



40TH ANNUAL REPORT 2021-22



Chairman's Statement

“*Strengthening
and Growing
through continuous
efforts and innovation*”



Mr. Amirali E. Rayani

Chairman

In this fast-moving world, staying resonant and relevant for 40 years is a journey of great pride for any Organisation. What makes it even more eventful for Panama Petrochem Limited is its ability to navigate through the many challenges of the past year and deliver yet another year of robust operational and financial performance.

It is thus an honour to share with you the 40th Annual Report for the Financial Year 2021-22.

Financial Year 2022 continued to be one of the challenging times not only for your Company but businesses globally, gradually as the economy recovered from the disruptions caused by the COVID-19 Pandemic, we were hit by the Ukraine/Russia conflict resulting in rapidly developing humanitarian crisis leaving the oil and petroleum industries across the world to cope up with supply chain shortages, liquidity crunch, enhanced regulatory norms, muted global growth and so much more.

In the face of widespread change, your Company has shown remarkable resilience and adaptability, coming out stronger than ever, after catastrophic events like the global financial crisis or the pandemic.

We had an incredible year in terms of growth in the financial year that ended in March 2022. A significant improvement in the operating performance of your Company was witnessed during the financial year 2021-22, our profits peaked to an all-time high to ₹ 23,034.08 Lakhs, operating margin for the year expanded to 14.1%.

Your Company is determined to continuously drive for innovation, growth and productivity throughout the Organization, as a result the sales, supply chain, manufacturing, all have surpassed their previous best.

In 2021, we grew in strength and attained leadership position in a number of our product solutions. Further the ability of the Company to deliver 'Just in Time' has been duly appreciated by our esteemed clients which grew exponentially during the year enhancing our market reach. The full-fledged restart of manufacturing activities from the second quarter provided the much needed boost to our business cycle, thus realizing the full benefits of the market recovery. Your Company witnessed strong demand visibility during the year and together with import substitution has achieved robust revenues thereby rewarding the shareholders with increasing dividends.

During the year ending March 2022, the Company has successfully maintained margin expansion even in the middle of existing uncertainties recording robust net revenues of ₹ 2,13,235.40 Lakhs, reduction of net debt and the dividend payout ratio of the Company for the year under review is 21%.

Enhanced performance across the entire high value added product offerings, extended the reach of our exports and clientele resulting into record earnings in specialty oil segment while sustaining best ever safety and quality of our services.



Your Company has relentlessly looked at innovation to provide newer and better value propositions for customers, and thus increase our relevance to them. This year was no different, with multiple new products, some of these products like drilling fluids, rubber process oil has created a niche in the market and accorded leadership position to your Company.

It has always been the Company's endeavor to promote eco-friendly product offerings to the market. With global attention towards climate change, R&D of your Company has rose to the occasion and provided new products with green technology.

The Company wishes to harness its competitive strength and has introduced low Aromatic content products for Ink & Coating Industry, Paint Industry, Rubber Industry and Bio-degradable oils for drilling & Oil Exploration.

As we move forward, we continue to evolve and streamline our business processes to orient towards being recognized as one of the petroleum based Specialty Oil Company.

To drive future growth, we will intensify our focus and investments towards increasing our manufacturing capacities at all our plants locations, product portfolio expansion and digital initiatives with advanced technology. We will also intensify our marketing investments to improve the reach and visibility of our products.

Panama Petrochem Ltd. approaches 2022-23 with cautious optimism amidst the uncertain geo-political environment. However, we are confident that our focus on high value added solutions with green technology and new product launches will help us in generating competitive returns.

I take this opportunity to acknowledge and place my sincere appreciation to the contributions of the Board of Directors, team members, employees, and supplier partners for their continuous and dedicated efforts, despite external pressures. I would also like to express my deepest gratitude to all our stakeholders for your continuing interest, commitment and support to the Company.

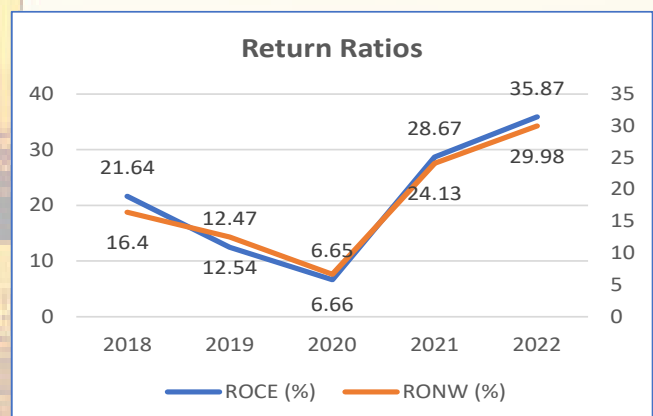
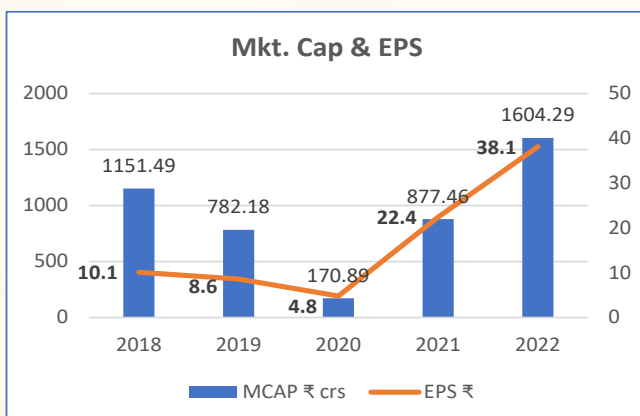
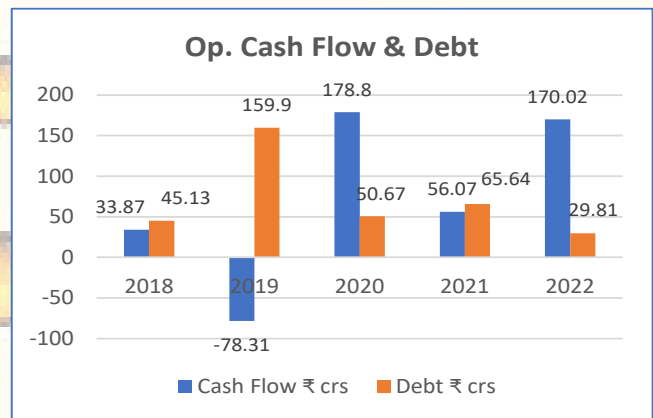
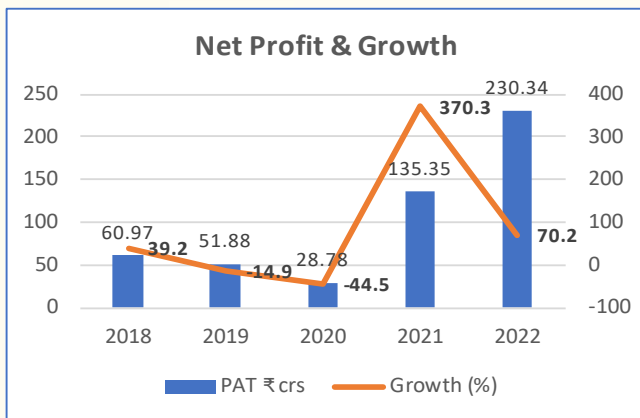
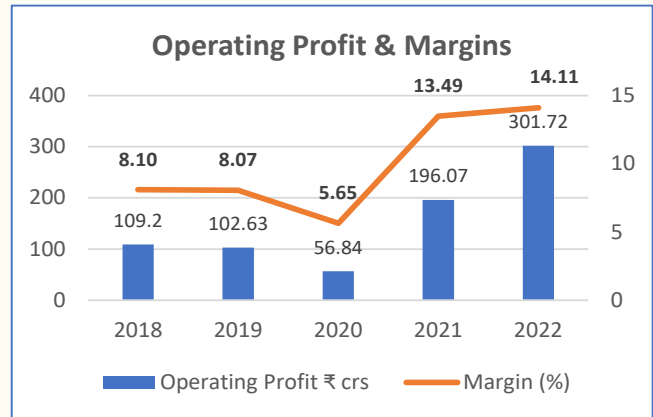
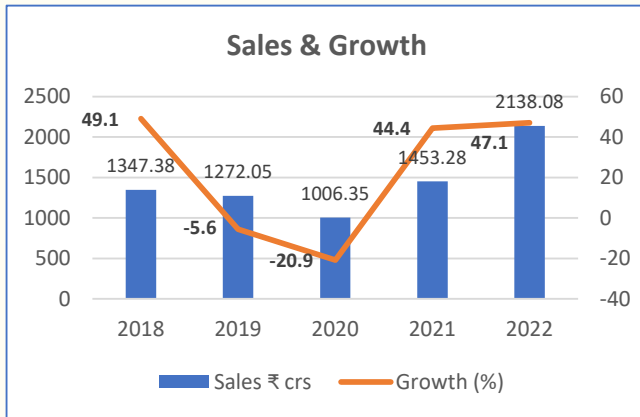
I assure you that your Company will continue to achieve newer heights in the years to come.

Best Wishes,

Amirali E. Rayani
Chairman



Fueling Constant Growth



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Financial Highlights

2021-22

Annual Sales:

₹ 2,13,235.40 Lakhs

PAT:

₹ 23,034.08 Lakhs

EPS:

₹ 38.08

EBIDTA:

₹ 30,172.18 Lakhs



**Board of Directors**

Mr. Amirali E. Rayani
Mr. Amin 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

Chairman (Executive)
Managing Director & CEO
Joint Managing Director
Executive Director
Independent Director
Independent Director
Independent Director
Independent Director

Chief Financial Officer

Mr. Pramod Maheshwari

Statutory Auditor

JMR & Associates LLP,
Chartered Accountants, Mumbai, India

**Company Secretary &
Compliance Officer**

Ms. Gayatri Sharma

Listed at

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

Bankers

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

Registrar & Share Transfer Agents

Bigshare Services Private Limited
Office No S6-2, 6th Floor, Pinnacle Business
Park, Next to Ahura Centre, Mahakali Caves
Road, Andheri (East) Mumbai – 400093.
Maharashtra
Tel: 91-22- 62638200
Fax: 91-22- 62638299
E-mail: info@bigshareonline.com

Corporate Office

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

Registered Office

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

Plants

Ankleshwar, Daman, Taloja, and Dahej

**NOTICE****CIN: L23209GJ1982PLC005062**

Notice is hereby given that the **FORTIETH ANNUAL GENERAL MEETING** of the Members of **PANAMA PETROCHEM LIMITED** will be held on **Monday, September 5, 2022 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, 2022 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. Samir A. Rayani (DIN: 00002674), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

Special Business:

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

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, Mr. Kumar Raju Nandimandalam (DIN:00829724), who was appointed as an Independent Director and who holds office up to August 10, 2023, in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member proposing his candidature for the office of Director, being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years, i.e. up to August 9, 2028.

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

5. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2023 and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the remuneration of ₹ 2.20 lakhs (Rupees two lakhs & 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, 2023.

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. In view of the ongoing Covid-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 14, 2021 and Circular No. 02/2022 dated 05.05.2022 (collectively referred to as 'MCA Circulars') permitted the holding of the Annual General Meeting ('AGM') through Video Conferencing ('VC') facility/Other Audio Visual Means ('OAVM'), without the physical presence of the Members at a common venue. In compliance with the applicable provisions of the Companies Act, 2013 ('the Act'), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and MCA Circulars, the AGM of the Company is being held through VC/OAVM.



2. 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 pursuant to the MCA 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.
3. 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.
4. 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. The relevant details, pursuant to 36(3) of the Listing Regulations and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, in respect of a Director seeking re-appointment at this AGM are also annexed herewith.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, August 30, 2022 to Thursday, September 1, 2022 (both days inclusive).

Payment of final dividend as recommended by the Board of Directors, if declared at the Annual General Meeting will be payable to those Shareholders holding shares in electronic form as per the beneficiary position downloaded from the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) as at the close of business hours on Monday, August 29, 2022 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. Monday, August 29, 2022. Dividend will be paid within two weeks from the date of declaration of dividend.

6. Members are requested to intimate 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 in the prescribed **Form ISR-1** and other forms pursuant to SEBI Circular No. SEBI/HO/ MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021. The Company has also sent letters for furnishing the required details.
7. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_ RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed **Form ISR – 4**, the format of which is available on the Company's website at www.panamapetro.com and on the website of the Company's Registrar and Transfer Agents, Bigshare Services Pvt. Ltd. <https://www.bigshareonline.com>. **It may be noted that any service request can be processed only after the folio is KYC Compliant.**

In view of the same and to eliminate all risks associated with physical shares and to avail various benefits of dematerialization, members are advised to dematerialize the shares held by them in physical form.

8. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company at least one week before the meeting through email on cs@panamapetro.com.
9. In compliance with the aforesaid MCA Circulars and SEBI Circular SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, Notice of the AGM along with the Annual Report for F.Y. 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report for F.Y. 2021-22 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.



10. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 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, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to register 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 who is not liable to pay income tax can submit a yearly declaration in **Form No. 15G/15H**, to avail the benefit of non-deduction of tax at source. The shareholders are requested to upload the required forms on the RTA portal at <https://www.bigshareonline.com/dividendTDS.aspx> by August 29, 2022.

Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of 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 by uploading documents at <https://www.bigshareonline.com/dividendTDS.aspx>. The aforesaid declarations and documents need to be submitted by the shareholders by August 29, 2022.

11. To avoid loss of dividend warrants in transit and undue delay in receipt of dividend warrants, the Company provides the facility to the Members for remittance of dividend directly in their bank accounts through electronic means. The facility is available at all bank branches which have registered themselves as participating banks with National Payment Corporation of India and have joined the Core Banking System. Members holding shares in physical form and desirous of availing this facility are requested to provide their latest bank account details (Core Banking Solutions Enabled Account Number, 9 digit MICR and 11 digit IFS Code), along with their Folio Number, to the Company's Share Registrar and Transfer Agents (M/s Bigshare Services Pvt. Ltd). Members holding shares in electronic form are requested to provide the details to their respective Depository Participants.
12. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.
13. 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.
14. 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 will be entitled to vote at the AGM.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to their respective Depository Participants. Members holding shares in physical form are requested to submit their PAN details to the Share Registrar and Transfer Agents (M/s Bigshare Services Pvt. Ltd).
16. 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
17. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
18. To support "**Green Initiative**", Members are requested to register their e-mail addresses with their concerned DPs, in respect of electronic holding and with Bigshare Services Pvt. Ltd., at <https://www.bigshareonline.com/InvestorRegistration>.



[aspx](#) in respect of physical holding. Further, those Members who have already registered their e-mail addresses are requested to keep their e-mail addresses validated/updated with their DPs/RTA to enable servicing of notices/documents/Annual Reports and other communications electronically to their e-mail address in future.

19. 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 e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
20. The remote e-voting facility shall be opened from, Friday, September 2, 2022 at 9.00 A.M. to Sunday, September 4, 2022 till 5.00 P.M., both days inclusive. The remote e-voting facility shall not be allowed beyond 5.00 P.M., on September 4, 2022. 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.
21. The Company has fixed, Monday, August 29, 2022, 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.
22. The Voting Rights will be reckoned on the paid-up value of shares registered in the name of shareholders on Monday, August 29, 2022, 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.
23. 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.
24. 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.
25. 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.
26. 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.
27. 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.

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

- (i) The voting period is opened from, Friday, September 2, 2022 at 9.00 A.M. to Sunday, September 4, 2022 till 5.00 P.M., both days inclusive. The remote e-voting facility shall not be allowed beyond 5.00 P.M., on September 4, 2022. 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 29, 2022 (cut-off) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.