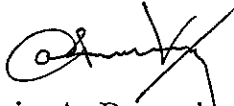

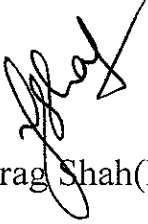
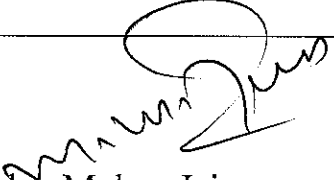


FORM A**Covering letter of the annual audit report to be filed with the stock exchanges**

May 30, 2015

1.	Name of the Company:	Panama Petrochem Limited
2.	Annual financial statements for the year ended	31st March 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	To be signed by-	
	<ul style="list-style-type: none">• CEO & Managing Director	 Amin A. Rayani
	<ul style="list-style-type: none">• CFO	 Pramod Maheshwari
	<ul style="list-style-type: none">• Auditor of the company	 Virag Shah (Partner)
	<ul style="list-style-type: none">• Audit Committee Chairman	 Madan Mohan Jain



33rd
ANNUAL REPORT
2014-15



Board of Directors

Mr. Amirali E. Rayani	Chairman
Mr. Amin A. Rayani	Managing Director & CEO
Mr. Samir A. Rayani	Whole-time Director
Mr. Dilip S. Phatarphekar	Independent Director
Mr. Madan Mohan Jain	Independent Director
Mr. Mukesh Mehta	Independent Director
Ms. Nargis Mirza Kabani	Additional Director (independent)

Company Secretary & Compliance Officer

Ms. Gayatri Sharma

Auditors

M/S. Bhuta Shah & Co.
Chartered Accountants, Mumbai, India

Bankers

Indian Bank
IDBI Bank Limited
Citibank N.A.
Standard Chartered Bank
DBS Bank Limited
Yes Bank Limited
D C B Bank Limited
HDFC 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: panamapetro.com
E-mail: ho@panamapetro.com

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

Plants

Ankleshwar, Daman, Talaja, & Dahej

Registrar & Share Transfer Agents

Bigshare Services Private Limited
E -2, Ansa Industrial Estate,
Sakinaka, Saki - Vihar Road,
Andheri (E), Mumbai 400 072
Maharashtra, India.
Tel: 91-22-2847 3474, / 4043 0200
FAX: 91-22-2847 5207.
E-mail: info@bigshareonline.com

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NOTICE**CIN : L23209GJ1982PLC005062**

Notice is hereby given that the **THIRTY – THIRD ANNUAL GENERAL MEETING** of the Members of **PANAMA PETROCHEM LIMITED** will be held on Monday, September 14, 2015 at 11:00 A.M. at the Conference Hall of the Registered Office of the Company at Plot No. 3303, G.I.D.C. Estate, Ankleshwar, Gujarat 393 002 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended March 31, 2015 together with the Reports of the Board of Directors & Auditors thereon.
2. To receive, consider and adopt the Audited Consolidated Financial Statements for the financial year ended March 31, 2015 together with the Report of the Auditors thereon.
3. To declare dividend on Equity Shares.
4. To appoint a Director in place of Mr. Samir Rayani (DIN 00002674), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to Section 139(1) of the Companies Act, 2013, and the Rules made thereunder, and pursuant to the recommendation of the Audit Committee, M/s Bhuta Shah & Co., Chartered Accountants, Mumbai, be and are hereby appointed as Statutory Auditors of the Company to hold office for the period of 5 (Five) years from the conclusion of this Annual General Meeting (AGM) until the conclusion of the Annual General Meeting to be held in the year 2020, to examine and audit the accounts of the Company at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors."

FURTHER RESOLVED THAT the appointment of M/s Bhuta Shah & Co., Chartered Accountants, Mumbai for the period of 5 (Five) years made at the ensuing Annual General Meeting shall be subject to ratification at every subsequent Annual General Meeting held after this Annual General Meeting ."

Special Business:

6. To appoint Ms. Nargis Mirza Kabani (DIN: 07047788) as an Independent Director and in this regard to consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Ms. Nargis Mirza Kabani (DIN: 07047788), who was appointed as an Additional Director by the Board of Directors of the Company w.e.f February 13, 2015 and who holds office till the date of this AGM, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for 5 (five) consecutive years.

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 approve the remuneration of the Cost Auditor for the financial year ending March 31, 2016 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 ₹ 1.75 lakhs (Rupees one lakh seventy five thousand only) plus out-of-pocket expenses payable to Mr. Girikrishna S. Maniar, who is appointed as the Cost Auditor of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016.

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."

8. To approve and ratify Related Party Transaction and in this regard, to consider and if thought fit, to pass the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 (the "Companies Act") read with the applicable provisions of the Companies (Meetings of Board and its Powers) Rules, 2014 and in terms of the applicable provisions of the Listing Agreement executed with the Stock Exchanges (including any amendment, modification or re-enactment thereof), and all other provisions of applicable

laws/rules, consent of the Company be and is hereby accorded to the Board of Directors of the Company {hereinafter referred to as the "Board", which term shall include any committee constituted by the Board of Directors of the Company or any person(s) authorized by the Board to exercise the powers conferred on the Board of Directors of the Company by this Resolution} to enter into related party transactions with respect to providing security (ies)/create charges/ mortgages on movable and immovable property / providing guarantee(s) by M/s Anirudh Distributors Pvt. Ltd. (a related party) in connection with the amount borrowed / credit facilities availed by Panama Petrochem Limited ("the company") from Companies banker, upto an amount of ₹ 500.00 Crore (Rupees five hundred crore only)

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 approve creation of charge on the assets of wholly owned subsidiary and in this regard, to consider and if thought fit, to pass the following resolution as a **Special Resolution**:

RESOLVED THAT in terms of Clause 49 and other applicable provisions of the Listing Agreement executed with the Stock Exchanges (including any amendment, modification or re-enactment thereof), and all other provisions of applicable laws/rules, if any, consent of the Company be and is hereby accorded to create such charges, mortgages and hypothecations, on such movable and immovable properties of Panol Industries RMC FZE(material subsidiary), both present and future, and in such manner as the Board of Panol Industries RMC FZE may deem fit, in favour of Banks, Financial Institutions, Insurance Companies, other lending/ investing agencies or bodies/ trustees for holders of debentures/ bonds which may be issued to or subscribed to by all or any of the Banks, Financial Institutions, Insurance Companies, other lending/ investing agencies or any other person(s)/ bodies corporate by way of private placement or otherwise (hereinafter collectively referred to as 'Lenders'), provided that the total amount of loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, or on redemption, costs, charges, expenses and all other moneys payable by the Panol Industries RMC FZE in respect of the said loans, for which such charges, mortgages or hypothecations are created, shall not, at any time exceed the limit of USD 70 Million.

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 Thursday the 10th day of September 2015 to Monday the 14th day of September 2015 (both days inclusive).
- 6.** Payment of dividend as recommended by the Board of Directors, if declared at the Annual General Meeting will be payable to those Shareholders whose names stand on the Register of Members of the Company as on the closing of September 9, 2015. In respect of shares held in the electronic form, the dividend will be payable on the basis of beneficial ownership furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose. Dividend will be paid within two weeks from the date of declaration of dividend.
- 7.** Members are requested to notify any change in their address/ mandate/bank details immediately to the share transfer Agent of the Company- M/s Bigshare Services Pvt. Ltd.
- 8.** To avoid loss of dividend warrants in transit and undue delay in receipt of dividend warrants, the Company has provided National Electronic Clearing Service (NECS) facility to the Members for remittance of dividend. NECS facility is available at locations identified by Reserve Bank of India from time to time. 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 Registrars and Transfer Agents. Members holding shares in electronic form are requested to provide the details to their respective Depository Participants.

9. Members holding shares in physical form are requested to advise any change of address immediately to the Company's Share Registrars and Transfer Agents. Members holding shares in electronic form must send the advice about change in address to their respective Depository Participant only and not to the Company or the Company's Share Registrars and Transfer Agents.
10. 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 Registrars 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.
11. 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
12. 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 Registrars and Transfer Agents.
13. 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 Registrars and Transfer Agents for assistance in this regard.
14. All documents referred to in the Notice are open for inspection at the Registered Office of the Company on all working days except Saturdays and Public Holidays between 11.00 A.M. and 1.00 P.M. up to the date of the Annual General Meeting.
15. 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.
16. **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 Clause 35B of the Listing Agreement, 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, Thursday 10, September 2015 at 9.00 a.m. to Sunday, September 13, 2015 till 5.00 p.m., both days inclusive. The remote e-voting facility shall not be allowed beyond 5.00 p.m., on Sunday, September 13, 2015. 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 Monday, September 7, 2015, 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 forms 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 7, 2015, 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 Monday, September 7, 2015, 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. 9255) 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 Scrutinizer shall, immediately after the conclusion of voting at the Meeting, first count the votes cast by Ballot at the Meeting, thereafter unblock the votes cast through remote e-voting in the manner provided in the Rules and make, not later than 3 days of conclusion of the Meeting, consolidated Scrutinizer's Report of remote e-voting and voting by Ballot at the Meeting, of the total votes cast in favour or against, if any, to the Chairman of the Meeting and the Chairman or a person as may be authorized by him in writing shall declare the result of the voting forthwith and all the resolutions as mentioned in the Notice of the Meeting shall be deemed to be passed on the date of the Meeting. 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 Thursday 10, September 2015 at 9.00 a.m. and ends on Sunday, September 13, 2015 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 7, 2015, 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	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (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.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- (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.
 - 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 : July 30, 2015

Place : Mumbai

Gayatri Sharma
Company Secretary

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

Item No. 6

As per the provisions of Section 149 of the Companies Act 2013 (Act), and amended Clause 49 of the Listing Agreement, the Company should have at least one Woman Director. The Board of Directors in its meeting held on February 13, 2015 appointed, Ms. Nargis Mirza Kabani as an Additional Director w.e.f from February 13, 2015.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Ms. Nargis Mirza Kabani for the office of Director of the Company.

Ms. Nargis Mirza Kabani is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

Section 149 of the Act inter alia stipulates the criteria of independence .As per the said Section 149, an independent director shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from Ms. Nargis Mirza Kabani that she meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Ms. Nargis Mirza Kabani fulfills the conditions for her appointment as an Independent Director as specified in the Act and rules made thereunder and the Listing Agreement. Ms. Nargis Mirza Kabani is an independent of the management.

Brief resume of Ms. Nargis Mirza Kabani , nature of her expertise in specific functional areas and names of companies in which she holds directorships and memberships / chairmanships of Board Committees and shareholding, if any, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the notice convening this meeting.

Keeping in view her vast expertise and knowledge, it will be in the interest of the Company that Ms. Nargis Mirza Kabani is appointed as an Independent Director.

Save and except Ms. Nargis Mirza Kabani and her relatives, to the extent of their shareholding interest, if any, in the Company, 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 set out at Item No. 6 of the Notice.

The Board commends the Ordinary Resolution set out at Item 6 of the Notice for approval by the shareholders.

Item No. 7

The Board, on the recommendation of the Audit Committee, has approved the appointment of the Mr. Girikrishna S. Maniar as the Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016 on remuneration of ₹ 1.75 Lac.(Rupees one lakh seventy five thousand only) 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.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 7 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

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 set out at Item No. 7 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the shareholders

Item No. 8

The revised Clause 49 of the Listing Agreement which has come into operation with effect from October 1, 2014 has prescribed seeking of shareholders' approval for material related party transactions.

Pursuant to the provisions of revised Clause 49 of the Equity Listing Agreement, the contracts / arrangements / transactions which are material in nature require the approval of the unrelated shareholders of the Company through special resolution.

The proposed transaction put up for approval is in the ordinary course of business and at arm's length basis. Pursuant to the provisions of revised Clause 49 of the Equity Listing Agreement, the following transaction is material in nature and require the approval of the unrelated shareholders of the Company by a special resolution:

Name of the related party	Name of Director or Key Managerial Personnel (KMP) who is related , if any,	Nature of relationship	Nature, material terms, monetary value and particulars of the contract or arrangement;	Any other information relevant or important for the members to take a decision on the proposed resolution
M/s Anirudh Distributors Private Limited	Mr. Amirali E. Rayani, Mr. Amin A. Rayani and Mr. Samir Rayani	Mr. Amirali E. Rayani, Mr. Amin A. Rayani and Mr. Samir Rayani along with other promoters hold 100% shares in M/s Anirudh Distributors Private Limited.	M/s Anirudh Distributors Private Limited, has created charge on its property and given Corporate Guarantee to the bankers of Panama Petrochem Limited, against the credit facilities availed by Panama Petrochem Limited. The Company now propose to increase the amount of charge and guarantee to be provided by Anirudh Distributors Pvt. Ltd. upto a maximum amount of ₹ 500 Crore (Rs. five hundred crore only.)	None.

The above transaction was approved by the Audit Committee and recommended by the Board of Directors to the unrelated shareholders of the Company for their approval.

Mr. Amirali E. Rayani, Mr. Amin A. Rayani and Mr. Samir Rayani are interested in the resolution, and their other relatives may be deemed to be interested, in the resolution set out at Item no. 8 to the extent of their shareholding interest, if any, in the Company.

Except above, none of the other Directors, Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested in the said Resolution. The Board commends the Special Resolution set out at Item No. 8 of the Notice for approval by the shareholders

Item no. 9

The revised Clause 49 of the Listing Agreement has mandated shareholders' approval under Clause 49(V) (G) for Selling, disposing and leasing of assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

Panol Industries RMC FZE is a material subsidiary of Panama Petrochem Limited viz ; a subsidiary, whose income or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year. Thus, to create charge/ mortgage/ hypothecation on Panol Industries RMC FZE assets, both present and future, amounting to more than twenty percent of the assets, in favour of the lenders/ trustees for the holders of debentures/ bonds, etc. to secure the repayment of moneys, which Panol Industries RMC FZE may borrow upto a maximum amount of USD 70 Million, approval of shareholders by way of special resolution is required .

Mr. Amin A. Rayani and Mr. Samir Rayani are interested in the resolution, and their other relatives may be deemed to be interested, in the resolution set out at Item no. 9 to the extent of their interest, if any.

Except above, none of the other Directors, Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested in the said Resolution. The Board commends the Special Resolution set out at Item No. 9 of the Notice for approval by the shareholders

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

Date : July 30, 2015

Place : Mumbai

Gayatri Sharma
Company Secretary

Registered Office:

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

Details of Directors seeking Appointment/ Re-appointment at the Annual General Meeting

Name of Director	Samir A. Rayani	Ms. Nargis Mirza Kabani
Date of Birth	19.12.1975	14.05.1952
Date of Appointment	01.12.2000	13.02.2015
Expertise in specific functional area	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.	Ms. Nargis Mirza Kabani holds a Bachelors degree in arts from Mumbai University. She has vast experience of more than 25 years in the field women’s development, health, education, strategic planning and human resource development.
Qualification	Bachelor’s degree in engineering(chemical)	Bachelor’s degree in Arts, diploma in primary health care, certificate course in social work and certificate course in guidance and counseling.
Directorship held in other Indian public limited Companies	Nil	Nil
Chairman/ Member of the Committee Board of Directors of the other Indian public limited Companies	Nil	Nil
No. of shares held in the Company	1092500	Nil
Disclosure of Relationship	Mr. Samir A. Rayani is not directly related to any Director.	Ms. Nargis Mirza Kabani is not related to any Director.

Route Map to the venu of the AGM



DIRECTORS' REPORT

Dear Members

Your Directors have pleasure in presenting the **Thirty – third** Annual Report of the Company together with the Audited Statement of Accounts for the Financial Year ended March 31, 2015.

FINANCIAL HIGHLIGHTS

(₹ In lakhs)

Particulars	Standalone		Consolidated	
	2015	2014	2015	2014
Net Profit before Tax	1,760.76	2,044.86	2,156.12	2,344.10
Less: Provision for Taxes	384.89	504.48	384.89	504.48
Net Profit After Tax	1,375.87	1,540.38	1,771.23	1,839.62
Add :Profit Brought Forward	12,120.13	11,346.82	12,419.37	11,346.82
Profit available for appropriation	13,496.00	12,887.20	14,190.60	13,186.44
Dividend of previous year including Dividend distribution tax	-	(7.34)	-	(7.34)
Proposed Final Dividend	806.58	483.95	806.58	483.95
Dividend distribution tax	168.78	82.25	168.78	82.25
Less: Transfer to Reserves	137.59	208.22	137.59	208.22
Profit Carried Forward to Balance Sheet	12,383.05	12,120.13	13,077.64	12,419.37

OPERATIONAL PERFORMANCE

- Revenue from operations on a standalone basis increases by 23% to ₹ 72,981.94 lakhs.
- Earnings before Interest, Depreciation, Tax & Amortization on a standalone basis decreased by 4% to ₹ 2,748.12 lakhs.
- Net Profit on a standalone basis decreased by 11% to ₹ 1,375.87 lakhs.
- The consolidated revenue from operations of the Company for the year ended March 31, 2015 was ₹ 80,530.79 lakhs an increase of 27% on a Year on Year basis.
- Net Profit on a consolidated basis decreased by 4% to ₹ 1,771.23 lakhs

The consolidated net profit of the Company for year ended March 31, 2015 was down by 4 % to ₹ 1,771.23 lakhs. The decline in profit reflects a sharp fall in crude oil prices during the second half of the year.

Though the Company was able to capitalize on the market conditions through its operational excellence, higher efficiency and well executed strategies which led to increase in consolidated revenue from operations of the Company by 27% to ₹ 80,530.79 lakhs.

MANAGEMENT DISCUSSION & ANALYSIS

The detailed Management Discussion & Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement is presented in a separate section forming part of the Annual Report.

DIVIDEND

Your Board of Directors is pleased to recommend a dividend of 100% i.e. ₹ 2/- per share of ₹ 2 each for the year ended March 2015 as against ₹ 6/- per share of ₹ 10 each (60%) in the previous year, considering the promising future prospects of the Company.

The dividend will be paid to the members, whose names appear in the Register of Members of the Company as on September 9, 2015. In respect of shares held in the electronic form, the dividend will be payable on the basis of beneficial ownership furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose. 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 ₹ 975.36 lakhs (including dividend tax).

TRANSFER TO RESERVES

Your Company proposes to transfer ₹ 137.59 lakhs to the general reserve out of the amount available for appropriation and an amount of ₹ 262.92 lakhs is proposed to be retained in the statement of Profit and Loss.

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" rating to the Long Term Facilities and "CARE A1" rating to the Short Term Facilities.

SUB-DIVISION OF EQUITY SHARES

In order to facilitate affordability of the Company's shares for investors at large and to enhance the liquidity of the Company's equity shares in the stock market, the shareholders in their meeting held on September 4, 2014 approved the sub-division of one equity share of the Company having a face value of ₹ 10 each into five equity shares of face value of ₹ 2 each. The record date of September 22, 2014, was fixed to determine the Members eligible to receive equity shares of face value of ₹ 2/- each in lieu of equity shares of face value of ₹ 10/- each and equity shares of face value ₹ 2/- each were accordingly issued to all the Members who were holding equity shares of ₹ 10/- each on September 22, 2014.

Pursuant to the Sub-division of equity shares, ratio between the GDRs and the underlying Equity Shares has been revised to that 'one GDR representing five underlying Equity Share of the Company' to 'one GDR representing twenty five underlying Equity Shares of the Company'.

SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2015 was ₹ 806.57 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.

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

As on March 31, 2015 your Company has only one subsidiary, Panol Industries RMC FZE.

The Consolidated Financial Statements of the Company and its subsidiary, prepared in accordance with Accounting Standard 21 issued by the Institute of Chartered Accountants of India, 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 Clause 49 of the Listing Agreement. The Policy, as approved by the Board, is uploaded on the Company's website at the web link:

<http://www.panamapetro.com/Subsidiary%20Policy.pdf>

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has given guarantees for its wholly owned subsidiary, Panol Industries RMC FZE., amounting to ₹ 2,816.59 lakhs during the year. The Company has not made an investment and given any loan during the year.

PERFORMANCE AND FINANCIAL POSITION OF PANOL INDUSTRIES RMC FZE

Net sales of Panol Industries RMC FZE has increased from ₹ 4,365.26 lakhs in the previous year to ₹ 7,548.85 lakhs during 2014-15. Net profit during the period is ₹ 395.36 lakhs, as compared to a net profit of ₹ 299.24 crores in the previous year.

Panol Industries RMC FZE, UAE, a wholly owned subsidiary of the Company. The Company has built a brand new manufacturing facility in Ras Al Khaimah. The plant is having a total production capacity of 30,000 MT/ year. 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 Companies Act, 2013 ('the Act') and the Listing Agreement. There were no materially significant Related Party Transactions made by the Company during the year.

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 repetitive in nature. A statement of all Related Party Transactions is 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://www.panamapetro.com/RPT.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 Clause 49 of the Listing Agreement. 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 7 Directors with considerable experience in their respective fields. Of these 3 are Executive Directors and 4 Non Executive (Independent) Directors. The Chairman of the Board is an Executive Director.

APPOINTMENT OF DIRECTORS

In accordance with the provisions of the Companies Act, 2013 and the Company's Articles of Association, Mr. Samir Rayani, Director retires by rotation and being eligible offer himself for re-appointment. Directors recommend his re-appointment.

At the Annual General Meeting of the Company held on September 4, 2014, the Members had approved the appointment of Mr. Mukesh Mehta, Mr. Dilip Sobhag Phatarphekar and Mr. Madan Mohan Jain as Independent Directors for a term of five years.

The members have also re-appointed Mr. Amirali E. Rayani as a whole-time director designated as Chairman, and Mr. Samir Rayani as a Whole-time Directors designated as Executive Director and Mr. Amin A. Rayani as a Managing Director & CEO.

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 Clause 49 of the Listing Agreement.

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.

No Director has retired or resigned during the year.

WOMAN DIRECTOR

In terms of the provisions of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a company shall have at least one Woman Director on the Board of the Company. Your Company has appointed Ms. Nargis Mirza Kabani as an Additional Director on the Board w.e.f February 13, 2015, who holds office till the date of this AGM, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director. Accordingly, the approval of shareholders is being sought for her appointment as an Independent Director of the Company.

APPOINTMENTS/RESIGNATIONS OF THE KEY MANAGERIAL PERSONNEL

Mr. Amin A. Rayani, Managing Director & CEO; Mr. Pramod Maheshwari, Chief Financial Officer and Ms. Gayatri Sharma, Company Secretary of the Company are Key Managerial Personnel. Apart from re-appointment of Mr. Amin A. Rayani as a Managing Director & CEO none of the Key Managerial Personnel has resigned or appointed during the year under review.

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 Agreement.

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 Clause 49 of the Listing Agreement.

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 Clause 49 of the Listing Agreement.

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 Clause 49 of the Listing Agreement, 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 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.

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 Clause 49 of the Listing Agreement.

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 2014–2015. The GDRs of the Company are listed on Luxembourg Stock Exchange.

CORPORATE GOVERNANCE

Your Company has implemented all the mandatory requirements pursuant to Clause 49 of the Listing Agreement. 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 Mr. Amirali E. Rayani 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, promoting education and setting up old age homes.

The above projects are in accordance with Schedule VII of the Act. The Company has spent ₹ 57.78 lakhs towards the CSR projects during the current Financial Year 2014-15.

The average Net Profit of the Company made during the three immediately preceding financial years is ₹2,426.85 lakhs. Thus, the Company requires to spend not less than ₹ 48.54 lakhs being the 2% of the amount.

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 2014-15.

TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the provisions of Section 205C of the Companies Act, 1956, 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 2006-2007 has been transferred to IEPF. Members who have not yet encashed their warrant (s) for any subsequent years are requested to make their claims to the Company without any delay.

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 behaviour, 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 AUDITOR**

M/s Bhuta Shah & Co., Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and being eligible to offer themselves for re-appointment.

M/s Bhuta Shah & Co., have furnished a certificate, confirming that if re-appointed, their re-appointment will be in accordance with Section 139 read with Section 141 of the Act. Pursuant to the provisions of the Act and the Rules made there under, it is proposed to appoint M/s Bhuta Shah & Co; as the statutory auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of the 38th AGM to be held in the year 2020, subject to ratification at every subsequent Annual General Meeting held after this Annual General Meeting.

Members are requested to consider the re-appointment of M/s Bhuta Shah & Co. and authorize the Board of Directors to fix their remuneration.

• COST AUDITOR

Based on the Audit Committee recommendation at its meeting held on May 30, 2015, Mr. Girikrishna S. Maniar, Cost Accountant (Membership No. 8202) was re-appointed by the Board as the Cost Auditor of the Company for conducting an audit of the cost accounting records of the Company for financial year commencing from April 1, 2015 to March 31, 2016.

Cost Audit Report for the financial year 2014-2015 will be submitted by Cost Auditor to the Central Government within the stipulated time period.

The Cost Audit Report for the financial year 2013-2014 was submitted to the Central Government within the stipulated time.

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 Mr. Girikrishna S. Maniar.

• SECRETARIAL AUDITORS

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, 2015. The Secretarial Audit Report is annexed as Annexure C.

The Auditors' Report and the Secretarial Audit Report for the financial year ended March 31 , 2015 do not contain any qualification, reservation, adverse remark or disclaimer.

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 mixing system.

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

In the past few years, the Company has tried to improve energy efficiency significantly by various measures. Steps taken to conserve energy 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.
3. In its Plants and Offices, the Company has replaced conventional light fixtures with energy efficient fixtures.

(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 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 which have resulted in the evolution of the Dahej Plant.

(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	Amount (₹ In lakhs)
Capital	0.00
Revenue	39.69
Total R& D Expenditure	39.69
Total Turnover	72,981.94
Total R& D Expenditure as a Percentage of total turnover	0.05

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:**

	Amount (₹ In lakhs)
Total Foreign Exchange Inflow	28,103.44
Total Foreign Exchange outflow	52,335.71

PARTICULARS OF EMPLOYEES

During the financial year under review, none of the Company's employees was in receipt of remuneration as prescribed under Rule 5 (2) and (3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules. Hence, no particulars are required to be disclosed in this Report.

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, is annexed as Annexure D.

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.

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**

Date : July 30, 2015
Place : Mumbai

Amirali E Rayani
Chairman

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)

1	SI. No.	1
2	Name of subsidiary	Panol Industries RMZ FZE, UAE
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	N.A
4	Reporting currency and exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	AED (AED 1 = INR 17.02)
5	Share Capital	5,185.62
6	Reserves & Surplus	1,139.21
7	Total Assets	8,928.06
8	Total liabilities	2,603.23
9	Investments	Nil
10	Turnover	7,548.85
11	Profit before taxation	395.36
12	Provision for taxation	Nil
13	Profit after taxation	395.36
14	Proposed Dividend	Nil
15	% of shareholding	100%

- Reporting period and reporting currency of the above subsidiaries is the same as that of the Company.
- Part B of the Annexure is not applicable as there are no associate companies/ joint ventures of the Company as on

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: http://www.panamapetro.com/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"> • Setting up old age homes • Promoting health care • Promoting education
----	---	--

2. The Composition of the CSR Committee.	Mr. Mukesh Mehta (Chairman) Mr. Amin A. Rayani Mr. Amirali E. Rayani
3. Average net profit of the Company for last three financial year.	2426.85 lakhs.
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	48.54 lakhs.
5. Details of CSR spent for the financial year:	
(a) Total amount to be spent for the financial year	48.54 lakhs.
(b) Amount unspent, if any:	NIL
(c) Manner in which the amount spent during the financial year is detailed below:	The manner in which the amount is spent is annexed.
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.	N.A
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

Mukesh Mehta
Chairman - CSR Committee

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

S. No	CSR Project or activity identified	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	66,620	66,620	66,620	Direct
2	Manav Seva Samaj Kalyan Trust	Clause (iii), Setting up old age homes	Ahmedabad, Gujarat	711,000	711,000	711,000	Direct
3	Prince Aly Khan Hospital	Clause (i), promoting health care	Mumbai, Maharashtra	5,000,000	5,000,000	5,000,000	Direct
Total				5,777,620	5,777,620	5,777,620	

ANNEXURE C TO THE DIRECTORS' REPORT**Form No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015.****[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, 2015 ('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 31 March 2015, 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, 1992;
 - 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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (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) I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the other Laws applicable specifically to the Company as per representation given by the Company.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (Not notified hence not applicable to the Company during the audit period).
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges. i.e BSE Limited & The National Stock Exchange of India Limited.

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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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 has following events having a major bearing on the Companies Affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above:

Pursuance to the Special Resolutions passed by the members at the 32nd Annual General Meeting held on Thursday, September 4, 2014 at the Registered Office of the Company, the Board of Directors of the Company were authorized to borrow in excess of aggregate of Paid up Share Capital and free Reserves of the Company to the extent of ₹ 800 Crores and also the Board of Directors of the Company were authorized to mortgage and/or charge, in addition to mortgage/ charges created to the Company in such form and manner as the Board may deem fit.

CS.MILIND NIRKHE
FCS NO: 4156
C P NO.: 2312

Place : Mumbai
Date : July 30, 2015

'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. Where ever 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.

CS.MILIND NIRKHE
Practising Company Secretary
Membership No.:4156
Certificate of Practice No.:2312

Place : Mumbai
Date : July 30, 2015

ANNEXURE D TO THE DIRECTORS' REPORT

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

- 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)

- 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 2014-15 are given below:

Directors	Ratio to Median	Percentage Increase in Remuneration
Mr. Amirali Rayani	15.37:1	Nil
Mr. Samir Rayani	11.53:1	Nil

Managing Directors & CEO	Ratio to Median	Percentage Increase in Remuneration
Mr. Amin Rayani	13.45:1	Nil

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

- The percentage increase in the median remuneration of employees in the financial year: Nil
- The number of permanent employees on the rolls of Company: 125
- The explanation on the relationship between average increase in remuneration and Company performance: N.A
- Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company: The remuneration of Key Managerial Personnel is not increased consequent to the reduction in profit of the Company by 11%.
- Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies:
The market capitalization of the Company as at March 31, 2015 is ₹ 236.73 crores, as against ₹ 114.53 crores as at March 31, 2014, an increase of 106.70% during the year under review. The price earnings ratio of the Company as at March, 31,2015 is 17.21 , as against 7.75 as at March 31, 2014. The stock price as at March 31, 2015 has increased by 1367.5% over the last public offer (IPO in January 1995).
- 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: There is no increase in the salaries of employees other than the managerial personnel and managerial personnel in the last financial year.
- Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company: N.A as there is no increase in remuneration of Key Managerial Personnel
- The key parameters for any variable components of remuneration availed by the Directors: The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel.
- The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year: 0.75:1, Mr. Pramod Maheshwari (CFO) is received remuneration in excess of the highest paid Director during the year, the highest paid Director is the Chairman of the Company.
- 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.

ANNEXURE E TO THE DIRECTORS' REPORT

FORM NO. MGT.9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2015

**[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	Bigshare Services Private Limited, E-2, Ansa Industrial Estate, Sakinaka, Saki -Vihar Road, Andheri (E), Mumbai 400 072, Maharashtra, India. Tel: 91-22-2847 3474, / 4043 0200 FAX: 91-22-2847 5207 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:-

S. 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)	92

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Panol 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

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2014			No. of Shares held at the end of the year 31.03.2015			% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical		Total
Promoter and Promoter Group								
1. INDIAN								
(a) INDIVIDUAL / HUF	2871500	0	2871500	7.1202	3071500	0	3071500	7.6161
(b) CENTRAL / STATE GOVERNMENT(S)	0	0	0	0.0000	0	0	0	0.0000
(c) BODIES CORPORATE	1441730	0	1441730	3.5749	1441730	0	1441730	3.5749
(d) FINANCIAL INSTITUTIONS / BANKS	0	0	0	0.0000	0	0	0	0.0000
(e) ANY OTHERS (Specify)								
(i) DIRECTORS RELATIVES	14648730	0	14648730	36.3230	15150435	0	15150435	37.5670
(ii) GROUP COMPANIES	0	0	0	0.0000	0	0	0	0.0000
(iii) TRUSTS	0	0	0	0.0000	0	0	0	0.0000
SUB TOTAL (A)(1) :	18961960	0	18961960	47.0181	19663665	0	19663665	48.7580
2. FOREIGN								
(a) INDIVIDUAL	0	0	0	0.0000	0	0	0	0.0000
(b) BODIES CORPORATE	0	0	0	0.0000	0	0	0	0.0000
(c) INSTITUTIONS	0	0	0	0.0000	0	0	0	0.0000
(d) QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000
(e) ANY OTHERS (Specify)	0	0	0	0.0000	0	0	0	0.0000
SUB TOTAL (A)(2) :	0	0	0	0.0000	0	0	0	0.00

Total holding for Promoters and Promoter group	(A)=(A)(1) + (A)(2)	18961960	0	18961960	47.0181	19663665	0	19663665	48.7580	1.7399
(B) Public shareholding										
1. INSTITUTIONS										
(a)	MUTUAL FUNDS / UTI	0	69000	69000	0.1711	0	69000	69000	0.1711	0.0000
(b)	FINANCIAL INSTITUTIONS / BANKS	0	1500	1500	0.0037	0	1500	1500	0.0037	0.0000
(c)	CENTRAL / STATE GOVERNMENT(S)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	VENTURE CAPITAL FUNDS	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	INSURANCE COMPANIES	0	0	0	0.0000	0	0	0	0.0000	0.0000
(f)	FIIT'S	0	0	0	0.0000	510488	0	510488	1.2658	1.2658
(g)	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.0000	0	0	0	0.0000	0.0000
(h)	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
(i)	ANY OTHERS (Specify)	0	0	0	0.0000	0	0	0	0.0000	0.0000
SUB TOTAL (B)(1) :		0	70500	70500	0.1748	510488	70500	580988	1.4406	1.2658
B.2. Non-institutions										
(a)	BODIES CORPORATE	517330	23500	540830	1.3410	472030	23500	495530	1.2287	(0.1123)
(b)	INDIVIDUAL									
(i)	(CAPITAL UPTO TO Rs. 1 Lakh)	3942575	698135	4640710	11.5071	3420373	661235	4081608	10.1208	(1.3864)
(ii)	(CAPITAL GREATER THAN Rs. 1 Lakh)	3442690	0	3442690	8.5365	2749714	0	2749714	6.8182	(1.7183)
(c)	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	ANY OTHERS (Specify)									
(i)	TRUSTS	0	0	0	0.0000	0	0	0	0.0000	0.0000
(ii)	CLEARING MEMBER	2130	0	2130	0.0053	18958	0	18958	0.0470	0.0417
(iii)	DIRECTORS RELATIVES	0	0	0	0.0000	0	0	0	0.0000	0.0000
(iv)	EMPLOYEE	0	0	0	0.0000	0	0	0	0.0000	0.0000
(v)	FOREIGN NATIONALS	0	0	0	0.0000	0	0	0	0.0000	0.0000
(vi)	NON RESIDENT INDIANS (NRI)	383520	0	383520	0.9510	451877	0	451877	1.1205	0.1695
(vii)	OVERSEAS BODIES CORPORATES	0	0	0	0.0000	0	0	0	0.0000	0.0000
(viii)	UNCLAIMED SUSPENSE ACCOUNT	0	0	0	0.0000	0	0	0	0.0000	0.0000
SUB TOTAL (B)(2) :		8288245	721635	9009880	22.3409	7112952	684735	7797687	19.3352	(3.0058)

Total Public Shareholding	(B)=(B)(1) + (B)(2)	8288245	792135	9080380	22.5157	7623440	755235	8378675	20.7758	(1.7399)
Total (A) + (B) :		27250205	792135	28042340	69.5338	27287105	755235	28042340	69.5338	0.0000
(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	0.0000	0	0	0	0.0000	0.0000
(ii)	Public	12286725	0	12286725	30.4662	12286725	0	12286725	30.4662	0.0000
SUB TOTAL (C)(1) :		12286725	0	12286725	30.4662	12286725	0	12286725	30.4662	0.0000
Grand Total (A)+(B)+(C)		39536930	792135	40329065	100.0000	39573830	755235	40329065	100.0000	0.0000
NOTES :	1) NAME, NUMBER OF SHARES HELD & PERCENTAGE OF ENTITIES / PERSONS HOLDING MORE THAN 1% OF THE TOTAL SHARES OF THE COMPANY IS AS PER ANNEXURE									

The shareholders of the Company have approved the sub-division of each equity shares having a face value of Rs. 10 into five equity shares having a face value of Rs. 2 each in the AGM held on November 4, 2014. The record date for sub-division was September 22, 2014. The number of shares for the period prior to September 22, 2014 (record date) reflects the effect of sub-division.

(ii) Shareholding of Promoters

SI No	Shareholder's Name	Shareholding at the beginning of the year				Shareholding at the end of the year			
		Before Split		After Split		Number of Shares	% Shares of the Company	% of Shares Pledged/en-cumbered to total shares	% Change in shareholding during the year
		Number of Shares	% Shares of the Company	Number of Shares	% Shares of the Company				
1	AKBAR E RAYANI	35000	0.4339	175000	0.43	0	0.00	0	-0.43
2	AKBARALI ESSABHAI RAYANI	158450	1.9645	792250	1.96	0	2.49	0	0.52
3	AKBARALI ESSABHAI RAYANI	7000	0.0868	35000	0.09	0	0.00	0	-0.09
4	AKBARALI ESSABHAI RAYANI	100	0.0012	500	0.00	0	0.00	0	0.00
5	AMIN AMIRALI RAYANI	191000	2.3680	955000	2.37	0	2.37	0	0.00
6	AMIR ESSABAI RAYANI	12800	0.1587	64000	0.16	0	0.00	0	-0.16
7	AMIR ESSABAI RAYANI	2100	0.0260	10500	0.03	0	0.00	0	-0.03
8	AMIR ESSABAI RAYANI	1200	0.0149	6000	0.01	0	0.00	0	-0.01
9	AMIRALI E RAYANI	23600	0.2926	118000	0.29	0	0.00	0	-0.29
10	AMIRALI E RAYANI	50000	0.6199	250000	0.62	0	0.00	0	-0.62
11	AMIRALI ESSABHAI RAYANI	75100	0.9311	375500	0.93	0	2.54	0	1.61
12	ARIF A RAYANI	20900	0.2591	104500	0.26	0	0.00	0	-0.26
13	ARIF AMIRALI RAYANI	210750	2.6129	1053750	2.61	0	2.87	0	0.26
14	BEGUMBANU AKBERALI RAYANI	285950	3.5452	1429750	3.55	0	3.55	0	0.00
15	CHEMINE AMIN RAYANI	141000	1.7481	705000	1.75	0	2.65	0	0.91
16	CHEMINE AMIN RAYANI	73014	0.9052	365070	0.91	0	0.00	0	-0.91
17	GULSHAN S. RAYANI	19000	0.2356	95000	0.24	0	0.24	0	0.00
18	HUSSEIN VAZIRALI RAYANI	40740	0.5051	203700	0.51	0	1.37	0	0.87
19	IQBAL VAZIRALI RAYANI	22356	0.2772	111780	0.28	0	2.76	0	2.48
20	ITTEFAQ ICE AND COLD STORAGE CO. PVT. LTD	288346	3.5749	1441730	3.57	0	3.57	0	0.00
21	MALIKA VAZIRALI RAYANI	106100	1.3154	530500	1.32	0	1.32	0	0.00
22	MUNIRA HUSSEIN RAYANI	118500	1.4692	592500	1.47	0	1.47	0	0.00
23	NABAT AMIRALI RAYANI	295950	3.6692	1479750	3.67	0	3.67	0	0.00
24	SALIM E RAYANI	8567	0.1062	42835	0.11	0	0.00	0	-0.11
25	SALIM E RAYANI	500	0.0062	2500	0.01	0	0.00	0	-0.01
26	SALIM ESSABAI RAYANI	36800	0.4562	184000	0.46	0	0.00	0	-0.46

27	SALIM ESSABHAI RAYANI	32688	0.4053	163440	0.41	0	0	0.00	0	-0.41
28	SALIMALI ESSABHAI RAYANI	116765	1.4477	583825	1.45	0	1008100	2.50	0	1.05
29	SAMIR AKBARALI RAYANI	218500	2.7090	1092500	2.71	0	1092500	2.71	0	0.00
30	SAPNA SAMIR RAYANI	180461	2.2374	902305	2.24	0	0	0.00	0	-2.24
31	SAPNA SAMIR RAYANI	22500	0.2790	112500	0.28	0	1014805	2.52	0	2.24
32	SERENA IQBAL RAYANI	96000	1.1902	480000	1.19	0	480000	1.19	0	0.00
33	SHELINA A. RAYANI	42900	0.5319	214500	0.53	0	0	0.00	0	-0.53
34	SHELINA ARIFALI RAYANI	514755	6.3819	2573775	6.38	0	2788275	6.91	0	0.53
35	VAZIR ESSABAI RAYANI	59800	0.7414	299000	0.74	0	0	0.00	0	-0.74
36	VAZIR ESSABAI RAYANI	35000	0.4339	175000	0.43	0	0	0.00	0	-0.43
37	VAZIR ESSABAI RAYANI	15000	0.1860	75000	0.19	0	0	0.00	0	-0.19
38	VAZIRALI E RAYANI	33200	0.4116	166000	0.41	0	0	0.00	0	-0.41
39	VAZIRALI ESSABHAI RAYANI	200000	2.4796	1000000	2.48	0	715000	1.77	0	-0.71
40	CHEMINE AMJIN RAYANI	0	0	0	0.00	0	10000	0.02	0	0.02
41	IQBAL VAZIRALI RAYANI	0	0	0	0.00	0	110205	0.27	0	0.27
	Total	3792392	47.0181	18961960	47.02	0	19663665	48.76	0	

(iii). Change in Promoters' Shareholding

Sl. 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
	At the beginning of the year		18961960	47.02	18961960	47.02
1	INCREASE	30-May-14	7500	0.02	18969460	47.04
2	INCREASE	13-Jun-14	15495	0.04	18984955	47.08
3	INCREASE	20-Jun-14	43005	0.11	19027960	47.18
4	INCREASE	08-Aug-14	200000	0.50	19227960	47.68
5	INCREASE	04-Sept-14	23750	0.06	19251710	47.74
6	INCREASE	12-Sept-14	25000	0.06	19276710	47.80
7	INCREASE	19-Sept-14	2955	0.01	19279665	47.81
8	INCREASE	22-Sept-14	50000	0.12	19329665	47.93
9	INCREASE	30-Sept-14	300000	0.74	19629665	48.67
10	INCREASE	31-Oct-14	20000	0.05	19649665	48.72
11	INCREASE	27-Mar-15	10000	0.02	19659665	48.75
12	INCREASE	31-Mar-15	4000	0.01	19663665	48.76
	At the end of the year		701705		19663665	48.76

The number of shares for the period prior to September 22, 2014 (record date) reflects the effect of sub-division

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

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	SHARES	% of Total Shares of company
1	CITIBANK N.A. NEW YORK, NYADR DEPARTMENT	12286725	30.47	31-Mar-15				12286725	30.47
2	JEETAY INVESTMENTS PRIVATE LIMITED	97095	0.24	31-Mar-15				97095	0.24
3	A V DHARMAKRISHNAN	165625	0.41	31-Mar-15				165625	0.41
4	ANIL KUMAR GOEL	600000	1.49						
				30-May-14	Purchase	10000	0.02	610000	1.51
				13-Jun-14	Purchase	23330	0.06	633330	1.57
				18-Jul-14	Purchase	835	0.00	634165	1.57
				25-Jul-14	Purchase	25	0.00	634190	1.57
				31-Dec-14	Sale	-21510	-0.05	612680	1.52
				2-Jan-15	Sale	-680	0.00	612000	1.52
				30-Jan-15	Sale	-2000	0.00	610000	1.51
				6-Feb-15	Sale	-10000	-0.02	600000	1.49
				13-Feb-15	Sale	-11020	-0.03	588980	1.46
				20-Feb-15	Sale	-1	0.00	588979	1.46
				31-Mar-15				588979	1.46
5	RAJEEV GUPTA	193500	0.48						
				8-Aug-14	Sale	-8115	-0.02	185385	0.46
				13-Aug-14	Sale	-14125	-0.04	171260	0.42
				22-Aug-14	Sale	-55000	-0.14	116260	0.29
				29-Aug-14	Sale	-21195	-0.05	95065	0.24
				4-Sep-14	Sale	-38695	-0.10	56370	0.14
				12-Sep-14	Sale	-18500	-0.05	37870	0.09
				19-Sep-14	Sale	-37870	-0.09	0	0.00
6	VINEETH ADVAI	90000	0.22						
				31-Mar-15				90000	0.22

7	SEEMA GOEL	400000	0.99	30-May-14	Purchase	4115	0.01	404115	1.00
				6-Jun-14	Purchase	20455	0.05	424570	1.05
				13-Jun-14	Purchase	430	0.00	425000	1.05
				6-Feb-15	Sale	-24000	-0.06	401000	0.99
				13-Feb-15	Sale	-1000	0.00	400000	0.99
				31-Mar-15				400000	0.99
				23-May-14	Purchase	79370	0.20	1639735	4.07
8	MADHUKAR C. SHETH	1560365	3.87	30-May-14	Purchase	65915	0.16	1705650	4.23
				13-Jun-14	Sale	-82785	-0.21	1622865	4.02
				1-Aug-14	Purchase	9790	0.02	1632655	4.05
				8-Aug-14	Sale	-200000	-0.50	1432655	3.55
				12-Sep-14	Purchase	4790	0.01	1437445	3.56
				19-Sep-14	Sale	-315210	-0.78	1122235	2.78
				28-Nov-14	Purchase	501	0.00	1122736	2.78
				5-Dec-14	Purchase	42172	0.10	1164908	2.89
				12-Dec-14	Purchase	6982	0.02	1171890	2.91
				19-Dec-14	Purchase	24673	0.06	1196563	2.97
				31-Dec-14	Purchase	19046	0.05	1215609	3.01
				2-Jan-15	Purchase	6700	0.02	1222309	3.03
				23-Jan-15	Purchase	770	0.00	1223079	3.03
				30-Jan-15	Sale	-3182	-0.01	1219897	3.02
9	XITIJ MADHUKAR SHETH.	245000	0.61	6-Feb-15	Sale	-29907	-0.07	1189990	2.95
				13-Feb-15	Purchase	7030	0.02	1197020	2.97
				20-Feb-15	Purchase	36094	0.09	1233114	3.06
				27-Feb-15	Sale	-79480	-0.20	1153634	2.86
				6-Mar-15	Sale	-30898	-0.08	1122736	2.78
				13-Mar-15	Purchase	55659	0.14	1178395	2.92
				20-Mar-15	Sale	-12952	-0.03	1165443	2.89
				27-Mar-15	Sale	-21875	-0.05	1143568	2.84
				31-Mar-15		17344	0.04	1160912	2.88
				31-Mar-15				245000	0.61

10	ELARA INDIA OPPORTUNITIES FUND LIMITED	0	0													
11	SURENDRA KUMAR JAIN	0	0													

The number of shares for the period prior to September 22, 2014 (record date) reflects the effect of sub-division

(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 the Company	Shares	% of Total Shares of Company
1	AMIRALI ESSABHAI RAYANI	824000	2.09						
				08-Aug-14	Purchase	200000	0.50	1024000	2.54
				31-Mar- 15				1024000	2.54
2	MS. NARGIS MIRZA KABANI	0	0.00					0	0.00
3	MR. MUKESH MEHTA	0	0.00					0	0.00
4	MR. MADAN MOHAN JAIN	0	0.00					0	0.00
5	MR. DILIP S PHATARPHEKAR	0	0.00					0	0.00
6	SAMIR A. RAYANI	1092500	2.71	31-Mar-15				1092500	2.71
7	AMIN A. RAYANI	955000	2.37	31-Mar-15				955000	2.37
8	PRAMOD MAHESHWARI	0	0					0	0
9	GAYATRI SHARMA	0	0					0	0

The number of shares for the period prior to September 22, 2014 (record date) reflects the effect of sub-division

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	1,678.04	Nil	Nil	1,678.04
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) interest accrued nut not due	Nil	Nil	Nil	Nil
Total(i+ii+iii)	1,678.04	Nil	Nil	1,678.04
Change in Indebtedness during the financial year				
• Addition	767.04	Nil	Nil	767.04
• Reduction	Nil	Nil	Nil	Nil
Net Change	767.04	Nil	Nil	767.04
Indebtedness at the end Of the financial year				
i) Principal Amount	2,445.08	Nil	Nil	2,445.08
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	2,445.08	Nil	Nil	2,445.08

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PRESONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Amirali Rayani (Chairman)	Amin Rayani (Managing Director)	Samir Rayani (Whole time Director)	
1.	Gross salary				
	(a) Salary as per provisions contained in section17(1) of the Income-tax Act,1961	2,000,000	1,750,000	1,500,000	5,250,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil
	Total(A)	2,000,000	1,750,000	1,500,000	5,250,000
	Ceiling as per the Act	190.81 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):

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Madan Mohan Jain	Dilip S. Phatarphekar	Mukesh Mehta	Nargis Kabani	
1	Independent Directors :					
	• Fee for attending board committee meetings	145,000	145,000	200,000	20,000	510,000
	• Commission	Nil	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (1)	145,000	145,000	200,000	20,000	510,000
2	Others Non-Executive Directors	None	None	None	None	None
	• Fee for attending board committee meetings					
	• Commission					
	• Other, please specify					
	Total (2)	Nil	Nil	Nil	Nil	Nil
	Total (B)=(1+2)	145,000	145,000	200,000	20,000	510,000
	Total Managerial Remuneration/ sitting fees	145,000	145,000	200,000	20,000	510,000
	Overall Ceiling as per the Act	19.08 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

Sl. No	Particular of Remuneration	Key Managerial Personnel		
		Pramod Maheshwari (CFO)	Gayatri Sharma (CS)	Total Amount
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,057,347	12,88,309	3,345,656
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	623,400	Nil	623,400
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	
2.	Stock Option	Nil	Nil	
3.	Sweat Equity	Nil	Nil	
4.	Commission - as % of profit -others, specify	Nil	Nil	
5.	Others, please specify	Nil	Nil	
	Total	2,680,747	1,288,309	3,969,056

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment / compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			None		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			None		
Punishment					
Compounding					
OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment					
Compounding					

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

Date : July 30, 2015
Place : Mumbai

Amirali E Rayani
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The management of Panama Petrochem Ltd. presents the analysis of the Company for the year ended on March 31, 2015 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, 2015 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, 2015.

ECONOMIC REVIEW

The Indian economy during the year under review witnessed mixed business conditions. As compared with GDP growth levels of the previous year, the year under review witnessed some improvement in the growth parameters. Prospects for the coming year are expected to improve further.

During the year under review, there was a significant drop in the crude oil prices. From high levels of USD 110 per barrel (bbl) in the first half, it came down sharply to USD 45 – 50 per barrel in the second half. With this steep fall in crude prices in the second half of the year and significant softening in commodity prices, overall inflation was largely brought under control. India being dependant on large imports of crude oil, experienced a favourable impact in case of both, economic growth as well as inflation management.

India's economy is poised to return to its high-growth path, consequent to lower fiscal and current account deficits, falling inflation, benign commodity prices, and structural reforms to boost investments.

INDUSTRY OVERVIEW

FY 2014-15 provided the petroleum industry with both challenges and opportunities. Strong growth in oil output from non-OPEC (Organisation of the Petroleum Exporting Countries) producers, coupled with weak demand in some key consumption economies led to an oversupplied oil market, precipitating a sharp decline in oil prices, during the year.

This gap between supply growth of 2.0 million barrels per day (MMBPD) and demand of less than 1 MMBPD had put pressure on OPEC to cut production. Oil prices had traded in a range of \$100 – \$115/bbl from 2010 until around mid-June of 2014. But then started to drift down and then by September moved sharply lower. This was triggered by Saudi Arabia clearly signalling its unwillingness to absorb the excess supply, so prices had to fall to make storage economics work in the near term and in the medium term trigger the actions to balance supply and demand.

The steep fall in oil prices has had a significant macroeconomic impact on oil producers and consumers. It benefited oil importers with higher disposable income for consumers and lower costs in the production of final goods. For many importers, the boost from lower oil prices, while sizable, is somewhat muted by the recent currency depreciation against the US dollar. This implies a smaller oil price decline in domestic currency. On the other hand, oil exporters' real incomes and profits have generally decreased. But overall the sharp decline in oil prices boosted consumption leading to a strong growth in the second half of 2014. In 2014, average oil demand grew by 0.7 MMBPD of crude to 92.5 MMBPD.

BUSINESS OVERVIEW

Established in 1982, Panama Petrochem Ltd., today is one of the 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.

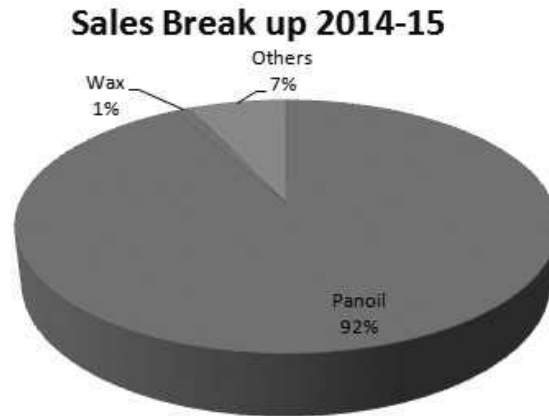
MANUFACTURING FACILITIES

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 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 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 2014-15



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

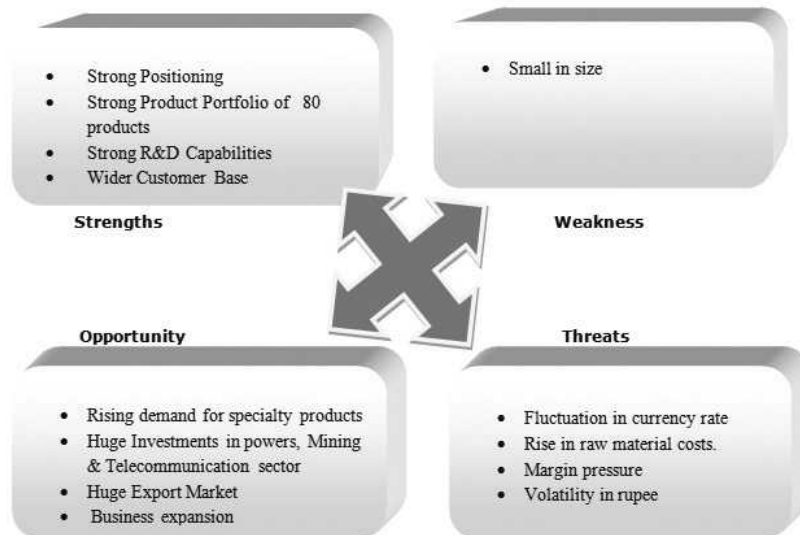
FUTURE OUTLOOK

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, dyes, 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:

Despite some of the positive signs, the overall state of the global economy remains fragile and volatile. 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 the Base Oil 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

- **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 believes that it 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 against

- **Cyber security risk**

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.

PERFORMANCE

The year under review was a challenging year. The dramatic fall in crude oil prices impacted company's business, and resulted in lower profit .

Earnings before Interest, Depreciation, Tax & Amortization on a standalone basis decreased by 4% to ₹ 2,748.12 lakhs against ₹ 2,863.44 lakhs during the previous year. Net Profit on a standalone basis has come down to ₹ 1,375.87 lakhs against ₹ 1,540.38 lakhs during the previous year.

However, the benefits from demand revival, ended the year on a strong note. In FY 2014-15, the Company has achieved (consolidated) revenue of ₹ 80,530.79 lakhs an increase of 27% on a Year on Year basis.

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 our business.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has an effective and adequate internal audit and control system to ensure that all assets are safeguarded against loss and all transactions are authorised, recorded and reported correctly. 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.

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.

REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement a Report on Corporate Governance is given below:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Our 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.

Our 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.

2. BOARD OF DIRECTORS

(a) Composition

Your Company's Board comprises of 7 Directors with considerable experience in their respective fields. Of these 3 are Executive Directors and 4 Non Executive (Independent) Directors. The Chairman of the Board is an Executive Director.

All Independent Directors of the Company have been appointed as per the provisions of the Companies Act, 2013. Formal letters of appointment have been issued to the Independent Directors. The terms and conditions of their appointment are disclosed on the Company's website.

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, as per Clause 49 II (D) (2) of the Listing Agreement), across all the Companies in which he/ she is a Director.

(b) Meetings and attendance during the year

Four Board Meetings were held during the financial year April 1, 2014 to March 31, 2015. All relevant and materially significant information, are submitted as part of the agenda papers well in advance of the Board Meetings. The Company Secretary, in consultation with the Chairman & Managing Director, drafts the agenda of the meetings.

Details of attendance of Directors in the Board Meetings during the financial year April 1, 2014 to March 31, 2015 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	ED	4	100	NO
2	Mr. Amin A. Rayani	ED	4	100	Yes
3	Mr. Samir A. Rayani	ED	3	75	Yes
4	Mr. Mukesh Mehta	NED	4	100	Yes
5	Mr. Dilip S. Phatarphekar	NED	4	100	No
6	Mr. Madan Mohan Jain	NED	4	100	Yes
7	Ms. Nargis Mirza Kabani (appointed w.e.f February 13, 2015)	NED	1	100	N.A

ED - Executive Director

NED - Non-Executive Director

(c) Number of Board Meetings held and the dates of the Board Meeting

During the Financial Year April 1, 2014 to March 31, 2015, 4 (Four) meetings were held on the following dates:

May 21, 2014, July 28, 2014, November 14, 2014 and February 13, 2015.

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

Name of the Director & Designation	Category	No. of positions held in other Public Companies		
		Board	Committee	
			Membership	Chairmanship
Mr. Amirali E. Rayani	Executive Director (Chairman)	Nil	Nil	Nil
Mr. Amin A. Rayani	Executive Director (Managing Director & CEO)	Nil	Nil	Nil
Mr. Samir A. Rayani	Executive Director	Nil	Nil	Nil
Mr. Dilip S. Phatarphekar	Independent & Non Executive Director	2	2	Nil
Mr. Madan Mohan Jain	Independent & Non Executive Director	1	1	Nil
Mr. Mukesh Mehta	Independent & Non Executive Director	Nil	Nil	Nil
Ms. Nargis Mirza Kabani	Additional (Independent) Director	Nil	Nil	Nil

In accordance with Clause 49 of the Listing Agreement, Memberships/ Chairmanships of Audit Committee and Stakeholders Relationship Committee in public limited companies have been considered.

(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, 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 familiarizes its Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes. These include orientation programme upon induction of new Directors, as well as other initiatives to update the Directors on a continuing basis.

The familiarization programme for Independent Directors is disclosed on the Company's website at the following web link: <http://www.panamapetro.com/Familiarization%20Programme%20For%20Independent%20Directors.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 November 14, 2014, as required under Schedule IV to the Companies Act, 2013 (Code for Independent Directors) and Clause 49 of the Listing Agreement.

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.

Mr. Dilip Phatarphekar, Mr. Madan Mohan Jain and Mr. Mukesh Mehta attended the Meeting of Independent Directors. Mr. Dilip Phatarphekar chaired the Meeting

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 Clause 49 of the Listing Agreement.

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 Clause 49 of the Listing Agreement 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, 2014 to March 31, 2015, 4 (Four) meetings were held on the following dates:

May 21, 2014, July 28, 2014, November 14, 2014 and February 13, 2015.

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)	3	75
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 Chairman of the Audit Committee, Mr. Madan Mohan Jain was present at the Annual General Meeting of the Company held on September 4, 2014.

3. NOMINATION AND REMUNERATION COMMITTEE

The Committee's constitution and terms of reference are in compliance with Provisions of the Companies Act, 2013, Clause 49 of the Listing Agreement.

(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 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, 2014 to March 31, 2015, 4 (Four) meetings were held on the following dates:

May 21, 2014, July 28, 2014, November 14, 2014 and February 13, 2015

Name of the Member	Attendance at the Nomination & Remuneration Meeting	% of total attended during the tenure as a Director / Secretary
Mr. Mukesh Mehta (Chairman w.e.f. November 14,2014)	4	100
Mr. Dilip S. Phatarphekar (Member, resigned from the chairmanship from November 14, 2014)	4	100
Mr. Madan Mohan Jain (Member)	4	100
Ms. Gayatri Sharma (secretary)	4	100

(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:

- 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;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- 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 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 Rs. 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.

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.

No remuneration is paid to any Non-Executive Directors during the financial year April 1, 2014 to March 31, 2015 except sitting fee for attending Board meetings and committee meetings.

(d) Details of the Executive Directors Remuneration for the financial year ended March 31, 2015

(₹ in lakhs)

REMUNERATION		DIRECTORS			
		Executive Directors			Non-Executive Directors
		Mr. Amirali E Rayani	Mr. Amin A Rayani	Mr. Samir A Rayani	
(a)	Salary & Allowances (fixed)	20.00	17.50	15.00	Nil
(b)	Benefits & Perquisites	Nil	Nil	Nil	Nil
(c)	Bonus / Commission Additional Salary	Nil	Nil	Nil	Nil
(d)	Pension, Contribution to Provident fund & Superannuation Fund	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:

- The agreement with each Executive Director is for a period of 5 years.
- There were no performance linked incentive paid to the directors for the year 2014-15

(e) Details of the Sitting Fees paid to Non-Executive Directors for the financial year ended March 31, 2015

(₹ in lakhs)

Name of the Non-Executive Director	Amount of Sitting Fees Paid
Mr. Madan Mohan Jain	1.45
Mr. Dilip S. Phatarphekar	1.45
Mr. Mukesh Mehta	2.00
Ms. Nargis Mirza Kabani	0.20

(f) Shareholdings of Non-Executive Directors

None of the Non-Executive Directors held shares in the Company as on March 31, 2015.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board has constituted Stakeholders Relationship Committee in accordance with the Provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

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 balance sheet, 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. Dilip S. Phatarphekar(Independent & Non Executive Director- Chairman of the committee)	4	100
Mr. Mukesh Mehta (Independent & Non Executive Director- Member)	4	100
Mr. Amin A. Rayani (Managing Director & CEO- Member)	4	100
Mr. Amirali E. Rayani (Executive Director- Member)	4	100
Company Secretary		
Ms. Gayatri Sharma	4	100

(b) Meetings of the Committee

During the Financial Year April 1, 2014 to March 31, 2015, 4 (Four) meetings were held on the following dates:

May 21, 2014, July 28, 2014, November 14, 2014 and February 13, 2015.

(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 six complaints from the shareholders, all of which have been resolved to the satisfaction of the shareholders to the date. There was no pending complaint from any shareholder as on March 31, 2015.

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 2014-15 forms a part of the Directors' Report.

(b) Composition of Corporate Social Responsibility Committee

During the Financial Year April 1, 2014 to March 31, 2015, 2 (Two) meetings were held on the following dates: July 28, 2014 and February 13, 2015.

Name of the Member	Attendance at the Stakeholders Relationship 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
Mr. Amiral E. Rayani (Executive Director- Member)	2	100
Company Secretary		
Ms. Gayatri Sharma (secretary)	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
2012	August 6,2012	Plot No. 3303, G.I.D.C. Estate, Ankleshwar - 393 002, Gujarat	11:30 A.M	0
2013	September 27,2013	Plot No. 3303, G.I.D.C. Estate, Ankleshwar - 393 002, Gujarat	11:00 A.M	0
2014	September 4, 2014	Plot No. 3303, G.I.D.C. Estate, Ankleshwar - 393 002, Gujarat	11:00 A.M	4

(b) Postal Ballot

The Company had not conducted any postal ballot during the year and there is no resolution proposed to be passed by postal ballot at the ensuing Annual General Meeting.

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

Mr. Samir Rayani, Director who shall be retiring in this AGM, being eligible to be offered himself for re-appointment. His brief particulars as stipulated under Clause 49 of Listing Agreement, 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 Clause 49 of the Listing Agreement) 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 Company does not have any material non-listed Indian subsidiary as defined under Clause 49 of the Listing Agreement, viz. an unlisted subsidiary incorporated in India, whose income or net worth (i.e. paid-up capital and free reserves) exceeds 20% of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year. It is, therefore, not required to have an Independent Director of the Company on the Board of such subsidiary.

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 subsidiaries of the Company are periodically placed before the Board of Directors of the Company.

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://www.panamapetro.com/Subsidiary%20Policy.pdf>

10. 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://www.panamapetro.com/RPT.pdf>

(b) Disclosure of Accounting treatment

In the preparation of the financial statements, the Company has followed the accounting standards issued by the Companies (Accounting Standards) Rules 2006 (as amended), to the extent applicable.

(c) 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.

(d) 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.

(e) 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.

Employees aware of any alleged wrongful conduct are encouraged to make a disclosure to the Audit Committee. The policy shall also provide for direct access to the Chairman of the Audit Committee.

(f) Details of compliance with mandatory requirements

The Company has complied with all mandatory requirements as mandated under Clause 49 of the Listing Agreement. A certificate from the practicing Company Secretary to this effect has been included in this report. It is also confirmed that no personnel has been denied access to the Audit Committee.

(g) Adoption of non mandatory requirements

• Separate post of Chairman and CEO

The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director & CEO.

• Reporting of Internal Auditor

The Internal Auditor reports to the Audit Committee.

• Audit qualifications

The financial results of the Company are unqualified.

11 CEO CERTIFICATION

The Managing Director & CEO and the Chief Financial Officer have certified to the Board in accordance with Clause 49 IX of the Listing Agreement pertaining to CEO/ CFO certification for the Financial Year ended March 31, 2015.

12 MEANS OF COMMUNICATION
(a) Quarterly Results / Annual Results

The Quarterly / Annual Results and notices as required under clause 41 of the Listing Agreement are normally published in Financial Express (English & Gujarati editions)

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

The Annual / Quarterly results of the Company, Share Holding Pattern, and other official news releases 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 : Monday, September 14, 2015
Time : 11.00 A.M.
Venue : Plot No. 3303, G.I.D.C. Estate, Ankleshwar - 393 002

(b) Financial Year: April 2014 to March 2015
Financial Calendar

Events	Tentative time frame
Financial Reporting for the second quarter ending September 30, 2015	2 nd week of November, 2015
Financial Reporting for the third quarter ending December 31, 2015	2 nd week of February, 2016
Financial Reporting for the fourth quarter ending March 31, 2016	Last Week of May, 2016

(c) Dates of Book Closure:

September 10, 2015 to September 14, 2015 (Both days inclusive)

(d) Dividend Payment Date:

Interim – N.A
 Final - within 2 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

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:

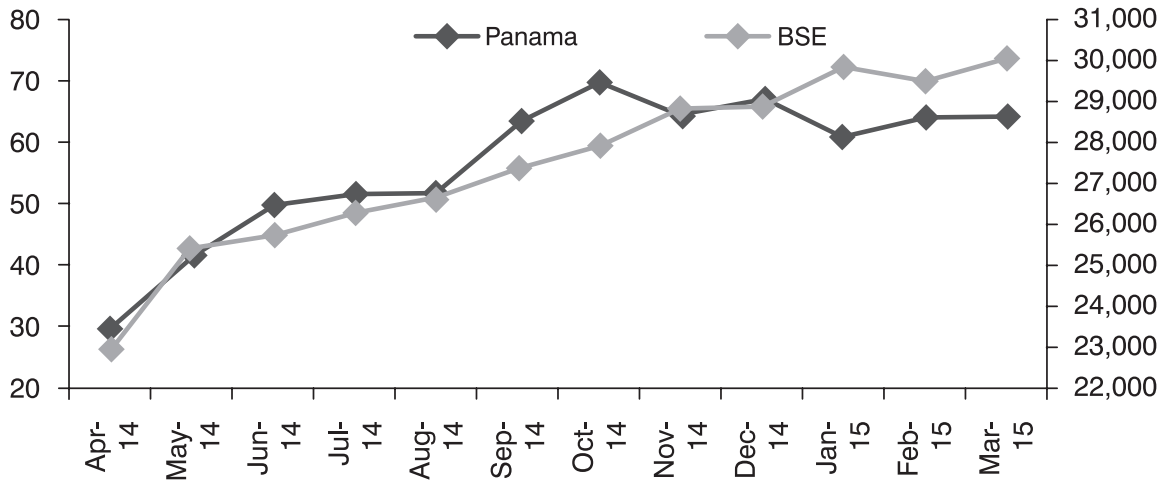
High/ low of market price of the Company's equity shares traded on BSE during the last financial year April 1, 2014 to March 31, 2015 were as follows:

Month	High (₹) BSE	High (₹) NSE	Low (₹) BSE	Low (₹) NSE	Month	High (₹) BSE	High (₹) NSE	Low (₹) BSE	Low (₹) NSE
April	150.0	154.0	136.3	131.6	October	*69.9	72.9	57.3	57.1
May	206.0	209.0	138.1	132.4	November	64.9	64.8	55.1	54.4
June	249.4	239.4	192.7	193.6	December	66.4	67.5	56.6	56.3
July	260.0	268.0	201.2	195.6	January	61.0	61.0	53.7	53.1
August	256.9	258.7	225.0	225.7	February	64.0	65.0	49.8	49.2
September	316.9	319.0	51.6	49.4	March	64.1	63.70	55.5	55.2

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

* The shareholders of the Company have approved the sub-division of each equity shares having a face value of ₹ 10 into five equity shares having a face value of ₹ 2 each in its meeting held on September 4, 2014.

(g) Performance in comparison to BSE SENSEX



The record date for sub-division was September 22, 2014. The price of shares in performance comparison for the period prior to September 22, 2014 reflects the effect of sub-division.

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

The shares of the Company can be transferred by lodging Transfer Deeds and Share Certificates with the Registrars & Share Transfer Agents viz. M/s Bigshare Services Pvt. Ltd. (Address as mentioned below). The Shareholders have option of converting their holding in dematerialized form and effecting the transfer in dematerialized mode.

Name	Bigshare Services Pvt. Ltd.
Address	E-2, Ansa Industrial Estates, Sakivihar Road, Saki Naka, Andheri (East), Mumbai 400 072
Telephone No.	91-22-2847 0652 91-22-4043 0200
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. Physical shares which are lodged with the Registrar & Transfer Agent or/ Company for transfer are processed and returned to the shareholders duly transferred within the time stipulated under the Listing Agreement subject to the documents being in order.

(j) Distribution of Shareholding as on March 31,2015:

Shareholding of		Shareholders		Share Amount	
₹	₹	Number	% to Total	in ₹	% to Total
(1)	(1)	(2)	(3)	(4)	(4)
Up to 5,000		3464	90.80	3,373,688	4.18
5,001	10,000	135	3.54	1,040,232	1.29
10,001	20,000	93	2.44	1,412,086	1.75
20,001	30,000	40	1.05	984,304	1.22
30,001	40,000	16	0.42	580,054	0.71
40,001	50,000	11	0.29	496,390	0.61
50,001	100,000	18	0.47	1,262,832	1.57
100,001 and Above		38	0.99	71,508,544	88.66
Total		3815		80,658,130	100

(k) Secretarial Audit

- M/s Milind Nirkhe & Associates, Practicing Company Secretaries have conducted a Secretarial Audit of the Company for the year 2014-15. 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 Agreements with the Stock Exchanges, applicable SEBI Regulations and other laws applicable to the Company. The Secretarial Audit Report forms part of the Directors' Report.
- Pursuant to Clause 47 (c) of the Listing Agreement 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).

(l) Dematerialization of shares and liquidity:

As on March 31, 2015 about 98.12% 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.

(m) Corporate Ethics:

The constant endeavor of Panama Petrochem Ltd is to enhance the reputation of the Company and irrespective of the goals to be achieved, the means are as important as the end. The Company has adopted Code Of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders and for Disclosure which contains policies prohibiting insider trading.

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

Outstanding GDRs as on March 31, 2015 are 491,469 representing 12,286,725 Equity shares constituting 30.47% of the paid up share capital of the Company.

(o) 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

(p) 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 **Email: cs@panamapetro.com**

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 year ended March 31, 2015.

For PANAMA PETROCHEM LIMITED

**Place: Mumbai
Date : July 30, 2015**

**Amin A. Rayani
Managing Director & CEO**

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

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, for the year ended on March 31, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Clause 49 of the above mentioned Listing Agreement.

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 : July 30, 2015**

To,
The Board of Directors,
Panama Petrochem Ltd.,
401, Aza House, 24, Turner Road,
Bandra (W), Mumbai - 400 050

CEO & CFO CERTIFICATION

We hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2015 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 LTD.**

Amin A. Rayani
Managing Director & CEO

Pramod Maheshwari
CFO

Place: Mumbai
Date : July 30, 2015

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

INDEPENDENT AUDITORS' REPORT

To the Members of

Panama Petrochem Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Panama Petrochem Limited ("the Company"), which comprise the Balance Sheet as at 31 March, 2015, the Profit and Loss Statement and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 as amended ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 Profit and Loss Statement and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. on the basis of written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015, from being appointed as a director in terms of Section 164(2) of the Act;

- f. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 25 to the 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 – Refer Note 34 to the financial statements;
 - 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.**
Chartered Accountants
Firm Reg. No.: 101474W

CA. Virag Shah
Partner
Membership No.: 153415

Mumbai, 30 May, 2015

Annexure to Independent Auditors' Report

Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date

- (i) In respect of fixed Assets
- (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As explained to us, all the fixed assets have not been physically verified by the management during the year but there is regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) In respect of its inventories:
- (a) As explained to us, inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) In our opinion and 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 any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act and accordingly, Clause (iii) of Para 3 of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories and fixed assets and for sale of goods. The activities of the company currently do not involve sale of services. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public and accordingly, the provisions of Clause (v) of Para 3 of the Order are not applicable to the company.
- (vi) We have broadly reviewed the books of account 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.

(viii) In respect of statutory dues:

- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, cess and any other statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31 March 2015 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no amounts payable in respect of income tax, wealth tax, sales tax and value added tax which have not been deposited on account of any disputes except:

Name of the Statute	Nature of Dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax and Penalty	58.25	FY 2007-08 to FY 2011-12	Commissioner of Central Excise (Appeals) – IV, Mumbai
Finance Act, 1994	Service Tax	22.46	FY 2012-13	Addl. Commissioner, Service Tax – 1, Mumbai
Custom Act, 1962	Custom Duty, Fine and Penalty	126.70 ¹	FY 2011-12	CESTAT, Mumbai
Central Excise Act, 1944	Central Excise Duty	73.90	April 2009 to November 2013	Commissioner of Central Excise, Daman
Central Excise Act, 1944	Central Excise Duty	25.74	December 2013 to October 2014	Joint Commissioner of Central Excise, Daman

¹Net of amounts paid under protest

- (c) According to the information and explanations given to us, the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under has been transferred to such fund within time.
- (viii) The Company does not have any accumulated losses at the end of the financial year. Further, the Company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to its bankers. The Company did not have any borrowings from financial institutions or debenture holders.
- (x) The Company has given guarantee for loan taken by other from a bank or financial institution. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of the Company.
- (xi) According to the information and explanations given to us and the records examined, the term loans taken by the Company have been applied for the purpose for which they were obtained.
- (xii) Based on the audit procedures performed and information and explanations given to us, we report that no material fraud on or by the Company has been noticed or reported during the year.

For **Bhuta Shah & Co.**
Chartered Accountants
Firm Reg. No.: 101474W

CA. Virag Shah
Partner
Membership No.: 153415

Mumbai, 30 May, 2015

BALANCE SHEET AS AT 31 MARCH 2015

Particulars	Notes	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs
Equity and liabilities			
Shareholders' funds			
Share capital	3	806.57	806.57
Reserves and surplus	4	22,963.05	22,590.80
		23,769.62	23,397.37
Non-current liabilities			
Deferred tax liabilities (net)	5	297.89	251.46
Long-term provisions	6	-	-
		297.89	251.46
Current liabilities			
Short-term borrowings	7	2,445.08	1,678.04
Trade payables	8	18,023.91	17,348.21
Other current liabilities	8	495.88	455.89
Short-term provisions	6	1,008.59	803.37
		21,973.46	20,285.51
TOTAL		46,040.97	43,934.34
Assets			
Non-current assets			
Fixed assets			
Tangible assets	9	7,639.18	7,661.89
Intangible assets	10	-	-
Non-current investments	11	5,188.97	5,188.97
Long-term loans and advances	12	22.47	31.73
Trade receivables	13.1	-	-
Other non-current assets	13.2	0.09	19.34
		12,850.71	12,901.93
Current assets			
Inventories	14	15,299.01	13,098.75
Trade receivables	13.1	14,865.41	13,309.22
Cash and bank balances	15	1,157.53	2,413.56
Short-term loans and advances	12	1,846.71	2,184.47
Other current assets	13.2	21.60	26.41
		33,190.26	31,032.41
TOTAL		46,040.97	43,934.34
Summary of significant accounting policies	2		
Notes to the financial statements	3-48		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date attached

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

CA Virag Shah
Partner
Membership No : 153415

Place : Mumbai
Date : 30 May, 2015

**For and on behalf of the Board of Directors of
Panama Petrochem Ltd.**

Amirali E. Rayani
Chairman

Amin A. Rayani
Managing Director & CEO

Pramod Maheshwari
(CFO)

Gayatri Sharma
Company Secretary

Place : Mumbai
Date : 30 May, 2015

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

Particulars	Notes	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs
Income			
Revenue from operations (gross)	16	79,188.34	64,546.53
Less : excise duty		6,206.40	5,409.47
Revenue from operations (net)		72,981.94	59,137.06
Other income	17	113.19	121.22
Total (I)		73,095.13	59,258.28
Expenses			
Cost of material consumed	18	64,559.09	51,786.29
Purchase of traded goods	19	1,159.61	1,314.36
(Increase)/decrease in inventories of traded goods and finished goods	20	389.92	(495.32)
Employee benefits expense	21	401.59	359.67
Other expenses	22	3,836.80	3,429.84
Total (II)		70,347.01	56,394.84
Earnings before interest, tax, depreciation and amortization (EBITDA) (I)-(II)		2,748.12	2,863.44
Depreciation and amortization expense	23	284.99	249.56
Finance costs	24	702.37	569.02
Profit/(loss) before tax		1,760.76	2,044.86
Tax expenses			
Current tax		369.09	429.00
MAT credit utilised / (entitlement)		184.28	47.66
Deferred tax		60.99	30.62
Short/(excess) provision of tax relating to earlier years		(229.47)	(2.80)
Total tax expense		384.89	504.48
Profit/(loss) for the year		1,375.87	1,540.38
Earnings per equity share [nominal value of share ₹ 2 (31 March 2014 ₹ 10)]	35,45		
Basic		₹ 3.41	₹ 3.66
Diluted		₹ 3.41	₹ 3.66
Summary of significant accounting policies	2		
Notes to the financial statement	3-48		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date attached

For Bhuta Shah & Co.

Firm Registration No. 101474W
Chartered Accountants

CA Virag Shah

Partner
Membership No : 153415

Place : Mumbai
Date : 30 May, 2015

**For and on behalf of the Board of Directors of
Panama Petrochem Ltd.**
Amirali E. Rayani

Chairman

Amin A. Rayani

Managing Director & CEO

Pramod Maheshwari

(CFO)

Gayatri Sharma

Company Secretary

Place : Mumbai
Date : 30 May, 2015

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**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 9 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.

2. Basis of preparation and Significant Accounting Policies**2.1 Basis of Preparation of Financial Statements**

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects the relevant provisions of the Companies Act, 2013 ("the Act") and with the Accounting Standards notified by the Companies (Accounts) Rules, 2014. The financial statements have been prepared under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

2.2 Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in the future periods.

2.3 Current / Non-current classification:

The Schedule III to the Act requires assets and liabilities to be classified as either Current or Non-current.

An asset is classified as current when it satisfies any of the following criteria:

- (i) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- (ii) it is held primarily for the purpose of being traded;
- (iii) it is expected to be realised within twelve months after the reporting date; or
- (iv) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

A liability shall be classified as current when it satisfies any of the following criteria:

- (i) it is expected to be settled in, the Company's normal operating cycle;
- (ii) it is held primarily for the purpose of being traded;
- (iii) it is due to be settled within twelve months after the reporting date; or
- (iv) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the opinion of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

2.4 Measurement of EBITDA

As permitted by the Schedule III to the Act, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the Profit and Loss Statement. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015
2.5 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.

2.6 Cash and Cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

2.7 Fixed Assets
a) Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Profit and Loss Statement for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets 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.

b) 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.

2.8 Depreciation/Amortization on Fixed Assets

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives prescribed under the Schedule II to the Act.

Leasehold land is amortized on a straight line basis over the period of lease.

2.9 Revenue Recognition

Revenue is recognized 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:

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**Sale of Goods**

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. The Company collects sales taxes and value added taxes (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.

Interest

Revenue is recognized 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 Profit and Loss Statement.

Dividends

Revenue is recognized when the shareholders' right to receive payment is established by the reporting date.

2.10 Foreign currency translation**(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 previous 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 recognized in the Profit and Loss Statement in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

2.11 Investments

Investments that are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

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

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis.

Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Profit and Loss Statement.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

2.12 Retirement and other employee benefits**Post Retirement Benefits**

i. Defined Contribution Plans

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.

ii. Defined Benefit Plans

Gratuity liability is a defined benefit obligation. The costs of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end using the projected unit credit method.

Actuarial gains and losses for the defined benefit plan are recognized in full in the period in which they occur in the Profit and Loss Statement.

2.13 Borrowing Costs

Borrowing costs includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed out in the period they occur.

2.14 Segment Reporting Policies

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.

2.15 Leases**Company is the lessee**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

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.

2.16 Earnings 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.

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.

2.17 Taxes on Income

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

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

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

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.

2.18 Impairment of tangible and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. 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) net selling price and its value in use. The 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. Where 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 net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

2.19 Provisions

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

2.20 Contingent liabilities

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015
3. Share capital

	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs
Authorized share capital		
12,77,50,000 (31 March 2014 : 2,55,50,000 of ₹ 10 each) equity shares of ₹ 2 each	2,555.00	2,555.00
Issued, subscribed and fully paid-up share capital		
4,03,29,065 (31 March 2014 : 80,65,813 of ₹ 10 each) equity shares of ₹ 2 each	806.57	806.57
	806.57	806.57

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

	31 March 2015		31 March 2014	
	No. of shares	₹ In lakhs	No. of shares	₹ In lakhs
Equity shares				
At the beginning of the year	8,065,813	806.57	8,607,570	860.75
Share split during the year (Refer note 35)	32,263,252	-		
Buy-back of shares during the year (Refer note 36)	-	-	(541,757)	(54.18)
Outstanding at the end of the year	40,329,065	806.57	8,065,813	806.57

b. Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of ₹ 2 per share (2014: ₹ 10 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 (Refer Note 35). 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.

The amount of per share dividend recognized as distributions to equity shareholders is ₹ 2 (face value ₹ 2) [31 March 2014 : ₹ 6 (face value ₹ 10)]

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. For the period of five years immediately preceding the reporting date:

	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs
Aggregate number of :		
Equity shares allotted in pursuant to the scheme of amalgamation of Monaco Petroleum Private Limited [Face value ₹ 2 (31 March 2014 : ₹ 10)]	1,608,750	321,750
Equity shares allotted in pursuant to the scheme of amalgamation of Mobil Petrochem Private Limited [Face value ₹ 2 (31 March 2014 : ₹ 10)]	5,391,200	1,078,240
Equity shares bought back by the Company [Face value ₹ 10]	553,522	553,522

d. Details of shareholders holding more than 5% shares in the company

	31 March 2015		31 March 2014	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity Shares of ₹ 2 (31 March 2014 : ₹ 10) each fully paid up (Refer note 35)				
Ms. Shelina Arifali Rayani	2,788,275	6.91%	557,655	6.91%
Shares held by Custodian as against which global depository receipts have been issued (Citi Bank N.A.)	12,286,725	30.47%	2,457,345	30.47%

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015
4. Reserves and surplus

	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs
Other Reserves		
Investment Allowance Reserve		
Balance as per the last financial statements	0.24	0.24
	0.24	0.24
Capital Redemption Reserves		
Balance as per the last financial statements	55.36	1.18
Add : Transfer from profit and loss statement on buy back of shares	-	54.18
	55.36	55.36
Securities Premium Account		
Balance as per the last financial statements	9,366.42	9,377.91
Add : Premium on issue of GDR (Refer Note 37)	-	-
Less : Expense incurred on issue of GDR (Refer Note 37)	-	(11.49)
	9,366.42	9,366.42
General reserve		
Balance as per the last financial statements	1,048.65	1,612.52
Add : amount transferred from surplus balance in the profit & loss statement	137.59	154.04
Less : Adjustment relating to fixed assets as per Companies Act, 2013 (net of deferred tax ₹ 14.55 lakhs) (Refer note no. 9.4)	28.25	-
Less : Premium paid on buy back of equity shares	-	(717.91)
	1,157.99	1,048.65
Surplus/(deficit) in the profit and loss statement		
Balance as per last financial statements	12,120.13	11,346.82
Add : Profit for the year	1,375.87	1,540.38
Less : Appropriations		
Dividend of previous year written back of shares bought back	-	(7.34)
Proposed final equity dividend [amount per share ₹ 2 (31 March 2014 ₹ 6)]	806.58	483.95
Tax on proposed final equity dividend	168.78	82.25
Transfer to capital redemption reserve on buy back of shares	-	54.18
Transfer to general reserve	137.59	154.04
Total appropriations	1,112.95	767.08
Net surplus in the profit and loss statement	12,383.05	12,120.13
Total reserves and surplus	22,963.05	22,590.80

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015
5. Deferred tax liabilities (Net)

	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	348.14	301.17
Gross deferred tax liability	348.14	301.17
Deferred tax asset		
Impact of expenditure charged to the profit and loss statement in the Current year but allowed for tax purposes on payment basis	18.72	62.07
Provision for doubtful debts	31.53	(12.36)
	50.25	49.71
Net deferred tax liability	297.89	251.46

6. Provisions

	Long-term		Short-term	
	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs
Provision for employee benefits				
Provision for gratuity (Note 41)	-	-	31.41	12.14
	-	-	31.41	12.14
Other provisions				
Provision for Income Tax [Net of taxes paid : N.A. (31 March 2014: ₹ 1486.23)]	-	-	-	222.77
Proposed equity dividend	-	-	806.58	483.95
Provision for tax on proposed equity dividend	-	-	168.78	82.25
Provision for Wealth Tax [Net of taxes paid : ₹ 2.26 (31 March 2014: ₹ 1.53)]	-	-	1.82	2.26
	-	-	977.18	791.23
	-	-	1,008.59	803.37

7. Short-term borrowings

Secured borrowings		
Cash credit from banks	2,445.08	1,678.04
	2,445.08	1,678.04

Terms of Securities and repayment

Cash credit from banks is secured against the hypothecation of Stocks, Book debts and Plant & Machineries (both present & future), Pledge of Fixed Deposit Receipts, Further secured by Equitable Mortgage of Company's present Immoveable Property situated at Ankleshwar, Daman, Marol industrial estate, property of group companies situated at Navi Mumbai, property belonging to the Directors and corporate guarantee given by Anirudh Distributors Private Limited (Refer Note 43). The cash credit is repayable on demand and carried an interest rate of 12% to 16% p.a

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015
8. Current liabilities

	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs
Trade payables (Refer note 29 for details of dues to micro and small enterprises)	18,023.91	17,348.21
Other current liabilities		
Creditors for capital goods	17.10	23.53
Investor Education and Protection Fund will be credited by following amount (as and when due)		
Unpaid dividend	19.34	17.45
Other payables		
Statutory Dues payable	442.28	267.97
Forward Contract (net)	-	128.46
Advance received against orders	16.16	17.48
Deposits	1.00	1.00
	495.88	455.89
	18,519.79	17,804.10

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015
09. 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 2013	6.19	2,612.51	1,265.54	2,377.85	1,470.24	44.15	59.21	242.30	340.62	8,418.61
Additions	-	100.96	39.89	-	339.55	6.96	3.10	4.88	129.00	624.34
Other adjustments	-	-	-	-	-	-	-	-	(32.85)	(32.85)
At 31 March 2014	6.19	2,713.47	1,305.43	2,377.85	1,809.79	51.11	62.31	247.18	436.77	9,010.10
Additions	-	6.93	-	20.95	250.01	11.75	3.20	7.08	8.58	308.50
Other adjustments	-	-	-	-	-	-	-	-	(6.81)	(6.81)
At 31 March 2015	6.19	2,720.40	1,305.43	2,398.80	2,059.80	62.86	65.51	254.26	438.54	9,311.79
Depreciation										
At 1 April 2013	-	223.88	174.87	72.08	420.16	11.78	42.42	46.38	130.04	1,121.61
Charge for the year	-	33.92	43.91	38.76	74.33	2.03	5.19	15.12	36.30	249.56
Other adjustments	-	-	-	-	-	-	-	-	(22.96)	(22.96)
At 31 March 2014	-	257.80	218.78	110.84	494.49	13.81	47.61	61.50	143.38	1,348.21
Adjustments as per the Companies Act, 2013 (Refer note 9.4)	-	-	-	-	-	28.53	8.77	-	5.50	42.80
Charge for the year	-	33.86	40.38	37.69	72.13	16.38	3.79	28.49	52.27	284.99
Other adjustments	-	-	-	-	-	-	-	-	(3.39)	(3.39)
At 31 March 2015	-	291.66	259.16	148.53	566.62	58.72	60.17	89.99	197.76	1,672.61
Net Block										
At 31 March 2014	6.19	2,455.67	1,086.65	2,267.01	1,315.30	37.30	14.70	185.68	293.39	7,661.89
At 31 March 2015	6.19	2,428.74	1,046.27	2,250.27	1,493.18	4.14	5.34	164.27	240.78	7,639.18

Notes:-
9.1 Factory Building includes those constructed on leasehold land:

	Gross Block	Depreciation For the year	Accumulated Depreciation	Net Block
At 31 March 2014	1,235.42	41.58	195.31	1,040.11
At 31 March 2015	1,235.42	38.12	233.43	1,001.99

9.2 Non Factory Building includes those constructed on leasehold land:

	Gross Block	Depreciation For the year	Accumulated Depreciation	Net Block
At 31 March 2014	35.69	0.58	5.05	30.64
At 31 March 2015	35.69	0.53	5.58	30.11

9.3 Capital expenditure on research & development

a) Addition to fixed assets includes capital assets of ₹ Nil (31 March 2014 : ₹ 0.89 lakh)

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

Furniture ₹ 4.08 lakhs (31 March 2014 : ₹ 4.08 lakhs)

Lab Equipments ₹ 53.15 lakhs (31 March 2014 : ₹ 53.15 lakhs)

Computer ₹ 00.55 lakh (31 March 2014 : ₹ 00.55 lakh)

Air Conditioner ₹ 1.14 lakhs (31 March 2014 : ₹ 1.14 lakhs)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015
10. Intangible Assets

	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs
Software		
Cost or valuation		
At 1 April 2013	7.11	7.11
Additions	-	-
Disposals	-	-
At 31 March 2014	7.11	7.11
Additions	-	-
At 31 March 2015	7.11	7.11
Depreciation		
At 1 April 2013	7.11	7.11
Charge for the year	-	-
Disposals	-	-
At 31 March 2014	7.11	7.11
Charge for the year	-	-
At 31 March 2015	7.11	7.11
Net Block		
At 31 March 2014	-	-
At 31 March 2015	-	-

11. Non-current investments
Non Trade investments (valued at cost unless stated otherwise)
Unquoted Equity Instruments

1,850 (31 March 2014 : 1,850) fully paid equity shares of ₹.10 each of

Bharuch Enviro Infrastructure Limited

0.19

0.19

975 (31 March 2014 : 975) Fully paid equity shares of ₹ 100 each of

The Marol Co operative Industrial Estate Limited

0.98

0.98

Quoted equity instruments

6,200 (31 March 2014 : 6,200) fully paid equity shares of face value of ₹ 10 each of

DCB Bank Limited (formally Development Credit Bank Limited)

2.18

2.18

Trade investments (valued at cost unless stated otherwise)
Unquoted Equity Instruments

33,018 (31 March 2014 : 33,018) Fully Paid Equity Shares of AED 1,000 each

of Panol Industries RMC FZE, UAE

5,185.62

5,185.62

5,188.97

5,188.97

Aggregate amount of unquoted investments

5186.79

5186.79

Aggregate amount of quoted investments

2.18

2.18

Market Value

6.89

3.78

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015
12. Loans and advances

	Non -current		Current	
	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs
Capital advances				
Unsecured, considered good	2.01	12.00	-	-
(A)	2.01	12.00	-	-
Security deposit				
Unsecured, considered good	13.58	13.58	76.57	107.09
(B)	13.58	13.58	76.57	107.09
Advances recoverable in cash or kind				
Unsecured, considered good	-	-	440.26	256.47
(C)	-	-	440.26	256.47
Other loans and advances (Unsecured, considered good)				
Prepaid expenses	-	-	113.14	115.74
Current tax [net of provision for tax ₹ 1058.09 lakhs] (2014 : N.A.)	-	-	25.54	-
MAT credit entitlement (Refer note 46)	-	-	76.62	264.00
Interest receivable from subsidiary (Refer note 43)	-	-	-	6.65
Receivable against expenses incurred on behalf (Refer note 43)	-	-	10.63	-
Loan to employees	6.88	6.15	8.32	8.14
Balance with statutory/government authorities	-	-	1,095.63	1,426.38
(D)	6.88	6.15	1,329.88	1,820.91
Total (A+B+C+D)	22.47	31.73	1,846.71	2,184.47

13. Trade receivables and other assets
13.1 Trade receivables

Unsecured, considered good unless stated otherwise

Outstanding for a period exceeding six months from the date they are due for payment

Unsecured, considered good	-	-	530.36	368.14
Doubtful	-	-	94.80	112.51
	-	-	625.16	480.65
Provision for doubtful receivables	-	-	94.80	112.51
(A)	-	-	530.36	368.14

Outstanding for a period less than six months from the date they are due for payment

Unsecured, considered good	-	-	14,335.05	12,941.08
(B)	-	-	14,335.05	12,941.08
Total (A+B)	-	-	14,865.41	13,309.22

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015
13.2 Other assets

	Non -current		Current	
	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs
Balance with banks in deposit accounts (Refer Note 15)	0.09	10.15	-	-
(A)				
Unamortized expenditure				
Unamortized premium on forward contract	-	-	-	12.79
(B)	-	-	-	12.79
Others				
Interest accrued on fixed deposits	-	9.19	21.60	13.62
(C)	-	9.19	21.60	13.62
Total (A+B+C)	0.09	19.34	21.60	26.41

14. Inventories (valued at lower of cost and net realizable value)

	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs
Raw Material (Refer Note 18) [Includes Goods In transit ₹ 216.95, 31 March 2014: ₹ 284.04]	14,161.25	11,602.73
Finished Goods (Refer Note 20)	531.17	888.33
Traded Goods (Refer Note 20)	467.30	500.06
Packing Material (Refer Note 18) [Includes Goods In transit ₹ Nil, 31 March 2014: ₹ 5.63]	139.29	107.63
	15,299.01	13,098.75

15. Cash and bank balances

	Non -current		Current	
	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs
Cash and cash equivalents				
Balance with banks:				
In current accounts	-	-	713.31	1,990.92
In deposits accounts with original maturity of less than three months	-	-	-	100.00
In unpaid dividend account	-	-	19.34	17.45
Cash on hand	-	-	1.64	4.78
(A)	-	-	734.29	2,113.15
Other bank balances				
Deposits with original maturity for more than 12 months	0.09	10.15	3.24	-
Deposits with original maturity for more than 3 months but less than 12 months	-	-	420.00	300.41
	0.09	10.15	423.24	300.41
Amount disclosed under "non current assets" (Refer Note 13.2)	(0.09)	(10.15)	-	-
(B)	-	-	423.24	300.41
Total (A+B)	-	-	1,157.53	2,413.56

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015
16. Revenue from operations

	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs
Revenue from operations		
Sale of products		
Finished Goods	77,890.45	62,971.95
Traded Goods	1,297.89	1,574.58
Other Operating revenue	-	-
Revenue from operations (gross)	79,188.34	64,546.53
Less : Excise duty #	6,206.40	5,409.47
Revenue from operations (net)	72,981.94	59,137.06

Excise duty on sales amounting to ₹ 6,206.40 lakhs (31 March 2014 : ₹ 5,409.47 lakhs) has been reduced from sales in profit and loss statement and excise duty on increase/(decrease) in stock amounting to ₹ (24.94) lakhs (31 March 2014 : ₹ 39.54 lakhs) has been considered as expense/(income) in note 22 of the financial statements.

Details of products sold

Finished Goods

Panoil	72,905.15	58,309.00
Others	4,985.30	4,662.95
	77,890.45	62,971.95

Traded goods

Wax	1,117.58	1,530.90
Others	180.31	43.68
	1,297.89	1,574.58

17. Other income

Interest income on		
Bank deposits	56.36	48.19
Others	1.00	41.70
Dividend income on		
Long - term investment	0.03	0.04
Reversal of provision for doubtful debts	17.71	-
Net proceeds from claim of insurance on theft of fixed asset	0.82	-
Others	37.27	31.29
	113.19	121.22

18. Cost of material consumed

Raw material consumed		
Inventory at the beginning of the year	11,602.73	11,837.92
Add : Purchases	65,237.79	50,426.41
	76,840.52	62,264.33
Less : Inventory at the end of the year	14,161.25	11,602.73
Cost of raw material consumed	62,679.27	50,661.60

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs
Packing material consumed		
Inventory at the beginning of the year	107.63	55.47
Add : Purchases	1,911.48	1,176.85
	2,019.11	1,232.32
Less : Inventory at the end of the year	139.29	107.63
Cost of packing material consumed	1,879.82	1,124.69
Total material consumed	64,559.09	51,786.29

Details of raw material consumed

Base Oil	47,967.35	37,891.66
Others	14,711.92	12,769.94
	62,679.27	50,661.60

Details of inventory

Base oil & Wax	14,161.25	11,602.73
Packing material	139.29	107.63
	14,300.54	11,710.36

Imported and indigenous raw materials consumed

	% of total consumption 31 March 2015	₹ In lakhs 31 March 2015	% of total consumption 31 March 2014	₹ In lakhs 31 March 2014
Imported	84%	52,854.38	79%	39,954.68
Indigenous	16%	9,824.89	21%	10,706.92
	100%	62,679.27	100%	50,661.60

Consumption of raw materials includes consumption on account of manufacturing of samples

19. Purchase of traded goods

Wax	1,153.23	1,282.08
Others	6.38	32.28
	1,159.61	1,314.36

20. (Increase)/decrease in inventories of traded goods and finished goods

	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs	(Increase)/decrease 31 March 2014 ₹ In lakhs
Inventories at the end of the year			
Traded goods	467.30	500.06	32.76
Finished goods	531.17	888.33	357.16
	998.47	1,388.39	389.92
Inventories at the beginning of the year			31 March 2014
Traded goods	500.06	618.83	118.77
Finished goods	888.33	274.24	(614.09)
	1,388.39	893.07	(495.32)
	389.92	(495.32)	

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

Details of inventory of traded goods and finished goods	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs
Traded goods		
Wax & Others	467.30	500.06
	467.30	500.06
 Finished Goods		
Panoil	531.17	888.33
	531.17	888.33
 21. Employee benefit expense		
Salaries, wages and bonus	359.29	336.88
Contribution to provident and other funds	16.64	11.59
Gratuity expense (note 41)	19.27	5.71
Staff welfare expenses	6.39	5.49
	401.59	359.67
 22. Other expenses		
Power and fuel	56.03	56.58
Water charges	3.46	2.88
Increase/(decrease) of excise duty on inventory	(24.94)	39.54
Repairs and maintenance		
Buildings	43.27	9.67
Machinery	49.64	37.29
Others	37.12	34.80
Insurance	105.15	77.60
Rent	53.72	47.45
Rates and taxes	31.32	6.76
Communication costs	32.71	29.85
Legal and professional fees	96.66	73.44
Payment to auditor (Refer details below)	12.00	12.50
Director sitting fees	5.10	2.60
Clearing and forwarding expenses	1,735.34	1,073.75
Freight outwards	666.46	571.66
Travelling and conveyance	181.76	191.02
Advertising and sales promotion	68.50	45.24
Brokerage and commission	161.09	142.52
Security charges	25.68	18.89
Bad debts and sundry balances written off	50.72	175.58
Provision for doubtful debts	-	99.73
Donation and charity (Refer note 38)	59.73	72.10
Premium on forward exchange contract amortized	12.79	190.94
Exchange loss (net)	182.67	258.10
Loss on sale of assets	-	3.50
Miscellaneous expenses	190.82	155.85
	3,836.80	3,429.84

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

Payment to auditor (excluding service tax)	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs
As auditor:		
Statutory audit and limited review fees	11.00	10.00
Tax audit fees	1.00	1.00
In other capacity	-	1.50
	12.00	12.50
23. Depreciation and amortization expense		
Depreciation of tangible assets (Refer note 9)	284.99	249.56
Amortization of intangible assets (Refer note 10)	-	-
	284.99	249.56
24. Finance costs		
Interest	343.91	293.29
Bank charges	358.46	275.73
	702.37	569.02
25. Contingent Liabilities		
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 September 2008 to March 2013)	80.71	58.25
ii) Excise duty Matter disputed with the Commissioner of Central Excise, Customs & Service Tax, Daman,(Dispute regarding demand raised on excise duty not recovered on freight charged to customers)	99.64	99.64
iii) Custom duty Matter disputed Customs,Excise and Service Tax Appellate Tribunal, Mumbai, (Dispute regarding demand raised for classification of product)	126.70	126.70
iv) Bank Gurantees	546.17	339.60
(The contingent liabilities, if materialized, shall entirely be borne by the company, as there is no likely reimbursement from any other party.)		
26. Capital and other commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	2.36	8.00
27. Current Liabilities & Provisions		
In the opinion of the Board, adequate provision has been made for all known liabilities and the same is not in excess of the amounts considered reasonably necessary.		
28. Current assets, loans and advances		
In the opinion of the Board, the current assets, loans and advances have value on realization in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet.		
29. Details of dues to micro and small enterprises as defined under the MSMED Act 2006 *		
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.	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs
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 Enterprise 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.

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

	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs
Raw materials (Includes Goods in transit)	50,705.63	35,729.71
Traded goods	1,358.71	1,580.79
	52,064.34	37,310.50

31. Expenditure in foreign currency (accrual basis)

	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs
Brokerage & Commission	57.88	31.36
Bank Interest	119.71	128.08
Bank Charges	56.53	43.32
Travelling Expenses	18.65	-
Others	18.60	4.10
Expenses related to GDR issue (adjusted against securities premium) (Refer note 37)	-	11.49
	271.37	218.35

32. Net dividend remitted in foreign exchange

Period to which it relates	April 1, 2014 to 31 March 2015	April 1, 2013 to 31 March 2014
Number of non resident shareholders	-	-
Number of equity shares in lakhs held on which dividend was due	-	-
Amount remitted in US \$	-	-

33. Earnings in foreign exchange (accrual basis)

Exports at F.O.B Value	28,103.44	20,223.82
	28,103.44	20,223.82

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015
34. Derivative Instruments and unhedged foreign currency exposure
a) Forward contract outstanding as at Balance Sheet date

₹ In lakhs

Particulars	Purpose
Forward Contract to buy US \$ US \$ Nil lakhs (31 March 2014: US \$ 37.87 lakhs) ₹ Nil lakhs (31 March 2014: ₹ 2,276.07 lakhs)	Hedge of expected future payments to trade payables

b) Particulars of unhedged foreign currency exposure as at the reporting date

	31 March 2015 \$ In lakhs	31 March 2015 ₹ In lakhs	31 March 2014 \$ In lakhs	31 March 2014 ₹ In lakhs
Trade Receivables	77.00	4,894.10	58.64	3,524.49
Advance received against orders	0.22	13.90	1.14	68.50
Trade Payables	274.07	17,154.41	220.45	13,249.12
Advance to Trade Payables	1.22	76.22	1.92	115.40
Balance with Banks	6.02	376.95	9.11	547.59

35. Shares Split Information

- a. Pursuant to resolution passed at the Annual General Meeting of the company held on 4 September 2014, the Company sub-divided its shares of face value of ₹ 10 each into five shares of ₹ 2 each. Accordingly as per resolution, read with amendments made to Memorandum of Association as required by Companies Act, 2013. Authorized share capital of the company stands at ₹ 2,555 lakhs i.e. 1,277.5 lakhs shares of ₹ 2 each as compared to 255.5 lakhs shares of ₹ 10 each last year.
- b. Each GDR of the company, representing five equity shares of ₹ 10 each, post stock split, now has underlying One GDR representing twenty five equity shares of face value of ₹ 2 each.
- c. Consequently, the earning per share has been restated for the previous year based on the number of equity shares post split, in accordance with Accounting Standard (AS-20) on "Earnings Per Share".

36. In accordance with section 77A, 77AA and 77B of the Companies Act, 1956 and in pursuant to the buy-back announcement dated 1 March 2013, the Company bought back a total of 5,53,522 Equity Shares during the period 14 February 2013 to 13 February 2014. All the shares have been duly extinguished before 31 March 2014. Consequently, an amount of ₹ 55.36 lakhs, being the nominal value of equity shares bought back had been transferred to Capital Redemption Reserve from the Profit and Loss Statement upto 31 March 2014. Further, a total amount of ₹ 732.61 lakhs being the premium on buy-back had also been appropriated from General Reserve upto 31 March 2014.

37. Global Depository Receipts ('GDRs') issue

On 20 July 2011, the Company raised US \$ 1,39,99,985 (₹ 6,233.79 lakhs) through issuance of 4,91,469 GDRs representing 24,57,345 equity shares of ₹ 10 each at a price of ₹ 253.68 per equity share of ₹ 10 each. The issue price of each GDR is US \$ 28.486 and the GDRs are listed on the Luxembourg Stock Exchange. The holders of GDR do not have voting rights with respect to the shares represented by the GDRs, but rank pari passu with the existing share holders in all respect including entitlement of dividend declared. The Company has paid ₹ Nil (31 March 2014 : ₹ 11.49 lakhs) on account of issue expenses towards the issue of Global Depository Receipts, which has been incurred for issue of GDR, and same has been adjusted against Securities Premium during the previous year.

Given below are the details of utilization of proceeds from issue of Global Depository Receipts

	31 March 2015 \$ In lakhs	31 March 2014 ₹ In lakhs
I Sources of Funds		
Opening Balance in banks in Current Account outside India	-	3,724.91
Proceeds from issue of GDR's	-	-
Issue expenses	-	11.49
Net Proceeds	-	3,713.42

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

	31 March 2015 \$ In lakhs	31 March 2014 ₹ In lakhs
II Utilization of funds	-	3,713.42

III Unutilized funds	-	-
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IV Interim Utilization of Balance Funds

Balance in banks in Current Account outside India #

# After adjustment of exchange gain	Nil	-
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38. Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof : ₹ 57.78 Lakhs is included in donation and charity.

39. Details of loans Given, Investments made and Gurantee Given Covered u/s 186 (4) of the Companies Act, 2013

Corporate Guarantees given by the Company as at 31 March, 2015

Name of the company
Balance as at

	31 March 2015 \$ In lakhs	31 March 2014 ₹ In lakhs
Panol Industries RMC FZE, UAE (Bank Gurantee US \$ 45 lakhs)	2,816.59	-

40. Expenses on Scientific Research

Capital (Refer Note 9.3)	-	0.89
Revenue	39.69	30.57
	39.69	31.46

41. Employee Benefits
General Description of Defined Benefit plan
Gratuity

The Company operates single type of Gratuity plans wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service depending on the date of joining and eligibility terms. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service.

The following tables summaries the components of net benefit expense recognized in the profit and loss statement and the funded status and amounts recognized in the balance sheet for the respective plans.

Profit & Loss Statement

Net Employee Benefit Expense recognized in the employee cost

	Gratuity	
Current service cost	5.65	5.19
Interest cost on benefit obligation	3.49	3.31
Past service Cost	-	-
Expected return on plan assets	(3.07)	(3.04)
Net actuarial(gain) / loss recognized in the year	13.22	0.25
Adjustment to the opening fund	(0.02)	-
Net Benefit Expense	19.27	5.71
Actual Return on Plan Assets	10.15	(2.79)

Balance sheet

Benefit assets/(liability)

Present Value of defined benefit obligation	73.90	48.18
Fair value of plan assets	42.50	36.04
Plan assets/(liability)	(31.40)	(12.14)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015
Changes in Present Value of Defined Benefit Obligation are as follows:

	Gratuity	
Opening defined benefit obligation	48.18	41.39
Current service cost	5.65	5.19
Interest cost	3.49	3.30
Actuarial (gains) / losses on obligation	16.59	(0.53)
Past Service Cost	-	-
Benefits paid	-	(1.17)
Closing defined benefit obligation	73.91	48.18

Changes in Fair Value of Plan Assets are as follows:

Opening fair value of planned assets	36.04	33.79
Expected return	3.07	3.04
Actuarial gain / (loss)	3.35	(0.79)
Adjustment to the opening fund	0.02	-
Contributions by employer	-	-
Benefits paid	-	-
Closing fair value of plan assets	42.49	36.04

The company expects to contribute ₹ 3.07 lakhs to gratuity in the next year (31 March 2014: ₹ 3.04 lakhs)

The major category of plan assets as a percentage of the fair value of total plan assets are as follows:

Policy of Insurance	100%	100%
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The principal assumptions used in determining gratuity for the Company's plans are shown below:

Discount rate	7.80%	8.80%
Expected rate of return on assets	9%	9%
Age of Retirement	58	58
Annual increase in salary cost	6%	6%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The over all expected rate of return on assets is determined based on the market prices prevailing as on that date, applicable to the period over which the obligation is expected to be settled.

Gratuity:
Amounts for the current and previous four reporting period are as follows

	31 March 2015	31 March 2014
	₹ In lakhs	₹ In lakhs
Defined Benefit Obligation	73.90	48.18
Plan Assets	42.50	36.05
Surplus/(deficit)	(31.40)	(12.13)
Experience adjustment on plan liabilities (gain)/loss	11.79	1.66
Experience adjustment on plan assets loss/(gain)	(3.35)	0.79

	31 March 2013	31 March 2012	31 March 2011
	₹ In lakhs	\$ In lakhs	₹ In lakhs
Defined Benefit Obligation	41.40	32.98	25.98
Plan Assets	33.81	30.72	29.64
Surplus/(deficit)	(7.60)	(2.28)	3.65
Experience adjustment on plan liabilities (gain)/loss	1.07	1.05	7.42
Experience adjustment on plan assets loss/(gain)	(0.03)	(1.60)	0.83

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015
42. Segment Information
Business Segments :

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 accounting standard 17.

Geographical Segments :

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

Year ended 31 March 2015	Within India	Outside India	Total
Revenue			
Sales to external customers	43,710.92	29,271.02	72,981.94
Other segment information			
Segment assets	41,044.71	4,894.10	45,938.81
Capital Expenditure:			
Additions to tangible & intangible fixed assets (Including CWIP)	308.50	-	308.50
Year ended 31 March 2014	Within India	Outside India	Total
Revenue			
Sales to external customers	38,242.66	20,894.40	59,137.06
Other segment information			
Segment assets	40,145.85	3,524.49	43,670.34
Capital Expenditure:			
Additions to tangible & intangible fixed assets (Including CWIP)	624.34	-	624.34

Notes :
Geographical Segment :

- 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

43. Related party disclosures as required under AS-18, "Related Party Disclosures", are given below:
(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

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)

Nilima Kheraj (Sister of Mr. Samir Rayani)

Subsidiary

Panol Industries RMC FZE, UAE

Enterprises owned or significantly influenced by key management personnel or their relatives

Anirudh Distributors Private Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015
(b) Transactions with Related Parties

	31 March 2015	31 March 2014
	₹ In lakhs	₹ In lakhs
Transaction with Key Managerial Personnel and relatives of Key Managerial Personnel		
Remuneration paid to Key Managerial Personnel		
Amirali E Rayani	20.00	24.00
Amin A Rayani	17.50	21.00
Samir Rayani	15.00	18.00
Remuneration paid to Relative of Key Managerial Personnel		
Akbarali Rayani	5.40	4.68
Vazirali Rayani	5.40	5.40
Salimali Rayani	5.40	4.68
Nilima Kheraj	5.40	4.69
Arif Rayani	5.40	4.69
Payment of Rent		
Rent paid to Key Managerial Personnel		
Amin A Rayani	6.64	6.64
Samir Rayani	7.84	7.84
Rent paid to Relative of Key Managerial Personnel		
Vazir Rayani	1.20	1.20
Arif Rayani	3.06	3.06
Transaction with Subsidiary		
Investment in share capital	-	2,481.88
Advance Given	-	658.99
Repayment received of Advance given	-	(658.99)
Interest Income	-	6.65
Bank Gurantee Given (US \$ 45 Lakhs)	2,816.59	-
Reimbursement of expenses incurred on behalf	47.96	-
Transaction with Enterprises owned or significantly influenced by key management personnel or their relatives		
Corporate gurantee given on behalf of the Company		
Anirudh Distributors Private Limited	6,500.00	6,500.00
Balances at the end of the year		
Subsidiary :		
Interest Receivable	-	6.65
Receivable against expenses incurred on behalf	10.63	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015
44. 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 :

Lease payments recognized in the profit and loss statement for the year	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs
	32.26	31.18

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

45. 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	1,375.87	1,540.38
Net profit for calculation of basic and diluted EPS	1,375.87	1,540.38
	No of shares	No of shares
Weighted average number of equity shares in calculating basic EPS (Refer note no. 35)	40,329,065	42,047,610
Basic Earnings per share	3.41	3.66
Diluted Earnings per share	3.41	3.66

46. Taxation

Minimum Alternate Tax (MAT) :-The Company has during the year, provided the current year tax liability of ₹ 369.09 lakhs (previous year ₹ 429 lakhs) calculated in accordance with the normal rate of income of tax. However, the tax liability for the previous year is calculated as per the provisions of Section 115JAA of the Income Tax Act, 1961. The MAT credit entitlement of ₹ 182.25 lakhs has been reversed during the year and ₹ 76.62 lakhs has been availed for the year ended 31 March 2015, which is disclosed under 'Loans and advances'.

47. Disclosure as per clause 32 of the Listing Agreement

Particulars in respect of loans and advances to subsidiary companies:

Name of the company	Balance as at		Maximum outstanding during the year	
	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs
Panol Industries RMC FZE, UAE	10.63	6.65	37.33	658.99

48. Previous year figures

The company has reclassified previous year figures to conform to this year's classification.

As per our report of even date attached

**For and on behalf of the Board of Directors of
Panama Petrochem Ltd.**

For Bhuta Shah & Co.

Firm Registration No. 101474W
Chartered Accountants

Amirali E. Rayani
Chairman

Amin A. Rayani
Managing Director & CEO

CA Virag Shah

Partner
Membership No : 153415

Pramod Maheshwari
(CFO)

Gayatri Sharma
Company Secretary

Place : Mumbai
Date : 30 May, 2015

Place : Mumbai
Date : 30 May, 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

Particulars	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs
Cash Flow from operating activities		
Profit before tax	1,760.76	2,044.86
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/amortization	284.99	249.56
Provision for bad and doubtful debt	(17.71)	99.73
Unrealized foreign exchange loss/(gain)	266.06	(415.11)
Interest expense	702.37	569.02
Interest income	(57.36)	(89.89)
Net proceeds from claim of insurance on theft of fixed asset/Loss on Sales of Assets	(0.82)	3.50
Dividend Income	(0.03)	(0.04)
Operating profit before working capital changes	2,938.26	2,461.62
(Increase)/decrease in Trade Receivables	(1,404.77)	(1,506.29)
(Increase)/decrease in Inventories	(2,200.26)	(312.29)
(Increase)/decrease in Loans and advances and other assets	195.25	(493.55)
Increase/(decrease) in Trade Payables	244.48	1,786.73
Increase/(decrease) in other liabilities and provisions	63.36	577.65
Cash generated from/(used in) operations	(163.69)	2,513.87
Direct taxes paid (Net of refunds)	384.83	264.23
Net cash flow from/(used in) operating activity (A)	(548.51)	2,249.64
Cash flows from investing activities		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(304.94)	(631.34)
Sales of Fixed Assets	4.24	6.39
Investment in Subsidiary	-	(2,481.87)
Redemption/maturity of bank deposits (having original maturity of more than three months)	(112.77)	190.34
Advances given to subsidiary	(10.63)	(658.99)
Repayment of Advance given to subsidiary received	-	658.99
Interest received	65.22	102.30
Dividend received	0.03	0.04
Net cash flow from/(used in) investing activities (B)	(358.85)	(2814.14)
Cash flows from financing activities		
Proceeds from issuance of share capital less exp.	-	(11.49)
Buy back of Shares	-	(772.09)
Proceeds/ (Repayment) from/of short-term borrowing (net)	767.04	(511.85)
Interest paid	(705.65)	(569.02)
Dividend and tax on dividend paid on Equity Shares	(564.31)	(392.48)
Net cash flow from/(used in) financing activities (C)	(502.92)	(2,256.93)

CASH FLOW STATEMENT (CONT.....)

Particulars	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(1,410.28)	(2,821.43)
Effect of exchange differences on cash & cash equivalents held in foreign currency	31.42	(100.02)
Cash and cash equivalents at the beginning of the year	2,113.15	5034.61
Cash and cash equivalents at the end of the year	734.29	2,113.15
Components of Cash and Cash Equivalents		
Cash on hand	1.64	4.78
With banks		
- on current account	713.31	1,990.92
- on deposit account	-	100.00
- on unpaid dividend account *	19.34	17.45
Total Cash and Cash Equivalents (refer note 15)	734.29	2,113.15
* 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 Accounting Standard - 3 'Cash Flow Statements'

As per our report of even date attached

**For and on behalf of the Board of Directors of
Panama Petrochem Ltd.**

For Bhuta Shah & Co.

Firm Registration No. 101474W
Chartered Accountants

Amirali E. Rayani

Chairman

Amin A. Rayani

Managing Director & CEO

CA Virag Shah

Partner
Membership No : 153415

Pramod Maheshwari

(CFO)

Gayatri Sharma

Company Secretary

Place : Mumbai
Date : 30 May, 2015

Place : Mumbai
Date : 30 May, 2015

INDEPENDENT AUDITORS' REPORT

**To the Board of Directors of
Panama Petrochem Limited**

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Panama Petrochem Limited ("the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March, 2015, the Consolidated Profit and Loss Statement and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility on Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flow of the Group in accordance with the accounting principles generally accepted in India, including Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with provisions of the Act for safeguarding 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 the design, implementation and maintenance of internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in sub-paragraph (a) of the Others Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of other auditors, on the financial statements of the subsidiary, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2015, and its consolidated profit and consolidated cash flow for the year ended on that date.

Other Matters

- a. We did not audit the financial statement of the subsidiary, whose financial statement reflect total assets (net) of ₹ 8928.06 lakhs as at 31 March 2015, total revenue (net) of ₹ 7548.85 lakhs and net cash flows amounting to ₹ 7.39 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosure included in respect of the subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 as amended ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on the comments in the auditor report of the Holding Company, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order. The Order is not applicable to the subsidiary.
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 of the aforesaid consolidated financial statements;
 - b. in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statement have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - c. the Consolidated Balance Sheet, the Consolidated Profit and Loss Statement and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. on the basis of written representations received from the directors of the Holding Company as on 31 March 2015 taken on record by the Board of Directors of the Holding Company, none of the Holding Company directors is disqualified as on 31 March 2015, from being appointed as a director in terms of Section 164(2) of the Act;
 - f. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 25 to the consolidated financial statements;
 - 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 - Refer Note 34 to the consolidated financial statements;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

For **Bhuta Shah & Co.**
Chartered Accountants
Firm Reg. No.: 101474W

CA Virag Shah
Partner
Membership No.: 153415

Mumbai, 30 May, 2015

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date

- (i) In respect of fixed Assets
- (a) The Holding Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As explained to us, all the fixed assets have not been physically verified by the management during the year but there is regular programme of verification which, in our opinion, is reasonable having regard to the size of the Holding Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) In respect of its inventories:
- (a) As explained to us, inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Holding Company and the nature of its business.
 - (c) In our opinion and on the basis of our examination of the records, the Holding 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 Holding Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act and accordingly, Clause (iii) of Para 3 of the Order is not applicable to the Holding Company.
- (iv) In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the Holding Company and the nature of its business, for the purchase of inventories and fixed assets and for sale of goods. The activities of the Holding Company currently do not involve sale of services. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
- (v) According to the information and explanations given to us, the Holding Company has not accepted any deposits from the public and accordingly, the provisions of Clause (v) of Para 3 of the Order are not applicable to the Holding Company.
- (vi) We have broadly reviewed the books of account maintained by the Holding 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.
- (vii) In respect of statutory dues:
- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Holding Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, cess and any other statutory dues have generally been regularly deposited during the year by the Holding Company with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31 March 2015 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, there are no amounts payable in respect of income tax, wealth tax, sales tax and value added tax which have not been deposited on account of any disputes except:

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 and Penalty	58.25	FY 2007-08 to FY 2011-12	Commissioner of Central Excise (Appeals) – IV, Mumbai
Finance Act, 1994	Service Tax	22.46	FY 2012-13	Addl. Commissioner, Service Tax – 1, Mumbai
Custom Act, 1962	Custom Duty, Fine and Penalty	126.70 *	FY 2011-12	CESTAT, Mumbai
Central Excise Act, 1944	Central Excise Duty	73.90	April 2009 to November 2013	Commissioner of Central Excise, Daman
Central Excise Act, 1944	Central Excise Duty	25.74	December 2013 to October 2014	Joint Commissioner of Central Excise, Daman

* Net of amounts paid under protest

- (c) According to the information and explanations given to us, the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under has been transferred to such fund within time.
- (viii) The Holding Company does not have any accumulated losses at the end of the financial year. Further, the Holding Company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Holding Company has not defaulted in repayment of dues to its bankers. The Holding Company did not have any borrowings from financial institutions or debenture holders.
- (x) The Holding Company has given guarantee for loan taken by other from a bank or financial institution. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of the Holding Company.
- (xi) According to the information and explanations given to us and the records examined, the term loans taken by the Holding Company have been applied for the purpose for which they were obtained.
- (xii) Based on the audit procedures performed and information and explanations given to us, we report that no material fraud on or by the Holding Company has been noticed or reported during the year.

For **Bhuta Shah & Co.**
Chartered Accountants
Firm Reg. No.: 101474W

CA Virag Shah
Partner
Membership No.: 153415

Mumbai, 30 May, 2015

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2015

Particulars	Notes	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs
Equity and liabilities			
Shareholders' funds			
Share capital	3	806.57	806.57
Reserves and surplus	4	24,102.24	23,088.98
		24,908.81	23,895.55
Non-current liabilities			
Deferred tax liabilities (net)	5	297.89	251.46
Long-term provisions	6	-	-
		297.89	251.46
Current liabilities	7	4,175.18	1,678.04
Short-term borrowings	8	18,885.10	19,019.86
Trade payables	8	497.20	455.89
Other current liabilities	6	1,008.59	803.37
Short-term provisions		24,566.07	21,957.16
TOTAL		49,772.77	46,104.17
Assets			
Non-current assets			
Fixed assets			
Tangible assets	9	11,895.38	7,661.89
Intangible assets	10	-	-
Capital work-in-progress		-	3,966.96
Non-current investments	11	3.35	3.35
Long-term loans and advances	12	680.19	31.73
Trade receivables	13.1	-	-
Other non-current assets	13.2	0.09	19.34
		12,579.01	11,683.27
Current assets			
Inventories	14	16,724.19	13,098.75
Trade receivables	13.1	17,393.93	16,651.50
Cash and bank balances	15	1,204.77	2,453.41
Short-term loans and advances	12	1,849.27	2,190.83
Other current assets	13.2	21.60	26.41
		37,193.76	34,420.90
TOTAL		49,772.77	46,104.17
Summary of significant accounting policies	2		
Notes to the financial statement	3-48		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date attached

**For and on behalf of the Board of Directors of
Panama Petrochem Ltd.**

For Bhuta Shah & Co.

Firm Registration No. 101474W
Chartered Accountants

Amirali E. Rayani

Chairman

Amin A. Rayani

Managing Director & CEO

CA Virag Shah

Partner
Membership No : 153415

Pramod Maheshwari

(CFO)

Gayatri Sharma

Company Secretary

Place : Mumbai
Date : 30 May, 2015

Place : Mumbai
Date : 30 May, 2015

CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

Particulars	Notes	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs
Income			
Revenue from operations (gross)	16	86,737.19	68,911.79
Less : excise duty		6,206.40	5,409.47
Revenue from operations (net)	17	80,530.79	63,502.32
Other income		113.26	120.98
Total (I)		80,644.05	63,623.30
Expenses			
Cost of material consumed	18	65,128.82	51,786.29
Purchase of traded goods	19	8,919.16	5,355.65
(Increase)/decrease in inventories of traded goods and finished goods	20	(1,035.26)	(495.32)
Employee benefits expense	21	410.61	359.67
Other expenses	22	3,922.08	3,434.09
Total (II)		77,345.41	60,440.38
Earnings before interest, tax, depreciation and amortization (EBITDA) (I)-(II)		3,298.64	3,182.92
Depreciation and amortization expense	23	341.79	249.56
Finance costs	24	800.73	589.26
Profit/(loss) before tax		2,156.12	2,344.10
Tax expenses			
Current tax		369.09	429.00
MAT credit utilised / (entitlement)		184.28	47.66
Deferred tax		60.99	30.62
Short/(Excess) Provision of tax relating to earlier years		(229.47)	(2.80)
Total tax expense		384.89	504.48
Profit/(loss) for the year		1,771.23	1,839.62
Earnings per equity share [nominal value of share ₹ 2] (31 March 2014 ₹ 10)	35,45		
Basic		₹ 4.39	₹ 4.38
Diluted		₹ 4.39	₹ 4.38
Summary of Significant accounting policies	2		
Notes to the financial statement	3-48		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date attached

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

CA Virag Shah
Partner
Membership No : 153415

Place : Mumbai
Date : 30 May, 2015

**For and on behalf of the Board of Directors of
Panama Petrochem Ltd.**

Amirali E. Rayani
Chairman

Amin A. Rayani
Managing Director & CEO

Pramod Maheshwari
(CFO)

Gayatri Sharma
Company Secretary

Place : Mumbai
Date : 30 May, 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015
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 Unite Emirates Arab. 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.

2. Basis of preparation of consolidated financial statements

These consolidated financial statements have been prepared and presented under the historical cost convention, except as disclosed in the financial statements, on the accrual basis of accounting in accordance with the generally accepted accounting principles (GAAP) in India and comply with the Accounting Standard (AS)-21 'Consolidated Financial Statements' to the extent applicable. The consolidated financial statements are presented in Indian rupees.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous.

2.1 Summary of significant accounting policies

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects the relevant provisions of the Companies Act, 2013 ("the Act") and with the Accounting Standards notified by the Companies (Accounts) Rules, 2014. The financial statements have been prepared under the historical cost convention.

2.2 Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in the future periods.

2.3 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.
 - 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 companies 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015
2.4 Current / Non-current classification

The Schedule III to the Act requires assets and liabilities to be classified as either Current or Non-current.

An asset is classified as current when it satisfies any of the following criteria:

- (i) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- (ii) it is held primarily for the purpose of being traded;
- (iii) it is expected to be realised within twelve months after the reporting date; or
- (iv) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

A liability shall be classified as current when it satisfies any of the following criteria:

- (i) it is expected to be settled in, the Company's normal operating cycle;
- (ii) it is held primarily for the purpose of being traded;
- (iii) it is due to be settled within twelve months after the reporting date; or
- (iv) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the opinion of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

2.5 Measurement of EBITDA

As permitted by the Schedule III to the Act, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the Profit and Loss Statement. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

2.6 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.

2.7 Cash and Cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**2.8 Fixed Assets****a) Tangible fixed assets**

Fixed assets are stated at cost, net of accumulated depreciation. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Profit and Loss Statement for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets 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.

b) 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.

2.9 Depreciation/Amortization on Fixed Assets

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives prescribed under the Schedule II to the Act.

Leasehold land is amortized on a straight line basis over the period of lease.

2.10 Revenue Recognition

Revenue is recognized 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:

Sale of Goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. The Company collects sales taxes and value added taxes (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.

Interest

Revenue is recognized 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 Profit and Loss Statement.

Dividends

Revenue is recognized when the shareholders' right to receive payment is established by the reporting date.

2.11 Foreign currency translation**(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**(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 previous 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 recognized in the Profit and Loss Statement in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

2.12 Investment

Investments that are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

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

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

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Profit and Loss Statement.

2.13 Retirement and other employee benefits**Post Retirement Benefits****i. Defined Contribution Plans**

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.

ii. Defined Benefit Plans

Gratuity liability is a defined benefit obligation. The costs of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end using the projected unit credit method.

Actuarial gains and losses for the defined benefit plan are recognized in full in the period in which they occur in the Profit and Loss Statement.

2.14 Borrowing Costs

Borrowing costs includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed out in the period they occur.

2.15 Segment Reporting Policies

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**2.16 Leases****Company is the lessee**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

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.

2.17 Earnings 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.

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.

2.18 Taxes on Income

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

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

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

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.

2.19 Impairment of tangible and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. 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) net selling price and its value in use. The 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. Where 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 net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015
2.20 Provisions

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

2.21 Contingent liabilities

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

3. Share capital

	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs
Authorized share capital 12,77,50,000 (31 March 2014 : 2,55,50,000 of ₹ 10 each) equity shares of ₹ 2 each	<u>2,555.00</u>	<u>2,555.00</u>
Issued, subscribed and fully paid-up share capital 4,03,29,065 (31 March 2014 : 80,65,813 of ₹ 10 each) equity shares of ₹ 2 each	<u>806.57</u>	<u>806.57</u>
	<u>806.57</u>	<u>806.57</u>

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

Equity shares

	31 March 2015		31 March 2014	
	No. of shares	₹ In lakhs	No. of shares	₹ In lakhs
At the beginning of the year	8,065,813	806.57	8,607,570	860.75
Share split during the year (Refer note 35)	32,263,252	-		
Buy-back of shares during the year (Refer note 36)	-	-	(541,757)	(54.18)
Outstanding at the end of the year	<u>40,329,065</u>	<u>806.57</u>	<u>8,065,813</u>	<u>806.57</u>

b. Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of ₹ 2 per share (2014: ₹ 10 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 (Refer Note 35). 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.

The amount of per share dividend recognized as distributions to equity shareholders is ₹ 2 (face value ₹ 2) [31 March 2014 : ₹ 6 (face value ₹ 10)]

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. For the period of five years immediately preceding the reporting date

	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs
Aggregate number of :		
Equity shares allotted in pursuant to the scheme of amalgamation of Monaco Petroleum Private Limited [Face value ₹ 2 (31 March 2014 : ₹ 10)]	1,608,750	321,750
Equity shares allotted in pursuant to the scheme of amalgamation of Mobil Petrochem Private Limited [Face value ₹ 2 (31 March 2014 : ₹ 10)]	5,391,200	1,078,240
Equity shares bought back by the Company [Face value ₹ 10]	553,522	553,522

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015
d. Details of shareholders holding more than 5% shares in the company

	31 March 2015		31 March 2014	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity Shares of ₹ 2 (31 March 2014 : ₹ 10) each fully paid up (Refer note 35)				
Ms. Shelina Arifali Rayani	2,788,275	6.91%	557,655	6.91%
Shares held by Custodian as against which global depository receipts have been issued (Citi Bank N.A.)	12,286,725	30.47%	2,457,345	30.47%

4. Reserves And Surplus

	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs
Other Reserves		
Investment Allowance Reserve		
Balance as per the last financial statements	0.24	0.24
	0.24	0.24
Capital Redemption Reserves		
Balance as per the last financial statements	55.36	1.18
Add : Transfer from profit and loss statement on buy back of shares	-	54.18
	55.36	55.36
Securities Premium Account		
Balance as per the last financial statements	9,366.42	9,377.91
Add : Premium on issue of GDR (Refer Note 37)	-	-
Less : Expense incurred on issue of GDR (Refer Note 37)	-	(11.49)
	9,366.42	9,366.42
General reserve		
Balance as per the last financial statements	1,048.65	1,612.52
Add : amount transferred from surplus balance in the profit & loss statement	137.59	154.04
Less : Adjustment relating to fixed assets as per Companies Act, 2013 (net of deferred tax ₹ 14.55 lakhs) (Refer note no. 9.4)	28.25	-
Less : Premium paid on buy back of equity shares	-	(717.91)
	1,157.99	1,048.65
Foreign currency translation reserve		
Balance as per the last financial statement	198.94	9.27
Foreign currency translation during the year	245.65	189.67
	444.59	198.94

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs		
Surplus/(deficit) in the profit and loss statement				
Balance as per last financial statements	12,419.37	11,346.82		
Add : Profit for the year	1,771.23	1,839.62		
Less : Appropriations				
Dividend of previous year written back of shares bought back	-	(7.34)		
Proposed final equity dividend [amount per share ₹ 2 (31 March 2014 ₹ 6)]	806.58	483.95		
Tax on proposed final equity dividend	168.78	82.25		
Transfer to capital redemption reserve on buy back of shares	-	54.18		
Transfer to general reserve	137.59	154.04		
Total appropriations	1,112.95	767.08		
Net surplus in the profit and loss statement	13,077.64	12,419.37		
Total reserves and surplus	24,102.24	23,088.98		
5. Deferred tax liabilities (Net)				
Deferred tax liability				
Fixed assets: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	348.14	301.17		
Gross deferred tax liability	348.14	301.17		
Deferred tax asset				
Impact of expenditure charged to the profit and loss statement in the Current year but allowed for tax purposes on payment basis	18.72	62.07		
Provision for doubtful debts	31.53	(12.36)		
Net deferred tax liability	50.25	49.71		
	297.89	251.46		
6. Provisions				
	Long-term	Short-term		
	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs
Provision for employee benefits				
Provision for gratuity (Note 41)	-	-	31.41	12.14
	-	-	31.41	12.14
Other provisions				
Provision for Income Tax [Net of taxes paid : N.A. (31 March 2014: ₹ 1486.23)]	-	-	-	222.77
Proposed equity dividend	-	-	806.58	483.95
Provision for tax on proposed equity dividend	-	-	168.78	82.25
Provision for Wealth Tax [Net of taxes paid : ₹ 2.26 (31 March 2014: ₹ 1.53)]	-	-	1.82	2.26
	-	-	977.18	791.23
	-	-	1,008.59	803.37

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015
7. Short-term borrowings

	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs
Secured borrowings		
Cash credit from banks	4,175.18	1,678.04
	4,175.18	1,678.04

Terms of Securities and repayment

Cash credit from banks is secured against the hypothecation of Stocks, Book debts and Plant & Machineries (both present & future), Pledge of Fixed Deposit Receipts, Further secured by Equitable Mortgage of Company's present Immoveable Property situated at Ankleshwar, Daman, Marol industrial estate, property of group companies situated at Navi Mumbai, property belonging to the Directors and corporate gurantee given by Anirudh Distributors Private Limited (Refer Note 43). The cash credit is repayable on demand and carried an interest rate of 12% to 16% p.a

8. Current liabilities

Trade payables (Refer note 29 for details of dues to micro and small enterprises)	18,885.10	19,019.86
Other current liabilities		
Creditors for capital goods	17.10	23.53
Investor Education and Protection Fund will be credited by following amount (as and when due)		
Unpaid dividend	19.34	17.45
Other payables		
Statutory Dues payable	442.28	267.97
Forward Contract (net)	-	128.46
Advance received against orders	17.48	17.48
Deposits	1.00	1.00
	497.20	455.89
	19,382.30	19,475.75

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015
09. 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 2013	6.19	2,612.51	1,265.54	2,377.85	1,470.24	44.15	59.21	242.30	340.62	8,418.61	
Additions	-	100.96	39.89	-	339.55	6.96	3.10	4.88	129.00	624.34	
Other adjustments	-	-	-	-	-	-	-	-	(32.85)	(32.85)	
At 31 March 2014	6.19	2,713.47	1,305.43	2,377.85	1,809.79	51.11	62.31	247.18	436.77	9,010.10	
Additions	-	6.93	1,610.63	20.95	2,926.42	13.71	3.35	9.82	29.69	4,621.50	
Other adjustments	-	-	-	-	-	-	-	-	(6.81)	(6.81)	
At 31 March 2015	6.19	2,720.40	2,916.06	2,398.80	4,736.21	64.82	65.66	257.00	459.65	13,624.79	
Depreciation											
At 1 April 2013	-	223.88	174.87	72.08	420.16	11.78	42.42	46.38	130.04	1,121.61	
Charge for the year	-	33.92	43.91	38.76	74.33	2.03	5.19	15.12	36.30	249.56	
Other adjustments	-	-	-	-	-	-	-	-	(22.96)	(22.96)	
At 31 March 2014	-	257.80	218.78	110.84	494.49	13.81	47.61	61.50	143.38	1,348.21	
Adjustments as per the Companies Act, 2013 (Refer note 9.4)	-	-	-	-	-	28.53	8.77	-	5.50	42.80	
Charge for the year	-	33.86	59.10	37.69	108.60	16.41	3.82	28.50	53.81	341.79	
Other adjustments	-	-	-	-	-	-	-	-	(3.39)	(3.39)	
At 31 March 2015	-	291.66	277.88	148.53	603.09	58.75	60.20	90.00	199.30	1,729.41	
Net Block											
At 31 March 2014	6.19	2,455.67	1,086.65	2,267.01	1,315.30	37.30	14.70	185.68	293.39	7,661.89	
At 31 March 2015	6.19	2,428.74	2,638.18	2,250.27	4,133.12	6.07	5.46	167.00	260.35	11,895.38	

Notes:-
9.1 Factory Building includes those constructed on leasehold land:

	Gross Block	Depreciation For the year	Accumulated Depreciation	Net Block
At 31 March 2014	1,235.42	41.58	195.31	1,040.11
At 31 March 2015	2,846.05	56.84	252.15	2,593.90

9.2 Non Factory Building includes those constructed on leasehold land:

	Gross Block	Depreciation For the year	Accumulated Depreciation	Net Block
At 31 March 2014	35.69	0.58	5.05	30.64
At 31 March 2015	35.69	0.53	5.58	30.11

9.3 Capital expenditure on research & development

a) Addition to fixed assets includes capital assets of ₹ Nil (31 March 2014 : ₹ 0.89 lakh)
b) Gross block includes fixed assets in research & development (R&D) unit
Furniture ₹ 4.08 lakhs (31 March 2014 : ₹ 4.08 lakhs)
Lab Equipments ₹ 53.15 lakhs (31 March 2014 : ₹ 53.15 lakhs)
Computer ₹ 00.55 lakh (31 March 2014 : ₹ 00.55 lakh)
Air Conditioner ₹ 1.14 lakhs (31 March 2014 : ₹ 1.14 lakhs)

9.4 Adoption of useful life of the assets as per the requirement of Schedule II of the Companies Act,
Effective from 1 April, 2014 the Company has charged depreciation based on revised remaining useful life of the assets as per the requirement of Schedule II of the Companies Act 2013 as per para 7(b) of notes to part C. Based on transitional provision provided in note 7(b) to Schedule II, where the remaining useful life of an asset is nil the carrying amount of the asset should be recognised in the retained earnings. Such carrying amount as on 1 April, 2014 for the Company was ₹ 28.25 Lakhs (net of deferred tax ₹ 14.55 Lakhs).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015
10. Intangible Assets

	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs
Software		
Cost or valuation		
At 1 April 2013	7.11	7.11
Additions	-	-
Disposals	-	-
At 31 March 2014	7.11	7.11
Additions	-	-
At 31 March 2015	7.11	7.11
Depreciation		
At 1 April 2013	7.11	7.11
Charge for the year	-	-
Disposals	-	-
At 31 March 2014	7.11	7.11
Charge for the year	-	-
At 31 March 2015	7.11	7.11
Net Block		
At 31 March 2014	-	-
At 31 March 2015	-	-

11. Non-current investments
Non Trade investments (valued at cost unless stated otherwise)
Unquoted Equity Instruments

1,850 (31 March 2014 : 1,850) fully paid equity shares of ₹.10 each of Bharuch Enviro Infrastructure Limited	0.19	0.19
975 (31 March 2014 : 975) Fully paid equity shares of ₹ 100 each of The Marol Co operative Industrial Estate Limited	0.98	0.98

Quoted equity instruments

6,200 (31 March 2014 : 6,200) fully paid equity shares of face value of ₹ 10 each of DCB Bank Limited (formally Development Credit Bank Limited)	2.18	2.18
	3.35	3.35

Aggregate amount of unquoted investments	1.17	1.17
Aggregate amount of quoted investments	2.18	2.18
Market Value	6.89	3.78

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015
12. Loans and advances

	Non -current		Current	
	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs
Capital advances				
Unsecured, considered good	659.74	12.00	-	-
(A)	659.74	12.00	-	-
Security deposit				
Unsecured, considered good	13.58	13.58	76.57	107.09
(B)	13.58	13.58	76.57	107.09
Advances recoverable in cash or kind				
Unsecured, considered good	-	-	440.26	256.47
(C)	-	-	440.26	256.47
Other loans and advances				
(Unsecured, considered good)				
Prepaid expenses	-	-	126.33	128.75
Current tax [net of provision for tax ₹ 1058.09 lakhs] (2014 : N.A.)	-	-	25.54	-
MAT credit entitlement (Refer note 46)	-	-	76.62	264.00
Loan to employees	6.88	6.15	8.32	8.14
Balance with statutory/government authorities	-	-	1,095.63	1,426.38
(D)	6.88	6.15	1,332.44	1,827.27
Total (A+B+C+D)	680.19	31.73	1,849.27	2,190.83

13. Trade receivables and other assets
13.1 Trade receivables

Unsecured, considered good unless stated otherwise

Outstanding for a period exceeding six months from the date they are due for payment

Unsecured, considered good	-	-	530.36	368.14
Doubtful	-	-	94.80	112.51
	-	-	625.16	480.65
Provision for doubtful receivables	-	-	94.80	112.51
(A)	-	-	530.36	368.14

Outstanding for a period less than six months from the date they are due for payment

Unsecured, considered good	-	-	16,863.57	16,283.36
(B)	-	-	16,863.57	16,283.36
Total (A+B)	-	-	17,393.93	16,651.50

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015
13.2 Other assets

	Non -current		Current	
	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs
Balance with banks in deposit accounts (Refer Note 15)	0.09	10.15	-	-
(A)				
Unamortized expenditure				
Unamortized premium on forward contract	-	-	-	12.79
(B)	-	-	-	12.79
Others				
Interest accrued on fixed deposits	-	9.19	21.60	13.62
(C)	-	9.19	21.60	13.62
Total (A+B+C)	0.09	19.34	21.60	26.41

14. Inventories (valued at lower of cost and net realizable value)

	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs
Raw Material (Refer Note 18) [Includes Goods In transit ₹ 216.95, 31 March 2014: ₹ 284.04]	14,161.25	11,602.73
Finished Goods (Refer Note 20)	531.17	888.33
Traded Goods (Refer Note 20)	1,892.48	500.06
Packing Material (Refer Note 18) [Includes Goods In transit ₹ Nil, 31 March 2014: ₹ 5.63]	139.29	107.63
	16,724.19	13,098.75

15. Cash and bank balances

	Non -current		Current	
	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs
Cash and cash equivalents				
Balance with banks:				
In current accounts	-	-	760.55	2,030.77
In deposits accounts with original maturity of less than three months	-	-	-	100.00
In unpaid dividend account	-	-	19.34	17.45
Cash on hand	-	-	1.64	4.78
(A)	-	-	781.53	2,153.00
Other bank balances				
Deposits with original maturity for more than 12 months	0.09	10.15	3.24	-
Deposits with original maturity for more than 3 months but less than 12 months	-	-	420.00	300.41
	0.09	10.15	423.24	300.41
Amount disclosed under "non current assets" (Refer Note 13.2)	(0.09)	(10.15)	-	-
(B)	-	-	423.24	300.41
Total (A+B)	-	-	1,204.77	2,453.41

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015
16. Revenue from operations

	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs
Revenue from operations		
Sale of products		
Finished Goods	78,540.03	62,971.95
Traded Goods	8,197.16	5,939.84
Other Operating revenue	-	-
Revenue from operations (gross)	86,737.19	68,911.79
Less : Excise duty #	6,206.40	5,409.47
Revenue from operations (net)	80,530.79	63,502.32

Excise duty on sales amounting to ₹ 6,206.40 lakhs (31 March 2014 : ₹ 5,409.47 lakhs) has been reduced from sales in profit and loss statement and excise duty on increase/(decrease) in stock amounting to ₹ (24.94) lakhs (31 March 2014 : ₹ 39.54 lakhs) has been considered as expense/(income) in note 22 of the financial statements.

Details of products sold
Finished Goods

Panoil	73,554.73	58,309.00
Others	4,985.30	4,662.95
	78,540.03	62,971.95

Traded goods

Wax	1,117.58	1,530.90
Others	7,079.58	4,408.94
	8,197.16	5,939.84

17. Other income

Interest income on		
Bank deposits	56.36	54.60
Others	1.00	35.05
Dividend income on		
Long - term investment	0.03	0.04
Reversal of provision for doubtful debts	17.71	-
Net proceeds from claim of insurance on theft of fixed asset	0.82	-
Others	37.34	31.29
	113.26	120.98

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015
18. Cost of material consumed

	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs
Raw material consumed		
Inventory at the beginning of the year	11,602.73	11,837.92
Add : Purchases	65,806.77	50,426.41
	77,409.50	62,264.33
Less : Inventory at the end of the year	14,161.25	11,602.73
Cost of raw material consumed	63,248.25	50,661.60
Packing material consumed		
Inventory at the beginning of the year	107.63	55.47
Add : Purchases	1,912.23	1,176.85
	2,019.86	1,232.32
Less : Inventory at the end of the year	139.29	107.63
Cost of packing material consumed	1,880.57	1,124.69
Total material consumed	65,128.82	51,786.29

Details of raw material consumed

Base Oil	48,536.33	37,891.66
Others	14,711.92	12,769.94
	63,248.25	50,661.60

Details of inventory

Base oil & Wax	14,161.25	11,602.73
Packing material	139.29	107.63
	14,300.54	11,710.36

Imported and indigenous raw materials consumed

	% of total consumption 31 March 2015	₹ In lakhs 31 March 2015	% of total consumption 31 March 2014	₹ In lakhs 31 March 2014
Imported	84%	52,854.38	79%	39,954.68
Indigenous	16%	10,393.87	21%	10,706.92
	100%	63,248.25	100%	50,661.60

Consumption of raw materials includes consumption on account of manufacturing of samples

19. Purchase of traded goods

	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs
Wax	1,153.23	1,282.08
Others	7,765.93	4,073.57
	8,919.16	5,355.65

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015
20. (Increase)/decrease in inventories of traded goods and finished goods

	31 March 2015	31 March 2014	31 March 2015 (Increase)/decrease
	₹ In lakhs	₹ In lakhs	₹ in lakhs
Inventories at the end of the year			
Traded goods	1,892.48	500.06	(1,392.42)
Finished goods	531.17	888.33	357.16
	2,423.65	1,388.39	(1,035.26)
Inventories at the beginning of the year			
			31 March 2014
Traded goods	500.06	618.83	118.77
Finished goods	888.33	274.24	(614.09)
	1,388.39	893.07	(495.32)
	(1,035.26)	(495.32)	

Details of inventory of traded goods and finished goods

	31 March 2015	31 March 2014
	₹ In lakhs	₹ In lakhs
Traded goods		
Wax & Others	1,892.48	500.06
	1,892.48	500.06
Finished Goods		
Panoil	531.17	888.33
	531.17	888.33

21. Employee benefit expense

Salaries, wages and bonus	368.31	336.88
Contribution to provident and other funds	16.64	11.59
Gratuity expense (note 41)	19.27	5.71
Staff welfare expenses	6.39	5.49
	410.61	359.67

22. Other expenses

Power and fuel	56.03	56.58
Water charges	3.46	2.88
Increase/(decrease) of excise duty on inventory	(24.94)	39.54
Repairs and maintenance		
Buildings	43.27	9.67
Machinery	50.68	37.29
Others	37.23	34.80
Insurance	105.15	77.60
Rent	109.81	47.45
Rates and taxes	31.32	6.76
Communication costs	33.00	29.85
Legal and professional fees	107.25	76.61
Payment to auditor (Refer details below)	12.50	12.97
Director sitting fees	5.10	2.60

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs
Clearing and forwarding expenses	1,740.16	1,073.75
Freight outwards	666.46	571.66
Travelling and conveyance	190.10	192.13
Advertising and sales promotion	68.50	45.24
Brokerage and commission	162.15	142.52
Security charges	25.68	18.89
Bad debts and sundry balances written off	50.72	175.58
Provision for doubtful debts	-	99.73
Donation and charity (Refer note 38)	59.73	72.10
Premium on forward exchange contract amortized	12.79	190.94
Exchange loss (net)	185.11	257.60
Loss on sale of assets	-	3.50
Miscellaneous expenses	190.82	155.85
	3,922.08	3,434.09
Payment to auditor (excluding service tax)		
As auditor:		
Statutory audit and limited review fees	11.50	10.47
Tax audit fees	1.00	1.00
In other capacity	-	1.50
	12.50	12.97
23. Depreciation and amortization expense		
Depreciation of tangible assets (Refer note 9)	341.79	249.56
Amortization of intangible assets (Refer note 10)	-	-
	341.79	249.56
24. Finance costs		
Interest	376.52	312.88
Bank charges	424.21	276.38
	800.73	589.26
25. Contingent Liabilities		
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 September 2008 to March 2013)	80.71	58.25
ii) Excise duty Matter disputed with the Commissioner of Central Excise, Customs & Service Tax, Daman, (Dispute regarding demand raised on excise duty not recovered on freight charged to customers)	99.64	99.64
iii) Custom duty Matter disputed Customs, Excise and Service Tax Appellate Tribunal, Mumbai, (Dispute regarding demand raised for classification of product)	126.70	126.70
iv) Bank Gurantees	546.17	339.60
(The contingent liabilities, if materialized, shall entirely be borne by the company, as there is no likely reimbursement from any other party.)		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015
26. Capital and other commitments

	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	2.36	8.00

27. Current Liabilities & Provisions

In the opinion of the Board, adequate provision has been made for all known liabilities and the same is not in excess of the amounts considered reasonably necessary.

28. Current assets, loans and advances

In the opinion of the Board, the current assets, loans and advances have value on realization in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet.

29. Details of dues to micro and small enterprises as defined under the MSMED Act 2006*

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.

-	-
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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 Enterprise Development Act, 2006.

-	-
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*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.

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

Raw materials (Includes Goods in transit)	50,705.63	35,729.71
Traded goods	1,358.71	1,580.79
	52,064.34	37,310.50

31. Expenditure in foreign currency (accrual basis)

Brokerage & Commission	57.88	31.36
Bank Interest	119.71	128.08
Bank Charges	56.53	43.32
Travelling Expenses	18.65	-
Others	18.60	4.10
Expenses related to GDR issue (adjusted against securities premium) (Refer note 37)	-	11.49
	271.37	218.35

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015
32. Net dividend remitted in foreign exchange

Period to which it relates	April 1, 2014 to 31 March 2015	April 1, 2013 to 31 March 2014
Number of non resident shareholders	-	-
Number of equity shares in lakhs held on which dividend was due	-	-
Amount remitted in US \$	-	-

33. Earnings in foreign exchange (accrual basis)

Exports at F.O.B Value	28,103.44	20,223.82
	28,103.44	20,223.82

34. Derivative Instruments and unhedged foreign currency exposure
a) Forward contract outstanding as at Balance Sheet date
₹ In lakhs

Particulars	Purpose
Forward Contract to buy US \$	Hedge of expected future payments to trade payables
US \$ Nil lakhs (31 March 2014: US \$ 37.87 lakhs)	
₹ Nil lakhs (31 March 2014: ₹ 2,276.07 lakhs)	

b) Particulars of unhedged foreign currency exposure as at the reporting date

	31 March 2015 \$ In lakhs	31 March 2015 ₹ In lakhs	31 March 2014 \$ In lakhs	31 March 2014 ₹ In lakhs
Trade Receivables	77.00	4,894.10	58.64	3,524.49
Advance received against orders	0.22	13.90	1.14	68.50
Trade Payables	274.07	17,154.41	220.45	13,249.12
Advance to Trade Payables	1.22	76.22	1.92	115.40
Balance with Banks	6.02	376.95	9.11	547.59

35. Shares Split Information

- Pursuant to resolution passed at the Annual General Meeting of the company held on 4 September 2014, the Company sub-divided its shares of face value of ₹ 10 each into five shares of ₹ 2 each. Accordingly as per resolution, read with amendments made to Memorandum of Association as required by Companies Act, 2013. Authorized share capital of the company stands at ₹ 2,555 lakhs i.e. 1,277.5 lakhs shares of ₹ 2 each as compared to 255.5 lakhs shares of ₹ 10 each last year.
- Each GDR of the company, representing five equity shares of ₹ 10 each, post stock split, now has underlying One GDR representing twenty five equity shares of face value of ₹ 2 each.
- Consequently, the earning per share has been restated for the previous year based on the number of equity shares post split, in accordance with Accounting Standard (AS-20) on "Earnings Per Share".

36. In accordance with section 77A, 77AA and 77B of the Companies Act, 1956 and in pursuant to the buy-back announcement dated 1 March 2013, the Company bought back a total of 5,53,522 Equity Shares during the period 14 February 2013 to 13 February 2014. All the shares have been duly extinguished before 31 March 2014. Consequently, an amount of ₹ 55.36 lakhs, being the nominal value of equity shares bought back had been transferred to Capital Redemption Reserve from the Profit and Loss Statement upto 31 March 2014. Further, a total amount of ₹ 732.61 lakhs being the premium on buy-back had also been appropriated from General Reserve upto 31 March 2014.

37. Global Depository Receipts ('GDRs') issue

On 20 July 2011, the Company raised US \$ 1,39,99,985 (₹ 6,233.79 lakhs) through issuance of 4,91,469 GDRs representing 24,57,345 equity shares of ₹ 10 each at a price of ₹ 253.68 per equity share of ₹ 10 each. The issue price of each GDR is US \$ 28.486 and the GDRs are listed on the Luxembourg Stock Exchange. The holders of GDR do not have voting rights with respect to the shares represented by the GDRs, but rank pari passu with the existing share holders in all respect including entitlement of dividend declared. The Company has paid ₹ Nil (31 March 2014 : ₹ 11.49 lakhs) on account of issue expenses towards the issue of Global Depository Receipts, which has been incurred for issue of GDR, and same has been adjusted against Securities Premium during the previous year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

Given below are the details of utilization of proceeds from issue of Global Depository Receipts

	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs
I Sources of Funds		
Opening Balance in banks in Current Account outside India	-	3,724.91
Proceeds from issue of GDR's	-	-
Issue expenses	-	11.49
Net Proceeds	-	3,713.42
II Utilization of funds		
	-	3,713.42
III Unutilized funds		
	-	-
IV Interim Utilization of Balance Funds		
Balance in banks in Current Account outside India #	Nil	-
# After adjustment of exchange gain		

38. Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof : ₹ 57.78 Lakhs is included in donation and charity.

39. Details of loans Given, Investments made and Gurantee Given Covered u/s 186 (4) of the Companies Act, 2013 Coporate Gurantees given by the Company as at 31 March, 2015

Name of the company	Balance as at	
	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs
Panol Industries RMC FZE, UAE (Bank Gurantee US \$ 45 lakhs)	2,816.59	-

40. Expenses on Scientific Research

	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs
Capital (Refer Note 9.3)	-	0.89
Revenue	39.69	30.57
	39.69	31.46

41. Employee Benefits
General Description of Defined Benefit plan
Gratuity

The Company operates single type of Gratuity plans wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service depending on the date of joining and eligibility terms. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service.

The following tables summaries the components of net benefit expense recognized in the profit and loss statement and the funded status and amounts recognized in the balance sheet for the respective plans.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015
Profit & Loss Statement
Net Employee Benefit Expense recognized in the employee cost

	Gratuity	
Current service cost	5.65	5.19
Interest cost on benefit obligation	3.49	3.31
Past service Cost	-	-
Expected return on plan assets	(3.07)	(3.04)
Net actuarial(gain) / loss recognized in the year	13.22	0.25
Adjustment to the opening fund	(0.02)	-
Net Benefit Expense	19.27	5.71
Actual Return on Plan Assets	10.15	(2.79)

Balance sheet
Benefit assets/(liability)

Present Value of defined benefit obligation	73.90	48.18
Fair value of plan assets	42.50	36.04
Plan assets/(liability)	(31.40)	(12.14)

Changes in Present Value of Defined Benefit Obligation are as follows:

Opening defined benefit obligation	48.18	41.39
Current service cost	5.65	5.19
Interest cost	3.49	3.30
Actuarial (gains) / losses on obligation	16.59	(0.53)
Past Service Cost	-	-
Benefits paid	-	(1.17)
Closing defined benefit obligation	73.91	48.18

Changes in Fair Value of Plan Assets are as follows:

Opening fair value of planned assets	36.04	33.79
Expected return	3.07	3.04
Actuarial gain / (loss)	3.35	(0.79)
Adjustment to the opening fund	0.02	-
Contributions by employer	-	-
Benefits paid	-	-
Closing fair value of plan assets	42.49	36.04

The company expects to contribute ₹ 3.07 lakhs to gratuity in the next year (31 March 2014: ₹ 3.04 lakhs)

The major category of plan assets as a percentage of the fair value of total plan assets are as follows:

Policy of Insurance	100%	100%
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The principal assumptions used in determining gratuity for the Company's plans are shown below:

Discount rate	7.80%	8.80%
Expected rate of return on assets	9%	9%
Age of Retirement	58	58
Annual increase in salary cost	6%	6%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The over all expected rate of return on assets is determined based on the market prices prevailing as on that date, applicable to the period over which the obligation is expected to be settled.

Amounts for the current and previous four reporting periods are as follows:

	31 March 2015		31 March 2014
	₹ In lakhs		₹ in lakhs
Gratuity:			
Defined Benefit Obligation		73.90	48.18
Plan Assets		42.50	36.05
Surplus/(deficit)		(31.40)	(12.13)
Experience adjustment on plan liabilities (gain)/loss		11.79	1.66
Experience adjustment on plan assets loss/(gain)		(3.35)	0.79
	31 March 2013	31 March 2012	31 March 2011
	₹ In lakhs	₹ In lakhs	₹ in lakhs
Defined Benefit Obligation	41.40	32.98	25.98
Plan Assets	33.81	30.72	29.64
Surplus/(deficit)	(7.60)	(2.28)	3.65
Experience adjustment on plan liabilities (gain)/loss	1.07	1.05	7.42
Experience adjustment on plan assets loss/(gain)	(0.03)	(1.60)	0.83

42. Segment Information
Business Segments:

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 accounting standard 17.

Geographical Segments :

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

Year ended 31 March 2015	Within India	Outside India	Total
Revenue			
Sales to external customers	43,710.92	36,819.87	80,530.79
Other segment information			
Segment assets	35,848.46	13,822.16	49,670.61
Capital Expenditure:			
Additions to tangible & intangible fixed assets (Including CWIP)	308.50	4,313.00	4,621.50
Year ended 31 March 2014	Within India	Outside India	Total
Revenue			
Sales to external customers	38,242.66	25,259.66	63,502.32
Other segment information			
Segment assets	34,953.58	10,886.59	45,840.17
Capital Expenditure:			
Additions to tangible & intangible fixed assets (Including CWIP)	624.34	3,966.96	4,591.30

Notes :
Geographical Segment :

- 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

43. Related party disclosures as required under AS-18, "Related Party Disclosures", are given below:

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

	31 March 2015 ₹ In lakhs	31 March 2014 ₹ in lakhs
Key Management Personnel		
Amirali E Rayani		
Amin A Rayani		
Samir 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)		
Nilima Kheraj (Sister of Mr. Samir Rayani)		
Subsidiary		
Panol Industries RMC FZE, UAE		
Enterprises owned or significantly influenced by key management personnel or their relatives		
Anirudh Distributors Private Limited		
(b) Transactions with Related Parties		
Transaction with Key Managerial Personnel and relatives of Key Managerial Personnel		
Remuneration paid to Key Managerial Personnel		
Amirali E Rayani	20.00	24.00
Amin A Rayani	17.50	21.00
Samir Rayani	15.00	18.00
Remuneration paid to Relative of Key Managerial Personnel		
Akbarali Rayani	5.40	4.68
Vazirali Rayani	5.40	5.40
Salimali Rayani	5.40	4.68
Nilima Kheraj	5.40	4.69
Arif Rayani	5.40	4.69
Payment of Rent		
Rent paid to Key Managerial Personnel		
Amin A Rayani	6.64	6.64
Samir Rayani	7.84	7.84
Rent paid to Relative of Key Managerial Personnel		
Vazir Rayani	1.20	1.20
Arif Rayani	3.06	3.06

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

	31 March 2015 ₹ In lakhs	31 March 2014 ₹ in lakhs
Transaction with Subsidiary		
Investment in share capital	-	2,481.88
Advance Given	-	658.99
Repayment received of Advance given	-	(658.99)
Interest Income	-	6.65
Bank Gurantee Given (US \$ 45 Lakhs)	2,816.59	-
Reimbursement of expenses incurred on behalf	47.96	-

Transaction with Enterprises owned or significantly influenced by key management personnel or their relatives
Corporate gurantee given on behalf of the Company

Anirudh Distributors Private Limited	6,500.00	6,500.00
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Balances at the end of the year

Subsidiary :

Interest Receivable	-	6.65
Receivable against expenses incurred on behalf	10.63	-

44. 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 :

Lease payments recognized in the profit and loss statement for the year	32.26	31.18
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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

45. 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	1,771.23	1,839.62
Net profit for calculation of basic and diluted EPS	1,771.23	1,839.62
	No of shares	No of shares
Weighted average number of equity shares in calculating basic EPS (Refer note no. 35)	40,329,065	42,047,610
Basic Earnings per share	4.39	4.38
Diluted Earnings per share	4.39	4.38

46. Taxation

Minimum Alternate Tax (MAT) :- The Company has during the year, provided the current year tax liability of ₹ 369.09 lakhs (previous year ₹ 429 lakhs) calculated in accordance with the normal rate of income of tax. However, the tax liability for the previous year is calculated as per the provisions of Section 115JAA of the Income Tax Act, 1961. The MAT credit entitlement of ₹ 182.25 lakhs has been reversed during the year and ₹ 76.62 lakhs has been availed for the year ended 31 March 2015, which is disclosed under 'Loans and advances'.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015
47. Additional Information, as required under Schedule III to the Companies Act, 2013, of the enterprises consolidated as Subsidiary.

Name of the Enterprise	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (₹ in Lakhs)	As % of consolidated profit or loss	Amount (₹ in Lakhs)
1	2	3	4	5
Parent				
Panama Petrochem Limited	78.98%	23,769.62	77.68%	1,375.87
Subsidiary				
Foreign				
Panol Industries RMC FZE, UAE	21.02%	6,324.83	22.32%	395.36
Minority Interests in subsidiary (Investments as per the equity method)	-	-	-	-
Total	100.00%	30,094.44	100.00%	1,771.23

48. Previous year figures

The company has reclassified previous year figures to conform to this year's classification.

Signature to Notes 1 to 48 of the financial statements

As per our report of even date attached

For Bhuta Shah & Co.

Firm Registration No. 101474W
Chartered Accountants

CA Virag Shah

Partner
Membership No : 153415

Place : Mumbai

Date : 30 May, 2015

For and on behalf of the Board of Directors of Panama Petrochem Ltd.
Amirali E. Rayani

Chairman

Amin A. Rayani

Managing Director & CEO

Pramod Maheshwari

(CFO)

Gayatri Sharma

Company Secretary

Place : Mumbai

Date : 30 May, 2015

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

Particulars	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs
Cash Flow from operating activities		
Profit before tax	2,156.12	2,344.09
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/amortization	341.79	249.56
Provision for bad and doubtful debt	(17.71)	99.73
Unrealized foreign exchange loss/(gain)	266.06	(415.10)
Interest expense	800.73	589.26
Interest income	(57.36)	(89.65)
Foreign currency translation reserve	245.65	189.67
Net proceeds from claim of insurance on theft of fixed asset/Loss on Sales of Assets	(0.82)	3.50
Dividend Income	(0.03)	(0.04)
Operating profit before working capital changes	3,734.43	2,971.02
(Increase)/decrease in Trade Receivables	(591.01)	(4,848.57)
(Increase)/decrease in Inventories	(3,625.44)	(312.28)
(Increase)/decrease in Loans and advances and other assets	195.07	1,408.56
Increase/(decrease) in Trade Payables	(565.98)	3,458.38
Increase/(decrease) in other liabilities and provisions	64.68	577.65
Cash generated from/(used in) operations	(788.26)	3,254.76
Direct taxes paid (Net of refunds)	384.83	264.23
Net cash flow from/(used in) operating activity (A)	(1,173.08)	2,990.53
Cash flows from investing activities		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(1,308.71)	(3,816.80)
Sales of Fixed Assets	4.24	6.39
Redemption/maturity of bank deposits (having original maturity of more than three months)	(112.77)	190.34
Interest received	58.58	108.70
Dividend received	0.03	0.04
Net cash flow from/(used in) investing activities (B)	(1,358.63)	(3,511.33)
Cash flows from financing activities		
Proceeds from issuance of share capital less exp.	-	(11.49)
Buy back of Shares	-	(772.09)
Proceeds/ (Repayment) from/of short-term borrowing (net)	2,497.14	(511.85)
Interest paid	(804.01)	(589.26)
Dividend and tax on dividend paid on Equity Shares	(564.31)	(392.48)
Net cash flow from/(used in) financing activities (C)	1,128.82	(2,277.17)

CONSOLIDATED CASH FLOW STATEMENT (CONT.....)

Particulars	31 March 2015 ₹ In lakhs	31 March 2014 ₹ In lakhs
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(1,402.89)	(2,797.97)
Effect of exchange differences on cash & cash equivalents held in foreign currency	31.42	(100.02)
Cash and cash equivalents at the beginning of the year	2,153.00	5050.99
Cash and cash equivalents at the end of the year	781.53	2,153.00
Components of Cash and Cash Equivalents		
Cash on hand	1.64	4.78
With banks		
- on current account	760.55	2,030.77
- on deposit account	-	100.00
- on unpaid dividend account *	19.34	17.45
Total Cash and Cash Equivalents (refer note 15)	781.53	2,153.00
* 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 Accounting Standard - 3 'Cash Flow Statements'

As per our report of even date attached

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

CA Virag Shah
Partner
Membership No : 153415

Place : Mumbai
Date : 30 May, 2015

**For and on behalf of the Board of Directors of
Panama Petrochem Ltd.**

Amirali E. Rayani
Chairman

Amin A. Rayani
Managing Director & CEO

Pramod Maheshwari
(CFO)

Gayatri Sharma
Company Secretary

Place : Mumbai
Date : 30 May, 2015

Shareholder’s authorisation to receive dividends through Electronic Credit Clearing Mechanism.

Registered Folio No
Name of the first/sole shareholder
PAN
Telephone Number of investor
Email id of investor
Bank Name
Branch Address & Telephone No. of Branch
Bank Account Number
(As appearing on the Cheque Books)
Branch Code
9 digit code number of the Bank and Branch appearing on the MICR cheque issued by the Bank. (Please attach a blank cancelled cheque, or a photocopy (Xerox copy) of a cheque issued to you by your Bank, for verification of the above particulars)
Account Type

I hereby, declare that the particulars given above are correct and complete. If the payment transaction is delayed or not effected at all for any reasons, including but not limited to incomplete or incorrect information, I will not hold the Company/RTA responsible. I agree to discharge the responsibility expected of me as a participant under the scheme.

I, further undertake to inform the Company of any subsequent change(s) in the above particulars.

Signature of the Holder(s):

Place : 1.
Date : 2.

Note:

1. Please fill in the information in CAPITAL LETTERS in ENGLISH ONLY.
2. In case of shareholders holding the equity shares in demat form, the shareholders are requested to provide details to their respective Depository participants.
3. **KINDLY RETURN THE ABOVE DULY ATTESTED BY YOUR BANKERS TOGETHER WITH THE SELF-ATTESTED COPY OF THE PAN CARD**

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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 No..... Client ID No.

Name of the Shareholder/ Proxyholder Signature

I record my presence at the 33rd Annual General Meeting of the Company, to be held on Monday, September 14, 2015 at 11.00 a.m. at Plot No. 3303, GIDC Estate, Ankleshwar-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-mai :

Address :

Signature :

Or failing him/her

Name : E-mai :

Address :

Signature :

Or failing him/her

As my / our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 33rd Annual General Meeting of the Company, to be held on Monday, September 14, 2015 at 11.00 a.m. at Plot No. 3303, GIDC Estate, ankleshwar-393002, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution
Ordinary business	
1.	Adoption of Audited Financial Statements, Directors' and Auditors' Reports for the financial year ended March 31, 2015
2.	Adoption of Audited Consolidated Financial Statements and Auditors' Report for the financial year ended March 31, 2015
3.	Declare dividend on equity shares.
4.	Reappointment of Mr. Samir Rayani who retires by rotation
5.	Appoint Auditors and fix their remuneration
Special business	
6.	Appointment of Ms. Nargis Mirza Kabani as an Independent Director
7.	Ratification of Cost Auditor remuneration
8.	Approval and ratification of Related Party Transaction
9.	Creation of charge on the assets of wholly owned subsidiary

Signed thisday of2015

Affix
Revenue
Stamp

Signatures of the proxy holder(s)

Signature of the member

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:



We provide - Consistency, Quality, Service, Economy

Corp. Office: 401, Aza House, 24, Turner Road, Bandra (W), Mumbai 400 050.

Tel.: +91 (22) 4217 7777 • **Fax:** +91 (22) 4217 7788

Email: ho@panamapetro.com • **website:** www.panamapetro.com