



33rd
ANNUAL REPORT
2014-15



Board of Directors

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

**Company Secretary &
Compliance Officer**

Ms. Gayatri Sharma

Auditors

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

Bankers

Indian Bank
IDBI Bank Limited
Citibank N.A.
Standard Chartered Bank
DBS Bank Limited
Yes Bank Limited
D C B Bank Limited
HDFC Bank Limited

Listed at

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

Corporate Office

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

Registered Office

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

Plants

Ankleshwar, Daman, Taloja, & Dahej

Registrar & Share Transfer Agents

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

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NOTICE**CIN : L23209GJ1982PLC005062**

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

Ordinary Business:

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

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

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

Special Business:

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

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

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

7. To approve the remuneration of the Cost Auditor for the financial year ending March 31, 2016 and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the remuneration of ₹ 1.75 lakhs (Rupees one lakh seventy five thousand only) plus out-of-pocket expenses payable to Mr. Girikrishna S. Maniar, who is appointed as the Cost Auditor of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016.

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

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

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

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

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

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

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

Notes:

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him and a proxy need not be a member of the company.** Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the Meeting. Proxies submitted on behalf of companies, societies, partnership firms, etc. must be supported by appropriate resolution/ authority, as applicable, issued on behalf of the nominating organization. Members are requested to note that a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
2. **Corporate Members:** : Corporate Members intending to send their authorised representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.
3. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
4. Members/ Proxies should bring the enclosed attendance Slip duly filled in, for attending the Annual General Meeting, along with their copy of the Annual Report. Copies of the Annual Report will not be distributed at the Meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday the 10th day of September 2015 to Monday the 14th day of September 2015 (both days inclusive).
6. Payment of dividend as recommended by the Board of Directors, if declared at the Annual General Meeting will be payable to those Shareholders whose names stand on the Register of Members of the Company as on the closing of September 9, 2015. In respect of shares held in the electronic form, the dividend will be payable on the basis of beneficial ownership furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose. Dividend will be paid within two weeks from the date of declaration of dividend.
7. Members are requested to notify any change in their address/ mandate/bank details immediately to the share transfer Agent of the Company- M/s Bigshare Services Pvt. Ltd.
8. To avoid loss of dividend warrants in transit and undue delay in receipt of dividend warrants, the Company has provided National Electronic Clearing Service (NECS) facility to the Members for remittance of dividend. NECS facility is available at locations identified by Reserve Bank of India from time to time. Members holding shares in physical form and desirous of availing this facility are requested to provide their latest bank account details (Core Banking Solutions Enabled Account Number, 9 digit MICR and 11 digit IFS Code), along with their Folio Number, to the Company's Share Registrars and Transfer Agents. Members holding shares in electronic form are requested to provide the details to their respective Depository Participants.

9. Members holding shares in physical form are requested to advise any change of address immediately to the Company's Share Registrars and Transfer Agents. Members holding shares in electronic form must send the advice about change in address to their respective Depository Participant only and not to the Company or the Company's Share Registrars and Transfer Agents.
10. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.
11. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website, www.panamapetro.com
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to their respective Depository Participants. Members holding shares in physical form are requested to submit their PAN details to the Share Registrars and Transfer Agents.
13. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate risks associated with physical shares and for ease in portfolio management. Members can contact the Company's Share Registrars and Transfer Agents for assistance in this regard.
14. All documents referred to in the Notice are open for inspection at the Registered Office of the Company on all working days except Saturdays and Public Holidays between 11.00 A.M. and 1.00 P.M. up to the date of the Annual General Meeting.
15. Members desirous of obtaining any information as regards to the accounts and operations of the Company are requested to write at least one week before the meeting so that the same could be complied in advance.
16. **Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**
17. In terms of and in compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015, and Clause 35B of the Listing Agreement, the Company is pleased to offer remote e-voting facility as an alternate to all its Members to enable them to cast their vote electronically instead of casting the vote at the Meeting. The Members who have cast their votes by remote e-voting may participate in the Meeting even after exercising their right to vote through remote e-voting but shall not be allowed to cast vote again at the Meeting. For this purpose, the Company has entered into an agreement with CDSL for facilitating e-voting to enable the Shareholders to cast their votes electronically. The Company is also providing facility for voting by Ballot at the Annual General Meeting apart from providing remote e-voting facility for all those members who are present at the general meeting but have not cast their votes by availing the remote e-voting facility.
18. The remote e-voting facility shall be opened from, Thursday 10, September 2015 at 9.00 a.m. to Sunday, September 13, 2015 till 5.00 p.m., both days inclusive. The remote e-voting facility shall not be allowed beyond 5.00 p.m., on Sunday, September 13, 2015. During the period when facility for remote e-voting is provided, the members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date/entitlement date, may opt for remote e-voting. Provided that once the vote on a resolution is cast by the member, he shall not be allowed to change it subsequently or cast the vote again.
19. The Company has fixed Monday, September 7, 2015, as the cut off date for identifying the Shareholders for determining the eligibility to vote by electronic means or in the Meeting by Ballot. Instructions for exercising voting rights by remote e-voting are attached herewith and forms part of this Notice. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off/ entitlement date only shall be entitled to avail the facility of remote e-voting as well as voting at the Annual General Meeting.
20. Any person who becomes a member of the Company after the dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e, September 7, 2015, may obtain the User ID and Password by sending an email request to cs@panamapetro.com. Members may also send a request to Ms. Gayatri Sharma, Company Secretary, by writing to her at, 401, Aza House, 24 Turner Road, Bandra (w), Mumbai, 400050.
21. The Voting Rights will be reckoned on the paid-up value of shares registered in the name of shareholders on Monday, September 7, 2015, the cut-off date/entitlement date for identifying the Shareholders for determining the eligibility to vote by electronic means or at the Meeting by Ballot
22. The Notice of the Meeting is being placed on the website of the Company viz., www.panamapetro.com and on the website of CDSL viz., www.cdslindia.com.

- 23.** Mr. Milind Nirkhe, Company Secretary in Whole Time Practice, (CP No. 9255) has been appointed as a Scrutinizer for conducting the voting by Ballot at the Meeting and remote e-voting process in a fair and transparent manner.
- 24.** The Scrutinizer shall, immediately after the conclusion of voting at the Meeting, first count the votes cast by Ballot at the Meeting, thereafter unblock the votes cast through remote e-voting in the manner provided in the Rules and make, not later than 3 days of conclusion of the Meeting, consolidated Scrutinizer's Report of remote e-voting and voting by Ballot at the Meeting, of the total votes cast in favour or against, if any, to the Chairman of the Meeting and the Chairman or a person as may be authorized by him in writing shall declare the result of the voting forthwith and all the resolutions as mentioned in the Notice of the Meeting shall be deemed to be passed on the date of the Meeting. The results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company at www.panamapetro.com and on the website of CDSL at www.cdslindia.com, immediately after the results are declared by the Chairman.

25. The instructions for members for voting electronically are as under:-

The voting period begins on Thursday 10, September 2015 at 9.00 a.m. and ends on Sunday, September 13, 2015 till 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, September 7, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

A. In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/mail) in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

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

- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

B. In case of members receiving the physical copy:

- (a) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (b) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

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

Date : July 30, 2015
Place : Mumbai

Gayatri Sharma
Company Secretary

Registered Office:

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

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

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

Item No. 6

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

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

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

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

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

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

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

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

Save and except Ms. Nargis Mirza Kabani and her relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

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

Item No. 7

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

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

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

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

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

Item No. 8

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

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

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

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

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

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

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

Item no. 9

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

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

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

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

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

Date : July 30, 2015
Place : Mumbai

Gayatri Sharma
Company Secretary

Registered Office:

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