

NOTICE

Notice is hereby given that the 42nd Annual General Meeting of the Members of Panchmahal Steel Limited will be held at the Registered Office of the Company situated at GIDC Industrial Estate, Kalol-389 330, Dist. Panchmahal, (Gujarat) on Monday, the 28th day of September, 2015 at 10.00 a.m. to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2015 and the Reports of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of Mr. Pradeep Sharma (DIN : 00705862), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Hanish Malhotra (DIN : 00120310), who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify the appointment of auditors of the Company and to fix their remuneration and to pass the following resolution with or without modification(s) as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 139, 142 and other applicable provisions and the Rules made thereunder, pursuant to the recommendations of the Audit Committee of the Board of Directors of the Company and pursuant to the Resolution passed by the members at the AGM held on 30th September, 2014, the appointment of M/s JRS Patel & Co., Chartered Accountants, Vadodara (Firm Registration No. 107709W) as Statutory Auditors of the Company to hold office till the conclusion of AGM to be held in the calendar year 2017 be and is hereby ratified and that the Board of Directors be and is hereby authorised to fix the remuneration payable to them for the financial year ending March 31, 2016 as may be determined by the audit committee in consultation with the auditors and the Board of Directors of the Company."

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 161 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. Suchita Shah (DIN : 00427169), who was appointed as an Additional Director of the Company with effect from 31st March, 2015 and who holds office up to the date of this Annual General Meeting and 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 a Director of the Company liable to retire by rotation."

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Mr. Hanish Malhotra (holding DIN : 00120310) as a Whole-time Director, designated as Director (Marketing) of the Company, for a further period of 3 (Three) years with effect from February 01, 2015 on the terms and conditions of appointment and remuneration as set out in the draft agreement of the reappointment submitted to the meeting and initialled by the Chairman for identification and that he be paid remuneration by way of salary, perquisites and allowances as approved by the Board of Directors of the Company and the Nomination & Remuneration Committee and as set out in the Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT the Board of Directors and the Nomination & Remuneration Committee be and are hereby severally authorized to alter and vary such terms of reappointment and remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013, as may be agreed to by the Board of Directors and Mr. Hanish Malhotra and for this purpose the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary."

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 & 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), the consent of the Company be and is hereby accorded to the re-appointment and remuneration of Mr. Ashok Malhotra (holding DIN: 00120198) as Managing Director of the Company for a further period of 3 (Three) years with effect from April 01, 2015, upon the terms and conditions as set out in the draft agreement of the reappointment submitted to the meeting and initialled by the Chairman for identification and that he be paid remuneration by way of salary, perquisites and allowances as approved by the Board of Directors of the Company and the Nomination & Remuneration Committee and as set out in the Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT the Board of Directors and the Nomination & Remuneration Committee be and are hereby severally authorized to alter and vary such terms of reappointment and remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013, as may be agreed to by the Board of Directors and Mr. Ashok Malhotra and for this purpose the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary."

8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148(3) and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the remuneration payable to M/s Kiran J. Mehta & Co., Cost Accountants, Ahmedabad (Firm Registration No.00025), appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016, amounting to Rs.1,50,000/- as also the payment of service tax as applicable and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified and confirmed."

9. To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, a new set of Articles of Association, placed before the Members, be and is hereby adopted and substituted in place of the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to perform and execute all such acts, deeds, matters and things, as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected herewith or incidental hereto."

Regd. Office :

GIDC Industrial Estate,
Kalol - 389 330,
Dist. Panchmahals (Gujarat)
CIN : L27104GJ1972PLC002153,
E-mail: shares@panchmahalsteel.co.in

By order of the Board of Directors

Deepak Nagar
GM (Legal) & Company Secretary

Vadodara, 5th August, 2015

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the business under Item Nos. 5 to 9 of the Notice, is annexed hereto.
2. A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf

of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. 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.

3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 22nd day of September, 2015 to Monday, the 28th day of September, 2015 (both days inclusive).
4. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participants (DPs). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, M/s MCS Share Transfer Agent Limited, Vadodara to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to the Company's RTA.
5. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or its RTA for assistance in this regard.
6. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or its RTA, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
7. In case of joint holders attending the meeting, 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.
8. Members seeking any information with regard to the accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
9. Members who have not yet encashed their dividend warrant(s) pertaining to the Dividend for the financial year 2009-10, 2010-11, 2011-12 & 2012-13 are requested to make their claims without any delay to the Company's Registrars and Transfer Agents, M/s MCS Share Transfer Agent Limited, Vadodara. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Companies Act, 2013 be transferred to the Investor Education and Protection Fund.

Details of dividend to be transferred to Investors' Education & Protection Fund (IEPF) are as follows:

Dividend for the Financial year	Date of Declaration	Due for transfer to IEPF on
2009-10	31.07.2010	31.08.2017
2010-11	25.07.2011	25.08.2018
2011-12	16.07.2012	16.08.2019
2012-13	29.07.2013	29.08.2020

10. The Notice of the AGM along with the Annual Report 2014-15 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
11. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with the RTA/Depositories.
12. The Securities and Exchange Board of India (SEBI) has made it mandatory for every participant in the securities/capital market to furnish Income Tax Permanent Account Number (PAN) for transactions involving transfer of shares. Therefore, members holding shares in physical mode are requested to furnish their PAN along with photocopy of PAN Card to the Company's Registrar and Transfer Agent. Members holding shares in demat mode are requested to register the details of their PAN with their DPs.

13. INSTRUCTIONS FOR E- VOTING

Pursuant to Section 108 of the Companies Act, 2013 read with Companies (Management and administration) Rules, 2014, as amended from time to time, and Clause 35B of the Listing Agreement (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Company is pleased to provide its members the facility of 'remote e-voting' (e-voting from a place other than venue of the AGM) to exercise their right to vote at the 42nd Annual General Meeting of the Company. The Company has provided e-voting facility to the members using the Central Depository Services Limited (CDSL) platform. Accordingly, the members may exercise his/her vote by electronic means through the electronic voting system.

The facility for voting, either through electronic voting system or through ballot/polling paper shall also be made available at the venue of the 42nd Annual General Meeting. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the Annual General Meeting.

Procedure for E-Voting

- (i) The voting period begins on **Friday, 25th September, 2015 (9.00 a.m. IST)** and ends on **Sunday, 27th September, 2015 (5.00 p.m. IST)**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **21st September, 2015**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as on **21st September, 2015** (cut-off date) may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com. If the member is already registered with CDSL e-voting platform then he can use his existing user ID and password for casting the vote through remote e-voting.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) 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.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) 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.
- (viii) If you are a first time user follow the steps given below:

	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 shareholder) " Members who have not updated their PAN with the Company/Depository Participant are requested to use the serial number printed in address slip pasted on Annual Report.
Date of Birth	Enter the Date of Birth as registered with the DP/RTA in dd/mm/yyyy format. OR
Dividend Bank Details	Enter the Dividend Bank Details as recorded with your DP/RTA. "Please Note that in respect of Physical shareholding and whose Date of Birth or Dividend Bank Details are not registered with DP/RTA should enter No. of Shares held by you as on the cut-off date i.e. 21st September, 2015 .

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - (xii) Click on the EVSN i.e. **150807003** of the Company "PANCHMAHAL STEEL LIMITED" on which you choose to vote.
 - (xiii) 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.
 - (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
 - (xv) 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.
 - (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
 - (xviii) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - (xix) Note for Non-Individual Shareholders & Custodians:
 - 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 as Corporates and Custodians respectively.
 - 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 should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - 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.
 - (xx) 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

Other Instructions:

- i. E-voting is optional. The E-voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as on **21st September, 2015**.
- ii. Mr. Niraj Trivedi, Practicing Company Secretary (Membership No. 3844 and CP No. 3123) (Address : 218-219, Saffron Complex, Fatehgunj, Vadodara - 390002) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- iii. The copy of the Notice convening the 42nd Annual General Meeting has been placed on the website of the Company viz. www.panchmahalsteel.co.in and also on the website of CDSL.
- iv. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unlock the votes through e-voting in the presence of at least two (2) witnesses, not in the employment of the Company and make, not later than Two (2) days from the conclusion of the meeting, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman of the Company, who shall countersign the same.
- v. The scrutiniser shall submit his report to the Chairman, who shall declare the result of the voting. The results declared along with the scrutiniser's report shall be placed on the Company's website: www.panchmahalsteel.co.in and on the website of CDSL www.evoting.cdsl.com and shall also be communicated to the stock exchange. The resolution shall be deemed to be passed at the Annual General Meeting of the Company Scheduled to be held on **Monday, 28th September, 2015**.

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

As required by Section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 5 to 9 of the accompanying Notice:

Item No. 5 :

Section 149 (1) of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement requires that every listed company shall have at least one woman director.

Accordingly, the Board of Directors, in its meeting held on 31.03.2015, in terms of the recommendation of the Nomination and Remuneration Committee in its meeting held on 31.03.2015, have approved the appointment of Ms. Suchita Shah as an Additional Director of the Company.

In accordance with the provisions of Section 161 of Companies Act, 2013, Ms. Suchita Shah shall hold office up to the date of the forthcoming Annual General Meeting and is eligible to be appointed as a Non-Independent and Non-Executive Director of the Company. The Company has received notice under Section 160 of the Companies Act, 2013 from a member of the Company signifying her candidature as a Non-Independent & Non-Executive Director of the Company. The Board of Directors of the Company are of the opinion that she is fit and proper person to hold the said office and her appointment will be in the interest of the Company.

The brief profile of Ms. Suchita Shah together with other details as required under Clause 49 of the Listing Agreement is provided in the Annexure to this notice.

None of the Directors or Key Managerial Personnel and their relatives, except Ms. Suchita Shah, is concerned or interested (financially or otherwise) in this Resolution. The Board commends the Ordinary Resolution set out at Item no. 5 for approval of the Members.

Item No. 6 :

Resolution under Item No. 6 of the Notice relates to the re-appointment of Mr. Hanish Malhotra as Director (Marketing) of the Company for a further period of three years and approval of his remuneration and terms of reappointment.

The Nomination and Remuneration Committee, at its meeting held on 12th February, 2015, had recommended the re-appointment of Mr. Hanish Malhotra as Director (Marketing) of the Company and terms of remuneration payable to him for a further period of three years from 1st February, 2015 to 31st January, 2018.

The Board of Directors, at its meeting held on 12th February, 2015, had approved the same. The Nomination and Remuneration Committee and the Board of Directors of the Company are of the opinion that he is fit and proper person to hold the said office and his re-appointment will be in the interest of the Company.

The main terms and conditions regarding the re-appointment and payment of remuneration and perquisites proposed to be paid to Mr. Hanish Malhotra from the date of his re-appointment are set out in the draft Agreement. The said terms were approved by the Nomination & Remuneration Committee of the Company and on its recommendation the same were approved by the Board of Directors, subject to the approval of the Shareholders of the Company at the ensuing Annual General Meeting.

The said draft agreement, inter alia, contains the following terms and conditions:

1. Period of Appointment: From 1st February, 2015 to 31st January, 2018.
2. **Remuneration:**
 - a) **Salary:** Rs. 2,50,000/- per month.
 - b) **Perquisites :** Perquisites (evaluated as per Income Tax Rules, wherever applicable, and at actual cost to the Company in other cases) like the benefit of the Company's furnished accommodation or house rent allowance in lieu thereof, gas, electricity, water and furnishings, personal accident insurance, use of car and telephone at residence, medical reimbursement, leave travel assistance, encashment of leave, provident fund, superannuation fund and gratuity in accordance with the applicable rule(s) and scheme(s) of the Company.

The total remuneration by way of salary, allowances and perquisites shall be restricted to an overall ceiling limit of Rs.5,00,000/- per month. Following perquisites shall not be included for computation of aforesaid ceiling on remuneration:

- (i) Contribution to Provident Fund, Superannuation Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- (ii) Gratuity payable at the rate not exceeding half a month salary for each completed year of service; &
- (iii) Encashment of leave at the end of tenure.

3. **Minimum Remuneration :**

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of tenure of the Director (Marketing), the Company has no profits or its profits are inadequate, the payment of salary, perquisites, allowances and all other payments shall be governed by the limits prescribed under Section II of Part II of Schedule V of the Companies Act, 2013.

The abovementioned remuneration may be altered, amended, varied, enhanced or modified from time to time by the Board of Directors of Company or the Nomination and Remuneration Committee as it may, in its discretion, deem fit, within the maximum amount payable to Managing and Whole time Directors in accordance with the provisions of the Companies Act, 2013, including those of Schedule V or any amendments thereto made hereafter in this regard within the overall limits approved by the Company in General Meeting.

- 4. The period of office of Mr. Hanish Malhotra shall be liable to determination by retirement of directors by rotation. If Mr. Hanish Malhotra is re-appointed as a director, immediately on retirement by rotation, he shall continue to hold office of Director (Marketing) and such re-appointment as director shall not be deemed to constitute break in his appointment as Director (Marketing).
- 5. As long as Mr. Hanish Malhotra functions as Director (Marketing), no sitting fee to be paid to him for attending the meetings of the Board of Directors or committee(s) thereof.
- 6. The said appointment may be terminated by either party by giving the other three calendar months' notice in writing.
- 7. The Director (Marketing) shall look after overall marketing functions of the Company subject to the superintendence, control and direction of the Managing Director.

Other terms and conditions of the Agreement are such as are customarily contained in an agreement of similar nature.

The terms and conditions of appointment of Mr. Hanish Malhotra as set out above may also be treated as an abstract of the terms of the Agreement to be executed between Mr. Hanish Malhotra and the Company under Section 190 of the Companies Act, 2013.

The Agreement to be executed between Mr. Hanish Malhotra and the Company is available for inspection by any member of the Company at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on any working day upto the date of the Annual General Meeting.

The brief profile of Mr. Hanish Malhotra together with other details as required under Clause 49 of the Listing Agreement is provided in the Annexure to this notice.

Since the resolution at Item No. 6 relates to payment of remuneration to Mr. Hanish Malhotra, he is deemed to be concerned or interested in the said resolution. None of the Directors and Key Managerial Personnel of the Company and their relatives, except Mr. Ashok Malhotra being related to Mr. Hanish Malhotra, is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

Item No. 7 :

The members, at the 39th Annual General Meeting held on 16th July, 2012 had approved the appointment of Mr. Ashok Malhotra as Managing Director for a period of 3 (three) years with effect from 1st April, 2012, subject to the approval of the Central Government. Later, the Central Government had vide its letter dtd. 27.02.2014 accorded its approval for the re-appointment and remuneration payable to Mr. Malhotra.

The Nomination and Remuneration Committee, at its meeting held on 31st March, 2015, had recommended the re-appointment of Mr. Ashok Malhotra as Managing Director of the Company and terms of remuneration payable to him for a further period of three years from 1st April, 2015 to 31st March, 2018.

The Board of Directors, at its meeting held on 31st March, 2015, had approved the same. The Nomination and Remuneration Committee and the Board of Directors of the Company are of the opinion that he is fit and proper person to hold the said office and his re-appointment will be in the interest of the Company.

The main terms and conditions regarding the re-appointment and payment of remuneration and perquisites proposed to be paid to Mr. Ashok Malhotra from the date of his re-appointment are set out in the draft Agreement. The Remuneration Committee of the Company approved the said terms and on its recommendation the same were approved by the Board of Directors, subject to the approval of the Shareholders of the Company and the Central Government, if required.

The said draft Agreement, inter alia, contains the following terms and conditions:

1. Period of Appointment: From 1st April, 2015 to 31st March, 2018.
2. Remuneration:
 - a. Salary : Rs.6,50,000/- (Rupees Six lacs Fifty Thousand only) per month.
 - b. Perquisites :
 - (i) In addition to the salary payable, the Managing Director shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, together with reimbursement of expenses or allowances for utilities such as gas, electricity, water and furnishings and repairs, all of which may be hired or owned; medical reimbursement; club fees and leave travel concession for himself and family; medical insurance, personal accident insurance and such other perquisites and allowances in accordance with rules of the Company or as may be agreed to by the Board of Directors and the Managing Director. Such perquisites and allowances will be subject to maximum of Rs.3,50,000/- per month.
 - (ii) For the purpose of calculating the above ceiling, perquisite and allowances shall be evaluated as per Income tax Rules, wherever applicable; in the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost or hire charges.
 - (iii) Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in computation of perquisites for the purpose of calculating the said ceiling.
 - (iv) As per Section IV of Schedule V of the Companies Act, 2013, the following perquisites shall not be included in the computation of the ceiling on remuneration as specified in Section II of Part II of the said Schedule:
 - a) contribution to Provident Fund, Superannuation or Annuity Fund, to the extent these either singly or together are not taxable under the Income tax Act, 1961 (43 of 1961);
 - b) gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
 - c) encashment of leave at the end of the tenure
 - c. Commission :
Commission on profits, not exceeding 2% of the net profit of the Company for that financial year of the Company as the Board or its committee at the end of each financial year may determine, subject to overall ceiling as provided under Section 197 of the Companies Act, 2013. The commission payable to the managing Director will be determined at the end of each financial year and will be payable annually after the annual accounts have been approved by the Board of Directors and adopted by the members.
 - d. Minimum Remuneration:
Notwithstanding anything contained herein, where in any financial year, during the currency of tenure of the Managing Director the company has no profit or its profits are inadequate, the company will pay him the above stated remuneration and perquisites as minimum remuneration.
3. The period of office of Mr. Ashok Malhotra shall be liable to determination by retirement of directors by rotation. If Mr. Ashok Malhotra is re-appointed as a director, immediately on retirement by rotation, he shall

continue to hold office of Managing Director and such re-appointment as director shall not be deemed to constitute break in his appointment as Managing Director.

4. As long as Mr. Ashok Malhotra functions as Managing Director, no sitting fee to be paid to him for attending the meetings of the Board of Directors or committee(s) thereof.
5. The said appointment may be terminated by either party by giving the other three calendar months' notice in writing.
6. The Managing Director shall look after overall operations of the Company subject to the superintendence, control and direction of the Board of Directors of the Company.

Other terms and conditions of the Agreement are such as are customarily contained in an agreement of similar nature.

The terms and conditions of re-appointment of Mr. Ashok Malhotra as set out above may also be treated as an abstract of the terms of the Agreement to be executed between Mr. Ashok Malhotra and the Company under Section 190 of the Companies Act, 2013.

The Agreement to be executed between Mr. Ashok Malhotra and the Company is available for inspection by any member of the Company at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on any working day upto the date of the Annual General Meeting.

The brief profile of Mr. Ashok Malhotra together with other details as required under Clause 49 of the Listing Agreement is provided in the Annexure to this notice.

Since the resolution at Item No. 7 relates to payment of remuneration to Mr. Ashok Malhotra, he is deemed to be concerned or interested in the said resolution. None of the Directors and Key Managerial Personnel of the Company and their relatives, except Mr. Hanish Malhotra being related to Mr. Ashok Malhotra, is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7.

Additional Information pursuant to Part II of Schedule V to the Companies Act, 2013 for Item No. 7 of the Notice are furnished hereunder.

I. General Information:

(i) Nature of Industry:

The Company manufactures a comprehensive range of Stainless Steel grades, in hot rolled wire rod & bars and cold finished bars & wires.

(ii) Date /expected date of commencement of commercial production:

The Company's plant for manufacture of Stainless Steel is already in commercial production. The commercial production was started in November, 1973.

(iii) Financial Performance based on given indicators:

The financial performance of the Company as reflected by total income, profit, earning per share and dividend recommended for the financial year ended 31st March, 2015 is as under:-

	(Rs. in crores)	
Turnover & Other Income		391.66
Profit/Loss before Tax		(5.61)
Profit/Loss for the year		(3.53)
Earnings Per share		(1.85)
Rate of Dividend		N.A.
(iv) Export Performance & Foreign Exchange Earning/ Outgo:		(Rs. in crores)
	<u>2014-15</u>	<u>2013-14</u>
FOB value of Exports	94.54	73.26
CIF value of Import	190.36	166.76
Other Expenditure in Foreign Currency	0.82	0.90
(v) Foreign Investment or Collaborators, if any:		
Not Applicable		

II. Information about the Appointees

Nature of Information									
Background Details	Mr. Ashok Malhotra, aged 63 years, is a Commerce Graduate and has been involved with Company's management since 1976 and is well-versed with all aspects of the industry. He has more than 40 years of experience in the steel industry and has been instrumental in establishing the Company name as a qualitative and reliable manufacturer in the global market.								
Past Remuneration	<table border="1"> <thead> <tr> <th>Year</th> <th>Rs. in lacs</th> </tr> </thead> <tbody> <tr> <td>2012-13 :</td> <td>120.00</td> </tr> <tr> <td>2013-14 :</td> <td>126.96</td> </tr> <tr> <td>2014-15 :</td> <td>126.66</td> </tr> </tbody> </table> <p>(As per the approval of the Central Government u/s 269, 198/309 of the Companies Act, 1956.)</p>	Year	Rs. in lacs	2012-13 :	120.00	2013-14 :	126.96	2014-15 :	126.66
Year	Rs. in lacs								
2012-13 :	120.00								
2013-14 :	126.96								
2014-15 :	126.66								
Recognition or Awards	He was a past President of Indian Stainless Steel Association of India.								
Job Profile & Suitability	<p>He is serving as Managing Director of the Company since 18th February, 1976. He is responsible for overall affairs of the Company including strategic planning, direction, operations, finance & corporate affairs.</p> <p>He has sound knowledge of the steel industry, marketing, business process and contemporary management techniques.</p>								
Remuneration proposed	The proposed remuneration is within the limits specified in Section-II of Part II of Schedule V of the Companies Act, 2013 and has been elaborated in the explanatory statement.								
Comparative remuneration profile with respect to Industry, size of the Company, profile of the position and person	<p>The remuneration proposed takes into consideration the nature and size of business operations, the qualifications, experience and contribution of the appointees to all round growth of the Company besides present industry benchmarks for payment of managerial remuneration by companies of comparable size and nature of business.</p> <p>The remuneration proposed to be paid is reasonable and commensurate with the remuneration packages paid to similar senior level appointees in other companies. The proposed remuneration was recommended to the Board of Directors by the Nomination & Remuneration Committee after elaborate discussion.</p>								
Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any	Does not have any pecuniary relationship with the Company except remuneration drawn as Managing Director and as a shareholder to the extent of his shareholding in the Company. Mr. Ashok Malhotra and Mr. Hanish Malhotra are related to each other.								

III. Other Information

Reasons of Loss or Inadequate Profit	The Stainless Steel industry is passing through a challenging time on account of the global recessionary trends and volatility in all commodity prices, resulting into lower realisations as compared to input costs.
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Steps taken or proposed to be taken for improvement	The Company continues to improve its operating efficiencies.
Expected increase in productivity and profits in measurable terms	The global market continues to be sluggish and unpredictable. The Company look forward to improve the performance as the economic climate gets positive.

IV. Disclosures

The information and disclosures of the remuneration package of the managerial personnel have been mentioned in the Annual Report in the Corporate Governance Report Section under the Heading "Remuneration of Directors" for the year ended 31st March, 2015

Item No. 8 :

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s Kiran J. Mehta & Co., Cost Accountants, Ahmedabad (Firm Registration No. 00025), to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2016. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, consent of the Members is sought to ratify the remuneration payable to the Cost Auditors.

None of the Directors or Key Managerial Personnel and their relatives, are concerned or interested (financially or otherwise) in this Resolution.

The Board commends the Ordinary Resolution set out at Item no. 8 for the approval of Members.

Item No. 9 :

The Articles of Association of the Company currently in force were originally adopted when the Company was incorporated under the Companies Act, 1956.

The Articles of Association were amended from time to time in accordance with the provisions of the Companies Act, 1956. With the introduction of the Companies Act, 2013, it is proposed to amend the existing Articles of Association to make it consistent with the provisions of Companies Act, 2013 including the Rules framed thereunder.

A copy of the proposed set of new Articles of Association of the Company would be available for inspection at the Registered Office of the Company during the business hours on any working day, up to the date of the Annual General Meeting and during the Annual General Meeting. The proposed draft Articles of Association is available on the Company's website at www.panchmahalsteel.co.in for perusal by the shareholders.

None of the Directors or Key Managerial Personnel and the relatives, are concerned or interested (financially or otherwise) in this Resolution. The Board commends the Special Resolution set out at Item No. 9 for the approval of members.

Regd. Office :

GIDC Industrial Estate,
Kalol - 389 330,
Dist. Panchmahals (Gujarat)
CIN : L27104GJ1972PLC002153,
E-mail: shares@panchmahalsteel.co.in

By order of the Board of Directors

Deepak Nagar
GM (Legal) & Company Secretary

Vadodara, 5th August, 2015

Annexure to the Notice of Annual General Meeting

Information pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchanges regarding appointment/re-appointment of Directors.

Name of Director	Mr. Ashok Malhotra	Mr. Hanish Malhotra	Mr. Pradeep Sharma	Ms. Suchita Shah
Date of Birth	27.08.1952	21.09.1976	01.10.1964	22.12.1952
Date of Appointment	01.12.1976	01.02.2006	26.10.2005	31.03.2015
Qualifications	B.Com.	BBA	B.Com., LL.B.	B.A.
Expertise in specific functional areas	Mr. Ashok Malhotra is one of the promoter directors of the Company. He has more than 40 years of experience in the steel industry and has expertise in business process, marketing and contemporary management techniques.	Having more than 10 years of experience of international market in steel industry. He is responsible for marketing of Company's products both globally and indigenously.	Responsible for overall operations at the Plant besides Corporate Management, Procurement & commercial activities of the Company.	Ms. Suchita Shah, an educationist, has more than 35 years of experience in the field of administration, corporate and social affairs. She has been associated with Company since 1994 and served in the Company, holding senior management positions.
Directorships in other Companies as on 31.03.2015	AMIL Enterprises (P) Ltd. Honeyvick Enterprises (P) Ltd.	AMIL Enterprises (P) Ltd.	N.A.	Honeyvick Enterprises (P) Ltd
Chairman / Member of other Committees of Companies as on 31.03.2015	N.A.	N.A.	N.A.	N.A.
Shareholding of Director as on 31.03.2015	13,38,432 Equity Shares	4,54,900 Equity Shares	100 Equity Shares	1,900 Equity Shares
Relationship between Directors inter-se	Related to Mr. Hanish Malhotra.	Related to Mr. Ashok Malhotra	--	--