



Corporate Office & Communication Address:

401 Aza House, 24, Turner Road, Bandra (W), Mumbai 400 050. Website: www.panamapetro.com
Phone : 91-22-42177777 | Fax : 91-22-42177788 | E-mail : ho@panamapetro.com
CIN No. L23209GJI982PLC005062

August 05, 2024

BSE Limited

Pjroze Jeejeebhoy Towers,
Dalal Street, Fort, Mumbai 400 001
Scrip Code: 524820

National Stock Exchange of India Limited

Exchange Plaza, 5th Floor, Plot No. C/1
G Block, BKC, Mumbai-400 051
Scrip Symbol : PANAMAPET

Sub: Annual Report - Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir/Madam,

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual Report for the financial year 2023-24, including the Notice convening the Annual General Meeting is attached herewith.

The Annual Report of the Company is also available on the website of the Company at www.panamapetro.com

We request you to take the same on your records.

Thanking You.

Yours faithfully,
For **PANAMA PETROCHEM LIMITED**

Gayatri Sharma
Company Secretary & Compliance Officer

42nd

Annual Report

2023-24



Panama
PETROCHEM LTD.



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About Panama Petrochem Limited

Panama Petrochem Ltd. is a prominent manufacturer and exporter of nearly 80 variants of petroleum specialty products. Founded in 1982, the Company has four state-of-the-art manufacturing units across India, located in Ankleshwar, Dahej, Daman, and Talaja. The Dahej plant is fully computerized and utilizes DCS/PLC systems to adhere to international quality and manufacturing standards. The Ankleshwar facility includes a fully equipped and DSIR-approved R&D center. Additionally, Panama Petrochem Ltd. has expanded its manufacturing capabilities through its wholly owned subsidiary, Panol Industries RMC, FZE, located in Ras Al Khaimah, UAE.



Chairman's Statement

'Thriving to build a sustainable future.'



I feel immense pride in what the organization has accomplished over these years and how we have steered steadily through years of challenges and uncertainty. Throughout your Company's rich legacy, we have seen many changes and overcome several challenges treating each challenge as an opportunity to evolve. We have always emerged stronger and better, consistently enhancing the Company and pushing ourselves to stay relevant to the evolving customer needs.



I am truly humbled with the opportunity to lead this organization and it is my privilege to write to you as the Chairman of Panama Petrochem Limited.

In the face of widespread catastrophic events like the global financial crisis, muted global growth, enhanced regulatory norms, and an inflationary environment impacting consumption patterns, Panama Petrochem Limited has rapidly adopted digital advancements and technologies. Our relentless efforts towards innovation have strengthened our market standing and provided newer, better, and sustainable value propositions for our customers.

Despite the geo-political uncertainties, heavy competition and increasing challenges faced by the Company on a day to day basis, I am enormously proud of what your Company has

achieved in this period. Amidst an uncertain economic and demand environment, we have continued to grow and evolve the business and remain true to Panama Petrochem's charter of delivering consistency and quality services.

We concluded the year, with a consolidated revenue of ₹ 2356.74 Cr. reflecting a growth of 5% and a Net Profit of ₹ 195.15 Cr., out of which the income from Exports comprised 38% of the total turnover of the of the Company for the financial year 2023-24.

Your Company has recommended a final dividend of ₹ 4/- per share, in addition to the Interim Dividend of ₹ 3/- per share

totaling to ₹ 7/- per share, thus adhering to the dividend payout policy of the Company.

Our performance in a tough inflationary environment aptly demonstrates the power and consistency of Panama Petrochem Limited's strategic efforts, which helped us capitalize on our brand strength while continuing to innovate and deepen our engagement with our consumers, and progress well with expanding our presence in key categories and report market share gains across our product portfolios.

With the vision to fuel growth and meet the rising needs of our clients, your Company has made significant expansions to boost its manufacturing capacity and effectively address the growing demands of the market thereby positioning itself to provide better services and achieve newer heights.

Building a strong Community

Consistently striving to make a difference in the lives of people and with this aspiration, the Company implements various CSR programmes / projects to make a positive impact on the communities in which we operate. Our commitment to social responsibility and community engagement is evident in our efforts to empower communities and contribute to the prosperity of the communities we serve. We have been at the forefront of conducting impactful development projects and empowering various segments of the society and have been actively contributing to the social and economic development of the communities, helping build a better, more sustainable way of life. With the aim to make a difference in the lives we touch, we collaborate with educational institutions, NGOs, wellness foundations, and a variety of other organizations. During the Financial Year 2023-34, your Company has spent ₹ 4.30 Cr. towards CSR projects with the objective of making a difference in the society.

Committed to Sustainability

As a result of significant increase in the inclusion of Environmental, Social, and Governance (ESG) aspects in businesses globally as well as in India, sustainability has

been a cornerstone of our Company's philosophy, seamlessly integrated into our management approach and daily operations. We acknowledge the critical role that responsible environmental practices and strong stakeholder engagement play in our long-term viability. Our vision is to build a sustainable and enduring organization that prioritizes both the safety of our people and the well-being of the community at large. Aligned with ESG principles, we meticulously measure and track our performance, with a particular focus on emission mitigation, water and energy conservation, developing eco-friendly products and reducing its operational impact on the environment. At the same time, we are also focusing towards eco-friendly product mix through investments in renewable energy, biofuels, and cleaner petroleum products.

Road Ahead

Despite an uncertain climate, I am confident about the resilience of the Company's strategic planning and business conduct. We see significant opportunities ahead of us and believe that our investments in building a strong supply chain, strengthening infrastructure, active expansion of its manufacturing facilities and operations will enable us to capture these opportunities. We will continue to make sustained efforts to drive demand of our products and services and remain optimistic about mitigating the impacts of price fluctuations in the petroleum industry.

The foundation of our success is built by our hard-working and committed employees. Despite extraordinary challenges in recent years, their determination and resilience have been truly inspiring. I thank them for their dedication.

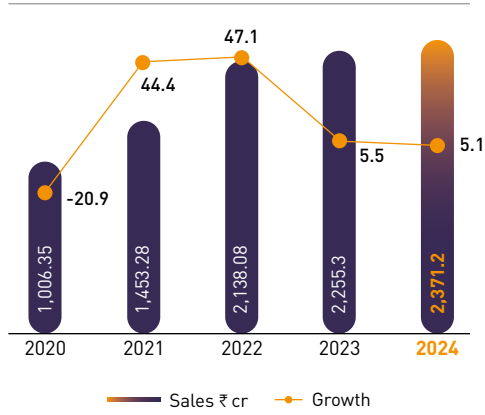
I would also like to acknowledge the contributions of our Management Committee and the Board of Directors.

And above all, I would like to express my heartfelt gratitude to our shareholders, for your support and continued trust in Panama Petrochem Limited which has been the driving force in the success of the Company.

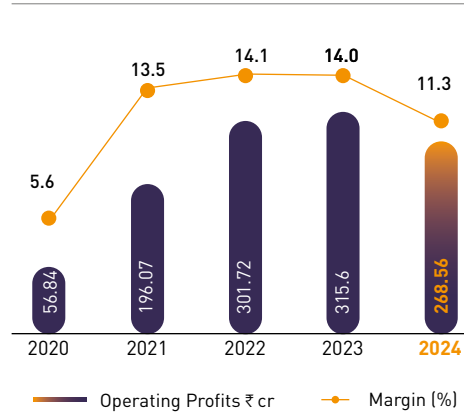
Mr. Amirali Rayani
Chairman

Business Performance Overview

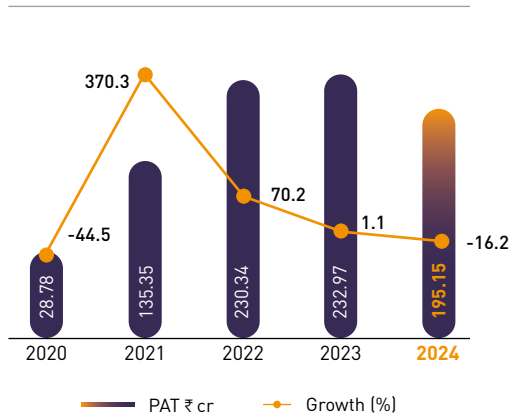
Sales & Growth



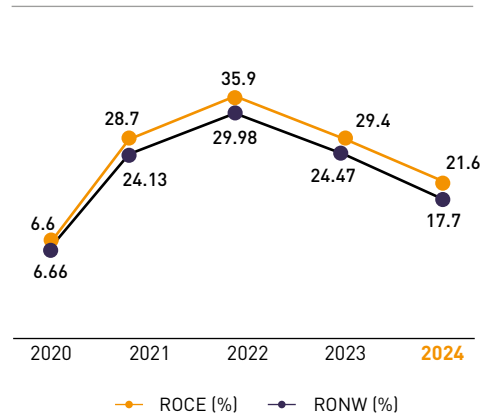
Operating Profits & Margins



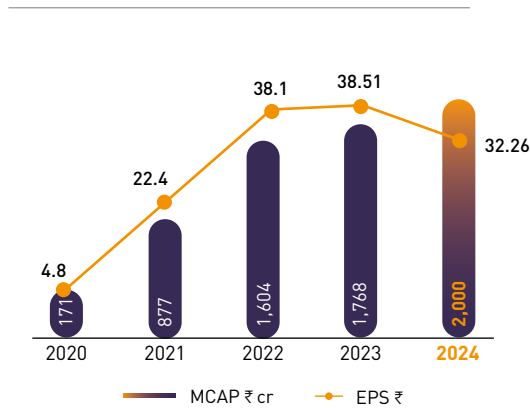
Net Profit & Growth



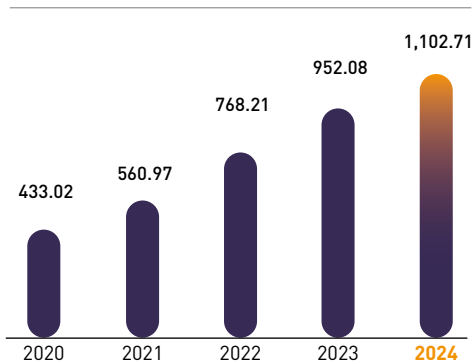
Return Ratios



Market Cap & EPS



Net Worth (₹ Cr)



Board of Directors



Mr. Amirali E. Rayani
Chairman (Executive)



Mr. Samir A. Rayani
Managing Director & CEO



Mr. Hussein V. Rayani
Joint Managing Director



Mr. Arif A. Rayani
Executive Director



Mr. Kumar Raju Nandimandalam
Independent Director,
Non-Executive



Ms. Nargis Mirza Kabani
Independent Director,
Non-Executive





Mr. Ashok Mukhi
Independent Director,
Non-Executive





Mr. Arvind Shah
Independent Director,
Non-Executive




 Chairman  Member

 Audit Committee

 Nomination and
Remuneration Committee

 Stakeholders
Relationship Committee

 Corporate Social
Responsibility Committee

 Risk Management Committee

Human Capital

Our evolution as one of the leading entities in the petrochemical industry is driven by the creativity, dedication, and perseverance of our people. Strengthening our human capital is vital to the growth of our organization and this is achieved by offering a safe workplace that fosters growth, inclusivity, encourages innovation, and empowers employees through learning and development initiatives.

Our people are the core of our business. We consistently strive to create an environment that brings out the best in our team, enabling them to passionately serve our clients, deliver operational excellence, and contribute to sustainable growth. We have developed comprehensive programs and trainings

aimed at enhancing knowledge and behavioral skills, focusing on understanding the organization, and team management.

We are committed to creating an inclusive environment that values diversity and empowers every individual.

We have implemented comprehensive range of occupational safety initiatives across our operations, prioritizing the safety of our employees. This commitment has resulted in enhanced productivity and growth for both, the Company and its workforce.



Corporate Social Responsibility

Our unwavering dedication to making a positive difference in the lives of individuals is reflected through our extensive Corporate Social Responsibility (CSR) programs and projects. We are committed to fostering social responsibility and community engagement, aiming to empower and enhance the prosperity of the communities in which we operate.



Our focus lies in executing impactful development projects that address the needs of various societal segments. By actively contributing to social and economic development, we strive to build a more sustainable and improved quality of life.

To ensure the effectiveness of our initiatives, we have established a Board-level CSR Committee that oversees the Company's efforts to empower communities. This Committee regularly monitors the progress of our initiatives and ensures they meet our high standards of impact and efficiency.

Corporate Information

Chief Financial Officer

Mr. Pramod Maheshwari

Statutory Auditor

JMR & Associates LLP,
Chartered Accountants, Mumbai,
India

Bankers

HDFC Bank Limited
Citibank N.A
IDFC First Bank Limited
Axis Bank Limited
Kotak Mahindra Bank Limited
Standard Chartered Bank Limited
Yes Bank Limited
IDBI Bank Limited
RBL Bank Limited
DCB Bank Limited

Company Secretary & Compliance Officer

Ms. Gayatri Sharma

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 400050, India
Tel: 91-22-42177777
Fax: 91-22-42177788
Website: www.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



Mission

To deliver high-quality products and services with a commitment to safety, sustainability, and innovation. We operate with integrity, prioritize continuous improvement, and create value for our stakeholders while upholding environmental responsibility.

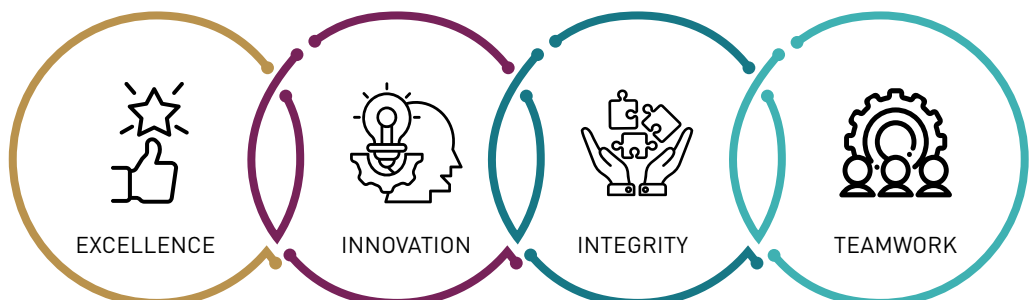


Vision

Striving to be a global name in the petrochemical industry, recognized for our excellence in quality management, continuous improvement, and unwavering commitment to teamwork.



Our Values



Notice

CIN: L23209GJ1982PLC005062

Notice is hereby given that the **FORTY-SECOND ANNUAL GENERAL MEETING** of the Members of **PANAMA PETROCHEM LIMITED** will be held on **Thursday, August 29, 2024** at 11:30 A.M. IST through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM"), to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) for the financial year ended March 31, 2024 together with the Reports of the Board of Directors & Auditors thereon.
2. To confirm the payment of Interim Dividend and declare Final Dividend on Equity Shares.
3. To appoint a Director in place of Mr. Amirali Rayani (DIN: 00002616), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

Special Business:

4. To appoint Ms. Almas Nanda (DIN: 05329210) as Independent Director and in this regard, to consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"**RESOLVED THAT** in accordance with the provisions of Sections 149, 150 and 152, read with Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Ms. Almas Nanda (DIN:05329210), in respect of whom the Company has received a notice in writing under Section 160 of the Act 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 a term of five (5) consecutive years commencing from February 13, 2025;

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

5. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2025 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 ₹ 0.022 Cr. (Rupees Two Lakh & Twenty Thousand Only) per annum plus out-of-pocket expenses payable to GMVP & Associates LLP, who are appointed as the Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2025.

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

Notes:

1. Ministry of Corporate Affairs ("MCA") has, vide its various circulars issued from time to time (the latest circular being dated September 25, 2023) ("MCA Circulars"), permitted convening of the Annual General Meeting ("AGM"/"Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without physical presence of the Members at a common venue. In compliance with the MCA Circulars and applicable provisions of the Companies Act, 2013 ("the Act") read with Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the AGM of the Company is being held through VC/OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
2. In accordance with the circulars issued by MCA and SEBI, the Notice of the AGM along with the Annual Report for F.Y. 2023-24 is being sent only through electronic mode to those Members whose Email IDs are registered with the Company/Depositories.
3. The Company shall send physical copy of the Annual Report for F.Y. 2023-2024 to those members who request the same at cs@panamapetro.com. However, such request shall be processed only if received from the registered e-mail id of the shareholder mentioning their Folio No./DP ID and Client ID. Members may note that the Notice and Annual Report for F.Y. 2023-2024 will also be available on the Company's website: www.panamapetro.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and cast vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held through VC/OAVM and pursuant to the MCA and SEBI Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice herewith.

5. Institutional/Corporate Shareholders (i.e. other than Individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through e-voting facility. The said Resolution/Authorization shall be sent to the Company by email through its registered email address to cs@panamapetro.com.
6. An Explanatory 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. The relevant details, pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, in respect of a Director seeking appointment/re-appointment at this AGM are also annexed herewith.
7. The Company has fixed **Thursday, August 22, 2024** as the 'Record Date' for determining entitlement of Members to final dividend for the financial year ended March 31, 2024, if declared at the AGM. Payment of final dividend as recommended by the Board of Directors, if declared by the members at the ensuing Annual General Meeting will be payable to those Shareholders holding shares in electronic form as per the beneficiary position downloaded from the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) as at the close of business hours on Thursday, August 22, 2024 and to those Members holding shares in physical form, after giving effect to valid transmission and transposition in respect of valid requests lodged with the Company as at close of business hours i.e. Thursday, August 22, 2024. Dividend will be paid within two weeks from the date of declaration of dividend.
8. Members may please note that as per SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2021/655 dated 3rd November, 2021 as amended from time to time, the latest being SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated 17th November, 2023, Members, who hold shares in physical form and whose folios are not updated with the KYC details [viz., (i) PAN (ii) Choice of Nomination (iii) Contact Details (iv) Mobile Number (v) Bank Account Details and (vi) Signature], shall be eligible to get dividend only in electronic mode with effect from 1st April, 2024. Accordingly, payment of final dividend, subject to approval by the Members in the AGM, shall be paid to physical holders only after the above details are updated in their folios. Members may refer to FAQs issued by SEBI in this regard available on their website at the following link:

https://www.sebi.gov.in/sebi_data/faqfiles/jan-2024/1704433843359.pdf
9. Members are requested to register/update the relevant changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.:
 - a. **For shares held in electronic form:** to their Depository Participants (DPs)
 - b. **For shares held in physical form:** to the Company/Registrar and Transfer Agent pursuant to the relevant SEBI Circulars, in the prescribed ISR Forms. The said forms have been made available on the website of the Company and letters have also been sent to the shareholders for furnishing the required details. To mitigate unintended challenges on account of freezing of folios, SEBI vide its Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated November 17, 2023, has done away with the provision regarding freezing of folios not having PAN, KYC, and Nomination details.
10. In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, transfer, transmission and transposition of securities shall be effected only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or to the Company's Share Registrar and Transfer Agents (M/s Bigshare Services Pvt. Ltd.), for assistance in this regard.
11. All documents referred to in the Notice as required under the Act will also be available electronically for inspection. Members seeking to inspect such documents can send an e-mail from their registered e-mail id to cs@panamapetro.com up to the conclusion of this Meeting.
12. Members seeking any information with regard to the financial statements or any matter to be placed at the AGM, are requested to write to the Company at least one week before the meeting from their registered email id to cs@panamapetro.com. The same will be replied by the Company suitably.
13. Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of shareholders and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, please refer to Income Tax Act, 1961 and the Finance Act, 2020, of the respective years. The shareholders are requested to update their PAN with the RTA (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

A Resident individual shareholder with PAN and whose income does not exceed maximum amount not chargeable to tax or who is not liable to pay income tax, as the case may be, can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by e-mail to tds@bigshareonline.com by **August 12, 2024**. Shareholders are requested to note that in case their PAN is not registered or if the PAN is not correct/invalid/inoperative or have not filed their income tax returns, then tax will be deducted at higher rates prescribed

under Sections 206AA or 206AB of the Income-Tax Act, as applicable and in case of invalid PAN, they will not be able to get credit of TDS from the Income Tax Department.

Non-resident shareholders [including Foreign Institutional Investors ("FIIs")/Foreign Portfolio Investors ("FPIs")] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits. For this purpose, the shareholder may submit the above documents (PDF/JPG Format) by e-mail to tds@bigshareonline.com. The aforesaid declarations and documents need to be submitted by the shareholders on or before **August 12, 2024**.

14. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be requested only to the Depository Participant of the Members.
15. As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website: www.panamapetro.com. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to Bigshare Services Pvt. Ltd. in case the shares are held in physical form via e-mail at investor@bigshareonline.com
16. SEBI has established a common Online Dispute Resolution Portal ('ODR Portal') for resolution of disputes arising in the Indian Securities Market. Pursuant to this, post exhausting the option to resolve their grievance with the RTA/Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (<https://smartodr.in/login>).
17. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company as on the cut-off date will be entitled to vote at the AGM.
18. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, members are requested to claim their dividends from the Company, without any delay. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in.
19. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
20. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 the Company is providing facility of e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
21. The remote e-voting facility shall be opened from, **Monday, August 26, 2024 at 9:00 A.M. to Wednesday, August 28, 2024 till 5:00 P.M.**, both days inclusive. The remote e-voting facility shall not be allowed beyond 5:00 P.M., on August 28, 2024. 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/she shall not be allowed to change it subsequently or cast the vote again.
22. The Company has fixed, Thursday, August 22, 2024, as the cut-off date for identifying the Shareholders for determining the eligibility to vote by electronic means. Instructions for exercising voting rights by e-voting are attached herewith and form part of this Notice. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off/entitlement date only shall be entitled to avail the facility of Remote e-voting as well as e-voting at the Annual General Meeting.
23. The Voting Rights will be reckoned on the paid-up value of shares registered in the name of the shareholders on Thursday, August 22, 2024, the cut-off date/entitlement date for identifying the shareholders for determining the eligibility to vote by remote e-voting or e-voting at the AGM.
24. Mr. Milind Nirkhe, Company Secretary in Whole Time Practice, (CP No.2312) has been appointed as a Scrutinizer to scrutinize the e-voting during the AGM and remote e-voting process in a fair and transparent manner.

25. The results declared along with 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.evotingindia.com, immediately after the results are declared by the Chairman.
26. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.
27. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned hereunder in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on a first come first serve basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first serve basis.
28. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

August 28, 2024. During the period when the 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 i.e. August 22, 2024(cut-off) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the time of the meeting.
- (iii) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.
- (iv) In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/websites of Depositories/Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Pursuant to the above said SEBI Circular, Login method for e-Voting and joining virtual meetings for **Individual shareholders holding securities in Demat mode is given below:**

THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

- (i) The e-voting period is open from, Monday, August 26, 2024 at 9:00 A.M. to Wednesday, August 28, 2024 till 5:00 P.M., both days inclusive. The remote e-voting facility shall not be allowed beyond 5:00 P.M., on

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> 1) Users who have opted for CDSL's Easi/Easiest facility, can login through their existing User Id and Password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi/Easiest are requested to visit CDSL Website www.cdslindia.com and click on Login icon and select New System Myeasi Tab. 2) After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by the Company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at www.cdslindia.com and click on Login icon and select New System Myeasi Tab and then click the registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and will also be able to directly access the system of all e-Voting Service Providers.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on the Company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period, or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReq.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on the Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on the Company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/Password are advised to use Forgot User ID and Forgot Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800225533
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 18001020990 and 1800224430

(v) Login method for e-Voting and joining virtual meeting for **physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com
- 2) Click on "Shareholders" module.
- 3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
 - 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any Company, then your existing password is to be used.
 - 6) If you are a first time user follow the steps given below:

For Physical shareholders and other than individual shareholders holding shares in Demat.	
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"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. <ul style="list-style-type: none"> OR Date of Birth (DOB) <ul style="list-style-type: none"> • If both the details are not recorded with the depository or Company please enter the member id/folio number in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) **Shareholders holding shares in physical form** will then directly reach the Company selection screen. However, **shareholders 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.
- (viii) **For shareholders holding shares in physical form**, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN of Panama Petrochem Ltd. to vote.
- (x) 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.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to the scrutinizer for verification.
- (xvii) **Additional Facility for Non-Individual Shareholders and Custodians- For Remote Voting Only.**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mapped automatically & can be delinked in case of any wrong mapping.

- It is mandatory that a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

Alternatively Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs@panamapetro.com, if they have voted from individual tab & not uploaded the same in the CDSL e-voting system for the scrutinizer to verify the same

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

- The procedure for attending the meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- The link for VC/OAVM to attend the meeting will be available where the EVSN of the Company will be displayed after successful login as per the instructions mentioned above for e-voting.
- Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote again at the AGM.
- Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience.
- Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at cs@panamapetro.com from August 19, 2024 (9:00 a.m. IST) to August 21, 2024 (5:00 p.m. IST).
- The shareholders who do not wish to speak during the AGM but have queries may send their queries 7 days prior to the meeting mentioning their name, demat account number/ folio number, email id, mobile number at cs@panamapetro.com. These queries will be replied to by the Company suitably via email.
- Those shareholders who have registered themselves as a speaker, only they will be allowed to express their views/ask questions during the meeting.
- Only those shareholders, who are present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM upto the expiry of 15 minutes from the conclusion of the AGM.
- If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to those shareholders attending the meeting.
- Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice of the AGM and is holding shares as on the cut-off date i.e. August 22, 2024 should follow the same procedure as mentioned above for e-Voting and for attending the AGM.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES:

- For Physical shareholders- Please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/ RTA email id.
- For Demat shareholders- Please update your email id & mobile no. with your respective Depository Participant (DP).
- For Individual Demat shareholders- Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending of AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh

Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on toll free no. 1800225533.

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

Gayatri Sharma
Company Secretary & Compliance Officer

Date: May 27, 2024
Place: Mumbai

Registered Office:

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

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

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

Item No. 4

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on May 27, 2024 recommended to the members of the Company, the appointment of Ms. Almas Nanda (DIN: 05329210) as an Independent Director on the Board of the Company at the ensuing Annual General Meeting ("AGM") of the Company for a term of five (5) consecutive years commencing from February 13, 2025.

Ms. Almas Nanda is qualified to be appointed as a Director in terms of Section 164 of the Companies Act, 2013 ("the Act") and has given her consent to act as a Director. The company has also received declarations from Ms. Almas Nanda confirming that she meets the criteria of directorship and Independence as prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, and is not debarred from holding the office of Director by virtue of any order passed by SEBI or any other authority.

The Company has received notice under Section 160 of the Act from a member of the company proposing the candidature of Ms. Almas Nanda for the office of Director of the Company.

In the opinion of the Board, Ms. Almas Nanda fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations and is independent of the management and possesses appropriate skills, experience and knowledge required for the role of an Independent Director.

With a vast and diverse background in designing, marketing, sales and business development, Ms. Almas Nanda brings an extensive wealth of experience to her role. Moreover, she possesses a comprehensive skill set that encompasses exceptional leadership abilities, and a robust proficiency in sales and marketing strategies.

In view of this, appointment of Ms. Almas Nanda as an Independent Director is in the best interest of the Company.

Details of Ms. Almas Nanda, pursuant to the provisions of (i) the Listing Regulations; and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India, are provided in the Notice.

Ms. Almas Nanda shall be paid remuneration by way of sitting fees for attending meetings of the Board or Committees thereof

or for any other purpose as may be decided by the Board, and reimbursement of expenses incurred for participating in the Board and other meetings.

In accordance with the provisions of Section 149 read with Schedule IV to the Act and other applicable provisions of the Act, appointment of Independent Director requires approval of members of the Company.

Further, according to Regulation 25(2A) of the Listing Regulations, the appointment of Ms. Almas Nanda as independent director requires the approval of the members by passing a special resolution.

Accordingly, the approval of Members is sought for appointment of Ms. Almas Nanda as an independent director.

Save and except Ms. Almas Nanda and her relatives (to the extent of their shareholding, if any), none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board commends this Special Resolution set out at Item No. 4 of the Notice for approval by the Members.

Item No. 5

The Board, on the recommendation of the Audit Committee, has approved the appointment of GMVP & Associates LLP, Cost Accountants, as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2025 on remuneration of ₹.0.022 Cr. (Rupees Two Lakh & Twenty Thousand Only) per annum plus out of pocket expenses, if any.

In accordance with the provisions of Section 148 of the Companies Act 2013, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

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

The Board recommends this Ordinary Resolution set out at Item No. 5 of the Notice for approval by the Members.

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

Gayatri Sharma
Company Secretary & Compliance Officer

Date: May 27, 2024
Place: Mumbai

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

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

Name of Director	Mr. Amirali Rayani	Ms. Almas Nanda
DIN	00002616	05329210
Date of Birth	26.02.1944	20.09.1974
Date of Appointment	09.03.1982	13.02.2025
Expertise in specific functional area/skills and capabilities required for the role	<p>Mr. Amirali Rayani, being the main promoter of the Company, has been actively involved in all its aspects since its inception and is the primary driving force in the success of the Company.</p> <p>His visionary leadership and unwavering dedication have played a pivotal role in transforming the Company into a significant player in the petroleum industry.</p> <p>With more than 50 years of experience in this industry, Mr. Amirali Rayani brings a wealth of experience, knowledge and expertise, making him an invaluable asset to the Organisation.</p> <p>His profound contributions as the founder of Panama Petrochem Limited and his exceptional leadership skills have been vital in the Company's remarkable journey to success.</p> <p>Throughout his career, Mr. Rayani has demonstrated an extraordinary ability to adapt to the evolving demands of the industry.</p> <p>His commitment to excellence and his relentless efforts have set high standards within the organization, fostering a culture of continuous development and innovation.</p>	<p>Ms. Almas Nanda is the visionary behind Inc. 5 Shoes Private Limited. She has shaped the brand's identity and improved customer experience, setting industry standards for quality and innovation. As the Whole-Time Director, she leads the research and development department for women's footwear and manages merchandising operations.</p> <p>Beyond her brand, she had also been a visiting faculty at NIFT New Delhi and contributed as a designer for the World Gold Council's WGC Book.</p> <p>Ms. Nanda's success is further fueled by her strong foundation in business acumen, meticulous attention to detail, and diverse background in marketing and sales.</p> <p>Overall, Ms. Almas Nanda's journey is a testament to her unwavering dedication, creative vision, and commitment to excellence. Her remarkable contributions are positioned to drive Panama Petrochem Limited's business objectives to new heights, setting a standard of achievement within the industry.</p>
Qualification	Matriculate	NIFT- Diploma in Designing
Disclosure of relationship between Directors/KMP	Mr. Amirali Rayani is directly related to Mr. Arif Rayani (Son).	Ms. Almas Nanda is not related to any Director or KMP of the Company.
Directorship held in other Companies (excluding foreign companies)	<ol style="list-style-type: none"> Ittefaq Ice & Cold Storage Private Limited Panama Builders & Developers Pvt. Ltd 	Inc.5 Shoes Private Limited
Directorship/Membership of the Committee Board of other Listed Companies (including Listed Companies from which the Director has resigned in the past 3 years)	Nil	Nil
No. of shares held in the Company	15,36,000	Nil
No. of Board Meetings attended during the year	5 out of 5	N.A
Details of remuneration last drawn	0.36 Cr.	N.A
Terms and conditions of re-appointment	As per the resolution passed by the shareholders of the company on 41st AGM held on August 29, 2023.	As mentioned in Resolution No.4

Directors' Report

Dear Members,

Your Directors have pleasure in presenting the **FORTY SECOND** Annual Report of the Company together with the Audited Statement of Accounts for the Financial Year ended March 31, 2024.

FINANCIAL HIGHLIGHTS

(₹ in Cr)

Name of the company	Standalone		Consolidated	
	Financial Year 2023-24	Financial Year 2022-23	Financial Year 2023-24	Financial Year 2022-23
Revenue from operations	1,724.92	1,708.24	2,356.74	2,248.72
Other income	11.27	6.22	14.48	6.58
Total income	1,736.19	1,714.46	2,371.22	2,255.30
Expenses				
Operating expenditure	1,535.97	1,456.11	2,102.66	1,939.75
Depreciation and amortization expense	6.63	6.10	9.83	9.43
Total expenses	1,542.60	1,462.21	2,112.49	1,949.18
Profit before finance costs, exceptional item and tax	193.59	252.25	258.73	306.12
Finance costs	16.72	10.10	17.96	11.57
Profit before exceptional item and tax	176.87	242.15	240.77	294.55
Exceptional item	-	-	-	-
Provision towards legal claim	-	-	-	-
Profit before tax	176.87	242.15	240.77	294.55
Tax expense	45.62	61.58	45.62	61.58
Profit for the year	131.25	180.57	195.15	232.97
Opening balance of retained earnings	658.10	531.97	821.92	648.63
Closing balance of retained earnings	741.03	658.10	962.66	821.92

OPERATIONAL PERFORMANCE

- Earnings before Interest, Depreciation, and Tax & Amortization (EBIDTA) on a standalone basis for F.Y. 2023-24 was ₹ 200.22 Crore, which has resulted in a decrease of 22.50 % in comparison with the previous year's EBIDTA.
- The Net profit after tax for F.Y.2023-24 was ₹ 131.25 Crore, as against ₹180.57 Crore in the previous year, resulting in 27.31 % decrease.
- The Company's standalone revenue from operations for F.Y. 2023-24 was ₹ 1,724.92 Crore which is an increase of 0.98% over the previous year's revenue.
- Additionally, the consolidated revenue from operations of the Company for the year ended March 31, 2024 was ₹ 2,356.74 Crore which has increased by 4.80% on a Year on Year basis.
- Net Profit of the Company on a consolidated basis was ₹ 195.15 Crore which has decreased by 16.23% as that of the previous year.
- EPS on standalone basis is ₹ 21.70 as against ₹ 29.85 in the previous year.
- Furthermore, EPS on consolidated basis is ₹ 32.26 from ₹ 38.51

DIVIDEND

The Board of Directors at its meeting held on May 27, 2024, has recommended payment of ₹ 4/- (200%) per equity share of the face value of ₹ 2/- each as final dividend for the financial year ended March 31, 2024. The payment of final dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting (AGM) of the Company.

During the year under review, the Board of Directors of the Company at its meeting held on November 08, 2023, declared an Interim dividend of ₹ 3/- (150%) per equity share of ₹ 2/- each. The total dividend amount for the financial year 2023-24, including the proposed final dividend, amounts to 7/- (350%) per equity share of the face value of ₹ 2/- each.

The dividend payout ratio of the Company for the year under review is 21.70% The total outflow towards dividend on Equity Shares for the year would be ₹ 30.25 Crore

DIVIDEND DISTRIBUTION POLICY

Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the Board of Directors of the Company has in place a Dividend Distribution Policy which aims to maintain a balance between profit retention and a fair, sustainable and consistent distribution of profits among its Members. The said Policy is available on the

website of the Company: <http://panamapetro.com/wp-content/uploads/2021/08/ddp-web.pdf>

TRANSFER TO RESERVES

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

CREDIT RATING

Based on the financial and operational performance of the Company for the year under review, CARE Ratings Limited has reaffirmed the rating on Long Term Bank Facilities to 'CARE A+; Stable' and upgraded the rating on Short Term Bank Facilities to CARE A1+ from CARE A1.

ICRA Ratings Limited has reaffirmed its rating on fund based bank facilities to [ICRA]A+(Stable) and on non-fund based bank facilities to [ICRA]A1+

SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2024 was ₹ 12.10 Crore. During the year under review, the Company has not issued any shares. The Company has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company.

MATERIAL CHANGES AFFECTING THE COMPANY

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

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

As on March 31, 2024 your Company has only one subsidiary, Panol Industries RMC FZE, UAE which is registered outside India.

The Consolidated Financial Statements of the Company and its subsidiary are prepared in accordance with the Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS').

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

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

PERFORMANCE AND FINANCIAL POSITION OF PANOL INDUSTRIES RMC FZE

Net sales of Panol Industries RMC FZE have increased from ₹ 540.48 Crore in the previous year to ₹ 631.82 Crore during FY 2023-24. Net profit during the period has increased by 21.92% to ₹ 63.90 Crore., as compared to a net profit of ₹ 52.41 Crore in the previous year.

During the year under review, Panol Industries RMC FZE, has transferred ₹ 6.09 Crore in General Reserve out of retained earnings.

Panol Industries RMC FZE, UAE, is a wholly owned subsidiary of the Company. The Company has a manufacturing facility in Ras Al Khaimah (UAE) with the objective of manufacturing petroleum specialty products to cater to the GCC & MENA regions.

There has been no material change in the nature of the business of the subsidiary. There are no associates or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act").

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 is detailed in Form AOC-1, annexed as Annexure A.

RELATED PARTY TRANSACTIONS

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

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

No person or entity belonging to the promoter/promoter group, holds 10% or more shareholding in the Company, hence disclosure of transactions entered into with any such persons/entities is not applicable to the Company.

All Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are planned/repetitive in nature. Related Party Transactions entered into pursuant to omnibus approval so granted are placed before the

Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

The Company has adopted a Related Party Transactions Policy. The Policy, as approved by the Board, is uploaded on the Company's website at the web link: <http://panamapetro.com/wp-content/uploads/2022/04/Related-Party-Transaction-Policy.pdf>

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

RISK MANAGEMENT

Risks being uncertain events that materially impact the organizational objectives. They are inherent in all business activities and must be balanced while assessing returns. Successfully managing risks is therefore the key to achieving Company objectives and ensuring long-term sustainable growth of the Business. With this in mind and in accordance with the provisions of the Act and Regulation 21 of the Listing Regulations your Company has constituted a Risk Management Committee which has been entrusted with the responsibility to assist the Board in (a) approving the Company's Risk Management Framework and (b) Overseeing all the risks that the organization faces such as strategic, financial, liquidity, security, regulatory, legal, and other risks that have been identified and assessed to ensure that there is a sound Risk Management Policy in place to address such concerns/risks. The Risk Management process covers risk identification, assessment, analysis and mitigation. The Audit Committee has additional oversight in the area of financial risks and controls.

The Company has adopted a Risk Management Policy in accordance with the provisions of the Act and Regulation 21 of the Listing Regulations.

DIRECTORS

As on March 31, 2024, your Company's Board comprised of 10 Directors with considerable experience in their respective fields. Of these, 4 are Executive Directors and 6 Non-Executive (Independent) Directors. The Chairman of the Board is an Executive Director.

APPOINTMENT & CESSATION OF DIRECTORS

In accordance with the provisions of Section 152 of the Act and the Company's Articles of Association, Mr. Amirali Rayani (DIN:00002616), Director retires by rotation and, being eligible offers himself for re-appointment. The Board recommends his re-appointment for the consideration of the Members of the Company at the forthcoming Annual General Meeting.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on May 27, 2024, considered and recommended to the shareholders the appointment of Ms. Almas Nanda (DIN: 05329210), as an Independent Director of the Company, at its forthcoming Annual General Meeting, to hold office for a term of 5 (Five) consecutive years commencing from February 13, 2025. Ms. Almas Nanda, based on the requisite

declarations and disclosures submitted to the Board and the NRC Committee of the Company, meets the criteria of directorship and Independence as prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Ms. Almas Nanda is not debarred from holding the office of Director by virtue of any order passed by SEBI or any other authority.

Mr. Madan Mohan Jain and Mr. Mukesh Mehta, Independent Directors of the Company ceased to be the Directors of the Company upon completion of their final term on March 31, 2024.

The company places on record their deep appreciation for the contributions made by them during their association with the Company.

Members at the 41st Annual General Meeting of the Company held on August 29, 2023 had approved the appointment of Mr. Arif Rayani as the Whole-time Director of the Company for a period five (5) consecutive years and Mr. Ashok Mukhi and Mr. Arvind Shah as Independent Directors of the Company, to hold office for a term of five (5) consecutive years, upto July 31, 2028.

Mr. Amin Rayani, Managing Director and CEO, resigned from the directorship of the Company, consequently, Mr. Samir Rayani was re-designated as the Managing Director and CEO of the Company effective October 01, 2023.

Brief profile of the directors seeking appointment/re-appointment have been given in the Notice convening this Annual General Meeting.

The Company has received disclosures from all the Directors of the Company as mandated under Section 164(2) and Section 184(1) of the Companies Act, 2013. Additionally, the Independent Directors of the Company have submitted declarations confirming that they meet with the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations.

The Board of Directors, based on the declaration(s) received from the Independent Directors, have verified the veracity of such disclosures and confirm that the Independent Directors fulfil the conditions of independence specified in the Listing Regulations and the Act and are independent of the Management of the Company.

The Board is of the opinion that the Independent Directors of the Company hold highest standards of integrity and possess requisite qualifications, experience and expertise in the fields of science and technology, human resources, strategy, auditing, corporate governance, etc.

The Independent Directors of the Company have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

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

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company.

Details of Familiarisation Programme for the Independent Directors are provided separately in the Corporate Governance Report.

APPOINTMENTS/RESIGNATIONS OF THE KEY MANAGERIAL PERSONNEL

Mr. Amin Rayani, Managing Director and CEO, resigned from the directorship of the Company, consequently, Mr. Samir Rayani was re-designated as the Managing Director and CEO of the Company effective October 01, 2023.

Members at the 41st Annual General Meeting of the Company held on August 29, 2023 had approved the appointment of Mr. Arif Rayani as the Whole-time Director of the Company.

No other Key Managerial Personnel of the Company has resigned or has been appointed during the Financial Year 2023-24.

BOARD AND COMMITTEE MEETINGS

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

The Audit Committee of the Company as constituted by the Board was headed by Mr. Madan Mohan Jain with Mr. Samir Rayani and Mr. Mukesh Mehta as Members.

Mr. Madan Mohan Jain and Mr. Mukesh Mehta, ceased to be the Directors of the Company upon completion of their final term on March 31, 2024, as a result the Company appointed Mr. Ashok Mukhi as Chairman of the committee and Mr. Kumar Raju Nandimandalam was inducted as a member of the committee w.e.f. April 01, 2024.

There have not been any instances during the year when recommendations of the Audit Committee were not accepted by the Board.

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

PROCEDURE FOR NOMINATION AND APPOINTMENT OF DIRECTOR:

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

The Nomination and Remuneration Committee conducts a gap analysis to refresh the Board on a periodic basis, including each time a Director's appointment or re-appointment is required.

The Committee is also responsible for reviewing and vetting the resume of potential candidates vis-à-vis the required competencies and meeting potential candidates, prior to making recommendations of their nomination to the Board. At the time of appointment, specific requirements for the position, including expert knowledge expected, is communicated to the appointee.

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

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

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

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

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

GOVERNANCE GUIDELINES

The Company has adopted Governance Guidelines on Board Effectiveness. The Governance Guidelines encompasses aspects relating to composition and role of the Board, Chairman and Directors, Board Diversity, Definition of Independence, Term of Directors, and Committees of the Board. It also covers aspects relating to Nomination, Appointment, Induction and Development of Directors, Director's Remuneration, Subsidiary oversight, Code of Conduct, Board Effectiveness Review and Mandates of Board Committees.

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

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, the Board has carried out 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 Board's functioning was evaluated on various aspects, including inter alia structure of the Board, qualifications, experience and competency of Directors, diversity in Board and process of appointment; Meetings of the Board, including regularity and frequency, agenda, discussion and dissemination of information; functions of the Board, including strategy and performance evaluation, corporate culture and values, governance and compliance, evaluation of risks, grievance redressal for investors, stakeholder value and responsibility, conflict of interest, review of Board evaluation and facilitating Independent Directors to perform their role effectively; evaluation of management's performance and feedback, independence of management from the Board, access of Board and management to each other, succession plan and professional development; degree of fulfillment of key responsibilities, establishment and delineation of responsibilities to Committees, effectiveness of Board processes, functioning and quality of relationship between the Board and management.

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

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

REMUNERATION POLICY

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

The philosophy for remuneration of Directors, Key Managerial Personnel of the Company is based on the commitment of

fostering a culture of leadership with trust. The Remuneration Policy of the Company is aligned to this philosophy.

The remuneration policy can be accessed at: <http://panamapetro.com/wp-content/uploads/2015/12/Nomination-and-Remuneration-policy.pdf>

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 to perform in a manner 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 financial year 2023-2024. The GDRs of the Company are listed on Luxembourg Stock Exchange.

CORPORATE GOVERNANCE

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

PUBLIC DEPOSITS

During the year under review, 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.

The Audit Committee has satisfied itself on the adequacy and effectiveness of the internal financial control systems laid down by the management. The Statutory Auditors have confirmed the adequacy of the internal financial control systems over financial reporting.

CORPORATE SOCIAL RESPONSIBILITY

As an integral part of our commitment to good corporate citizenship, your Company strongly believes in adopting steps to improve the quality of life of the people in the communities around us.

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 towards achieving long-term stakeholder value creation.

As the 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.

The Company has adopted a Corporate Social Responsibility (CSR) Policy in compliance with the provisions of the Companies Act, 2013. As part of its CSR initiatives, the Company has undertaken projects in the areas of promoting health care and education.

The above projects are in accordance with Schedule VII of the Act. The Company has spent ₹ 4.30 Crore towards the CSR projects during the current Financial Year 2023-24.

A brief outline of the CSR policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in Annexure B of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which is a part of this report.

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 made there under. With the objective of ensuring a safe working environment, where employees feel secure, the said Policy aims to provide protection to all its employees at the workplace and redress complaints of sexual harassment and for matters connected or incidental thereto. The Company has also constituted an Internal Complaints Committee, to deal with the complaints of sexual harassment and recommend appropriate action there upon.

The Company has not received any complaint of sexual harassment during the financial year 2023-24.

TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

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

The amount of unpaid/unclaimed dividend up to the financial year 2015-2016 has been transferred to IEPF. Members who have not yet encashed their dividend warrant(s) for the financial year ended March 31, 2017 and for any subsequent financial years, are requested to make their claims to the Company without any delay, to avoid transfer of their dividend/shares to the Fund/IEPF Demat Account.

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

Members/claimants whose shares, unclaimed dividend, have been transferred to the IEPF Demat Account or the Fund, as the case may be, may claim the shares or apply for refund by making an application to the IEPF Authority in Form IEPF- 5 (available on iepf.gov.in) along with requisite fee as decided by the IEPF Authority from time to time.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

AUDITORS

• STATUTORY AUDITORS

Pursuant to Sections 139 & 142 of the Companies Act, 2013, and the Rules made thereunder, JMR & Associates LLP, Chartered Accountants, (Registration No.106912W/W100300) Mumbai, was appointed as Statutory Auditors of the Company to hold office for a period of 5 (Five) consecutive years from the conclusion of the Annual General Meeting (AGM) held in 2020 until the conclusion of the Annual General Meeting to be held in the year 2025.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

The Auditors' Report for the financial year ended March 31, 2024 on the financial statements of the Company is a part of this Annual Report.

• **COST AUDITORS**

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

Based on the Audit Committee recommendation at its meeting held on May 27, 2024, GMVP & Associates LLP (LLPIN:- AAG-7360) has been appointed by the Board as the Cost Auditors of the Company for conducting an audit of the cost accounting records of the Company for the financial year commencing from April 01, 2024 to March 31, 2025.

A Certificate from GMVP & Associates LLP, has been received, confirming that they are free from the disqualifications, as specified in the provisions of Section 141 of the Act and Rules framed thereunder.

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

• **SECRETARIAL AUDITOR**

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

The Auditors' Report and the Secretarial Audit Report for the financial year ended March 31, 2024 do not contain any qualification, reservation, adverse remark or disclaimer.

SECRETARIAL STANDARDS OF ICSI

The Company complies with all applicable secretarial standards issued by the Institute of Company Secretaries of India.

REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditor have not reported to the Audit Committee, any instances of frauds committed in the Company, by any of its Officers or Employees, under Section 143(12) of the Companies Act, 2013.

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 consistently 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 by introducing technically improved blending system resulting in reduction of process time.

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

Aligned with the Company's dedication to energy conservation, all plants continue to focus on enhancing energy efficiency through innovative measures, minimizing wastage, and optimizing consumption. Below are some initiatives undertaken by the Company in this regard:

1. The Company has enhanced its conventional mixing technology, leading to significant energy savings.
2. Automation upgrades in the Company's processes have resulted in considerable energy conservation in comparison to previous practices.
3. Installation of solar power systems has contributed significantly to reducing overall energy consumption.
4. Various measures have been implemented at the Company's plants to optimize energy usage.
5. Deployment of energy-efficient motors and solar installations aims to maximize power utilization while reducing environmental impact.

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

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

(iii) Capital Investment on Energy Conservation Equipment:

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

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

B. Technology Absorption:

(i) Efforts made towards Technology Absorption:

Technology serves as a pivotal enabler and core facilitator, representing one of the strategic pillars of the Company. From the outset, your Company has remained at the forefront of harnessing technology to enhance the quality of the products and services offered to our customers.

Our Ankleshwar Plant hosts a state-of-the-art R&D Centre, playing a pivotal role in numerous breakthroughs in product development. This facility boasts modern testing and analytical equipment and is staffed by a team of highly qualified technocrats. Consequently, our in-house R&D unit has earned recognition from the Ministry of Science & Technology and the Department of Scientific and Industrial Research (DSIR). Our robust R&D capabilities, has empowered us to develop new products of superior quality and also assist in research for import substitution, energy conservation and control of pollution.

Furthermore, our commitment to R&D extends towards endeavors such as research for import substitution, energy conservation, and pollution control. Our technical center has successfully engineered a range of innovative products adhering to international quality standards, designed to minimize environmental impact. Notably, our de-aromatized low and high viscosity oils, compliant with European norms regarding PAH & PCA content, have been recognized both in domestic and international markets, finding utility in large rubber, ink, and textile industries. These products have not only reduced our reliance on imports but have also minimized environmental footprint.

In our pursuit of sustainable agriculture, we are in the process of developing eco-friendly pesticides with minimal residual impact, tailored for organic farming practices. To further advance our research in this domain, we plan to collaborate with renowned agricultural universities.

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

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

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

(a) the details of technology imported: The Company has not imported any technology during the last three financial years.

(b) the year of import: Not Applicable

(c) whether the technology has been fully absorbed: Not Applicable

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable

Expenditure on research & development

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

Particulars	(₹ in Cr.)
Capital	NIL
Revenue	NIL
Total R&D Expenditure	NIL
Total Turnover	1,724.92
Total R&D Expenditure as a Percentage of total turnover	NIL

C. Foreign exchange earnings and outgo:

i. **Export Activities:** During the year under review the Company has made Import/Export as given in (ii) below.

ii. **Foreign Exchange Earnings and Outgo:**

	(₹ in Cr.)
Total Foreign Exchange Inflow	655.57
Total Foreign Exchange Outflow	1,269.93

PARTICULARS OF EMPLOYEES

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

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2024 is available on the Company's website at <http://panamapetro.com/annual-return/>

AUDITORS' REPORT

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

MANAGEMENT DISCUSSION & ANALYSIS REPORT, BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT AND CORPORATE GOVERNANCE REPORT

The Management Discussion and Analysis Report, the Business Responsibility & Sustainability Report and the Report on Corporate Governance, as required under the Listing Regulations, forms part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance

with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (iv) they have prepared the annual accounts on a going concern basis;
- (v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

ACKNOWLEDGEMENT

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

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

Amirali E. Rayani
Chairman
DIN:00002616

Date: May 27, 2024
Place: Mumbai

ANNEXURE A TO THE DIRECTORS' REPORT

FORM AOC.1

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

Part "A": Subsidiaries

		(₹ in Cr.)
Sr. No.	Particulars	1
1	Name of subsidiary	Panol Industries RMC FZE, UAE
2	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period.	No
3	Reporting currency and exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	AED
4	Share Capital	51.86
5	Reserves & Surplus	247.25
6	Total Assets	330.64
7	Total liabilities	330.64
8	Investments	NIL
9	Turnover	631.82
10	Profit before taxation	63.90
11	Provision for taxation	NIL
12	Profit after taxation	63.90
13	Proposed Dividend	NIL
14	% of shareholding	100%

Part B of the Annexure is not applicable as there are no associate companies / joint ventures of the Company as on March 31, 2024.

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

Date: May 27, 2024
Place: Mumbai

Amirali E. Rayani
Chairman
DIN:00002616

ANNEXURE B TO THE DIRECTORS' REPORT

Annual Report on CSR Activities

1. A brief outline on Corporate Social Responsibility (CSR) Policy of the Company:

The focus areas of the CSR Policy of the Company are as follows:

The CSR Policy of the Company encompasses its 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. By applying its resources towards communities that need it the most, the Company ensures equitable access. The Company's CSR strategy incorporates an inclusive approach into the design of every program.

2. Composition of CSR Committee as on March 31, 2024:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	*Mr. Mukesh Mehta (Chairman)	Independent Non-Executive Director	2	2
2	**Ms. Nargis Kabani	Independent Non-Executive Director	2	2
3	***Mr. Amin Rayani	Managing Director & CEO	2	1
4.	****Mr. Arif Rayani	Whole-Time Director	2	1

* Mr. Mukesh Mehta ceased to be the Chairman and Member of the CSR Committee upon completion of his tenure on March 31, 2024, as an Independent Director of the Company.

**Ms. Nargis Kabani was appointed as the Chairperson of the committee w.e.f April 01, 2024. Mr. Arvind Shah was inducted as a member of the Committee w.e.f. April 01, 2024

***Mr. Amin Rayani resigned from the Directorship of the Company, and ceased to be a member of the committee w.e.f. October 01, 2023 and attended all the CSR Committee Meetings held during his tenure.

****Mr. Arif Rayani who was appointed as the member of the committee effective October 01, 2023, attended all the CSR Committee Meetings held during his tenure.

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:

- Composition of CSR committee: <http://panamapetro.com/wp-content/uploads/2024/04/Board-and-its-Committees-1.pdf>
- CSR Policy: http://panamapetro.com/wp-content/uploads/2021/06/CSR_Policy_amended.pdf
- CSR projects approved by the board: <http://panamapetro.com/wp-content/uploads/2024/06/CSR-Projects.pdf>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: **Not applicable**

5. (a) Average net profit of the Company as per Section 135(5): **₹ 212.25 Crore**
- (b) Two percent of average net profit of the Company as per section 135(5): **₹ 4.25 Crore**
- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **NIL**
- (d) Amount required to be set off for the financial year, if any: **NIL**
- (e) Total CSR obligation for the financial year (b+c-d): **₹ 4.25 Crore**
6. (a) Amount Spent on CSR Projects (other than Ongoing Project): **₹ 4.30 Cr.**
- (b) Amount spent in Administrative Overheads: **NIL**
- (c) Amount spent on Impact Assessment, if applicable: **Not Applicable**
- (d) Total amount spent for the Financial Year (a+b+c): **₹ 4.30 Crore**

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (₹ Cr.)	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
4.30 Crore	NIL	-	-	NIL	-

(f) Details of CSR Amount Spent against Ongoing Projects for the financial year: **Nil**

(g) Excess amount for set off, if any: **₹ 0.05 Crore**

Sr. No.	Particulars	Amount (₹ in Cr.)
(i)	Two percent of average net profit of the Company as per Section 135(5)	4.25
(ii)	Total amount spent for the Financial Year	4.30
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.05
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.05

7. Details of Unspent CSR amount for the preceding three financial years: **Not Applicable**

8. No capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year 2023-2024.

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5) : **Not Applicable**

Date: May 27, 2024

Place: Mumbai

Samir A. Rayani

Managing Director & CEO

DIN: 00002674

Mukesh Mehta

Chairman - CSR Committee

DIN: 00002702

Annexure B-1 to CSR Report (point 6 (a) of the CSR Report) (₹ in Crore)

(1) Sr. No	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local Area Yes/ No	(5) Location of the Project		(6) Amount spent for the project (₹ in Cr.)	(7) Mode of implementation -Direct (Yes/No)	(8) Mode of implementation - Through implementing agency	
				State	District			CSR	
								Name	Registration No.
1	Education	Clause (ii), Promoting Education	YES	Maharashtra	Mumbai	0.3	INDIRECT	Vidya Prasarak Mandal	CSR00004805
2	Education	Clause (ii), Promoting Education	YES	Maharashtra	Mumbai	0.2	INDIRECT	Vidya Prasarak Mandal	CSR00004805
3	Education	Clause (ii), Promoting Education	YES	Maharashtra	Mumbai	0.2	INDIRECT	Vidya Prasarak Mandal	CSR00004805
4	Education	Clause (ii), Promoting Education	YES	Maharashtra	Mumbai	0.3	INDIRECT	Vidya Prasarak Mandal	CSR00004805
5	Education	Clause (ii), Promoting Education	YES	Maharashtra	Mumbai	0.2	INDIRECT	Vidya Prasarak Mandal	CSR00004805
6	Education	Clause (ii), Promoting Education	YES	Maharashtra	Mumbai	0.15	INDIRECT	Vidya Prasarak Mandal	CSR00004805
7	Education	Clause (ii), Promoting Education	YES	Maharashtra	Mumbai	0.15	INDIRECT	Vidya Prasarak Mandal	CSR00004805
8	Education	Clause (ii), Promoting Education	YES	PAN-India	PAN-India	0.15	INDIRECT	Aga Khan Education Service India	CSR00026675
9	Education	Clause (ii), Promoting Education	YES	PAN-India	PAN-India	0.0125	INDIRECT	Aga Khan Education Service India	CSR00026675
10	Education	Clause (ii), Promoting Education	YES	PAN-India	PAN-India	0.069	INDIRECT	Aga Khan Education Service India	CSR00026675
11	Education	Clause (ii), Promoting Education	YES	PAN-India	PAN-India	0.4	INDIRECT	Aga Khan Education Service India	CSR00026675
12	Education	Clause (ii), Promoting Education	YES	PAN-India	PAN-India	0.005	INDIRECT	Aga Khan Education Service India	CSR00026675
13	Education	Clause (ii), Promoting Education	YES	PAN-India	PAN-India	0.005	INDIRECT	Aga Khan Education Service India	CSR00026675
14	Education	Clause (ii), Promoting Education	YES	PAN-India	PAN-India	0.5	INDIRECT	Aga Khan Education Service India	CSR00026675
15	Education	Clause (ii), Promoting Education	YES	Maharashtra	Mumbai	0.15	DIRECT	-	-
16	Education	Clause (ii), Promoting Education	YES	Maharashtra	Mumbai	0.0025	DIRECT	-	-
17	Education	Clause (ii), Promoting Education	YES	PAN-India	PAN-India	0.25	INDIRECT	Dnight Wings Young Foundation	CSR00012628
18	Education	Clause (ii), Promoting Education	YES	PAN-India	PAN-India	0.25	INDIRECT	Dnight Wings Young Foundation	CSR00012628
19	Education	Clause (ii), Promoting Education	YES	Maharashtra	Ahmednagar	1.0	INDIRECT	Karmaveer Shankarrao Kale Education Society	CSR00025996
20	Education	Clause (ii), Promoting Education	YES	Maharashtra	Mumbai	0.005	DIRECT	-	-
Total						4.30			

ANNEXURE C TO THE DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED March 31, 2024.

[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 March 31, 2024 ('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 March 31, 2024 ('Audit Period'), according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018: **Not applicable to the Company for the audit period;**
- d. The Securities and Exchange Board of India (Share Based Employee Benefits And Sweat Equity) Regulations, 2021: **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; **Not applicable to the Company for the audit period.**
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021: **Not applicable to the Company for the audit period;**
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018: **Not applicable to the Company for the audit period.**
- vi. Other laws specifically applicable to the Company namely:
 - The Petroleum Act, 1934
 - Lubricating Oils & Greases (Processing, Supply, & distribution Regulation) Orders, 1987
 - Drugs & Cosmetics Act, 1940
 - Water (Prevention and Control of Pollution) Act, 1974
 - Air (Prevention and Control of Pollution) Act, 1981
 - Industries (Development & Regulations) Act, 1951
 - Hazardous Waste (Management, Handling & Trans-boundary Movement) Rule-2008

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

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

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

I further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

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

Date: May 27, 2024
Place: Mumbai

Decisions at the Board Meetings were taken unanimously.

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

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

CS. MILIND NIRKHE

FCS No: 4156

C P No.: 2312

Firm Unique Code No.: S1992MH790200

Peer Review Certificate No.: 1141/2021

UDIN NO: F004156F000452681

'Annexure A'

To,
The Members,
PANAMA PETROCHEM LIMITED

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

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

FCS No: 4156

C P No.: 2312

Firm Unique Code No.: S1992MH790200

Peer Review Certificate No.: 1141/2021

UDIN NO: F004156F000452681

Date: May 27, 2024

Place: Mumbai

ANNEXURE D TO THE DIRECTORS' REPORT

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

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

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

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

The ratio of remuneration of each Director to the Median Remuneration of all employees who were on the payroll of the Company and the percentage increase/decrease in remuneration of the Directors during the financial year 2023-24 are given below:

Directors	Ratio to Median	Percentage Increase/Decrease in Remuneration
Mr. Amirali Rayani	10.69	-87.41%
Mr. Arif Rayani	7.72	116.67%
Mr. Hussein Rayani	9.80	-88.34%

Managing Directors & CEO	Ratio to Median	Percentage Increase/Decrease in Remuneration
Mr. Samir Rayani (Re-designated as Managing Director & CEO of the Company w.e.f. October 01, 2023)	9.98	-88.13%
Mr. Amin Rayani (Resigned from the Directorship of the Company effective October 01, 2023)	6.86	-91.87%

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

3. The percentage increase in the median remuneration of employees in the financial year: 10%
4. The number of permanent employees on the rolls of Company: 164
5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: Average percentage increase made in the salaries of Employees other than the managerial personnel in the financial year 2023-24 was 10%.
6. Affirmation that the remuneration is as per the Remuneration Policy of the Company: It is affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and Senior Management, adopted by the Company.

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

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

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

- Mr. Pramod Maheshwari (47), Chief Financial Officer, ₹ 0.567 Crore, B.Com., CA, (24), 19.04.2010, Unimark Remedies Limited- General Manager.
- Ms. Gayatri Sharma (39), Company Secretary & Compliance Officer ₹ 0.422 Crore, B.Com, CS, L.L.B. (16), 08.12.2010, Pinkcity Buildhome Pvt. Ltd. - Company Secretary.
- Mr. Amirali Rayani (80), Chairman, ₹ 0.36 Crore, SSC. (52), 09.03.1982, None.
- Mr. Samir Rayani (49), Managing Director & CEO, ₹ 0.336 Crore, B.E-Chemical. (27) 01.12.2000, None.
- Mr. Hussein Rayani (46), Joint Managing Director, ₹ 0.33 Crore, Masters Degree in Chemical Engineering (25), 01.04.2004, None
- Mr. Pradip kumar Nikam (62), President-Technical, ₹ 0.309 Crore, BE Electrical, (40), 20.01.1982, Kankariya Chemicals.
- Mr. P.K Johari (67), General Manger-Sales, ₹ 0.30 Crore, MSC (45), 01.04.2016, GP Petroleum Ltd.-Senior Vice President-RPO.

8. Mr. Mayur Jagdish Parikh (45) Regional Sales Manager ₹ 0.27 Crore, B.SC.(chemistry), DBM (23.5), 01.08.2013, GP Petroleum Ltd. - Senior Marketing Manager.
 9. Mr. Arif Rayani (53), Whole-Time Director (Executive), ₹ 0.26 Crore, Marticulate (26), *01.08.2023, None
 10. Mr. Amin Rayani (52), Corporate Planning-Executive, ₹ 0.23 Crore, B.Com.(28), 01.12.2000, None
- Notes:**
- *The remuneration of Mr. Arif Rayani includes 0.04 Crore which he was receiving in his previous role within the organization prior to assuming the office of director.
1. The nature of employment is contractual for all the above employees.
 2. None of the employees of the Company are directly related to any Directors of the Company except Mr. Amirali Rayani - Chairman of the Company, Mr. Arif Rayani Executive Director and Mr. Amin Rayani- Corporate Planning-Executive.
 3. Name of the employees employed throughout the year were in receipt of remuneration of not less than ₹ 1 Crore and 2 Lakh for the year: Nil
 4. Name of the employees employed for the part of the year were in receipt of remuneration of not less than ₹ 8.50 Lakh per month: Nil
 5. The percentage of equity shares held by the employee in the Company within the meaning of Clause (iii) of sub rule (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 - Not Applicable

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

Amirali E. Rayani
Chairman
DIN:00002616

Date: May 27, 2024
Place: Mumbai

Management Discussion and Analysis Report

The management of Panama Petrochem Ltd. presents the analysis of the Company for the year ended March 31, 2024 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") Report of Panama Petrochem Ltd. for the year ended March 31, 2024 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 March 31, 2024.

GLOBAL ECONOMY

The global economy is expected to sustain its resilience in 2024. The IMF forecasts a global growth of 3.1% in 2024, with a slight uptick to 3.2% in 2025. Asia is expected to again contribute significantly to global growth in 2024, echoing its impact in 2023.

Global headline inflation is expected to decrease to 5.8% in 2024 and 4.4% in 2025. The global economic outlook for 2024 will be impacted by higher interest rates, carrying the risk of a resurgence in inflation and shifts in the anticipated monetary stance. Furthermore, the ongoing Russia-Ukraine conflict has the potential to dampen the overall economic outlook of the EU.

The escalation of geopolitical conflict in the Middle East and the Red Sea route could elevate logistics costs, energy and commodity prices, raise the risks of supply disruptions, and pose downside risks to the global economy. However, with faster disinflation and steady growth, the possibility of a severe economic downturn has decreased. Positive factors, such as stronger-than-expected economic performance of the US and several large emerging market and developing economies, economic stimulus measures in China, and the resilience of Europe, are poised to bolster the outlook of the global economy. On the policy front, central banks focus will be on managing the decline of inflation and carrying out calibrated fiscal consolidation to support durable medium-term growth.

INDIAN ECONOMY

Amid the volatile global economic environment, India emerges as a symbol of optimism, maintaining its position as the world's fifth-largest economy and expected to continue leading as the fastest-growing major economy. As per the Second Advance Estimates of National Income, 2023-24, India's GDP growth remained strong at 7.6% in FY 2024 as against 7% in FY 2023, supported by buoyant domestic demand, moderate inflation, a stable interest rate environment, and strong foreign exchange reserves. Additionally, a double-digit growth rate of 10.7% in the construction sector and an 8.5% growth rate in the Manufacturing sector have contributed to the GDP growth in FY 2024. The Index of Industrial Production (IIP) shows that the output of India's industry grew by 6.1% in the first three quarters of FY 2024 compared to 5.5% in the corresponding period of last year.

According to the IMF, the Indian economy is anticipated to progress steadily at 6.7% in FY 2024 and 6.5% in FY 2025. However, the RBI's forecast is more optimistic, projecting a higher GDP growth of 7.6% for FY 2024 and 7.0% for FY 2025. India's economic outlook remains positive, supported by stronger consumer demand, increased capital expenditure, and enhancements in both physical and digital infrastructure. Private and government investments are expected to be the primary drivers of economic growth in 2024, backed by improving prospects of rural consumption due to the easing of inflation, increased spending in an election year, and proactive government policy measures. The Interim Budget 2024-25 reflects the Government's continued focus on infrastructure development, economic stability, sector-specific developments, environmental sustainability and strategic global positioning.

INDUSTRY OVERVIEW

The petrochemical industry is a dynamic and essential part of the global economy, characterized by significant technological advancements and facing both opportunities and challenges. With a focus on sustainability and innovation, the industry is poised to continue playing a critical role in supporting diverse economic sectors and addressing global needs.

Today, petrochemicals play a vital role in numerous sectors including manufacturing, agriculture, and healthcare, among others. In India, they are pivotal in driving the nation's economic growth towards becoming a superpower. The sector's growth trajectory is expected to remain upward due to evolving consumer preferences, ongoing innovations, and increasing consumer demand.

India's chemical and petrochemical industry is forecasted to reach approximately USD 300 billion by 2025. The Ministry of Petroleum estimates that demand for petrochemicals will triple by 2040, reaching USD 1 trillion.

Factors such as population growth, technological advancements, and rising awareness are driving the demand for petrochemical products, especially in developing nations like India.

India's petroleum sector is poised to be a key economic driver, with both public and private oil companies increasing investments in refineries to meet the rising demands and reduce import dependency.

The availability of resources and a favorable geopolitical environment in India are attracting investments from global oil companies into the petroleum sector.

The government's focus on research and development in the petrochemical industry, along with initiatives like expanding gas pipelines and refining capacity, is driving growth. Tax concessions on petrochemical products further stimulate the industry's expansion, particularly in polymers, synthetic fibers, and plastics.

BUSINESS OVERVIEW

Established in 1982, Panama Petrochem Ltd. is one of the leading manufacturers & exporters of nearly 80 variants of petroleum specialty products.

The products are vital for various industries like inks and resins, textiles, rubber, pharmaceuticals, cosmetics and other industrial purposes. With an object to continue its expansion, the Company has established a subsidiary in UAE i.e. **Panol Industries RMC FZE**, in order to cater the markets of Middle East and African Continent. Your Company exports to more than 75 countries with overseas revenue contribution of around 38% of the total turnover of the company in F.Y. 2023-24.

Given the pace at which the investments are happening in this sector and how the government is shaping its policies to give a push to petrochemical products, it comes as no surprise that India's petrochemical sector provides lucrative opportunities to investors, and there is huge potential that still needs to be tapped, Panama Petrochem Limited is working towards creating a difference in India's petrochemical industry by continuously creating products that are safe and drive the nation to become self-reliant.

MANUFACTURING FACILITIES

The Company has 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 75 countries globally. Additionally, the Company has been certified as a Star Export House with a fully equipped state-of-the-art Research and Development Centre at its Ankleshwar unit where it formulates new and value-added products. The Company manufactures nearly 80 product variants used across 6-7 broad industry segments and is accredited as ISO 9001:2015; ISO 14001:2015; ISO 45001:2018 certification by Benchmark.

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

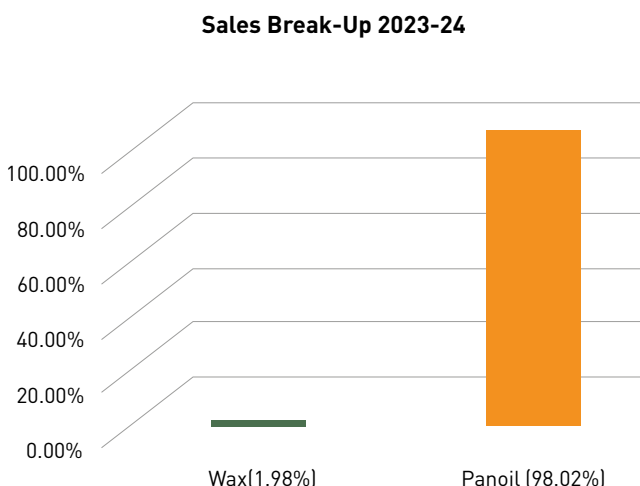
With the vision to fuel growth and meet the rising needs of our clients, the Company has made a significant expansion by acquiring approximately 4.5 acre (approx. 18,000 sq. meters) land in Thane, Maharashtra, to boost its manufacturing capacity and effectively address the growing demands of the market.

Moreover, the Wholly-Owned Subsidiary of the Company namely, Panol Industries RMC FZE incorporated in UAE has also initiated an expansion project by securing an additional property located at RAK Maritime City Free Zone, thereby enhancing its operational capacities and positioning itself to provide even greater service and achieve newer heights.

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 business not only

from existing clients, but has also added new clients through business referral.

PRODUCT WISE SALES BREAK-UP FOR THE FINANCIAL YEAR 2023-24



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

FUTURE OUTLOOK

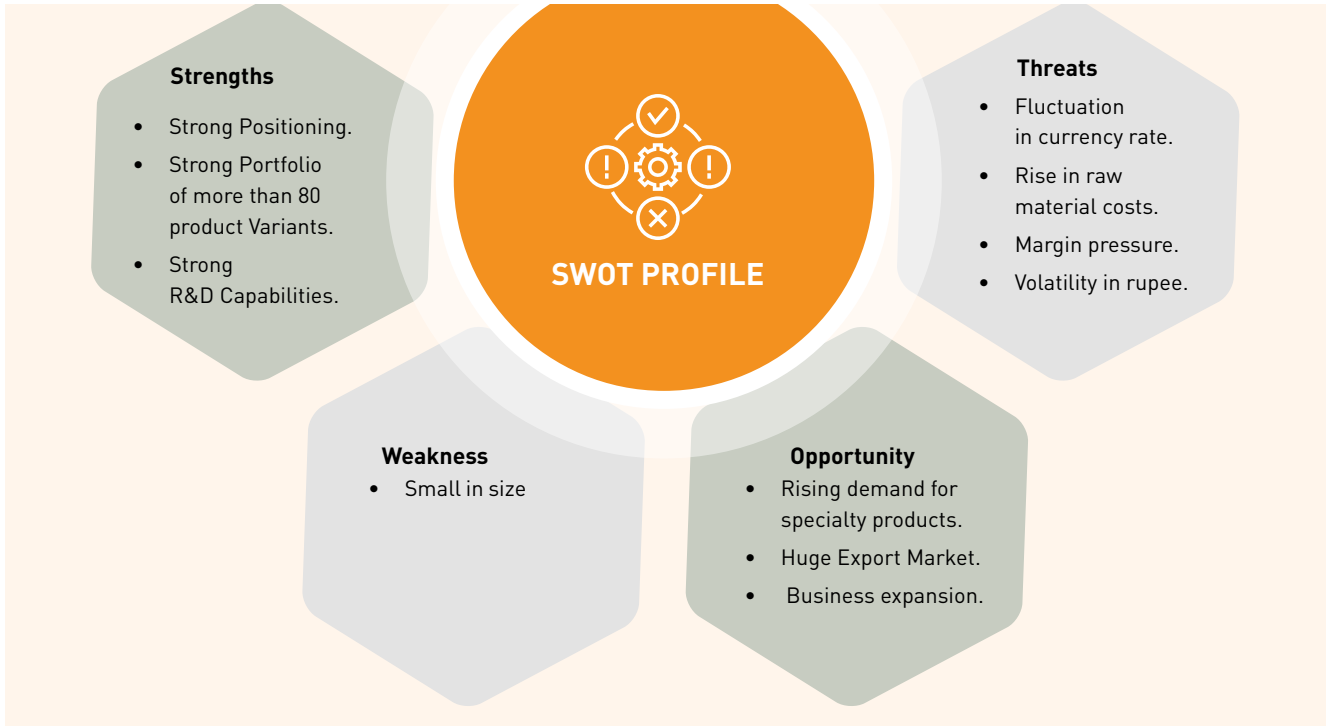
The launch of Make in India initiative by the government and investments in smart cities are strengthening the industrial sector which is driving the demand for petroleum specialty products. The government is concentrating on infrastructure, mining, and road development which will witness recovery with increased demand for our products. As a result, 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.

Increased automobile production, Investments in distribution and branding, demand for advanced lubricants and manufacturers' focus on expanding production capacities are expected to further drive the growth of India's industrial lubricant market.

Panama Petrochem Limited being a provider of various petroleum specialty products across multiple industries is well-positioned to capitalize on growth.

Furthermore, the Company is actively expanding its manufacturing facilities and operations to cater to the growing demands globally and withstand against the negative market forces. Simultaneously, it remains optimistic about mitigating the impacts of price fluctuations in the petroleum industry.

In the management's view the Company will continue to strengthen its financial position and is poised for a promising business growth, with a bright outlook for the coming year. The robust GDP growth, coupled with Panama Petrochem Limited's diverse product offerings and focus on innovation, creates a highly favorable environment for the Company to thrive and succeed in the market.



OPPORTUNITIES

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

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



THREATS

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

RISKS AND CONCERNS

Strategic and Commercial Risks

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

Environmental Risks	<p>All phases of the oil business present environmental risks and hazards. As a result, they are subject to environmental regulation pursuant to a complex blend of federal, provincial, and municipal laws and regulations. The Company is in compliance with current applicable environmental rules and regulations.</p>
Financial Risks	<p>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.</p>
Operational Risks	<p>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.</p>
Cyber Security Risks	<p>The use of information and telecommunication technologies is increasing, resulting in greater security threats to its digital infrastructure. A breach of the digital security or disruptions to the digital infrastructure of the Company, 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.</p>
Safety Risks	<p>Safety is an ever-evolving journey. The Company's manufacturing facilities have adopted Safety Management System. Regular audits are conducted to assess the on-ground implementation of various processes prescribed by Safety Management System. Critical safety incidents are studied by the senior leadership.</p>
Regulatory Risk	<p>The Company operates in a highly regulated industry and is subject to laws and regulations any violations of applicable laws, regulations, and procedures would adversely affect the Company's business, reputation, and market share. The Company closely monitors the regulatory requirements and their implications on the business operations. It strictly adheres to the regulations and implements controls and procedures to ensure that it complies with the applicable laws and regulations.</p>
Competition Risk	<p>The petrochemical industry is highly competitive. The Company's comprehensive portfolio coupled with its extensive global presence, scale capacity, and longstanding client relationships differentiate it from competitors and empower it to successfully compete in the industry.</p>
Human Resource Risk	<p>The Company's success largely depends on the strength of its skilled professionals and management team. Shortage of skilled workforce, high attrition rates, underutilization of personnel, or lack of the right skills may disrupt the Company's operations, productivity, and growth prospects. The Company undertakes numerous initiatives to attract and retain its talented workforce and improve employee engagement. The Company ensures the availability of the right skills in the right quantity through capability development and capacity augmentation activities.</p>

PERFORMANCE

- Earnings before Interest, Depreciation, and Tax & Amortization (EBIDTA) on a standalone basis for F.Y. 2023-24 was ₹ 200.22 Crore, which has resulted in a decrease of 22.50% in comparison with the previous year's EBIDTA.
- The Net profit after tax for F.Y.2023-24 was ₹ 131.25 Cr., as against ₹ 180.57 Cr. in the previous year, resulting in 27.31 % decrease.
- The Company's standalone revenue from operations for F.Y. 2023-24 was ₹ 1,724.92 Crore which is an increase of 0.98% over the previous year's revenue.
- The consolidated revenue from operations of the Company for the year ended March 31, 2024 was ₹ 2356.74 Crore which has increased by 4.80% on a Year on Year basis.
- Net Profit of the Company on a consolidated basis was ₹ 195.15 Crore which has decreased by 16.23% as that of the previous year.
- EPS on standalone basis is ₹ 21.70 as against ₹ 29.85 in the previous year.
- EPS on consolidated basis is ₹ 32.26 from ₹ 38.51.

KEY FINANCIAL RATIOS

Ratio Analysis	Units	Standalone		Consolidated	
		F.Y 2024	F.Y 2023	F.Y 2024	F.Y 2023
Trade Receivable/Debtors Turnover Ratio	Times	4.99	5.91	6.25	6.75
Inventory Turnover Ratio	Times	5.41	4.78	5.78	5.52
Current Ratio	Times	3.15	3.00	3.81	3.56
Debt Equity Ratio	Times	0.03	0	0.02	0
Operating Profit Margin	%	11.54	14.77	11.33	13.61
Net Profit Margin	%	7.61	10.60	8.28	10.36
Return on Networth	%	22.63	25.49	23.46	27.08
Debt Service/Interest Coverage Ratio	Times	11.97	25.58	14.95	27.27
Return On Equity Ratio	%	22.63	25.49	18.99	27.08
Trade Payables Turnover Ratio	Times	6.42	3.50	8.44	4.62
Net Capital Turnover Ratio	Times	3.05	3.29	2.86	3.23
Return on Capital Employed	%	22.63	32.73	23.46	32.15

HUMAN RESOURCE/INDUSTRIAL RELATIONS

The Company considers its employees as the most important asset and integral to its growth and continued success. Over the past years, the Company has increased its focus on its employee engagement and development, launching various new initiatives with the goal of attracting, engaging, retaining, and fostering key talent and diversity across the organization. The Company has increased its investments in learning and skill development initiatives.

The Company recognizes the importance and contribution of human resources in 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 seeking fresh talent to further enhance and grow its business.

It is the people that make an organization. With human resources department being the custodian of all people related processes, it becomes a critical factor in organisational success. The HR works with an objective of aligning the aspirational needs of the people with the organizational objectives of sustained growth, market leadership and cost competitiveness. Its sole aim is to build the Company an exemplary organisation that inspires excellence every day. People development has been a constant focus of HR.

SUSTAINABILITY

It has been a constant endeavor of the Organization to formulate, adopt and improve its business model, embracing both sustainability and growth agenda. This model helps us

build efficiencies to achieve sustainable business performance. As part of our sustainability agenda, we focus on conservation of environment, natural resources and energy efficiency. Our operational strategy is built on a long term commitment to experiment and implement new ideas for improving efficiencies and minimizing the use of input resources. Our continued endeavours towards improving productivity and efficiency of all processes, equipments and systems as well as optimization measures have made the Company as one of the most efficient players in terms of energy consumption and resource utilization.

Additionally, the Company has a robust ESG Risk Analysis and monitoring framework which is directly overseen by the Risk Management Committee of the Company.

Moreover, focus on renewable energy continues to remain a thrust area in our sustainability agenda. This has helped the Company in conserving precious natural resources.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has a robust internal control mechanism in place commensurate with the size and nature of its business. The internal control systems comprising policies and procedures are designed to ensure that operations are efficiently managed and aligned with the strategic objectives of the Company and address various aspects of governance, compliance, audit, control, and reporting. The internal controls are responsible for complying with the regulatory requirements, preventing fraud and errors, safeguarding the Company's assets and finances, and preserving the accuracy and reliability of financial transactions and reporting.

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

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

Date: May 27, 2024

Place: Mumbai

CAUTIONARY STATEMENT

Readers are cautioned that this Management Discussion and Analysis Report 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, Government policies and such other factors which are beyond the control of the Company and may impact the businesses as well as its ability to implement the strategies.

By Order of the Board of Directors

For **Panama Petrochem Ltd.**

Amirali E. Rayani

Chairman

DIN:00002616

Report on Corporate Governance

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

In the ongoing pursuit of excellence, growth, and value creation, Panama Petrochem Limited's approach to Corporate Governance is founded on integrity, compliance, ethics, and accountability in its daily operations. Corporate governance at Panama Petrochem Ltd. emphasizes a growing focus on investor protection and public interest. It is an indispensable aspect of our business, aimed at delivering value to stakeholders.

Our objective is to foster an atmosphere of trust, transparency, and respect, prioritizing on long-term creation of stakeholder value through diligent decision-making. We uphold responsible corporate conduct as fundamental to our business practices.

The company recognizes the paramount importance of sound Corporate Governance in maintaining and strengthening stakeholder trust. Following the beliefs of good Corporate Governance, we endeavor to cultivate trust and confidence among shareholders, employees, customers, suppliers, and other stakeholders.

Our Corporate Governance philosophy, is an integral aspect of our management approach rooted in transparency, accountability, values, and ethics. We are dedicated to upholding the highest standards of Corporate Governance and disclosure practices to safeguard the interests of all stakeholders.

For Panama Petrochem Limited, Corporate Governance transcends mere compliance with laws and regulations; it embodies a commitment to values, best practices, and ethical dealings to enhance stakeholder value and fulfill our social responsibility while achieving corporate objectives.

Our governance framework ensures timely and accurate disclosure of financials, performance, leadership, and governance matters. By diligently fulfilling our role as a responsible corporate citizen and embedding the values of transparency, professionalism, and accountability in our daily operations, we remain compliant with the Corporate Governance requirements stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

2. BOARD OF DIRECTORS

(a) Composition

The Board of Directors, in conjunction with its Committees, provides leadership, guidance, and supervision to the management, thereby enhancing stakeholder value. Our Company is committed to maintaining an active and well-informed Board comprised of individuals with varied qualifications and experiences. The Board composition is consistent with the requirements outlined in the Listing Regulations and the Companies Act, 2013.

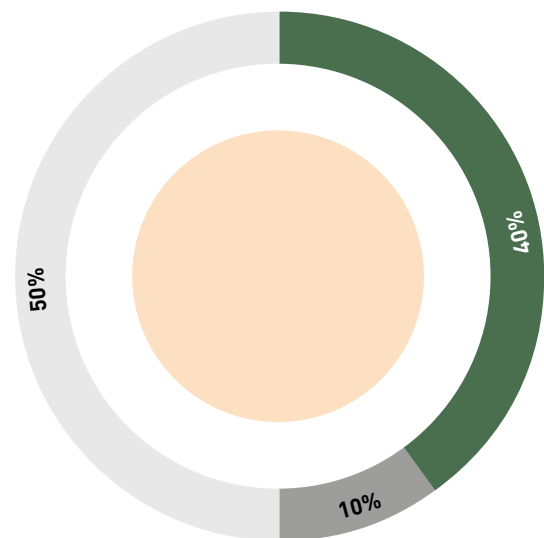
We acknowledge the importance of fostering diversity within our Board as a catalyst for our success. Embracing diversity enables us to harness a range of perspectives, expertise, and industry experiences, enriching our Board deliberations and fostering effective decision-making.

Our Board is strategically composed of both Executive and Non-Executive Directors, each contributing significant expertise pertinent to our Company's operations. We uphold a distinct division between governance and management responsibilities, ensuring a harmonious balance of both in our approach to delivering results.

As on March 31, 2024, our Board consists of 10 Directors, with extensive experience in their respective fields. Among them, 4 are Executive Directors and 6 are Non-Executive (Independent) Directors, with the Chairman being an Executive Director.

Each of our Directors possesses the requisite qualifications and experience to make meaningful contributions to the Company's operations. They diligently adhere to the guidelines concerning Committee Memberships, ensuring that no Director is overextended by serving on more than 10 Committees or chairing more than 5 Committees (inclusive of the Audit Committee and Stakeholders Relationship Committee) across all the Companies where they hold Directorships. Furthermore, no Director occupies positions in more than 20 Companies or in more than 10 public Companies. Additionally, our Directors fully comply with the limitations on Independent Directorships set forth in Regulation 25(1) of the Listing Regulations.

Board Composition as on March 31, 2024



- Women Independent Director(10%)
- Executive Directors(40%)
- Other Independent Directors (50%)

(b) Meetings and attendance during the year

Five Board Meetings were held during the financial year April 01, 2023 to March 31, 2024. The maximum gap between any two Board meetings was within the stipulated time.

The Company Secretary, in consultation with the Chairman & Managing Directors, drafts the agenda of the meetings, which is circulated well in advance to the Board members, along with comprehensive background information on the items in the agenda to enable the Board to arrive at appropriate decisions. The information as required under Part

A of Schedule II to the Listing Regulations is made available to the Board.

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

Details of attendance of Directors in the Board Meetings held during the financial year April 01, 2023 to March 31, 2024 are as under:

Sr. no.	Name of the Director	Category of Directorship	Board Meetings Attended	Attendance details	
				% of total meetings attended during the tenure as a Director	Last AGM (29.08.2023)
1	Mr. Amirali E. Rayani	Executive Director	5	100	Yes
2	*Mr. Amin A. Rayani	Executive Director	3	100	Yes
3	****Mr. Arif A. Rayani	Executive Director	2	100	Yes
4	Mr. Hussein V. Rayani	Executive Director	4	80	Yes
5	**Mr. Samir A. Rayani	Executive Director	5	100	Yes
6	***Mr. Mukesh Mehta	Independent;Non-Executive Director.	5	100	Yes
7	***Mr. Madan Mohan Jain	Independent;Non-Executive Director.	5	100	Yes
8	Ms. Nargis Mirza Kabani	Independent;Non-Executive Director.	5	100	Yes
9	Mr. Kumar Raju Nandimandalam	Independent;Non-Executive Director.	4	80	Yes
10	****Mr. Ashok Mukhi	Independent;Non-Executive Director.	2	100	Yes
11	****Mr. Arvind Shah	Independent;Non-Executive Director.	2	100	Yes

Note: Percentage of meetings attended is calculated based on the number of meetings attended during the tenure as a Director of the Company.

*Mr. Amin Rayani resigned from the directorship of the Company, consequently, **Mr. Samir Rayani was re-designated as the Managing Director & CEO effective October 01, 2023.

*** Mr. Madan Mohan Jain and Mukesh Mehta, ceased to be the Directors of the Company upon completion of their final term on March 31, 2024.

**** Mr. Arif Rayani, Mr. Ashok Mukhi and Mr. Arvind Shah were appointed w.e.f. August 01,2023

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

During the Financial Year April 01, 2023 to March 31, 2024, 5 (Five) meetings were held on the following dates:

May 30, 2023, July 10, 2023, July 28, 2023, November 08, 2023, and February 02, 2024

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

Name of the Director	Category & Designation	Directorship held in other listed entities	No. of positions held in other Public Companies		
			Board	Committee	
				Membership	Chairmanship
Mr. Amirali E. Rayani	Executive Director (Chairman)	Nil	Nil	Nil	Nil
*Mr. Amin A. Rayani	Executive Director (Managing Director & CEO)	Nil	Nil	Nil	Nil
Mr. Arif Rayani	Executive Director	Nil	Nil	Nil	Nil

Name of the Director	Category & Designation	Directorship held in other listed entities	No. of positions held in other Public Companies		
			Board	Committee	
				Membership	Chairmanship
Mr. Hussein V. Rayani	Executive Director (Joint Managing Director)	Nil	Nil	Nil	Nil
**Mr. Samir A. Rayani	Executive Director (Managing Director & CEO)	Nil	Nil	Nil	Nil
Mr. Madan Mohan Jain	Independent & Non Executive Director	Nil	Nil	Nil	Nil
Mr. Mukesh Mehta	Independent & Non Executive Director	Nil	Nil	Nil	Nil
Ms. Nargis Mirza Kabani	Independent & Non Executive Director	Nil	Nil	Nil	Nil
Mr. Kumar Raju Nandimandalam	Independent & Non Executive Director	Nil	Nil	Nil	Nil
Mr. Ashok Mukhi	Independent & Non Executive Director	Nil	Nil	Nil	Nil
Mr. Arvind Shah	Independent & Non Executive Director	1	1	2	2

* Mr. Amin Rayani ceased to be a Director of the Company, consequently **Mr. Samir Rayani was re-designated as the CEO and MD of the Company effective October 01, 2023.

¹Excludes Directorships in Associations, Private Limited Companies, Foreign Companies, Government Bodies and Companies registered under Section 8 of the Companies Act, 2013.

²Only Audit Committee and Stakeholder Relationship Committee of Indian Public Companies have been considered for committee positions.

³ Mr. Amirali E. Rayani, Mr. Amin Rayani & Mr. Arif A. Rayani are directly related to each other, Mr. Samir A. Rayani & Mr. Hussein V. Rayani are members of the extended family.

(d) Independent Directors

The Independent Directors have provided declarations confirming their compliance with the criteria of Independence outlined in the Companies Act, 2013, and the Listing Regulations. The Board of Directors of the Company have verified the accuracy of the said declarations and confirm that the Independent Directors meet the conditions of independence specified in the Listing Regulations and maintain independence from the Company's management.

During the Financial year 2023-24, none of the Independent Directors of the Company have resigned before the expiry of their term.

Furthermore, the Company has issued Letters of Appointment to all its Independent Directors in the manner provided under the Companies Act, 2013 read with the Rules issued thereunder. A sample letter of appointment/re-appointment containing the terms and conditions, issued to the Independent Directors, is hosted on the Company's website.

Based on the disclosures received from Directors periodically, it is affirmed that none of the Independent Directors exceed the prescribed limits for memberships or chairmanships and meet the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, thereby maintaining independence from the management.

Additionally, the Company has implemented Directors and Officers Insurance (D&O Insurance) to provide coverage for all its Independent Directors.

(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 qualifications, 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 thereupon.

(f) Familiarization Programme for Independent Directors

The Company has an orientation programme upon induction of new Directors, as well as other initiatives to update all the Directors of the Company on a continuous basis. The Company also has an ongoing familiarization programme for its Independent Directors, with the objective of familiarizing them with the Company, its operations and business

model, nature of the industry, Corporate Overview, Statutory Reports, Financial Statements and environment in which it operates, the regulatory environment applicable to it, the CSR projects undertaken by the Company and also the roles, rights and responsibilities of Independent Directors. During the year, the Company organized several familiarization programmes for its Directors, details of which are disclosed on the website of the Company, at the following web link: <http://panamapetro.com/wp-content/uploads/2024/04/Familiarisation-Programme.pdf>

(g) 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 07, 2023, as required under Schedule IV to the Companies Act, 2013 (Code for Independent Directors) and Regulation 25 (3) of the Listing Regulations.

At the Meeting, the Independent Directors:

- Reviewed the performance of Non-Independent Directors and the Board as a whole;
- Reviewed the performance of the Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors; and
- Assessed the quality, quantity and timeliness of flow of information between the Company

management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

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

(h) Skills, Expertise and Competencies of the Board

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

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

On the basis of the above-mentioned skill matrix, the Board has identified the following skills/competencies/expertise of the Board of Directors of the Company:

Directors	Leadership	Finance	Human resources and communication	Safety and Corporate Social Responsibility	Sales & Marketing	General management/ Governance	Expertise in science and knowledge
Mr. Amirali E. Rayani	✓	✓		✓	✓	✓	
Mr. Arif A. Rayani	✓	✓		✓	✓	✓	
Mr. Hussein V. Rayani	✓				✓	✓	✓
Mr. Samir A. Rayani	✓	✓		✓	✓	✓	✓
Mr. Madan Mohan Jain	✓	✓				✓	✓
Mr. Mukesh Mehta	✓	✓		✓	✓		
Ms. Nargis Mirza Kabani			✓	✓		✓	
Mr. Kumar Raju Nandimandalam	✓	✓			✓	✓	✓
Mr. Ashok Mukhi	✓	✓	✓		✓	✓	
Mr. Arvind Shah	✓	✓		✓		✓	

*Mr. Amin Rayani resigned from the Directorship of the Company with effect from October 01, 2023.

COMMITTEES OF THE BOARD

The Board Committees of the Company play a crucial role in the governance structure of the Company and have been established in such a manner and with a view to ensure compliance of all the applicable regulations and to effectively implement the Company’s vision in all the areas and in all the activities carried out within the organization at large. The Board has constituted the following committees:

AUDIT COMMITTEE

Total no. of meetings



4

Total no. of member



3

Average Attendance



a. Terms of Reference of Audit Committee

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

Role of Audit Committee inter alia, includes the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of statutory auditors, including cost auditors, and fixation of audit fees and other terms of appointment.
- Approving payment to statutory auditors for any other services rendered by them.
- Reviewing with the management, the annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement forming part of the Director's 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, or preferential issue or qualified institutional payment and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing and monitoring the auditor's 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 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 the 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 of 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 after assessing the qualifications, experience and background of the candidate.
- Carrying out such other function as mentioned in the terms of reference of the Committee.
- Reviewing the utilization of loans and/or advances from/investment by the Company in its subsidiary Company.
- Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc. on the Company and on its shareholders.
- Reviewing the following information:
 - The Management Discussion and Analysis of financial condition and results of operations;
 - Management letters/letters of internal control weaknesses issued by the statutory auditors;
 - Internal audit reports relating to internal control weaknesses;
 - The appointment, removal and terms of remuneration of internal auditors / chief internal auditor.
- Statement of Deviations:
 - Quarterly Statement of deviations including report of monitoring agency, submitted to exchanges in terms of Regulation 32(1).
 - Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

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

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

During the Financial Year April 01, 2023 to March 31, 2024, 4 (Four) meetings were held on the following dates:

May 30, 2023, July 28, 2023, November 08, 2023, and February 02, 2024

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

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

Mr. Madan Mohan Jain & Mr. Mukesh Mehta ceased to be the Directors of the Company upon completion of their final term on March 31, 2024.

Mr. Ashok Mukhi was appointed as a Member and Chairman of the committee w.e.f. April 01, 2024..

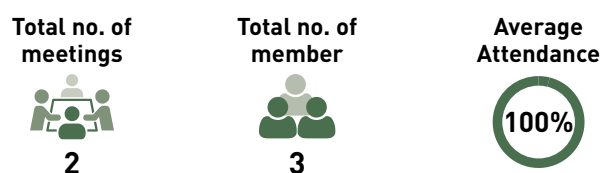
Mr. Kumar Raju Nandimandalam was inducted as a member of the committee w.e.f. April 01, 2024.

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

The meetings of the Audit Committee are usually attended by the Chairman, the Chief Financial Officer, Internal Auditor, the Company Secretary and a representative of the Statutory Auditors. The Business and Operation Heads are invited to the Meetings, when required. The Company Secretary acts as the secretary to the Committee.

The Chairman of the Audit Committee, Mr. Madan Mohan Jain was present at the Annual General Meeting of the Company held on August 29, 2023.

NOMINATION AND REMUNERATION COMMITTEE



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

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

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/ or removal.

- In terms of appointment of every Independent Director, the committee shall evaluate the balance of skills, knowledge and experience on the Board, the committee shall prepare a description of the role and capabilities required of an Independent Director. The person appointed as an Independent Director shall have the capabilities as identified in such description.
- 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. And whether to extend or continue to the term of appointment of the Independent Director, on the basis of the evaluation of the Independent Director.
- To devise a policy on Board diversity.
- To recommend/review remuneration of the Managing Director(s), Whole-time Director(s) including the senior management 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. Board and Director Evaluation and criteria for evaluation

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

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

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

c. Composition, name of Members, chairman and their attendance at meetings during the year

During the Financial Year April 01, 2023 to March 31, 2024, 2 (two) meetings were held on May 30, 2023 and November 07, 2023.

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

Mr. Mukesh Mehta & Mr. Madan Mohan Jain ceased to be the Directors of the Company upon completion of their final term on March 31, 2024.

Mr. Ashok Mukhi was appointed as a Member and Chairman of the committee w.e.f. April 01, 2024.

Mr. Arvind Shah was appointed as Member of the committee w.e.f. April 01, 2024.

The Chairman of the Nomination and Remuneration Committee, Mr. Mukesh Mehta was present at the Annual General Meeting of the Company held on August 29, 2023.

d. Remuneration Policy of the Company

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

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

- (i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;

- (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (iii) remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

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

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

• *Fixed pay:*

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

• *Minimum Remuneration:*

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

• *Provisions for excess remuneration:*

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

Remuneration to Non- Executive/Independent Director:

• *Remuneration/Commission:*

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

• *Sitting Fees:*

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

• *Commission:*

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

No remuneration was paid to any Non-Executive Directors of the Company during the financial year April 1, 2023 to March 31, 2024 except sitting fee for attending Board meetings and committee meetings.

e. Details of the Executive Directors Remuneration during their tenure for the financial year ended March 31, 2024

[₹ in Cr.]

REMUNERATION	DIRECTORS					
	Executive Directors					Non-Executive Directors
	Mr. Amirali Rayani	*Mr. Amin Rayani	**Mr. Arif Rayani	Mr. Samir Rayani	Mr. Hussein Rayani	
(a) Salary & Allowances [fixed]	0.36	0.171	0.22	0.336	0.33	0.00
(b) Benefits & Perquisites	0.00	0.00	0.00	0.00	0.00	0.00
(c) Bonus / Commission Additional Salary	0.00	0.00	0.00	0.00	0.00	0.00
(d) Pension, Contribution to Provident fund & Superannuation Fund	Nil	Nil	Nil	Nil	Nil	Nil
(e) Stock Option Details (if any)	The Company has not offered any Stock Options to its employees.					
(f) Notice period	The Agreement may be terminated by either party giving the other party six months' notice. With the liberty to the board of Directors to alter and vary the same.					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.

*Mr Amin Rayani resigned from the Directorship of the Company w.e.f. October 01, 2023.

**Mr. Arif Rayani was appointed on the Board w.e.f August 01, 2023.

f. Details of the Sitting Fees paid to Non-Executive Directors for the financial year ended March 31, 2024

(₹ in Cr)	
Name of the Non-Executive Director	Amount of Sitting Fees Paid
Mr. Madan Mohan Jain	0.0325
Mr. Mukesh Mehta	0.0355
Ms. Nargis Mirza Kabani	0.025
Mr. Kumar Raju Nandimandalam	0.0155
Mr. Arvind Shah	0.0085
Mr. Ashok Mukhi	0.0085

g. Shareholdings of Non-Executive Directors

None of the Non-Executive Directors held shares in the Company as on March 31, 2024.

STAKEHOLDERS RELATIONSHIP COMMITTEE

Total no. of meetings



1

Total no. of member



4

Average Attendance



The Board has constituted Stakeholders Relationship Committee in accordance with the Provisions of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

Terms of Reference of Stakeholders Relationship Committee

- To look into redressing shareholders and investors' complaints and to expedite the process of redressal of complaints like transfer of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings 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.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

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

Name of the Member	Attendance at the Stakeholders Relationship Committee Meeting	% of total attended during the tenure as a Director / Secretary
**Mr. Mukesh Mehta (Chairman)	1	100
**Mr. Madan Mohan Jain (Member)	1	100
*Mr. Samir A. Rayani (Member)	1	100
Mr. Amirali E. Rayani (Member)	1	100
Company Secretary		
Ms. Gayatri Sharma	1	100

*Mr. Amin Rayani resigned from the Directorship of the Company and ceased to be a Member of the Committee, consequently Mr. Samir Rayani was inducted as the member of the committee, w.e.f. October 01, 2023.

**Mr. Mukesh Mehta & Mr. Madan Mohan Jain ceased to be the Directors of the Company upon completion of their final term on March 31, 2024.

Mr. Ashok Mukhi was appointed as a member and Chairman of the committee w.e.f. April 01, 2024.

Mr. Kumar Raju Nandimandalam was inducted as member of the committee w.e.f. April 01, 2024.

(c) Meetings of the Committee

During the Financial Year April 01, 2023 to March 31, 2024, 1 (One) meeting was held on February 02, 2024

(d) Name & Designation of the Compliance Officer

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

(e) Redressal of Complaints

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

(f) No. of Complaints received, resolved/pending/not resolved to the satisfaction of the shareholder during the financial year:

During the financial year, the Company has received no complaints from its shareholders.

RISK MANAGEMENT COMMITTEE:

Total no. of meetings



2

Total no. of member



3

Average Attendance



Regulation 21 of the SEBI Listing Regulations mandates top 1000 listed entities, determined on the basis of market capitalisation as at the end of the immediate preceding financial year, to constitute a Risk Management Committee ('RMC'), in view of the same your Company has constituted a Risk Management Committee with a primary objective of assisting the Board of Directors in overseeing the Company's risk management processes and controls and enhance stakeholder value. The Committee attempts to develop risk policies and strategies to ensure timely evaluation, reporting and monitoring of key business risks.

The terms of reference of the Risk Management Committee are as follows:

- To formulate a detailed risk management policy which shall include:
 - a. A framework for identification of internal and external risks faced by the Company, including financial, operational, sectoral, sustainability (ESG related matters) information, cyber security risks or any other risk as deemed necessary by the committee.
 - b. Risk Mitigation measures including systems and processes for the internal control of identified risks.
 - c. Business Continuity plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the Company;
- To monitor and oversee implementation of the risk management policy including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy by considering the changing industry dynamics and evolving complexity;
- To keep the Board of Directors informed about the nature and contents of its discussions, recommendations and actions to be taken;
- To review the appointment, removal and terms of remuneration of the Chief Risk Officer, if any.
- The Board has adopted a Risk Management Policy as formulated and recommended by the Committee.

The same is displayed on the website of the Company at <http://panamapetro.com/wp-content/uploads/2022/07/Risk-Management-Policy.pdf>

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

Name of the Member	Attendance at the Risk Management Committee Meeting	% of total attended during the tenure as a Director / Secretary
***Mr. Mukesh Mehta (Chairman)	2	100
*Mr. Amin Rayani (Member)	1	100
**Mr. Hussein A. Rayani (Member)	1	100
***Ms. Madan Mohan Jain	2	100
Company Secretary		
Ms. Gayatri Sharma	2	100

* Mr. Amin Rayani resigned from the Directorship of the Company and ceased to be a member of the committee with effect from October 01, 2023 and attended all the Risk Management committee meetings held during his tenure.

** Mr. Hussein Rayani was appointed as the member of the committee effective October 01, 2023 and attended all the Risk Management committee meetings held during his tenure.

***Mr. Mukesh Mehta & Mr. Madan Mohan Jain ceased to be the Directors of the Company upon completion of their final term on March 31, 2024.

Ms. Nargis Kabani was appointed as the Member and Chairperson of the committee w.e.f. April 01, 2024

Mr. Arvind Shah was inducted as the member of the Committee, w.e.f. April 01, 2024.

(c) Meetings of the Committee

During the Financial Year April 01, 2023 to March 31, 2024, 2 (Two) meetings were held on: June 27, 2023 and December 20, 2023.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Total no. of meetings



2

Total no. of member



3

Average Attendance



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 the provisions of Companies Act, 2013 and the rules made thereunder.
- 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: http://panamapetro.com/wp-content/uploads/2021/06/CSR_Policy_amended.pdf

The Annual Report on CSR activities for the year 2023-2024 forms part of the Directors' Report.

b. Composition, name of Members, chairman and their attendance at meetings

Name of the Member	Attendance at the Corporate Social Responsibility Committee Meeting during their tenure	% of total attended during the tenure as a Director / Secretary
*Mr. Mukesh Mehta (Chairman)	2	100
**Ms. Nargis Kabani (Member)	2	100
***Mr. Amin A. Rayani (Member)	1	100
****Mr. Arif A. Rayani (Member)	1	100
Company Secretary		
Ms. Gayatri Sharma	2	100

*Mr. Mukesh Mehta, ceased to be the Director of the Company upon completion of his final term on March 31, 2024

**Ms. Nargis Kabani was appointed as the Chairperson of the committee w.e.f. April 01, 2024.

Mr. Arvind Shah was inducted as a member of the Committee, w.e.f. April 01, 2024.

***Mr. Amin Rayani resigned from the Directorship of the company and ceased to be a member of the committee with effect from October 01, 2023 and attended all the CSR Committee meetings held during his tenure.

****Mr. Arif Rayani was appointed as the member of the committee effective October 01, 2023 and attended all the CSR Committee Meetings held during his tenure.

c. Meetings of the Committee

During the Financial Year April 01, 2023 to March 31, 2024, 2 (Two) meetings were held on the following dates:

May 30, 2023 and February 02, 2024.

3. GENERAL BODY MEETINGS

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

Year	Date	Venue	Time	No. of Special Resolution(s) passed
2021	September 06, 2021	Through Video Conference	11:30 A.M	0
2022	September 05, 2022	Through Video Conference	11:30 A.M	1
2023	August 29, 2023	Through Video Conference	11:30 A.M	5

(b) Postal Ballot:

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

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

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

4. CODE OF CONDUCT

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

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

Apart from receiving sitting fees that they are entitled to under the Companies Act, 2013 as Non-Executive Directors and reimbursement of expenses incurred in the discharge of their duties, none of the Non-Executive Directors have 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.

5. SUBSIDIARIES

The Company has adopted a Policy on Material Subsidiary in line with the requirements of the Listing Regulations. The objective of this Policy is to lay down criteria for identification and dealing with material subsidiary and to formulate a governance framework for subsidiary of the Company. The Policy on Material Subsidiary is available on the website of the Company.

Panol Industries RMC FZE incorporated in Ras Al Khaimah, UAE on October 01, 2012, is a material subsidiary in the current accounting year as per the thresholds laid down under the Listing Regulations, and accordingly requirements relating to composition of Board of Directors of unlisted material subsidiary is complied with.

Mubarak Alketbi Chartered Accountants appointed on November 01, 2016 are the Statutory Auditors of Panol Industries RMC FZE.

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

6. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

As per the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time), the Company has formulated and implemented a Code of Conduct for Regulating, Monitoring and Reporting of trading by the Designated Persons and their immediate relatives.

All the Designated Persons as defined in the Code are governed by this Code. The Company has also formulated and uploaded on its website the Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information as envisaged under Regulation 8(1) of above regulations.

As required under Regulation 9A of the SEBI (Prohibition of Insider Trading) Regulation, 2015 (as amended), Audit Committee of the Board of Directors of the Company has reviewed the Compliances with the provisions of these regulations and has also verified the internal control systems in this respect and the same are adequate and operating effectively.

7. DISCLOSURES

(a) Related Party Transactions:

There are no materially significant related party transactions with its Promoters, Directors or the Management, their Subsidiaries or Relatives etc., which may have potential conflict with the interest of the Company at large. The other related party transactions are given in Notes to Accounts annexed to and forming the part of Balance Sheet and Profit and Loss Account of the Company. The Company has formulated a Related Party Transactions Policy and the same is displayed on the Company's website at the web link: <http://panamapetro.com/wp-content/uploads/2022/04/Related-Party-Transaction-Policy.pdf>

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

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

(c) Disclosure of Risk management:

The Company has a robust and comprehensive framework for identification and mitigation of risks. The Risk Management Committee is responsible for reviewing the risk management processes and ensuring its effectiveness. The Audit Committee has an additional oversight on financial risks and controls. Further details on risk management are given in the Management Discussion & Analysis Report which forms part of this Annual Report.

(d) Whistle Blower Policy:

The Company has formulated a policy for its employees and all the stakeholders of the Company, to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or any law as applicable to the Company for the time being in force. The policy also lays down the mechanism to prohibit managerial personnel from taking adverse action against employees or any such individuals, who are disclosing in good faith alleged wrongful conduct on matter of public concern involving violation of law, mismanagement, misappropriation of public funds etc.

The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism

and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel associated with the Company in any manner have been denied access to the Audit Committee.

(e) Material Subsidiary:

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

(f) Disclosure of Accounting Treatment:

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

(g) Details of compliance with mandatory requirements:

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

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

The Managing Director & CEO and the Chief Financial Officer have certified to the Board in accordance with Part B of Schedule II to the Listing Regulations pertaining to CEO/CFO certification for the Financial Year ended March 31, 2024.

(i) Discretionary Requirements:

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

- **Reporting of Internal Auditor**

The Internal Auditor reports to the Audit Committee.

- **Modified Opinion(s) in the Audit Report**

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

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

Status of complaints in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013 for the Financial Year 2023-2024 is as follows:

Number of complaints filed during the financial year: **0**

Number of complaints disposed off during the financial year: **0**

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

(k) Details of utilization of funds:

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

(l) Details of Senior Management:

Details of the Senior Management of the Company are as hereunder:

Sr. No	Particulars	Designation
1.	Akbarali Rayani	Head-Production
2.	Nilima Kheraj	Chief HR Officer
3.	Pramod Maheshwari	Chief Financial Officer
4.	Gayatri Sharma	Company Secretary & Compliance Officer
5.	Pradip Kumar Nikam	President-Technical

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

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

(n) Total Fees paid by the Company and its subsidiary, on a consolidated basis to the Statutory Auditor and all entities in the network firm/network entity of which the statutory auditor is a part:

A total fee of ₹ 0.30 Crore was paid by the Company and its subsidiaries, on a consolidated basis, for all services rendered by JMR & Associates LLP, Statutory Auditors and all entities in the network firm/entity of which they are part.

(o) Disclosure of certain types of agreements binding listed entities:

The Company has not entered into any such agreements as enlisted under Clause 5A of paragraph A of Part A of Schedule III of the listing regulations.

(p) Loans and Advances:

The Company has not advanced any loan to firms/companies where Directors are interested.

(q) Dividend Distribution Policy:

The Company has formulated a Dividend Distribution Policy and has disclosed the same on the Company's website at the web link: <http://panamapetro.com/wp-content/uploads/2021/08/ddp-web.pdf>

8. MEANS OF COMMUNICATION

(a) Quarterly Results/Annual Results:

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

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

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

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

(d) Presentations made to institutional investors/to the analysts:

The presentations made to the institutional investors/analysts are made available on the website of the Company: <http://panamapetro.com/analyst-institutional-investors-meetings/>

9. GENERAL SHAREHOLDERS INFORMATION

(a) Annual General Meeting:

Day, Date and Venue: Thursday, August 29, 2024 through Video Conference only

Time : 11.30 A.M.

(b) Financial Year : April 2024 to March 2025

(e) Market Price Data:

High/ low of market price of the Company's equity shares traded on BSE during the last financial year April 01, 2023 to March 31, 2024 were as follows:

	High (₹)		Low (₹)		Month	High (₹)		Low (₹)	
	BSE	NSE	BSE	NSE		BSE	NSE	BSE	NSE
April	311.85	312.05	286.15	288.05	October	339.80	339.80	292.00	291.00
May	339.00	315.25	275.60	276.00	November	332.85	339.85	300.45	296.85
June	310.10	314.00	275.00	279.20	December	357.55	330.00	307.20	307.00
July	311.95	311.75	284.40	284.35	January	366.00	355.00	307.80	308.00
August	344.55	344.70	283.05	284.20	February	387.05	365.95	300.90	304.10
September	342.05	342.60	305.10	305.00	March	361.65	387.00	298.20	299.80

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

• Financial Calendar (2024-25)

Events	Tentative time frame
Financial Reporting for the second quarter ending September 30, 2024	2nd week of November, 2024
Financial Reporting for the third quarter ending December 31, 2024	2nd week of February, 2025
Financial Reporting for the fourth quarter ending March 31, 2025	Last Week of May, 2025

(c) Dividend Payment Date:

Interim - 24.11.2023

Final - Within two weeks from the declaration of the dividend

(d) Listing on Stock Exchanges:

Equity Shares

The Shares of the Company are listed on:

- **BSE Limited:** Mumbai Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai-01.
- &
- **National Stock Exchange of India Ltd.:** Exchange Plaza, 5th Floor, Plot No.C/1,G Block. Bandra Kurla Complex, Bandra (E), Mumbai-51.

Stock Code:

BSE Limited:	524820
National Stock Exchange of India Limited:	PANAMAPET
Demat ISIN Number for NSDL & CDSL:	INE305C01029

The Company has paid the listing fees to these Stock Exchanges for the Financial Year 2023-24.

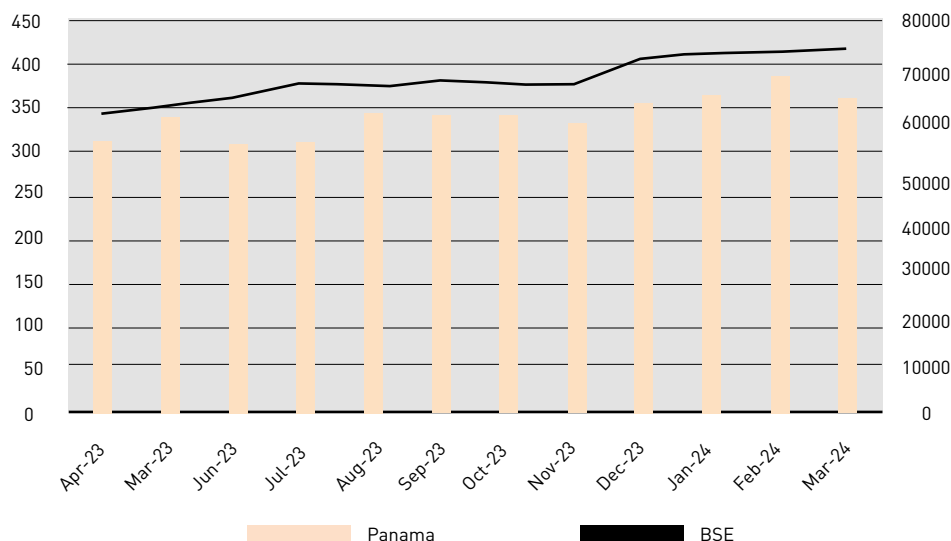
Global Depository Receipts(GDRs)

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

Security codes of GDRs

COMMON CODE: 065195372
ISIN : US6982941055
CUSIP : 698294105

(f) Performance in comparison to BSE SENSEX



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

Members may correspond with the Company’s Registrars and Share Transfer Agents, **M/s Bigshare Services Pvt. Ltd.**, quoting their folio numbers/ DP ID and Client ID at the following addresses:

Name	Bigshare Services Pvt. Ltd.
Address	Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093.
Telephone No.	91-22-62638200
E-mail	info@bigshareonline.com

(h) Share Transfer System

The Company’s shares are traded in the BSE Ltd. & National Stock Exchange of India Limited, compulsorily in Demat mode. Effective April 1, 2019, SEBI has amended Regulation 40 of the Listing Regulations, which deals with transfer or transmission or transposition of securities. According to this amendment, the requests for effecting the transfer of listed securities shall not be processed unless the securities are held in dematerialized form with a Depository. Therefore, for effecting any transfer, the securities shall mandatorily be required to be in demat form.

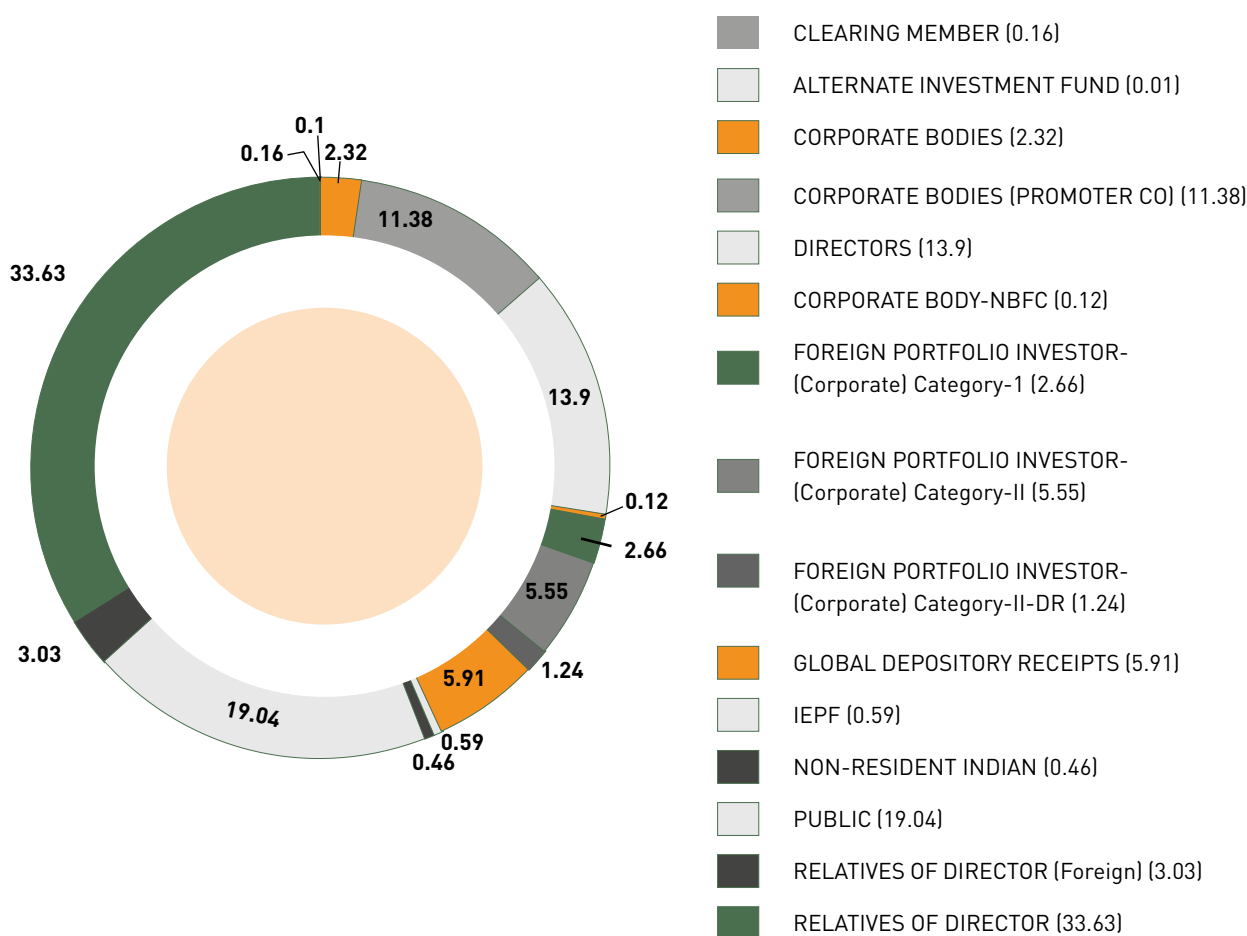
(i) Distribution of Shareholding as on March 31, 2024:

Shareholding of	Nominal Value of	Shareholders		Share Amount	
		Number	% to Total	In ₹	% to Total
Up to 5,000	₹	26374	97.48	8629286	7.13
5,001	₹ 10000	326	1.2	2400608	1.98
10,001	₹ 20000	161	0.6	2385554	1.97
20,001	₹ 30000	58	0.21	1485640	1.23
30,001	₹ 40000	24	0.09	849860	0.70
40,001	₹ 50000	23	0.09	1032440	0.85
50,001	₹ 100000	33	0.12	2254372	1.86
100,001 and Above		57	0.21	101949436	84.26
Total		27,056	100	12,09,87,196	100

(j) Shareholding Pattern as on March 31, 2024

Category	Total Shares	Percentage
CLEARING MEMBER	97744	0.16
ALTERNATE INVESTMENT FUND	8000	0.01
CORPORATE BODIES	1402664	2.32
CORPORATE BODIES (PROMOTER CO)	6883497	11.38

Category	Total Shares	Percentage
DIRECTORS	8411429	13.90
CORPORATE BODY-NBFC	73374	0.12
FOREIGN PORTFOLIO INVESTOR-(Corporate) Category-I	1607492	2.66
FOREIGN PORTFOLIO INVESTOR-(Corporate) Category-II	3355945	5.55
FOREIGN PORTFOLIO INVESTOR-(Corporate) Category-II-DR	750000	1.24
GLOBAL DEPOSITORY RECEIPTS	3577612	5.91
IEPF	357663	0.59
NON-RESIDENT INDIAN	275345	0.46
PUBLIC	11516669	19.04
RELATIVES OF DIRECTOR (Foreign)	1832977	3.03
RELATIVES OF DIRECTOR	20343187	33.63
Total	6,04,93,598	100.00



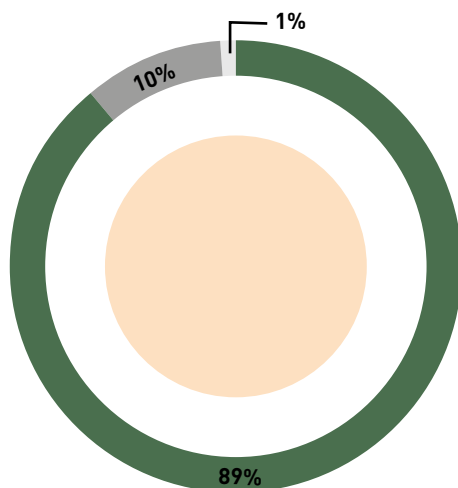
(I) Secretarial Audit

- M/s Milind Nirkhe & Associates, Practicing Company Secretaries have conducted the Secretarial Audit of the Company for the financial year 2023-24. Their Audit Report confirms that the Company has complied with the applicable provisions of the Companies Act, 2013 and the Rules made there under, Listing Regulations, applicable SEBI Regulations and other laws applicable to the Company. The Secretarial Audit Report forms part of the Directors' Report.
- Pursuant to Regulation 40(9) of the Listing Regulations, certificates have been issued annually by the Company Secretary in practice.
- The 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).

- The Company has obtained an Annual Secretarial Compliance Report from M/s Milind Nirkhe & Associates, Practicing Company Secretaries confirming compliances with all applicable SEBI Regulations, Circulars and Guidelines, for the year ended March 31, 2024.
- M/s Milind Nirkhe & Associates, Practicing Company Secretaries have issued a certificate confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority. The Certificate of Company Secretary in practice is annexed herewith as a part of the report.

(m) Dematerialization of shares and liquidity:

As on March 31, 2024 about 99.23% 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.



- Physical (1%)
- CDSL (10%)
- NSDL (89%)

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

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

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

Outstanding GDRs as on March 31, 2024 are 95,403 representing 35,77,612 Equity shares constituting 5.91% of the paid up share capital of the Company.

(p) Credit Rating:

Based on the financial and operational performance of the Company for the year under review, CARE Ratings Limited has reaffirmed the rating on Long Term Bank Facilities to 'CARE A+; Stable' and upgraded the rating on Short Term Bank Facilities to CARE A1+ from CARE A1.

ICRA Ratings Limited has reaffirmed the rating on fund based bank facilities to [ICRA]A+(Stable) and on non-fund based bank facilities to [ICRA]A1+

(q) Plant Locations:

The Company has the following units located at:

1. Plot No: 3303, GIDC Industrial Estate, Ankleshwar-393 002, Gujarat.
Tel: 91-2646-221 068 / 250 281
Email: ankl@panamapetro.com
2. Survey No: 78/2, Daman Industrial Estate, Unit III, Poly Cab Road, Village Kadaiya, Dist. Daman, Daman (UT)-396 210.
Tel: 91-260-329 1311
Email: daman@panamapetro.com
3. Plot No. H-10-11-12 and H-14-15 M.I.D.C., Taloja, Navi Mumbai - 410208.
Tel: 91-22-27411456
Email: taloja@panamapetro.com
4. Plot No. 23 & 24 SEZ, Dahej, Bharuch District, Gujarat-392110.
Tel: 91-2641-320980
Email: dahej@panamapetro.com

(r) Address for Correspondence:

The shareholders may send their communication grievances/queries to the Registrar and Share Transfer Agents (Bigshare Services Pvt. Ltd.) or to the Company at:

Corporate Office:

Panama Petrochem Ltd.

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

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

Amirati E. Rayani

Chairman

DIN:00002616

Date: May 27, 2024

Place: Mumbai

CEO Certificate On Corporate Governance

To,
The Members of
PANAMA PETROCHEM LIMITED

I, Samir A. Rayani, Managing Director & CEO of Panama Petrochem Limited hereby declare that all the members of the Board of Directors and Senior Management personnel have affirmed compliance with the Code of Conduct, as applicable to them, for the financial year ended March 31, 2024.

For **Panama Petrochem Ltd.**

Date: May 27, 2024
Place: Mumbai

Samir A. Rayani
Managing Director & CEO
DIN : 00002674

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

CEO & CFO Certification

To,
The Board of Directors,
PANAMA PETROCHEM LIMITED

We hereby certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2024 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.**

Date: May 27, 2024
Place: Mumbai

Samir A. Rayani
Managing Director & CEO
DIN : 00002674

Pramod Maheshwari
CFO

Certificate Of Non-Disqualification Of Directors

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by Panama Petrochem Limited, having its Registered office at Plot No.3303, GIDC Estate, Ankleshwar, Gujarat-393002 and also the information provided by the Company, its officers, agents and authorized representatives, we hereby report that during the Financial Year ended March 31, 2024, in our opinion, none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of Company by the Board/Ministry of Corporate Affairs or any such Statutory authority.

For **MILIND NIRKHE & ASSOCIATES**
Company Secretaries

MILIND NIRKHE

Membership No: 4156

CP NO: 2312

Firm Unique Code No.: S1992MH790200

Peer Review Certificate No.: 1141/2021

UDIN NO: F004156F000452881

Date: May 27, 2024

Place: Mumbai

Practicing Company Secretary's Certificate on Corporate Governance

To,

The Members of **Panama Petrochem Limited**

We have examined the compliance of the conditions of Corporate Governance by Panama Petrochem Limited ('the Company') for the year ended 31st March, 2024 as stipulated under Regulation 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D, & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above- mentioned Listing Regulations for the year ended on March 31, 2024.

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

Firm Unique Code No.: S1992MH790200

Peer Review Certificate No.: 1141/2021

UDIN NO: F004156F000452945

Date: May 27, 2024

Place: Mumbai

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURE QUESTIONS

I. Details of the listed entity

Particulars	Responses
1. Corporate Identity Number (CIN) of the Listed Entity	L23209GJ1982PLC005062
2. Name of the Listed Entity	Panama Petrochem Ltd.
3. Year of incorporation	1982
4. Registered office address	Plot no. 3303, GIDC Estate, Ankleshwar, Gujarat - 02
5. Corporate address	401, Aza House, 24 Turner Road, Bandra (W), Mumbai - 50
6. E-mail	ho@panamapetro.com
7. Telephone	+91-22-42177777
8. Website	www.panamapetro.com
9. Financial year for which reporting is being done	01/04/2023 - 31/03/2024
10. Name of the Stock Exchange(s) where shares are listed	BSE Ltd. & National Stock Exchange of India Ltd.
11. Paid-up Capital	12.10 Cr
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Hussein Rayani - Jt. Managing Director 022-42177777 hussein@panamapetrochem.com
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone
14. Name of assurance provider	Assurance of the BRSR Report is not applicable to the Company for financial year 2023-24
15. Type of assurance obtained	Not applicable

II. Products / Services

16. Details of business activities (accounting for 90% of the turnover)

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Coke & Refined Petroleum Products	100%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover)

S. No.	Product / Service	NIC Code	% of Turnover of the entity
1	Panoil	192 (Manufacturer of refined petroleum products)	98.02%

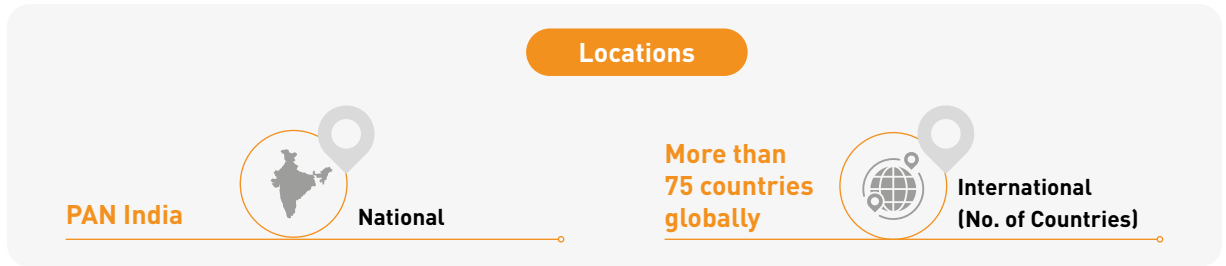
III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated



19. Markets served by the entity:

a. Number of locations



b. Exports comprised 38% of the total turnover of the Company for the financial year 2023-24

c. A brief on types of customers

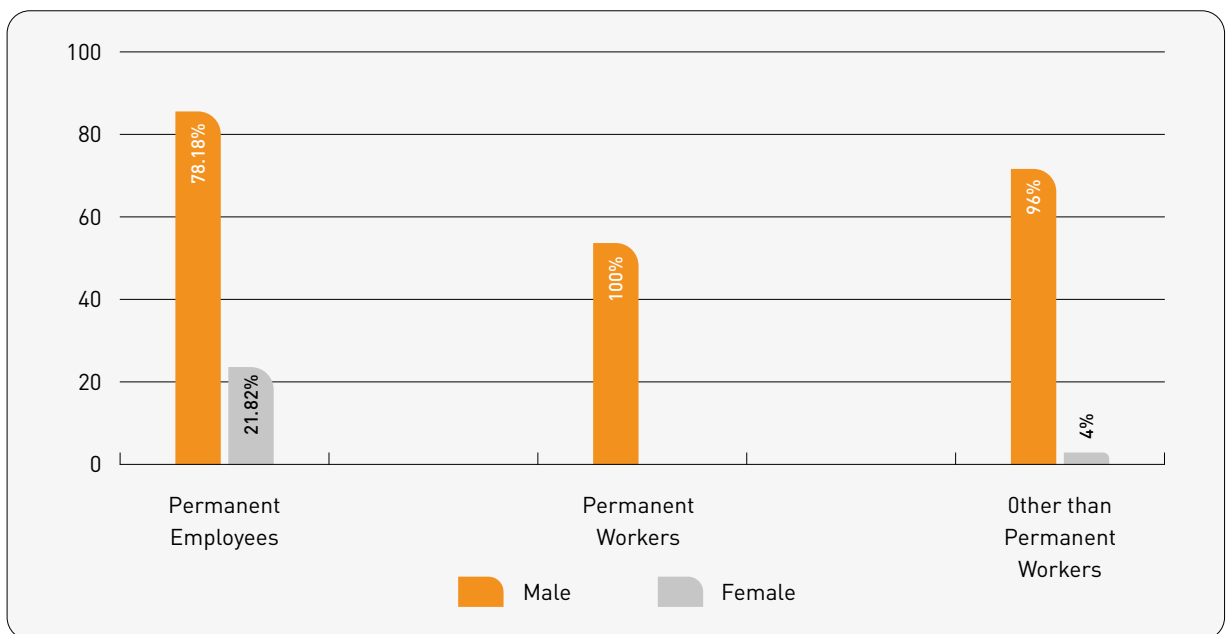
Panama Petrochem Limited serves a wide range of specialty petroleum products to various industries around the world, primarily focusing on business-to-business segments. Our customer base includes companies manufacturing cosmetics, pharmaceuticals, rubber tires and other rubber products, electrical transformers, lubricant blenders and offset printing ink.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	%(C/A)
EMPLOYEES						
1	Permanent (D)	110	86	78.18%	24	21.82%
2	Other than Permanent (E)	-	-	-	-	-
3	Total employees (D+ E)	110	86	78.18%	24	21.82%
WORKERS						
4	Permanent (D)	54	54	100%	-	-
5	Other than Permanent (E)	75	72	96%	3	4%
6	Total employees (D+ E)	129	126	97.67%	3	2.33%



b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1	Permanent (D)	-	-	-	-	-
2	Other than Permanent (E)	-	-	-	-	-
3	Total employees (D + E)	-	-	-	-	-
WORKERS						
4	Permanent (D)	-	-	-	-	-
5	Other than Permanent (E)	-	-	-	-	-
6	Total employees (D + E)	-	-	-	-	-

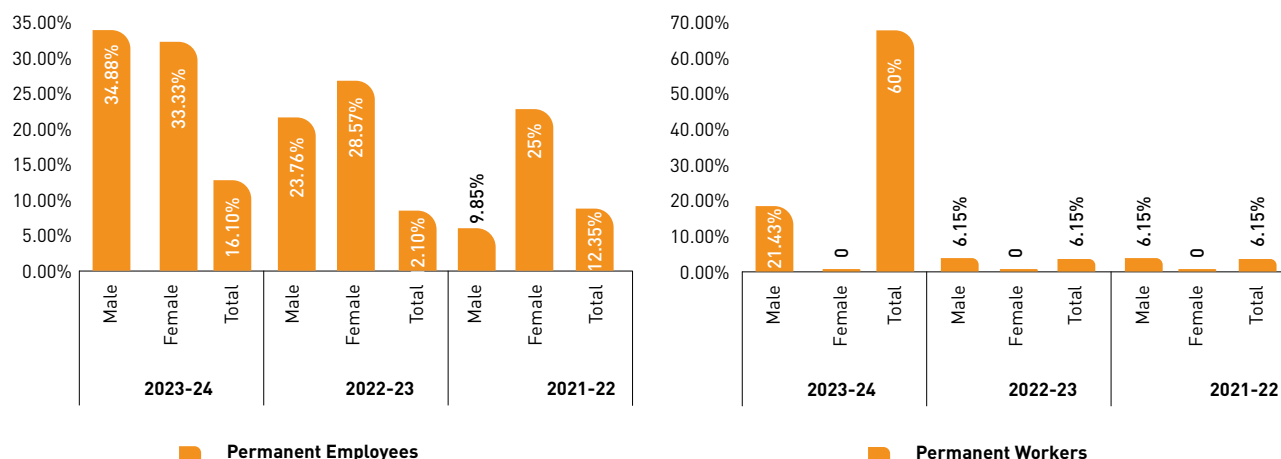
21. Participation/Inclusion/Representation of women

	Total (A)	No. of females (B)	% of females (B/A)
Board of Directors	10	1	10%
Key Management Personnel (KMPs)	6*	1	16.67%

Note: The above details of KMP and Board of Directors are as on March 31, 2024.

*KMPs includes the members of the Board.

22. Turnover rate for permanent employees and workers



	2023-24			2022-23			2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	34.88%	33.33%	16.10%	23.76%	28.57%	12.10%	9.85%	25%	12.35%
Permanent Workers	21.43%	-	60%	6.15%	-	6.15%	6.15%	-	6.15%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding / Subsidiary / Associate / Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity?
1	Panol Industries RMC FZE	Subsidiary	100%	The Overseas subsidiary of the Company undertakes various community development activities and initiatives, independently, as per the laws and regulations applicable to it.

VI. CSR Details

(₹ in Cr.)

24	(i) Whether CSR is applicable as per section 135 of Companies Act, 2013	Yes
	(ii) Turnover	₹ 1724.92
	(iii) Net Worth	₹ 855.47

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place	If Yes, then provide web link for grievance redress policy	2023-24			2022-23		
			Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints file during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	http://panamapetro.com/wp-content/uploads/2015/12/Whistle-blower-policy.pdf	-	-	-	-	-	-
Investors (other than shareholders)	NA	-	-	-	-	-	-	-
Share holders	Yes	http://panamapetro.com/contact-for-investor-greivances/	-	-	-	-	-	-
Employees and workers	Yes	http://panamapetro.com/wp-content/uploads/2015/12/Whistle-blower-policy.pdf	-	-	-	-	-	-
Customers	Yes	http://panamapetro.com/wp-content/uploads/2015/12/Whistle-blower-policy.pdf	-	-	-	-	-	-
Value Chain Partners	Yes	http://panamapetro.com/wp-content/uploads/2015/12/Whistle-blower-policy.pdf	-	-	-	-	-	-

26. Overview of the entity’s material responsible business conduct issues Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
1	Occupational Health and Safety	Risk	Employee health and safety is not only a crucial aspect for the Company but is an ongoing exercise to ensure that its human capital is provided with a working environment that places utmost emphasis on their mental and physical wellbeing, safety and development.	Safety and operational risk management framework continues to play a pivotal role in ensuring safe working environment for its employees and workers. The Company has devised well established systems and strategies not only to enhance employee/ worker well-being but also ensure better productivity.	Negative
2	Business Ethics, Integrity, Transparency & Code of Conduct	Opportunity	Ethics and integrity have always been the key values of the Company and have enabled the Company to gain stakeholder trust and build a strong reputation in the market. These aspects are important to ensure that the Company conducts its business in an ethical and transparent manner to remain successful over the long run. The Company has instituted effective Board level policies and operationalized them through SOPs in all its areas of operations to ensure consistently adhering to the ethics, principles and code of conduct of the organization.	Not Applicable	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
3	Waste Management	Opportunity	<p>The Company recognizes the importance to continue innovating its processes in order to meet industry benchmarks, hence the Company surpasses mere compliance and implements numerous measures to enhance waste management practices across its operations. Each business unit is optimized to minimize waste generation. Improvement initiatives are diligently undertaken and monitored for effectiveness.</p> <p>Comprehensive standard operating procedures are established for the safe handling and disposal of waste generated, if any.</p>	Not applicable	Positive
4	Sustainability Risks	Risk	The Company is exposed to climate change risks and geopolitical risks which have a direct impact on the business over a long term horizon.	The Company has a robust ESG risk analysis and monitoring framework which is directly overseen by the Risk Management Committee of the Board. The Company has identified various short and long term sustainability risks, mapped them to its business operations and is consistently developing detailed risk mitigation plans to address sustainability related risk exposures such as GHG emissions, waste management, environmental impact, etc.	Negative
5	Human Rights & Diversity	Opportunity	Strict adherence to the Human Rights policy and having in place strong redressal mechanisms in this regard outlines the Company's commitment towards the well-being of its manpower, and also helps in retaining and attracting work force.	Not applicable	Positive
6	Community Development	Opportunity	The Company's robust community engagement within its operational areas, coupled with its commitment to addressing social issues through diverse CSR initiatives, outlines the Company's commitment to sustainability while also serves as a significant advantage in establishing a strong market presence and fostering goodwill of the Company.	Not applicable	Positive
7	Regulatory Compliance and Governance	Opportunity	Ensuring adherence to regulatory compliance serves as the cornerstone for establishing the Company's reputation. It's crucial to uphold regulatory standards to foster trust among stakeholder groups and ensure that day to day operations of the Company adhere to pertinent laws, thereby preventing any legal violations.	Not applicable	Positive
8	Privacy and data Security	Risk	In today's business landscape, cyber threats pose a genuine risk to conducting operations securely with stakeholders. It's essential to ensure a secure environment for business transactions without compromising the digital security of information and data essential in the day to day operations of the organization.	The organization has established systems and guidelines regarding cyber security and issues pertaining to data privacy. This includes the application of cyber security policies and procedures, the utilization of security defense tools and continuous monitoring of threats. The Company has constituted a Risk Management Committee with the responsibility of overseeing the risks faced by the Company pertaining to Cyber Security and proposing appropriate corrective measures to address them.	Negative

SECTION B : MANAGEMENT AND PROCESS DISCLOSURES

Policy and management processes

		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	a. Whether your entity’s policy/policies cover each principle and its core elements of the NGRBCs.					Yes				
	b. Has the policy been approved by the Board?					Yes				
	c. Web Link of the Policies, if available					https://panamapetro.com/policies/				
		Some are internal policies and views are restricted to the respective stakeholders.								
2	Has the entity translated the policy into procedures?					Yes				
3	Do the enlisted policies extend to your value chain partners?					No				
4	Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.					ISO 9001:2015; ISO 14001:2015; ISO 45001:2018				
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	Taking into account the industry in which the Company operates and the keen sense of environmental, social and governance consciousness of the management, we are in the process of setting targets concerning energy conservation, workplace safety, carbon footprint reduction, ethical and transparent operations, and governance practices. Our aim is to strengthen the Company’s market standing and enhance value creation for stakeholders.								
6	Performance of the entity against the specific commitments, goals and targets along- with reasons in case the same are not met.	The Company is in the process of initiating a goal setting exercise related to risks in its identified material business topics pertaining to the 9 principles of NGRBC								

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure).

Sustainability is a cornerstone of our Company’s philosophy, seamlessly integrated into our management approach and daily operations. We acknowledge the critical role that responsible environmental practices and strong stakeholder engagement play in our long-term viability. Our vision is to build a sustainable and enduring organization that prioritizes both the safety of our people and the well being of the community at large. Aligned with ESG principles, we meticulously measure and track our performance, with a particular focus on emission mitigation, water and energy conservation, developing eco-friendly products and reducing its operational impact on the environment. At the same time, we are also focusing towards eco-friendly product mix through investments in renewable energy, biofuels, and cleaner petroleum

products. This Sustainability Report offers a transparent window into our ESG efforts, serving as a testament to our dedication to creating value for all our stakeholders.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).

Name: Amiral E. Rayani
DIN: 00002616
Designation: Chairman

9. Does the entity have a specified Committee of the Board / Director responsible for decision making on sustainability related issues? If yes, provide details.

Yes. The Risk Management & the CSR Committee of the Board of Directors is mandated for decision making on sustainability and CSR related issues of the Company. These Committees of the Board also oversee the stakeholder engagement process of the Company and recalibrates the approaches of the Company considering the fast changing externalities and strategic developments.

10. a. Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee

	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Board/Board Committees meet on a periodic basis to review the performance of the Company's initiatives, targets and future plan of action in this regard.								

b. Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)

	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Performance of the Company against the policies and its compliance with necessary statutory requirements in this regard are reviewed by the Board/Board Committees on a half yearly basis and as and when required.								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency?

	P1	P2	P3	P4	P5	P6	P7	P8	P9
Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? If yes, provide name of the agency.	The Company has carried out an independent evaluation of the working of the policies by an external agency during the year. M/s Ramanlal G Shah & Co.								

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated

Not Applicable, as the policies of the Company covers all the NGRBC Principles.

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year

Segment	Total number of training and awareness programmes held	Topics /principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Director & Key Managerial Personnel	7	The Board of Directors and Key Managerial Personnel of the Company participate in various comprehensive training programs designed to equip them with necessary knowledge and skills. These programs typically cover key areas such as Sustainability Risk Management, Sustainability Reporting Updates, Stakeholder and Social Engagement Updates, briefings on current regulatory requirements and other operational and strategic implementation matters.	100%
Employees other than BoD and KMPs	10	Employees undergo various trainings and awareness programs covering various areas such as health and safety, human rights (including POSH-related topics), 5S and HIRA practices, and advanced Excel skills.	85.45%
Workers	5	Workers routinely undergo trainings on safe working methods, including 5S and HIRA practices, safety precautions, emergency response procedures, and promoting a safe work environment.	100%

2. Details of fines / penalties / punishment / award / compounding fees/settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary

	NGRBC Principle	Name of the regulatory / enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred ?
Penalty/ Fine	-	-			
Settlement	-	-	NIL	Not applicable	Not applicable
Compounding fee	-	-			

Non-Monetary

	NGRBC Principle	Name of the regulatory / enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred ?
Imprisonment	-	-	NIL	Not applicable	Not applicable
Punishment	-	-			

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory /enforcement agencies/ judicial institutions
Not applicable	Not applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Anti-corruption and anti-bribery coupled with fair, transparent and accountable business practices are one of the core elements of the Company's management philosophy. This is also a material topic identified and adhered to by the Company at large. The Company has implemented a comprehensive anti-corruption and anti-bribery policy applicable across all verticals and all levels of the management. This policy can be accessed at <http://panamapetro.com/policies/>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption

	2023-24	2022-23
Directors	-	-
KMPs	-	-
Employees	-	-
Workers	-	-

6. Details of complaints with regard to conflict of interest:

	2023-24		2022-23	
	Number	Remark	Number	Remark
Complaints received in relation to issues of Conflict of Interest of the Directors	-	-	-	-
Complaints received in relation to issues of Conflict of Interest of the KMPs	-	-	-	-

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

As a result of consistently adhering to robust and fair business practices, neither the Company nor any of its employees or workers faced any fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest during the period under review. Hence, no corrective actions were necessary in this regard.

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/ services procured) in the following format:

	2023-24	2022-23
Number of days of accounts payables (rounded off)	57	68

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along- with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	2023-24	2022-23
Concentration of Purchases	Purchases from trading houses as % of total purchases	3.80%	6.31%
	Number of trading houses where purchases are made from	77	70
	Purchases from top 10 trading houses as % of total purchases from trading houses	74.64%	80.69%
Concentration of Sales	Sales to dealers/distributors as % of total sales	4.18%	3.49%
	Number of dealers/distributors to whom sales are made	395	507
	Sales to top 10 dealers/distributors as % of total sales to dealers/ distributors	76.71%	34.41%
Share of RPTs in	Purchases with related parties/Total Purchases	-	-
	Sales to related parties/Total Sales	-	-
	Loans & advances given to related parties / Total loans & advances	-	-
	Investments in related parties/Total Investments made	-	-

PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	2023-24	2022-23	Details of improvements in environmental and social impacts
Sustainable R&D %	-	-	Not Applicable
Sustainable Capex %	-	-	Not Applicable

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

b. If yes, what percentage of inputs was sourced sustainably? 100%

Yes. The Company has an operational policy and practice for sustainable sourcing covering various parameters of sustainability for its suppliers, resulting in 100% of the Company’s purchases being sourced in a sustainable manner.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Panama Petrochem Ltd. has undertaken numerous steps to improve waste management practices across its operations. All operations are optimized in order to minimize waste generation through the evaluation of various options of resources, technologies and processes. These processes are also continuously reviewed and improvement initiatives are suitably undertaken and monitored for effectiveness. The Company has in place a comprehensive standard operating procedure for handling and safe disposal of the waste generated.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity’s activities

The law related to EPR is not applicable to the operations of the Company.

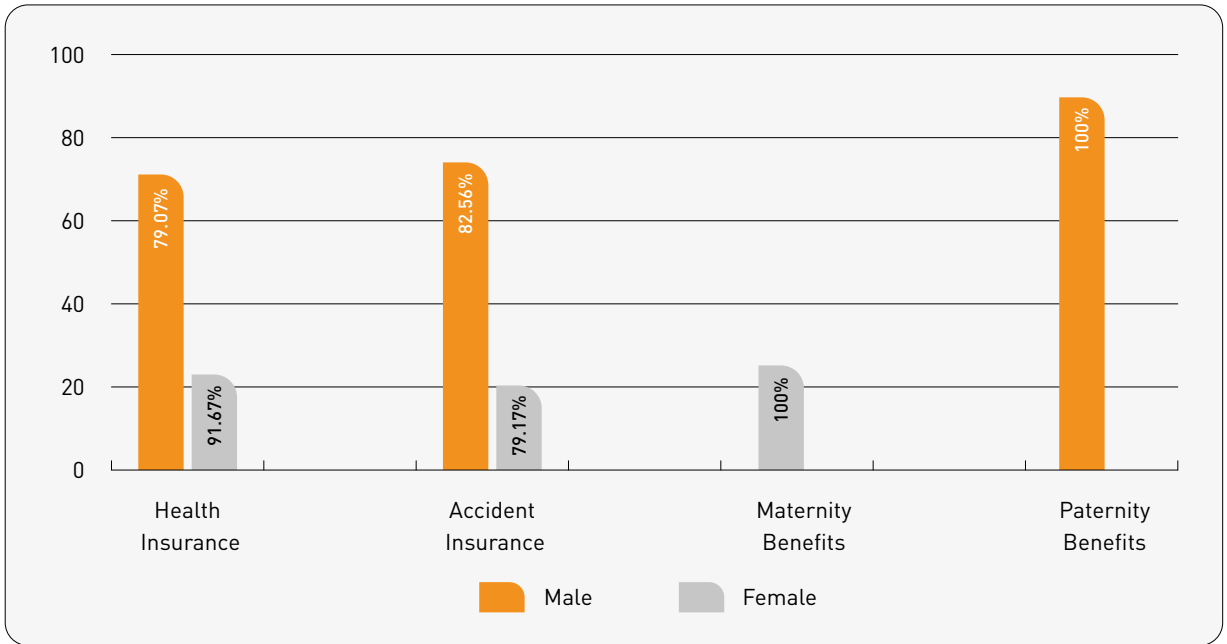
PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

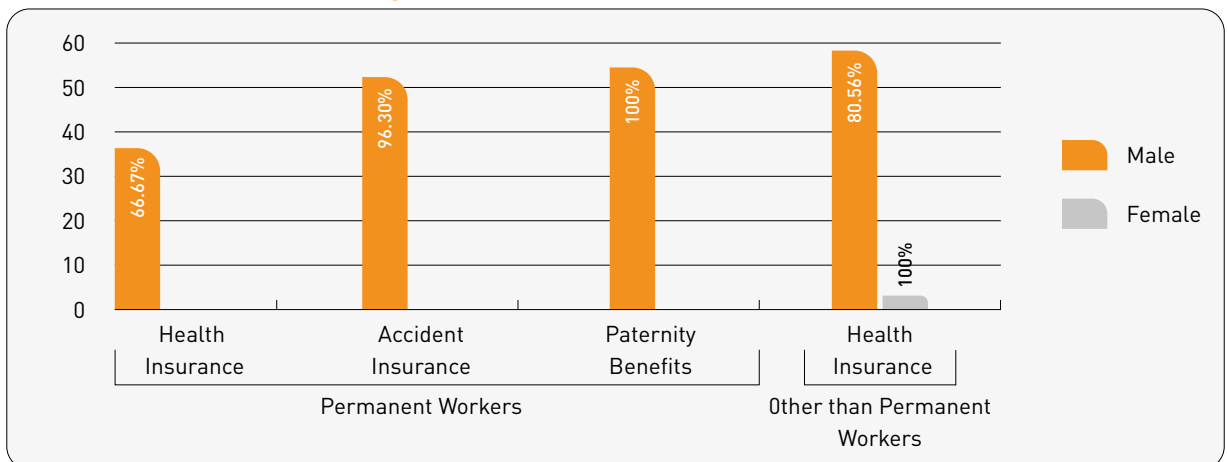
1. Well-being of employees and workers

a. Details of measures for the well-being of employees:



Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	86	68	79.07%	71	82.56%	-	-	86	100%	-	-
Female	24	22	91.67%	19	79.17%	24	100%	-	-	-	-
Total	110	90	81.82%	90	81.82%	24	21.82%	86	78.18%	-	-
Other than Permanent employees											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

b. Details of measures for the well-being of workers



Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	54	36	66.67%	52	96.30%	-	-	54	100%	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	54	36	66.67%	52	96.30%	0	0%	54	100%	0	0%
Other than Permanent employees											
Male	72	58	80.56%	-	-	-	-	-	-	-	-
Female	3	3	100%	-	-	-	-	-	-	-	-
Total	75	61	81.33%	-	-	-	-	-	-	-	-

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent)

	2023-24	2022-23
Cost incurred on well-being measures as a % of total revenue of the Company	0.68%	1.22%

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year.

	2023-24			2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/ N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/ N.A.)
PF	66.36 %	86.15 %	Yes	78.57 %	100 %	Yes
Gratuity	93.54%	36.43 %	Yes	100 %	100 %	Yes
ESI	13.64 %	64.34 %	Yes	31.75 %	23.33 %	Yes

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes. The premises and offices of the Company are conducive to access by differently abled people.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Although the Company currently does not have any employees with disabilities, however, we firmly uphold the principles of equality and fairness, which are deeply rooted in our core values.

With this in mind, the Company has included clear objectives in its Human Rights Policy and HR Manual available on the Company's intranet, outlining our commitment to eliminate bias and discrimination in our operations and practices and increase diverse representation in our workforce.

5. Return to workers and Retention rates of permanent workers that took parental leave.

	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	66.67%	100%	100%
Female	-	100%	-	0%
Total	75%	75%	100%	100%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

S. No.	Material issue identified	Rationale for identifying the risk / opportunity
Permanent Workers	Yes	The Company has in place systematic procedures to report Grievances of any kind which shall potentially be escalated to the top management of the Company where necessary. With strong and robust Whistle-Blower Policy, Human Rights Policy that caters to all cultural and occupational sensitivities of its internal stakeholders, enabling the employees and workers to bring to attention any instances of unethical behavior, incidents or violations. Additionally, the Company has incorporated an Internal Complaints Committee (ICC) dedicated to handling POSH related matters and to address the grievances of each of the employees and workers of the organization.
Other than Permanent Workers	Yes	
Permanent Employees	Yes	
Other than Permanent Employees	Yes	

7. Membership of employees and workers in association(s) or Unions recognized by the listed entity:

Since there are no unions/associations at any level of employment in the organization, hence this is not applicable to the Company.

8. Details of training given to employees and workers:

Category	2023-24					2022-23				
	Total (A)	On Health and Safety Measure		on Skill Upgradation		Total (D)	On Health and Safety Measure		on Skill Upgradation	
		No. (B)	% (B/A)	No. C	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	86	26	30.23%	53	61.63%	112	45	40.18%	73	65.18%
Female	24	7	29.17%	17	70.83%	27	4	14.81%	17	62.96%
Total	110	33	30%	70	63.64%	139	49	35.25%	90	64.75%
Workers										
Male	126	27	21.43%	33	26.19%	108	11	10.19%	17	15.74%
Female	3	-	-	-	-	3	-	-	-	-
Total	129	27	20.93%	33	25.58%	111	11	9.91%	17	15.32%

9. Details of performance and career development reviews of employees and workers:

Category	2023-24			2022-23		
	Total(A)	No.(B)	% (B/A)	Total(C)	No. (D)	% (D/C)
Employees						
Male	86	77	89.53%	112	79	70.54%
Female	24	23	95.83 %	27	19	70.37%
Total	110	100	90.91 %	139	98	70.50%
Workers						
Male	126	119	99.44%	108	30	27.78%
Female	3	3	100%	3	-	-
Total	129	122	94.57%	111	30	27.03%

10. Health and safety management system

a. Whether an occupational health and safety management system has been implemented by the entity? If yes, the coverage of such a system

Yes. The Occupational Health and Safety management system has been implemented at Panama Petrochem Ltd. The system covers all its employees and workers at all operational locations. The Safety Management Framework covers all the business activities and the same are aligned with the ISO 45001:2018 requirements. The coverage is 100% and includes all employees and workers.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Company as such does not process or generate any hazardous products or by-products during its manufacturing activities. In spite of this the Company has established mechanisms and processes to identify work-related hazards if any, by undertaking a hazard identification and risk mapping assessment, including impact assessment and adopting necessary control measures thereafter for the identified risks. The work-related hazard and the risk assessment is

carried out for all kinds of routine and non-routine activities. Various risk assessment and management techniques are applied to identify and manage hazards while simultaneously ensuring adherence with all safety limits.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks

Yes. The Company has a well-established Standard Operating Procedure (SOP) in place for all workmen of the organization to report work related hazards which are duly monitored and corrective measures are adopted thereupon with the perspective of

eliminating hazards and preventing such incidents. Additionally, the trainings and awareness modules conducted equip our employees/workmen to report or remove themselves from such risks which they believe could cause injury.

d. Do the employees / workers of the entity have access to non-occupational medical and healthcare services?

Yes. All employees / workers of the Company have access to non-occupational medical and healthcare services by way of insurance policies or under ESIC schemes.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	2023-24	2022-23
Lost Time Injury Frequency Rate	Employees	-	-
	Workers	-	-
Total recordable work-related	Workers	-	-
	Employees	-	-
Number of fatalities	Workers	-	-
	Employees	-	-
Number of high-consequence work-related injuries	Workers	-	-
	Employees	-	-

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

Upholding the safety, security and wellbeing of all our employees and workers is our top priority, regular and consistent safety briefings and trainings are conducted. Regular inspections ensure compliance with statutory and regulatory guidelines on EHS. Due to the vigilant mechanisms as described, we have been able to ensure a zero incident working with zero Lost Time Injury Frequency Rate.

13. Number of Complaints on the following made by employees and workers:

Category	2023-24			2022-23		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working Conditions	-	-	-	-	-	-
Health & Safety	-	-	-	-	-	-

14. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / Concerns arising from assessments of health & safety practices and working conditions.

There have been no incidents during the year where safety of any employee or worker was adversely impacted in any manner.

PRINCIPLE 4

Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The Company has categorized its stakeholders into 2 segments i.e. Internal Stakeholders & External Stakeholders. The Company has in place processes to identify and engage with its various stakeholders to deepen its insights of their needs and expectations, and to develop sustainable strategies for the growth of the Organization. Stakeholder engagement also plays a critical role in identifying and managing risks and opportunities in business operations.

The Company has identified Customers, Communities, Business Partners/Vendors/ Contractors, Employees and Contract Workers, Regulatory Bodies, Shareholders as our key stakeholders that are critical for the success of the Company and to continue moving forward on the path of sustainability.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder group	Whether identified as vulnerable & marginalized group	Channels of communication	Frequency of engagement	Purpose and scope of engagement including key topics and concern raised during such engagement
Customers	No	Email, Website, Customer Feedback and Survey, Grievance Redressal & Others	Ongoing	Panama Petrochem Limited places high importance on customer feedback, to enhance product quality and ensure alignment with customer needs. We value transparency, offering clear information about our products and sustainability initiatives to help customers make informed decisions. Customer input also fuels innovation, inspiring the development of more sustainable products and processes, demonstrating our commitment to customer satisfaction and rendering of quality services.
Communities	Yes	Website; CSR Activities, and others	Ongoing	The Company places high priority on responsible practices. This includes engaging with CSR beneficiaries, implementing ecofriendly operations ensuring the health and well-being of the community at large. Additionally, the Company's CSR Activities ensures targeted community support and environmental stewardship.
Business Partners/ vendors/ Contractors	No	Website, Business Conferences, Trade fairs & Others	Ongoing	The Company prioritizes long-term, value-driven partnerships with suppliers / Business partners/vendors etc. This approach ensures responsible sourcing, high-quality products, new business opportunities, transparency, and ethical practices throughout the supply chain, while also identifying key material issues impacting supply and demand.
Employees & Workers	No	Email, Notice Board, Grievance Redressal, Employee/ Workmen Review	Ongoing	Employees and workmen being a critical part of the organization hence the Company consistently ensures career development, diversity and equal opportunity, health and safety, skill upgradation, and resolving of grievances/concerns raised by its employees/workmen, if any.
Regulatory Bodies		Website, Annual Reports, Quarterly Submissions & Others	Ongoing	Timely and effective compliance with regulatory and legal mandates not only fosters good ethical behaviour within the Company but also helps identify and address potential regulatory risks. This ensures adherence to applicable laws, resulting in timely reporting and minimizing penalties

Stakeholder group	Whether identified as vulnerable & marginalized group	Channels of communication	Frequency of engagement	Purpose and scope of engagement including key topics and concern raised during such engagement
Shareholders	No	Website, Email, Annual Reports, Earnings Call, Grievance Redressal, Investor Presentations & Others	Ongoing	<p>The purpose of engaging with the shareholders of the Company is to provide a comprehensive overview of the Company's performance, including updates on business growth, profitability, as well as other key topics covering plans and proposals for the near future.</p> <p>Shareholders are actively engaged through various channels and receive regular updates on financials and key events of the Company, including information on return to shareholders.</p>

PRINCIPLE 5

Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	2023-24			2022-23		
	Total(A)	No. of employees / workers covered (B)	% (B/A)	Total(C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent	110	80	72.73%	126	85	67.46%
Other than permanent	-	-	0	13	10	76.92%
Total Employees	110	80	72.73%	139	95	68.35%
Workers						
Permanent	54	27	50%	30	12	40%
Other than permanent	75	7	9.33%	81		0%
Total Workers	129	34	26.36%	111	12	10.81%

2. Details of minimum wages paid to employees and workers, in the following format:

Category	2023-24					2022-23				
	Total (A)	Equal to minimum		More than Minimum		Total (D)	Equal to minimum		More than Minimum	
		No. (B)	% (B/A)	No. C	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	110	-	-	110	100%	126	-	-	126	100%
Male	86	-	-	86	100%	104	-	-	104	100%
Female	24	-	-	24	100%	22	-	-	22	100%
Other than permanent	-	-	-	-	-	13	-	-	13	100%
Male	-	-	-	-	-	8	-	-	8	100%
Female	-	-	-	-	-	5	-	-	5	100%
Workers										
Permanent	54	-	-	54	100%	30	-	-	30	100%
Male	54	-	-	54	100%	30	-	-	30	100%
Female	-	-	-	-	-	-	-	-	-	-
Other than permanent	75	-	-	75	100%	81	-	-	81	100%
Male	72	-	-	72	100%	78	-	-	78	100%
Female	3	-	-	3	100%	3	-	-	3	100%

3. Details of remuneration/salary/wages

a. Median remuneration / wages:

Category	Male		Female	
	Number	Median remuneration/ salary/wages (₹)	Number	Median remuneration/ salary/wages (₹)
Board of Directors (BoD)	4	33,30,000	-	-
Key Managerial Personnel*	1	56,67,078	1	42,16,608
Employees other than BoD and KMPs	81	5,17,494	23	3,68,940
Workers	54	2,10,769	-	-

*Excluding the remuneration paid to Directors who fall under the category of KMPs (Key Managerial Personnel)

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	2023-24	2022-23
Gross wages paid to females as % of total wages	13.13%	6.07%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Panama Petrochem Limited prioritizes human rights with a zero-tolerance policy for violations and misconduct. Our commitment to human rights cultivates a safe, respectful, and inclusive work environment for all. As a result, we have established robust internal mechanisms, comprehensive policies, clear guidelines in our Human Rights and Whistleblower Policies, to prevent and address violations, ensuring ethical conduct. A dedicated Internal Complaints Committee addresses POSH- related matters. All grievances are investigated, with appropriate disciplinary actions being taken whenever necessary. The Head of the Human Resource Department assumes the accountability of discerning, authentication, and effectively resolving grievances brought forth by the employees/ workers of the organization.

6. Number of Complaints on the following made by employees and workers

Category	2023-24			2022-23		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	-	-	-	-	-	-
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour/ Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights related issues	-	-	-	-	-	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

	2023-24	2022-23
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	-	-
Complaints on POSH as a % of female employees / workers	-	-
Complaints on POSH upheld	-	-

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Panama Petrochem Limited is committed to fostering a work environment free from discrimination and harassment. The Company has in place a Vigil Mechanism/Whistle Blower Policy which provides adequate safeguards encouraging employees to report any concerns without fear of retaliation, and also provides a direct access not only to the Head of the Department but to the Managing Director of the Company and in exceptional cases to the Chairman of the Audit Committee as well. Additionally, a dedicated Internal Complaints Committee has been formed specifically to address matters related to sexual harassment ensuring safe and non-discriminatory work environment for anyone reporting instances of discrimination or harassment

9. Do human rights requirements form part of your business agreements and contracts?

The Company at this point does not cover human rights clause in its commercial contracts, but on case to case basis does cover aspects of Human Rights. Additionally, we encourage our business partners to adhere to responsible business practices in relation to human rights including compliance with applicable laws and regulations in this regard.

10. Assessments conducted

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	Although the Company has not conducted formal assessments on the said topics, however, we are in compliance with all laws and regulations as applicable to the Company from time to time
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

There have been no statutory/ regulatory assessments by external agencies on the above aspects during the year. However, the Company does have in place internal policies and carries out internal assessments to ensure compliance with all applicable Laws and other legal requirements.

PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	2023-24	2022-23
From renewable sources (in Kilojoules)	-	-
Total electricity consumption (A)	32,09,92,920	28,29,18,960
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	32,09,92,920	28,29,18,960
From non-renewable sources		
Total electricity consumption (D)	2,28,15,93,600	1,90,43,20,008
Total fuel consumption (E)	5977144025.85	4306246238.39
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	8258737625.85	6210566246.39
Total energy consumed (A+B+C+D+E+F)	8579730545.85	6493485206.39
Energy intensity per rupee of turnover	49739.95 KJ/LINR	38012.79 KJ/LINR
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	1138050.10 KJ / LINR	869732.67 KJ/LINR
Energy intensity in terms of physical output	51735.34 KJ/MT	42675.25 KJ/MT
Energy intensity (optional) the relevant metric may be selected by the entity	-	-

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

An external evaluation was carried out by M/s Ramanlal G Shah & Co.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India?

Not Applicable

3. Provide details of the following disclosures related to water, in the following format:

Parameter	2023-24	2022-23
Water withdrawal by source (in Kilolitres)	-	-
(i) Surface water withdrawal	-	-
(ii) Groundwater withdrawal	-	-
(iii) Third party water withdrawal	6116	6985
(iv) Seawater/desalinated water withdrawal	-	-
(v) Other withdrawal	-	-
Total volume of water withdrawal (in kilolitres) (i+ii+iii+ iv + v)	6116	6985
Total volume of water consumption (in kilolitres)	3904	3263
Water intensity per rupee of turnover	22.63 L/L INR	19.10 L/L INR
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	517.80 L/LINR	437.03 L/LINR
Water intensity in terms of physical output	23.54 L/MT	21.44L/MT
Water intensity (optional) the relevant metric may be selected by the entity	-	-

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

An external evaluation was carried out by M/s Ramanlal G Shah & Co.

4. Provide the following details related to water discharged (in kiloliters):

Parameter	2023-24	2022-23
Water discharge by destination and level of treatment (in Kiloliters)		
(i) To Surface water	1.10	-
- No treatment	-	-
- With treatment	1.10	-
Level of treatment	Not Applicable	Not applicable
(ii) To Groundwater	-	-
- No treatment	-	-
- With treatment	-	-
Level of treatment	-	-
(iii) To Seawater	-	-
- No treatment	-	-
- With treatment	-	-
Level of treatment	-	-
(iv) Sent to third-parties	2211.20	2349.10
- No treatment	2211.20	2349.10
- With treatment	-	-
Level of treatment	Not applicable	Not applicable
(v) Others	-	-
- No treatment	-	-
- With treatment	-	-
Level of treatment	Not applicable	Not applicable
Total water discharged	2212.30	2349.10

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

An external evaluation was carried out by M/s Ramanlal G Shah & Co.

5. Has the entity implemented a mechanism for Zero Liquid Discharge?

Recognizing the importance of water as a resource, we undertake several measures to optimize consumption and reduce resultant wastewater generation. Sewage generated from domestic and administrative use of water is treated and discharged as per the extant applicable pollution control regulations.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please Specify FY unit	2023-24	2022-23
NOx	Micrograms Per Cubic Meter	-	-
SOx	Micrograms Per Cubic Meter	-	-
Particulate matter (PM)	Micrograms Per Cubic Meter	-	-
Persistent organic pollutants (POP)	Micrograms Per Cubic Meter	-	-
Volatile organic compounds (VOC)	Micrograms Per Cubic Meter	-	-
Hazardous air pollutants (HAP)	Micrograms Per Cubic Meter	-	-

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

An external evaluation was carried out by M/s Ramanlal G Shah & Co.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	2023-24	2022-23
Total Scope 1 emissions	T CO2e	1078.66	745.80
Total Scope 2 emissions	T CO2e	977.81	1253.25
Total Scope 1 and Scope 2 emission intensity per rupee of turnover	T CO2e/L INR	0.01192214	0.01170242
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	T CO2e/L INR	0.2727785	0.2677513
Total Scope 1 and Scope 2 emission intensity in terms of physical output	T CO2e/MT	0.0124004	0.0131378
Custom Scope 1 and Scope 2 emission intensity (optional)	T CO2e/MT	-	-

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

An external evaluation was carried out by M/s Ramanlal G Shah & Co.

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

The Company is considering interventions to reduce its GHG footprint across scope 1, scope 2 and scope 3. Considering the geographical spread of the Company's customers across the globe, reduction in GHG emissions would play a vital role in bringing the Company on a firm footing of sustainability coupled with its keen awareness and measures for water and waste management.

9. Provide details related to waste management by the entity, in the following format:

The Company's commitment to sustainability is evident in our zero-waste approach, which ensures all resources are used to their full potential.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company recognizes waste management as one of the 3 key elements of sustainability i.e. GHG footprint, waste

management and water footprint. Consistent initiatives are implemented to ensure no generation of waste.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Not Applicable

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year

Not Applicable

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N).

Yes. The company is in compliance with all environmental laws as applicable to the company from time to time.

PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations

Panama Petrochem Limited is affiliated with 1 (one) trade and industry chambers/associations

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/affiliated to.

	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations
1	Bombay Chamber of Commerce	National

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities

Name of authority	Brief of the case	Corrective action taken
Nil	Not Applicable	Not Applicable

PRINCIPLE 8

Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year

Name and brief details of project	SIA notification No	Date of notification	Whether conducted by independent external agency	Result communicated in public domain	Relevant Web link
Not Applicable					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format

Name of project for which R&R is ongoing	Start	District	No of project affected families	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (in INR)
Not Applicable					

3. Describe the mechanisms to receive and redress grievances of the community

All the stakeholders of the Company including the community members at large, can raise their complaints/ concerns through the e-mail id's provided at the Company's website, which is monitored and addressed thereupon, in a timely manner ensuring proper escalation of matters and their fair resolution as appropriate.

The Stakeholders can connect with the company through the following links:

<http://panamapetro.com/ho-details/> Or <http://panamapetro.com/contact-for-investor-greviances/>

Additionally, the Company has in place a Global Whistle Blower Policy which is available on the website of the Company for easy access to all the stakeholders of the Company.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers

% of materials sourced from MSMEs / small producers		% of materials sourced directly from India	
1.19%	0%	17.65%	26.74%
2023-24	2022-23	2023-24	2022-23

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

	2023-24	2022-23
Rural	-	-
Semi-urban	67.73%	28.99%
Urban	-	-
Metropolitan	32.27%	71%

PRINCIPLE 9

Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

A well-established system is in place for dealing with complaints/feedback. Customers can connect with the Company through multiple channels including email, telephone, website, feedback forms, etc. All complaints/concerns are appropriately addressed and all efforts are taken to resolve the same in a timely manner.

The Customers also have access to the Global Whistle Blower Policy of the Company, which has been made available on the Website of the Company

2. Turnover of products and/ services as a percentage of turnover from all products/ service that carry information about:

	As percentage to total turnover
%Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

3. Number of consumer complaints in the previous financial year

Category	2023-24			2022-23		
	Received during the year	Pending resolution at the end of the year	Remarks	Received during the year	Pending resolution at the end of the year	Remarks
Data privacy						
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade						
Other						

4. Details of instances of product recalls on account of safety issues

	Number	Reason to recall
Voluntary recalls		
Forced recalls		

There have been no product recalls during the year

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? If available, provide a web-link of the policy

Yes, the organization has established systems and guidelines regarding cyber security and issues pertaining to data privacy. Several measures are implemented to manage risks associated with cyber security. This includes the application of cyber security policies and procedures, the utilization of security defense tools and continuous monitoring of threats. The cyber security framework can be found on the company’s intranet, which outlines our privacy compliance framework, detailing the arrangement of privacy resources, best practices for managing personal data and raising of concerns if any. The Company has constituted a dedicated Risk Management committee with the responsibility of overseeing the risks faced by the Company pertaining to Cyber Security and proposing appropriate corrective measures to address them. Additionally, the Company has also procured a distinct insurance cover aimed at mitigating potential risks arising from cyber security threats.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services, cyber security and data privacy of customers, re-occurrence of instances of product recalls, penalty / action taken by regulatory authorities on safety of products / services.

There have been no instances requiring corrective action in such areas. However, ethical conduct being our top priority, we ensure adherence to the highest standards in all aspects of business operations, marketing, and data privacy. Our zero- tolerance policy ensures that any unethical activities or malpractices are swiftly addressed. Moreover, our comprehensive compliance framework exceeds regulatory requirements, proactively identifying and mitigating potential risks.

7. Provide the following information relating to data breaches

a. Number of instances of data breaches	-
b. Percentage of data breaches involving personally identifiable	-
c. Impact, if any, of the data breaches	-

Independent Auditor's Report

To
The Members of
Panama Petrochem Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Panama Petrochem Limited ("the Company")**, which comprises of the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements gives a true and fair view in conformity, with the aforesaid Ind AS and other accounting principles generally accepted in India prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA's") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of

our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

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

Key Audit Matters:

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

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Inventory Existence:</p> <p>The Company recognized inventory of ₹ 361.14 Crore as at 31 March 2024. Inventory is held at various locations across India.</p> <p>Within each Location, inventory is stored in warehouses, tanks, containers and tanks attached to the Bonded Custom Warehouse.</p> <p>This is a key audit matter because of the</p> <ul style="list-style-type: none"> Significance of the inventory balance to the statement of financial position and 	<p>We attended inventory counts at locations, which we selected based on financial significance and risk.</p> <p>For locations attended, we performed the following procedures at each site:</p> <ul style="list-style-type: none"> Selected a sample of inventory items and compared the quantities we counted with the book balance. Observed a sample of managements inventory count procedures to assess compliance with Company Policy and Made enquiries regarding obsolete inventory items and inspected the condition of items counted. Tested whether necessary adjustments are recorded in the financial statements for all material differences arising from physical stock counts.

Sr. No.	Key Audit Matter	Auditor's Response
	<ul style="list-style-type: none"> Complexity involved in determining inventory quantities on hand due to the number, conversion from Ltr. to Kgs., location and diversity of inventory storage locations, inventories lying with third parties etc. 	<ul style="list-style-type: none"> Evaluated the design and implementation of the controls over physical verification of inventories and tested the operating effectiveness of the controls during the year. For stocks at third party warehouses, obtained confirmations, and as appropriate performed roll-back procedures to tally with stock quantities at the year end, on a sample basis. Verified the analytical reviews performed by the management such as consumption analysis and stock movement analysis for the year for raw material and finished goods at factories, on a sample basis.
2	<p>Trade Receivables:</p> <p>Trade receivables comprise a significant portion of the current assets of the Company and serve as security for a majority of the Company short-term debt. As indicated in Note 6.2 to the Standalone financial statements. The receivables provision has made based on Expected Credit Loss method. The Company considered current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates. In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future. Accordingly, the estimation of the allowance for trade receivables is a significant judgments area and is therefore considered a key audit matter.</p>	<p>We have considered payments received subsequent to year-end, insurance held for overseas trade receivables, past payment history and unusual patterns to identify potentially impaired balances. The assessment of the appropriateness of the allowance for trade receivables comprised a variety of audit procedures across the Company including:</p> <ul style="list-style-type: none"> Assessing the appropriateness and reasonableness of the assumptions applied in the managements' assessment of the receivables allowance; Consideration of the creditworthiness of significant trade receivables over 90 days; Consideration and concurrence of the agreed payment terms; Verification of receipts from trade receivables subsequent to year-end; Inspection of credit insurance policies; and Considered the completeness and accuracy of the disclosures. To address the risk of management bias, we evaluated the results of audit procedures on other key balances to assess whether or not there was an indication of bias. We were satisfied that the Company's trade receivables are fairly valued and adequately provided. We further considered whether the provisions were misstated and concluded that they were appropriate in all material respects, and disclosures related to trade receivable in the standalone financial statements are appropriate.

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

The Company's Management and the Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Company's Annual Report, but does not include the standalone financial statements and auditor's report thereon. The Company's Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is

materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Responsibilities of Management and the Board of Directors for the Standalone Financial Statements

The Company's Management and the Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial

performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing

our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- 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 and complied with the requirement of audit trail, except to the extent stated in (i)(vi) below.
- c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. The modification relating to the maintenance of accounts and other matters connected therewith is as stated in paragraph (b) above.
- g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. As stated in Note 9 (e) to the standalone financial statements:

- (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- (b) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act.
- (c) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. Based on our examination, which included test checks, the Company has used accounting software systems for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility, which, with the exception of the period from April 1, 2023, to April 4, 2023, remained operational throughout the year for all relevant transactions recorded in the software system.

Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with, in respect of accounting software's for the period for which the audit trail feature was operating.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For **JMR & Associates LLP**

Chartered Accountants

Firm Registration No. 106912W / W100300

CA. Nikesh Jain

Partner

Membership No. 114003

UDIN: 24114003BKEMDE2408

Place: Mumbai

Date: 27 May, 2024

Annexure “A” to the Independent Auditors’ Report

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

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Panama Petrochem Limited (“the Company”) as of March 31, 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company, have in all material respects, an adequate internal financial controls system over financial reporting with reference to Standalone Financials Statements and such internal financial controls over financial

reporting were operating effectively as at March 31, 2024 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **JMR & Associates LLP**

Chartered Accountants

Firm Registration No. 106912W / W100300

CA. Nikesh Jain

Partner

Membership No. 114003

UDIN: 24114003BKEMDE2408

Place: Mumbai

Date: 27 May, 2024

ANNEXURE “B” to the Independent Auditors’ Report

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

- i. In respect of property, plant and equipment and intangible assets:
 - a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
 - b) As informed to us, the property, plant and equipment’s have been physically verified by the management during the period according to a phased program. In our opinion, such program is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification by the management.
 - c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as property, plant and equipment in the standalone financial statements, the lease agreements are in the name of the Company
 - d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
 - e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder
- ii. In respect of its inventories:
 - (a) As informed to us, the physical verification of the inventories was done by the management at reasonable intervals at the end of each month and for year-end. We have received confirmation with respect to inventories lying with third parties. In our opinion, the frequency of verification is reasonable. Further, on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
- (b) The Company has sanctioned working capital limits in excess of five Crore rupees, in aggregate, from banks on the basis of security of current assets. The quarterly Information statements filed by the company with financial institutions or banks are in agreement with the books of account of the Company.
- iii. a) During the year, the Company has not provided loans or provided advances in the nature of loans or provided security to any other entity, however provided guarantee, to bank for wholly owned subsidiary in respect of which Bank Guarantee outstanding balance at the end of the year is ₹ Nil and Corporate Guarantee outstanding balance at the end of the year is ₹ 95.05 Crore (\$ 114 Lakh).
- b) In our opinion, the investments made during the year in the shares of listed companies and guarantee provided are, prima facie, not prejudicial to the Company’s interest.
- c) The Company has not provided loans or provided advance in nature of loans and therefore reporting under clause 3(iii)(c) to 3(iii)(f) of the Order is not applicable to the Company.
- iv. The Company has not granted any loan under section 185 of the Act. The Company has complied with the provisions of section 186 of the Act, with respect to the investment and guarantees. The Company has neither given any security nor given any loans during the year.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public as per the provisions of section 73 to 76 of the Act and rules framed thereunder, and accordingly, the provisions of Clause (v) of Para 3 of the Order are not applicable to the Company.
- vi. We have broadly reviewed accounts and records maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section (1) of Section 148 of the Act, related to manufacture of specialty petroleum products and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of records with a view to determine whether they are accurate.
- vii. In respect of statutory dues:
 - a) According to the information and explanations given to us and according to the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including

provident fund, Employees' State Insurance, Income-tax, Goods and Service tax, cess or/and any other material statutory dues wherever applicable.

- b) According to the information and explanations given to us there were no outstanding statutory dues as on 31 March 2024 for a period of more than six months from the date they became payable.
- c) According to the information and explanation given to us, there are no dues outstanding in respect of Income-tax, VAT, Excise duty, Service tax, Custom duty, Goods and Service tax, Cess or/and any other material statutory dues wherever applicable, which have not been deposited on account of any dispute, except the following;

Name of the Statute	Nature of the Dues	Amount (INR in Crore)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Central Excise Duty	0.40	FY 2016-17	The Commissioner Appeals CGST & Central Excise Commissioner ate, Surat.
Central Excise Act, 1944	Central Excise Duty	0.28*	FY 2017-18	The Commissioner Appeals CGST & Central Excise Commissioner ate, Ahmedabad.
Income Tax Act, 1961	Income Tax	13.33	FY 2017-18	Commissioner of Income Tax (Appeals)

* CESTAT has issued a favourable verdict on 5th April, 2024 in favour of the company.

- viii. In our opinion, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company do not have any borrowings from financial institutions, government or dues to debenture holders.
- b) Based on our audit procedures and on the basis of information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c) Based on our audit procedures and on the basis of information and explanations given to us, the Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries
- f) Based on our audit procedures and on the basis of information and explanations given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiary.
- x. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- xi. (a) Based upon the audit procedures performed and the information and explanations given by the management, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) According to the information and explanations given to us, the Company not received any whistle blower complaints during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, the provisions of Clause (xii) of Para 3 of the Order are not applicable to the Company.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with the directors, requiring compliance with Section 192 of the Companies Act.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi) (a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) There are no unspent amounts towards Corporate Social Responsibility (CSR) on ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.
- xxi. The reporting under clause 3(xxii) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in the report.

For **JMR & Associates LLP**
Chartered Accountants
Firm Registration No. 106912W / W100300

CA. Nikesh Jain
Partner

Place: Mumbai
Date: 27 May, 2024

Membership No. 114003
UDIN: 24114003BKEMDE2408

Balance Sheet

as at 31 March 2024

₹ in Crore

Particulars	Notes	As at 31 March 2024	As at 31 March 2023
Assets			
1. Non-current assets			
(a) Property, Plant and Equipment	3	200.09	151.88
(b) Capital work-in-progress	3.1	1.19	13.04
(c) Investment property	4	21.68	15.76
(d) Right -of-use assets	3, 5.1	23.12	23.43
(e) Intangible Assets	5.2	-	0.01
(f) Financial Assets			
(i) Investments	6.1	53.83	56.31
(ii) Others	6.6	0.40	0.39
(g) Other non-current assets	8	2.55	1.74
Total Non Current Assets		302.86	262.56
2. Current assets			
(a) Inventories	7	361.14	276.79
(b) Financial Assets			
(i) Trade Receivables	6.2	378.56	313.16
(ii) Cash and cash equivalents	6.4	62.03	48.19
(iii) Bank Balances other than (ii) above	6.5	0.98	121.07
(iv) Loans	6.3	0.84	0.92
(v) Others	6.6	2.67	2.21
(c) Current Tax Assets (Net)	15	3.99	3.52
(d) Other Current Assets	8	18.11	11.88
Total Current Assets		828.32	777.74
Total Assets		1,131.18	1,040.30
Equity and Liabilities			
Equity			
(a) Equity Share Capital	9	12.10	12.10
(b) Other Equity	10	843.37	758.58
Total Equity		855.47	770.68
Liabilities			
1. Non-current Liabilities			
Financial liabilities			
(a) Borrowings		-	-
(b) Lease liabilities	11.1	0.38	0.32
(c) Other Non-current Liabilities/Trade Payable		-	-
Provisions	12	1.26	1.06
Deferred Tax Liabilities (Net)	13	11.24	9.26
Total Non -current Liabilities		12.88	10.64
2. Current Liabilities			
(a) Financial Liabilities			
(i) Lease liabilities	11.1	0.14	0.12
(ii) Borrowings			
(a) Borrowings (Short term)	11.2	25.49	-
(b) Borrowings (Current maturities to long term borrowing)		-	-
(iii) Trade Payables	11.3		
Total outstanding dues of micro enterprises and small enterprises		5.38	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		221.28	248.03
(iv) Other Financial Liabilities	11.4	3.08	1.86
(b) Provisions	12	0.24	0.22
(c) Current Tax Liabilities (Net)	15	-	-
(d) Other Current Liabilities	14	7.22	8.75
Total Current Liabilities		262.83	258.98
Total Equity and Liabilities		1,131.18	1,040.30
Significant Accounting Policies	2		
The accompanying notes are an integral part of the financial statements			

As per our report of even date attached

For **JMR & Associates LLP**
Chartered Accountants
Firm Registration No. 106912W / W100300

CA. Nikesh Jain

Partner
Membership No : 114003
Place: Mumbai
Date : 27 May 2024

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

Amirali E. Rayani

Chairman
DIN:00002616
Place: Mumbai
Date : 27 May 2024

Samir A. Rayani

Managing Director & CEO
DIN:00002674
Place: Mumbai
Date : 27 May 2024

Pramod Maheshwari

CFO
Place: Mumbai
Date : 27 May 2024

Gayatri Sharma

Company Secretary & Compliance Officer
Place: Mumbai
Date : 27 May 2024

Statement of Profit and Loss

for the year ended 31 March 2024

₹ in Crore

Particulars	Notes	Year ended 31 March 2024	Year ended 31 March 2023
Income			
Revenue from operations	16	1,724.92	1,708.24
Other income	17	11.27	6.22
Total Income		1,736.19	1,714.46
Expenditure			
Cost of material consumed	18	1,413.50	1,304.11
Purchase of traded goods	19	32.07	24.39
Change in inventories of traded goods and finished goods	20	(6.15)	1.05
Employee benefits expense	21	11.61	21.03
Finance costs	22	16.72	10.10
Depreciation and amortization expense	23	6.63	6.10
Other expenses	24	84.94	105.53
Total Expenses		1,559.32	1,472.31
Profit for the year before tax		176.87	242.15
Tax expenses			
Current tax	35	44.20	60.00
Deferred tax	35	1.30	1.70
Short/(excess) provision of tax relating to earlier years		0.12	(0.12)
Total tax expenses		45.62	61.58
Profit for the year from continuing operations		131.25	180.57
Other Comprehensive Income			
A) Items that will not be reclassified subsequently to profit or loss			
(i) Re-measurement gains/(losses) on defined benefit plans		(0.02)	(0.04)
(ii) Income tax related to above		(0.01)	0.01
B) Items that will be reclassified to profit or loss			
(i) Equity instruments through other comprehensive income		2.56	(1.84)
(ii) Income tax related to above		(0.67)	0.46
Other Comprehensive Income		1.86	(1.41)
Total Comprehensive Income		133.11	179.16
Basic and Diluted earnings per share in ₹ (face value of ₹ 2 each) (Refer Note 34)		21.70	29.85
Significant Accounting Policies			
The accompanying notes are an integral part of the financial statements.			

As per our report of even date attached

For **JMR & Associates LLP**
Chartered Accountants
Firm Registration No. 106912W / W100300

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

CA. Nikesh Jain
Partner
Membership No : 114003
Place: Mumbai
Date : 27 May 2024

Amirali E. Rayani
Chairman
DIN:00002616
Place: Mumbai
Date : 27 May 2024

Samir A. Rayani
Managing Director & CEO
DIN:00002674
Place: Mumbai
Date : 27 May 2024

Pramod Maheshwari
CFO
Place: Mumbai
Date : 27 May 2024

Gayatri Sharma
Company Secretary & Compliance Officer
Place: Mumbai
Date : 27 May 2024

Cash Flow Statement

for the year ended 31 March 2024

	31 March 2024	31 March 2023
		₹ in Crore
A. Cash Flows from operating activities		
Profit before tax	176.87	242.15
Adjustments for -		
Depreciation on property, plant and equipment and investment property, ROU and intangible assets	6.63	6.10
Finance costs	16.72	10.10
(Profit)/loss on sale of property, plant and equipment (net)	-0.01	(0.30)
Additions/Sale to Investment	-0.90	-
(Gain)/Loss on Lease Modification	0.01	0.01
Unrealized foreign exchange loss/(gain)	1.29	(5.68)
Unrealized foreign exchange loss/(gain) on derivative contract	-	(0.24)
Interest income	-4.15	(2.78)
Dividend income	-	(0.02)
Lease rental received	-3.64	(2.98)
Bad debts, provision for doubtful debts	0.20	(0.36)
Operating profit before working capital changes	193.02	246.00
(Increase)/decrease in trade Receivables	(64.76)	(48.24)
(Increase)/decrease in inventories	(84.35)	161.77
(Increase)/decrease in loans and advances	-0.43	0.83
(Increase)/decrease in other current assets	(7.49)	17.67
Increase/(decrease) in trade Payables	(23.37)	(165.96)
Increase/(decrease) in other financial liabilities and provisions	0.04	(6.57)
Increase/(decrease) in other liabilities	-	-
Cash generated from operations	12.66	205.50
Income tax paid	(44.79)	(61.30)
Net cash flow from operating activity (A)	(32.13)	144.20
B. Cash flows from investing activities		
Additions to property, plant and equipment and investment property	(49.32)	(34.35)
(Additions) /Proceed to/from Investment	6.01	(1.37)
Additions to Intangible assets	-	-
Sales of property, plant and equipment	0.03	0.34
Redemption/maturity of bank deposits (having original maturity of more than three months)	120.09	(47.45)
Interest received	5.03	2.37
Lease Rental received	3.64	2.98
Dividend received	-	0.02
Net cash flow from/(used in) investing activities (B)	85.48	(77.46)
C. Cash flows from financing activities		
Payment of Lease Liabilities	(0.13)	(0.26)
Proceeds/ (Repayment) from/of short-term borrowing (net)	25.49	-
Interest paid	(16.34)	(9.91)
Dividend paid	(48.20)	(54.24)
Net cash flow from/(used in) financing activities (C)	(39.18)	(64.41)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	14.17	2.33
Effect of exchange differences on cash & cash equivalents held in foreign currency	(0.33)	(0.10)
Cash and cash equivalents at the beginning of the year	48.19	45.96
Cash and cash equivalents at the end of the year	62.03	48.19

Cash Flow Statement

for the year ended 31 March 2024

	31 March 2024	31 March 2023
₹ in Crore		
Components of Cash and Cash Equivalents		
Cash on hand	0.03	0.05
With banks		
- on current accounts	62.00	48.14
Total Cash and Cash Equivalents (refer note 6.4 and 6.5)	62.03	48.19

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

Note :

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

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

As per our report of even date attached

For **JMR & Associates LLP**
Chartered Accountants
Firm Registration No. 106912W / W100300

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

CA. Nikesh Jain
Partner
Membership No : 114003
Place: Mumbai
Date : 27 May 2024

Amirali E. Rayani
Chairman
DIN:00002616
Place: Mumbai
Date : 27 May 2024

Samir A. Rayani
Managing Director & CEO
DIN:00002674
Place: Mumbai
Date : 27 May 2024

Pramod Maheshwari
CFO
Place: Mumbai
Date : 27 May 2024

Gayatri Sharma
Company Secretary & Compliance Officer
Place: Mumbai
Date : 27 May 2024

Statement of Changes in Equity

for the year ended 31 March 2024

Equity Share Capital

Particulars	₹ in Crore	
	As at 31.03.2024	As at 31.03.2023
Balance at the beginning of the current reporting period	12.10	12.10
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	12.10	12.10
Changes in equity share capital during the current year	-	-
Balance at the end of the current reporting period	12.10	12.10

Particulars	Reserves and Surplus as at 31.03.2024				
	Securities Premium Account	General reserve	Retained earnings	Other Comprehensive Income*	Total
Balance at the beginning of the current period	90.18	11.58	658.10	(1.29)	758.58
Changes in the accounting policy or prior period errors	-	-	-	-	-
Restated Balance at the beginning of the current period	90.18	11.58	658.10	(1.29)	758.58
Total comprehensive income for the current year	-	-	131.25	1.86	133.11
Remeasurement of Fair Value of Financial Instruments	-	-	0.07	-	0.07
Dividends	-	-	(48.39)	-	(48.39)
Transfer to retained earnings/General reserve	-	-	-	-	-
Balance at the end of the current reporting period	90.18	11.58	741.03	0.57	843.37

Particulars	Reserves and Surplus as at 31.03.2023				
	Securities Premium Account	General reserve	Retained earnings	Other Comprehensive Income*	Total
Balance at the beginning of the current period	90.18	11.58	531.97	0.12	633.86
Changes in the accounting policy or prior period errors	-	-	-	-	-
Restated Balance at the beginning of the current period	90.18	11.58	531.97	0.12	633.86
Total comprehensive income for the current year	-	-	180.57	(1.41)	179.16
Dividends	-	-	(54.44)	-	(54.44)
Transfer to retained earnings	-	-	-	-	-
Balance at the end of the current reporting period	90.18	11.58	658.10	(1.29)	758.58

Statement of Changes in Equity

for the year ended 31 March 2024

* Details of Other Comprehensive Income

Particulars	2023-2024			2022-2023		
	Re-measurement of Employees defined benefits	Equity Instruments through Other Comprehensive Income	Total	Re-measurement of Employees defined benefits	Equity Instruments through Other Comprehensive Income	Total
Balance at the beginning of the current period	-	(1.29)	(1.29)	0.03	0.09	0.12
Other comprehensive Income during the year	(0.03)	1.88	1.85	(0.03)	(1.38)	(1.41)
Balance at the end of the current reporting period	(0.03)	0.59	0.56	-	(1.29)	(1.29)

Notes :

- Securities Premium : Premium collected on issue of securities are accumulated as part of securities premium.
- General Reserve : General reserve forms part of the retained earnings and is permitted to be distributed to shareholders as dividend.
- Retained Earning : This represents profits remaining after all appropriations. This is free reserve and can be used for distribution of profits.

As per our report of even date attached

For **JMR & Associates LLP**
Chartered Accountants
Firm Registration No. 106912W / W100300

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

CA. Nikesh Jain
Partner
Membership No : 114003
Place: Mumbai
Date : 27 May 2024

Amirali E. Rayani
Chairman
DIN:00002616
Place: Mumbai
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Samir A. Rayani
Managing Director & CEO
DIN:00002674
Place: Mumbai
Date : 27 May 2024

Pramod Maheshwari
CFO
Place: Mumbai
Date : 27 May 2024

Gayatri Sharma
Company Secretary & Compliance Officer
Place: Mumbai
Date : 27 May 2024

Notes to Financial Statements

for the year ended 31 March 2024

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.

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

Authorization of financial statements

The standalone financial statements were authorized for issue in accordance with a resolution of the Board of Directors passed on 27th May 2024.

2. Significant Accounting Policies:

(A) Basis of Preparation of Financial Statements

- (i) Compliance with Ind AS: The standalone financial statements have been prepared to comply, in all material aspects, with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Companies Act, 2013.

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

- (ii) Classification of assets and liabilities : All assets and liabilities have been classified as current or non-current based on the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Deferred tax assets and liabilities are classified as non-current on net basis.
- (iii) Historical cost convention : The financial statements have been prepared on going concern basis under the historical cost convention except:
 - (a) certain financial instruments (including derivative instruments) and
 - (b) defined benefit plans

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

- (iv) Functional and presentation currency : The Company's functional and presentation currency is Indian Rupee (₹). All amounts disclosed in the financial statements and notes have been rounded off to the nearest Crore (₹ Crore), except otherwise indicated.
- (v) Fair value measurement : The Company measures certain financial assets and financial liabilities including derivatives and defined benefit plans at fair value.

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

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

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

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

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

(B) Property, Plant and Equipment

- (i) Freehold land is carried at historical cost and all other property, plant and equipment are shown at cost (net of adjustable taxes) less accumulated depreciation and accumulated impairment losses. The cost of an

Notes to Financial Statements

for the year ended 31 March 2024

asset comprises of its purchase price, non refundable / adjustable purchase taxes and any cost directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management, the initial estimate of any decommissioning obligation, if any and for assets that necessarily take a substantial period of time to get ready for their intended use, finance costs. The purchase price is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The cost also includes trial run cost and other operating expenses such as freight, installation charges etc. The projects under construction are carried at costs comprising of costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and attributable borrowing costs.

- (ii) Stores and spares which meet the definition of property, plant and equipment and satisfy the recognition criteria of Ind AS 16 are capitalized as property, plant and equipment.
- (iii) When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.
- (iv) An Item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset or significant part) is included in the Statement of Profit and Loss when the asset is derecognized.
- (v) In line with the provisions of Schedule II to the Companies Act, 2013, the Company depreciates significant components of the main asset (which have different useful lives as compared to the main asset) based on the individual useful life of those components. Useful life for such components of property, plant and equipment has been assessed based on the historical experience and internal technical inputs.
- (vi) Depreciation on property, plant and equipment is provided as per straight line method based on useful life prescribed under Schedule II to the Companies Act, 2013. The Company has assessed the estimated useful lives of its property, plant and equipment and has adopted the useful lives and residual value as prescribed in Schedule II.

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

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

(C) Investment Property

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

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

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

(D) Intangible Assets

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

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

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset

Notes to Financial Statements

for the year ended 31 March 2024

and are recognized in the Profit and Loss Statement when the asset is derecognized.

(E) Borrowing Costs

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

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

(F) Impairment of Non-financial Assets

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

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

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

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

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

(G) Non-current Assets held for sale

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

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

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

(H) Inventories

Inventories are valued as follows:

Raw materials, Packing Materials and Traded Goods	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 Input GST credit . 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 is determined on a First In First Out (FIFO) basis.

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

(I) Revenue from contracts with customer:

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold, and services rendered is net of variable consideration on account of discounts offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

(i) Sale of Goods:

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the

Notes to Financial Statements

for the year ended 31 March 2024

material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

(ii) Interest income:

Under Ind AS 109, Interest income is recognized by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at fair value through Profit and loss (FVTPL).

The EIR in case of a financial asset is computed

- a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.
- b. By considering all the contractual terms of the financial instruments in estimating the cash flows.
- c. Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premium or discounts.

Any subsequent changes in the estimation of the future cash flows is recognized in interest income with the corresponding adjustment to the carrying amount of the assets.

(iii) Net Gain on fair value changes :

Any differences between the fair values of financial assets classified as fair value through the profit or loss held by Company on the balance sheet date is recognized as an unrealized gain / loss. In cases there is a net gain in the aggregate, the same is recognized in "Net gains on fair value changes" under "Other Income" and if there is a net loss the same is disclosed under "Expenses" in the statement of Profit and Loss.

Similarly, any realized gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at Fair value through Other Comprehensive Income ("FVTOCI") is recognized in net gain / loss on fair value changes.

However, net gain / loss on derecognition of financial instruments classified as amortized is presented separately under the respective head in the Statement of Profit and Loss.

(iv) Dividend income:

Dividend income is recognized :

- a. When the right to receive the payment is established.

- b. It is probable that the economic benefits associated with the dividend will flow to the entity and

- c. The amount of the dividend can be measured reliably.

(v) Rental Income:

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

(vi) Others:

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

(J) Expenditure on Research and Development

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

(K) Foreign Currency Transactions

(i) Initial Recognition

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

(ii) Conversion

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

(iii) Exchange Differences

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

Notes to Financial Statements

for the year ended 31 March 2024

(iv) Forward Contracts

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

(L) Employee Benefits

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

Post Retirement Benefits

The Company operates the following post-employment schemes:

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

Defined benefit plan - Gratuity obligation

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

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

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

Defined contribution plan

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

(M) Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with

any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Panama's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the company has concluded that no changes are required to lease period relating to the existing lease contracts. Refer note no 11.1

(a) As Company is the lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Notes to Financial Statements

for the year ended 31 March 2024

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

(b) Company is the lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

(N) Taxation

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

- (a) Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India.

- (b) Deferred Tax: Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

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

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

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

(O) Segment Reporting

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

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

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

Notes to Financial Statements

for the year ended 31 March 2024

(P) Earning per share

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

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

(Q) Provisions

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

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

Financial Guarantee Contracts

The Company on a case to case basis elects to account for financial guarantee contracts as a financial instrument or as an insurance contract, as specified in Ind AS 109 on Financial Instruments and Ind AS 104 on Insurance Contracts. The Company has regarded all its financial guarantee contracts as insurance contracts. At the end of each reporting period the Company performs a liability adequacy test, (i.e. it assesses the likelihood of a pay-out based on current undiscounted estimates of future cash flows), and any deficiency is recognized in profit or loss.

Contingent liabilities are disclosed in the case of:

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

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

(R) Financial Instruments

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

I. Financial Assets

A. Initial recognition and measurement :

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

B. Subsequent measurement:

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

(i) Debt instruments at amortized cost

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

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium and fees or costs that

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for the year ended 31 March 2024

are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

(ii) Debt instruments included within the Fair Value Through Profit or Loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

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

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

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

C. De-recognition:

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

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, and either:

- (i) the Company has transferred substantially all the risks and rewards of the asset, or
- (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

D. Impairment of financial assets:

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

Allowance for credit losses on receivables and unbilled revenue

The company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The company considered current and anticipated future economic conditions relating to industries the company deals with and the countries where it operates. In calculating expected credit loss, the company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19.

II. Financial Liabilities

A. Initial recognition and measurement:

Financial liabilities are classified at initial recognition as :

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

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

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for the year ended 31 March 2024

B. Subsequent measurement :

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

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

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

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

- (ii) **Trade and other payables:** These amounts represent liabilities for goods and services provided to the Company prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within twelve months of recognition. Trade and other payables are presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognized

initially at their fair value and subsequently measured at amortized cost using the effective interest method.

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

Hedge accounting :

The Company designates certain hedging instruments which include derivatives, embedded derivatives and non derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges or hedges of net investments in foreign operations. At the inception of the hedge relationship, the Company documents the relationship between the hedging instruments and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

C. De-recognition

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

D. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the

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balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

(S) Significant accounting judgments, estimates and assumptions

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

Judgments

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

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

Estimates and assumptions

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of

revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

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

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

(T) Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Notes to Financial Statements

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03. Property, plant and equipment

	₹ In Crore											
	Freehold land	Factory Building	Non Factory Building	Plant & Equipment	Office Equipment	Computers	Furniture and fixtures	Vehicles	Property, plant and equipment	Leasehold land	Leased properties	Total Right-of-use assets
Cost or valuation												
At 1 April 2022	0.06	19.56	83.82	46.30	1.96	1.06	6.29	7.33	166.38	28.84	1.20	30.04
Additions	-	-	17.10	6.90	0.42	0.06	0.28	0.85	25.61	-	0.47	0.47
Other adjustments	-	-	-	-	-	(0.27)	-	-	[0.27]	-	(0.95)	[0.95]
Deletion	-	-	[0.05]	-	-	-	-	[0.10]	[0.15]	-	-	-
At 31 March 2023	0.06	19.56	100.87	53.20	2.38	0.85	6.57	8.08	191.57	28.84	0.72	29.56
Additions	31.26	-	13.88	5.49	0.41	0.10	8.79	0.25	60.18	-	0.21	0.21
Other adjustments	-	-	-	-	-	(0.14)	-	-	[0.14]	-	-	-
Deletion	-	-	-	-	-	-	-	[0.28]	[0.28]	-	[0.24]	[0.24]
Assets reclassified to Investment Property	-	-	[6.28]	-	-	-	-	-	[6.28]	-	-	-
At 31 March 2024	31.32	19.56	108.47	58.69	2.79	0.81	15.36	8.05	245.05	28.84	0.69	29.53
Depreciation												
At 1 April 2022	-	6.14	3.88	14.66	1.34	1.00	3.59	4.28	34.89	5.45	0.97	6.42
Charge for the year	-	0.61	1.53	1.75	0.16	0.04	0.46	0.63	5.18	0.37	0.29	0.66
Other adjustments	-	-	-	-	-	(0.27)	-	-	[0.27]	-	-	-
Deletion	-	-	[0.02]	-	-	-	-	[0.09]	[0.11]	-	[0.95]	[0.95]
At 31 March 2023	-	6.75	5.39	16.41	1.50	0.77	4.05	4.82	39.69	5.82	0.31	6.13
Charge for the year	-	0.61	1.59	2.03	0.23	0.05	0.58	0.68	5.77	0.37	0.15	0.52
Other adjustments	-	-	-	-	-	(0.14)	-	-	[0.14]	-	-	-
Deletion	-	-	-	-	-	-	-	[0.26]	[0.26]	-	[0.24]	[0.24]
Assets reclassified to Investment Property	-	-	[0.10]	-	-	-	-	-	[0.10]	-	-	-
At 31 March 2024	-	7.36	6.88	18.44	1.73	0.68	4.63	5.24	44.96	6.19	0.22	6.41
Net Block												
At 31 March 2023	0.06	12.81	95.48	36.79	0.88	0.08	2.52	3.26	151.88	23.02	0.41	23.43
At 31 March 2024	31.32	12.20	101.59	40.25	1.06	0.13	10.73	2.81	200.09	22.65	0.47	23.12
Capital work-in-progress												
At 31 March 2023	-	-	9.86	0.37	-	-	2.81	-	13.04	-	-	-
At 31 March 2024	-	-	-	1.19	-	-	-	-	1.19	-	-	-

Notes to Financial Statements

for the year ended 31 March 2024

03. Property, plant and equipment (Contd..)

Notes:-

3.1 Capital Work in Progress

CWIP	2023-2024					2022-2023				
	Amount in CWIP for a period of					Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1.19	-	-	-	1.19	10.14	2.90	-	-	13.04
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-

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

4. Investment Property

₹ in Crore

	As at 31.03.2024	As at 31.03.2023
I. Gross Carrying Amount		
Balance at the beginning of the year	17.81	17.81
Additions / reclassification	6.35	-
Deletions / reclassification	-	-
Balance at the end of the year	24.16	17.81
II. Accumulated Depreciation and Impairment		
Balance at the beginning of the year	2.05	1.77
Depreciation for the year	0.33	0.28
Accumulated depreciation on Addition/deletions	0.10	-
Balance at the end of the year	2.48	2.05
III. Net Carrying Amount at end of the year	21.68	15.76
IV. Fair value of investment property at the end of the year	35.73	29.38

4.1 Information regarding income and expenditure of Investment Property

₹ in Crore

	2023-2024	2022-2023
Rental income derived from investment properties	3.32	2.72
Less: Direct operating expenses (including repairs and maintenance) generating rental income	0.64	0.27
Less: Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
Profit arising from investment properties before depreciation and indirect expenses	2.68	2.45
Less: Depreciation	0.33	0.28
Profit arising from investment properties before indirect expenses	2.35	2.17

4.2 Fair value of the Company's investment properties

The fair value of the Company's investment properties as at 31 March 2024 was arrived at on the basis of a valuation carried out by independent registered values not related to the Company. The Company has adopted policy of revaluing investment property generally every year. (Level 3)

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

₹ in Crore

	Fair value measurement	
	31.03.2024	31.03.2023
Valuation at the end of the year	29.38	29.38

Notes to Financial Statements

for the year ended 31 March 2024

4. Investment Property (Contd..)

b) Reconciliation of fair value

	2023-2024	2022-2023
Opening balance	29.38	29.38
Fair value difference	-	-
Reclassification/Additions	-	-
Closing balance	29.38	29.38

₹ in Crore

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

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

5.1 Leases

The Company has entered into agreements for taking lease certain offices and warehouses on lease and license basis. The lease term is a period ranging from 12 to 45 months. The Company has contracts which have fixed rentals. The Company has also taken leasehold factory lands on one time payment basis. The lease term is a period ranging from 30 years to 99 years.

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17

Disclosure as per the requirement of Ind AS 116

Amounts recognized in balance sheet

The balance sheet shows the following amounts relating to leases

Following are the changes in the carrying value of right of use assets :

	As at 31.03.2024	As at 31.03.2023
Balance as at beginning of the year	23.43	23.62
Additions	0.21	0.47
Deletions/Modification	-	-
Depreciation	(0.52)	(0.66)
Balance as at the end of the year	23.12	23.43

₹ in Crore

Following are the changes in the carrying value of lease liabilities:

	As at 31.03.2024	As at 31.03.2023
Balance as at beginning of the year	0.44	0.26
Additions	0.21	0.47
Finance cost accrued during the period	0.05	0.07
Deletions/Modification	-	(0.03)
Payment of lease liabilities	(0.18)	(0.33)
Balance at the end	0.52	0.44

₹ in Crore

Notes to Financial Statements

for the year ended 31 March 2024

5.1 Leases (Contd..)

	As at 31.03.2024	As at 31.03.2023
₹ in Crore		
Lease liabilities		
Current	0.14	0.12
Non-current	0.38	0.32

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2024 on an undiscounted basis:

Particulars	As at 31.03.2024	As at 31.03.2023
₹ in Crore		
Less than one year	0.19	0.15
One to five years	0.42	0.36
More than five years	-	-
Total	0.60	0.51

The cash outflow of lease payments with respect to the above lease recognized in the statement of profit and loss for the financial year 2023-2024 is ₹ 0.18 Crore (Previous Year ₹ 0.33 Crore).

B) Where the Company is lessor

The future minimum lease payments receivable as per the lease agreements on undiscounted basis are as follows:

Particulars	As at 31.03.2024	As at 31.03.2023
₹ in Crore		
Less than one year	3.13	2.93
One to five years	8.58	11.71
More than five years	-	-

The amount of minimum lease income with respect to operating lease recognized in the statement of profit and loss for the year is ₹ 3.01 Crore (previous year ₹ 2.72 Crore).

5.2 Other Intangible Assets

Particulars	As at 31.03.2024	As at 31.03.2023
₹ in Crore		
I. Gross Carrying Amount		
Balance at the beginning of the year	0.08	0.08
Additions	-	-
Deletions	-	-
Balance at the end of the year	0.08	0.08
II. Accumulated Depreciation and Impairment		
Balance at the beginning of the year	0.07	0.07
Depreciation for the year	0.01	-
Accumulated depreciation on deletions	-	-
Balance at the end of the year	0.08	0.07
III. Net Carrying Amount at end of the year	-	0.01

The Company does not have any intangible assets under development.

Notes to Financial Statements

for the year ended 31 March 2024

6. Financial Assets

6.1 Non-current Investments (fully paid up)

	As at 31.03.2024	As at 31.03.2023
Investments in equity instruments		
Unquoted - Others		
1,795 (31 March 2023 : 1,795) fully paid equity shares of ₹ 10 each of Bharuch Enviro Infrastructure Limited #	-	-
975 (31 March 2023 : 975) Fully paid equity shares of ₹ 100 each of The Marol Co operative Industrial Estate Limited #	0.01	0.01
In Subsidiary Company		
33,018 (31 March 2023 : 33,018) Fully Paid Equity Shares of AED 1,000 each of Panol Industries RMC FZE, UAE #	51.86	51.86
	51.87	51.87
# It is carried at cost.		
Aggregate amount of Unquoted Investments - gross	51.87	51.87
Aggregate amount of impairment in value of investments	-	-
Aggregate amount of Unquoted Investments - net	51.87	51.87

Disclosure pursuant to Ind AS 27 - "Separate Financial Statements"

Subsidiary Company	Principal place of business	Effective Proportion of ownership [%]		Effective Proportion of voting power [%]	
		31.03.2024	31.03.2024	31.03.2023	31.03.2023
Panol Industries RMC FZE	UAE	100%	100%	100%	100%

	As at 31.03.2024	As at 31.03.2023
Quoted		
Designated at Fair value through Other Comprehensive Income		
6,200 (31 March 2023 : 6,200) fully paid equity shares of DCB Bank Limited	0.07	0.07
8,200 (31 March 2023 : 35,200) Fully paid equity shares of Godrej Properties Limited	1.89	3.63
Nil (31 March 2023 : 31,220) Fully paid equity share of Savita Oil Technologies Limited	-	0.74
	1.96	4.44
Aggregate amount of Quoted Investments - gross (at market value)	1.96	4.44
Aggregate amount of impairment in value of investments	-	-
Aggregate amount of Quoted Investments - net	1.96	4.44
Total	53.83	56.31

6.2 Trade Receivables

	As at 31.03.2024	As at 31.03.2023
Current		
Unsecured, Considered good	378.56	313.16
Unsecured, Considered doubtful	0.76	0.56
Unsecured, credit impaired	0.14	0.14
	379.46	313.86
Less: Impairment under expected credit loss	0.90	0.70
	378.56	313.16

Note:- Impairment under expected credit loss includes ₹ 0.14 Crore P.Y. (₹ 0.14 Crore) for doubtful debts.

Notes to Financial Statements

for the year ended 31 March 2024

6. Financial Assets (Contd..)

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

Age of receivables	As at 31.3.2024			
	Gross Carrying Amount ₹ in Crore	Expected Credit Loss Rate %	Credit Loss ₹ in Crore	Net Carrying Amount ₹ in Crore
0-180 days past due	1.33	6.46%	0.09	1.24
180-365 days past due	2.91	13.09%	0.38	2.53
More than 365 days past due	1.43	20.29%	0.29	1.14
Credit impaired	0.14	100.00%	0.14	-
Total	5.81	15.49%	0.90	4.91

Age of receivables	As at 31.3.2023			
	Gross Carrying Amount ₹ in Crore	Expected Credit Loss Rate %	Credit Loss ₹ in Crore	Net Carrying Amount ₹ in Crore
0-180 days past due	2.66	5.31%	0.14	2.52
180-365 days past due	-	10.78%	-	-
More than 365 days past due	2.53	16.71%	0.42	2.11
Credit impaired	0.14	100.00%	0.14	-
Total	5.33	13.13%	0.70	4.63

Movement in the expected credit loss allowance

	Year ended 31.3.2024	Year ended 31.3.2023
Balance at the beginning of the year	0.70	1.06
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	0.20	(0.36)
Balance at the end of the year	0.90	0.70

The bifurcation of Trade Receivable are as under:-

Year ended 31.3.2024

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
i) Undisputed trade receivables-considerd good	372.14	0.44	0.17	-	-	372.75
ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	1.33	2.91	-	1.43	5.67
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	0.14	0.14
iv) Disputed trade receivables-considerd good	-	-	-	-	-	-
v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

Notes to Financial Statements

for the year ended 31 March 2024

6. Financial Assets (Contd..)

The bifurcation of Trade Receivable are as under:-

Year ended 31.3.2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
i) Undisputed trade receivables-considerd good	307.83	-	-	-	-	307.83
ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	2.66	-	-	2.53	5.19
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	0.14	0.14
iv) Disputed trade receivables-considerd good	-	-	-	-	-	-
v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

Unbilled Revenue

Particulars	As at 31.03.2024	As at 31.03.2023
Disputed Trade Receivables	-	-
Undisputed Trade Receivables	-	-

6.3 Loans and advances

Particulars	As at 31.03.2024	As at 31.03.2023
Current		
Other Loans		
Unsecured, considered good	0.84	0.92
	0.84	0.92

6.4 Cash and Cash Equivalents

Particulars	As at 31.03.2024	As at 31.03.2023
Balances with banks		
On current accounts	62.00	48.14
Cash Balances		
Cash on hand	0.03	0.05
	62.03	48.19

6.5 Other bank balances

Particulars	As at 31.03.2024	As at 31.03.2023
Deposit accounts with more than 3 months but less than 12 months maturity	0.18	120.46
Unpaid dividend accounts	0.80	0.61
	0.98	121.07

Notes to Financial Statements

for the year ended 31 March 2024

6. Financial Assets (Contd..)

6.6 Other Financial Assets

Particulars	₹ in Crore	
	As at 31.03.2024	As at 31.03.2023
Non-current		
Bank deposits with more than 12 months maturity	-	-
Security deposits	0.40	0.39
	0.40	0.39
Current		
Security deposits	2.08	1.32
Derivative asset	-	-
Receivable against expenses incurred on behalf of subsidiary (Refer note 33)	0.58	-
Other financial assets	0.01	0.89
	2.67	2.21
	3.07	2.60

Disclosure pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Loans and advances to subsidiary companies

	₹ in Crore	
	Maximum amount due at any time during the year	
	As at 31.03.2024	As at 31.03.2023
Panol Industries RMC FZE	0.58	0.12

7. Inventories

	₹ in Crore	
	Maximum amount due at any time during the year	
	As at 31.03.2024	As at 31.03.2023
(Valued at lower of cost and net realizable value)		
Raw material	334.43	255.82
Finished goods	14.08	9.59
Traded goods	12.04	10.38
Packing material	0.59	1.00
(Includes goods in transit ₹ 16.44 Crore previous year ₹ 0.35 Crore)	361.14	276.79

8. Other Assets

	₹ in Crore	
	Maximum amount due at any time during the year	
	As at 31.03.2024	As at 31.03.2023
Non-current		
Capital advances	2.55	1.74
	2.55	1.74
Current		
Cenvat/GST balances	7.44	6.17
Advances to vendors	6.43	3.73
Others including duties and taxes receivable (other than Cenvat/GST balances)	4.24	1.98
	18.11	11.88

9. Equity Share Capital

	₹ in Crore	
	Maximum amount due at any time during the year	
	As at 31.03.2024	As at 31.03.2023
Authorized shares		
12,77,50,000 (31 March 2023 : 12,77,50,000, equity shares of ₹ 2 each)	25.55	25.55

Notes to Financial Statements

for the year ended 31 March 2024

9. Equity Share Capital (Contd..)

	₹ in Crore	
	Maximum amount due at any time during the year	
	As at 31.03.2024	As at 31.03.2023
Issued shares		
6,04,93,598 (31 March 2023 : 6,04,93,598 equity shares of ₹ 2 each)	12.10	12.10
Subscribed and fully paid-up shares		
6,04,93,598 (31 March 2023 : 6,04,93,598 equity shares of ₹ 2 each)	12.10	12.10

a) Reconciliation of shares

	As at 31.03.2024		As at 31.03.2023	
	Nos.	₹ in Crore	Nos.	₹ in Crore
At the beginning of the year	6,04,93,598	12.10	6,04,93,598	12.10
Issued/Buyback during the year	-	-	-	-
At the end of the year	6,04,93,598	12.10	6,04,93,598	12.10

b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share, however the holders of global depository receipts (GDR's) do not have any voting rights in respect of shares represented by the GDR's till the shares are held by the custodian bank. In the event of liquidation of the company, the holders of equity shares will be entitled to receive assets (after repayment of liability) in proportion to the number of equity shares held by the shareholders.

c) Shares held by promoters as at 31 March 2024

Promoter name	No. of Shares	% of total shares	% Change during the year
Amirali Essabhai Rayani	15,36,000	2.54%	0.00%
Akbarali Essabhai Rayani	15,95,346	2.64%	0.00%
Salimali Essabhai Rayani	15,21,587	2.52%	0.00%
Vazirali Essabhai Rayani	12,46,965	2.06%	0.00%
There are no change in promoter holding during the year			
Promoter Group			
Ittefaq Ice And Cold Storage Pvt Ltd	44,79,615	7.41%	0.90%
Panama Builders Developers Pvt Ltd	24,03,882	3.97%	2.25%
Arif Amirali Rayani	36,70,567	6.07%	0.00%
Sapna Samir Rayani	15,22,207	2.52%	0.00%
Serena Iqbal Rayani	7,20,000	1.19%	0.00%
Nilima Shahnawaz Kheraj	3,000	0.00%	0.00%
Gulshan Salimali Rayani	1,44,355	0.24%	0.00%
Malika Vazirali Rayani	10,11,342	1.67%	0.00%
Shelina Arifali Rayani	31,90,462	5.27%	0.00%
Samir Akbarali Rayani	20,08,703	3.32%	0.00%
Hussein Vazirali Rayani	11,96,159	1.98%	0.26%
Chemine Amin Rayani	18,59,449	3.07%	0.00%
Iqbal Vazirali Rayani	18,32,977	3.03%	0.00%
Amin Amirali Rayani	31,23,056	5.16%	0.00%
Begumbanu Akberali Rayani	25,04,160	4.14%	0.00%
Munira Hussein Rayani	8,88,750	1.47%	0.00%
Ahyman Arif Rayani	10,12,508	1.67%	0.00%

Notes to Financial Statements

for the year ended 31 March 2024

9. Equity Share Capital (Contd..)

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

	As at 31.03.2024		As at 31.03.2023	
	No of Shares	% holding in the class	No of Shares	% holding in the class
Equity Shares of ₹ 2 each fully paid up				
Ms. Shelina Arif Rayani	31,90,462	5.27%	31,90,462	5.27%
Arif Amirali Rayani	36,70,567	6.07%	36,70,567	6.07%
Ittefaq Ice and Cold Storage Private Limited	44,79,615	7.41%	39,36,474	6.51%
Shares held by Custodian as against which global depository receipts have been issued (Citi Bank N.A.)	35,77,612	5.91%	98,10,937	16.22%

e) Dividend

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

The Company declares and pays dividends in Indian rupees. Companies are required to pay/distribute dividend after deducting applicable withholding income taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

The amount of per share dividend recognized as distribution to equity shareholders in accordance with Companies Act 2013 is as follows:-

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Interim Dividend for fiscal 2024	3.00	-
Final Dividend for fiscal 2023	5.00	-
Interim Dividend for fiscal 2023	-	3.00
Final Dividend for fiscal 2022	-	6.00

During the year ended 31 March 2024, on account of the final dividend for fiscal 2023 and interim dividend for fiscal 2024 the Company has incurred a net cash outflow of ₹ 48.39 Crore

The Board of Directors in their meeting on 27 May 2024 recommended a final dividend of ₹ 4/- (P.Y. ₹ 5/-) per equity share for the financial year ended 31 March 2024.

This payment is subject to the approval of shareholders in the Annual General Meeting (AGM) of the Company, and if approved would result in a net cash outflow of approximately ₹ 24.20 Crore.

10. Other Equity

	As at 31.03.2024	As at 31.03.2023
₹ in Crore		
Securities Premium Account		
Balance at the beginning of the year	90.18	90.18
Less:- Utilized for during the year	-	-
Balance at the end of the year	90.18	90.18
General reserve		
Balance at the beginning of the year	11.58	11.58
Add: Transfer from Investment Allowance Reserve	-	-
Balance at the end of the year	11.58	11.58

Notes to Financial Statements

for the year ended 31 March 2024

10. Other Equity (Contd..)

	As at 31.03.2024	As at 31.03.2023
₹ in Crore		
Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	658.10	531.97
Add: Profit / (loss) for the year	131.25	180.57
Add: Remeasurement of Fair Value of Financial Instruments	0.07	-
Less: Appropriations (Dividend Paid)	48.39	54.44
Net Retained earning	741.03	658.10
Other Comprehensive Income		
Balance at the beginning of the year	(1.29)	0.12
Other comprehensive Income during the year	1.86	(1.41)
Balance at the end of the year	0.57	(1.29)
Total other equity	843.37	758.58

Notes:

- Securities Premium : Premium collected on issue of securities are accumulated as part of securities premium. Utilization of such reserve is restricted by The Companies Act, 2013.
- General Reserve : General reserve forms part of the retained earnings and is permitted to be distributed to shareholders as dividend.
- Retained Earning : This represents profits remaining after all appropriations. This is free reserve and can be used for distribution of profits.

11. Financial Liabilities

11.1 Lease Liability

	As at 31.03.2024	As at 31.03.2023
₹ in Crore		
Non Current		
Non Current lease liability	0.38	0.32
	0.38	0.32
Current		
Current lease liability	0.14	0.12
	0.14	0.12

The following is the movement in lease liabilities during the year ended

	As at 31.03.2024	As at 31.03.2023
₹ in Crore		
Particulars		
Balance at the beginning	0.44	0.26
Additions	0.21	0.47
Finance cost accrued during the period	0.05	0.07
Deletions	-	(0.03)
Payment of lease liabilities	(0.18)	(0.33)
Balance at the end	0.52	0.44

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Notes to Financial Statements

for the year ended 31 March 2024

11. Financial Liabilities (Contd..)

11.2 Short-term Borrowings (Secured)

Particulars	₹ in Crore	
	As at 31.03.2024	As at 31.03.2023
Current		
Cash Credits from banks		
Secured by ;	25.49	-
hypothecation of inventories, receivables and other current assets and The cash credit is repayable on demand and carried an interest rate of Current Year 8.70% to 11.55% p.a. (Previous Year 7.60% to 10.80% p.a.)	25.49	-

- The Company has used the borrowings from banks for the specific purpose for which it was taken at the balance sheet date.
- The quarterly results or statements of current assets filed by the Company with banks are in agreement with books of accounts and there is no discrepancies in the same.
- The Company is not declared a willful defaulter by any bank or financial institution or other lender.
- The Company has registered all the charges towards secured borrowings outstanding as on 31 March 2024 and 31 March 2023. There is no satisfaction of charge pending on secured borrowings which are repaid during the financial year ended 31 March 2024 and 31 March 2023.
- Refer note no 44

11.3 Trade payables

Particulars	₹ in Crore	
	As at 31.03.2024	As at 31.03.2023
Current		
Trade payables:		
Micro and small Enterprises	5.38	-
Other than micro and small enterprises	221.28	248.03
(Refer Note 29 for details of dues to micro and small enterprises)	226.66	248.03

Bifurcation of Trade payables:-

As at 31.03.2024

Particulars	Outstanding for following periods from due date of payment					Total
	Not Billed	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	5.38	-	-	-	5.38
(ii) Others	3.13	218.15	-	-	-	221.28
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

Bifurcation of Trade payables:-

As at 31.03.2023

Particulars	Outstanding for following periods from due date of payment					Total
	Not Billed	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	0.79	247.22	0.02	-	-	248.03
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

Notes to Financial Statements

for the year ended 31 March 2024

11. Financial Liabilities (Contd..)

11.4 Other Financial Liabilities

Current

Particulars	₹ in Crore	
	As at 31.03.2024	As at 31.03.2023
Financial liabilities at fair value through profit or loss (FVTPL)		
Derivatives liabilities carried at fair value	-	0.03
Other Financial liabilities at amortized cost		
Unpaid dividends	0.80	0.61
Security deposit	2.01	0.83
Creditors for capital goods	0.27	0.39
	3.08	1.86

12. Provisions

	₹ in Crore	
	As at 31.03.2024	As at 31.03.2023
Non Current		
Provision for gratuity (Refer Note 31)	1.26	1.06
	1.26	1.06
Current		
Provision for gratuity (Refer Note 31)	0.24	0.22
	0.24	0.22
	1.50	1.28

13. Deferred Tax Liability (Net)

	₹ in Crore	
	As at 31.03.2024	As at 31.03.2023
Deferred Tax Liability	11.78	10.35
Deferred Tax Assets	0.54	1.09
Net Deferred Tax Liability	11.24	9.26
Deferred Tax Assets		
Deductible temporary differences:-		
Provision for doubtful debts and advances	0.05	0.05
Provision for ECL	0.19	0.14
Finance Lease	0.13	0.11
Defined benefit obligation	0.38	0.32
Others	(0.21)	0.47
	0.54	1.09
Deferred Tax Liability		
Taxable temporary differences:-		
Property, plant and equipment and investment property	11.66	10.25
Right of Use	0.12	0.10
	11.78	10.35

14. Other Liabilities

	₹ in Crore	
	As at 31.03.2024	As at 31.03.2023
Current		
Advances from customers	2.72	3.79
Income tax deducted at source	0.50	0.36
Duties and taxes	3.41	4.59
Other liabilities	0.59	0.01
	7.22	8.75

Notes to Financial Statements

for the year ended 31 March 2024

15. Current tax assets and liabilities

	As at 31.03.2024	As at 31.03.2023
₹ in Crore		
Current tax assets		
Advance Tax (Gross)	178.51	191.04
	178.51	191.04
Current tax liabilities		
Income tax payable (Gross)	174.52	187.52
Current tax assets/(liabilities)	3.99	3.52

16. Revenue from Operations

	2023-2024	2022-2023
₹ in Crore		
Sale of products		
Finished products	1,690.79	1,675.95
Traded products	34.13	32.29
	1,724.92	1,708.24

17. Other Income

	2023-2024	2022-2023
₹ in Crore		
Interest income	4.15	2.77
Interest income on lease	-	0.01
Dividend income from Long-term investments	-	0.02
Profit on sale of property, plant and equipment's (net)	0.01	0.30
Profit on sale of investments	0.90	-
Exchange gain (net)	1.51	-
Rent received	3.64	2.98
Miscellaneous income	1.06	0.14
	11.27	6.22

18. Cost of Materials Consumed

	2023-2024	2022-2023
₹ in Crore		
Raw material consumed		
Inventory at the beginning of the year	255.82	416.40
Add : Purchases	1,464.80	1,117.78
	1,720.62	1,534.18
Less : Inventory at the end of the year	334.43	255.82
Cost of raw material consumed	1,386.19	1,278.36
Packing material consumed		
Inventory at the beginning of the year	1.00	1.14
Add : Purchases	26.90	25.61
	27.90	26.75
Less : Inventory at the end of the year	0.59	1.00
Cost of packing material consumed	27.31	25.75
Total material consumed	1,413.50	1,304.11

19. Purchase of Traded Goods

	2023-2024	2022-2023
₹ in Crore		
Traded goods	32.07	24.39
	32.07	24.39

Notes to Financial Statements

for the year ended 31 March 2024

20. (Increase) / Decrease in Inventories

	2023-2024	2022-2023
₹ in Crore		
Inventories at the end of the year		
Finished Goods	14.08	9.59
Traded Goods	12.04	10.38
	26.12	19.97
Inventories at the beginning of the year		
Finished Goods	9.59	7.02
Traded Goods	10.38	14.00
	19.97	21.02
	(6.15)	1.05

21. Employee Benefits Expense

	2023-2024	2022-2023
₹ in Crore		
Salaries, wages and bonus	10.79	20.24
Contribution to employees' provident and other funds	0.39	0.37
Gratuity expense	0.31	0.29
Staff welfare expenses	0.12	0.13
	11.61	21.03

22. Finance costs

	2023-2024	2022-2023
₹ in Crore		
Interest on borrowings	13.82	7.31
Interest expense on lease liabilities	0.15	0.17
Bank charges	2.75	2.62
	16.72	10.10

23. Depreciation / Amortization (Refer Note 3, 4 and 5.2)

	2023-2024	2022-2023
₹ in Crore		
Depreciation on property, plant and equipment	5.77	5.16
Depreciation on investment property	0.33	0.28
Depreciation on intangible assets	0.01	-
Depreciation of right-of-use assets	0.52	0.66
	6.63	6.10

24. Other Expenses

	2023-2024	2022-2023
₹ in Crore		
Power and fuel	1.15	1.17
Water charges	0.06	0.08
Repairs and maintenance :		
Buildings	0.58	0.48
Machinery	1.15	1.34
Others	0.92	0.75
Insurance	2.30	2.24
Rent	0.66	0.63
Rates and taxes	0.29	0.66
Communication costs	0.20	0.27
Legal and professional fees	1.15	0.87
Payment to auditor (Refer details below)	0.23	0.24

Notes to Financial Statements

for the year ended 31 March 2024

24. Other Expenses (Contd..)

	2023-2024	2022-2023
Director sitting fees	0.13	0.09
Clearing and forwarding expenses	34.24	43.66
Freight outwards	20.53	21.82
Travelling and conveyance	5.22	4.87
Advertising and sales promotion	0.68	0.37
Brokerage and commission	4.56	4.97
Security charges	0.87	0.75
Bad debts and sundry balances written off	1.27	0.06
CSR expense and donation (Refer note 25)	4.35	2.81
Premium on forward exchange contract amortized	-	0.28
Exchange loss (net)	-	12.03
Miscellaneous expenses	4.40	5.09
	84.94	105.53

Payment to auditor (excluding GST)

	2023-2024	2022-2023
As auditor:		
Statutory audit and limited review fees	0.19	0.18
Tax audit fees	0.03	0.03
Certification charges	0.01	0.03
Taxation matters	-	-
	0.23	0.24

25. The Company has spent ₹ 4.30 Crore (Previous year ₹ 2.70 Crore) towards Corporate Social Responsibility expenditure (including capital expenditure ₹ Nil, Previous year ₹ Nil) and debited the same to the Statement of Profit and Loss as against ₹ 4.25 Crore (Previous year ₹ 2.78 Crore) computed as per the provisions of section 135(5) of the Companies Act, 2013 and excess ₹ Nil Crore (Previous year ₹ Nil Crore) carry forward to the next year. The details are as under:-

	2023-2024	2022-2023
(i) Amount required to be spent by the company during the year,	4.25	2.78
(ii) Amount of expenditure incurred,	4.30	2.70
(iii) Shortfall/(excess) at the end of the year,	(0.05)	-
(iv) Excess amount carry forward from previous year	-	0.08
(iv) Total of previous years shortfall,	Nil	Nil
(v) Reason for shortfall,	NA	NA
(vi) Nature of CSR activities,	Promoting Education and Healthcare, Disaster Relief and PM Care fund	
(vii) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	NA	NA
(viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	NA	NA

Notes to Financial Statements

for the year ended 31 March 2024

26. Ratio Analysis

Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Refer Note
Current Ratio	Current Assets	Current Liabilities	3.15	3.00	4.94%	
Debt-Equity Ratio	Total Debt	Total Equity	0.03	-	100.00%	(i)
Debt Service Coverage Ratio*	Earnings available for debt service	Debt Service	11.97	25.58	-53.19%	(ii)
Return on Equity Ratio	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	16.14%	25.49%	-36.68%	(iii)
Inventory turnover ratio	Cost of goods sold OR sales	Average Inventory	5.41	4.78	13.23%	
Trade Receivables turnover ratio,	Net Credit Sales	Avg. Accounts Receivable	4.99	5.91	-15.60%	
Trade payables turnover ratio,	Net Credit Purchases	Average Trade Payables	6.42	3.50	83.57%	(iv)
Net capital turnover ratio,	Net Sales	Working Capital	3.05	3.29	-7.37%	
Net Profit Ratio	Net Profit	Net Sales	7.61%	10.57%	-28.02%	(v)
Return on Capital employed	Earning before interest and taxes	Capital Employed	22.63%	32.73%	-30.86%	(vi)
Return on Investment						
Quoted	Income generated from investments	Time weighted average investments	28.24%	0.36%	7835.98%	(vii)
Unquoted	Income generated from investments	Time weighted average investments	-	0.00	0.00%	

- (i) Debt taken during the year result in increase in Debt-Equity ratio
- (ii) Due to increase in finance cost and decrease in net earnings, debt service coverage ratio decreased
- (iii) Due to increase in shareholders fund and decrease in net earnings, Return on Equity ratio decreased
- (iv) Due to increase in purchases and decrease in trade payables trade payable turnover increased.
- (v) Due to decrease in net earnings, Net profit ratio decreased
- (vi) Due to increase in capital employed and decrease in net earnings, Return on capital employed ratio decreased
- (vii) Due to gain on sale of Investment in current year, increase in Return on Investment (quoted)

27. Disaggregated Revenue Information

The table below represents disaggregation of Company's revenue from contracts with the customers. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of its revenues and cash flows are affected by industry, market and other economic factors.

Particulars	₹ in Crore	
	2023-2024	2022-2023
Type of goods		
Finished products	1,690.79	1,675.95
Traded products	34.13	32.29
Total revenue from contracts with the customers	1,724.92	1,708.24
Geographical markets		
- India	1,088.33	1,100.00
- Outside India	636.59	608.24
Total revenue from contracts with the customers	1,724.92	1,708.24
Relation with customer		
- Non related party	1,724.92	1,708.24
- Related Party	-	-
Total revenue from contracts with the customers	1,724.92	1,708.24

Notes to Financial Statements

for the year ended 31 March 2024

27. Disaggregated Revenue Information (Contd..)

Particulars	₹ in Crore	
	2023-2024	2022-2023
Timing of revenue recognition		
- Goods transferred over a period of time	-	-
- Goods transferred over a point of time	1,724.92	1,708.24
Total revenue from contracts with the customers	1,724.92	1,708.24

28. Commitments and Contingencies

i. Contingent Liabilities

Claims against the Company not acknowledged as debts #:

Particulars	₹ in Crore	
	2023-2024	2022-2023
i. Demand/ Show cause-cum-demand notices received and contested by the Company with the relevant appellate authorities		
a) Income tax disputed Commissioner of Income tax (Appeals-faceless)	13.33	13.33
b) Excise Matter disputed Central Excise, Customs and Sales Tax and Commissioner (Appeals) Daman & Surat.	0.40	0.40
c) Excise Matter disputed Central Excise, Customs and Sales Tax and Hon'ble CESTAT, Ahmedabad.*	0.28	0.28
ii. Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	8.30	-
iii. Others		
a) Bank Guarantees	4.20	20.14
b) Corporate Guarantees	95.05	41.11

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

*CESTAT has issued a favourable verdict on 5th April, 2024 in favour of the Company.

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

	₹ in Crore	
	2023-2024	2022-2023
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	5.38	-
- Interest due on above	-	-
b. The amount of interest paid by the buyer in terms of section 16 of the Micro and Small enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro and Small Enterprise Development Act, 2006.	-	-
d. The amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro and Small Enterprises Development Act, 2006.	-	-

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

Notes to Financial Statements

for the year ended 31 March 2024

30. Details of loans given, investments made and guarantee given covered u/s 186 (4) of the Companies Act, 2014

Name of the company	₹ in Crore	
	Balance as at	
	31-Mar-24	31-Mar-23
Receivable from subsidiary against reimbursement of expenses		
Panol Industries RMC FZE, UAE	0.58	-
Guarantees given:		
Panol Industries RMC FZE, UAE (Bank Guarantee US \$ Nil Lakh PY US \$ 20 Lakh) *	-	16.44
Panol Industries RMC FZE, UAE (Corporate Guarantee US \$ 114 Lakh PY US \$ 50 Lakh) *	95.05	41.11

* guarantee given against working capital loan received from banks

31. Employee Benefits:

i) Defined Contribution Plan:

Company's contribution to Provident Fund ₹ 0.36 Crore (Previous year ₹ 0.34 Crore).

The company also contributes to the following:

- Employee State Insurance Contribution Fund : ₹ 0.02 Crore (Previous year ₹ 0.03 Crore)

ii) Defined Benefit Plan:

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

	₹ in Crore	
	As at 31 March 2024	As at 31 March 2023
(a) Change in the obligation benefits:		
Projected benefit obligation at the beginning of the year	2.57	2.35
Service Cost	0.22	0.22
Interest cost	0.16	0.14
Actuarial (Gains) / Losses on Obligations - Due to Change in Financial Assumptions	0.03	(0.09)
Actuarial (Gains) / Losses on Obligations - Due to Change in Demographic Assumptions	-	-
Actuarial (Gains) / Losses on Obligations - Due to Experience	0.06	0.09
Past Service Cost	-	-
Benefits paid	(0.12)	(0.14)
Projected benefit obligation at the end of the year	2.92	2.57
(b) Change in the plan assets:		
Fair value of the plan assets at the beginning of the year	1.28	1.25
Expected return on plan assets	0.14	0.03
Employer's contribution	-	-
Benefits paid	-	-
Return on plan assets, excluding interest income	-	-
Fair value of the plan assets at the end of the year	1.42	1.28
Funded status [Surplus / (Deficit)]	(1.50)	(1.29)
(c) Net Gratuity and other cost:		
Service cost	0.22	0.22
Past service cost and loss/(gain) on curtailments	-	-
Interest on defined benefit obligation	0.09	0.07
Interest income	-	-
Net gratuity cost	0.31	0.29
(d) Amounts recognized in the statement of other comprehensive income:		
Actuarial gain/(loss)	-	-
Return on plan assets, excluding interest income	(0.07)	0.03
Net income / (expense) for the period recognized in other comprehensive income	-	-

Notes to Financial Statements

for the year ended 31 March 2024

31. Employee Benefits: (Contd..)

	As at 31 March 2024	As at 31 March 2023
	(0.07)	0.03
(e) Category of Assets:		
Policy of Insurance	100%	100%
	100%	100%
(f) Assumptions used in accounting for the Gratuity Plan:	%	%
Discount rate	7.20%	7.40%
Expected rate of return on plan assets	7.20%	7.40%
Age of Retirement	60	60
Annual increase in salary cost	6.00%	6.00%
(g) Sensitivity Analysis :		
Discount rate Sensitivity		
Increase by 0.5%	2.84	2.49
% Change	-2.89%	-2.97%
Decrease by 0.5%	3.02	2.65
% Change	3.10%	3.18%
Salary growth rate Sensitivity		
Increase by 0.5%	2.99	2.63
% Change	1.95%	2.14%
Decrease by 0.5%	2.87	2.52
% Change	-2.06%	-2.09%
Withdrawal rate Sensitivity		
Withdrawal rate X 110%	2.94	2.58
% Change	0.36%	0.39%
Withdrawal rate X 90%	2.92	2.56
% Change	-0.37%	-0.41%

(h) Projected plan cash flow :

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date

	As at 31 March 2024	As at 31 March 2023
Maturity Profile		
Expected benefits for year 1 to 3	1.31	1.19
Expected benefits for year 4 to 5	0.37	0.24
Expected benefits for year 6 and above	1.07	1.15

32. Segment Information

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

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

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

Geographical segment of the organization

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

Notes to Financial Statements

for the year ended 31 March 2024

32. Segment Information (Contd..)

B. Information about reportable segment

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

Particulars	2023-2024			2022-2023		
	Within India	Outside India	Total	Within India	Outside India	Total
Revenue						
Sales to external customers	1088.33	636.59	1724.92	1100	608.24	1708.24
Other segment information						
Non-current Assets *	248.63	-	248.63	205.86	-	205.86

₹ in Crore

* Non-current assets excludes investment in subsidiaries, Other investments, Other financials assets, Income tax assets (Net) and Deferred tax assets (Net).

Significant Customer

No Customer individually accounted for more than 10% of the revenue in the year ended 31 March 2024 and 31 March 2023.

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

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

Key Management Personnel

Key Management Personnel	Designation
Amirali E Rayani	Executive Chairman
Amin A Rayani	Managing Director & CEO Up to 30.09.2023
Samir Rayani	Managing Director & CEO w.e.f. 01.10.2023
Hussein Rayani	Joint Managing Director
Arif Rayani	Executive Whole-Time Director w.e.f. 01.08.2023
Pramod Maheshwari (Chief Financial Officer)	Chief Financial Officer
Gayatri Sharma	Company Secretary & Compliance Officer

Independent Director

Madan Mohan Jain	Independent Director Up to 31.03.2024
Mukesh Mehta	Independent Director Up to 31.03.2024
Nargis Mirza Kabani	Independent Director
Kumar Raju Nandimandalam	Independent Director
Ashok Mukhi	Independent Director w.e.f. 01.08.2023
Arvind Shah	Independent Director w.e.f. 01.08.2023

Relatives of key management personnel

Relatives of key management personnel	Relation
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
Amin A Rayani	Brother of Mr. Arif Rayani
Nilima Kheraj	Sister of Mr. Samir Rayani
Munira Rayani	Wife of Mr. Hussein Rayani
Serena Rayani	Brother's Wife of Hussein Rayani

Subsidiary

Subsidiary	Type
Panol Industries RMC FZE, UAE	Wholly owned

Notes to Financial Statements

for the year ended 31 March 2024

33. Details of related party transactions in accordance with Ind AS 24 'Related Party Disclosures' (Contd..)

(b) Transactions with Related Parties

	₹ in Crore	
	2023-2024	2022-2023
Transaction with Key Managerial Personnel and relatives of Key Managerial Personnel		
Key Managerial remuneration *		
Short term benefits	2.41	12.26
Director sitting fees	0.13	0.09
Purchase of Property		
Amin A Rayani	-	7.08
Samir Rayani	-	8.65
Remuneration paid to Relative of Key Managerial Personnel		
Short term benefits		
Akbarali Rayani	0.05	0.05
Vazirali Rayani	0.05	0.05
Salimali Rayani	0.05	0.05
Arif Rayani	0.04	0.12
Nilima Kheraj	0.05	0.05
Munira Rayani	0.05	0.05
Amin A Rayani	0.06	-
Serena Rayani	0.12	0.12
Transaction with Subsidiary		
Bank Guarantee Given (US \$ Nil Lakh PY US \$ 20 Lakh)	-	16.44
Corporate Guarantee Given (US \$ 114 Lakh PY US \$ 50 Lakh)	95.05	41.11
Commission charged on Corporate Gurantee	0.58	-
Reimbursement of expenses incurred on behalf of subsidiary	-	0.12
Balances at the end of the year with wholly owned subsidiary		
Receivable from Subsidiary	0.58	-

* Key managerial remuneration related to retirement benefits (i.e. Gratuity) are recognized under Employee benefit expenses in Statement of Profit and Loss along with other employees gratuity costs of the Company based on the actuarial valuation carried out by the Independent Actuary.

34. Earnings per share (EPS)

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

	₹ in Crore	
	2023-2024	2022-2023
Profit after tax attributable to equity shareholders	131.25	180.57
Net profit for calculation of basic and diluted EPS	131.25	180.57

	No. of shares	
	2023-2024	2022-2023
Weighted average number of equity shares in calculating basic EPS	6,04,93,598	6,04,93,598
Basic Earnings per share	21.70	29.85
Diluted Earnings per share	21.70	29.85

35. Tax expense

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

	₹ in Crore	
	2023-2024	2022-2023
Current tax expense		
Current year	44.20	60.00
Changes in estimates relating to prior years	0.12	(0.12)
	44.32	59.88

Notes to Financial Statements

for the year ended 31 March 2024

35. Tax expense (Contd..)

	2023-2024	2022-2023
		₹ in Crore
Deferred tax expense		
Origination and reversal of temporary differences	1.30	1.70
Change in tax rate	-	-
	1.30	1.70
Tax expense recognized in the statement of profit and loss	45.62	61.58

(b) Amounts recognized in other comprehensive income

	2023-2024			2022-2023		
	Before Tax	Tax (expense)/ benefit	Net of Tax	Before Tax	Tax (expense)/ benefit	Net of Tax
Items that will not be reclassified to profit or loss:						
a) Re-measurements of the defined benefit plans	(0.02)	(0.01)	(0.03)	(0.04)	0.01	(0.03)
b) Equity instruments through Other Comprehensive Income	2.56	(0.67)	1.89	(1.84)	0.46	(1.38)
Total	2.54	(0.68)	1.86	(1.88)	0.47	(1.41)

(c) Reconciliation of effective tax rate

	Year ended 31.3.2024	Year ended 31.3.2023
		₹ in Crore
Profit before tax	176.87	242.15
Statutory income tax rate	25.168	25.168
Tax using the Company's domestic tax rate	44.51	60.94
Increase due to change in tax rate	-	-
Tax effect of:		
Non-deductible tax expenses / disallowances under Income Tax Act	1.11	0.71
Tax-exempt income and deductions under Chapter VI A of Income Tax Act	-	-
Temporary difference recognized in deferred taxes	(1.30)	(1.46)
Tax payable at special rates		
Others	(0.13)	(0.21)
Amounts recognized in other comprehensive income	0.01	0.02
	44.20	60.00

(d) Movement in deferred tax balances

Particulars	₹ in Crore					
	Net balance 1.4.2023	Recognized in profit or loss	Recognized in OCI	Net balance 31.3.2024	Deferred tax asset	Deferred tax liability
Movement in Liability						
Property, plant and equipment and intangible assets	10.25	1.41	-	11.66	-	11.66
Defer tax on ROU	0.10	0.02	-	0.12	-	0.12
Total (A)	10.35	1.43	-	11.78	-	11.78
Movement in Asset						
Employee Retirement Benefits	0.32	0.07	(0.01)	0.38	0.38	-
Investment	0.47	-	(0.67)	(0.20)	(0.20)	-
Provision for doubtful debts and advances	0.05	-	-	0.05	0.05	-
Provision for ECL	0.14	0.05	-	0.19	0.19	-
Prepaid expenses	-	(0.01)	-	(0.01)	(0.01)	-
Defer tax on lease	0.11	0.02	-	0.13	0.13	-
Total (B)	1.09	0.13	(0.68)	0.54	0.54	-
Tax assets / (liabilities) (A-B)	(9.26)	(1.30)	(0.68)	(11.24)	0.54	(11.78)

Notes to Financial Statements

for the year ended 31 March 2024

35. Tax expense (Contd..)

Particulars	₹ in Crore					
	Net balance 1.4.2022	Recognized in profit or loss	Recognized in OCI	Net balance 31.3.2023	Deferred tax asset	Deferred tax liability
Movement in Liability						
Property, plant and equipment and intangible assets	8.62	1.63	-	10.25	-	10.25
Deferred tax on ROU	0.06	0.04	-	0.10	-	0.10
Total (A)	8.68	1.67	-	10.35	-	10.35
Movement in Asset						
Employee Retirement Benefits	0.28	0.03	0.01	0.32	0.32	-
Investment	0.01	-	0.46	0.47	0.47	-
Provision for doubtful debts and advances	0.05	-	-	0.05	0.05	-
Provision for ECL	0.23	-0.09	-	0.14	0.14	-
Prepaid expenses	0.01	-0.01	-	-	-	-
Deferred tax on lease	0.07	0.04	-	0.11	0.11	-
Total (B)	0.65	(0.03)	0.47	1.09	1.09	-
Tax assets / (liabilities) (A-B)	(8.03)	(1.70)	0.47	(9.26)	1.09	(10.35)

36. Financial Instruments : Accounting classifications and fair value measurements

(i) Accounting classifications

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

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

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

(ii) Fair value measurements

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

As at 31st March, 2024

	₹ in Crore				
	Carrying Value	FVTPL	FVTOCI	Amortized Cost	Fair Value
Financial assets					
Investments					
Investment in equity shares (unquoted)	0.01	0.01	-	-	0.01
Investment in equity shares (quoted)	1.96	-	1.96	-	1.96
Others non current financial assets	0.40	-	-	0.40	0.40
Trade receivables	378.56	-	-	378.56	378.56
Loans and advances					
Loans to employees	0.84	-	-	0.84	0.84
Others	-	-	-	-	-

Notes to Financial Statements

for the year ended 31 March 2024

36. Financial Instruments : Accounting classifications and fair value measurements (Contd..)

₹ in Crore

	Classification				Fair Value
	Carrying Value	FVTPL	FVTOCI	Amortized Cost	
Other financial assets					
Derivative instruments	-	-	-	-	-
Others	2.67	-	-	2.67	2.67
Cash and cash equivalents	62.03	-	-	62.03	62.03
Bank balances	0.98	-	-	0.98	0.98
	447.45	0.01	1.96	445.48	447.45
Financial liabilities					
Lease liabilities	0.52	-	-	0.52	0.52
Borrowings					
Short term loans from banks	25.49	-	-	25.49	25.49
Trade payables and acceptances	226.66	-	-	226.66	226.66
Other financial liabilities	3.08	-	-	3.08	3.08
	255.75	-	-	255.75	255.75

As at 31st March, 2023

₹ in Crore

	Classification				Fair Value
	Carrying Value	FVTPL	FVTOCI	Amortized Cost	
Financial assets					
Investments					
Investment in equity shares (unquoted)	0.01	0.01	-	-	0.01
Investment in equity shares (quoted)	4.44	-	4.44	-	4.44
Others non current financial assets	0.39	-	-	0.39	0.39
Trade receivables	313.16	-	-	313.16	313.16
Loans and advances					
Loans to employees	0.92	-	-	0.92	0.92
Others	-	-	-	-	-
Other financial assets					
Derivative instruments	-	-	-	-	-
Others	2.21	-	-	2.21	2.21
Cash and cash equivalents	48.19	-	-	48.19	48.19
Bank balances	121.07	-	-	121.07	121.07
	490.39	0.01	4.44	485.94	490.39
Financial liabilities					
Lease liabilities	0.44	-	-	0.44	0.44
Borrowings					
Short term loans from banks	-	-	-	-	-
Trade payables and acceptances	248.03	-	-	248.03	248.03
Other financial liabilities	1.86	-	-	1.86	1.86
	250.33	-	-	250.33	250.33

₹ in Crore

	As at 31 st March, 2024			As at 31 st March, 2023		
	Fair Value			Fair Value		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Investments						
Investment in equity shares (unquoted)	-	-	0.01	-	-	0.01
Investment in equity shares (quoted)	1.96	-	-	4.44	-	-
Others non current financial assets	-	-	-	-	-	-

Notes to Financial Statements

for the year ended 31 March 2024

36. Financial Instruments : Accounting classifications and fair value measurements (Contd..)

₹ in Crore

	As at 31 st March, 2024			As at 31 st March, 2023		
	Fair Value			Fair Value		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Loans and advances						
Loans to employees	-	-	0.84	-	-	0.92
Other financial assets						
Derivative instruments	-	-	-	-	-	-
	1.96	-	3.52	4.44	-	3.14
Financial liabilities						
Security deposit	-	-	-	-	-	-
	-	-	-	-	-	-

During the reporting period ending 31st March, 2024 and 31st March, 2023, there were no transfers between Level 1 and Level 2 fair value measurements and no transfer into and out of Level 3 fair value measurements.

(iii) Description of significant observable inputs to valuation:

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

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

* Based on unobservable inputs which generally approximates to the carrying value of the investments unless significantly impaired. Fair value has been considered Nil for significantly impaired investments. Sensitivity change in the unobservable input does not have a significant impact in its value and accordingly, sensitivity disclosure is not given.

37. Financial risk management

Risk management framework

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

(i) Credit risk

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

Trade receivables

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

Notes to Financial Statements

for the year ended 31 March 2024

37. Financial risk management (Contd..)

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

₹ in Crore

Ageing	As at 31 st March, 2024			
	Gross Carrying Amount	Expected Credit Loss Rate	Credit Loss	Net Carrying Amount
0-180 days past due	1.33	6.46%	0.09	1.24
180-365 days past due	2.91	13.09%	0.38	2.53
More than 365 days past due	1.43	20.29%	0.29	1.14
Credit impaired	0.14	100.00%	0.14	-
	5.81	15.49%	0.90	4.91

₹ in Crore

Ageing	As at 31 st March, 2023			
	Gross Carrying Amount	Expected Credit Loss Rate	Credit Loss	Net Carrying Amount
0-180 days past due	2.66	5.31%	0.14	2.52
180-365 days past due	-	10.78%	-	-
More than 365 days past due	2.53	16.71%	0.42	2.11
Credit impaired	0.14	100.00%	0.14	-
	5.33	13.13%	0.70	4.63

Note:- Impairment under expected credit loss includes ₹ 0.14 Crore for doubtful debts P.Y. ₹ 0.14 Crore

Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 62.03 Crore at 31.3.2024 [31.3.2023: ₹ 48.19 Crore]. The cash and cash equivalents are held with banks with good credit ratings. Also, the Company invests its surplus funds in bank fixed deposits, which carry no / low mark to market risks for short duration and therefore, does not expose the Company to credit risk.

Investments

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

Derivatives

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

(ii) Liquidity risk

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

a) Financing arrangements

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

Notes to Financial Statements

for the year ended 31 March 2024

37. Financial risk management (Contd..)

b) Maturities of financial liabilities

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

	As at 31.3.2024	As at 31.3.2023
Short term loans from banks	25.49	-
Trade payables	226.66	248.03
Other financial liabilities (other than derivative liabilities)	3.08	1.83
Derivative liabilities	-	0.03
	255.23	249.89

₹ in Crore

(iii) Market Risk

The risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market price. Market risk further comprises of (a) Currency risk, (b) Interest rate risk and (c) Commodity risk.

a) Currency Risk

The Company is exposed to currency risk mainly on account of its import payables and export receivables in foreign currency. The major exposures of the Company are in U.S. dollars. The Company hedges its import foreign exchange exposure partly through exports and depending upon the market situations partly through forward foreign currency covers. The Company has a policy in place for hedging its foreign currency exposure. The Company does not use derivative financial instruments for trading or speculative purposes.

	31-Mar-24		31-Mar-23	
	\$ In Crore	₹ in Crore	\$ In Crore	₹ in Crore
Financial assets				
Trade Receivables	1.40	116.89	1.54	126.71
Cash and cash equivalents	0.29	24.02	0.24	19.34
Other financial assets	0.01	1.03	0.02	1.89
Net exposure for assets - A	1.70	141.93	1.80	147.94
Financial liabilities				
Trade Payables	2.24	187.03	2.79	229.01
Other financial liabilities	0.01	1.02	0.05	3.71
Less: Foreign currency forward exchange contracts	-	-	0.96	79.11
Net exposure for liabilities - B	2.26	188.05	1.88	153.61
Net exposure (A-B)	(0.55)	(46.12)	(0.08)	(5.67)

The following exchange rates have been applied at the end of the respective years

	31-Mar-24	31-Mar-23
USD Rate	83.37	82.22

₹ in Crore

Sensitivity analysis

The table below shows sensitivity of open forex exposure to USD / INR movement. We have considered 1% (+/-) change in USD / INR movement, increase indicates appreciation in USD / INR whereas decrease indicates depreciation in USD / INR. The indicative 1% movement is directional and does not reflect management forecast on currency movement. Impact on profit or loss due to % increase / (decrease) in currency

Particulars	2023-2024		2022-2023	
	Increase	(Decrease)	Increase	(Decrease)
Movement (%)	1%	1%	1%	1%
USD	(0.46)	0.46	(0.97)	0.97

Notes to Financial Statements

for the year ended 31 March 2024

37. Financial risk management (Contd..)

b) Interest rate risk

The Company is not exposed to significant interest rate risk during the respective reporting periods. Short term loans are taken on fixed interest rates.

(i) Interest Rate Risk Exposure

The Exposure of the borrowing to interest rate changes at the end of the reporting period are included in the table below. As at the end of the reporting period the following weighted average interest rate on the borrowings.

Particulars	2023-2024			2022-2023		
	Weighted average Interest rate	Balance ₹ in Crore	% of Total Loans	Weighted average Interest rate	Balance ₹ in Crore	% of Total Loans
Cash Credits from banks	8.83	25.49	100	-	-	-

The percentage of total loans shows the proportion of loans that are currently at weighted average in relation to the total amount of borrowings.

(ii) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rate. In interest rate risk note we have considered impact on profit after tax.

Particulars	2023-2024		2022-2023	
	Increase	(Decrease)	Increase	(Decrease)
Movement by 100 basis point	0.19	(0.19)	-	-

c) Commodity Risk

Raw Material Risk

Timely availability and also non-availability of good quality base oils from across the globe could negate the qualitative and quantitative production of the various products of the Company. Volatility in prices of crude oil and base oil is another major risk for this segment. The Company procures base oils from various suppliers scattered in different parts of the world. The Company tries to enter into long term supply contracts with regular suppliers and at times buys the base oils on spot basis.

38. Benami Transactions

The Company does not hold any Benami Property as defined under Benami Transactions (Prohibition) Act (45) of 1988 and rules made thereunder.

39. Transactions with struck off Companies

The Company does not have any transactions with companies struck off under section 248 of Companies Act 2013 or Section 560 of Companies Act 1956, during the financial year ending 31 March 2024 and 31 March 2023.

40. Restriction on number of layers

The Company has complied with the number of layer prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on Number of Layers) Rules, 2017.

41. Undisclosed Income

The Company does not have any undisclosed income during the financial year ended 31 March 2024 and 31 March 2023.

Notes to Financial Statements

for the year ended 31 March 2024

42. Crypto/Virtual Currency

The Company does not traded or invested in Crypto Currency or Virtual Currency during the financial year ended 31 March 2024 and 31 March 2023.

43. Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and the Rules thereunder. The Ministry of Labour and Employment has also released draft rules thereunder on 13 November 2020, and has invited suggestions from the stakeholders which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any, and account the same once the rules are notified and become effective.

44. Utilization of borrowed funds and share premium

- (a) No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

45. Rounding off amount

The amount of financial statements of the company have been reported in ₹ (in Crore) rounded off to 2 decimals. However, while doing so, some of the above reported amounts might appear as 00 due to rounding off of amounts.

46. Previous year figures

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

Signature to Notes 1 to 46 of the financial statements

As per our report of even date attached

For **JMR & Associates LLP**
Chartered Accountants
Firm Registration No. 106912W / W100300

CA. Nikesh Jain
Partner
Membership No : 114003
Place: Mumbai
Date : 27 May 2024

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

Amirali E. Rayani
Chairman
DIN:00002616
Place: Mumbai
Date : 27 May 2024

Pramod Maheshwari
CFO
Place: Mumbai
Date : 27 May 2024

Samir A. Rayani
Managing Director & CEO
DIN:00002674
Place: Mumbai
Date : 27 May 2024

Gayatri Sharma
Company Secretary & Compliance Officer
Place: Mumbai
Date : 27 May 2024



Consolidated Financial Statements

Independent Auditor's Report

To
The Members of
Panama Petrochem Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Panama Petrochem Limited** ("Holding Company") and its subsidiary company i.e. **Panol Industries RMC FZE** (Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity, with Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2024, the consolidated profit, consolidated other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Inventory Existence:</p> <p>The Group recognized inventory of ₹ 491.51 Crore as at 31 March 2024. Inventory held at various locations across India, outside India.</p> <p>Within Each Location, inventory is stored in warehouses, tanks, containers and tanks attached to the Bonded Custom Warehouse.</p> <p>This is a key audit matter because of the</p> <ul style="list-style-type: none"> Significance of the inventory balance to the statement of financial position and 	<p>We attended inventory counts at locations, which we selected based on financial significance and risk.</p> <p>For locations attended, we performed the following procedures at each site:</p> <ul style="list-style-type: none"> Selected a sample of inventory items and compared the quantities we counted with the book balance. Observed a sample of managements inventory count procedures to assess compliance with Groups Policy and Made enquiries regarding obsolete inventory items and inspected the condition of items counted. Tested whether necessary adjustments are recorded in the financial statements for all material differences arising from physical stock counts. Evaluated the design and implementation of the controls over physical verification of inventories and tested the operating effectiveness of the controls during the year.

Sr. No.	Key Audit Matter	Auditor's Response
	<ul style="list-style-type: none"> Complexity involved in determining inventory quantities on hand due to the number, conversion from Ltr. to Kgs., location, diversity of inventory storage locations, inventory lying with third parties etc. 	<ul style="list-style-type: none"> For stocks at third party warehouses, obtained confirmations, and as appropriate performed roll-back procedures to tally with stock quantities at the year end, on a sample basis. Verified the analytical reviews performed by the management such as consumption analysis and stock movement analysis for the year for raw material and finished goods at factories, on a sample basis.
2	<p>Trade Receivables:</p> <p>Trade receivables comprise a significant portion of the Current assets of the Group and serve as security for a majority of the Group short-term debt. As indicated in Note 6.2 to the Consolidated financial statements .The receivables provision has been made based on Expected Credit Loss method. The Group considered current and anticipated future economic conditions relating to industries the Group deals with and the countries where it operates. In calculating expected credit loss, the Group has also considered credit reports and other related credit information for its customers to estimate the probability of default in future Accordingly, the estimation of the allowance for trade receivables is a significant judgment area and is therefore considered a key audit matter.</p>	<p>We considered payments received subsequent to year-end, insurance held for Overseas trade receivables, past payment history and unusual patterns to identify potentially impaired balances. The assessment of the appropriateness of the allowance for trade receivables comprised a variety of audit procedures across the Group including:</p> <ul style="list-style-type: none"> Assessing the appropriateness and reasonableness of the assumptions applied in the managements' assessment of the receivables allowance; Consideration of the creditworthiness of significant trade receivables over 90 days; Consideration and concurrence of the agreed payment terms; Verification of receipts from trade receivables subsequent to year-end; Inspection of credit insurance policies; and Considered the completeness and accuracy of the disclosures. To address the risk of management bias, we evaluated the results of our procedures against audit procedures on other key balances to assess whether or not there was an indication of bias. We were satisfied that the Group's trade receivables are fairly valued and adequately provided. We further considered whether the provisions were misstated and concluded that they were appropriate in all material respects, and disclosures related to trade receivable in the consolidated financial statements are appropriate.

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

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

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

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

information so far as it relates to the subsidiary is traced from their financial statements audited by the other auditors.

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

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate

accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company, has

adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the

adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- a) We did not audit the financial statements of the subsidiary i.e. **Panol Industries RMC FZE**, whose financial statements reflect total assets of ₹ 330.64 Crore as at 31 March 2024, total revenue of ₹ 636.09 Crore and net profit after tax of ₹ 63.90 Crore for the year ended 31 March 2024 and net cash outflow of ₹ 15.78 Crore for year ended 31 March 2024, as considered in the consolidated Ind AS financial statements. These financial statements of the subsidiary have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditor.
- b) Subsidiary is located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in its respective country and which have been reviewed and audited by the other auditor as applicable, under generally accepted auditing standards applicable in its respective country. The Holding Company's Management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in its country to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's Management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditor and the conversion adjustments prepared by the Management of the Holding Company and audited by us.

Our opinion is not modified in respect of above matter

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements, including, inter-alia financial statement of the subsidiary duly audited by the component auditor;
- b) In our opinion, proper books of account as required by law maintained by the Group, its subsidiary including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, the reports of the other auditors and and complied with the requirement of audit trail, except to the extent stated in (i)(vi) below.

- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2024 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.
- g) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of the Holding Company, for reasons stated therein. Internal control over financial reporting is not applicable to the subsidiary, which is incorporated outside India.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group.
- ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts, including derivative contracts.

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.
- iv. (a) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us on the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. As stated in Note 9 (e) to the consolidated financial statements:
 - (a) The final dividend proposed in the previous year, declared and paid by the Holding Company during the year is in accordance with Section 123 of the Act, as applicable.
 - (b) The interim dividend declared and paid by the Holding Company during the year and until the date of this report is in compliance with Section 123 of the Act.
 - (c) The Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
- vi. Based on our examination, which included test checks, the Holding Company has used accounting software systems for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility, which, with the exception of the period from April 1, 2023, to April 4, 2023, remained operational throughout the year for all relevant transactions recorded in the software system.

Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with, in respect of accounting software's for the period for which the audit trail feature was operating.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024.
- 2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/"CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Holding Company and its subsidiary included in the consolidated financial statements of the Holding Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For **JMR & Associates LLP**

Chartered Accountants

Firm Registration No. 106912W / W100300

CA. Nikesh Jain

Partner

Place: Mumbai

Date: 27 May, 2024

Membership No. 114003

UDIN: 24114003BKEMDF8028

Annexure “A” to the Independent Auditors’ Report on the Consolidated Ind AS Financial Statements

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

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended 31 March 2024, we have audited the internal financial controls over financial reporting of Panama Petrochem Limited (hereinafter referred to as “Company”) as of that date.

Management’s and Board of Directors’ Responsibilities for Internal Financial Controls

The Management and the Board of Directors of the Holding Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (“the ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over

financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2024, based on the internal control over financial reporting criteria established by the Holding Company considering the

essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **JMR & Associates LLP**

Chartered Accountants

Firm Registration No. 106912W / W100300

CA. Nikesh Jain

Partner

Membership No. 114003

UDIN: 24114003BKEMDF8028

Place: Mumbai

Date: 27 May, 2024

Consolidated Balance Sheet

as at 31 March 2024

Particulars	Notes	₹ in Crore	
		As at 31 March 2024	As at 31 March 2023
Assets			
1. Non-current assets			
(a) Property, Plant and Equipment	3	241.82	208.41
(b) Capital work-in-progress	3.1	1.19	13.04
(c) Investment property	4	21.68	15.76
(d) Right -of-use Assets	3, 5.1	23.12	23.43
(e) Intangible Assets	5.2	-	0.01
(f) Financial Assets			
(i) Investments	6.1	1.97	4.45
(ii) Others	6.6	0.40	0.39
(g) Other non-current assets	8	2.55	1.74
Total Non Current Assets		292.73	267.23
2. Current assets			
(a) Inventories	7	491.51	324.05
(b) Financial Assets			
(i) Trade Receivables	6.2	405.81	348.93
(ii) Cash and cash equivalents	6.4	94.59	96.53
(iii) Bank Balances other than (ii) above	6.5	38.58	125.23
(iv) Loans	6.3	0.84	0.92
(v) Others	6.6	9.75	11.35
(c) Current Tax Assets (Net)	15	3.99	3.52
(d) Other Current Assets	8	71.57	57.02
Total Current Assets		1,116.64	967.55
Total Assets		1,409.37	1,234.78
Equity and Liabilities			
Equity			
(a) Equity Share Capital	9	12.10	12.10
(b) Other Equity	10	1,090.61	939.98
Equity attributable to equity holders of the parent		1,102.71	952.08
Non-controlling interests		-	-
Total equity		1,102.71	952.08
Liabilities			
1. Non-current Liabilities			
Financial liabilities			
(a) Lease liabilities	11.1	0.38	0.32
(b) Other Non-current Liabilities		-	-
Provisions	12	1.92	1.45
Deferred Tax Liabilities (Net)	13	11.24	9.26
Total Non -current Liabilities		13.54	11.03
2. Current Liabilities			
(a) Financial Liabilities			
(i) Lease liabilities	11.1	0.14	0.12
(ii) Borrowings	11.2	25.49	-
(iii) Trade Payables	11.3		
Total outstanding dues of micro enterprises and small enterprises		5.38	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		239.31	260.70
(iv) Other Financial Liabilities	11.4	3.08	1.86
(b) Provisions	12	0.24	0.22
(c) Current Tax Liabilities (Net)	15	-	-
(d) Other Current Liabilities	14	19.48	8.77
Total Current Liabilities		293.12	271.67
Total Equity and Liabilities		1,409.37	1,234.78
Significant Accounting Policies	2		

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date attached

For **JMR & Associates LLP**
Chartered Accountants
Firm Registration No. 106912W / W100300

CA. Nikesh Jain

Partner
Membership No : 114003
Place: Mumbai
Date : 27 May 2024

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

Amirali E. Rayani

Chairman
DIN:00002616
Place: Mumbai
Date : 27 May 2024

Pramod Maheshwari

CFO
Place: Mumbai
Date : 27 May 2024

Samir A. Rayani

Managing Director & CEO
DIN:00002674
Place: Mumbai
Date : 27 May 2024

Gayatri Sharma

Company Secretary & Compliance Officer
Place: Mumbai
Date : 27 May 2024

Consolidated Statement of Profit and Loss

for the year ended 31 March 2024

₹ in Crore

Particulars	Notes	Year ended 31 March 2024	Year ended 31 March 2023
Income			
Revenue from operations	16	2,356.74	2,248.72
Other income	17	14.48	6.58
Total Income		2,371.22	2,255.30
Expenditure			
Cost of material consumed	18	1,939.95	1,732.64
Purchase of traded goods	19	32.07	24.39
Change in inventories of traded goods and finished goods	20	(6.15)	1.05
Employee benefits expense	21	14.62	24.25
Finance costs	22	17.96	11.57
Depreciation and amortization expense	23	9.83	9.43
Other expenses	24	122.17	157.42
Total Expenses		2,130.45	1,960.75
Profit for the year before tax		240.77	294.55
Tax expenses			
Current tax	34	44.20	60.00
Deferred tax	34	1.30	1.70
Short/(excess) provision of tax relating to earlier years		0.12	(0.12)
Total tax expenses		45.62	61.58
Profit for the year from continuing operations		195.15	232.97
Other Comprehensive Income			
A) Items that will not be reclassified subsequently to profit or loss			
(i) Re-measurement gains/(losses) on defined benefit plans		(0.02)	(0.04)
(iii) Income tax related to above		(0.01)	0.01
B) Items that will be reclassified to profit or loss			
(i) Equity instruments through other comprehensive income		2.56	(1.84)
(ii) Income tax related to above		(0.67)	0.46
(iii) Exchange differences on translation of foreign operations		1.94	6.75
Other Comprehensive Income		3.80	5.34
Total Comprehensive Income		198.95	238.31
Profit attributable to:			
(i) Owners of the Company		195.15	232.97
(ii) Non-controlling interests		-	-
		195.15	232.97
Total comprehensive income attributable to:			
(i) Owners of the Company		198.95	238.31
(ii) Non-controlling interests		-	-
		198.95	238.31
Basic and Diluted earnings per share in ₹ (face value of ₹ 2 each) (Refer Note 33)		32.26	38.51
Significant Accounting Policies			
The accompanying notes are an integral part of the consolidated financial statements.			

As per our report of even date attached

For **JMR & Associates LLP**
Chartered Accountants
Firm Registration No. 106912W / W100300

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

CA. Nikesh Jain
Partner
Membership No : 114003
Place: Mumbai
Date : 27 May 2024

Amirali E. Rayani
Chairman
DIN:00002616
Place: Mumbai
Date : 27 May 2024

Samir A. Rayani
Managing Director & CEO
DIN:00002674
Place: Mumbai
Date : 27 May 2024

Pramod Maheshwari
CFO
Place: Mumbai
Date : 27 May 2024

Gayatri Sharma
Company Secretary & Compliance Officer
Place: Mumbai
Date : 27 May 2024

Consolidated Cash Flow Statement

for the year ended 31 March 2024

	31 March 2024	31 March 2023
		₹ in Crore
Cash Flows from operating activities		
Profit before tax	240.77	294.55
Adjustments for -		
Depreciation on property, plant and equipment and investment property, ROU and intangible assets	9.83	9.43
Finance costs	17.96	11.57
(Profit)/loss on sale of property, plant and equipment (net)	(2.96)	(0.30)
(Profit)/loss on sale of Investments	(0.90)	-
(Gain)/Loss on Lease Modification	0.01	0.01
Foreign currency translation reserve	1.95	6.75
Unrealized foreign exchange loss/(gain)	1.25	(5.67)
Unrealized foreign exchange loss/(gain) on derivative contract	-	(0.24)
Interest income	(4.80)	(2.87)
Dividend income	-	(0.02)
Lease rental received	(3.64)	(2.98)
Bad debts, provision for doubtful debts	0.20	(0.71)
Operating profit before working capital changes	259.67	309.52
(Increase)/decrease in Trade Receivables	(56.24)	(31.18)
(Increase)/decrease in Inventories	(167.46)	166.48
(Increase)/decrease in Loans and advances and other assets	1.67	(3.33)
(Increase)/decrease in other current assets	(15.33)	(2.95)
Increase/(decrease) in Trade Payables	(18.01)	(161.10)
Increase/(decrease) in other financial liabilities and provisions	12.54	(6.64)
Cash generated from/(used in) operations	16.84	270.80
Direct taxes paid (Net of refunds)	(44.79)	(61.30)
Net cash flow from/(used in) operating activity (A)	(27.95)	209.50
Cash flows from investing activities		
Additions to property, plant and equipment and investment property	(49.33)	(35.27)
Additions to Investment	6.01	(1.37)
Additions to Intangible assets	-	-
Sales of property, plant and equipment	14.59	0.34
Redemption/maturity of bank deposits (having original maturity of more than three months)	86.65	(47.80)
Interest received	5.20	2.38
Lease Rental received	3.64	2.98
Dividend received	-	0.02
Net cash flow from/(used in) investing activities (B)	66.76	(78.72)
Cash flows from financing activities		
Payment of Lease Liabilities	(0.13)	(0.26)
Proceeds/ (Repayment) from/of short-term borrowing (net)	25.49	(29.81)
Interest paid	(17.58)	(11.72)
Dividend paid	(48.20)	(54.24)
Net cash flow from/(used in) financing activities (C)	(40.42)	(96.03)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(1.61)	34.75
Effect of exchange differences on cash & cash equivalents held in foreign currency	(0.33)	(0.10)
Cash and cash equivalents at the beginning of the year	96.53	61.88

Consolidated Cash Flow Statement

for the year ended 31 March 2024

	31 March 2024	31 March 2023
	₹ in Crore	
Cash and cash equivalents at the end of the year	94.59	96.53
Components of Cash and Cash Equivalents		
Cash on hand	0.38	0.38
With banks		
- on current accounts	94.21	96.15
Total Cash and Cash Equivalents (refer note 6.4 and 6.5)	94.59	96.53

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

Note :

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

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

As per our report of even date attached

For **JMR & Associates LLP**

Chartered Accountants

Firm Registration No. 106912W / W100300

For and on behalf of the board of directors of

Panama Petrochem Limited

CA. Nimesh Jain

Partner

Membership No : 114003

Place: Mumbai

Date : 27 May 2024

Amirali E. Rayani

Chairman

DIN:00002616

Place: Mumbai

Date : 27 May 2024

Samir A. Rayani

Managing Director & CEO

DIN:00002674

Place: Mumbai

Date : 27 May 2024

Pramod Maheshwari

CFO

Place: Mumbai

Date : 27 May 2024

Gayatri Sharma

Company Secretary & Compliance Officer

Place: Mumbai

Date : 27 May 2024

Consolidated Statement of Changes in Equity

for the year ended 31 March 2024

Particulars	₹ in Crore	
	As at 31.03.2024	As at 31.03.2023
Balance at the beginning of the current reporting period	12.10	12.10
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	12.10	12.10
Changes in equity share capital during the current year	-	-
Balance at the end of the current reporting period	12.10	12.10

Other Equity

Particulars	₹ in Crore				
	Reserves and Surplus as at 31.03.2024				
	Securities Premium Account	General reserve	Retained earnings	Other Comprehensive Income*	Total
Balance at the beginning of the current period	90.18	16.82	821.92	11.06	939.98
Changes in the accounting policy or prior period errors	-	-	-	-	-
Restated Balance at the beginning of the current period	90.18	16.82	821.92	11.06	939.98
Foreign Currency Translation during the year	-	-	-	-	-
Total comprehensive income for the current year	-	-	195.15	3.80	198.95
Remeasurement of Fair Value of Financial Instruments	-	-	0.07	-	0.07
Dividends	-	-	(48.39)	-	(48.39)
Transfer to retained earnings/General reserve	-	6.09	(6.09)	-	-
Balance at the end of the current reporting period	90.18	22.91	962.66	14.86	1,090.61
Grand Total					1090.61

Other Equity

Particulars	₹ in Crore				
	Reserves and Surplus as at 31.03.2023				
	Securities Premium Account	General reserve	Retained earnings	Other Comprehensive Income*	Total
Balance at the beginning of the current period	90.18	11.58	648.63	5.72	756.11
Changes in the accounting policy or prior period errors	-	-	-	-	-
Restated Balance at the beginning of the current period	90.18	11.58	648.63	5.72	756.11
Foreign Currency Translation during the year	-	-	-	-	-
Total comprehensive income for the current year	-	-	232.97	5.34	238.31
Dividends	-	-	(54.44)	-	(54.44)
Transfer to retained earnings/General reserve	-	5.24	(5.24)	-	-
Balance at the end of the current reporting period	90.18	16.82	821.92	11.06	939.98
Grand Total					939.98

Consolidated Statement of Changes in Equity

for the year ended 31 March 2024

* Details of Other Comprehensive Income

Particulars	2023-2024			Total
	Re-measurement of Employees defined benefits	Equity Instruments through Other Comprehensive Income	Foreign currency translation reserve	
Balance at the beginning of the current period	0.00	(1.29)	12.35	11.06
Other comprehensive Income during the year	(0.03)	1.88	1.95	3.80
Balance at the end of the current reporting period	(0.03)	0.59	14.30	14.86

* Details of Other Comprehensive Income

Particulars	2022-2023			Total
	Re-measurement of Employees defined benefits	Equity Instruments through Other Comprehensive Income	Foreign currency translation reserve	
Balance at the beginning of the current period	0.03	0.09	5.60	5.72
Other comprehensive Income during the year	(0.03)	(1.38)	6.75	5.34
Balance at the end of the current reporting period	0.00	(1.29)	12.35	11.06

Notes :

- Securities Premium : Premium collected on issue of securities are accumulated as part of securities premium.
- General Reserve : General reserve forms part of the retained earnings and is permitted to be distributed to shareholders as dividend.
- Retained Earning : This represents profits remaining after all appropriations. This is free reserve and can be used for distribution of profits.
- Foreign currency translation : This represents exchange differences arising on the translation of non-monetary assets at the date of the reclassification reserve.

As per our report of even date attached

For **JMR & Associates LLP**
Chartered Accountants
Firm Registration No. 106912W / W100300

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

CA. Nikesh Jain
Partner
Membership No : 114003
Place: Mumbai
Date : 27 May 2024

Amirali E. Rayani
Chairman
DIN:00002616
Place: Mumbai
Date : 27 May 2024

Samir A. Rayani
Managing Director & CEO
DIN:00002674
Place: Mumbai
Date : 27 May 2024

Pramod Maheshwari
CFO
Place: Mumbai
Date : 27 May 2024

Gayatri Sharma
Company Secretary & Compliance Officer
Place: Mumbai
Date : 27 May 2024

Consolidated Notes to Financial Statements

for the year ended 31 March 2024

1. (A) 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 its subsidiary operation in United Arab Emirates. The Group is engaged in the manufacture of specialty petroleum products for diverse user industries like printing, textiles, rubber, pharmaceuticals, cosmetics, power and other industrial oil. The equity shares of the Company are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. The Global Depository Receipts (GDRs) of the Company are listed on the Luxembourg stock exchange.

(B) Subsidiary

Subsidiary is entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiary are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(C) Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(D) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, net of deferred taxes, are eliminated.

Authorization of financial statements

The consolidated financial statements were authorized for issue in accordance with a resolution of the Board of Directors passed on 27 May 2024.

2. Significant Accounting Policies:

(A) Basis of Preparation of Financial Statements

(i) **Compliance with Ind AS:** These consolidated financial statements of the Group have been prepared to comply, in all material aspects, with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Companies Act, 2013.

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

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

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

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

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

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

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

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

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

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

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

Consolidated Notes to Financial Statements

for the year ended 31 March 2024

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

(vi) Principles of consolidation

1) The consolidated financial statements include the financial statements of Panama Petrochem Limited, the parent company (hereinafter referred to as 'the Company') and its subsidiary (collectively referred to as the 'Group').

The consolidated financial statements have been prepared on the following basis:

i. The financial statements of the parent company and the subsidiary have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances / transactions and resulting unrealized profits in full. Unrealized losses resulting from intra-group transactions have also been eliminated except to the extent that recoverable value of related assets is lower

2) The subsidiary company considered in the consolidated financial statements are:

Name of the Subsidiary	Country of incorporation	Extent of holding (%)	Reporting currency	Effective date of becoming subsidiary
Panol Industries RMC FZE	United Arab Emirates (U.A.E.)	100	AED	1 January 2013

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.

(B) Property, Plant and Equipment

(i) Freehold land is carried at historical cost and all other property, plant and equipment are shown at cost (net of adjustable taxes) less accumulated depreciation and accumulated impairment losses. The cost of an asset comprises of its purchase price, non refundable

/ adjustable purchase taxes and any cost directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management, the initial estimate of any decommissioning obligation, if any and for assets that necessarily take a substantial period of time to get ready for their intended use,

Consolidated Notes to Financial Statements

for the year ended 31 March 2024

finance costs. The purchase price is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The cost also includes trial run cost and other operating expenses such as freight, installation charges etc. The projects under construction are carried at costs comprising of costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and attributable borrowing costs.

- (ii) Stores and spares which meet the definition of property, plant and equipment and satisfy the recognition criteria of Ind AS 16 are capitalized as property, plant and equipment.
- (iii) When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.
- (iv) An Item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset or significant part) is included in the Statement of Profit and Loss when the asset is derecognized.
- (v) In line with the provisions of Schedule II to the Companies Act, 2013, the Group depreciates significant components of the main asset (which have different useful lives as compared to the main asset) based on the individual useful life of those components. Useful life for such components of property, plant and equipment has been assessed based on the historical experience and internal technical inputs.
- (vi) Depreciation on property, plant and equipment is provided as per straight line method based on useful life prescribed under Schedule II to the Companies Act, 2013. The Group has assessed the estimated useful lives of its property, plant and equipment and has adopted the useful lives and residual value as prescribed in Schedule II.

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

(vii) The residual values and useful lives of property, plant and equipment are reviewed at each financial year end, and changes, if any, are accounted prospectively.

(viii) Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date. These are stated at cost to date relating to items or project in progress, incurred during construction / preoperative period. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other non-current Assets".

(C) Investment Property

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

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

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

(D) Intangible Assets

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

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

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

(E) Borrowing Costs

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

Consolidated Notes to Financial Statements

for the year ended 31 March 2024

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

(F) Impairment of Non-financial Assets

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

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

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

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

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

(G) Non-current Assets held for sale

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

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

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

(H) Inventories

Inventories are valued as follows:

Raw materials, Packing Materials and Traded Goods	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 Input GST credit . 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 is determined on a First In First Out (FIFO) basis.

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

(I) Revenue from contracts with customer:

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold, and services rendered is net of variable consideration on account of discounts offered by the Group as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Consolidated Notes to Financial Statements

for the year ended 31 March 2024

(i) Sale of Goods:

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

(ii) Interest income:

Under Ind AS 109, Interest income is recognized by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at fair value through Profit and loss (FVTPL).

The EIR in case of a financial asset is computed

- a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.
- b. By considering all the contractual terms of the financial instruments in estimating the cash flows.
- c. Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premium or discounts.

Any subsequent changes in the estimation of the future cash flows is recognized in interest income with the corresponding adjustment to the carrying amount of the assets.

(iii) Net Gain on fair value changes :

Any differences between the fair values of financial assets classified as fair value through the profit or loss held by Group on the balance sheet date is recognized as an unrealized gain / loss. In cases there is a net gain in the aggregate, the same is recognized in "Net gains on fair value changes" under "Other Income" and if there is a net loss the same is disclosed under "Expenses" in the statement of Profit and Loss.

Similarly, any realized gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at Fair value through Other Comprehensive Income ("FVTOCI") is recognized in net gain / loss on fair value changes.

However, net gain / loss on derecognition of financial instruments classified as amortized is presented separately under the respective head in the Statement of Profit and Loss.

(iv) Dividend income:

Dividend income is recognized :

- a. When the right to receive the payment is established.
- b. It is probable that the economic benefits associated with the dividend will flow to the entity and
- c. The amount of the dividend can be measured reliably.

(v) Rental Income:

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

(vi) Others:

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

(J) Expenditure on Research and Development

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

(K) Foreign Currency Transactions

(i) Initial Recognition

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

(ii) Conversion

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

Consolidated Notes to Financial Statements

for the year ended 31 March 2024

(iii) Exchange Differences

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

(iv) Forward Contracts

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

(L) Employee Benefits

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

Post Retirement Benefits

The Group operates the following post-employment schemes:

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

Defined benefit plan - Gratuity obligation

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

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

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

Defined contribution plan

Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when

the contributions to the respective fund are due. There are no other obligations other than the contribution payable to the respective fund.

(M) Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Panama's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Group has concluded that no changes are required to lease period relating to the existing lease contracts. Refer note no 11.1

(a) Group is the lessee

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

Consolidated Notes to Financial Statements

for the year ended 31 March 2024

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

(b) Group is the lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

(N) Taxation

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

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

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

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

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

(O) Segment Reporting

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

The Chief Operational Decision Maker monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured

Consolidated Notes to Financial Statements

for the year ended 31 March 2024

consistently with profit or loss in the financial statements. The operating segments have been identified on the basis of nature of product/services.

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

(P) Earning per share

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

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

(Q) Provisions

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

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

Contingent liabilities are disclosed in the case of:

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

Contingent assets are not recognized but disclosed in the financial statements when an inflow of economic benefits

is probable. However, when the realization of income is virtually certain, then the related asset is not a contingent asset and is recognized.

(R) Financial Instruments

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

I. Financial Assets

A. Initial recognition and measurement :

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

B. Subsequent measurement:

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

(i) Debt instruments at amortized cost

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

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The

Consolidated Notes to Financial Statements

for the year ended 31 March 2024

EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

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

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

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

C. De-recognition:

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

- the rights to receive cash flows from the asset have expired, or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, and either:

- (i) the Group has transferred substantially all the risks and rewards of the asset, or
- (ii) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

D. Impairment of financial assets:

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

Allowance for credit losses on receivables and unbilled revenue

The Group determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Group considered current and anticipated future economic conditions relating to industries the Group deals with and the countries where it operates. In calculating expected credit loss, the group has also considered credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19.

II. Financial Liabilities

A. Initial recognition and measurement:

Financial liabilities are classified at initial recognition as :

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

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

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B. Subsequent measurement :

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

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

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

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

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

measured at amortized cost using the effective interest method.

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

Hedge accounting :

The Group designates certain hedging instruments which include derivatives, embedded derivatives and non derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges or hedges of net investments in foreign operations. At the inception of the hedge relationship, the Group documents the relationship between the hedging instruments and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

C. De-recognition

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

D. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and

Consolidated Notes to Financial Statements

for the year ended 31 March 2024

there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

(S) Significant accounting judgments, estimates and assumptions

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

Judgments

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

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

Estimates and assumptions

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting

estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

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

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

(T) Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

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for the year ended 31 March 2024

03. Property, plant and equipment

	₹ In Crore											
	Freehold land	Factory Building	Non Factory Building	Plant & Equipment	Office Equipment	Computers	Furniture and fixtures	Vehicles	Property, plant and equipment	Leasehold land	Leased properties	Total Right-of-use assets
Cost or valuation												
At 1 April 2022	0.06	37.37	96.19	89.71	2.28	1.09	6.33	8.23	241.26	28.84	1.20	30.04
Additions	-	-	17.10	6.90	0.43	0.07	0.28	1.75	26.53	-	0.47	0.47
Other adjustments	-	-	-	-	-	(0.27)	-	-	(0.27)	-	(0.95)	(0.95)
Deletion	-	-	(0.05)	-	-	-	-	(0.10)	(0.15)	-	-	-
At 31 March 2023	0.06	37.37	113.24	96.61	2.71	0.89	6.61	9.88	267.37	28.84	0.72	29.56
Additions	31.26	-	13.88	5.49	0.41	0.10	8.79	0.25	60.18	-	0.21	0.21
Other adjustments	-	-	-	-	-	(0.14)	-	-	(0.14)	-	-	-
Deletion	-	-	(12.37)	-	-	-	-	(0.28)	(12.65)	-	(0.24)	(0.24)
Assets reclassified to Investment Property	-	-	(6.28)	-	-	-	-	-	(6.28)	-	-	-
At 31 March 2024	31.32	37.37	108.47	102.10	3.12	0.85	15.40	9.85	308.48	28.84	0.69	29.53
Depreciation												
At 1 April 2022	-	10.45	4.38	24.98	1.53	1.02	3.61	4.85	50.83	5.45	0.97	6.42
Charge for the year	-	1.34	1.75	3.85	0.21	0.05	0.46	0.85	8.51	0.37	0.29	0.66
Other adjustments	-	-	-	-	-	(0.27)	-	-	(0.27)	-	-	-
Deletion	-	-	(0.02)	-	-	-	-	(0.09)	(0.11)	-	(0.95)	(0.95)
At 31 March 2023	-	11.79	6.11	28.83	1.74	0.80	4.07	5.61	58.96	5.82	0.31	6.13
Charge for the year	-	1.35	1.63	4.16	0.28	0.06	0.58	0.90	8.96	0.37	0.15	0.52
Other adjustments	-	-	-	-	-	(0.14)	-	-	(0.14)	-	-	-
Deletion	-	-	(0.76)	-	-	-	-	(0.26)	(1.02)	-	(0.24)	(0.24)
Assets reclassified to Investment Property	-	-	(0.10)	-	-	-	-	-	(0.10)	-	-	-
At 31 March 2024	-	13.14	6.88	32.99	2.02	0.72	4.65	6.25	66.66	6.19	0.22	6.41
Net Block												
At 31 March 2023	0.06	25.58	107.13	67.78	0.97	0.09	2.54	4.27	208.41	23.02	0.41	23.43
At 31 March 2024	31.32	24.23	101.59	69.11	1.10	0.13	10.75	3.60	241.82	22.65	0.47	23.12
Capital work-in-progress												
At 31 March 2023	-	-	9.86	0.37	-	-	2.81	-	13.04	-	-	-
At 31 March 2024	-	-	-	1.19	-	-	-	-	1.19	-	-	-

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for the year ended 31 March 2024

03. Property, plant and equipment (Contd..)

Notes:-

3.1 Capital Work in Progress

CWIP	2023-2024					2022-2023				
	Amount in CWIP for a period of					Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1.19	-	-	-	1.19	10.14	2.90	-	-	13.04
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-

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

4. Investment Property

	₹ in Crore	
	As at 31.03.2024	As at 31.03.2023
I. Gross Carrying Amount		
Balance at the beginning of the year	17.81	17.81
Additions / reclassification	6.35	-
Deletions / reclassification	-	-
Balance at the end of the year	24.16	17.81
II. Accumulated Depreciation and Impairment		
Balance at the beginning of the year	2.05	1.77
Depreciation for the year	0.33	0.28
Accumulated depreciation on Addition/deletions	0.10	-
Balance at the end of the year	2.48	2.05
III. Net Carrying Amount at end of the year	21.68	15.76
IV. Fair value of investment property at the end of the year	35.73	29.38

4.1 Information regarding income and expenditure of Investment Property

	₹ in Crore	
	2023-2024	2022-2023
Rental income derived from investment properties	3.32	2.72
Less: Direct operating expenses (including repairs and maintenance) generating rental income	0.64	0.27
Less: Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
Profit arising from investment properties before depreciation and indirect expenses	2.68	2.45
Less: Depreciation	0.33	0.28
Profit arising from investment properties before indirect expenses	2.35	2.17

4.2 Fair value of the Group's investment properties

The fair value of the Group's investment properties as at 31 March 2024 was arrived at on the basis of a valuation carried out by independent registered valuers not related to the Company. The Company has adopted policy of revaluing investment property generally every year. [Level 3]

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

	₹ in Crore	
	Fair value measurement	
	31.03.2024	31.03.2023
Valuation at the end of the year	29.38	29.38

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for the year ended 31 March 2024

4. Investment Property (Contd..)

b) Reconciliation of fair value

	₹ in Crore	
	2023-2024	2022-2023
Opening balance	29.38	29.38
Fair value difference	-	-
Reclassification	-	-
Closing balance	29.38	29.38

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

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

5.1 Leases:

A) Lease commitment as Lessee

The Group has entered into agreements for taking lease certain offices and warehouses on lease and licence basis. The lease term is a period ranging from 12 to 45 months. The Group has contracts which have fixed rentals. The Group has also taken leasehold factory lands on one time payment and other land on yearly fixed payment. The lease term is a period ranging from 25 years to 99 years.

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17

Disclosure as per the requirement of Ind AS 116

Amounts recognized in balance sheet

The balance sheet shows the following amounts relating to leases

Following are the changes in the carrying value of right of use assets :

	₹ in Crore	
	As at 31.03.2024	As at 31.03.2023
Balance as at beginning of the year	23.43	23.62
Additions	0.21	0.47
Deletions/Modification	-	-
Depreciation	(0.52)	(0.66)
Balance as at the end of the year	23.12	23.43

Following are the changes in the carrying value of lease liabilities:

	₹ in Crore	
	As at 31.03.2024	As at 31.03.2023
Balance as at beginning of the year	0.44	0.26
Additions	0.21	0.47
Finance cost accrued during the period	0.05	0.07
Deletions/Modification	-	(0.03)
Payment of lease liabilities	(0.18)	(0.33)
Balance at the end	0.52	0.44

Consolidated Notes to Financial Statements

for the year ended 31 March 2024

5.1 Leases: (Contd..)

	₹ in Crore	
	As at 31.03.2024	As at 31.03.2023
Lease liabilities		
Current	0.14	0.12
Non-current	0.38	0.32

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2024 on an undiscounted basis:

	₹ in Crore	
Particulars	As at 31.03.2024	As at 31.03.2023
Less than one year	0.19	0.15
One to five years	0.42	0.36
More than five years	-	-
Total	0.60	0.51

The cash outflow of lease payments with respect to the above lease recognized in the statement of profit and loss for the financial year 2023-2024 is ₹ 0.18 Crore (Previous Year ₹ 0.33 Crore).

B) Where the Group is lessor

The future minimum lease payments receivable as per the lease agreements on undiscounted basis are as follows:

	₹ in Crore	
Particulars	As at 31.03.2024	As at 31.03.2023
Less than one year	3.13	2.93
One to five years	8.58	11.71
More than five years	-	-

The amount of minimum lease income with respect to operating lease recognized in the statement of profit and loss for the year is ₹ 3.01 Crore (previous year ₹ 2.29 Crore).

5.2 Other Intangible Assets

	₹ in Crore	
Particulars	As at 31.03.2024	As at 31.03.2023
I. Gross Carrying Amount		
Balance at the beginning of the year	0.08	0.08
Additions	-	-
Deletions	-	-
Balance at the end of the year	0.08	0.08
II. Accumulated Depreciation and Impairment		
Balance at the beginning of the year	0.07	0.07
Depreciation for the year	0.01	-
Accumulated depreciation on deletions	-	-
Balance at the end of the year	0.08	0.07
III. Net Carrying Amount at end of the year	-	0.01

The Company does not have any intangible assets under development.

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for the year ended 31 March 2024

6. Financial Assets

6.1 Non-current Investments (fully paid up)

	₹ in Crore	
	As at 31.03.2024	As at 31.03.2023
Investments in equity instruments		
Unquoted		
1,795 (31 March 2023 : 1,795) fully paid equity shares of ₹ 10 each of Bharuch Enviro Infrastructure Limited #	-	-
975 (31 March 2023 : 975) Fully paid equity shares of ₹ 100 each of The Marol Co operative Industrial Estate Limited #	0.01	0.01
	0.01	0.01
Aggregate amount of Unquoted Investments - gross	0.01	0.01
Aggregate amount of impairment in value of investments	-	-
Aggregate amount of Unquoted Investments - net	0.01	0.01

It is carried at cost.

	₹ in Crore	
	As at 31.03.2024	As at 31.03.2023
Investments in equity instruments		
Quoted		
Designated at Fair value through Other Comprehensive Income		
6,200 (31 March 2023 : 6,200) fully paid equity shares of DCB Bank Limited	0.07	0.07
8,200 (31 March 2023 : 35,200) Fully paid equity shares of Godrej Properties Limited	1.89	3.63
Nil (31 March 2023 : 31,220) Fully paid equity share of Savita Oil Technologies Limited	-	0.74
	1.96	4.44
Aggregate amount of Quoted Investments - gross (at market value)	1.96	4.44
Aggregate amount of impairment in value of investments	-	-
Aggregate amount of Quoted Investments - net	1.96	4.44
Total	1.97	4.45

6.2 Trade Receivables

	₹ in Crore	
	As at 31.03.2024	As at 31.03.2023
Current		
Unsecured, Considered good	405.81	348.93
Unsecured, Considered doubtful	0.76	0.56
Unsecured, credit impaired	0.14	0.14
	406.71	349.63
Less: Impairment under expected credit loss	0.90	0.70
	405.81	348.93

Note:- Impairment under expected credit loss includes ₹ 0.14 Crore P.Y. (₹ 0.14 Crore) for doubtful debts.

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

Age of receivables	As at 31.3.2024			
	Gross Carrying Amount ₹ in Crore	Expected Credit Loss Rate %	Credit Loss ₹ in Crore	Net Carrying Amount ₹ in Crore
0-180 days past due	1.33	6.46%	0.09	1.24
180-365 days past due	2.91	13.09%	0.38	2.53
More than 365 days past due	1.43	20.29%	0.29	1.14
Credit impaired	0.14	100.00%	0.14	-
Total	5.81	15.49%	0.90	4.91

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6. Financial Assets (Contd)

Age of receivables	As at 31.3.2023			
	Gross Carrying Amount ₹ in Crore	Expected Credit Loss Rate %	Credit Loss ₹ in Crore	Net Carrying Amount ₹ in Crore
0-180 days past due	2.66	5.31%	0.14	2.52
180-365 days past due	-	10.78%	-	-
More than 365 days past due	2.53	16.71%	0.42	2.11
Credit impaired	0.14	100.00%	0.14	-
Total	5.33	13.13%	0.70	4.63

Movement in the expected credit loss allowance

	Year ended 31.3.2024	Year ended 31.3.2023
Balance at the beginning of the year	0.70	1.06
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	0.20	(0.36)
Balance at the end of the year	0.90	0.70

The bifurcation of Trade Receivable are as under:-

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
i) Undisputed trade receivables-considerd good	399.39	0.44	0.17	-	-	400.00
ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	1.33	2.91	-	1.43	5.67
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	0.14	0.14
iv) Disputed trade receivables-considerd good	-	-	-	-	-	-
v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

The bifurcation of Trade Receivable are as under:-

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
i) Undisputed trade receivables-considerd good	342.81	0.79	-	-	-	343.60
ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	2.66	-	-	2.53	5.19
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	0.14	0.14
iv) Disputed trade receivables-considerd good	-	-	-	-	-	-
v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

Unbilled Revenue

Particulars	As at 31.03.2024	As at 31.03.2023
Disputed Trade Receivables	-	-
Undisputed Trade Receivables	-	-

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for the year ended 31 March 2024

6. Financial Assets (Contd)

6.3 Loans and advances

Particulars	₹ in Crore	
	As at 31.03.2024	As at 31.03.2023
Current		
Other Loans		
Unsecured, considered good	0.84	0.92
	0.84	0.92

6.4 Cash and Cash Equivalents

Particulars	₹ in Crore	
	As at 31.03.2024	As at 31.03.2023
Balances with banks		
On current accounts	94.21	96.15
Cash Balances		
Cash on hand	0.38	0.38
	94.59	96.53

6.5 Other bank balances

Particulars	₹ in Crore	
	As at 31.03.2024	As at 31.03.2023
Deposit accounts with more than 3 months but less than 12 months maturity	37.78	124.62
Unpaid dividend accounts	0.80	0.61
	38.58	125.23

6.6 Other Financial Assets

Particulars	₹ in Crore	
	As at 31.03.2024	As at 31.03.2023
Non-current		
Bank deposits with more than 12 months maturity	-	-
Security deposits	0.40	0.39
	0.40	0.39
Current		
Security deposits	9.18	10.38
Derivative asset	-	-
Other financial assets	0.57	0.97
	9.75	11.35
	10.15	11.74

7. Inventories

Particulars	₹ in Crore	
	As at 31.03.2024	As at 31.03.2023
(Valued at lower of cost and net realisable value)		
Raw material	464.76	303.01
Finished goods	14.08	9.59
Traded goods	12.04	10.38
Packing material	0.63	1.07
(Includes goods in transit ₹ 16.44 Crore previous year ₹ 2.35 Crore)	491.51	324.05

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for the year ended 31 March 2024

8. Other Assets

Particulars	₹ in Crore	
	As at 31.03.2024	As at 31.03.2023
Non-current		
Capital advances	2.55	1.74
	2.55	1.74
Current		
Cenvat/GST balances	7.90	6.17
Advances to vendors	59.09	48.53
Others including duties and taxes receivable (other than Cenvat/GST balances)	4.58	2.32
	71.57	57.02

9. Equity Share Capital

Particulars	₹ in Crore	
	As at 31.03.2024	As at 31.03.2023
Authorised shares		
12,77,50,000 (31 March 2023 : 12,77,50,000 equity shares of ₹ 2 each) equity shares of ₹ 2 each)	25.55	25.55
Issued shares		
6,04,93,598 (31 March 2023 : 6,04,93,598 equity shares of ₹ 2 each)	12.10	12.10
Subscribed and fully paid-up shares		
6,04,93,598 (31 March 2023 : 6,04,93,598 equity shares of ₹ 2 each)	12.10	12.10

a) Reconciliation of shares

	As at 31.03.2024		As at 31.03.2023	
	Nos.	₹ in Crore	Nos.	₹ in Crore
At the beginning of the year	6,04,93,598	12.10	6,04,93,598	12.10
Issued/Buyback during the year	-	-	-	-
At the end of the year	6,04,93,598	12.10	6,04,93,598	12.10

b) Rights, preferences and restrictions attached to equity shares

The Group has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share, however the holders of global depository receipts (GDR's) do not have any voting rights in respect of shares represented by the GDR's till the shares are held by the custodian bank.

In the event of liquidation of the Group, the holders of equity shares will be entitled to receive assets (after repayment of liability) in proportion to the number of equity shares held by the shareholders.

c) Shares held by promoters as at 31 March 2024

Promoter name	No. of Shares	% of total shares	% Change during the year
Amirali Essabhai Rayani	15,36,000	2.54%	0.00%
Akbarali Essabhai Rayani	15,95,346	2.64%	0.00%
Salimali Essabhai Rayani	15,21,587	2.52%	0.00%
Vazirali Essabhai Rayani	12,46,965	2.06%	0.00%
There are no change in promoter holding during the year			
Promoter Group			
Ittefaq Ice And Cold Storage Pvt Ltd	44,79,615	7.41%	0.90%
Panama Builders Developers Pvt Ltd	24,03,882	3.97%	2.25%
Arif Amirali Rayani	36,70,567	6.07%	0.00%
Sapna Samir Rayani	15,22,207	2.52%	0.00%
Serena Iqbal Rayani	7,20,000	1.19%	0.00%
Nilima Shahnawaz Kheraj	3,000	0.00%	0.00%

Consolidated Notes to Financial Statements

for the year ended 31 March 2024

9. Equity Share Capital (Contd..)

Promoter name	No. of Shares	% of total shares	% Change during the year
Gulshan Salimali Rayani	1,44,355	0.24%	0.00%
Malika Vazirali Rayani	10,11,342	1.67%	0.00%
Shelina Arifali Rayani	31,90,462	5.27%	0.00%
Samir Akbarali Rayani	20,08,703	3.32%	0.00%
Hussein Vazirali Rayani	11,96,159	1.98%	0.26%
Chemine Amin Rayani	18,59,449	3.07%	0.00%
Iqbal Vazirali Rayani	18,32,977	3.03%	0.00%
Amin Amiralali Rayani	31,23,056	5.16%	0.00%
Begumbanu Akberali Rayani	25,04,160	4.14%	0.00%
Munira Hussein Rayani	8,88,750	1.47%	0.00%
Ahyman Arif Rayani	10,12,508	1.67%	0.00%

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

	As at 31.03.2024		As at 31.03.2023	
	No of Shares	% holding in the class	No of Shares	% holding in the class
Equity Shares of ₹ 2 each fully paid up				
Ms. Shelina Arif Rayani	31,90,462	5.27%	31,90,462	5.27%
Arif Amiralali Rayani	36,70,567	6.07%	36,70,567	6.07%
Ittefaq Ice and Cold Storage Private Limited	44,79,615	7.41%	39,36,474	6.51%
Shares held by Custodian as against which global depository receipts have been issued (Citi Bank N.A.)	35,77,612	5.91%	98,10,937	16.22%

e) Dividend

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

The Company declares and pays dividends in Indian rupees. Companies are required to pay/distribute dividend after deducting applicable withholding income taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

The amount of per share dividend recognized as distribution to equity shareholders in accordance with Companies Act 2013 is as follows:-

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Interim Dividend for fiscal 2024	3.00	-
Final Dividend for fiscal 2023	5.00	-
Interim Dividend for fiscal 2023	-	3.00
Final Dividend for fiscal 2022	-	6.00

During the year ended 31 March 2024, on account of the final dividend for fiscal 2023 and interim dividend for fiscal 2024 the Company has incurred a net cash outflow of ₹ 48.39 Crore

The Board of Directors in their meeting on 27 May 2024 recommended a final dividend of ₹ 4/- (P.Y. ₹ 5/-) per equity share for the financial year ended 31 March 2024.

This payment is subject to the approval of shareholders in the Annual General Meeting (AGM) of the Company, and if approved would result in a net cash outflow of approximately ₹ 24.20 Crore.

Consolidated Notes to Financial Statements

for the year ended 31 March 2024

10. Other Equity

	As at 31.03.2024	As at 31.03.2023
₹ in Crore		
Securities Premium Account		
Balance at the beginning of the year	90.18	90.18
Less:- Utilized for during the year	-	-
Balance at the end of the year	90.18	90.18
General reserve		
Balance at the beginning of the year	16.82	11.58
Add: Transfer from Profit and Loss	6.09	5.24
Balance at the end of the year	22.91	16.82

	As at 31.03.2024	As at 31.03.2023
₹ in Crore		
Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	821.92	648.63
Add: Profit / (loss) for the year	195.15	232.97
Add: Remeasurement of Fair Value of Financial Instruments	0.07	-
Less: Appropriations (Dividend Paid)	48.39	54.44
Less: Transfer to General reserve	6.09	5.24
Balance at the end of the year	962.66	821.92
Other Comprehensive Income		
Balance at the beginning of the year	11.06	5.72
Other comprehensive Income during the year	3.80	5.34
Balance at the end of the year	14.86	11.06
Total other equity	1,090.61	939.98

Notes:

- Securities Premium : Premium collected on issue of securities are accumulated as part of securities premium. Utilization of such reserve is restricted by The Companies Act, 2013.
- General Reserve : General reserve forms part of the retained earnings and is permitted to be distributed to shareholders as dividend.
- Retained Earning can be used for : This represents profits remaining after all appropriations. This is free reserve and distribution of profits.

11. Financial Liabilities

11.1 Lease Liability

	As at 31.03.2024	As at 31.03.2023
₹ in Crore		
Non Current		
Non Current lease liability	0.38	0.32
	0.38	0.32
Current		
Current lease liability	0.14	0.12
	0.14	0.12

Consolidated Notes to Financial Statements

for the year ended 31 March 2024

11. Financial Liabilities (Contd..)

The following is the movement in lease liabilities during the year ended March 31, 2024 :

Particulars	₹ in Crore	
	As at 31.03.2024	As at 31.03.2023
Balance at the beginning	0.44	0.26
Additions	0.21	0.47
Finance cost accrued during the period	0.05	0.07
Deletions	-	(0.03)
Payment of lease liabilities	(0.18)	(0.33)
Balance at the end	0.52	0.44

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

11.2 Short-term Borrowings (Secured)

Particulars	₹ in Crore	
	As at 31.03.2024	As at 31.03.2023
Cash Credits from banks	25.49	-
Secured by ;		
hypothecation of inventories, receivables and other current assets		
The cash credit is repayable on demand and carried an interest rate of		
Current Year 7.69% to 11.55% p.a. (Previous Year 4.50% to 10.80% p.a.)	25.49	-

- The Group has used the borrowings from banks for the specific purpose for which it was taken at the balance sheet date.
- The quarterly results or statements of current assets filed by the Group with banks are in agreement with books of accounts and there is no discrepancies in the same.
- The Group is not declared a willful defaulter by any bank or financial institution or other lender.
- The Group has registered all the charges towards secured borrowings outstanding as on 31 March 2024 and 31 March 2023. There is no satisfaction of charge pending on secured borrowings which are repaid during the financial year ended 31 March 2024 and 31 March 2023.
- Refer note no 43

11.3 Trade payables

Particulars	₹ in Crore	
	As at 31.03.2024	As at 31.03.2023
Current		
Trade payables:		
Micro and small Enterprises	5.38	-
Other than micro and small enterprises	239.31	260.70
(Refer Note 29 for details of dues to micro and small enterprises)	244.69	260.70

Bifurcation of Trade payables:-

As at 31.03.2024

Particulars	₹ in Crore					Total
	Outstanding for following periods from due date of payment					
	Not Billed	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	5.38	-	-	-	5.38
(ii) Others	3.13	236.18	-	-	-	239.31
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

Consolidated Notes to Financial Statements

for the year ended 31 March 2024

11. Financial Liabilities (Contd..)

Bifurcation of Trade payables:-

As at 31.03.2023

Particulars	Outstanding for following periods from due date of payment					Total
	Not Billed	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	0.79	259.89	0.02	-	-	260.70
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

11.4 Other Financial Liabilities

Current

Particulars	As at	As at
	31.03.2024	31.03.2023
₹ in Crore		
Financial liabilities at fair value through profit or loss (FVTPL)		
Derivatives liabilities carried at fair value	-	0.03
Other Financial liabilities at amortized cost		
Unpaid dividends	0.80	0.61
Security deposit	2.01	0.83
Creditors for capital goods	0.27	0.39
	3.08	1.86

12. Provisions

	As at	As at
	31.03.2024	31.03.2023
₹ in Crore		
Non Current		
Provision for gratuity (Refer Note 30)	1.92	1.45
	1.92	1.45
Current		
Provision for gratuity (Refer Note 30)	0.24	0.22
	0.24	0.22
	2.16	1.67

13. Deferred Tax Liability (Net)

	As at	As at
	31.03.2024	31.03.2023
₹ in Crore		
Deferred Tax Liability	11.78	10.35
Deferred Tax Assets	0.54	1.09
Net Deferred Tax Liability	11.24	9.26
Deferred Tax Assets		
Deductible temporary differences:-		
Provision for doubtful debts and advances	0.05	0.05
Provision for ECL	0.19	0.14
Finance Lease	0.13	0.11
Defined benefit obligation	0.38	0.32
Others	(0.21)	0.47
	0.54	1.09
Deferred Tax Liability		
Taxable temporary differences:-		
Property, plant and equipment and investment property	11.66	10.25
Right of Use	0.12	0.10
	11.78	10.35

Consolidated Notes to Financial Statements

for the year ended 31 March 2024

14. Other Liabilities

	As at 31.03.2024	As at 31.03.2023
₹ in Crore		
Current		
Advances from customers	14.98	3.81
Income tax deducted at source	0.50	0.36
Duties and taxes	3.41	4.59
Other liabilities	0.59	0.01
	19.48	8.77

15. Current tax assets and liabilities

	As at 31.03.2024	As at 31.03.2023
₹ in Crore		
Current tax assets		
Advance Tax (Gross)	178.51	191.04
	178.51	191.04
Current tax liabilities		
Income tax payable (Gross)	174.52	187.52
Current tax assets/(liabilities)	3.99	3.52

16. Revenue from Operations

	2023-2024	2022-2023
₹ in Crore		
Sale of products		
Finished products	2,322.61	2,216.43
Traded products	34.13	32.29
	2,356.74	2,248.72

17. Other Income

	2023-2024	2022-2023
₹ in Crore		
Interest income	4.80	2.86
Interest income on lease	-	0.01
Dividend income from Long-term investments	-	0.02
Profit on sale of property, plant and equipment's (net)	2.96	0.30
Profit on sale of investments	0.90	-
Exchange gain (net)	1.03	-
Rent received	3.64	2.98
Miscellaneous income	1.15	0.41
	14.48	6.58

18. Cost of Materials Consumed

	2023-2024	2022-2023
₹ in Crore		
Raw material consumed		
Inventory at the beginning of the year	303.02	468.15
Add : Purchases	2,072.79	1,539.99
	2,375.81	2,008.14
Less : Inventory at the end of the year	464.76	303.02
Cost of raw material consumed	1,911.05	1,705.12
Packing material consumed		
Inventory at the beginning of the year	1.07	1.36
Add : Purchases	28.46	27.23
	29.53	28.59

Consolidated Notes to Financial Statements

for the year ended 31 March 2024

18. Cost of Materials Consumed (Contd..)

	₹ in Crore	
	2023-2024	2022-2023
Less : Inventory at the end of the year	0.63	1.07
Cost of packing material consumed	28.90	27.52
Total material consumed	1,939.95	1,732.64

19. Purchase of Traded Goods

	₹ in Crore	
	2023-2024	2022-2023
Traded goods	32.07	24.39
	32.07	24.39

20. (Increase) / Decrease in Inventories

	₹ in Crore	
	2023-2024	2022-2023
Inventories at the end of the year		
Finished Goods	14.08	9.59
Traded Goods	12.04	10.38
	26.12	19.97
Inventories at the beginning of the year		
Finished Goods	9.59	7.02
Traded Goods	10.38	14.00
	19.97	21.02
	(6.15)	1.05

21. Employee Benefits Expense

	₹ in Crore	
	2023-2024	2022-2023
Salaries, wages and bonus	13.37	23.15
Contribution to employees' provident and other funds	0.39	0.37
Gratuity expense	0.57	0.39
Staff welfare expenses	0.29	0.34
	14.62	24.25

22. Finance costs

	₹ in Crore	
	2023-2024	2022-2023
Interest on borrowings	13.96	7.72
Interest expense on lease liabilities	0.15	0.17
Bank charges	3.85	3.68
	17.96	11.57

23. Depreciation / Amortization (Refer Note 3, 4 and 5.2)

	₹ in Crore	
	2023-2024	2022-2023
Depreciation on property, plant and equipment	8.97	8.49
Depreciation on investment property	0.33	0.28
Depreciation on intangible assets	0.01	-
Depreciation of right-of-use assets	0.52	0.66
	9.83	9.43

Consolidated Notes to Financial Statements

for the year ended 31 March 2024

24. Other Expenses

	2023-2024	2022-2023
		₹ in Crore
Power and fuel	2.39	2.51
Water charges	0.19	0.21
Repairs and maintenance :		
Buildings	0.58	0.48
Machinery	1.56	1.65
Others	1.06	0.87
Insurance	3.10	2.91
Rent	1.64	1.54
Rates and taxes	0.29	0.66
Communication costs	0.25	0.33
Legal and professional fees	2.69	2.11
Payment to auditor (Refer details below)	0.30	0.29
Director sitting fees	0.13	0.09
Clearing and forwarding expenses	64.84	89.43
Freight outwards	20.53	21.82
Travelling and conveyance	5.47	5.08
Advertising and sales promotion	0.87	0.37
Brokerage and commission	5.25	5.66
Security charges	0.87	0.75
Bad debts and sundry balances written off	1.27	(0.32)
CSR expense and donation (Refer note 25)	4.35	2.81
Premium on forward exchange contract amortized	-	0.28
Exchange loss (net)	-	12.73
Miscellaneous expenses	4.54	5.16
	122.17	157.42

Payment to auditor (excluding GST)

	2023-2024	2022-2023
		₹ in Crore
As auditor:		
Statutory audit and limited review fees	0.26	0.23
Tax audit fees	0.03	0.03
Certification charges	0.01	0.03
Taxation matters	-	-
	0.30	0.29

25. The Group has spent ₹ 4.30 Crore (Previous year ₹ 2.70 Crore) towards Corporate Social Responsibility expenditure (including capital expenditure ₹ Nil, Previous year ₹ Nil) and debited the same to the Statement of Profit and Loss as against ₹ 4.25 Crore (Previous year ₹ 2.78 Crore) computed as per the provisions of section 135(5) of the Companies Act, 2013 and excess ₹ Nil (Previous year ₹ Nil Crore) carry forward to the next year. The details are as under:-

	2023-2024	2022-2023
		₹ in Crore
(i) Amount required to be spent by the company during the year,	4.25	2.78
(ii) Amount of expenditure incurred,	4.30	2.70
(iii) Shortfall/(excess) at the end of the year,	(0.05)	Nil
(iv) Excess amount carry forward from previous year	-	0.08
(iv) Total of previous years shortfall,	Nil	Nil
(v) Reason for shortfall,	NA	NA
(vi) Nature of CSR activities,	Promoting Education and Healthcare, Disaster Relief and PM Care fund	
(vii) Details of related party transactions, e.g., contribution to a trust controlled by the Group in relation to CSR expenditure as per relevant Accounting Standard,	NA	NA
(viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	NA	NA

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for the year ended 31 March 2024

26. Ratio Analysis

Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Refer Note
Current Ratio	Current Assets	Current Liabilities	3.81	3.56	6.96%	-
Debt-Equity Ratio	Total Debt	Total Equity	0.02	-	100.0%	(i)
Debt Service Coverage Ratio*	Earnings available for debt service	Debt Service	14.95	27.27	-45.2%	(ii)
Return on Equity Ratio	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	18.99%	27.08%	-29.87%	(iii)
Inventory turnover ratio	Cost of goods sold OR sales	Average Inventory	5.78	5.52	4.68%	
Trade Receivables turnover ratio,	Net Credit Sales	Avg. Accounts Receivable	6.25	6.75	-7.46%	
Trade payables turnover ratio,	Net Credit Purchases	Average Trade Payables	8.44	4.62	82.54%	(iv)
Net capital turnover ratio,	Net Sales	Working Capital	2.86	3.23	-11.44%	
Net Profit Ratio	Net Profit	Net Sales	8.28%	10.36%	-20.07%	
Return on Capital employed	Earning before interest and taxes	Capital Employed	23.46%	32.15%	-27.03%	(v)
Return on Investment						
Quoted	Income generated from investments	Time weighted average investments	28.24%	0.36%	7835.98%	(vi)
Unquoted	Income generated from investments	Time weighted average investments	-	-	0	

- (i) Debt taken during the year result in increase in Debt-Equity ratio
- (ii) Due to increase in finance cost and decrease in net earnings, debt service coverage ratio decreased
- (iii) Due to increase in shareholders fund and decrease in net earnings, Return on Equity ratio decreased
- (iv) Due to increase in purchases and decrease in trade payables trade payable turnover increased.
- (v) Due to increase in capital employed and decrease in net earnings, Return on capital employed ratio decreased
- (vi) Due to gain on sale of Investment in current year, increase in Return on Investment (quoted)

27. Disaggregated Revenue Information

The table below represents disaggregation of Group's revenue from contracts with the customers. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of its revenues and cash flows are affected by industry, market and other economic factors.

Particulars	₹ in Crore	
	2023-2024	2022-2023
Type of goods		
Finished products	2,322.61	2,216.43
Traded products	34.13	32.29
Total revenue from contracts with the customers	2,356.74	2,248.72
Geographical markets		
- India	1,088.33	1,100.00
- Outside India	1,268.41	1,148.72
Total revenue from contracts with the customers	2,356.74	2,248.72
Relation with customer		
- Non related party	2,356.74	2,248.72
- Related Party	-	-
Total revenue from contracts with the customers	2,356.74	2,248.72

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27. Disaggregated Revenue Information (Contd..)

Particulars	₹ in Crore	
	2023-2024	2022-2023
Timing of revenue recognition		
- Goods transferred over a period of time	-	-
- Goods transferred over a point of time	2,356.74	2,248.72
Total revenue from contracts with the customers	2,356.74	2,248.72

28. Commitments and Contingencies

i. Contingent Liabilities

Claims against the Group not acknowledged as debts #:

	₹ in Crore	
	2023-2024	2022-2023
i. Demand/ Show cause-cum-demand notices received and contested by the Company with the relevant appellate authorities		
a) Income tax disputed Commissioner of Income tax (Appeals-faceless)	13.33	13.33
b) Excise Matter disputed Central Excise, Customs and Sales Tax and Commissioner (Appeals) Daman & Surat.	0.40	0.40
c) Excise Matter disputed Central Excise, Customs and Sales Tax and Hon'ble CESTAT, Ahmedabad.	0.28	0.28
ii. Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	8.30	-
iii. Others		
a) Bank Guarantees	4.20	20.14
b) Corporate Guarantees	95.05	41.11

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

*CESTAT has issued a favourable verdict on 5th April, 2024 in favour of the Company.

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

	₹ in Crore	
	31 March 2024	31 March 2023
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	5.38	-
- Interest due on above	-	-
b. The amount of interest paid by the buyer in terms of section 16 of the Micro and Small enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro and Small Enterprise Development Act, 2006.	-	-
d. The amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro and Small Enterprises Development Act, 2006.	-	-

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

Consolidated Notes to Financial Statements

for the year ended 31 March 2024

30. Employee Benefits:

i) Defined Contribution Plan:

group's contribution to Provident Fund ₹ 0.36 Crore (Previous year ₹ 0.34 Crore).

The group also contributes to the following:

- Employee State Insurance Contribution Fund : ₹ 0.02 Crore (Previous year ₹ 0.03 Crore)

ii) Defined Benefit Plan:

The following table sets out the funded status of the Gratuity Plan and the amounts recognized in the Group's financial statements:
₹ in Crore

	As at 31 March 2024	As at 31 March 2023
(a) Change in the obligation benefits:		
Projected benefit obligation at the beginning of the year	2.57	2.35
Service Cost	0.22	0.22
Interest cost	0.16	0.14
Actuarial (Gains) / Losses on Obligations - Due to Change in Financial Assumptions	0.03	(0.09)
Actuarial (Gains) / Losses on Obligations - Due to Change in Demographic Assumptions	-	-
Actuarial (Gains) / Losses on Obligations - Due to Experience	0.06	0.09
Past Service Cost	-	-
Benefits paid	(0.12)	(0.14)
Projected benefit obligation at the end of the year	2.92	2.57
(b) Change in the plan assets:		
Fair value of the plan assets at the beginning of the year	1.28	1.25
Expected return on plan assets	0.14	0.03
Employer's contribution	-	-
Benefits paid	-	-
Return on plan assets, excluding interest income	-	-
Fair value of the plan assets at the end of the year	1.42	1.28
Funded status [Surplus / (Deficit)]	(1.50)	(1.29)
(c) Net Gratuity and other cost:		
Service cost	0.22	0.22
Past service cost and loss/(gain) on curtailments	-	-
Interest on defined benefit obligation	0.09	0.07
Interest income	-	-
Net gratuity cost	0.31	0.29
(d) Amounts recognized in the statement of other comprehensive income:		
Actuarial gain/(loss)	-	-
Return on plan assets, excluding interest income	(0.07)	0.03
Net income / (expense) for the period recognized in other comprehensive income	-	-
	(0.07)	0.03
(e) Category of Assets:		
Policy of Insurance	100%	100%
	100%	100%
(f) Assumptions used in accounting for the Gratuity Plan:		
	%	%
Discount rate	7.20%	7.40%
Expected rate of return on plan assets	7.20%	7.40%
Age of Retirement	60	60
Annual increase in salary cost	6.00%	6.00%
(g) Sensitivity Analysis :		
Discount rate Sensitivity		
Increase by 0.5%	2.84	2.49
% Change	-2.89%	-2.97%
Decrease by 0.5%	3.02	2.65
% Change	3.10%	3.18%

Consolidated Notes to Financial Statements

for the year ended 31 March 2024

30. Employee Benefits: (Contd..)

	As at 31 March 2024	As at 31 March 2023
₹ in Crore		
Salary growth rate Sensitivity		
Increase by 0.5%	2.99	2.63
% Change	1.95%	2.14%
Decrease by 0.5%	2.87	2.52
% Change	-2.06%	-2.09%
Withdrawal rate Sensitivity		
Withdrawal rate X 110%	2.94	2.58
% Change	0.36%	0.39%
Withdrawal rate X 90%	2.92	2.56
% Change	-0.37%	-0.41%

(h) Projected plan cash flow :

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date

	As at 31 March 2024	As at 31 March 2023
₹ in Crore		
Maturity Profile		
Expected benefits for year 1 to 3	1.31	1.19
Expected benefits for year 4 to 5	0.37	0.24
Expected benefits for year 6 and above	1.07	1.15

31. Segment Information

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

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

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

Geographical segment of the organization

For the purpose of geographical segment the sales are divided into two segments - Domestic and Overseas. The accounting policies of the segments are the same as those described in Note 2(0).

B. Information about reportable segment

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

Particulars	2023-2024			2022-2023		
	Domestic	Overseas	Total	Domestic	Overseas	Total
₹ in Crore						
Revenue						
Sales to external customers	1,088.33	1,268.41	2,356.74	1,100.00	1,148.72	2,248.72
Other segment information						
Non-current Assets *	290.36	-	290.36	262.39	-	262.39

* Non-current assets excludes Other investments, Other financials assets, Income tax assets (Net) and Deferred tax assets (Net).

Significant Customer

No Customer individually accounted for more than 10% of the revenue in the year ended 31 March 2024 and 31 March 2023.

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

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

Key Management Personnel

Amirali E Rayani
Amin A Rayani
Samir Rayani
Hussein Rayani
Arif Rayani
Pramod Maheshwari (Chief Financial Officer)
Gayatri Sharma

Designation

Executive Chairman
Managing Director & CEO Up to 30.09.2023
Managing Director & CEO w.e.f. 01.10.2023
Joint Managing Director
Executive Whole-Time Director w.e.f. 01.08.2023
Chief Financial Officer
Company Secretary & Compliance Officer

Independent Director

Madan Mohan Jain
Mukesh Mehta
Nargis Mirza Kabani
Kumar Raju Nandimandalam
Ashok Mukhi
Arvind Shah

Independent Director Up to 31.03.2024
Independent Director Up to 31.03.2024
Independent Director
Independent Director
Independent Director w.e.f. 01.08.2023
Independent Director w.e.f. 01.08.2023

Relatives of key management personnel

Akbarali Rayani
Vazirali Rayani
Salimali Rayani
Arif Rayani
Amin A Rayani
Nilima Kheraj
Munira Rayani
Serena Rayani

Relation

Brother of Mr. Amirali E Rayani
Brother of Mr. Amirali E Rayani
Brother of Mr. Amirali E Rayani
Brother of Mr. Amin Rayani
Brother of Mr. Arif Rayani
Sister of Mr. Samir Rayani
Wife of Mr. Hussein Rayani
Brother's Wife of Hussein Rayani

(b) Transactions with Related Parties

	₹ in Crore	
Transaction with Key Managerial Personnel and relatives of Key Managerial Personnel	2023-2024	2022-2023
Key Managerial remuneration *		
Short term benefits	2.41	12.26
Director sitting fees	0.13	0.09
Purchase of Property		
Amin A Rayani	-	7.08
Samir Rayani	-	8.65
Remuneration paid to Relative of Key Managerial Personnel		
Short term benefits		
Akbarali Rayani	0.05	0.05
Vazirali Rayani	0.05	0.05
Salimali Rayani	0.05	0.05
Arif Rayani	0.04	0.12
Nilima Kheraj	0.05	0.05
Munira Rayani	0.05	0.05
Amin A Rayani	0.06	-
Serena Rayani	0.12	0.12

* Key managerial remuneration related to retirement benefits (i.e. Gratuity) are recognized under Employee benefit expenses in Statement of Profit and Loss along with other employees gratuity costs of the Group based on the actuarial valuation carried out by the Independent Actuary.

33. Earnings per share (EPS)

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

	₹ in Crore	
	2023-2024	2022-2023
Profit after tax attributable to equity shareholders	195.15	232.97
Net profit for calculation of basic and diluted EPS	195.15	232.97

Consolidated Notes to Financial Statements

for the year ended 31 March 2024

33. Earnings per share (EPS) (Contd..)

₹ in Crore

	No. of shares	
	2023-2024	2022-2023
Weighted average number of equity shares in calculating basic EPS	6,04,93,598	6,04,93,598
Basic Earnings per share	32.26	38.51
Diluted Earnings per share	32.26	38.51

34. Tax expense

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

₹ in Crore

	Year ended 31.03.2024	Year ended 31.03.2023
Current tax expense		
Current year	44.20	60.00
Changes in estimates relating to prior years	0.12	(0.12)
	44.32	59.88
Deferred tax expense		
Origination and reversal of temporary differences	1.30	1.70
Change in tax rate	-	-
	1.30	1.70
Tax expense recognized in the statement of profit and loss	45.62	61.58

(b) Amounts recognized in other comprehensive income

₹ in Crore

	2023-2024			2022-2023		
	Before Tax	Tax (expense)/ benefit	Net of Tax	Before Tax	Tax (expense)/ benefit	Net of Tax
Items that will not be reclassified to profit or loss:						
a) Re-measurements of the defined benefit plans	(0.02)	(0.01)	(0.03)	(0.04)	0.01	(0.03)
b) Equity instruments through Other Comprehensive Income	2.56	(0.67)	1.89	(1.84)	0.46	(1.38)
Total	2.54	(0.68)	1.86	(1.88)	0.47	(1.41)

(c) Reconciliation of effective tax rate

₹ in Crore

	Year ended 31.3.2024	Year ended 31.3.2023
Profit before tax*	176.87	242.15
Statutory income tax rate	25.168	25.168
Tax using the Group's domestic tax rate	44.51	60.94
Increase due to change in tax rate	-	-
Tax effect of:		
Non-deductible tax expenses / disallowances under Income Tax Act	1.11	0.71
Tax-exempt income and deductions under Chapter VI A of Income Tax Act	-	-
Temporary difference recognized in deferred taxes	(1.30)	(1.46)
Tax payable at special rates	-	-
Others	(0.13)	(0.21)
Amounts recognized in other comprehensive income	0.01	0.02
	44.20	60.00

* Profit before tax consider for Holding Company for reconciliation of effective tax, subsidiary Company situated at Tax haven at UAE

Consolidated Notes to Financial Statements

for the year ended 31 March 2024

34. Tax expense (Contd..)

(d) Movement in deferred tax balances

Particulars	₹ in Crore					
	Net balance 1.4.2023	Recognized in profit or loss	Recognized in OCI	Net balance 31.3.2024	Deferred tax asset	Deferred tax liability
Movement in Liability						
Property, plant and equipment and intangible assets	10.25	1.41	-	11.66	-	11.66
Deffer tax on ROU	0.10	0.02	-	0.12	-	0.12
Total (A)	10.35	1.43	-	11.78	-	11.78
Movement in Asset						
Employee Retirement Benefits	0.32	0.07	(0.01)	0.38	0.38	-
Investment	0.47	-	(0.67)	(0.20)	(0.20)	-
Provision for doubtful debts and advances	0.05	-	-	0.05	0.05	-
Provision for ECL	0.14	0.05	-	0.19	0.19	-
Prepaid expenses	-	(0.01)	-	(0.01)	(0.01)	-
Defer tax on lease	0.11	0.02	-	0.13	0.13	-
Total (B)	1.09	0.13	(0.68)	0.54	0.54	-
Tax assets / (liabilities) (A-B)	(9.26)	(1.30)	(0.68)	(11.24)	0.54	(11.78)

Particulars	₹ in Crore					
	Net balance 1.4.2022	Recognized in profit or loss	Recognized in OCI	Net balance 31.3.2023	Deferred tax asset	Deferred tax liability
Movement in Liability						
Property, plant and equipment and intangible assets	8.62	1.63	-	10.25	-	10.25
Deferred tax on ROU	0.06	0.04	-	0.10	-	0.10
Total (A)	8.68	1.67	-	10.35	-	10.35
Movement in Asset						
Employee Retirement Benefits	0.28	0.03	0.01	0.32	0.32	-
Investment	0.01	-	0.46	0.47	0.47	-
Provision for doubtful debts and advances	0.05	-	-	0.05	0.05	-
Provision for ECL	0.23	(0.09)	-	0.14	0.14	-
Prepaid expenses	0.01	(0.01)	-	-	-	-
Deferred tax on lease	0.07	0.04	-	0.11	0.11	-
Total (B)	0.65	-0.03	0.47	1.09	1.09	-
Tax assets / (liabilities) (A-B)	(8.03)	(1.70)	0.47	(9.26)	1.09	(10.35)

35. Financial Instruments : Accounting classifications and fair value measurements

(i) Accounting classifications

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

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

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

(ii) Fair value measurements

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

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35. Financial Instruments : Accounting classifications and fair value measurements (Contd..)

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

As at 31st March, 2024

	Classification				Fair Value
	Carrying Value	FVTPL	FVTOCI	Amortized Cost	
₹ in Crore					
Financial assets					
Investments					
Investment in equity shares (unquoted)	0.01	0.01	-	-	0.01
Investment in equity shares (quoted)	1.96	-	1.96	-	1.96
Others non current financial assets	0.40	-	-	0.40	0.40
Trade receivables	405.81	-	-	405.81	405.81
Loans and advances					
Loans to employees	0.84	-	-	0.84	0.84
Others	-	-	-	-	-
Other financial assets					
Derivative instruments	-	-	-	-	-
Others	9.75	-	-	9.75	9.75
Cash and cash equivalents	94.59	-	-	94.59	94.59
Bank balances	38.58	-	-	38.58	38.58
	551.94	0.01	1.96	549.97	551.94
Financial liabilities					
Lease liabilities	0.52	-	-	0.52	0.52
Borrowings					
Short term loans from banks	25.49	-	-	25.49	25.49
Trade payables and acceptances	244.69	-	-	244.69	244.69
Other financial liabilities	3.08	-	-	3.08	3.08
	273.78	-	-	273.78	273.78

As at 31st March, 2023

	Classification				Fair Value
	Carrying Value	FVTPL	FVTOCI	Amortized Cost	
₹ in Crore					
Financial assets					
Investments					
Investment in equity shares (unquoted)	0.01	0.01	-	-	0.01
Investment in equity shares (quoted)	4.44	-	4.44	-	4.44
Others non current financial assets	0.39	-	-	0.39	0.39
Trade receivables	348.93	-	-	348.93	348.93
Loans and advances					
Loans to employees	0.92	-	-	0.92	0.92
Others	-	-	-	-	-
Other financial assets					
Derivative instruments	-	-	-	-	-
Others	11.35	-	-	11.35	11.35
Cash and cash equivalents	96.53	-	-	96.53	96.53
Bank balances	125.23	-	-	125.23	125.23
	587.80	0.01	4.44	583.35	587.80
Financial liabilities					
Lease liabilities	0.44	-	-	0.44	0.44
Borrowings					
Short term loans from banks	-	-	-	-	-
Trade payables and acceptances	260.70	-	-	260.70	260.70
Other financial liabilities	1.86	-	-	1.86	1.86
	263.00	-	-	263.00	263.00

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35. Financial Instruments : Accounting classifications and fair value measurements (Contd..)

₹ in Crore

	As at 31 st March, 2024			As at 31 st March, 2023		
	Fair Value			Fair Value		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Investments						
Investment in equity shares (unquoted)	-	-	0.01	-	-	0.01
Investment in equity shares (quoted)	1.96	-	-	4.44	-	-
Others non current financial assets	-	-	-	-	-	-
Loans and advances						
Loans to employees	-	-	0.84	-	-	0.92
Other financial assets	-	-	2.67	-	-	2.21
Derivative instruments	-	-	-	-	-	-
	1.96	-	3.52	4.44	-	3.14
Financial liabilities						
Security deposit	-	-	2.01	-	-	0.83
	-	-	2.01	-	-	0.83

(iii) Description of significant observable inputs to valuation:

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

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

* Based on unobservable inputs which generally approximates to the carrying value of the investments unless significantly impaired. Fair value has been considered Nil for significantly impaired investments. Sensitivity change in the unobservable input does not have a significant impact in its value and accordingly, sensitivity disclosure is not given.

36. Financial risk management

Risk management framework

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

(i) Credit risk

Credit risk refers to the possibility of a customer and other counterparties not meeting their obligations and terms and conditions which would result into financial losses. Such risk arises mainly from trade receivables and investments. Credit risk is managed through internal credit control mechanism such as credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business.

The Group establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

Trade receivables

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

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36. Financial risk management (Contd..)

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

Ageing	As at 31 st March, 2024			
	Gross Carrying Amount	Expected Credit Loss Rate	Credit Loss	Net Carrying Amount
0-180 days past due	1.33	6.46%	0.09	1.24
180-365 days past due	2.91	13.09%	0.38	2.53
More than 365 days past due	1.43	20.29%	0.29	1.14
Credit impaired	0.14	100.00%	0.14	-
	5.81	15.49%	0.90	4.91

₹ in Crore

Ageing	As at 31 st March, 2023			
	Gross Carrying Amount	Expected Credit Loss Rate	Credit Loss	Net Carrying Amount
0-180 days past due	2.66	5.31%	0.14	2.52
180-365 days past due	-	10.78%	-	-
More than 365 days past due	2.53	16.71%	0.42	2.11
Credit impaired	0.14	100.00%	0.14	-
	5.33	13.13%	0.70	4.63

₹ in Crore

Note:- Impairment under expected credit loss includes ₹ 0.14 Crore for doubtful debts P.Y. ₹ 0.14 Crore

Cash and cash equivalents

The Group held cash and cash equivalents of ₹ 94.59 Crore at 31.3.2024 (31.3.2023: ₹ 96.53 Crore). The cash and cash equivalents are held with banks with good credit ratings. Also, the Group invests its surplus funds in bank fixed deposits, which carry no / low mark to market risks for short duration and therefore, does not expose the Group to credit risk.

Investments

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

Derivatives

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

(iii) Liquidity risk

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

a) Financing arrangements

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

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36. Financial risk management (Contd..)

b) Maturities of financial liabilities

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

	As at 31.3.2024	As at 31.3.2023
Short term loans from banks	25.49	-
Trade payables	244.69	260.70
Other financial liabilities (other than derivative liabilities)	3.08	1.83
Derivative liabilities	-	0.03
	273.26	262.56

₹ in Crore

(iii) Market Risk

The risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market price. Market risk further comprises of (a) Currency risk, (b) Interest rate risk and (c) Commodity risk.

a) Currency Risk

The Group is exposed to currency risk mainly on account of its import payables and export receivables in foreign currency. The major exposures of the Group are in U.S. dollars. The Group hedges its import foreign exchange exposure partly through exports and depending upon the market situations partly through forward foreign currency covers. The Group has a policy in place for hedging its foreign currency exposure. The Group does not use derivative financial instruments for trading or speculative purposes.

	31-Mar-24		31-Mar-23	
	\$ In Crore	₹ in Crore	\$ In Crore	₹ in Crore
Financial assets				
Trade Receivables	1.40	116.89	1.54	126.71
Cash and cash equivalents	0.29	24.02	0.24	19.34
Other financial assets	0.01	1.03	0.02	1.89
Net exposure for assets - A	1.70	141.93	1.80	147.94
Financial liabilities				
Trade Payables	2.24	187.03	2.79	229.01
Other financial liabilities	0.01	1.02	0.05	3.71
Less: Foreign currency forward exchange contracts	-	-	0.96	79.11
Net exposure for liabilities - B	2.26	188.05	1.88	153.61
Net exposure (A-B)	(0.55)	(46.12)	(0.08)	(5.67)

The following exchange rates have been applied at the end of the respective years

	31-Mar-24	31-Mar-23
USD Rate	83.37	82.22

₹ in Crore

Sensitivity analysis

The table below shows sensitivity of open forex exposure to USD / INR movement. We have considered 1% (+/-) change in USD / INR movement, increase indicates appreciation in USD / INR whereas decrease indicates depreciation in USD / INR. The indicative 1% movement is directional and does not reflect management forecast on currency movement.

Impact on profit or loss due to % increase / (decrease) in currency

Particulars	2023-2024		2022-2023	
	Increase	(Decrease)	Increase	(Decrease)
Movement (%)	1%	1%	1%	1%
USD	(0.46)	0.46	(0.97)	0.97

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36. Financial risk management (Contd..)

b) Interest rate risk

The Group is not exposed to significant interest rate risk during the respective reporting periods. Short term loans are taken on fixed interest rates.

Interest Rate Risk Exposure

The Exposure of the borrowing to interest rate changes at the end of the reporting period are included in the table below. As at the end of the reporting period the following weighted average interest rate on the borrowings.

Particulars	2023-2024			2022-2023		
	Weighted average Interest rate	Balance ₹ in Crore	% of Total Loans	Weighted average Interest rate	Balance ₹ in Crore	% of Total Loans
Cash Credits from banks	8.83	25.49	100	-	-	-

The percentage of total loans shows the proportion of loans that are currently at weighted average in relation to the total amount of borrowings. The percentage of borrowings of holding company is 0% and of subsidiary is 100%.

(ii) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rate. In interest rate risk note we have considered impact on profit after tax.

Particulars	2023-2024		2022-2023	
	Increase	(Decrease)	Increase	(Decrease)
Movement by 100 basis point	0.19	(0.19)	-	-

c) Commodity Risk

Raw Material Risk

Timely availability and also non-availability of good quality base oils from across the globe could negate the qualitative and quantitative production of the various products of the Group. Volatility in prices of crude oil and base oil is another major risk for this segment. The Group procures base oils from various suppliers scattered in different parts of the world. The Group tries to enter into long term supply contracts with regular suppliers and at times buys the base oils on spot basis.

37. Benami Transactions

The Company does not hold any Benami Property as defined under Benami Transactions (Prohibition) Act (45) of 1988 and rules made thereunder.

38. Transactions with struck off Companies

The Company does not have any transactions with companies struck off under section 248 of Companies Act 2013 or Section 560 of Companies Act 1956, during the financial year ending 31 March 2024 and 31 March 2023.

39. Restriction on number of layers

The Company has complied with the number of layer prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on Number of Layers) Rules, 2017.

40. Undisclosed Income

The Company does not have any undisclosed income during the financial year ended 31 March 2024 and 31 March 2023.

41. Crypto/Virtual Currency

The Company does not traded or invested in Crypto Currency or Virtual Currency during the financial year ended 31 March 2024 and 31 March 2023.

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42. Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and the Rules thereunder. The Ministry of Labour and Employment has also released draft rules thereunder on 13 November 2020, and has invited suggestions from the stakeholders which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any, and account the same once the rules are notified and become effective.

43. Utilization of borrowed funds and share premium

- (a) No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

44. Rounding off amount

The amount of financial statements of the company have been reported in ₹(in Crore) rounded off to 2 decimals. However, while doing so, some of the above reported amounts might appear as 00 due to rounding off of amounts.

45. Previous year figures

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

Signature to Notes 1 to 45 of the financial statements

As per our report of even date attached

For **JMR & Associates LLP**
Chartered Accountants
Firm Registration No. 106912W / W100300

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

CA. Nikesh Jain
Partner
Membership No : 114003
Place: Mumbai
Date : 27 May 2024

Amirali E. Rayani
Chairman
DIN:00002616
Place: Mumbai
Date : 27 May 2024

Samir A. Rayani
Managing Director & CEO
DIN:00002674
Place: Mumbai
Date : 27 May 2024

Pramod Maheshwari
CFO
Place : Mumbai
Date : 27 May 2024

Gayatri Sharma
Company Secretary & Compliance Officer
Place : Mumbai
Date : 27 May 2024



**We provide Consistency, Quality,
Services, Economy**

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