year	1,873.00	2,832.00
Changes in estimates relating to prior years	(64.18)	-
	1,808.82	2,832.00
Deferred tax expense		
Origination and reversal of temporary differences	157.03	86.11
Change in tax rate	-	-
	157.03	86.11
Tax expense recognised in the statement of profit and loss	1,965.85	2,918.11



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(b) Amounts recognised in other comprehensive income

	2018-2019			2017-2018		
	Before Tax	Tax (expense)/ benefit	Net of Tax	Before Tax	Tax (expense)/ benefit	Net of Tax
Items that will not be reclassified to profit or loss:						
a) Re-measurements of the defined benefit plans	(10.43)	2.72	(7.71)	(2.93)	1.01	(1.91)
b) Equity instruments through Other Comprehensive Income	2.65	0.93	1.72	3.82	-	3.82
Total	(7.78)	3.65	(5.99)	0.90	1.01	1.91

(c) Reconciliation of effective tax rate

	Year ended 31.3.2019 ₹ In lakhs	Year ended 31.3.2018 ₹ In lakhs
Profit before tax	5,766.39	8,354.09
Statutory income tax rate	34.944	34.608
Tax using the Company's domestic tax rate	2,015.01	2,891.18
Increase due to change in tax rate	-	-
Tax effect of:		
Non-deductible tax expenses / disallowances under Income Tax Act	13.10	41.32
Tax-exempt income and deductions under Chapter VI A of Income Tax Act	(5.49)	(14.55)
Tax benefit u/s 35 (2AB) of Income Tax Act	(5.78)	(20.06)
Temporary difference recognised in deferred taxes	(142.61)	(66.33)
Tax payable at special rates		
Others	(0.17)	0.56
Amounts recognised in other comprehensive income	-	-
	1,874.06	2,832.12

(d) Movement in deferred tax balances

Particulars	₹ In lakhs					
	Net balance 1.4.2018	Recognised in profit or loss	Recognised in OCI	Net balance 31.3.2019	Deferred tax asset	Deferred tax liability
Property, plant and equipment and intangible assets	792.00	170.27	-	962.27	-	962.27
Investment	-	-	0.93	0.93	-	0.93
Employee Retirement Benefits	21.38	6.43	3.64	31.45	31.45	-
Provision for doubtful debts and advances	4.81	-	-	4.81	4.81	-
Provision for ECL	18.28	6.37	-	24.65	24.65	-
Prepaid expenses	0.19	0.45	-	0.64	0.64	-
Tax assets / (liabilities)	836.66	183.52	4.57	1,024.75	61.55	963.20



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Particulars	₹ In lakhs					
	Net balance 1.4.2017	Recognised in profit or loss	Recognised in OCI	Net balance 31.3.2018	Deferred tax asset	Deferred tax liability
Property, plant and equipment and intangible assets	694.92	97.08	-	792.00	-	792.00
Employee Retirement Benefits	17.78	3.60	-	21.38	21.38	-
Provision for doubtful debts and advances	4.81	-	-	4.81	4.81	-
Provision for ECL	10.06	8.22	-	18.28	18.28	-
Prepaid expenses	0.01	0.18	-	0.19	0.19	-
Tax assets / (liabilities)	727.58	85.08	-	836.66	44.66	792.00

40. Financial Instruments : Accounting classifications and fair value measurements

(i) Accounting classifications

The fair values of the financial assets and liabilities are determined at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

The carrying amounts of trade receivables, cash and cash equivalents, bank balances, short term deposits, trade payables, payables for acquisition of property, plant and equipment, short term loans from banks, financial institutions and other current financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature.

(ii) Fair value measurements

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table presents carrying value and fair value of financial instruments by categories and also fair value hierarchy of assets and liabilities measured at fair value :

As at 31 st March, 2019	Carrying Value	Classification		
		FVTPL	FVTOCI	Amortised Cost
Financial assets				
Investments				
Investment in equity shares (unquoted)	5,186.79	5,186.79	-	-
Investment in equity shares (quoted)	12.67	-	12.67	-
Others non current financial assets	49.52	33.95	-	15.57
Trade receivables	26,369.01	-	-	26,369.01



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

₹ In lakhs

As at 31st March, 2019

	Carrying Value	Classification		
		FVTPL	FVTOCI	Amortised Cost
Loans and advances				
Loans to employees	46.37	46.37	-	-
Others	63.36	-	-	63.36
Other financial assets				
Derivative instruments	-	-	-	-
Others	319.99	229.20	-	90.79
Cash and cash equivalents	338.18	-	-	338.18
Bank balances	184.24	-	-	184.24
	32,570.13	5,496.31	12.67	27,061.15
Financial liabilities				
Borrowings				
Short term loans from banks	10,467.63	-	-	10,467.63
Trade payables and acceptances	27,919.55	-	-	27,919.55
Other financial liabilities	1,301.30	150.23	-	1,151.07
Derivative instruments	174.13	174.13	-	-
	39,862.61	324.36	-	39,538.25

₹ In lakhs

As at 31st March, 2018

	Carrying Value	Classification		
		FVTPL	FVTOCI	Amortised Cost
Financial assets				
Investments				
Investment in equity shares (unquoted)	5,186.79	5,186.79	-	-
Investment in equity shares (quoted)	10.02	-	10.02	-
Others non current financial assets	42.15	26.52	-	15.63
Trade receivables	27,855.69	-	-	27,855.69
Loans and advances				
Loans to employees	18.68	18.68	-	-
Others	37.75	-	-	37.75
Other financial assets				
Derivative instruments	21.38	21.38	-	-
Others	177.63	145.18	-	32.45
Cash and cash equivalents	2,453.22	-	-	2,453.22
Bank balances	148.42	-	-	148.42
	35,951.73	5,398.55	10.02	30,543.16



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

₹ In lakhs

As at 31st March, 2018

	Carrying Value	Classification		
		FVTPL	FVTOCI	Amortised Cost
Financial liabilities				
Borrowings				
Short term loans from banks	2,963.31	-	-	2,963.31
Trade payables and acceptances	49,697.86	-	-	49,697.86
Other financial liabilities	1,687.92	43.22	-	1,644.70
Derivative instruments	-	-	-	-
	54,349.09	43.22	-	54,305.87

	As at 31 st March, 2019			As at 31 st March, 2018		
	Fair Value			Fair Value		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Investments						
Investment in equity shares (unquoted)	-	-	5,186.79	-	-	5,186.79
Investment in equity shares (quoted)	12.67	-	-	10.02	-	-
Others non current financial assets	-	-	33.95	-	-	26.52
Loans and advances						
Loans to employees	-	-	46.37	-	-	18.68
Other financial assets	-	-	229.20	-	-	145.18
Derivative instruments	-	-	-	-	21.38	-
	12.67	-	5,496.31	10.02	21.38	5,377.17
Financial liabilities						
Borrowings						
Short term loans from banks	-	-	-	-	-	-
Trade payables and acceptances	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-
Derivative instruments	-	174.13	-	-	-	-
Others	-	-	150.23	-	-	43.22
	-	174.13	150.23	-	-	43.22

During the reporting period ending 31st March, 2019 and 31st March, 2018, there were no transfers between Level 1 and Level 2 fair value measurements and no transfer into and out of Level 3 fair value measurements.

(iii) Description of significant observable inputs to valuation:

The following table shows the valuation techniques used to determine fair value :

Type	Valuation technique
Investments in equity shares (unquoted)	Book value
Investments in equity shares (quoted)	Fair Value
Loan to employees	Based on prevailing market interest rate
Derivative instruments	Fair valued based on prevailing market rate at each closing date
Short term loans from banks	Based on quotes from banks and financial institutions



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

41. Financial risk management

Risk management framework

The Company has identified financial risks and categorised them in three parts viz. (i) Credit Risk, (ii) Liquidity Risk and (iii) Market Risk. Details regarding sources of risk in each such category and how Company manages the risk is explained in following notes:

(i) Credit risk

Credit risk refers to the possibility of a customer and other counterparties not meeting their obligations and terms and conditions which would result into financial losses. Such risk arises mainly from trade receivables and investments. Credit risk is managed through internal credit control mechanism such as credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.”

Trade receivables

As per the credit policy of the Company, generally no credit are given exceeding the accepted credit norms. The Company deals with large corporate houses and State Electricity Boards after considering their credit standing. The credit policy with respect to other customers is strictly monitored by the Company at periodic intervals. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers. In addition, for amounts recoverable on exports, the Company has adequate insurance to mitigate overseas customer and country risk.

The Company uses an allowance matrix to measure the expected credit losses of trade receivables (which are considered good). The following table provides information about the exposure to credit risk and loss allowance (including expected credit loss provision) for trade receivables:

	₹ In lakhs			
Ageing	Gross Carrying Amount	Expected Credit Loss Rate	Credit Loss	Net Carrying Amount
0-180 days past due	192.35	5.09%	9.79	182.56
180-365 days past due	164.50	10.31%	16.96	147.54
More than 365 days past due	339.72	12.89%	43.79	295.93
	696.57	10.13%	70.54	626.03

Note - Expected credit loss is worked out on the trade receivable for which no specific provision is made.

Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 339.29 lakhs at 31.3.2019 (31.3.2018: ₹ 2453.22 lakhs). The cash and cash equivalents are held with banks with good credit ratings. Also, the Company invests its surplus funds in bank fixed deposits, which carry no / low mark to market risks for short duration and therefore, does not expose the Company to credit risk.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Investments

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counterparties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

Derivatives

The forward contracts were entered into with banks having an investment grade rating and exposure to counterparties is closely monitored and kept within the approved limits.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations on due date. The Company has a strong focus on effective management of its liquidity to ensure that all business and financial commitments are met on time. This is ensured through proper financial planning with detailed annual business plans, discussed at appropriate levels within the organisation. Annual business plans are divided into quarterly plans and put up to management for detailed discussion and an analysis of the nature and quality of the assumptions, parameters etc. Daily and monthly cash flows are prepared, followed and monitored at senior levels to prevent undue loss of interest and utilise cash in an effective manner. Cash management services are availed to avoid any loss of interest on collections. In addition, the Company has adequate borrowing limits with reputed banks in place duly approved.

a) Financing arrangements

The Company has an adequate fund and non-fund based limits lines with various banks. The Company's diversified source of funds and strong operating cash flow enables it to maintain requisite capital structure discipline. The financing products include working capital loans, buyer's credit loan, supplier's credit loan etc.

b) Maturities of financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows within one year

	As at 31.3.2019	As at 31.3.2018
Short term loans from banks	10,467.63	2,963.31
Trade payables	27,919.55	49,697.86
Other financial liabilities (other than derivative liabilities)	1,301.30	1,687.92
Derivative liabilities	174.13	-
	39,862.61	54,349.09

(iii) Market Risk

The risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market price. Market risk further comprises of (a) Currency risk, (b) Interest rate risk and (c) Commodity risk.

a) Currency Risk

The Company is exposed to currency risk mainly on account of its import payables and export receivables in foreign currency. The major exposures of the Company are in U.S. dollars. The Company hedges its import



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

foreign exchange exposure partly through exports and depending upon the market situations partly through forward foreign currency covers. The Company has a policy in place for hedging its foreign currency exposure. The Company does not use derivative financial instruments for trading or speculative purposes.

	31-Mar-19 \$ In lakhs	31-Mar-19 ₹ In lakhs	31-Mar-18 \$ In lakhs	31-Mar-18 ₹ In lakhs
Financial assets				
Trade Receivables	112.78	7,801.20	112.11	7,292.30
Cash and cash equivalents	2.61	180.47	26.82	1,744.17
Other financial assets	-	-	1.60	104.27
Net exposure for assets - A	115.39	7,981.67	140.53	9,140.74
Financial liabilities				
Trade Payables	373.31	25,822.32	729.08	47,421.01
Other financial liabilities	0.66	45.89	0.95	62.02
Less: Foreign currency forward exchange contracts	100.27	6,936.04	94.99	6,178.15
Net exposure for liabilities - B	273.70	18,932.17	635.04	41,304.88
Net exposure (A-B)	(158.31)	(10,950.50)	(494.51)	(32,164.14)

The following exchange rates have been applied at the end of the respective years

	31-03-2019	31-03-2018
USD Rate	69.17	65.04

Sensitivity analysis

The table below shows sensitivity of open forex exposure to USD / INR movement. We have considered 1% (+/-) change in USD / INR movement, increase indicates appreciation in USD / INR whereas decrease indicates depreciation in USD / INR. The indicative 1% movement is directional and does not reflect management forecast on currency movement.

Impact on profit or loss due to % increase / (decrease) in currency

Particulars	2018-2019		2017-2018	
	Increase	(Decrease)	Increase	(Decrease)
Movement (%)	1%	1%	1%	1%
USD	(109.51)	109.51	(320.42)	320.42

b) Interest rate risk

The Company is not exposed to significant interest rate risk during the respective reporting periods. Short term loans are taken on fixed interest rates.

(i) Interest Rate Risk Exposure

The Exposure of the borrowing to interest rate changes at the end of the reporting period are included in the table below. As at the end of the reporting period the following weighted average interest rate on the borrowings.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Particulars	2018-2019			2017-2018		
	Weighted average Interest rate	Balance ₹ in Lakhs	% of Total Loans	Weighted average Interest rate	Balance ₹ in Lakhs	% of Total Loans
Cash Credits from banks	10.57	10,467.63	100.00	10.10	2,963.31	100

The percentage of total loans shows the proportion of loans that are currently at weighted average in relation to the total amount of borrowings.

(ii) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rate. In interest rate risk note we have considered impact on profit after tax.

Particulars	2018-2019		2017-2018	
	Increase	(Decrease)	Increase	(Decrease)
Movement by 100 basis point	68.12	(68.12)	14.76	(14.76)

c) Commodity Risk**Raw Material Risk**

Timely availability and also non-availability of good quality base oils from across the globe could negate the qualitative and quantitative production of the various products of the Company. Volatility in prices of crude oil and base oil is another major risk for this segment. The Company procures base oils from various suppliers scattered in different parts of the world. The Company tries to enter into long term supply contracts with regular suppliers and at times buys the base oils on spot basis."

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

i) Debt Equity Ratio

The Company monitors capital using debt equity ratio. The Company's debt to equity ratios are as follows:

	2018-2019 ₹ In lakhs	2017-2018 ₹ In lakhs
Total borrowings (Refer note 11)	10,467.63	2,963.31
Total equity (Refer note 9 and 10)	37,304.41	34,384.07
Debt to Equity ratio	0.28	0.09



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

ii) Dividends

	Year ended 31.3.2019		Year ended 31.3.2018	
	Rate Per Share	₹ In lakhs	Rate Per Share	₹ In lakhs
Dividends paid during the year	1.2	725.92	1	403.29

42. Previous year figures

The company has reclassified previous year figures to conform to this year's classification.

Signature to Notes 1 to 42 of the financial statements

As per our report of even date attached

For Bhuta Shah & Co LLP

Chartered Accountants
Firm Registration No. 101474W/W100100

CA. Harsh Bhuta

Partner
Membership No : 137888

Place: Mumbai

Date : 24 May 2019

**For and on behalf of the board of directors of
Panama Petrochem Limited**

Amirali E. Rayani

Chairman
DIN:00002616

Pramod Maheshwari

CFO

Place: Mumbai

Date : 24 May 2019

Amin A. Rayani

Managing Director & CEO
DIN:00002652

Gayatri Sharma

Company Secretary & Compliance Officer

**INDEPENDENT AUDITOR'S REPORT****To the Members of Panama Petrochem Limited****Report on the Audit of the Consolidated Financial Statements****Opinion**

We have audited the accompanying consolidated financial statements of **Panama Petrochem Limited** ("the Company") and its subsidiary company i.e. **Panol Industries RMC FZE** (the Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity, with 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 consolidated state of affairs of the Group as at March 31, 2019, the consolidated profit, consolidated other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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 the key audit matters to be communicated in our report;

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Inventory Existence:</p> <p>The Group recognized inventory of Rs. 38,359.61 Lakhs as at 31 March 2019. Inventory held at various locations across India, outside India.</p> <p>Within Each Location, inventory is stored in warehouses, tanks, containers and tanks attached to the Bonded Custom Warehouse.</p> <p>This is a key audit matter because of the</p>	<p>We attended inventory counts at few locations, which we selected based on financial significance and risk.</p> <p>For locations attended, we performed the following procedures at each site:</p> <ul style="list-style-type: none"> Selected a sample of inventory items and compared the quantities we counted.



	<ul style="list-style-type: none"> • Significance of the inventory balance to the statement of financial position and • Complexity involved in determining inventory quantities on hand due to the number, conversion from Ltr. to Kgs., location , diversity of inventory storage locations, inventory lying With third parties Etc. 	<ul style="list-style-type: none"> • Observed a sample of managements inventory count procedures to assess compliance with Company Policy and • Made enquiries regarding obsolete inventory items and inspected the condition of items counted. <p>We have also evaluated a selection of controls over inventory existence across the Company.Also Obtained Confirmation For Inventory Held With Third Parties.</p>
<p>2</p>	<p>Trade Receivables:</p> <p>Trade receivables comprise a significant portion of the Current assets of the Company and serve as security for a majority of the Company short-term debt, the receivables provision has been made based on Expected Credit Loss method. Accordingly, the estimation of the allowance for trade receivables is a significant judgement area and is therefore considered a key audit matter.</p>	<p>We assessed the validity of material long outstanding receivables by obtaining third-party confirmations of amounts Receivables. We also considered payments received subsequent to year-end, insurance held for Overseas trade receivables, past payment history and unusual patterns to identify potentially impaired balances. The assessment of the appropriateness of the allowance for trade receivables comprised a variety of audit procedures across the Company including:</p> <ul style="list-style-type: none"> • Assessing the appropriateness and reasonableness of the assumptions applied in the managements' assessment of the receivables allowance; • Consideration of the creditworthiness of significant trade receivables over 90 days; • Consideration and concurrence of the agreed payment terms; • Verification of receipts from trade receivables subsequent to year-end; • Inspection of credit insurance policies; and • Considered the completeness and accuracy of the disclosures. To address the risk of management bias, we evaluated the results of our procedures against audit procedures on other key balances to assess whether or not there was an indication of bias. We were satisfied that the Group's trade receivables are fairly valued and adequately provided. We further considered whether the provisions were misstated and concluded that they were appropriate in all material respects, and disclosures related to trade receivable in the consolidated financial statements are appropriate.

Information Other than the Consolidated Financial Statements and Auditor’s Report Thereon

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

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 financial controls 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated 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, 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 consolidated 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.

Other Matters

- a) We did not audit the financial statements of the subsidiary i.e **Panol Industries RMC FZE**, whose financial statements reflect total assets of Rs. 18,913.43 lakhs as at 31 March 2019, total revenue of Rs. 19,140.60 lakhs and net profit after tax of Rs. 1,387.81 lakhs for the year ended 31 March 2019 as considered in the consolidated Ind AS financial statements. These financial statements of the subsidiary have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditor.
- b) Subsidiary is located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in its respective country and which have been reviewed and audited by the other auditor as applicable, under generally accepted auditing standards applicable in its respective country. The Company's Management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in its country to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's Management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditor and the conversion adjustments prepared by the Management of the Company and audited by us.
Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 of the aforesaid consolidated financial statements, including, inter-alia financial statement of the subsidiary duly audited by the component auditor;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors of the Company as on March 31, 2019 taken on record by the Board of Directors of the Company, none of the directors of the Company is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of the Company, for reasons stated therein. Internal control over financial reporting is not applicable to the subsidiary, which is incorporated outside India.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts, including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Bhuta Shah & Co LLP**
Chartered Accountants
Firm Registration No. 101474W / W100100

Harsh Bhuta
Partner
Membership No. 137888

Place : Mumbai
Date : 24th May 2019

**“Annexure A”****To the Independent Auditors’ Report on the consolidated Ind AS financial statements of Panama Petrochem Limited for the year ended 31st March, 2019**

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of **Panama Petrochem 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”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of **Panama Petrochem Limited** (hereinafter referred to as “Company”) as of that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls 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 (“ 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 the 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 Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company, 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 system 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 internal financial controls system over financial reporting of the Company.

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 authorizations 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 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 changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and 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 March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Bhuta Shah & Co LLP**
Chartered Accountants
Firm Registration No. 101474W / W100100

Harsh Bhuta
Partner
Membership No. 137888

Place : Mumbai
Date : 24th May 2019



CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2019

Particulars	Notes	As at 31 March 2019 ₹ In lakhs	As at 31 March 2018 ₹ In lakhs
Assets			
1. Non-current assets			
(a) Property, Plant and Equipment	3	14,599.45	12,829.15
(b) Capital work-in-progress	3	1,105.05	1,439.87
(c) Investment property	4	1,026.74	527.88
(d) Intangible Assets	5	-	-
(e) Financial Assets			
(i) Investments	6.1	13.84	11.19
(ii) Others	6.6	49.52	42.15
(f) Other non-current assets	8	911.37	1,149.03
Total Non Current Assets		17,705.97	15,999.27
2. Current assets			
(a) Inventories	7	38,359.61	44,502.91
(b) Financial Assets			
(i) Trade Receivables	6.2	31,389.97	28,023.77
(ii) Cash and cash equivalents	6.4	724.58	2,670.88
(iii) Bank Balances other than (iii) above	6.5	846.33	753.64
(iv) Loans	6.3	109.73	56.44
(v) Others	6.6	245.85	178.13
(c) Current Tax Assets (Net)	15	167.62	-
(d) Other Current Assets	8	2,370.41	5,411.20
(e) Assets classified as held for sale		-	-
Total Current Assets		74,214.10	81,596.97
Total Assets		91,920.07	97,596.24
Equity and Liabilities			
Equity			
(a) Equity Share Capital	9	1,209.87	1,209.87
(b) Other Equity	10	40,166.98	35,942.45
Total Equity		41,376.85	37,152.32
Liabilities			
1. Non-current Liabilities			
(a) Provisions	12	73.12	56.82
(b) Deferred Tax Liabilities (Net)	13	901.64	747.34
(c) Others Non-current Liabilities		-	-
Total Non-current Liabilities		974.76	804.16
2. Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	11.1	15,989.52	4,512.68
(ii) Trade Payables	11.2	-	-
Total outstanding dues of micro enterprises and small enterprises		31,520.10	53,251.80
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,475.43	1,687.92
(iii) Other Financial Liabilities	11.3	-	-
(b) Provisions	12	16.87	13.66
(c) Current Tax Liabilities (Net)	15	-	71.27
(d) Other Current Liabilities	14	566.54	102.43
Total Current Liabilities		49,568.46	59,639.76
Total Equity and Liabilities		91,920.07	97,596.24
Significant Accounting Policies	2		
The accompanying notes are an integral part of the consolidated financial statements			

As per our report of even date

For Bhuta Shah & Co LLP
Chartered Accountants
Firm Registration No. 101474W/W100100

CA. Harsh Bhuta
Partner
Membership No : 137888

Place : Mumbai
Date : 24 May 2019

For and on behalf of the board of directors of
Panama Petrochem Limited

Amirali E. Rayani
Chairman
DIN:00002616

Pramod Maheshwari
CFO
Place : Mumbai
Date : 24 May 2019

Amin A. Rayani
Managing Director & CEO
DIN:00002652

Gayatri Sharma
Company Secretary & Compliance Officer



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Year ended 31 March 2019 ₹ In lakhs	Year ended 31 March 2018 ₹ In lakhs
Income			
Revenue from operations	16	1,26,932.57	1,34,581.26
Other income	17	272.13	156.27
Total Income		1,27,204.70	1,34,737.53
Expenditure			
Cost of material consumed	18	95,808.41	97,897.58
Purchase of traded goods	19	13,334.01	14,384.16
Change in inventories of traded goods and finished goods	20	(2,338.37)	2,089.87
Excise duty	16	-	1,952.70
Employee benefits expense	21	887.68	772.76
Finance costs	22	2,516.87	1,375.66
Depreciation and Amortisation expense	23	592.37	529.06
Other expenses	24	9,249.51	6,720.33
Total Expenses		1,20,050.48	1,25,722.12
Profit for the year before tax		7,154.22	9,015.41
Tax expenses			
Current tax	39	1,873.00	2,832.00
Deferred tax	39	157.03	86.11
Short/(excess) provision of tax relating to earlier years		(64.18)	-
Total tax expenses		1,965.85	2,918.11
Profit for the year from continuing operations		5,188.37	6,097.30
Other Comprehensive Income			
A) Items that will not be reclassified subsequently to profit or loss			
(i) Re-measurement gains/(losses) on defined benefit plans		(10.43)	(2.93)
(ii) Equity instruments through other comprehensive income		2.65	3.82
(iii) Income tax related to above		2.72	1.01
Other Comprehensive Income		(5.06)	1.91
Total Comprehensive Income		5,183.31	6,099.21
Basic and Diluted earnings per share in ₹ (face value of ₹ 2 each) (Refer Note 38)		8.58	10.08
Significant Accounting Policies			
The accompanying notes are an integral part of the consolidated financial statements.			

As per our report of even date

For Bhuta Shah & Co LLPChartered Accountants
Firm Registration No. 101474W/W100100**CA. Harsh Bhuta**Partner
Membership No : 137888**For and on behalf of the board of directors of
Panama Petrochem Limited****Amirali E. Rayani**Chairman
DIN:00002616**Pramod Maheshwari**

CFO

Amin A. RayaniManaging Director & CEO
DIN:00002652**Gayatri Sharma**

Company Secretary & Compliance Officer

Place : Mumbai

Date : 24 May 2019

Place : Mumbai

Date : 24 May 2019



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

	31 March 2019 ₹ In lakhs	31 March 2018 ₹ In lakhs
Cash Flows from operating activities		
Profit before tax	7,154.22	9,015.41
Adjustments for -		
Depreciation on property, plant and equipment and investment property	592.37	529.06
Finance costs	2,516.87	1,375.66
(Profit)/loss on sale of property, plant and equipment (net)	(1.48)	(1.57)
Profit on sale of current investments (net)	-	(7.33)
Foreign currency translation reserve	(83.64)	260.08
Unrealized foreign exchange loss/(gain)	(745.99)	507.30
Interest income	(40.86)	(42.27)
Dividend income	(0.08)	(1.87)
Lease rental	(209.53)	(58.89)
Bad debts, provision for doubtful debts	17.73	23.74
Operating profit before working capital changes	9,199.61	11,599.32
(Increase)/decrease in Trade Receivables	(3,640.55)	(9,619.84)
(Increase)/decrease in Inventories	6,143.30	(14,283.61)
(Increase)/decrease in Loans and advances and other assets	(128.44)	29.25
(Increase)/decrease in other current assets	3,005.83	(4,246.48)
Increase/(decrease) in Trade Payables	(20,648.79)	21,793.91
Increase/(decrease) in other financial liabilities and provisions	286.14	1,117.37
Cash generated from/(used in) operations	(5,782.90)	6,389.92
Direct taxes paid (Net of refunds)	(2,047.71)	(3,002.53)
Net cash flow from/(used in) operating activity (A)	(7,830.61)	3,387.39
Cash flows from investing activities		
Additions to property, plant and equipment and investment property	(2,325.83)	(1,850.13)
Sales of property, plant and equipment	13.14	4.46
Sale of current investments	(0.00)	102.21
Redemption/maturity of bank deposits (having original maturity of more than three months)	(92.94)	200.43
Interest received	35.78	44.45
Rent received	209.53	58.89
Dividend received	0.08	1.87
Net cash flow from/(used in) investing activities (B)	(2,160.24)	(1,437.81)



	31 March 2019 ₹ In lakhs	31 March 2018 ₹ In lakhs
Cash flows from financing activities		
Proceeds/ (Repayment) from/of short-term borrowing (net)	11,476.84	1,254.53
Interest paid	(2,476.83)	(1,385.61)
Dividend paid	(726.23)	(400.45)
Dividend tax paid	(149.22)	(82.10)
Net cash flow from/(used in) financing activities (C)	8,124.56	(613.63)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(1,866.29)	1,335.95
Effect of exchange differences on cash & cash equivalents held in foreign currency	(80.32)	24.16
Cash and cash equivalents at the beginning of the year	2,694.58	1,334.47
Cash and cash equivalents at the end of the year	747.97	2,694.58
Components of Cash and Cash Equivalents		
Cash on hand	11.91	2.96
With banks		
- on current accounts	712.67	2,667.92
- on deposit accounts	-	-
- on unpaid dividend accounts *	23.39	23.70
Total Cash and Cash Equivalents (refer note 6)	747.97	2,694.58

* The company can utilize these balances only towards the settlement of the respective unpaid dividend.

Note :

The Consolidated Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind As 7 specified under section 133 of the Companies Act, 2013.

Previous year's figures have been regrouped / rearranged wherever necessary to make them comparable with those of current year.

As per our report of even date attached

For Bhuta Shah & Co LLP

Chartered Accountants

Firm Registration No. 101474W/W100100

CA. Harsh Bhuta

Partner

Membership No : 137888

For and on behalf of the board of directors of

Panama Petrochem Limited

Amirali E. Rayani

Chairman

DIN:00002616

Amin A. Rayani

Managing Director & CEO

DIN:00002652

Pramod Maheshwari

CFO

Gayatri Sharma

Company Secretary & Compliance Officer

Place : Mumbai

Date : 24 May 2019

Place : Mumbai

Date : 24 May 2019

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019****Equity Share Capital**

	₹ In lakhs
Balance as at 1 April 2017	806.58
Changes in equity share capital during the year (Bonus Issue)	403.29
Balance as at 31 March 2018	1,209.87
Changes in equity share capital during the year (Bonus Issue)	-
Balance as at 31 March 2019	1,209.87

Other Equity

	Reserves and Surplus					Retained earnings
	Investment Allowance Reserve	Capital Redemption Reserves	Securities Premium Account	General reserve	Foreign currency translation reserve	
Balance as at 1 April 2017	0.24	55.35	9,366.42	1,157.99	371.98	19,519.86
Profit for the year	-	-	-	-	-	6,097.30
Other comprehensive income	-	-	-	-	-	1.91
Foreign Currency Translation during the year	-	-	-	-	260.08	-
Bonus shares issued	-	(55.35)	(347.94)	-	-	-
Total Comprehensive income for the year	0.24	-	9,018.48	1,157.99	632.06	25,619.07
Dividend for 2016-2017	-	-	-	-	-	403.29
Dividend tax on Dividend for 2016-2017	-	-	-	-	-	82.10
Balance as at 31 March 2018	0.24	-	9,018.48	1,157.99	632.06	25,133.68
Profit for the year	-	-	-	-	-	5,188.37
Other comprehensive income	-	-	-	-	-	(5.06)
Foreign Currency Translation during the year	-	-	-	-	(83.64)	-
Bonus shares issued	-	-	-	-	-	-
	-	-	-	-	(83.64)	5,183.31
Dividend for 2017-2018	-	-	-	-	-	725.92
Dividend tax on Dividend for 2017-2018	-	-	-	-	-	149.22
Balance as at 31 March 2019	0.24	-	9,018.48	1,157.99	548.42	29,441.85

Notes :

Investment Allowance Reserve	: This reserve represents Govt grants received against investments.
Capital Redemption Reserves	: This reserve is a statutory reserve created at the time of buy back of shares and utilized in financial year 2017-2018 for bonus issue of equity shares.
Securities Premium	: Premium collected on issue of securities are accumulated as part of securities premium.
General Reserve	: General reserve forms part of the retained earnings and is permitted to be distributed to shareholders as dividend.
Retained Earning	: This represents profits remaining after all appropriations. This is free reserve and can be used for distribution of profits.
Foreign currency translation Reserves:	This represents exchange differences arising on the translation of non-monetary assets at the date of the reclassification.

As per our report of even date**For Bhuta Shah & Co LLP**

Chartered Accountants
Firm Registration No. 101474W/W100100

CA. Harsh Bhuta

Partner
Membership No : 137888

Place : Mumbai

Date : 24 May 2019

For and on behalf of the board of directors of Panama Petrochem Limited**Amirali E. Rayani**

Chairman
DIN:00002616

Pramod Maheshwari

CFO
Place : Mumbai

Date : 24 May 2019

Amin A. Rayani

Managing Director & CEO
DIN:00002652

Gayatri Sharma

Company Secretary & Compliance Officer

**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019****1. Corporate Group Information**

Panama Petrochem Limited is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 2013. Panama Petrochem Limited and its subsidiary (collectively referred as "the group"). The Group's principal operations are located in India and it has operation in United Arab Emirates. The Group is engaged in the manufacture of specialty petroleum products for diverse user industries like printing, textiles, rubber, pharmaceuticals, cosmetics, power and other industrial oil. The equity shares of the Company are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. The Global Depository Receipts (GDRs) of the Company are listed on the Luxembourg stock exchange.

2. Significant Accounting Policies:**(A) Basis of Preparation of Financial Statements**

(i) Compliance with Ind AS: These consolidated financial statements of the Group have been prepared to comply, in all material aspects, with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Companies Act, 2013. The consolidated financial statements upto the year ended 31st March 2017 were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

Effective 1st April, 2017, the Company has adopted Ind AS and adoption was carried out in accordance with Ind AS 101 first time adoption of accounting standards, with 1st April, 2016 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These consolidated financial statements were approved by the Company's Board of Directors and authorised for issue on 24th May 2019.

(ii) Classification of assets and liabilities : All assets and liabilities have been classified as current or non-current based on the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Deferred tax assets and liabilities are classified as non-current on net basis.

(iii) Historical cost convention : The financial statements have been prepared on going concern basis under the historical cost convention except:

- (a) certain financial instruments (including derivative instruments) and
- (b) defined benefit plans

Which are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

(iv) Functional and presentation currency : The Group's functional and presentation currency is Indian Rupee (₹). All amounts disclosed in the financial statements and notes have been rounded off to the nearest lacs (₹ lacs), except otherwise indicated.

(v) Fair value measurement : The Group measures certain financial assets and financial liabilities including derivatives and defined benefit plans at fair value.



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability take place either

- (a) in the principal market for the asset or liability or
- (b) in the absence or a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group's determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(vi) Principles of consolidation

- 1) The consolidated financial statements include the financial statements of Panama Petrochem Limited, the parent company (hereinafter referred to as 'the Company') and its subsidiary (collectively referred to as the 'Group').

"The consolidated financial statements have been prepared on the following basis:"

- i. The financial statements of the parent company and the subsidiary have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances / transactions and resulting unrealized profits in full. Unrealized losses resulting from intra-group transactions have also been eliminated except to the extent that recoverable value of related assets is lower than their cost to the Group. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post acquisition increase in the relevant reserves of the subsidiaries.
- ii. The excess of the cost of acquisition of investments in the subsidiaries over the acquired portion of equity in the subsidiaries is recognized in the financial statements as 'goodwill'. The excess of acquired portion of equity in subsidiaries over the cost of acquisition of investments in the subsidiaries is recognized in the financial statements as 'capital reserve'.
- iii. Minority interest in the net assets of consolidated subsidiaries consists of:

"(a) the amount of equity attributable to minorities at the date on which investment in subsidiary is made; and"

"(b) the minorities share of movements in equity since the date the parent and subsidiary relationship came into existence."



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

- iv. The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the parent company for its separate financial statements.
- v. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances to the extent possible.

2) The subsidiary company considered in the consolidated financial statements are:

Name of the Subsidiary	Country of incorporation	Extent of holding (%)	Reporting currency	Effective date of becoming subsidiary
Panol Industries RMC FZE	United Arab Emirates (U.A.E.)	100	AED	1 January 2013

(B) Property, Plant and Equipment

- (i) Freehold land is carried at historical cost and all other property, plant and equipment are shown at cost (net of adjustable taxes) less accumulated depreciation and accumulated impairment losses. The cost of an asset comprises of its purchase price, non refundable / adjustable purchase taxes and any cost directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management, the initial estimate of any decommissioning obligation, if any and for assets that necessarily take a substantial period of time to get ready for their intended use, finance costs. The purchase price is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The cost also includes trial run cost and other operating expenses such as freight, installation charges etc. The projects under construction are carried at costs comprising of costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and attributable borrowing costs.
- (ii) Lease arrangements for land are identified as finance lease, in case such arrangements result in transfer of the related risks and rewards to the Group classifies land lease arrangement with a term in excess of 99 years as a finance lease.
- (iii) Stores and spares which meet the definition of property, plant and equipment and satisfy the recognition criteria of Ind AS 16 are capitalised as property, plant and equipment.
- (iv) When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.
- (v) An Item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset or significant part) is included in the Statement of Profit and Loss when the asset is derecognised.
- (vi) In line with the provisions of Schedule II to the Companies Act, 2013, the Group depreciates significant components of the main asset (which have different useful lives as compared to the main asset) based on the individual useful life of those components. Useful life for such components of property, plant and equipment has been assessed based on the historical experience and internal technical inputs.
- (vii) Depreciation on property, plant and equipment is provided as per written down value method based on useful life prescribed under Schedule II to the Companies Act, 2013. The Group has assessed the estimated useful lives of its property, plant and equipment and has adopted the useful lives and residual value as prescribed in Schedule II.



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

The property, plant and equipment acquired under finance lease are depreciated over the period of lease. Depreciation on stores and spares specific to an item or property, plant and equipment is based on life of the related property, plant and equipment. In other cases, the stores and spares are depreciated over their estimated useful life based on the technical assessment.

- (viii) The residual values and useful lives of property, plant and equipment are reviewed at each financial year end, and changes, if any, are accounted prospectively.
- (ix) Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date. These are stated at cost to date relating to items or project in progress, incurred during construction / preoperative period. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other non-current Assets".

(C) Investment Property

Investment properties are properties held to earn rentals and / or for capital appreciation (including property under construction for such purpose). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with the requirements of Ind AS 16 for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property is included in the Statement of Profit and Loss in the period in which the property is derecognised.

Depreciation on investment property is provided as per written down value method based on estimated useful life which is considered at 60 years based on internal assessment.

(D) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets namely computer software is amortized at the rate of 33.33 % on a straight line basis over the estimated useful economic life.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Profit and Loss Statement when the asset is derecognized.

(E) Borrowing Costs

Borrowing costs are charged to Statement of Profit and Loss except to the extent attributable to acquisition / construction of and asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(F) Impairment of Non-financial Assets

At each balance sheet date, an assessment is made of whether there is any indication of impairment.



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

(G) Non-current Assets held for sale

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the assets is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

(H) Inventories

Inventories are valued as follows:

Raw materials	Lower of cost or net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a First In First Out (FIFO) basis. Cost of raw materials comprises of cost of purchase (net of discount) and other cost in bringing the inventory to their present location and condition excluding Cenvat credit / Countervailing duty. Customs duty on stock lying in bonded warehouse is included in cost.
Work-in-progress and Finished goods	Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a First In First Out (FIFO) basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(I) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

(i) Sale of Goods:

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. The Group collects goods & service tax/sales taxes and value added taxes (GST/VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

(ii) Interest income:

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included under the head "other income" in the Statement of Profit and Loss.

(iii) Dividend income:

Revenue is recognized when the shareholders' right to receive payment is established by the reporting date. Dividend income is included under the head "other income" in the Statement of Profit and Loss.

(iv) Rental Income:

Revenue is recognised on the basis of income arising from operating lease of investment properties is accounted for on a straight-line basis over the lease unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases and is included in the head "other income" in the Statement of Profit and Loss.

(v) Others:

Revenue is recognised in respect of export incentives, insurance / other claims etc., when it is reasonably certain that the ultimate collection will be made.

(J) Expenditure on Research and Development

Revenue expenditure on Research and Development is charged to Statement of Profit and Loss under the appropriate heads of expenses. Expenditure relating to property, plant and equipment are capitalised under respective heads.

(K) Foreign Currency Transactions

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting such monetary items of Group at rates different from those at which they were initially recorded during the year, or reported in financial statements, are recognized as income or as expenses in the year in which they arise.

(iv) Forward Contracts

The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

(L) Employee Benefits

All employee benefits payable wholly within 12 months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

Post Retirement Benefits

The Group operates the following post-employment schemes:

- (a) defined benefit plan - gratuity
- (b) defined contribution plan - provident fund

Defined benefit plan - Gratuity obligation

Post-employment benefits (benefits which are payable on completion of employment) are measured on a discounted basis by the Projected Unit Credit Method on the basis of actuarial valuation annually.

The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less fair value of plan assets.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

Defined contribution plan

Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective fund are due. There are no other obligations other than the contribution payable to the respective fund.



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(M) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset(s) or the arrangement conveys a right to use the asset, even if the right is not explicitly specified in an arrangement.

(a) Group is the lessee

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the Profit and Loss Statement on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the Profit and Loss Statement. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Profit and Loss Statement.

(b) Group is the lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the Profit and Loss Statement on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the Profit and Loss Statement. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Profit and Loss Statement.

(N) Taxation

“Income tax expense comprises of current tax expense and the net change in the deferred tax asset or liability during the year. “

(a) Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India.

“(b) Deferred Tax: Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount. “

“Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.”

“The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. “

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are off set if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

- (c) Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT Credit is allowed to be carried forward. In the year in which the Company recognizes MAT Credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the Profit and Loss Statement and shown as "MAT Credit Entitlement." The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the sufficient period.

(O) Segment Reporting

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

The Chief Operational Decision Maker monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. The operating segments have been identified on the basis of nature of product/services.

The board of directors of the Company has appointed the Managing Director as the chief operating decision maker (CODM) who is assessing the financial performance and position of the Company, and makes strategic decisions.

(P) Earning per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events, if any, such as bonus issue, bonus elements in a rights issue to existing shareholders, shares split and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(Q) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates

Contingent liabilities are disclosed in the case of:

- a) a present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

- b) a present obligation arising from the past events, when no reliable estimate is possible;
- c) a possible obligation arising from past events, unless the probability of outflow of resources is remote.

“Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised. “

(R) Financial Instruments

“Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.”

I. Financial Assets

A. Initial recognition and measurement :

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of the financial asset [other than financial assets at fair value through profit or loss (FVTPL)] are added to the fair value of the financial assets. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset. Transaction costs of financial assets carried at FVTPL are expensed in the Statement of Profit and Loss.

B. Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in the following categories:

- (i) Debt instruments at amortised cost

A ‘debt instrument’ is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

- (ii) Debt instruments included within the Fair Value Through Profit or Loss (FVTPL) category are measured at fair value with all changes recognised in the Statement of Profit and Loss.
- (iii) Equity instruments: All equity instruments within the scope of Ind-AS 109 are measured at fair value. Equity instruments which are classified as held for trading are measured at FVTPL. For all other equity instruments, the Company decides to measure the same either at Fair Value Through Other Comprehensive Income (FVTOCI) or FVTPL. The Company makes such selection on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

For equity instruments measured at FVTOCI, all fair value changes on the instrument, excluding dividends, are recognised in Other Comprehensive Income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of such instruments.

- iv) Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

C. De-recognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (i.e. removed from the Group's balance sheet) when:

- the rights to receive cash flows from the asset have expired, or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, and either:
 - (i) the Group has transferred substantially all the risks and rewards of the asset, or
 - (ii) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

D. Impairment of financial assets:

In accordance with Ind-AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on trade receivables and other advances. The Group follows 'simplified approach' for recognition of impairment loss on these financial assets. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

II. Financial Liabilities

A. Initial recognition and measurement:

Financial liabilities are classified at initial recognition as :

- (i) financial liabilities at fair value through profit or loss,
- (ii) loans and borrowings, payables, net of directly attributable transaction costs or
- (iii) derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group's financial liabilities include trade and other payables, loans and borrowings including derivative financial instruments.

B. Subsequent measurement :

The measurement of financial liabilities depends on their classification, as described below:

- (i) **Borrowings:** Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished and the consideration paid is recognised in the Statement of Profit and Loss as other gains / (losses).

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender has agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

- (ii) **Trade and other payables:** These amounts represent liabilities for goods and services provided to the Group prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within twelve months of recognition. Trade and other payables are presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.
- (iii) **Derivative financial instruments:** The Group uses derivative financial instruments, such as foreign exchange forward contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Hedge accounting :

The Group designates certain hedging instruments which include derivatives, embedded derivatives and non derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges or hedges of net investments in foreign operations. At the inception of the hedge relationship, the Group documents the relationship between the hedging instruments and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

C. De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another, from the same lender, on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

D. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

- (a) Operating lease commitments – Group as lessor;
- (b) Assessment of functional currency;
- (c) Evaluation of recoverability of deferred tax assets

Estimates and assumptions

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year :

- a) Useful lives of property, plant and equipment, investment property and intangible assets;
- b) Fair value measurements of financial instruments ;
- c) Impairment of non-financial assets;
- d) Taxes;
- e) Defined benefit plans (gratuity benefits);
- f) Provisions;
- g) Valuation of inventories;
- h) Contingencies



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

03. Tangible assets

₹ In lakhs

Cost or valuation	Freehold land	Leasehold Land	Factory Building	Non Factory Building	Plant & Equipment	Office Equipment	Computers	Furniture and fixtures	Vehicles	Total
At 1 April 2017	6.19	2,857.53	3,101.06	2,524.59	5,604.89	125.33	82.61	346.08	518.20	15,166.48
Additions	-	4.04	146.16	0.00	998.22	10.20	5.97	61.78	131.01	1,357.38
Other adjustments	-	-	-	-	-	-	-	-	(36.07)	(36.07)
Re-classification to Investment Property	-	-	-	(578.63)	-	-	-	-	-	(578.63)
At 31 March 2018	6.19	2,861.57	3,247.22	1,945.96	6,603.11	135.53	88.58	407.86	613.14	15,909.16
Additions	-	22.16	188.93	1,592.93	930.92	6.83	5.16	15.15	111.11	2,873.19
Other adjustments	-	-	-	-	-	-	-	-	(54.10)	(54.10)
Re-classification to Investment Property	-	-	-	(566.67)	-	-	-	-	-	(566.67)
At 31 March 2019	6.19	2,883.73	3,436.15	2,972.22	7,534.03	142.36	93.74	423.01	670.15	18,161.58
Depreciation										
At 1 April 2017	-	362.27	469.74	225.16	999.27	85.13	71.67	153.26	268.38	2,634.88
Re-classification to Investment Property	-	-	-	(41.60)	-	-	-	-	-	(41.60)
Charge for the year	-	36.23	99.26	31.48	225.43	13.12	8.38	39.02	67.00	519.92
Other adjustments	-	-	-	-	-	-	-	-	(33.18)	(33.18)
At 31 March 2018	-	398.50	569.00	215.04	1,224.70	98.25	80.05	192.28	302.20	3,080.02
Re-classification to Investment Property	-	-	-	(49.70)	-	-	-	-	-	(49.70)
Charge for the year	-	36.45	107.61	39.25	271.18	12.13	5.23	40.68	61.72	574.25
Other adjustments	-	-	-	-	-	-	-	-	(42.44)	(42.44)
At 31 March 2019	-	434.95	676.61	204.59	1,495.88	110.38	85.28	232.96	321.48	3,562.13
Net Block										
At 31 March 2018	6.19	2,463.07	2,678.22	1,730.92	5,378.41	37.28	8.53	215.58	310.94	12,829.14
At 31 March 2019	6.19	2,448.78	2,759.54	2,767.63	6,038.15	31.98	8.46	190.05	348.67	14,599.45
Capital work-in-progress										
At 31 March 2018	-	-	19.44	1,227.79	192.64	-	-	-	-	1,439.87
At 31 March 2019	-	-	-	1,105.05	-	-	-	-	-	1,105.05

Notes:-

3.1 Factory Building includes those constructed on leasehold land:

Gross Block	Depreciation For the year	Accumulated Depreciation	Net Block
At 31 March 2018	95.07	439.26	2,466.91
At 31 March 2019	104.35	583.07	2,648.90

3.2 Non Factory Building includes those constructed on leasehold land:

Gross Block	Depreciation For the year	Accumulated Depreciation	Net Block
At 31 March 2018	1.35	8.93	92.83
At 31 March 2019	2.33	11.27	88.16

3.3 Non Factory Building Re-classified as investments properties as per Ind AS 40

Gross Block	Depreciation For the year	Accumulated Depreciation	Net Block
At 31 March 2018	-	-	-
At 31 March 2019	-	-	-

3.4 Capital expenditure on research & development

- a) Addition to fixed assets includes capital assets of ₹ Nil lakhs (31 March 2018 : ₹ 13.14 lakhs)
- b) Gross block includes fixed assets in research & development (R&D) unit Furniture ₹ 4.08 lakhs (31 March 2018 : ₹ 4.08 lakhs)
- Lab Equipments ₹ 93.24 lakhs (31 March 2018 : ₹ 93.24 lakhs)
- Computer ₹ 00.55 lakh (31 March 2018 : ₹ 00.55 lakh)
- Air Conditioner ₹ 1.13 lakhs (31 March 2018 : ₹ 1.13 lakhs)

3.5 The Board currently estimates that there are no components which have significantly different lives from the underlying primary assets



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

4. Investment Property	As at 31.03.2019 ₹ in lakhs	As at 31.03.2018 ₹ in lakhs
I. Gross Carrying Amount		
Balance at the beginning of the year	578.63	-
Additions	566.67	578.63
Deletions	-	-
Balance at the end of the year	1,145.30	578.63
II. Accumulated Depreciation and Impairment		
Balance at the beginning of the year	50.75	-
Depreciation for the year	18.11	9.15
Accumulated depreciation on Addition/deletions	49.70	41.60
Balance at the end of the year	118.56	50.75
III. Net Carrying Amount at end of the year		
	1,026.74	527.88
IV. Fair value of investment property at the end of the year		
	1,920.46	960.23

4.1 Information regarding income and expenditure of Investment Property

	2018-2019 ₹ in lakhs	2017-2018 ₹ in lakhs
Rental income derived from investment properties	200.39	55.66
Direct operating expenses (including repairs and maintenance) generating rental income	10.26	6.24
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
Profit arising from investment properties before depreciation and indirect expenses	190.13	49.42
Less – Depreciation	18.11	9.15
Profit arising from investment properties before indirect expenses	172.02	40.27

4.2 Fair value of the Company's investment properties

The fair value of the Company's investment properties as at 31 March 2018 was arrived at on the basis of a valuation carried out by independent registered valuers not related to the Company. The Company has adopted policy of revaluing investment property generally every three years unless there are any significant changes in the circumstances requiring earlier revaluation. Accordingly, the Company has continued with the same valuation for the year ended 31 March 2019.

**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019****4.3 a)** Details of the Company's Investment properties and information about their Fair value hierarchy

Valuation as at	Fair value measurement	
	31.03.2019	31.03.2018
	1,920.46	960.23
b) Reconciliation of fair value	2018-2019	2017-2018
	₹ in lakhs	₹ in lakhs
Opening balance	960.23	-
Fair value difference	-	-
Purchases/Reclassification	960.23	960.23
Closing balance	1,920.46	960.23

c) Description of valuation techniques used and key inputs to valuation on investment properties

The investment properties have been valued at Fair Market Value. It is the value of the property at which it can be sold in open market at a particular time free from forced value or sentimental value. Prevailing market value is a result of demand/ supply /merits /demerits of properties and various locational, social, economical, political factors and circumstances. Prevailing market value can be estimated through market survey, through dependable data/sale instances, local estate developers/ brokers, real estate portal enquiries and verbal enquiries in neighbourhood area.

5. Other Intangible Assets

	As at 31.03.2019	As at 31.03.2018
	₹ in lakhs	₹ in lakhs
I. Gross Carrying Amount		
Balance at the beginning of the year	7.11	7.11
Additions	-	-
Deletions	-	-
Balance at the end of the year	7.11	7.11
II. Accumulated Depreciation and Impairment		
Balance at the beginning of the year	7.11	7.11
Depreciation for the year	-	-
Accumulated depreciation on deletions	-	-
Balance at the end of the year	7.11	7.11
III. Net Carrying Amount at end of the year	-	-



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

6 Financial Assets

6.1 Non-current Investments (fully paid up)

	As at 31.03.2019 ₹ in lakhs	As at 31.03.2018 ₹ in lakhs
Investments in equity instruments		
Unquoted		
1,795 (31 March 2018 : 1,795) fully paid equity shares of ₹ 10 each of Bharuch Enviro Infrastructure Limited	0.19	0.19
975 (31 March 2018 : 975) Fully paid equity shares of ₹ 100 each of The Marol Co operative Industrial Estate Limited	0.98	0.98
	1.17	1.17
Aggregate amount of Unquoted Investments - gross	1.17	1.17
Aggregate amount of impairment in value of investments	-	-
Aggregate amount of Unquoted Investments - net	1.17	1.17
Quoted		
6,200 (31 March 2018 : 6,200) fully paid equity shares of face value of ₹ 10 each of DCB Bank Limited	12.67	10.02
	12.67	10.02
Aggregate amount of Quoted Investments - gross	12.67	10.02
Aggregate amount of impairment in value of investments	-	-
Aggregate amount of Quoted Investments - net	12.67	10.02

6.2 Trade Receivables

	As at 31.03.2019 ₹ in lakhs	As at 31.03.2018 ₹ in lakhs
Current		
Unsecured, Considered good	31,460.51	28,076.58
Considered doubtful	13.89	13.89
	31,474.40	28,090.47
Less: Allowance for doubtful debts	13.89	13.89
	31,460.51	28,076.58
Less: Impairment under expected credit loss	70.54	52.81
	31,389.97	28,023.77

The holding Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follow



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Ageing	Expected credit loss (%)	
0-180 days past due	5.09%	
180-365 days past due	10.31%	
More than 365 days past due	12.89%	
Age of receivables	As at 31.3.2019 ₹ in lakhs	As at 31.3.2018 ₹ in lakhs
0-180 days past due	192.35	339.42
180-365 days past due	164.50	115.45
More than 365 days past due	339.72	183.44
Movement in the expected credit loss allowance	Year ended 31.3.2019 ₹ in lakhs	Year ended 31.3.2018 ₹ in lakhs
Balance at the beginning of the year	52.81	29.07
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	17.73	23.74
Balance at the end of the year	70.54	52.81
6.3 Loans and advances	As at 31.03.2019 ₹ in lakhs	As at 31.03.2018 ₹ in lakhs
Current		
Other Loans		
Unsecured, considered good	109.73	56.44
	109.73	56.44
6.4 Cash and Cash Equivalents	As at 31.03.2019 ₹ in lakhs	As at 31.03.2018 ₹ in lakhs
Balances with banks		
On Current accounts	712.67	2,333.89
Cheques in hand	-	334.03
Cash Balances		
Cash on hand	11.91	2.96
	724.58	2,670.88
6.5 Other bank balances	As at 31.03.2019 ₹ in lakhs	As at 31.03.2018 ₹ in lakhs
Deposit accounts with more than 3 months but less than 12 months maturity	822.94	729.94
Security against guarantee / margin money deposits	-	-
Unpaid dividend accounts	23.39	23.70
	846.33	753.64



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

6.6 Other Financial Assets

	As at 31.03.2019 ₹ in lakhs	As at 31.03.2018 ₹ in lakhs
Non-current		
Bank deposits with more than 12 months maturity	15.57	15.63
Security Deposits	33.95	26.52
	49.52	42.15
Current		
Security Deposits	229.20	145.18
Derivative Asset	-	21.38
Other Financial Assets	16.65	11.57
	245.85	178.13
	295.37	220.28

7 Inventories

	As at 31.03.2019 ₹ in lakhs	As at 31.03.2018 ₹ in lakhs
Raw Material	28,685.25	37,144.85
Finished Goods	1,545.53	624.17
Traded Goods	8,002.35	6,585.34
Packing Material	126.48	148.55
	38,359.61	44,502.91

8 Other Assets

	As at 31.03.2019 ₹ in lakhs	As at 31.03.2018 ₹ in lakhs
Non-current		
Capital Advances	911.37	1,149.03
Others including duties and taxes receivable (other than Cenvat & GST Balance)	-	-
	911.37	1,149.03
Current		
Cenvat/GST balances	1,648.93	3,210.57
Advances to vendors	398.85	1,988.16
Others including duties and taxes receivable (other than Cenvat/GST balances)	322.63	212.47
	2,370.41	5,411.20



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

9 Equity Share Capital

	As at 31.03.2019 ₹ in lakhs	As at 31.03.2018 ₹ in lakhs
Authorised shares		
12,77,50,000 (31 March 2018 : 12,77,50,000 equity shares of ₹ 2 each) equity shares of ₹ 2 each)	2,555.00	2,555.00
Issued shares		
6,04,93,598 (31 March 2018 : 6,04,93,598 equity shares of ₹ 2 each)	1,209.87	1,209.87
Subscribed and fully paid-up shares		
6,04,93,598 (31 March 2018 : 6,04,93,598 equity shares of ₹ 2 each)	1,209.87	1,209.87
a) Reconciliation of number of shares	Nos.	₹ in lakhs
As at 01.4.2018	6,04,93,598	1,209.87
Issued during the year	-	-
As at 31.3.2019	6,04,93,598	1,209.87

b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share, however the holders of global depository receipts (GDR's) do not have any voting rights in respect of shares represented by the GDR's till the shares are held by the custodian bank. The company declares and pays dividends in Indian rupees. The dividend proposed by The Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive assets in proportion to the number of equity shares held by the shareholders.

c) Details of shareholders holding more than 5% of equity shares

	As at 31.03.2019		As at 31.03.2018	
	No of Shares	% holding in the class	No of Shares	% holding in the class
Equity Shares of ₹ 2 each fully paid up				
Ms. Shelina Arif Rayani	41,82,412	6.91%	41,82,412	6.91%
Shares held by Custodian as against which global depository receipts have been issued (Citi Bank N.A.)	1,65,92,587	27.43%	1,84,30,087	30.47%

d) Aggregate number of shares issued for consideration other than cash

	31 st March 2019 No of Shares	31 st March 2018 No of Shares
Shares issued as bonus	-	2,01,64,533



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

10. Other Equity

	As at 31.03.2019 ₹ in lakhs	As at 31.03.2018 ₹ in lakhs
Investment Allowance Reserve		
Balance at the beginning & at the end of the year	0.24	0.24
	0.24	0.24
Capital Redemption Reserves		
Balance at the beginning of the year	-	55.35
Less:- Utilized for Bonus Issue	-	55.35
Balance at the end of the year	-	-
Securities Premium Account		
Balance at the beginning of the year	9,018.48	9,366.42
Less:- Utilized for Bonus Issue	-	347.94
Balance at the end of the year	9,018.48	9,018.48
General reserve		
Balance at the beginning of the year	1,157.99	1,157.99
Add: Transfer from surplus in the Statement of Profit and Loss	-	-
Balance at the end of the year	1,157.99	1,157.99
Foreign currency translation reserve		
Balance at the beginning of the year	632.06	371.98
Foreign currency translation during the year	(83.64)	260.08
	548.42	632.06
Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	25,133.68	19,519.86
Add: Profit / (Loss) for the year	5,188.37	6,097.30
Add/Less: Other comprehensive income arising from re-measurement of defined benefit obligation net of income tax	(10.43)	(2.93)
Add/Less: Equity instruments through other comprehensive income	2.65	3.82
Add/Less: Income tax related to above	2.72	1.02
	30,316.99	25,619.07
Less: Appropriations		
Dividend Paid	725.92	403.29
Tax on Dividend Paid	149.22	82.10
Total Appropriations	875.14	485.39
Net Retained earning	29,441.85	25,133.68
Total other equity	40,166.98	35,942.45

**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019****Notes:**

Investment Allowance Reserve	:	Investment Allowance Reserve is a statutory reserve and can be utilise for further issue of capital.
Capital Redemption Reserves	:	CRR is a statutory reserve created at the time of buy back of shares and utilized in Financial Year 2017-2018 for bonus issue of equity shares.
Securities Premium	:	Premium collected on issue of securities are accumulated as part of securities premium. Utilisation of such reserve is restricted by The Companies Act, 2013.
General Reserve	:	General reserve forms part of the retained earnings and is permitted to be distributed to shareholders as dividend.
Retained Earning	:	This represents profits remaining after all appropriations. This is free reserve and can be used for distribution of profits.

11 Financial Liabilities**11.1 Short-term Borrowings (Secured)**

	As at 31.03.2019 ₹ in lakhs	As at 31.03.2018 ₹ in lakhs
Cash Credits from banks	15,989.52	4,512.68
Secured by ;		
i) hypothecation of inventories, receivables and other current assets and		
ii) first pari-passu charge by way of equitable mortgage by deposit of title deeds of the Company's certain immovable properties at Ankleshwar, Daman, Marol industrial estate.		
The cash credit is repayable on demand and carried an interest rate of 4.50% to 14.05% p.a.	15,989.52	4,512.68

11.2 Trade payables

	As at 31.03.2019 ₹ in lakhs	As at 31.03.2018 ₹ in lakhs
Current		
Trade payables		
Micro and Small Enterprises	-	-
Other than Micro and Small Enterprises	31,520.10	53,251.80
(Refer Note 32 for details of dues to micro and small enterprises)	31,520.10	53,251.80

11.3 Other Financial Liabilities**Current****Financial liabilities at fair value through profit or loss (FVTPL)**

Derivatives liabilities carried at fair value	174.13	-
Other Financial liabilities at amortised cost		
Unpaid dividends	23.39	23.70
Security deposit	150.23	43.22
Income tax deducted at source	50.90	57.38
Duties and taxes	1,015.97	1,477.68
Creditors for capital goods	60.81	85.94
	1,475.43	1,687.92



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

12 Provisions

	As at 31.03.2019 ₹ in lakhs	As at 31.03.2018 ₹ in lakhs
Non Current		
Provision for gratuity (Refer Note 34)	73.12	56.82
	73.12	56.82
Current		
Provision for gratuity (Refer Note 34)	16.87	13.66
Provision for CSR	-	-
	16.87	13.66
	89.99	70.48

13 Deferred Tax Liability (Net)

Deferred Tax Liability	963.19	792.00
Deferred Tax Assets	61.55	44.66
Net Deferred Tax Liability	901.64	747.34

Deferred Tax Assets

Deductible temporary differences		
Provision for doubtful debts and advances	4.81	4.81
Provision for ECL	24.65	18.28
Defined benefit obligation	31.45	21.38
Others	0.64	0.19
	61.55	44.66

Deferred Tax Liability

Taxable temporary differences		
Property, plant and equipment and investment property	962.27	792.00
Other financial liabilities	0.93	-
	963.20	792.00

14 Other Liabilities

Current

Advances from customers	522.43	85.59
Other liabilities	44.11	16.84
	566.54	102.43



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

15 Current tax assets and liabilities

	As at 31.03.2019 ₹ in lakhs	As at 31.03.2018 ₹ in lakhs
Current tax assets	-	-
Current tax liabilities		
Income tax payable (Gross)	6,763.68	6,246.18
Less: Advance Tax Paid	6,931.30	6,174.91
Current tax (assets)/ liabilities	(167.62)	71.27

16 Revenue from Operations

	2018-2019 ₹ in lakhs	2017-2018 ₹ in lakhs
Sale of products		
Finished products	1,13,050.68	1,16,250.80
Traded products	13,881.89	18,330.46
	1,26,932.57	1,34,581.26

Sale of goods includes excise duty collected from customers of ₹ Nil (Previous year ₹ 1952.70 lakhs).

17 Other Income

Interest income	40.86	42.27
Dividend income - Long-term investments	0.08	1.87
Net gain on sale of investments	-	7.33
Gain on Foreign Currency Transactions and Translation (net)	-	-
Profit on sale of property, plant and equipments (net)	1.48	1.57
Rent received	209.53	58.89
Miscellaneous income	20.18	44.34
	272.13	156.27



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

18 Cost of Materials Consumed

	2018-2019 ₹ in lakhs	2017-2018 ₹ in lakhs
Raw material consumed		
Inventory at the beginning of the year	37,144.85	21,077.30
Add : Purchases	84,927.71	1,11,879.28
	1,22,072.56	1,32,956.58
Less : Inventory at the end of the year	28,685.25	37,144.85
Cost of raw material consumed	93,387.31	95,811.73
Packing material consumed		
Inventory at the beginning of the year	148.72	89.89
Add : Purchases	2,398.86	2,144.68
	2,547.58	2,234.57
Less : Inventory at the end of the year	126.48	148.72
Cost of packing material consumed	2,421.10	2,085.85
Total material consumed	95,808.41	97,897.58
Details of raw material consumed		
Base Oil	82,096.92	76,862.20
Others	11,290.39	18,949.53
	93,387.31	95,811.73
Details of inventory		
Base oil & Wax	28,685.25	37,144.85
Packing material	126.48	148.72
	28,811.73	37,293.57

Imported and indigenous raw materials consumed

	% of total consumption 31 March 2019	₹ In lakhs 31 March 2019	% of total consumption 31 March 2018	₹ In lakhs 31 March 2018
Imported	86%	80,392.11	77%	73,956.03
Indigenous	14%	12,995.20	23%	21,855.70
	100%	93,387.31	100%	95,811.73

19 Purchase of Traded Goods

	2018-2019 ₹ in lakhs	2017-2018 ₹ in lakhs
Base oils	11,230.23	11,799.14
Waxes & Others	2,103.78	2,585.02
	13,334.01	14,384.16



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

20 (Increase) / Decrease in Inventories

	2018-2019 ₹ in lakhs	2017-2018 ₹ in lakhs
Inventories at the end of the year		
Finished Goods	1,545.53	624.17
Traded Goods	8,002.35	6,585.34
	9,547.88	7,209.51
Inventories at the beginning of the year		
Finished Goods	624.17	401.64
Traded Goods	6,585.34	8,897.74
	7,209.51	9,299.38
	(2,338.37)	2,089.87

21 Employee Benefits Expense

Salaries, Wages and Bonus	823.43	689.64
Contribution to employees' provident and other funds	30.17	26.59
Gratuity expense	18.47	39.51
Staff Welfare Expenses	15.61	17.01
	887.68	772.76

22 Finance costs

Interest	2,074.83	991.79
Bank charges	442.04	383.87
	2,516.87	1,375.66

23 Depreciation / Amortisation (Refer Note 3 and 4)

Depreciation on property, plant and equipment	574.26	519.91
Depreciation on investment property	18.11	9.15
Amortisation of intangible assets	-	-
	592.37	529.06



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

24 Other Expenses

	2018-2019 ₹ in lakhs	2017-2018 ₹ in lakhs
Power and fuel	111.74	82.95
Water charges	15.00	17.51
Increase / (decrease) of excise duty on inventory	-	(32.53)
Repairs and maintenance		
Buildings	52.63	61.75
Machinery	113.29	120.68
Others	64.63	48.38
Insurance	190.59	215.43
Rent	193.66	160.44
Rates and taxes	26.27	22.55
Communication costs	44.96	48.22
Legal and professional fees	251.99	115.90
Payment to auditor (Refer details below)	20.69	19.78
Director sitting fees	6.65	7.75
Clearing and forwarding expenses	3,481.19	2,487.41
Freight outwards	1,983.45	1,880.53
Travelling and conveyance	374.48	261.22
Advertising and sales promotion	172.29	195.57
Brokerage and commission	363.71	297.91
Security charges	49.66	36.12
Bad debts and sundry balances written off	34.48	84.26
CSR expense and donation (Refer note 25)	37.49	119.39
Premium on forward exchange contract amortized	205.80	105.41
Exchange loss (net)	1,029.02	0.15
Miscellaneous expenses	425.84	363.55
	9,249.51	6,720.33

Payment to auditor (excluding service tax & GST)

As auditor:

Statutory audit and limited review fees	18.94	18.03
Tax audit fees	1.75	1.75
	20.69	19.78



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

25. The Company has spent Rs. 32.90 lakhs (Previous year ₹ 114.13 lakhs) towards Corporate Social Responsibility expenditure (including capital expenditure ₹ Nil, Previous year ₹ Nil) and debited the same to the Statement of Profit and Loss as against ₹ 117.97 lakhs computed as per the provisions of section 135(5) of the Companies Act, 2013.

	31 March 2019 ₹ In lakhs	31 March 2018 ₹ In lakhs
Amount to be spent during the year	117.97	74.08
Amount spent during the year	32.90	114.13

26. Expenses on Scientific Research

The Company has incurred total expenditure of Rs. 33.01 lakhs (previous year Rs. 44.80 lakhs) on account of Research & Development expenses the break up of which is as follows :

(a) Revenue Expenditure	31 March 2019 ₹ In lakhs	31 March 2018 ₹ In lakhs
Employment Cost	32.35	30.68
Laboratory Charges	0.66	0.98
TOTAL	33.01	31.66

(b) The Gross Block of Property, Plant and Equipment in Note 3 includes the following assets purchased for Research & Development:

Furniture & Fixture	4.08	4.08
Laboratory Equipment	93.24	93.24
Computer & Accessories	0.55	0.55
Air Conditioner	1.13	1.13
	99.00	99.00

27. Value of imports calculated on CIF basis (accrual)

Raw materials (Includes Goods in transit)	62,785.53	82,973.16
Traded goods	1,208.16	1,420.04
	63,993.69	84,393.19

28. Expenditure in foreign currency

Brokerage & Commission	81.66	5.97
Bank Interest	495.68	435.98
Bank Charges	19.63	23.30
Travelling Expenses	49.10	13.16
Others	2.12	6.08
	648.19	484.49

29. Earnings in foreign exchange

Exports at F.O.B Value	36,403.13	50,066.20
	36,403.13	50,066.20



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

30. Contingent Liabilities

	2018-2019 ₹ in lakhs	2017-2018 ₹ in lakhs
i) Service tax Matter disputed with the Deputy Commissioner of Service Tax (Dispute regarding demand raised on service tax payable on interest on usance charges for the period April 2012 to March 2016)	-	2.42
ii) Custom Matter disputed The Hon'ble High Court of Judicature, Mumbai	126.70	126.70
iii) Excise Matter disputed Central Excise, Customs and Sales Tax and Commissioner (Appeals) Daman & Surat.	40.47	168.35
iv) Excise Matter disputed Central Excise, Customs and Sales Tax and Hon'ble CESTAT, Ahmedabad.	27.97	-
iv) Bank Guarantees	6,043.78	1,981.75
v) Corporate Guarantees	6,225.42	5,853.97
	12,464.34	8,133.20

The management does not expect these claims to succeed. Accordingly no provision for contingent liability has been recognize in the financial statement.

31. Capital and other commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	32.49	1,134.97
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32. Details of dues to micro and small enterprises as defined under the MSMED Act 2006 *

	31 March 2019	31 March 2018
a. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises	-	-
- Interest due on above	-	-
b. The amount of interest paid by the buyer in terms of section 16 of the Micro and Small enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro and Small Enterprise Development Act, 2006.	-	-
d. The amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro and Small Enterprises Development Act, 2006.	-	-

*The company has initiated the process of identification of suppliers registered under Micro and Small Enterprise Development Act, 2006, by obtaining confirmations from all suppliers. Information has been collated only to the extent of information received as at the balance sheet date.



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

33. Details of loans given, investments made and guarantee given covered u/s 186 (4) of the Companies Act, 2013

Name of the company	Balance as at	
	31-Mar-19 ₹ In lakhs	31-Mar-18 ₹ In lakhs
Panol Industries RMC FZE, UAE (Bank Guarantee US \$ 85 lakhs PY US \$ 25 lakhs)	5,879.56	1,626.10
Panol Industries RMC FZE, UAE (Corporate Guarantee US \$ 90 lakhs PY US \$ 90 lakhs)	6,225.42	5,853.97

34. Employee Benefits:

- i) Defined Contribution Plan:
Company's contribution to Provident Fund Rs. 26.14 lakhs (Previous year Rs. 22.85 lakhs).
The company also contributes to the following:
Employee State Insurance Contribution Fund : Rs. 3.98 lakhs (Previous year Rs. 3.75 lakhs)
- ii) Defined Benefit Plan:
The following table sets out the funded status of the Gratuity Plan and the amounts recognised in the Company's financial statements:

	₹ In lakhs	
	As at 31 March 2019	As at 31 March 2018
(a) Change in the obligation benefits:		
Projected benefit obligation at the beginning of the year	145.79	99.71
Service Cost	13.67	12.44
Interest cost	9.43	6.07
Actuarial (Gains) / Losses on Obligations - Due to Change in Financial Assumptions	1.67	(4.87)
Actuarial (Gains) / Losses on Obligations - Due to Change in Demographic Assumptions	(4.47)	-
Actuarial (Gains) / Losses on Obligations - Due to Experience	14.69	7.82
Past Service Cost	-	25.49
Benefits paid	(9.39)	(0.87)
Projected benefit obligation at the end of the year	171.39	145.79
(b) Change in the plan assets:		
Fair value of the plan assets at the beginning of the year	75.30	70.79
Expected return on plan assets	6.09	4.50
Employer's contribution	-	-
Benefits paid	-	-
Return on plan assets, excluding interest income	-	-
Fair value of the plan assets at the end of the year	81.39	75.30
Funded status [Surplus / (Deficit)]	(90.00)	(70.49)



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

	₹ In lakhs	
	As at 31 March 2019	As at 31 March 2018
(c) Net Gratuity and other cost:		
Service cost	13.67	12.44
Past service cost and loss/(gain) on curtailments	-	25.49
Interest on defined benefit obligation	4.81	1.59
Interest income	-	-
Net gratuity cost	<u>18.48</u>	<u>39.52</u>
(d) Amounts recognised in the statement of other comprehensive income:		
Actuarial gain/(loss)	11.90	2.95
Return on plan assets, excluding interest income	(1.47)	(0.02)
Net income / (expense) for the period recognised in other comprehensive income	-	-
	<u>10.43</u>	<u>2.93</u>
(e) Category of Assets:		
Policy of Insurance	100%	100%
	<u>100%</u>	<u>100%</u>
(f) Assumptions used in accounting for the Gratuity Plan:	%	%
Discount rate	7.40%	7.55%
Expected rate of return on plan assets	7.40%	7.55%
Age of Retirement	60	58
Annual increase in salary cost	6.00%	6.00%
(g) Sensitivity Analysis :		
<u>Discount rate Sensitivity</u>		
Increase by 0.5%	165.94	141.64
% Change	-3.17%	-2.84%
Decrease by 0.5%	177.21	150.19
% Change	3.40%	3.03%
<u>Salary growth rate Sensitivity</u>		
Increase by 0.5%	175.86	148.75
% Change	2.61%	2.04%
Decrease by 0.5%	167.50	142.97
% Change	-2.26%	-1.93%
<u>Withdrawal rate Sensitivity</u>		
Withdrawal rate X 110%	172.30	146.57
% Change	0.53%	0.54%
Withdrawal rate X 90%	170.36	144.95
% Change	-0.59%	-0.57%



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

35. Segment Information

A. Factors used to identify the entity’s reportable segments, including the basis of organisation

For management purposes, as the Company is in the business of manufacturing and trading of specialty petroleum products, the Company has considered petroleum products as the only business segment for disclosure in this context of Indian Accounting Standard 108.

The Managing Director (MD) evaluates the Company’s performance and allocates resources based on an analysis of various performance indicators by operating segment. The MD reviews revenue and gross profit as the performance indicator for the operating segment. However, the Company’s finance (including finance cost and finance income) and income taxes are managed on a company as a whole basis and are not allocated to any segment.

Geographical segment of the organisation

For the purpose of geographical segment the sales are divided into two segments - within India and outside India. The accounting policies of the segments are the same as those described in Note 2(O).

B. Information about reportable segment

The following table shows the distribution of the Company’s reportable segment by geographical market, regardless of where the goods were produced:

Particulars	2018-2019			2017-2018			₹ in lakhs
	Within India	Outside India	Total	Within India	Outside India	Total	
Revenue							
Sales to external customers	70,331.80	56,600.77	1,26,932.57	67,653.44	66,927.82	1,34,581.26	
Other segment information							
Segment Assets	70,419.09	21,500.98	91,920.07	82,406.37	15,189.87	97,596.24	
Capital Expenditure:							
Additions to tangible & intangible fixed assets (Including CWIP)	2,279.50	593.69	2,873.19	1,312.27	45.11	1,357.38	

36. Details of related party transactions in accordance with Ind AS 24 ‘Related Party Disclosures’

(a) Names of related parties with whom transactions have taken place during the year

Key Management Personnel

Amirali E Rayani
 Amin A Rayani
 Samir Rayani
 Hussein Rayani

Relatives of key management personnel

Akbarali Rayani (Brother of Mr. Amirali E Rayani)
 Vazirali Rayani (Brother of Mr. Amirali E Rayani)
 Salimali Rayani (Brother of Mr. Amirali E Rayani)
 Arif Rayani (Brother of Mr. Amin Rayani)



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Nilima Kheraj (Sister of Mr. Samir Rayani)
 Munira Rayani (Wife of Mr. Hussein Rayani)
 Iqbal Rayani (Brother of Mr. Hussein Rayani)

Subsidiary (Wholly owned)

Panol Industries RMC FZE, UAE

(b) Transactions with Related Parties

Transaction with Key Managerial Personnel and relatives of Key Managerial Personnel	2018-2019 ₹ In lakhs	2017-2018 ₹ In lakhs
Remuneration paid to Key Managerial Personnel		
Amirali E Rayani	36.00	27.00
Amin A Rayani	34.20	24.30
Samir Rayani	33.00	21.75
Hussein Rayani	33.00	21.75
Remuneration paid to Relative of Key Managerial Personnel		
Akbarali Rayani	5.40	5.40
Vazirali Rayani	5.40	5.40
Salimali Rayani	5.40	5.40
Arif Rayani	12.00	12.00
Nilima Kheraj	5.40	5.40
Munira Rayani	5.40	5.40
Iqbal Rayani	-	12.00
Payment of Rent		
Rent paid to Key Managerial Personnel		
Amin A Rayani	5.46	5.46
Samir Rayani	6.66	6.66
Rent paid to Relative of Key Managerial Personnel		
Arif Rayani	3.10	3.10

37. Leases

Operating Lease: company as lessee

The Company has entered into arrangements for taking on leave and license basis certain office premises and warehouses. The specified disclosure in respect of these agreements is given below :

	31 March 2019	31 March 2018
Lease payments recognized in the profit and loss statement for the year	68.01	52.99

Notes:

- (i) There is no escalation clause in the lease agreement
- (ii) There are no restrictions imposed by lease arrangements
- (iii) There are no subleases



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

38. Earnings per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations :

Profit after tax attributable to equity shareholders	5,188.37	6,097.30
Net profit for calculation of basic and diluted EPS	5,188.37	6,097.30
	No. of shares	No. of shares
Weighted average number of equity shares in calculating basic EPS	6,04,93,598	6,04,93,598
Basic Earnings per share	8.58	10.08
Diluted Earnings per share	8.58	10.08

39. Tax expense

	Year ended 31.03.2019 ₹ In lakhs	Year ended 31.03.2018 ₹ In lakhs
(a) Amounts recognised in the statement of profit and loss		
Current tax expense		
Current year	1,873.00	2,832.00
Changes in estimates relating to prior years	(64.18)	-
	1,808.82	2,832.00
Deferred tax expense		
Origination and reversal of temporary differences	157.03	86.11
Change in tax rate	-	-
	157.03	86.11
Tax expense recognised in the statement of profit and loss	1,965.85	2,918.11

(b) Amounts recognised in other comprehensive income

	2018-2019			2017-2018		
	Before Tax	Tax (expense)/ benefit	Net of Tax	Before Tax	Tax (expense)/ benefit	Net of Tax
Items that will not be reclassified to profit or loss:						
a) Re-measurements of the defined benefit plans	(10.43)	2.72	(7.71)	(2.93)	1.01	(1.91)
b) Equity instruments through Other Comprehensive Income	2.65	0.93	1.72	3.82	-	3.82
Total	(7.78)	3.65	(5.99)	0.90	1.01	1.91



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(c) Reconciliation of effective tax rate

	Year ended 31.3.2019 ₹ In lakhs	Year ended 31.3.2018 ₹ In lakhs
Profit before tax*	5,766.39	8,354.09
Statutory income tax rate	34.944	34.608
Tax using the Company's domestic tax rate	2,015.01	2,891.18
Increase due to change in tax rate	-	-
Tax effect of:		
Non-deductible tax expenses / disallowances under Income Tax Act	13.10	41.32
Tax-exempt income and deductions under Chapter VI A of Income Tax Act	(5.49)	(14.55)
Tax benefit u/s 35 (2AB) of Income Tax Act	(5.78)	(20.06)
Temporary difference recognised in deferred taxes	(142.61)	(66.33)
Tax payable at special rates	-	-
Others	(0.17)	0.56
Amounts recognised in other comprehensive income	-	-
	1,874.06	2,832.12

* Profit before tax consider for Holding Company for reconciliation of effective tax, subsidiary Company situated at Tax haven at UAE

(d) Movement in deferred tax balances

Particulars	₹ In lakhs					
	Net balance 1.4.2018	Recognised in profit or loss	Recognised in OCI	Net balance 31.3.2019	Deferred tax asset	Deferred tax liability
Property, plant and equipment and intangible assets	792.00	170.27	-	962.27	-	962.27
Investment	-	-	0.93	0.93	-	0.93
Employee Retirement Benefits	21.38	6.43	3.64	31.45	31.45	-
Provision for doubtful debts and advances	4.81	-	-	4.81	4.81	-
Provision for ECL	18.28	6.37	-	24.65	24.65	-
Prepaid expenses	0.19	0.45	-	0.64	0.64	-
Tax assets / (liabilities)	836.66	183.52	4.57	1,024.75	61.55	963.20



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Particulars	₹ In lakhs					
	Net balance 1.4.2017	Recognised in profit or loss	Recognised in OCI	Net balance 31.3.2018	Deferred tax asset	Deferred tax liability
Property, plant and equipment and intangible assets	694.92	97.08	-	792.00	-	792.00
Employee Retirement Benefits	17.78	3.60	-	21.38	21.38	-
Provision for doubtful debts and advances	4.81	-	-	4.81	4.81	-
Provision for ECL	10.06	8.22	-	18.28	18.28	-
Prepaid expenses	0.01	0.18	-	0.19	0.19	-
Tax assets / (liabilities)	727.58	85.08	-	836.66	44.66	792.00

40. Financial Instruments : Accounting classifications and fair value measurements**(i) Accounting classifications**

The fair values of the financial assets and liabilities are determined at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

The carrying amounts of trade receivables, cash and cash equivalents, bank balances, short term deposits, trade payables, payables for acquisition of property, plant and equipment, short term loans from banks, financial institutions and other current financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature.

(ii) Fair value measurements

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table presents carrying value and fair value of financial instruments by categories and also fair value hierarchy of assets and liabilities measured at fair value :

As at 31 st March, 2019	Carrying Value	₹ In lakhs		
		Classification		
Financial assets		FVTPL	FVTOCI	Amortised Cost
Investments				
Investment in equity shares (unquoted)	1.17	1.17	-	-
Investment in equity shares (quoted)	12.67	-	12.67	-



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

₹ In lakhs

As at 31 st March, 2019	Carrying Value	Classification		
		FVTPL	FVTOCI	Amortised Cost
Others non current financial assets	49.52	33.95	-	15.57
Trade receivables	31,389.97	-	-	31,389.97
Loans and advances				
Loans to employees	46.37	46.37	-	-
Others	63.36	-	-	63.36
Other financial assets				
Derivative instruments	-	-	-	-
Others	245.85	229.20	-	16.65
Cash and cash equivalents	724.58	-	-	724.58
Bank balances	846.33	-	-	846.33
	33,379.82	310.69	12.67	33,056.46
Financial liabilities				
Borrowings				
Short term loans from banks	15,989.52	-	-	15,989.52
Trade payables and acceptances	31,520.10	-	-	31,520.10
Other financial liabilities	1,475.43	150.23	-	1,325.20
Derivative instruments	174.13	174.13	-	-
	49,159.18	324.36	-	48,834.82

₹ In lakhs

As at 31 st March, 2018	Carrying Value	Classification		
		FVTPL	FVTOCI	Amortised Cost
Financial assets				
Investments				
Investment in equity shares (unquoted)	1.17	1.17	-	-
Investment in equity shares (quoted)	10.02	-	10.02	-
Others non current financial assets	42.15	26.52	-	15.63
Trade receivables	28,023.77	-	-	28,023.77
Loans and advances				
Loans to employees	18.68	18.68	-	-
Others	37.76	-	-	37.76
Other financial assets				
Derivative instruments	21.38	21.38	-	-
Others	156.75	145.18	-	11.57
Cash and cash equivalents	2,670.88	-	-	2,670.88
Bank balances	753.64	-	-	753.64
	31,736.20	212.93	10.02	31,513.25
Financial liabilities				
Borrowings				
Short term loans from banks	4,512.68	-	-	4,512.68
Trade payables and acceptances	53,251.80	-	-	53,251.80
Other financial liabilities	1,687.92	43.22	-	1,644.70
Derivative instruments	-	-	-	-
	59,452.40	43.22	-	59,409.18



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

₹ In lakhs

	As at 31 st March, 2019			As at 31 st March, 2018		
	Fair Value			Fair Value		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Investments						
Investment in equity shares (unquoted)	-	-	1.17	-	-	1.17
Investment in equity shares (quoted)	12.67	-	-	10.02	-	-
Others non current financial assets	-	-	33.95	-	-	26.52
Loans and advances						
Loans to employees	-	-	46.37	-	-	18.68
Other financial assets	-	-	229.20	-	-	145.18
Derivative instruments	-	-	-	-	21.38	-
	12.67	-	310.69	10.02	21.38	191.55
Financial liabilities						
Borrowings	-	-	-	-	-	-
Short term loans from banks	-	-	-	-	-	-
Trade payables and acceptances						
Other financial liabilities	-	-	-	-	-	-
Derivative instruments	-	174.13	-	-	-	-
Others	-	-	150.23	-	-	43.22
	-	174.13	150.23	-	-	43.22

(iii) Description of significant observable inputs to valuation:

The following table shows the valuation techniques used to determine fair value :

Type	Valuation technique
Investments in equity shares (unquoted)	Book value
Investments in equity shares (quoted)	Fair Value
Loan to employees	Based on prevailing market interest rate
Derivative instruments	Fair valued based on prevailing market rate at each closing date
Short term loans from banks	Based on quotes from banks and financial institutions

41. Financial risk management**Risk management framework**

The Company has identified financial risks and categorised them in three parts viz. (i) Credit Risk, (ii) Liquidity Risk and (iii) Market Risk. Details regarding sources of risk in each such category and how Company manages the risk is explained in following notes:



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(i) Credit risk

Credit risk refers to the possibility of a customer and other counterparties not meeting their obligations and terms and conditions which would result into financial losses. Such risk arises mainly from trade receivables and investments. Credit risk is managed through internal credit control mechanism such as credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

Trade receivables

As per the credit policy of the Company, generally no credit are given exceeding the accepted credit norms. The Company deals with large corporate houses and State Electricity Boards after considering their credit standing. The credit policy with respect to other customers is strictly monitored by the Company at periodic intervals. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers. In addition, for amounts recoverable on exports, the Company has adequate insurance to mitigate overseas customer and country risk.

The Company uses an allowance matrix to measure the expected credit losses of trade receivables (which are considered good). The following table provides information about the exposure to credit risk and loss allowance (including expected credit loss provision) for trade receivables:

	₹ In lakhs			
Ageing	Gross Carrying Amount	Expected Credit Loss Rate	Credit Loss	Net Carrying Amount
0-180 days past due	192.35	5.09%	9.79	182.56
180-365 days past due	164.50	10.31%	16.96	147.54
More than 365 days past due	339.72	12.89%	43.79	295.93
	696.57	28.29%	70.54	626.03

Note - Expected credit loss is worked out on the trade receivable for which no specific provision is made.

Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 725.69 lakhs at 31.3.2019 (31.3.2018: ₹ 2670.88 lakhs). The cash and cash equivalents are held with banks with good credit ratings. Also, the Company invests its surplus funds in bank fixed deposits, which carry no / low mark to market risks for short duration and therefore, does not expose the Company to credit risk.

Investments

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counterparties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Derivatives

The forward contracts were entered into with banks having an investment grade rating and exposure to counterparties is closely monitored and kept within the approved limits.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations on due date. The Company has a strong focus on effective management of its liquidity to ensure that all business and financial commitments are met on time. This is ensured through proper financial planning with detailed annual business plans, discussed at appropriate levels within the organisation. Annual business plans are divided into quarterly plans and put up to management for detailed discussion and an analysis of the nature and quality of the assumptions, parameters etc. Daily and monthly cash flows are prepared, followed and monitored at senior levels to prevent undue loss of interest and utilise cash in an effective manner. Cash management services are availed to avoid any loss of interest on collections. In addition, the Company has adequate borrowing limits with reputed banks in place duly approved.

a) Financing arrangements

The Company has an adequate fund and non-fund based limits lines with various banks. The Company's diversified source of funds and strong operating cash flow enables it to maintain requisite capital structure discipline. The financing products include working capital loans, buyer's credit loan, supplier's credit loan etc.

b) Maturities of financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows within one year

	As at 31.3.2019	As at 31.3.2018
Short term loans from banks	15,989.52	4,512.68
Trade payables	31,520.10	53,251.80
Other financial liabilities (other than derivative liabilities)	1,301.30	1,687.92
Derivative liabilities	174.13	-
	48,985.05	59,452.40

₹ In lakhs

(iii) Market Risk

The risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market price. Market risk further comprises of (a) Currency risk, (b) Interest rate risk and (c) Commodity risk.

a) Currency Risk

The Company is exposed to currency risk mainly on account of its import payables and export receivables in foreign currency. The major exposures of the Company are in U.S. dollars. The Company hedges its import foreign exchange exposure partly through exports and depending upon the market situations partly through forward foreign currency covers. The Company has a policy in place for hedging its foreign currency exposure. The Company does not use derivative financial instruments for trading or speculative purposes.



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

	31-Mar-19 \$ In lakhs	31-Mar-19 ₹ In lakhs	31-Mar-18 \$ In lakhs	31-Mar-18 ₹ In lakhs
Financial assets				
Trade Receivables	112.78	7,801.20	112.11	7,292.30
Cash and cash equivalents	2.61	180.47	26.82	1,744.17
Other financial assets	-	-	1.60	104.27
Net exposure for assets - A	115.39	7,981.67	140.53	9,140.74
Financial liabilities				
Trade Payables	373.31	25,822.32	729.08	47,421.01
Other financial liabilities	0.66	45.89	0.95	62.02
Less: Foreign currency forward exchange contracts	100.27	6,936.04	94.99	6,178.15
Net exposure for liabilities - B	273.70	18,932.17	635.04	41,304.88
Net exposure (A-B)	(158.31)	(10,950.50)	(494.51)	(32,164.15)

The following exchange rates have been applied at the end of the respective years

	31-03-2019	31-03-2018
USD Rate	69.17	65.04

Sensitivity analysis

The table below shows sensitivity of open forex exposure to USD / INR movement. We have considered 1% (+/-) change in USD / INR movement, increase indicates appreciation in USD / INR whereas decrease indicates depreciation in USD / INR. The indicative 1% movement is directional and does not reflect management forecast on currency movement.

Impact on profit or loss due to % increase / (decrease) in currency

Particulars	2018-2019		2017-2018	
	Increase	(Decrease)	Increase	(Decrease)
Movement (%)	1%	1%	1%	1%
USD	(109.51)	109.51	(320.12)	320.12

b) Interest rate risk

The Company is not exposed to significant interest rate risk during the respective reporting periods. Short term loans are taken on fixed interest rates.

Interest Rate Risk Exposure

The Exposure of the borrowing to interest rate changes at the end of the reporting period are included in the table below. As at the end of the reporting period the following weighted average interest rate on the borrowings.



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Particulars	2018-2019			2017-2018		
	Weighted average Interest rate	Balance ₹ in Lakhs	% of Total Loans	Weighted average Interest rate	Balance ₹ in Lakhs	% of Total Loans
Cash Credits from banks	10.42	15,989.52	100	9.97	4,512.68	100

The percentage of total loans shows the proportion of loans that are currently at weighted average in relation to the total amount of borrowings. The percentage of borrowings of holding company is 97.28% and of subsidiary is 2.72%.

(ii) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rate. In interest rate risk note we have considered impact on profit after tax.

Particulars	2018-2019		2017-2018	
	Increase	(Decrease)	Increase	(Decrease)
Movement by 100 basis point	70.00	(70.00)	19.95	(19.95)

c) Commodity Risk**Raw Material Risk**

Timely availability and also non-availability of good quality base oils from across the globe could negate the qualitative and quantitative production of the various products of the Company. Volatility in prices of crude oil and base oil is another major risk for this segment. The Company procures base oils from various suppliers scattered in different parts of the world. The Company tries to enter into long term supply contracts with regular suppliers and at times buys the base oils on spot basis.

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

i) Debt Equity Ratio

The Company monitors capital using debt equity ratio. The Company's debt to equity ratios are as follows:

	Year ended 31.3.2019 ₹ In lakhs	Year ended 31.3.2018 ₹ In lakhs
Total borrowings (Refer note 11)	15,989.52	4,512.68
Total equity (Refer note 9 and 10)	41,376.85	37,152.32
Debt to Equity ratio	0.39	0.12

**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019****ii) Dividends**

	Year ended 31.3.2019		Year ended 31.3.2018	
	Rate Per Share	₹ In lakhs	Rate Per Share	₹ In lakhs
Dividends paid during the year	1.2	725.92	1	403.29

42. Previous year figures

The Group has reclassified previous year figures to conform to this year's classification.

Signature to Notes to 1 to 42 of the financial statement.

As per our report of even date attached

For Bhuta Shah & Co LLP

Chartered Accountants

Firm Registration No. 101474W/W100100

CA. Harsh Bhuta

Partner

Membership No : 137888

For and on behalf of the board of directors of**Panama Petrochem Limited****Amirali E. Rayani**

Chairman

DIN:00002616

Amin A. Rayani

Managing Director & CEO

DIN:00002652

Pramod Maheshwari

CFO

Gayatri Sharma

Company Secretary & Compliance Officer

Place : Mumbai

Date : 24 May 2019

Place : Mumbai

Date : 24 May 2019

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PANAMA PETROCHEM LIMITED

Regd. Office : Plot No. 3303, GIDC Estate, Ankleshwar – 393 002,
Tel: 91-2646-221068, Fax: 91-2646-225907, Website: www.panamapetro.com
CIN No. L23209GJ1982PLC005062 Email: ho@panamapetro.com

Attendance Slip

To be handed over at the entrance of the meeting venue

Folio No..... Dp Id & Client id No.

Name of the Shareholder.....Name of Proxy holder

I record my presence at the 37th Annual General Meeting of the Company, to be held Tuesday, September 17, 2019 at 11:30 A.M. at Conference hall of Hotel Lords Plaza at C 4/6, GIDC, Old National Highway No. 8, Ankleshwar, Gujarat 393002.

Member's / Proxy's Signature



PANAMA PETROCHEM LIMITED

Regd. Office : Plot No. 3303, GIDC Estate, Ankleshwar – 393 002,
Tel: 91-2646-221068, Fax: 91-2646-225907, Website: www.panamapetro.com
CIN No. L23209GJ1982PLC005062 Email: ho@panamapetro.com

Proxy Form

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s) :
Registered address :
E-mail :
Folio no./Client id/Dp Id:.....
No. of shares :

I/We, being the member(s) of the above company, hereby appoint

Name : E-mail :
Address :
Signature :

Or failing him/her

Name : E-mail :
Address :
Signature :

Or failing him/her

Name : E-mail :
Address :
Signature :

As my / our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 37th Annual General Meeting of the Company, to be held Tuesday, September 17, 2019 at 11:30 A.M. at Conference hall of Hotel Lords Plaza at C 4/6, GIDC, Old National Highway No. 8, Ankleshwar, Gujarat 393002 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution
Ordinary business	
1.	Adoption of the Audited Financial Statements (including Audited Consolidated Financial Statements) for the financial year ended March 31, 2019 together with the Reports of the Board of Directors & Auditors thereon.
2.	Declare dividend on equity shares.
3.	Reappointment of Mr. Hussein Rayani, who retires by rotation.
Special business	
4.	To re-appoint Mr. Amiral E. Rayani as Whole-time Director designated as Chairman.
5.	To re-appoint Mr. Amin A. Rayani as Managing Director & CEO.
6.	To re-appoint Mr. Samir Rayani as Whole-time Director designated as Executive Director.
7.	To re-appoint Mr. Mukesh Mehta as an Independent Director.
8.	To re-appoint Mr. Madan Mohan Jain as an Independent Director.
9.	To appoint Mr. Kumar Raju Nandimandalam, as an Independent Director.
10.	Ratification of Cost Auditors remuneration.

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

Signatures of the proxy holder(s) Signature of the member

Affix Revenue Stamp

Notes: The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting.

If undelivered please return to:



Panama
PETROCHEM LTD.

We provide - Consistency, Quality, Service, Economy

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