

NOTICE

Notice is hereby given that the 44th 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 Thursday, the 21st day of September, 2017 at 10.00 a.m. to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2017 and the Reports of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of Ms. Suchita Shah (DIN: 00427169), who retires by rotation and being eligible, offers herself for re-appointment.
3. To consider and if thought fit, to pass the following resolution as an Ordinary resolution:

Appointment of Statutory Auditors of the Company and to fix their remuneration:

"RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) ("the Act") and pursuant to the recommendations of Audit Committee and Board of Directors of the Company, M/s Atul Parikh & Co., Chartered Accountants, Vadodara (Firm Registration No. 106496W), be and are hereby appointed as Statutory Auditors of the Company in place of the existing Statutory Auditors, M/s JRS Patel & Co., Chartered Accountants, to hold office for a period of 5 years from the conclusion of ensuing 44th Annual General Meeting of the Company till the conclusion of 49th AGM of the Company, subject to ratification of their appointment by the Members at every AGM held after this AGM till the expiry of their term, as may be applicable on such remuneration as may be determined by the Board of Directors based on the recommendation of Audit Committee."

SPECIAL BUSINESS:

4. 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 all other applicable provisions 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 members of the Company be and is hereby accorded to the re-appointment of Mr. Pradeep Sharma (holding DIN 00705862) as a Whole-time Director, designated as Director (Operations) of the Company, for a further period of 3 (Three) years with effect from October 26, 2017 on the terms and conditions of reappointment and remuneration as set out in the explanatory statement attached hereto and that he be paid remuneration by way of salary, perquisites and allowances as approved by the Board of Directors and the Nomination & Remuneration Committee of the Company.

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. Pradeep Sharma 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."

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 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, 2018, 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."

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, 14th August, 2017

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the business under Item No. 4 & 5 of the Notice, are 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 Thursday, the 14th day of September, 2017 to Thursday, the 21st day of September, 2017 (both days inclusive) for the purpose of Annual General Meeting.
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 Registrar and Transfer Agent.
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 Registrar and Transfer Agent 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 neither received nor encashed their dividend warrant(s) for any of the financial years from 2009-10 upto 2012-13, are requested to write to the RTA of the Company mentioning the relevant Folio Number(s)/ DP ID and Client ID, for issuance of duplicate/revalidated dividend warrant(s). It may be noted that the unclaimed dividend for financial year 2009-10 can be claimed by shareholders by 6th September, 2017.

Members are requested to note that as per the provisions of Section 125 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules, 2016"), the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account, shall be transferred to the Investor Education and Protection Fund (IEPF), a fund constituted by the Government of India under Section 125 of the Companies Act, 2013.

Further, in accordance with the provisions of Section 124(6) of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, shares on which dividend has not been paid or claimed for seven consecutive years or more, are liable to be transferred to the Demat Account of the IEPF Authority.

Pursuant to the Provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded details of unpaid and unclaimed amounts lying with the Company as on 26th September, 2016 (the date of the last Annual General Meeting) on the website of the Company and also on the website of the Ministry of Corporate Affairs. The Company has also uploaded details of such shareholders and shares due for transfer to Demat Account of the IEPF Authority on its website at www.panchmahalsteel.co.in. The details covers such shares in respect of which the dividend has not been claimed by the concerned shareholders for seven consecutive years after 2008-09.

10. The Notice of the AGM along with the Annual Report 2016-17 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. Members may also note that the Notice of the AGM and the Annual Report will also be available on the Company's website www.panchmahalsteel.co.in.
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. The information on Directors recommended for appointment / re-appointment as required under Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 and paragraph 1.2.5 of Secretarial Standard-2 on General Meetings, are provided in "Details of Directors seeking Appointment/ Reappointment at the Annual General Meeting" annexed herewith as Annexure I.

14. INSTRUCTIONS FOR E- VOTING

In compliance with the provisions of Section 108 and other applicable provisions of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by Companies (Management and Administration) Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company is pleased to provide a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by Central Depository Services (India) Limited (CDSL) platform.

The facility for voting through ballot paper will also be made available at the 44th Annual General Meeting and members attending the meeting, who have not already cast their vote by remote e-voting shall be able to exercise their voting rights at the meeting through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the meeting but shall not be entitled to cast their vote again. The instructions for e-voting are as under:

Procedure for E-Voting

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on **Monday, 18th September, 2017 (9.00 a.m. IST)** and ends on **Wednesday, 20th September, 2017 (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 **14th September, 2017**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com
- (iii) Click on Shareholders.
- (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) * Members who have not updated their PAN with the Company/Depository Participant are requested to use the serial number which is printed on address slip pasted on Annual Report.
Date of Birth (DOB)	Enter the Date of Birth as registered with DP/RTA in dd/mm/yyyy format. OR
Dividend Bank Details	Enter the Dividend Bank Details as recorded with your DP/RTA. Please note - In respect of Physical shareholding and whose Date of Birth and Dividend Bank Details are not registered with DP/RTA should enter number of shares held by you as on the cut-off date i.e. 14th September, 2017 .

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) 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.
- (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 i.e. **170816012** of the Company "PANCHMAHAL STEEL LIMITED" 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 a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also use Mobile app - "m-Voting" for e voting. m-Voting app is available on IOS, Android & Windows based Mobile. Shareholders may log in to m-Voting using their e-voting credentials to vote for the company resolution(s).
- (xix) Note for Non-Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - 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 **14th September, 2017**.
- 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 44th 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 Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of the Scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- v. The Scrutinizer shall after the conclusion of voting the general meeting, will first count the vote cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witness not in employment of the Company and shall make within forty eight hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- vi. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.panchmahalsteel.co.in and on the website of CDSL immediately after declaration of results by the Chairman or a person authorized by him in writing. The results shall also be uploaded on the BSE Listing Portal.

Subject to receipt of requisite number of votes, the Resolutions shall deemed to be passed on the date of Annual General Meeting of the Company scheduled to be held on Thursday, 21st September, 2017.

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 No. 4 & 5 of the accompanying Notice:

Item No. 4 :

The Board of Directors at its meeting held on 14th August, 2017, on the recommendation of Nomination and Remuneration Committee, approved the re-appointment of Mr. Pradeep Sharma as whole time director, designated as "Director (Operations)" of the Company for a further period of three years from 26th October, 2017 to 25th October, 2020. This is subject to the approval of the members at this Annual General Meeting.

Mr. Pradeep Sharma, aged 53 years, is Director (Operations) of the Company. He is Commerce and Law Graduate and has been associated with the Company for more than 30 years. He is responsible for overall operations at the Plant besides corporate management, procurement & commercial activities of the Company. He is not holding directorship in any other company and not related with any other Director of the Company. He is holding 100 equity shares of Panchmahal Steel Limited.

Keeping in view that Mr. Pradeep Sharma has rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time, it would be in the interest of the Company to continue the employment of Mr. Pradeep Sharma as Director (Operations) of the Company.

The main terms and conditions regarding the re-appointment and payment of remuneration and perquisites proposed to be paid to Mr. Pradeep Sharma from the date of his re-appointment are as under:

1. Period of Appointment: From 26th October, 2017 to 25th October, 2020.
2. Remuneration:
 - a) Salary: Rs.2,75,000/- 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, 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 (Operations), 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. Pradeep Sharma shall be liable to determination by retirement of directors by rotation. If Mr. Sharma is re-appointed as a director, immediately on retirement by rotation, he shall continue to hold office of Director (Operations) and such re-appointment as director shall not be deemed to constitute break in his appointment as Director (Operations).

5. As long as Mr. Pradeep Sharma functions as Director (Operations), 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 (Operations) shall look after overall operations at the plant subject to the superintendence, control and direction of the Managing Director.

Other terms and conditions are such as are customarily contained in an agreement of similar nature. The terms and conditions of the said appointment and/or agreement may be altered and varied from time to time by the board as it may, in its discretion, deem fit, including but not limited to the remuneration payable to Mr. Pradeep Sharma, Director (Operations) in accordance with the provisions of the Companies Act, 2013, rules thereunder or any amendments made therein.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

The draft of Agreement to be entered into between the Company and Mr. Pradeep Sharma is available for inspection at the Registered Office of the Company during business hours on any working day upto and including the day of this meeting.

In view of the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, the Board recommends the Ordinary Resolution set out at item no. 4 of the accompanying Notice for the approval of the Members.

Mr. Pradeep Sharma may be deemed to be concerned or interested in the Resolution which pertain to his appointment and remuneration payable to him. None of the other Director(s)/ Key Managerial Personnel of the Company and /or their relative(s) is concerned or interested, financially or otherwise, in this resolution.

Item No. 5:

M/s Kiran J. Mehta & Co., Cost Accountants, Ahmedabad (Firm Registration No. 00025) has been appointed by the Board of Directors of the Company, on the recommendation of the Audit Committee, to conduct the audit of the Cost Records of the Company for the financial year 2017-18.

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

Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditor for the financial year 2017-18 as set out in the resolution for aforesaid services to be rendered by him.

The Board of Directors recommends passing of ordinary resolution as set out at Item No. 5 of this Notice.

None of the other Director(s)/ Key Managerial Personnel of the Company and /or their relative(s) is concerned or interested, financially or otherwise, in this resolution.

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, 14th August, 2017

ANNEXURE - I

Details of Directors seeking Appointment/Re-appointment at the AGM

[In pursuance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and paragraph 1.2.5 of Secretarial Standard-2 on General Meetings]

Name of the Director	Ms. Suchita Shah	Mr. Pradeep Sharma
DIN	00427169	00705862
Date of Birth & Age	22.12.1952 (65 years)	01.10.1964 (53 years)
Date of appointment on the Board	31.03.2015	26.10.2005
Educational Qualifications	BA	B.Com., LL.B.
Experience & Expertise	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 the Company since 1994 and served in the Company, holding senior management positions.	Mr. Pradeep Sharma has joined the services of the Company in the year 1988 and has held different managerial positions at different times. He is Responsible for overall operations at the Plant besides Corporate Management, Procurement & commercial activities of the Company.
Number of Meetings of the Board attended during the year	4 out of 4	4 out of 4
List of Directorship/Membership/Chairmanship of Committees of other Companies	<u>Directorship</u> Honeyvick Enterprises (P) Ltd.	Nil
Shareholding in the Company	1900 Equity Shares	100 Equity Shares
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	None	None