

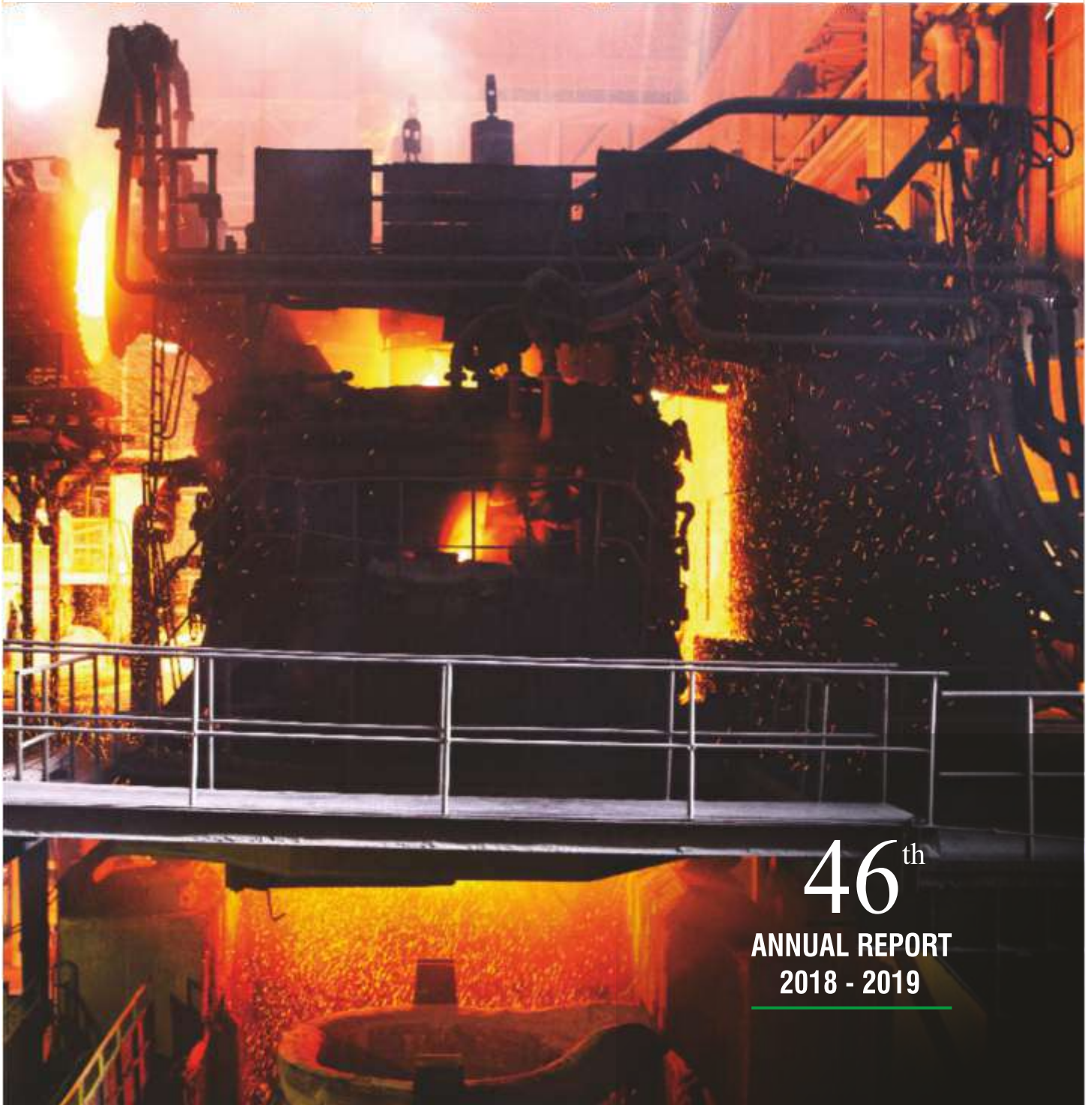


**Panchmahal**  
Steel Limited

---

Giving Edge to your Business

**Stainless Steel**  
WIRE ROD • BARS • WIRES



**46<sup>th</sup>**  
**ANNUAL REPORT**  
**2018 - 2019**

---

<b>BOARD OF DIRECTORS</b>	: Mr. Ashok Malhotra	- Chairman & Managing Director
	Mr. Nilesh Mehta (upto 08.10.2018)	- Independent Director
	Mr. Amal Dhru	- Independent Director
	Mr. Milan Shah	- Independent Director
	Mr. Samir Parikh (w.e.f. 04.02.2019)	- Independent Director
	Ms. Suchita Shah	- Director
	Mr. Pradeep Sharma	- Director (Operations)
<b>COMPANY SECRETARY</b>	: Mr. Deepak Nagar	
<b>STATUTORY AUDITORS</b>	: M/s Atul Parikh & Co. Chartered Accountants Vadodara.	
<b>BANKERS</b>	: State Bank of India	
<b>REGISTERED OFFICE</b>	: GIDC Industrial Estate, Kalol - 389 330 Dist. Panchmahals, Gujarat. Phone : +91 2676 230777 Fax : +91 2676 230889 Email : <a href="mailto:shares@panchmahalsteel.co.in">shares@panchmahalsteel.co.in</a> website : <a href="http://www.panchmahalsteel.co.in">www.panchmahalsteel.co.in</a> CIN : L27104GJ1972PLC002153	
<b>CORPORATE OFFICE</b>	: "Landmark", 7th Floor, Race Course Circle, Vadodara - 390 007.	
<b>REGISTRAR &amp; TRANSFER AGENT</b>	: M/s MCS Share Transfer Agent Limited Neelam Apartment, 88, Sampatrao Colony, Above Chhapanbhog Sweet, Alkapuri, Vadodara-390 007. Tel Nos.: 0265-2314757, 2350490, Fax No.: 0265-2341639 E-mail : <a href="mailto:mcsLtdbaroda@gmail.com">mcsLtdbaroda@gmail.com</a>	

**46<sup>th</sup> Annual General Meeting to be held on  
Saturday, the 28th September, 2019 at 10.00  
a.m. at the Registered Office of the Company  
at GIDC Industrial Estate, Kalol-389 330,  
Dist. Panchmahals, (Gujarat)**

<b>CONTENTS</b>	<b>Page No.</b>
1. Notice .....	1
2. Directors' Report .....	12
3. Secretarial Audit Report .....	18
4. Extract of Annual Return .....	21
5. Report on Corporate Governance .....	30
6. Independent Auditor's Report .....	46
7. Balance Sheet .....	52
8. Statement of Profit & Loss .....	53
9. Cash Flow Statement .....	55
10. Notes to the Financial Statements .....	56
11. Accounting Policies & Notes to Accounts ..	64
12. Road Map to AGM Venue .....	76
13. Attendance Slip .....	77
14. Proxy Form .....	79

## **NOTICE**

Notice is hereby given that the 46th 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 Saturday, the 28th day of September, 2019 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, 2019 together with the Reports of Board of Directors' and the Auditors' thereon.
2. To appoint a Director in place of Mr. Ashok Malhotra (DIN: 00120198), who retires by rotation and being eligible, offers himself for re-appointment.

### **SPECIAL BUSINESS:**

#### **3. Appointment of Statutory Auditors**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution** by (a) approving the appointment of M/s. CNK & Associates LLP, Chartered Accountants as Statutory Auditors of the Company from August 11, 2019 till the conclusion of this Annual General Meeting arising out of the casual vacancy caused by the resignation of M/s. Atul Parikh & Co., Chartered Accountants; and (b) appointing them as Statutory Auditors of the Company for a term of up to 5 (five) years and fixing their remuneration:

"RESOLVED THAT pursuant to Section 139(8) and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, as amended, appointment of M/s. CNK & Associates LLP, Chartered Accountants, Vadodara (Firm Registration No. 101961W) by the Board of Directors of the Company with effect from August 11, 2019 till the conclusion of this Annual General Meeting, for filling the casual vacancy caused by the resignation of M/s. Atul Parikh & Co., Chartered Accountants, Vadodara (Firm Registration No. 1106496W) be and is hereby approved.

RESOLVED FURTHER THAT pursuant to Section 139, 140 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, as amended, M/s. CNK & Associates LLP, Chartered Accountants, Vadodara (Firm Registration No. 101961W), be and are hereby appointed as Statutory Auditors of the Company for a term of up to 5 (five) years and to hold office from the conclusion of this AGM till the conclusion of the 51st AGM, on such remuneration plus applicable taxes and reimbursement of out of pocket expenses incurred during the course of audit, as may be decided by the Board / Audit Committee. "

#### **4. Appointment of Mr. Samir M. Parikh as Director and an Independent Director**

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

"RESOLVED THAT in accordance with the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Rules made thereunder, read with Schedule IV of the Act, Regulation 16(1)(b) and other applicable Regulations, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Samir M. Parikh (DIN : 01646819), who was appointed as an Additional Director (Independent) of the Company with effect from 4th February, 2019, pursuant to Section 161 of the Act and Article 145 of the Articles of Association of the Company and who has submitted the declaration that he meets the criteria for Independence as provided under the Act and the Listing Regulations and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for a term of upto 5 (five) consecutive years with effect from 4th February, 2019 to 3rd February, 2024.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution."

**5. Re-appointment of Mr. Amal D. Dhru as an Independent Director**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Rules made thereunder, read with Schedule IV of the said Act, Regulation 16(1)(b) and other applicable Regulations, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modification(s) or re-enactment thereof for the time being in force) and Article 147 of Articles of Association of the Company, Mr. Amal D. Dhru (DIN : 00165145), Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in the Act and Listing Regulations, and who is eligible for re-appointment and in respect of whom based on his evaluation of performance, the Nomination and Remuneration Committee has recommended his re-appointment to the Board, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of 5 (five) consecutive years, commencing from the conclusion of 46th AGM and up to the conclusion of the 51st AGM of the Company in the calendar year 2024.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution."

**6. Re-appointment of Mr. Milan P. Shah as an Independent Director**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Rules made thereunder, read with Schedule IV of the said Act, Regulation 16(1)(b) and other applicable Regulations, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modification(s) or re-enactment thereof for the time being in force) and Article 147 of Articles of Association of the Company, Mr. Milan P. Shah (DIN 00012088), Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in the Act and Listing Regulations, and who is eligible for re-appointment and in respect of whom based on his evaluation of performance, the Nomination and Remuneration Committee has recommended his re-appointment to the Board, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of 5 (five) consecutive years, commencing from the conclusion of 46th AGM and up to the conclusion of the 51st AGM of the Company in the calendar year 2024.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution."

**7. Ratification of remuneration to Cost Auditor of the Company**

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 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(s) thereof, for the time being in force), and as per the recommendation of the Audit Committee of the Board of Directors, the remuneration of Rs.1,50,000/- and reimbursement of travelling and other out of pocket expenses plus taxes as applicable, to be paid to M/s. Kiran J. Mehta & Co., Cost

Accountants, Ahmedabad (Firm Registration No. 00025) for conducting the audit of cost records of the Company for the financial year ending March 31, 2020, as approved by the Board of Directors of the Company, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committees thereof), be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary to give effect to this resolution."

Regd. Office :

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

Vadodara, 10th August, 2019

By order of the Board of Directors

**Deepak Nagar**  
GM (Legal) & Company Secretary

**NOTES:**

1. An Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, in respect of business to be transacted at the Annual General Meeting (AGM), as set out under Item No(s). 3 to 7 above and the information on directors recommended for appointment / re-appointment as required under Regulation 26(4) and 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" is annexed thereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM MAY APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing the proxy should be deposited at the Registered Office of the Company not less than 48 (forty-eight) hours before the commencement of the AGM. A Proxy form is annexed to the Annual Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable.

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of members not exceeding 50 (fifty) in number and holding in the aggregate not more than 10 (ten) percent of the total share capital of the Company carrying voting rights. A member holding more than 10 (ten) percent of the total share capital carrying voting rights may appoint single person as a proxy and such person shall not act as proxy for any other member. A Proxy-holder shall prove his identity at the time of attending the Meeting.

Corporate members intending to send their authorized representatives to attend the AGM pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of relevant Board Resolution together with the respective specimen signature(s) of those representative(s) authorized under the said resolution to attend and vote on their behalf at the AGM.

3. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 21st day of September, 2019 to Saturday, the 28th day of September, 2019 (both days inclusive) for the purpose of Annual General Meeting.
4. SEBI vide its Circular No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018, amended Regulation 40 of Listing Regulations pursuant to which from 1st April, 2019, onwards securities can be transferred only in dematerialized form. However, it is clarified that, members can continue holding shares in physical form. Transfer of securities in demat form will facilitate convenience and ensure safety of transactions for investors. Members holding shares in physical form are requested to convert their holding(s) to dematerialized form to eliminate all risks associated with physical shares.

SEBI vide Press Release dated 27th March, 2019 has clarified that the share transfer deed(s) once lodged prior to the deadline of 31st March, 2019 and returned due to deficiency in documents submitted, may be re-lodged for transfer.

5. Transfer of Unclaimed/Unpaid Dividend and Shares to IEPF Authority:

A. Pursuant to applicable provisions of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as "IEPF Rules"), (including any statutory modification(s) and or re-enactment(s) thereof for the time being in force), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF Authority established by the Central Government, after completion of 7 (seven) years. Further, according to the said IEPF Rules, shares in respect of which dividend has not been claimed by the shareholders for 7 (seven) consecutive years or more shall also be transferred to the demat account of the IEPF Authority.

B. During the financial year 2018-19, the Company has transferred to the IEPF Authority, the following unclaimed dividend and corresponding equity shares thereto:

Particulars	Amount of Dividend (Rs.)	No. of Shares
Dividend for the financial year 2010-11	2,42,526/-	6,000

C. The dividend amount and shares transferred to the IEPF can be claimed by the concerned members from the IEPF Authority after complying with the procedure prescribed under the IEPF Rules. The details of the unclaimed dividends are also available on the Company's website at [www.panchmahalsteel.co.in](http://www.panchmahalsteel.co.in) and the said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the Link ([www.iepf.gov.in](http://www.iepf.gov.in)).

6. SEBI has vide its circular No SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018 directed all listed entities that in cases where bank account details of the securities holders are not available with the RTA/ Company or there are changes in the bank account details, the RTA is required to obtain information from the shareholder on such changes.

In view of this, shareholders holding equity shares in physical form are requested to update their record with our Registrar & Share Transfer Agent to enable them to update our record for payment of any future dividend. Those shareholders who are holding shares in demat form are requested to submit the details only to their respective Depository Participants (DP), where they are maintaining their Demat account, at the earliest.

Your Company has initiated steps for registering the PAN details (including joint holders if any) and the BANK ACCOUNT details of all the registered shareholders.

The Members are also requested to intimate all changes pertaining to their mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to RTA/ Depository Participants, which will help the Company and the Company's Registrars and Transfer Agent to provide efficient and better services.

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 desirous of making a nomination in respect of their shareholding, as permitted under Section 72 of the Companies Act, 2013, are requested to submit the prescribed Form SH-13 (Nomination Form) & SH-14 (Cancellation or Variation of Nomination) accordingly to the Company or to the office of the Registrar & Share Transfer Agent.

9. 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.

10. Green Initiative:

A. Electronic copy of the Notice convening the 46th AGM of the Company, Annual Report along with the Attendance Slip and Proxy Form are being sent to the members who have registered their email ids with

the Company/Depository Participant(s). For members who have not registered their email ids, physical copies of the aforementioned documents are being sent in the permitted mode. Members may also note that the Notice of the AGM & the Annual Report will also be available on the Company's website [www.panchmahalsteel.co.in](http://www.panchmahalsteel.co.in).

- B. Members, who have not registered their email ids so far, are requested to register their email ids for receiving all communications including Annual Report, Notices, etc., from the Company electronically.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Accordingly, members holding shares in electronic form are requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.
  12. As a measure of austerity, copies of the Annual Report will not be distributed at the AGM. Members are, therefore, requested to bring their copies of the Annual Report to the AGM.
  13. A route map showing directions to reach the venue of the 46th AGM is given along with this Annual Report as per the requirement of the Secretarial Standards - 2 on General Meetings.
  14. Your attention is invited on the Companies (Significant Beneficial Ownership) Amendment Rules, 2019 issued by the Ministry of Corporate Affairs on 8th February 2019. A person is considered as a Significant Beneficial Owner (SBO) if he/she, whether acting alone, together or through one or more individuals or trust holds a beneficial interest of at least 10%. The beneficial interest could be in the form of a company's shares or the right to exercise significant influence or control over the company. If any Shareholders holding shares in the Company on behalf of other or fulfilling the criteria, is required to give a declaration specifying the nature of his/her interest and other essential particulars in the prescribed manner and within the permitted time frame.
  15. **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 46th 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 **Wednesday, the 25th September, 2019 (9.00 a.m. IST)** and ends on **Friday, the 27th September, 2019 (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, 2019** 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](http://www.evotingindia.com).
- (iii) Click on Shareholders.

- (iv) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - 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](http://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 OR Dividend Bank Details	Enter the Date of Birth as registered with DP/RTA in dd/mm/yyyy format  Enter the Dividend Bank details as recorded with your DP/RTA.  Please note - If both the details are not recorded with DP/RTA, then enter the Member ID/Folio Number in the Dividend Bank details field as mentioned in instruction (iv) above.

- (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. **190813018** 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 - "CDSL 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](http://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](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details, 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](mailto: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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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, 2019.
- ii. Mr. Niraj Trivedi, Practicing Company Secretary (Membership No. 3844 and CP No. 3123) 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 46th Annual General Meeting has been placed on the website of the Company viz. [www.panchmahalsteel.co.in](http://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](http://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 Saturday, the 28th September, 2019.

## 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. 3 to 7 of the accompanying Notice:

### Item No. 3:

The Members of the Company at its 44th Annual General Meeting (AGM) held on Thursday, 21st September, 2017 had appointed M/s. Atul Parikh & Co., Chartered Accountants, (Firm Registration No: 106496W) as Statutory Auditors of the Company to hold office from the conclusion of 44th AGM till the conclusion of 49th AGM of the Company subject to ratification of the appointment by the Members at every AGM held after the 44th AGM of the Company.

M/s. Atul Parikh & Co., Chartered Accountants, (Firm Registration No: 106496W) vide their letter dated 29th July, 2019 have resigned from the position of Statutory Auditors of the Company, effective from the conclusion of the Board Meeting held on 10th August, 2019 resulting into a casual vacancy in the office of Statutory Auditors of the Company as envisaged by Section 139(8) of the Companies Act, 2013.

As per the provisions of Companies Act, 2013 read with rules made thereunder, a casual vacancy caused due to resignation of Statutory Auditor needs to be approved by the members in a general meeting within three months. Accordingly, the Board of Directors at its Meeting held on 10th August, 2019, at the recommendation of the Audit Committee, and pursuant to the provision of Section 139(8) of the Companies Act, 2013, has appointed M/s. CNK & Associates LLP, Chartered Accountants, Vadodara (Firm Registration No. 101961W), to hold office as Statutory Auditors of the Company w.e.f. 11th August, 2019 to fill casual vacancy caused by resignation of M/s. Atul Parikh & Co. Chartered Accountants, and shall hold office upto the conclusion of 46th Annual General Meeting of the Company.

Since, M/s. CNK & Associates LLP, Chartered Accountants, Vadodara (Firm Registration No. 101961W) shall hold office only upto the conclusion of 46th AGM, the Board of Directors at its Meeting held on 10th August, 2019, on the recommendation of the Audit Committee and pursuant to Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions if any, appointed and recommended the appointment of M/s. CNK & Associates LLP, Chartered Accountants, Vadodara (Firm Registration No. 101961W) as Statutory Auditors of the Company to hold office for a period of 5 (five) years, from the conclusion of the 46th AGM, till the conclusion of the 51st AGM of the Company on such remuneration as may be decided by the Board/Audit Committee of the Company.

M/s CNK & Associates LLP, Chartered Accountants, Vadodara, have conveyed their consent to be appointed as the Statutory Auditors of the Company along with the confirmation that, their appointment, if approved by the shareholders, would be within the limits prescribed under the Act.

Your Directors recommend the resolution for approval of members.

None of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the aforesaid Ordinary Resolution.

### Item No. 4:

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, appointed Mr. Samir M. Parikh (DIN : 01646819) as an Additional Director (Independent) of the Company, with effect from 4th February, 2019 under Sections 149, 150 and 152 of the Companies Act, 2013 and Article 145 of the Articles of Association of the Company. Mr. Samir M. Parikh shall hold office upto the date of forthcoming Annual General Meeting and is eligible to be appointed as an Independent Director.

The Company has received notice under Section 160 of the Companies Act, 2013 from Mr. Samir M. Parikh signifying his candidature as an Independent Director of the Company. The Company has also received a declaration of independence from Mr. Samir M. Parikh. In the opinion of the Board, Mr. Samir M. Parikh fulfils the conditions as set out in Section 149(6) and Schedule IV of the Companies Act, 2013 and Listing Regulations, of

being eligible for appointment as Independent Director. Mr. Samir M. Parikh is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director. A copy of the draft Letter of Appointment for Independent Directors is available for inspection at the Registered Office of the Company during business hours on any working day.

As required under Regulations 26(4) and 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and Clause 1.2.5 of Secretarial Standards-2, Mr. Samir M. Parikh's brief resume and other requisite information is annexed to Notice.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Samir M. Parikh as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Parikh as an Independent Director for period upto 5 (five) consecutive years with effect from 4th February, 2019 for the approval by the members of the Company.

Except Mr. Samir M. Parikh, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 4 for the approval of members.

**Item No. 5 & 6:**

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto 5 (five) consecutive years on the Board of a Company but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto 5 (five) consecutive years on the Board of a Company.

The Members of the Company had at the 41st Annual General Meeting held on 30th September, 2014 approved the appointment of Mr. Amal D. Dhru and Mr. Milan P. Shah as an Independent Directors for a term of 5 years and their term ends at the conclusion of 46th AGM (to be held on 28th September, 2019) of the Company in the calendar year 2019.

As the above named Independent Directors shall be completing their first term of appointment at the 46th AGM of the Company, they are eligible for re-appointment for another term of five consecutive years subject to approval of the Members by Special Resolution. Both the above named Independent Directors have consented to their re-appointment and confirmed that they are not disqualified from being appointed as an Independent Director in terms of Section 164 of the Act. The Company has also received the declarations from the said Directors stating that they meet all the criteria of Independence, as prescribed under Section 149(6) of the Act and under Regulation 16 (b) of SEBI (LODR) Regulations, 2015 and they are not been debarred from holding the office of director or continuing as a director of company by SEBI/MCA or any other authority in India or abroad.

Based on the performance evaluation of the Independent Directors, the Nomination & Remuneration Committee and the Board of Directors of the Company at their Meeting held on 10th August, 2019 have recommended the re-appointment of the aforesaid persons as an Independent Director for a second term of five consecutive years effective from conclusion of 46th AGM to be held during September 2019 up to the conclusion of 51st AGM during the year 2024. During their tenure of appointment, they shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

In the opinion of the Board, they fulfill the conditions for re-appointment as Independent Directors and they are independent of the Management.

As required under Regulations 26(4) and 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and Clause 1.2.5 of Secretarial Standards-2, the brief resume and other requisite information of Mr. Amal D. Dhru and Mr. Samir M. Parikh are annexed to Notice.

A copy of the draft letter for re-appointment of the Independent Directors setting out the terms and conditions of their re appointment is available for inspection by the Members at the Registered Office of the Company between 11 A.M. to 1 P.M. on all days except Saturdays, Sundays and Public Holidays, till the conclusion of the ensuing General Meeting.

None of the Directors or Key Managerial Personnel of the Company and their relatives other than the concerned Independent Directors are in anyway deemed to be concerned or interested, financially or otherwise, in the Resolutions as set out in Item Nos. 5 and 6 of the Notice.

The Board recommends the Special Resolutions as set out in Item Nos. 5 & 6 of the Notice for approval of the Members.

**Item No. 7:**

The Board at its meeting held on 25th May, 2019, on the recommendation of the Audit Committee, has 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 2019-20.

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 2019-20 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. 7 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](mailto:shares@panchmahalsteel.co.in)

By order of the Board of Directors

**Deepak Nagar**  
GM (Legal) & Company Secretary

Vadodara, 10th August, 2019

**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	Mr. Ashok Malhotra	Mr. Samir M. Parikh	Mr. Amal D. Dhru	Mr. Milan P. Shah
Designation	CMD	Independent Director	Independent Director	Independent Director
DIN	00120198	01646819	00165145	00012088
Date of Birth & Age	27.08.1952 (67 years)	03.12.1966 (52 years)	17.09.1951 (67 years)	14.02.1960 (59 years)
Date of first appointment on the Board	01.12.1976	04.02.2019	31.01.2004	01.09.2006
Educational Qualification	B.Com.	B.Sc., MSW	FCA, PGDM - IIM, Ahmedabad	B.Com, FCA, ACS
Experience & Expertise	Mr. Ashok Malhotra is Promoter-Director of the Company. He has more than 45 years of experience in the steel industry and has expertise in business process, marketing and contemporary management techniques.	Mr. Samir Parikh is a versatile international leadership trainer, successful mentor & prominent speaker with 25+ years' experience including 15 years in corporate sector as an HR professional. His areas of expertise include Business HR, Mentoring & Coaching, Leadership Development, Strengths based development platforms, Talent Management and Management Strategies.	Mr. Amal Dhru is a proprietor of M/s Amal Datt & Associates, Chartered Accountants, Ahmedabad. He is a seasoned professional having expertise in finance, accounts, taxation & management consultancy.	Mr. Milan Shah is a Finance Professional with corporate experience of over 30 years in diverse areas of finance, business strategies & conceiving, setting up & managing the start-ups. At present, he is working as Chief Financial Officer of M/s Mafatlal Industries Limited.
Number of Meetings of the Board attended during the year.	4 out of 4	-	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.	<u>Directorship</u> - Naman Integrated Management Services (P) Ltd.	<u>Directorship</u> - Comprehensive Financial Services (P) Ltd. - Escorts Securities Limited - KK Legal Services (P) Limited - Sintex BAPL Ltd. - Sintex Plastics Technology Ltd. <u>Chairman - Audit Committee</u> - Sintex Plastics Technology Ltd. <u>Member - Nomination &amp; Remuneration Committee</u> - Sintex Plastics Technology Ltd.	<u>Directorship</u> - Arvind Brands Ltd. - Asman Investments Ltd. - Fountainhead Mentoring (P) Ltd.
Shareholding in the Company as at 31.03.2019.	24,59,940 Equity Shares	Nil	Nil	200 Equity Shares
Relationship with other directors, manager and other Key Managerial Personnel of the Company.	None	None	None	None

## DIRECTORS' REPORT

To,

The Members

Your Company's Directors are pleased to present the 46th Annual Report of the Company together with the Statement of Audited Accounts for the financial year ended 31st March, 2019.

### FINANCIAL RESULTS

(Rs. in Lacs)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Revenue from Operations	45305.27	39821.93
Operating Expenses	43019.24	38172.03
Operating Profit before Interest, Tax, Depreciation & Amortization	2286.03	1649.90
Depreciation & Amortization Expense	763.57	783.65
Finance Costs	1361.79	1291.18
Other Income	219.29	463.93
Profit/(Loss) before Exceptional & Extraordinary Items and Tax	379.96	38.99
Exceptional & Extraordinary Items	-	-
Profit/(Loss) before Tax	379.96	38.99
Tax Expense (including Deferred Tax)	124.11	(15.72)
Profit for the year from Continuing Operations	255.85	54.71
Total Comprehensive Income for the year	255.85	54.71

### TRANSFER TO RESERVES

No amount has been transferred to the Reserves, in view of inadequacy of profits for the financial year under review.

### STATE OF COMPANY AFFAIRS / REVIEW OF OPERATIONS

The total revenue (including other income) of the Company during the year was Rs.455.25 crores as compared to Rs.402.86 crores in the previous year. The Company reported a total income of Rs.2.56 crores for the year under review. The business environment is challenging considering the current global economic conditions and the geopolitical environment.

There were no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year to which this financial statements relate and the date of this Report.

### DIVIDEND

The Directors do not recommend any dividend for the year ended 31st March, 2019.

### SHARE CAPITAL

The paid-up Equity Share Capital of your Company as on March 31, 2019 was Rs.19.08 crores. The Company has not issued shares with differential voting rights/Bonus Shares nor has granted stock options/sweat equity and has not bought back any of its securities during the year under review.

## FIXED DEPOSITS

The Company has not accepted or renewed any deposits during the year. There are no outstanding deposits as at 31st March, 2019.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors confirm that:

- a) in preparation of the annual accounts for the year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the year ended on that date;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a 'going concern' basis;
- e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## CORPORATE GOVERNANCE REPORT AND MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

The Company has implemented procedures and adopted practices in conformity with the Code of Corporate Governance as stipulated under Regulation 34 read with Schedule V(C) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Company has implemented Code of Conduct for all its Executive Directors and Senior Management Personnel, Non-Executives Non-Independent and Independent Directors, who have affirmed compliance thereto. The said Code of Conduct has been posted on the website of the Company.

The Management Discussion and Analysis Report and the Corporate Governance Report, appearing elsewhere in this Annual Report, forms part of Directors Report. A certificate from the Statutory Auditors of the Company certifying the compliance of conditions of Corporate Governance is also annexed thereto.

## CORPORATE SOCIAL RESPONSIBILITY

The provisions as prescribed under Section 135 of the Companies Act, 2013 with regard to corporate social responsibility along with Rules made thereunder are not applicable to the Company. The Corporate Social Responsibility Policy and the Committee shall be framed and constituted as and when required.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Your Company has not directly or indirectly:

- a) given any loan to any person or other body corporate other than usual advances envisaged in a contract of supply of materials if any,
- b) given any guarantee or provide security in connection with a loan to any other body corporate or person; and
- c) acquired by way of subscription purchase or otherwise, the securities of any other body corporate exceeding sixty percent, of its paid-up share capital, free reserve and securities premium account or one hundred percent of its free reserves and securities premium account whichever is more.

## RELATED PARTY TRANSACTIONS

The Company has formulated a policy on Related Party Transactions for the purpose of identification and monitoring of such transactions. The said Policy on Related Party Transactions as approved by the Board is uploaded on the Company's web-site.

There were no related party transactions entered into by the Company during the financial year, which attracted the provisions of Section 188 of Companies Act, 2013.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

### Appointment

Based on recommendation of Nomination and Remuneration Committee (NRC) Mr. Samir M. Parikh was appointed as an Additional Director (Independent) by the Board of Directors effective from February 4, 2019 subject to approval of Members at ensuing Annual General Meeting. A resolution seeking appointment of Mr. Samir M. Parikh as an Independent Director for five years is provided at item no. 3 of notice of the ensuing AGM. Members are requested to consider and approve his appointment.

### Cessation

Mr. Nilesh B. Mehta, an Independent Director of the Company, resigned from the office of Director with effect from 8th October, 2018 after serving the board for a period of about 21 years.

Your Directors wish to place on record their appreciation for his service and valuable contribution made during his long association with the Company.

### Re-appointments

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 and Rules made thereunder, Mr. Ashok R. Malhotra retires by rotation at the forthcoming Annual General Meeting and being eligible offer himself for re-appointment. The Board recommends his re-appointment.

Mr. Amal D. Dhru and Mr. Milan P. Shah were appointed as Independent Directors in the 41st AGM of the Company held on 30th September, 2014 for a term of 5 years and their first term will expire at the conclusion of 46th AGM to be held on 28th September, 2019.

The aforesaid Independent Directors, being eligible, the Board recommends their re-appointment for a second term of five years to the shareholders of the Company at the ensuing AGM. Members are requested to consider and approve their re-appointment.

### Declaration by Independent Directors

The Company has received necessary declarations/confirmation from each Independent Director under Section 149(6) and 149(7) of the Companies Act, 2013 and Regulation 16(1)(b) and Regulation 25(8) of the SEBI (LODR) Regulations, 2015 that they meet the criteria of independence laid down thereunder.

In accordance with the provisions of Section 152(6)(e) of the Companies Act, 2013, none of the Independent Directors are liable to retire by rotation.

### Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of Board Committees viz. Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee. The details of Board evaluation process have been provided under the Corporate Governance Report.

### Familiarization Programme for Independent Directors

In compliance with the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has put in place a familiarization programme for Independent Directors to familiarize them with their role, rights and responsibilities as Directors, the operations of Company, business overview etc. The details of familiarization programme are explained in the Corporate Governance Report.



### Remuneration Policy

The Board on the recommendation of the Nomination and Remuneration Committee had framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The details of the Remuneration Policy forms part of Corporate Governance Report of this Annual Report.

### Number of Meetings of the Board and its committees

During the year under review, 4 (four) meetings of the Board of Directors of the Company were convened and held. The detailed information on the meeting of the Board and its various Meetings are included in the Corporate Governance Report forming part of this report. The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

### Committees of the Board

The Board of Directors has the following Committees:

1. Audit Committee
2. Remuneration and Nomination Committee
3. Stakeholders' Relationship Committee

The details of the Committees along with their composition, number of meetings held and attendance at the meetings are provided in the Corporate Governance Report.

### Key Management Personnel

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the Key Management Personnel of the Company are - Mr. Ashok Malhotra, Chairman & Managing Director, Mr. Pradip H. Gupta, Chief Financial Officer and Mr. Deepak Nagar, GM (Legal) & Company Secretary. During the year, there were no changes in Key Managerial Personnel.

## **AUDITORS AND AUDITORS' REPORT**

### Statutory Auditors

The Board of Directors of the Company in its meeting held on August 10, 2019 appointed M/s. CNK Associates, LLP, Chartered Accountants, Vadodara as Statutory Auditors to fill the casual vacancy caused due to resignation of the existing auditors M/s Atul Parikh & Co., Chartered Accountants, Vadodara.

The appointment of M/s. CNK Associates, LLP, Chartered Accountants, Vadodara has been put forth before the members at the forth coming Annual General Meeting for their approval.

In terms of provisions of Section 139 of the Companies Act, 2013, M/s. CNK Associates, LLP, Chartered Accountants have furnished a certificate that their appointment, if made, will be within the limits prescribed under the said section of the Act. As required under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, they have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

There are no qualifications, reservations or adverse remarks made by the statutory auditors in their audit reports on the financial statements for the year ended March 31, 2019.

### Internal Auditors

Your Company has appointed M/s Saurabh Shah & Co., Chartered Accountants, Vadodara as Internal Auditors to carry out the Internal Audit of various operational areas of the Company.

### Cost Auditors

M/s Kiran J. Mehta & Co., Cost Accountants, Ahmedabad, the Cost Auditors of the Company carried out the audit of cost records for steel Plant of the Company during the year.

The Board of Directors, on the recommendation of the Audit Committee, has appointed M/s Kiran J. Mehta & Co., Cost Accountants, (Firm Registration Number 000025) as Cost Auditor to audit the cost records of the Company for the financial year 2019-20. As required under the Companies Act, 2013, a resolution seeking members' approval for the remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting for their ratification.

The Cost Audit Report for the financial year 2017-18 was filed with the Ministry of Corporate Affairs on 16th August, 2018.

#### Secretarial Auditor

In terms of the provisions of Section 204 of the Companies Act, 2013, Mr. Niraj Trivedi, Practising Company Secretary, Vadodara, have been re-appointed by the Board as Secretarial Auditor of the Company for the financial year 2019-20.

The Secretarial Audit Report as issued by the Secretarial Auditor in Form No. MR-3 for the financial year 2018-19 is annexed herewith as "Annexure -A" and forms integral part of this Annual Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. The Company has complied with applicable Secretarial Standard during the year.

#### **EXTRACT OF ANNUAL RETURN**

The extract of Annual Return as required under Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 forms part of this Report as "Annexure-B".

#### **AUDIT COMMITTEE**

During the year, the Board has accepted all recommendations of Audit Committee and accordingly no disclosure is required to be made in respect of non-acceptance of the recommendation of the Audit Committee by the Board.

#### **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has a vigil mechanism named Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The details of the Whistle Blower Policy is explained in the Corporate Governance Report and also posted on the website of the Company.

#### **RISK MANAGEMENT POLICY**

The Company has a Risk Management Policy to ensure appropriate risk management within its systems and culture. The Board of Directors and the Audit Committee of the Company periodically reviews the Risk Management Policy of the Company. The provisions relating to Risk Management Committee are not applicable to the Company.

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope of the audit activity is broadly guided by the annual audit plan approved by the top management and audit committee. The Internal Auditors routinely test these systems and significant audit observations, if any, and follow up actions thereon are reported to the Audit Committee.

The Company has in place adequate internal financial controls with reference to financial statements.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTGO**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is annexed herewith as "Annexure- C" to this Report.

#### **PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

The information required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as "Annexure- D" to this Report.

The statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out under Section 197(12) of the Act read with Rules 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as "Annexure-E" to this Report.

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant material orders passed by the Regulators /Courts which would impact the going concern status of the Company and its future operations.

#### **SUBSIDIARY, JOINT VENTURES OR ASSOCIATE COMPANY**

Honeyvick Enterprises Private Limited is a holding company of the Company, holding 55.12% Equity Share Capital of the Company. Neither the Company has any subsidiary/ associate/ joint venture company nor any other company has become subsidiary/ Associate/ Joint Venture company of the Company during the year.

#### **DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy against sexual harassment in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder.

During the year under review, the company has not received any complaint on sexual harassment and hence no complaints remain pending as of March 31, 2019.

#### **APPRECIATION**

Your Directors thank the Banks, Financial Institutions, Shareholders, Customers and Suppliers for their co-operation and support to the Company. The Directors express their sincere appreciation for the dedication and commitment of all its employees.

For and on behalf of the Board of Directors

Place : Vadodara  
Date : 10th August, 2019

**Ashok Malhotra**  
Chairman & Managing Director

## Annexure - A to Directors' Report

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members  
M/s. PANCHMAHAL STEEL LIMITED  
GIDC Industrial Estate,  
Kalol-389 330,  
Dist.Panchmahals, Gujarat.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. PANCHMAHAL STEEL LIMITED (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment (ODI) and External Commercial Borrowings;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz. :-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - **Not applicable to the Company during the Audit Period.**
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; - **Not applicable to the Company during the Audit Period**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **Not applicable to the Company during the Audit Period**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not applicable to the Company during the Audit Period**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - **Not applicable to the Company during the Audit Period**
- (vi) Other applicable laws -Based on the information provided and the representation made by the Company and its officers and also on the review of the compliance reports taken on record by the Board of Directors of the Company,

in our opinion, adequate systems and processes exist in the Company to monitor and ensure compliances under other applicable Acts, Laws and Regulations as applicable to the Company namely :

- i. The Apprentices Act, 1961
- ii. The Contract Labour (R & A) Act, 1970
- iii. The Child Labour (P & R) Act, 1986
- iv. The Industrial Employment (Standing Orders) Act, 1946
- v. The Industrial Disputes Act, 1947
- vi. The Minimum Wages Act, 1948
- vii. The Payment of Gratuity Act, 1972
- viii. The Employees Provident Fund and Miscellaneous Provisions Act, 1952;
- ix. The Equal Remuneration Act, 1976
- x. The Employees State Insurance Act, 1948
- xi. The Payment of Bonus Act, 1965
- xii. The Payment of Wages Act, 1936
- xiii. The Factories Act, 1948
- xiv. The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
- xv. The Employees Compensation Act, 1923
- xvi. The Maternity Benefit Act, 1961
- xvii. The Sexual Harassment of Women at Workplace (PD & R) Act, 2013
- xviii. The Air (Prevention & Control of Pollution) Act, 1981
- xix. The Water (Prevention & Control of Pollution) Act, 1974
- xx. The Hazardous Waste Act, 1989
- xxi. The Trade Marks Act, 1999

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

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

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provision of the Act.

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

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were carried through on the basis of majority and there were no dissenting views.

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

**We further report** that during the audit period, there were no other specific events /actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs.

Place: Vadodara  
Date: 10th August, 2019

Signature : Sd/-  
Name of PCS : NIRAJ TRIVEDI  
C. P. No. : 3123  
PR : 499/2016

This report is to be read with our letter of even date which is annexed as **Annexure** and forms an integral part of this report.

'Annexure to Secretarial Audit Report'

To,  
The Members  
M/s. PANCHMAHAL STEEL LIMITED  
GIDC Industrial Estate,  
Kalol - 389 330,  
Dist. Panchmahals,  
Gujarat.

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Vadodara  
Date: 10th August, 2019

Signature : Sd/-  
Name of PCS : NIRAJ TRIVEDI  
C. P. No. : 3123  
PR : 499/2016

## “Annexure - B” to Directors' Report

FORM NO. MGT 9

### EXTRACT OF ANNUAL RETURN

as on the financial year ended 31.03.2019 (Pursuant of Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management & Administration) Rules, 2014)

#### I. REGISTRATION & OTHER DETAILS:

1.	CIN	L27104GJ1972PLC002153
2.	Registration Date	12th September, 1972
3.	Name of the Company	Panchmahal Steel Limited
4.	Category/Sub-category of the Company	Public Limited Company
5.	Address of the Registered office & contact details	GIDC Industrial Estate, Kalol-389 330 Dist. Panchmahals, Gujarat. Phone No. : 02676 - 230777 Fax No. : 02676 230889 E-mail : <a href="mailto:shares@panchmahalsteel.co.in">shares@panchmahalsteel.co.in</a> Website : <a href="http://www.panchmahalsteel.co.in">www.panchmahalsteel.co.in</a>
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. MCS Share Transfer Agents Limited Neelam Apartment, 88, Sampatrao Colony, Above Chhapanbhog Sweet, Alkapuri, Vadodara-390 007. Tel Nos.: 0265-2314757, 2350490, Fax No.: 0265-2341639 E-mail : <a href="mailto:mcsltbaroda@gmail.com">mcsltbaroda@gmail.com</a>

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service the company	% to total turnover of
1	Bars & Rods of Stainless Steel, Hot -Rolled, in irregularly wound coils	27163	27.02 %
2	Other Bars & Rods of Stainless Steel	27153	34.71 %
3	Wires of Stainless Steel	57183	38.27 %

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name & Address of the Company	CIN/GLN	% of Shares held
1.	<u>Holding Company</u> Honeyvick Enterprises Private Limited Landmark, 8th Floor, Race Course Circle, Vadodara-390 007	U73100GJ1990PTC014087	55.12%

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**A) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total % of Total Shares	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	3339060	-	3339060	17.50%	3339060	-	3309060	17.50%	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	10516005	-	10516005	55.12%	10516005	-	10516005	55.12%	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>(2) Foreign</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)</b>	<b>13855065</b>	<b>-</b>	<b>13855065</b>	<b>72.62%</b>	<b>13855065</b>	<b>-</b>	<b>13855065</b>	<b>72.62%</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	754635	200	754835	3.96%	750329	200	750529	3.93%	(0.03%)
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	331000	-	331000	1.73%	331000	-	331000	1.73%	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital	-	-	-	-	-	-	-	-	-
i) Other (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>1085635</b>	<b>200</b>	<b>1086835</b>	<b>5.69%</b>	<b>1081329</b>	<b>200</b>	<b>1081529</b>	<b>5.66%</b>	<b>(0.03%)</b>
<b>2. Non-Institutions</b>									
a) Bodies Corporate									
i) Indian	1117834	3200	1121034	5.88%	303992	3200	307192	1.61%	(4.27%)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capita upto Rs.2 lacs	1635884	137305	1773189	9.29%	1372671	117205	1489876	7.81%	(1.48%)
ii) Individual shareholders holding nominal share capita in excess of Rs.2 lacs	897892	-	897892	4.71%	2087509	-	2087509	10.94%	6.23%
c) Others									
i) HUF	209548	-	209548	1.10%	158493	-	158493	0.83%	(0.27%)
ii) Non Resident Indians	76766	-	76766	0.40%	33765	-	33765	0.18%	(0.22%)
iii) OCBs	-	-	-	-	-	-	-	-	-
iv) Foreign Nationals	-	-	-	-	-	-	-	-	-
v) Clearing Members	-	-	-	-	-	-	-	-	-
vi) Trusts	-	-	-	-	-	-	-	-	-
vii) EPF Authority	59000	-	59000	0.31%	64900	-	64900	0.34%	0.03%
<b>Sub-total (B)(2):-</b>	<b>3996924</b>	<b>140505</b>	<b>4137429</b>	<b>21.69%</b>	<b>4381330</b>	<b>120405</b>	<b>4141735</b>	<b>21.71%</b>	<b>-</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>5082559</b>	<b>141705</b>	<b>5224264</b>	<b>27.38%</b>	<b>5462659</b>	<b>120605</b>	<b>5223264</b>	<b>27.38%</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>18937624</b>	<b>140705</b>	<b>19078329</b>	<b>100.00%</b>	<b>18937624</b>	<b>140705</b>	<b>19078329</b>	<b>100.00%</b>	<b>-</b>



**B) Shareholding of Promoter(s)-**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 1st April 2018)			Shareholding at the end of the year (As on 31st March 2019)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. Ashok Malhotra	2459940	12.89%	5.95%	2459940	12.89%	5.95%	-
2	Ashok R. Malhotra (HUF)	256000	1.34%	1.34%	256000	1.34%	1.34%	-
3	Mr. Hanish Malhotra	454900	2.38%	-	454900	2.38%	-	-
4	Mr. Vikas Malhotra	168220	0.88%	-	168220	0.88%	-	-
5	Honeyvick Enterprises (P) Ltd.	10516005	55.12%	18.25%	10516005	55.12%	18.25%	-
	<b>Total</b>	<b>13855065</b>	<b>72.62%</b>	<b>25.54%</b>	<b>13855065</b>	<b>72.62%</b>	<b>25.54%</b>	<b>-</b>

**C) Change in Promoters' Shareholding** (please specify, if there is no change)

There are no changes in the Promoter's shareholding during the Financial Year 2018-19.

**D) Shareholding Pattern of Top Ten Shareholders:**

(Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Name of the Promoter	Shareholding at the beginning of the year (as on 1st April 2018)		Cumulative Shareholding during the year (As on 31st March 2019)	
		No. of Shares	% to Total Shares of the company	No. of Shares	% to Total Shares of the company
1.	Dimple Kamlesh Kanungo	0	0.00%	1260692	6.61%
2.	Gujarat Industrial Investment Corp. Ltd.	750329	3.93%	750329	3.93%
3.	Life Insurance Corporation of India	331000	1.74%	331000	1.74%
4.	Tanvijignesh Mehta	181678	0.95%	167678	0.88%
5.	Anu Narayan	60439	0.31%	95027	0.50%
6.	Stainless Metalex India Pvt. Limited	0	0.00%	88783	0.47%
7.	Prakash M. Sanghvi	46239	0.24%	79725	0.42%
8.	Om Prakash Chugh	98337	0.52%	78137	0.41%
9.	Manohar Manek Alloys Private Limited	61974	0.32%	73522	0.39%
10.	SMS Holding Private Limited	65231	0.34%	65231	0.34%

## E) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of Director or KMP		Shareholding at the beginning of the year		Cumulative Share holding during the year	
			No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	Mr. Ashok Malhotra Chairman & Managing Director	At the beginning of the year At the end of the year	2459940	12.89	2459940	12.89
2.	Mr. Nilesh B. Mehta (upto 08.10.18) Independent Director	At the beginning of the year At the end of the year	Nil	Nil	Nil	Nil
3.	Mr. Amal Dutt Dhru Independent Director	At the beginning of the year At the end of the year	Nil	Nil	Nil	Nil
4.	Mr. Milan P. Shah Independent Director	At the beginning of the year At the end of the year	200	0.00	200	0.00
5.	Ms. Suchita Shah Non-Independent NE Director	At the beginning of the year At the end of the year	1900	0.02	1900	0.02
6.	Mr. Pradeep R. Sharma Director (Operations)	At the beginning of the year At the end of the year	100	0.00	100	0.00
7.	Mr. Samir M. Parikh (w.e.f. 04.02.19) Independent Director	At the beginning of the year At the end of the year	Nil	Nil	Nil	Nil
9.	Mr. Pradip H. Gupta Chief Financial Officer	At the beginning of the year At the end of the year	Nil	Nil	Nil	Nil
10.	Mr. Deepak R. Nagar Company Secretary	At the beginning of the year At the end of the year	Nil	Nil	Nil	Nil

V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.  
(Amt. in Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness as at 01.04.2018 - (Working Capital)</b>				
i) Principal Amount	58,71,01,793	11,28,00,000	-	69,99,01,793
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	11,75,779	-	-	11,75,779
<b>Total (i+ii+iii)</b>	<b>58,82,77,572</b>	<b>11,28,00,000</b>	<b>-</b>	<b>70,10,77,572</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	70,69,068	-	-	70,69,068
* Reduction	-	1,50,00,000	-	1,50,00,000
<b>Net Change</b>	<b>70,69,068</b>	<b>1,50,00,000</b>	<b>-</b>	<b>(79,30,932)</b>
<b>Indebtedness as at 31.03.2019</b>				
i) Principal Amount	59,44,53,355	9,78,00,000	-	69,22,53,355
ii) Interest due but not paid (Net of TDS)	-	-	-	-
iii) Interest accrued but not due	8,93,285	-	-	8,93,285
<b>Total (i+ii+iii)</b>	<b>59,53,46,640</b>	<b>9,78,00,000</b>	<b>-</b>	<b>69,31,46,640</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:-**
**A. Remuneration to Managing Director, Whole-time Directors and /or Manager: (Amt. in Rs.)**

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Ashok Malhotra	Mr. Pradeep Sharma	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1,08,00,000	33,07,500	1,41,07,500
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	11,40,102	2,75,000	14,15,102
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	39,00,000	8,75,000	47,75,000
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
5	Others (contribution to PF & SAF)	12,96,000	8,68,500	21,64,500
	<b>Total (A)</b>	<b>1,71,36,102</b>	<b>53,26,000</b>	<b>2,24,62,102</b>
	Ceiling as per the Act	As per Schedule V of the Companies Act, 2013		

**B. Remuneration to other Director. (Amt. in Rs.)**

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Amal Dhru	Mr. Nilesh Mehta	Mr. Milan Shah	Ms. Suchita Shah	Mr. Samir Parikh	
1	<u>Independent Directors</u>						
	Fee for attending board committee meetings	1,00,000	10,000	1,40,000	50,000	10,000	3,10,000
	Commission	-	--	-	-	-	-
	Others, please specify	-	--	-	-	-	-
	<b>Total (B)</b>	<b>1,00,000</b>	<b>10,000</b>	<b>1,40,000</b>	<b>50,000</b>	<b>10,000</b>	<b>3,10,000</b>
	<b>Total Managerial Remuneration (A+B)</b>						<b>2,27,72,102</b>
	Ceiling as per the Act	Sitting Fees paid is within the limits specified under the Companies Act, 2013.					

## C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Amt. in Rs.)

Sr. No.	Particulars of Remuneration	Name of Key Management Personnel		Total Amount
		Mr. Pradip Gupta Chief Financial Off.	Mr. Deepak Nagar Company Secretary	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	16,87,500	12,07,500	28,95,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,40,000	1,00,000	2,40,000
	(c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961	3,80,000	4,60,000	8,40,000
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
5	Others (Contribution to PF & SAF)	2,01,600	1,44,000	3,45,600
	<b>Total (A)</b>	<b>24,09,100</b>	<b>19,11,500</b>	<b>43,20,600</b>

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any
A. Company Penalty Punishment Compounding			None		
B. Director Penalty Punishment Compounding			None		
C. Other Officers in Default Penalty Punishment Compounding			None		

For and on behalf of the Board of Directors

Place : Vadodara  
Date : 10th August, 2019Ashok Malhotra  
Chairman & Managing Director

### "Annexure - C" to Directors' Report

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo as required under the Companies (Accounts) Rules, 2014.

#### A) Conservation of Energy and Technology Absorption

The Management is perusing energy conservation with considerable focus and commitment. Optimal utilization of various energy resources like power, fuel and oil is ensured by ongoing measures/steps that improve power factor and other consumption.

The Company has processes to measure, monitor and improve environmental performance through various initiatives focusing on energy, water and waste. Further the absorption and adaption of technology is an ongoing process in the Company.

The Company has not imported any technology during the year under review.

#### B) Foreign Exchange Earnings and Outgo Description

(Rs. in Lacs)

Particulars		2018-19	2017-18
i.	Foreign Exchange Earnings	11669.26	10173.40
ii.	CIF Value of Imports	21465.45	15525.28
iii.	Expenditure in Foreign Currency	92.22	61.52

For and on behalf of the Board of Directors

Place : Vadodara  
Date : 10th August, 2019

**Ashok Malhotra**  
Chairman & Managing Director

### "Annexure - D" to Directors' Report

Statement pursuant to Section 197(12) of the Companies Act, 2013 and Rule 5(2) and 5(3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2015.

Sr.No.	Particulars	Details
a)	Name of the Employee	Mr. Ashok Malhotra
b)	Designation of the Employee	Chairman & Managing Director
c)	Remuneration received	Rs.171.36 lacs (including PF contribution)
d)	Nature of Employment	Contractual
e)	Qualification of employee	B.Com.
f)	Experience of employee	47 years
g)	Date of commencement of employment	01.12.1976
h)	Age of employee	67 years
i)	Last employment held before joining the Company	--
j)	% of Equity Shares held by the employee in the Company within the meaning of clause (iii) of sub-rule (2) above	12.89%
k)	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager	None

For and on behalf of the Board of Directors

Place : Vadodara  
Date : 10th August, 2019

**Ashok Malhotra**  
Chairman & Managing Director

### Annexure - E" to Directors' Report

Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year.	Mr. Ashok Malhotra, CMD - 87.43 Mr. Pradeep Sharma, D(O) - 27.17
2. The % increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manger, if any of the Financial Year.	Mr. Ashok Malhotra, CMD - 34.89% Mr. Pradeep Sharma, D (O) - Nil Mr. Pradip H. Gupta, CFO - Nil Mr. Deepak Nagar, CS - Nil
3. The % increase in the median remuneration of employees in the financial year.	4.59%
4. The number of permanent employees on the roll of the Company.	516 Employees as on March 31, 2019
5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	There has been no increase in the salary of employees of the Company except for workers, whose average percentile increase in salary during the F.Y. 2018-19 was 6.02%. The Chairman & Managing Director of the Company was drawing same salary for the last 6 years and therefore, his salary has been increased as per industry benchmark and commensurate with the managerial remuneration paid to similar senior level appointees in companies of comparable size and nature of business and duly approved by the shareholders of the Company at the last AGM.
6. The key parameters for any variable component of remuneration availed by the directors.	Not Applicable
7. Affirmation that the remuneration is as per the remuneration policy of the Company.	We affirm that the remuneration is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Place : Vadodara  
Date : 10th August, 2019

**Ashok Malhotra**  
Chairman & Managing Director

## Report on Corporate Governance

The Board of Directors present the Company's Report on Corporate Governance for the financial year ended 31st March, 2019 as hereunder, in terms of Regulation 34(3) read with Schedule V(C) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

### 1. Corporate Governance Philosophy

Your Company's philosophy on Corporate Governance encompasses the active observance of fair and ethical business practices ensuring transparency, accountability, integrity and the statutory compliance of various laws with the primary objective of enhancing the value of all its stakeholders. The Company is committed to good corporate governance by creating an environment based on professionalism, entrepreneurship and pursuit for excellence.

During the year under review, the Board continued its pursuit of achieving these objectives through the adoption of corporate strategies, prudent business plan and ensuring that the Company peruses policies and procedures to satisfying its legal and ethical responsibilities.

### 2. Board of Directors

#### Composition of the Board

The Composition of Board is in conformity with Regulation 17(1)(B) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, which stipulates that at least half of the Board should comprise of Independent Directors if the Chairman of the Board is an Executive Chairman. The Board at present consists of six (6) Directors, including Executive Chairman. Out of these directors, three (3) are Independent Directors.

The Directors are eminent industrialists/professionals with optimal mix of knowledge and experience and bring with them the reputation of independent judgement and experience, which they exercise and also satisfy the criteria of independence. The Company has had no pecuniary relations or transactions with the Non-Executive Directors.

The composition of the Board as at 31st March, 2019 stood as under:

Name of Director	Category	Number of position held in other Companies		
		Directorships*	Committee@ Chairmanship	Committee@ Memberships
Mr. Ashok R. Malhotra	Non-Independent Executive Director	1	Nil	Nil
Mr. Amal D. Dhru	Independent Director	5	1	Nil
Mr. Milan P. Shah	Independent Director	3	Nil	Nil
Mr. Samir M. Parikh	Independent Director	1	Nil	Nil
Mr. Pradeep R. Sharma	Non-Independent Executive Director	Nil	Nil	Nil
Ms. Suchita Shah	Non-Independent Non-Executive Director	1	Nil	Nil

\* includes directorships in private limited companies, foreign companies and companies registered under Section 8 of the Companies Act, 2013 and excludes that of your Company.

@ only Membership/Chairmanship of Audit Committee and Stakeholders' Relationship Committee of Listed and Public Limited companies has been considered, excluding that in your Company.

As mandated by Regulation 26(1)(b) of the Listing Regulations, none of the Directors is a member of more than ten Board Level Committees (considering only Audit Committee and Stakeholders Relationship Committee) or Chairman of more than five Committees across all public limited companies (listed or unlisted) in which he/she is a Director. Further all Directors have informed about their Directorships, Committee memberships/ Chairmanships including any changes in their positions.



Directorship in other listed companies as on March 31, 2019, is tabulated hereunder:

Sr. No.	Name of Director	Name of Listed Companies/Category of Directorship
1.	Mr. Ashok Malhotra	Nil
2.	Mr. Amal D. Dhru	Sintex Plastics Technology Limited - Independent Director
3.	Mr. Milan P. Shah	Nil
4.	Mr. Samir M. Parikh	Nil
5.	Ms. Suchita Shah	Nil
6.	Mr. Pradeep R. Sharma	Nil

#### Board Meetings and Attendance of Directors

The Board meeting is conducted at least once in every quarter to consider amongst other businesses, the performance of the Company and Quarterly Financial Results. The Agenda of the business(es) to be transacted at the Board Meeting along with explanatory notes thereof are circulated well in advance to the Board of Directors of the Company.

During the year under review, 4 (Four) Board Meetings were held on 30th May, 2018, 11th August, 2018, 3rd November, 2018 & 4th February, 2019. The Forty Fifth Annual General Meeting was held on 22nd September, 2018. The maximum gap between two Board Meetings was always less than one hundred and twenty days as prescribed under Regulation 17(2) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Attendance of Directors at these Board Meetings and at the last Annual General Meeting was as under:

Sr. No.	Name of the Director	No. of Board Meeting held during the year	No. of Board Meetings attended	Attendance at the AGM
1.	Mr. Ashok R. Malhotra	4	4	Yes
2.	Mr. Nilesh B. Mehta*	4	1	No
3.	Mr. Amal D. Dhru	4	4	Yes
4.	Mr. Milan P. Shah	4	4	No
5.	Ms. Suchita Shah	4	2	No
6.	Mr. Pradeep R. Sharma	4	3	Yes
7.	Mr. Samir M. Parikh**	4	-	-

\* Mr. Nilesh B. Mehta ceased to be Director w.e.f. 08.10.2018 due to his resignation from the Board of Directors of the Company on personal grounds.

\*\* Mr. Samir M. Parikh appointed as an Additional Director (Independent) w.e.f. 04.02.2019.

#### Independent Directors' Meeting

During the year under review, the Independent Directors met on February 4, 2019, inter alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors; &
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All Independent Directors were present at the Meeting.

#### Disclosure of Relationships between Directors inter-se

None of the Directors of the Company are related to each other.

Details of Equity Shares held by Non-Executive/Independent Directors as on 31st March, 2019

Name of the Non-Executive Directors	No. of Shares held
Mr. Amal D. Dhru	Nil
Mr. Milan P. Shah	200
Ms. Suchita Shah	1900
Mr. Samir M. Parikh	Nil

Familiarization Programme for Independent Directors

The Company has formulated a Programme for Familiarization of Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the company operates and its business model etc. On appointment of an individual as Independent Director, the Company issues a formal Letter of Appointment to the concerned director, setting out in detail, the terms of appointment, duties and responsibilities. Each newly appointed Independent Director is taken through a formal induction & familiarisation program.

During the year under review, there was no change in the nature of business of the Company and its business vertical/structure/operational strategy etc. which would have necessitated a fresh familiarization programme for the Independent Directors. The Company's Policy of conducting the Familiarisation Program has been disclosed on the website of the Company at [www.panchmahalsteel.co.in](http://www.panchmahalsteel.co.in).

Skills / Expertise / Competencies of the Board of Directors

The List of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business are as follows:-

- i) Knowledge on Company's business, policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.
- ii) Behavioural skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.
- iii) Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making.
- iv) Financial and Management skills, knowledge of law, Insurance, Project management, human resource management, CSR etc.
- v) Technical / Professional skills and specialized knowledge in relation to Company's business.

The aforesaid skills are available with the Board Members.

Confirmation regarding Independent Directors:

Based on annual declaration of independence received from Independent Directors, all the independent directors of the Company meet the conditions specified in SEBI Listing Regulations 2015 and are independent of the management.

During the financial year 2018-19, Mr. Nilesh B. Mehta, Independent Director of the Company resigned from the Board due to his pre-occupation. There are no other material reasons for the same.

### 3. COMMITTEES OF THE BOARD

The Board has constituted various Committees with specific terms of reference in line with the provisions of the Listing Regulations, Companies Act, 2013 and the Rules issued thereunder.

The Company currently has the following Committees of the Board viz.

- (i) Audit Committee
- (ii) Nomination & Remuneration Committee
- (iii) Stakeholders Relationship Committee

The Board is responsible for the constitution, co-opting and determining the terms of reference of these Committees from time to time. The Meetings of these Committees are convened by the respective Committee Chairman/

Company Secretary. At each Board Meeting, minutes of these Committees are placed before the Directors for their perusal and noting.

The provisions of Section 135(1) of the Companies Act, 2013 with regard to Corporate Social Responsibility are not applicable to the Company. Therefore, the Company has neither constituted Corporate Social Responsibility Committee nor has adopted the CSR policy.

#### (A) Audit Committee

The Company has an Audit Committee at the Board level with the powers and the role that are in accordance with the requirements of Section 177 of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

##### Composition:

The Audit Committee of the Company comprises of three (3) members, 2 of them are Independent Directors. All the members of the Audit Committee are qualified and having insight to interpret and understand financial statements. The Composition of the Committee as at 31st March, 2019, was as under:

Sr. No.	Name of Member	Status	Category
1.	Mr. Amal D. Dhru	Chairman	Non-Executive Independent Director
2.	Mr. Milan P. Shah	Member	Non-Executive Independent Director
3.	Mr. Ashok R. Malhotra	Member	Non-Independent Executive Director

##### Terms of Reference

The role and terms of reference of the Audit Committee covers the matters specified under Regulation 18 read with Part C of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013. Besides having access to all the required information from the Company, the committee can obtain external professional advice whenever required. The Committee acts as a link between the Statutory and the Internal Auditors and the Board of Directors of the Company. It is authorized to select and establish accounting policies, review reports of the Statutory and the Internal Auditors and meet with them to discuss their findings, suggestions and other related matters.

Apart from considering un-audited and/or audited financial results for the relevant quarters and for the year prior to adoption/ approval by the Board, the Committee focused its attention on key areas impacting the overall performance of the Company, Operations of Plants, Cost Audit, Review of Internal Control System, Energy Conservation/Saving and Cost Control measures, I.T. Security and Management Information System, Major Accounting Policies and Practices, Current Assets Management, Performance Reviews, Related Party transactions, Annual Budget and Annual Internal Audit plan. Based on the Committee's discussions and review of the observations of the reports submitted by the Company's Internal Auditors on Systems and Controls, Cost Control measures and Statutory Compliance in various functional areas, the Audit Committee advises the management on areas where greater internal control and internal audit focus is needed and on new areas to be taken up for audit.

All the recommendations of the Audit Committee have been accepted by the Board of Directors during the year. The minutes of the Meeting of the Audit Committee are discussed and taken note of by the Board of Directors.

##### Meeting & Attendance during the year

During the year, 4 (four) Audit Committee Meetings were held on 30th May, 2018, 11th August, 2018, 3rd November, 2018 & 4th February, 2019. The Attendance of Members at meetings was as under:

Sr. No.	Name of Member	No. of Meetings	
		Held	Attended
1.	Mr. Amal D. Dhru, Chairman	4	4
2.	Mr. Milan P. Shah, Member	4	4
3.	Mr. Ashok Malhotra, Member	4	4

The Company Secretary functions as the Secretary of the Committee.

As per Regulation 18(1)(d) of the Listing Regulations, the Chairman of the Audit Committee had attended the AGM of the Company held on September 22, 2018.

#### (B) Nomination & Remuneration Committee

The role, powers and broad terms of reference of the Nomination & Remuneration Committee covers the area as contemplated under Regulation 19 read with Part D of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013.

##### Composition:

The Composition of the Nomination & Remuneration Committee as at 31st March, 2019 was as under:

Sr.No.	Name of Member	Status	Category
1.	Mr. Amal D. Dhru	Chairman	Non-Executive Independent Director
2.	Mr. Milan P. Shah	Member	Non-Executive Independent Director
3.	Ms. Suchita Shah	Member	Non-Executive Non-Independent Director

##### Meetings and Attendance during the year

During the year under review, 1 (one) meeting of the Nomination & Remuneration Committee were held on 4th February, 2019. The Attendance of Members at meeting was as under:

Sr. No.	Name of Member	Status	No. of Meetings	
			Held	Attended
1.	Mr. Amal D. Dhru	Chairman	1	1
2.	Mr. Milan Shah	Member	1	1
3.	Ms. Suchita Shah	Member	1	1

The Company Secretary functions as the Secretary of the Committee.

The minutes of the Meeting of the Nomination and Remuneration Committee are discussed and taken note of by the Board of Directors.

As per Regulation 19(3) of the Listing Regulations, the Chairman of the Nomination and Remuneration Committee had attended the AGM of the Company held on September 22, 2018.

##### Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of the directors as well as of its Audit, Nomination and Remuneration & Stakeholder Relationship Committees.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation, which reflected the overall engagement of the Board and its Committees with the Company.

##### Remuneration Policy for Directors, Key Managerial Personnel & other Employees

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a remuneration policy for Directors, Key Management Personnel and other employees of the Company, which is as follows:

##### Non-Executive Directors :

Non-Executive Directors are paid a sitting fee of Rs.10,000/- for every meeting of the Board or Committee thereof attended by them as member.

##### Managing Directors, Key Managerial Personnel & Other Employees :

The objective of the Remuneration Policy is directed towards having a compensation philosophy and structure that will reward and retain talent. The Remuneration to whole-time Directors and Key Management Personnel

shall take into account the Company's overall performance, their contribution for the same and trends in the industry in general, in a manner which will ensure and support a high performance culture. The remuneration structure to other employees will be such as to ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmark so as to reward and retain talent.

The details of remuneration of Mr. Ashok R. Malhotra - Chairman & Managing Director and Mr. Pradeep R. Sharma - Director (Operations) for FY: 2018-19 is as follows:

(Rs. in lacs)

Remuneration Package	Mr. Ashok R. Malhotra	Mr. Pradeep R. Sharma
Salary & Allowances	147.00	41.82
Perquisites	11.40	2.75
Contribution to PF & other Funds	12.96	8.69
<b>Total</b>	<b>171.36</b>	<b>53.26</b>

The Chairman & Managing Director and Director (Operations) have agreements with the Company for a period of 3 years with effect from their respective date of appointment; which can be terminated by giving 3 months' notice in writing. There is no provision for severance fees in the employment contracts of any of the Managing Director or Whole-time Director of the Company. The Company does not pay any remuneration to the Non-executive Directors of the Company Independent Directors.

The Company does not have stock option plans and hence such instruments do not form part of the remuneration package.

Details of sitting fees paid to the Non-executive Directors during the year and the shares of the Company held by them as on March 31, 2019 is as under: -

(Rs. in lacs)

Sr. No.	Name of Director	Sitting Fee	No. of shares held
1.	Mr. Amal D. Dhru	1.00	-
2.	Mr. Milan P. Shah	1.40	200
3.	Ms. Suchita Shah	0.50	1900
4.	Mr. Nilesh B. Mehta*	0.10	-
5.	Mr. Samir N. Parikh*	0.10	-

\* Mr. Nilesh B. Mehta ceased as Director of the Company effective from 8th October, 2018 and Mr. Samir M. Parikh was appointed as an Additional Director (Independent) of the Company w.e.f. 4th February, 2019, hence total remuneration indicated above is for the meeting held and attended by them during the period from 01-04-2018 up to the date of their resignation/appointment.

### (C) Stakeholders Relationship Committee

In compliance with Section 178(5) of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board has constituted the Stakeholders Relationship Committee.

#### Composition

The composition of the Stakeholders Relationship Committee as on 31st March, 2019 was as under:

Sr.No.	Name of the Member	Status	Category
1.	Mr. Milan P. Shah	Chairman	Non-Executive Independent Director
2.	Mr. Pradeep R. Sharma	Member	Non-Independent Executive Director
3.	Ms. Suchita Shah	Member	Non-Executive Non-Independent Director

#### Terms of Reference

The broad terms of reference of the Stakeholders Relationship Committee inter alia, include the following :

- To specifically look into the redressal of Investors' Grievances pertaining to:
  - Transfer of shares and debentures;
  - Non-receipt of declared dividends, interests and redemption proceeds of debentures;

- Dematerialization of Shares and Debentures;
- Replacement of lost, stolen, mutilated share and debenture certificates;
- Non-receipt of rights, bonus, split share and debenture certificates;
- Non-receipt of Annual Report.
- To look into other related issues towards strengthening investors' relations.
- To consider and approve issuance of share / debenture certificates including duplicate share/debenture certificates.
- To look into the reasons for any defaults in the payment to the Depositors, Debenture holders, Shareholders (in case of non-payment of declared dividends) and Creditors.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

The Committee also reviews matters relating to unclaimed equity shares and dividend transferred to Investor Education and Protection Fund (IEPF) pursuant to the IEPF Rules.

#### Meetings and Attendance during the year

During the year, 4 Stakeholders Relationship Committee Meetings were held on 30th May, 2018, 11th August, 2018, 3rd November, 2018 & 4th February, 2019. The Attendance of Members at meetings was as under:

Sr. No.	Name of the Member	No. of Meetings	
		Held	Attended
1.	Mr. Milan P. Shah, Chairman	4	4
2.	Mr. Pradeep R. Sharma, Member	4	4
3.	Ms. Suchita Shah, Member	4	2

The Company Secretary functions as the Secretary of the Committee.

The minutes of the Meeting of the Stakeholders Relationship Committee are discussed and taken note of by the Board of Directors. At each Meeting of the Stakeholders Relationship Committee, all matters pertaining to investors including their grievances and redressal are reported. The Registrars and Transfer Agent under the supervision of the Secretarial Department of the Company look after the investors' grievances, routine complaints relating to non-receipt of annual report, payment of dividends, transfer of shares, dematerialisation of shares and request for change of address, revalidation of divided warrants etc.

Details of Shareholders Complaints received and attended during the year 2018-19 were as under:-

Nature of Complaints	As on 1st April, 2018	Received during the year	Redressed during the year	As on 31st March, 2019
From Investors/Shareholders	-	-	-	-
From Stock Exchange/SEBI	-	-	-	-
<b>TOTAL</b>	-	-	-	-

#### 4. General Body Meetings

The General Body Meetings for the last three years were held at the Registered Office of the Company situated at GIDC Industrial Estate, Kalol-389 330, Dist. Panchmahals (Gujarat) as per details given below:

Date	Time	Type of Meeting	No. of Special Resolutions passed
26.09.2016	10.00 a.m.	Annual General Meeting	--
21.09.2017	10.00 a.m.	Annual General Meeting	--
22.09.2018	10.00 a.m.	Annual General Meeting	1

\* Special Resolution passed was for the approval for Re-appointment and remuneration payable to Mr. Ashok Malhotra as Managing Director of the Company for a further period of 3 years w.e.f. 1st April, 2018.

No special resolution was passed through postal ballot during the financial year 2018-19. At the forthcoming Annual General Meeting, there is no item on the agenda requiring postal ballot.

#### 5. Means of Communication

(i) Financial Results are published in leading financial newspapers as well as copies of the same are also being sent to all the Stock Exchanges where the Shares of the Company are listed. These results are simultaneously displayed on the Company's website. The Company has also complied with e-filing submissions through BSE Corporate Compliance & Listing Centre.

Financial Results are published normally in Indian Express, Business Standard and in Financial Express & Loksatta (Gujarati). These results were also placed on the website of the Company viz. [www.panchmahalsteel.co.in](http://www.panchmahalsteel.co.in)

(ii) No presentations were made to the Institutional Investors or to the analysts during the financial year 2018-19 and no official news were released for the same except routine publication of financial results as aforesaid.

#### 6. General Information for Shareholders

(i)	Day, Date, Time & Venue of the 46th Annual General Meeting (AGM)	Saturday, the 28th September, 2019 at 10.00 a.m. Venue :GIDC Industrial Estate, Kalol-389 330, Dist. Panchmahals, Gujarat
(ii)	Financial Year	1st April, 2019 to 31st March, 2020
(iii)	Date of Book Closure	Saturday, the 21st September, 2019 to Saturday, the 28th September, 2019 (both days inclusive).
(iv)	Dividend Payment Date	The Board has not recommended any dividend for the year ended 31.03.2019.
(v)	Name & Address of Stock Exchange(s) where the securities are listed.	BSE Limited (P.J. Towers, Dalal Street, Mumbai-400 001) The Company has paid Listing Fees for the year 2019-20 to the Stock Exchange.
(vi)	Stock Code	BSE - 513511
(vii)	ISIN for NSDL & CDSL	INE 798F01010
(viii)	CIN	L27104GJ1972PLC002153
(ix)	Registrar & Share Transfer Agent (RTA)	M/s MCS Share Transfer Agent Limited 1st Floor, Neelam Apartment, 88, Sampatrao Colony, Above Chhapanbhog Sweet,Alkapuri, Vadodara-390 007. Tel Nos.: 0265- 2314757, 2350490 Fax No.: 0265-2341639 Email : <a href="mailto:mcsltdbaroda@gmail.com">mcsltdbaroda@gmail.com</a>

#### (x) Share Transfer System

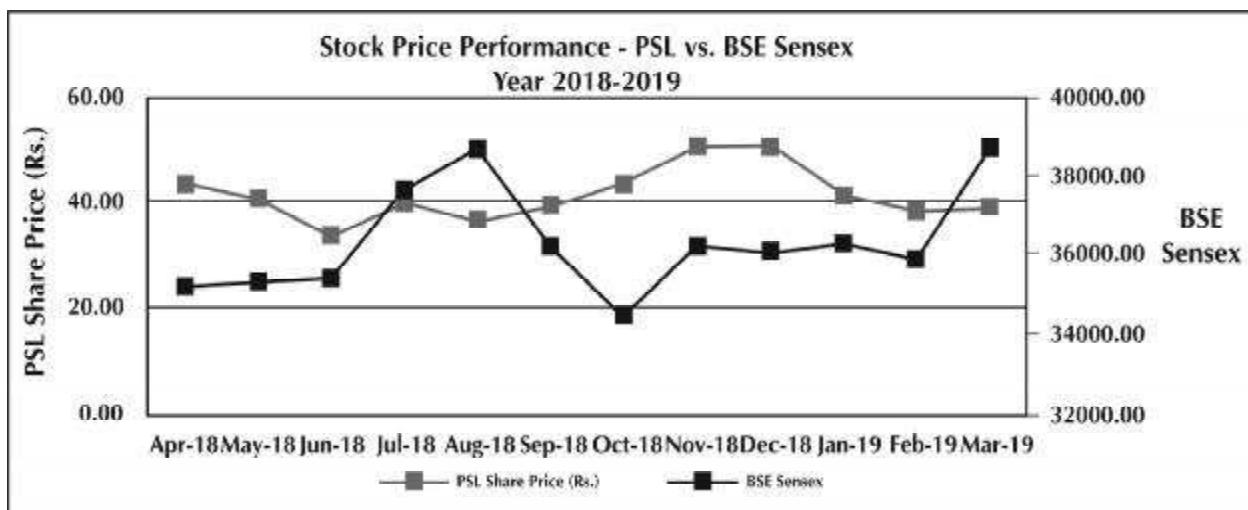
M/s MCS Share Transfer Agent Ltd. (RTA) processes the share transfer/transmission requests on fortnightly basis. Shares lodged for transfer in the physical form are normally processed at the earliest within the statutory time frame from the date of lodgement provided the documents are complete in all respect. The Company Secretary is empowered to approve transfers, transmission etc. of the securities of the Company. A summary of transfer/ transmission of securities of the Company so approved by the Company Secretary is placed at every Board meeting / Stakeholders' Relationship Committee. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 and files a copy of the said certificate with Stock Exchanges.

As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. With the proposed change coming into effect from April 1, 2019, Equity Shares of the Company are eligible for transfer only in Dematerialized form.

(xi) Market Price Data

The high and low prices recorded on the Bombay Stock Exchange Limited are as under :-

Month	Share Price (Rs.)		Quantity Traded
	High	Low	(No. of Shares)
April, 2018	51.40	35.50	83912
May, 2018	47.30	35.25	78848
June, 2018	43.15	32.10	98872
July, 2018	43.00	31.55	41187
August, 2018	43.00	32.00	83934
September, 2018	46.90	31.05	910267
October, 2018	48.40	35.00	165573
November, 2018	53.40	37.50	244059
December, 2018	56.65	43.00	264102
January, 2019	54.75	39.75	138782
February, 2019	43.80	35.20	46279
March, 2019	42.90	36.40	24506

(xii) Share price performance in comparison to broad based indices - BSE Sensex(xiii) Distribution of Shareholding as at 31.03.2019

No. of Equity Shares held	Shareholders		Shares	
	Number	% to Total Shareholders	Number	% to Total Capital
1 - 500	3004.00	85.03	407317	2.14
501 - 1000	207.00	5.86	175827	0.92
1001 - 2000	122.00	3.45	186047	0.98
2001 - 3000	59.00	1.67	156421	0.82
3001 - 4000	35.00	0.99	124718	0.65
4001 - 5000	25.00	0.71	117830	0.62
5001 - 10000	27.00	0.76	205796	1.08
10001 & above	54.00	1.53	17704373	92.79
<b>Total</b>	<b>3533</b>	<b>100.00</b>	<b>19078329</b>	<b>100.00</b>



(xiv) Category of Shareholding as at 31.03.2019

Category	Number of Shareholders	Shares	
		Number	% to Total Capital
Promoter & Promoter Group	5	13855065	72.62
<u>Institutional Investors :</u>			
- Banks, Financial Institutions,	3	750529	3.94
- Insurance Companies	1	331000	1.73
- Government - IEPF Authority	1	64900	0.34
<u>Non-Institutional Investors :</u>			
- Bodies Corporate	62	307192	1.61
- Non Resident Individuals	23	33765	0.18
- HUF	74	158493	0.83
- Public	3364	3577385	18.75
<b>Total</b>	<b>3533</b>	<b>19078329</b>	<b>100.00%</b>

(xv) Dematerialisation of Shares

The Equity Shares of the Company are compulsorily traded in dematerialized form. The Company has established connectivity with both the depositories - NSDL and CDSL for dematerialization of shares and the same are available in electronic segment under ISIN INE 798F01010. As on March 31, 2019, total 1,89,57,724 Equity Shares of the Company representing 99.37% of the Share Capital were in electronic form.

	Shares	% to Total Issued Capital
No. of Shares held in dematerialized form in NSDL	1,62,71,619	85.29
No. of Shares held in dematerialized form in CDSL	26,86,105	14.08
No. of Shares held in physical form	1,20,605	0.63
<b>Total</b>	<b>1,90,78,329</b>	<b>100.00</b>

(xvi) Outstanding GDRs/ADRs/ Warrants or any convertible instruments - Not Applicable(xvii) Commodity Price Risk or foreign exchange risk & hedging activities

The Company faces commodity price risks such as foreign currency fluctuations, volatility in product/ raw-material prices etc. The Company has not done any commodity hedging during the financial year 2018-19.

(xviii) Plant Location

Plot No.117, GIDC Industrial Estate, Kalol-389 330, Dist. Panchmahals (Gujarat).

(xix) Address for Correspondence

Shareholders may correspond with the Company at the Registered Office of the Company or at the office of Registrars and Transfer Agents of the Company:

Panchmahal Steel Limited Landmark, 7th Floor, Race Course Circle, Vadodara-390 007. Tel Nos.: 0265- 2317777 Fax No. : 0265- 2317705 E-mail : dnagar@panchmahalsteel.co.in shares@panchmahalsteel.co.in	M/s MCS Share Transfer Agent Limited 1st Floor, Neelam Apartment, 88, Sampatrao Colony, Above Chappanbhog, Alkapuri, Vadodara-390 007. Tel Nos.: 0265- 2314757, 2350490 Fax No.: 0265-2341639 Email : mcsltdbaroda@gmail.com
--	---

(xx) Credit Rating

The Company does not have any long term debt instrument or any fixed deposit program or any scheme or proposal involving mobilization of funds in India or abroad. Hence, no credit rating is obtained in relation to the same.

However, due to the working capital facilities that the Company utilizes from its banker, a general credit rating is required to be obtained by the Company. The credit rating as of March 31, 2019, is CARE BB+ & CARE A4+ for Long Term & Short Term bank facilities respectively.

## 7. Other Disclosures:

### (a) Related Party Disclosures:

During the financial year 2018-19, there were no materially significant transactions with related party i.e. transactions of the Company of material nature with its Promoters, Directors or the management, their subsidiaries, associates companies or relatives etc. which may have potential conflict with the interests of the Company at large. The details of Related Party Transactions are disclosed in Other Explanatory Note No.B (F) of the Standalone Financial Statement forming part of the Annual Report . The Policy on Related Party Transactions is posted on the website of the Company on following web link <http://www.panchmahalsteel.co.in/policies3.html>

### (b) Details of non-compliance:

There were no non-compliance matters related to capital markets by the Company during the last three years, nor did the Company attract any penalties or strictures passed by the stock exchanges, SEBI or any other statutory authority.

### (c) Vigil Mechanism & Whistle Blower Policy

The Company has established a vigil mechanism to provide for the safeguards against victimization of Directors and employees who follow such mechanism and to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The Board has adopted a Whistle Blower Policy for establishment of vigil mechanism pursuant to the provisions of the Act and Regulation 22 of the Listing Regulations as may be applicable. As per the said Policy, the director/employee will address the complaint to any member of the Enforcement Committee along with the available details and evidence to the extent possible. In case, the complaint is received by a person, other than an enforcement committee member, the same is required to be forwarded by him to the Enforcement Committee.

The Whistle Blower will be protected from any kind of discrimination, harassment, victimization or any other unfair employment practice.

The Enforcement Committee will investigate and decide the case and recommend action within four weeks to the Chairman & Managing Director. The final action to be taken will be decided by the Chairman & Managing Director. The Whistle Blower Policy has been put on the website of the Company.

The Director in all cases and employee in appropriate or exceptional cases will have direct access with the Chairman of the Audit Committee of the Board of Directors of the Company. The Enforcement Committee will report to the Chairman & Managing Director. During the year under review, no personnel have been denied access to the Audit Committee.

### (d) The Company is in full compliance with the mandatory requirements as contained in the Listing Regulations.

### (e) To determine 'material subsidiary', the Company has adopted a Policy on Determination of Material Subsidiary and the same is available on the website of the Company on following web link <http://www.panchmahalsteel.co.in/policies3.html>

### (f) During the year under report, the Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of SEBI (LODR) Regulations, 2015.

### (g) Secretarial Compliance Report

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019 read with Regulation 24(A) of the Listing Regulations, directed listed entities to conduct Annual Secretarial compliance audit from a Practicing Company Secretary of all applicable SEBI Regulations and circulars/guidelines issued thereunder. The said Secretarial Compliance report is in addition to the Secretarial Audit Report by Practicing Company Secretaries under Form MR - 3 and is required to be submitted to Stock Exchanges within 60 days of the end of the financial year.

The Company has engaged the services of Mr. Niraj Trivedi (CP No. 3123), Practicing Company Secretary and Secretarial Auditor of the Company for providing this certification.

(h) Certificate on non-disqualification of Directors

A Certificate as required under Part C of Schedule V of Listing Regulations, received from Mr. Niraj Trivedi (CP No. 3123), Practicing Company Secretary, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority was placed before the Board of Directors at their meeting held on 10th August, 2019.

(i) During the year under report, there is no incident /occasion where the Board had not accepted any recommendation of any Committee of the Board which is mandatorily required.

(j) The details of total fee for all services paid by the Company to the statutory auditors and all entities in the network firm/network entity of which the Statutory Auditor is a part, are stated below: (Rs. in lacs)

Firm Name	Nature of Service	Total Fee
M/s. Atul Parikh & Co.	Audit, Limited Review & Certification	5.00
	Reimbursement of Expense	0.11
	Total	5.11

(k) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has complied with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, No Sexual Harassment complaints were filed or pending for disposal with Company during the year under review.

(l) Discretionary requirements as per Regulation 27(1) of SEBI Listing Regulations (Part-E of Schedule II)

(i) The Board - The Company does not maintain a separate office for the non-executive chairperson.

(ii) Audit Qualification - There has been no audit qualification /modified opinions in the audit report by the Auditors for the financial year 2018-19.

(iii) Separate post of Chairman & CEO - The Company has same person as Chairman & Managing Director.

(iv) Reporting of Internal Auditor - The Internal Auditors of the Company submits report to the Audit Committee regularly.

(m) The Company has complied with the Corporate Governance requirements as specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

(n) Code of Conduct for Directors and Senior Management Personnel

In compliance with Regulation 26(3) of the SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 and the Companies Act, 2013, the Board of Directors of the Company has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The said Code of Conduct has been posted on the website of the Company on following web link <http://www.panchmahalsteel.co.in/policies3.html>. The Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code. The Chairman & Managing Director of the Company has given a declaration to the Company that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code.

(o) Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons:

The Company has adopted a Code of Conduct to Regulate, Monitor and Report trading by Designated Persons (Insider Trading Code) under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (SEBI Insider Trading Regulations). SEBI notified several amendments to SEBI Insider Trading Regulations pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 which were effective from 1st April, 2019.

In accordance with the said amendments to the SEBI Insider Trading Regulations, it was, inter alia, required to amend/formulate the following:

- (a) Code of Conduct to Regulate, Monitor and Report trading by Designated Persons
- (b) Formulate a Policy for determination of 'legitimate purposes' as a part of 'Code of Fair Disclosure and Conduct'
- (c) Policy for inquiry in case of leak of Unpublished Price Sensitive Information (UPSI)
- (d) Whistle Blower Policy to enable reporting in case of leak of UPSI

The Board of Directors at their meeting held on 4th February, 2019, approved formulation/amendments to the aforesaid.

The aforesaid Code and Policies have been uploaded on website of the Company and can be accessed through the following link: <http://www.panchmahalsteel.co.in/policies3.html>.

**8. CEO/CFO Certificate**

As required by SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015, the CEO i.e., Chairman & Managing Director and CFO has furnished the requisite certificate to the Board of Directors of the Company.

**9. Management Discussion and Analysis Report**

The Management Discussion and Analysis Report prepared by the management & forming part of Annual Report is separately attached.

**10. Certificate on Corporate Governance**

The Company has obtained a certificate from M/s Atul Parikh & Co. Chartered Accountants, Statutory Auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated in the Listing Regulations. This is annexed to the Directors' Report. The certificate will be sent to the Stock Exchanges along with the Annual Report to be filed by the Company.

---

### Declaration by the Chairman & Managing Director

To,  
The Members of  
Panchmahal Steel Limited

Sub : Compliance with Code of Conduct - Pursuant to Regulation 26(3) of SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015.

I hereby declare that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct as applicable to them in respect of the financial year 2018-19.

Place : Vadodara  
Date : 10th August, 2019

Ashok Malhotra  
Chairman & Managing Director

## Independent Auditor's Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements ) Regulations, 2015

To,  
The Members of  
Panchmahal Steel Limited

1. We have examined the compliance of conditions of Corporate Governance by Panchmahal Steel Limited ('the Company'), for the year ended on March 31, 2019, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

### **Management's Responsibility**

2. The Management is responsible for ensuring that the Company complies with the conditions of Corporate Governance. This responsibility also includes the design, implementation and maintenance of internal controls and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

### **Auditor's Responsibility**

3. Pursuant to the requirements of the Listing Regulations, our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We conducted our examination in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ("ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by ICAI.

### **Opinion**

7. Based on our examination, as above, and to the best of the information and explanations given to us and representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2019.
8. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

### **Restriction on Use**

9. This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

For **Atul Parikh & Co.**  
Chartered Accountants,  
Firm Regn. No.106496W

Place : Vadodara  
Date : 10th August, 2019

**Foram Doshi**  
Partner  
Membership No. 152328

**Certificate by Chief Executive Officer (CEO) and Chief Financial Officer (CFO)**

[Pursuant to Regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]

We have reviewed the attached Financial Statements and the Cash Flow Statement of PANCHMAHAL STEEL LIMITED for the year ended 31 March 2019, and certify to the Board:

- (a) That to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) That there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) That we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) That we have indicated to the Auditors and the Audit Committee:
- i. significant changes in internal control over financial reporting during the year;
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Vadodara  
Date : 25th May, 2019

**Ashok Malhotra**  
Chairman & Managing Director

**Pradip H. Gupta**  
Chief Financial Officer

## Management Discussion and Analysis Report

### Industry Structure, Developments

The Company is primarily engaged in the manufacture of stainless steel long products in the form of wire rods, bars and wires, which find application in a wide range of applications in engineering, construction and infrastructure, automotive and railways, consumer durables, food processing and dairy industry, housing and pharmaceuticals. The infrastructure development in India is steadily increasing the demand of stainless steel usage.

### Performance

The total revenue of the Company during the year 2018-19 was Rs.455.25 crores as compared to Rs.402.86 crores in the previous year. The Company registered a Profit after Tax of Rs.255.85 lacs for the year under review. The business environment is challenging considering the current global economic conditions and the geopolitical environment.

### Opportunities, Threats and Future Outlook

The Company is an established and recognized quality producer of stainless Steel long products and exporting around the world. The Company has developed stringent quality system over the period of time and the Company's products have been well accepted the world over.

The stainless steel is one of the country's fastest growing value-added metal. The demand for stainless steel is expected to grow at a consistent CAGR of 8-10% over the next five years. Further, some of the important initiatives undertaken by the Indian Government including ambitious plans for modernizing infrastructure, have given further boost to the domestic stainless steel industry.

However, stainless steel industry is deeply entangled in the dynamics of the global economy and change in the demand-supply scenario can cause disruptions in the global market, which could have an adverse effect on the Company's overall performance. The Company also continues to bear the burden of high input costs and high volatility in some of its key raw-materials viz., nickel and ferro alloys.

### Internal control systems

The Company has proper and adequate systems of internal control ensuring efficiency of operations, statutory compliances, reporting and recording of transactions. The system is supported by management and internal audit.

### Human Resources

The Company's human resource policy lays stress on motivating and training people for better work culture and environment and continuous improvement in productivity, efficiency and quality.

Place : Vadodara

Date : 10th August, 2019

**Ashok Malhotra**

Chairman & Managing Director

## INDEPENDENT AUDITOR'S REPORT

To

The Members of  
PANCHMAHAL STEEL LIMITED

### Report on the Audit of the Standalone Ind AS Financial Statements

#### Opinion

We have audited the accompanying standalone Ind AS financial statements of PANCHMAHAL STEEL LIMITED ("the Company") which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, its profit, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone Ind AS financial statements of the current year. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Management's Responsibility for the Standalone Ind AS Financial Statements

The company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.



### Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the standalone Ind AS financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of written representations received from the directors as on 31st March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act;
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - g. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended :
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 1 (B) E to the standalone Ind AS financial statements;
    - ii. As informed to us, the Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise;
    - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

For Atul Parikh & Co.  
Chartered Accountants,  
Firm Regn. 106496W

Place : Vadodara  
Date : 25th May, 2019

(Foram Doshi)  
Partner  
Membership No. 152328

**ANNEXURE A REFERRED TO PARAGRAPH 1 UNDER "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH 2019 OF PANCHMAHAL STEEL LIMITED, KALOL.**

---

1. In respect of its Fixed Assets :
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets, on the basis of available information.
  - (b) The Company carries out physical verification of fixed assets under a phased program of verification at reasonable intervals, which in our opinion is reasonable. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.
2.
  - (a) As explained to us, the inventories have been physically verified by the management during the year at reasonable intervals other than material in transit and lying with branches and consignment agent/ stockiest, which have been substantially confirmed by them. In our opinion, having regard to the nature and location of stocks, the frequency of verification is reasonable.
  - (b) According to the information and explanations given to us, no material discrepancies were noticed on physical verification of inventory as compared to the book records.
3. As informed, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties listed in register maintained under Section 189 of the Companies Act, 2013. Accordingly, sub-clauses (a), (b) and (c) of (iii) of the said Order are not applicable.
4. In our opinion and according to explanations given to us, the Company has not entered into any transactions with respect to loans and investments as prescribed under Sections 185 and 186 of the Companies Act, 2013.
5. In our opinion and according to the information and explanations given to us the Company has not accepted any deposits from the public during the year and hence the question of complying with the provisions of Section 73 to 76 of the Companies Act, 2013 and the rules framed there under and the directives issued by the Reserve Bank of India, wherever applicable, does not arise.
6. On the basis of the records produced, we are of the opinion that prima facie, the cost records and accounts prescribed by the Central Government of India under Section 148(1) of the Companies Act, 2013, have been made and maintained by the Company. However, we are not required to carry out and have not carried out any detailed examination of such records and accounts.
7. According to the information and explanations given to us in respect of statutory and other dues, the Company is generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other Statutory dues with the appropriate authorities during the year. Based on our audit procedures and according to the information and explanations given to us, there are no arrears of statutory dues which has remained outstanding as at 31st March, 2019 for a period of more than six months from the date they became payable.
8. According to the information and explanations given to us and on the basis of records produced before us by the Company, the details of disputed Income Tax/Custom Duty/Excise Duty/Service Tax which have not been deposited as on 31st March, 2019 are given below:

Name of Statute	Nature of Dues	Amount (Rs. in Lacs)	Forum where dispute is pending
The Central Excise Act, 1944	Excise Duty	57.42	Gujarat High Court
The Central Excise Act, 1944	Excise Duty	5.05	Assistant Commissioner, Halol
The Central Excise Act, 1944	Excise Duty	21.00	Assistant Commissioner, Halol
The Central Excise Act, 1944	Excise Duty	8.05	Commissioner (Appeals), Vadodara
The Central Excise Act, 1944	Excise Duty	0.04	Assistant Commissioner, Halol
The Central Excise Act, 1944	Excise Duty	10.03	CESTAT, Ahmedabad.
The Central Excise Act, 1944	Excise Duty	6.34	CESTAT, Ahmedabad.
The Central Excise Act, 1944	Excise Duty	6.34	CESTAT, Ahmedabad.
The Central Excise Act, 1944	Excise Duty	67.45	CESTAT, Ahmedabad.
The Central Excise Act, 1944	Excise Duty	2.50	CESTAT, Ahmedabad.
The Central Excise Act, 1944	Excise Duty	841.36	CESTAT, Ahmedabad.
Finance Act, 1994	Service Tax	38.27	CESTAT, Ahmedabad.
Finance Act, 1994	Service Tax	2.16	CESTAT, Ahmedabad.
The Custom Act, 1962	Custom Duty	1.20	CESTAT, Mumbai
The Custom Act, 1962	Custom Duty	40.74	CESTAT, Mumbai
The Income Tax Act, 1961	Income Tax	579.10	Commissioner (Appeals), Vadodara

9. The Company has not defaulted in repayment of loans or borrowing to banks, financial institution, government or dues to debenture holders.
10. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
11. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
12. According to information and explanations given to us, the Company has paid or provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of the Section 197 read with schedule V of the Companies Act, 2013.
13. The Company is not a Nidhi Company. Accordingly, clause (xii) of (iii) of the Order is not applicable.
14. According to information and explanations given to us, all transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 and details have been disclosed in the standalone Ind AS Financial Statements as required by applicable Accounting Standard.
15. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
16. According to information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected therewith.
17. As explained to us, looking to the nature of business carried out by the Company, it is not required to get registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Atul Parikh & Co.  
Chartered Accountants  
Firm Registration No. 106496W

Place : Vadodara  
Date : 25th May, 2019

(Foram Doshi)  
Partner  
Membership No. 152328

## **ANNEXURE B REFERRED TO IN PARAGRAPH 1(f) UNDER "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" SECTION OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH 2019 OF PANCHMAHAL STEEL LIMITED, KALOL.**

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of PANCHMAHAL STEEL LIMITED ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI').

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Atul Parikh & Co.**  
Chartered Accountants  
Firm Registration No. 106496W

Place : Vadodara  
Date : 25th May, 2019

(**Foram Doshi**)  
Partner  
Membership No. 152328

**STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2019**

(Amount Rupees in Lacs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
<b>I. ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipments	2	8,957.12	9,620.74
Capital work-in-progress		14.20	21.03
<b>Financial Assets</b>			
i) Investment	3	0.02	0.02
ii) Deposits	4	1.41	1.41
Other Non-Current Assets	5	718.08	635.28
Deferred Tax Assets (Net)	6	996.64	1,120.75
<b>Total Non-Current Assets</b>		<b>10,687.47</b>	<b>11,399.23</b>
<b>Current Assets</b>			
Inventories	7	13,163.04	12,917.60
<b>Financial Assets</b>			
i) Trade Receivables	8	2,727.02	3,703.98
ii) Cash and Cash equivalents	9	2.14	2.30
iii) Bank Balances other than (ii) above	10	661.84	669.35
iv) Loans and Advances	11	2.02	0.71
Current Tax Assets (Net)	12	251.28	266.45
Other Current Assets	13	713.87	1,113.76
<b>Total Current Assets</b>		<b>17,521.21</b>	<b>18,674.16</b>
Assets classified as held for sale	14	-	30.89
<b>TOTAL ASSETS</b>		<b>28,208.68</b>	<b>30,104.28</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	15	1,908.31	1,908.31
Other Equity	16	10,442.10	10,186.24
<b>Total Equity</b>		<b>12,350.41</b>	<b>12,094.55</b>
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
i) Borrowings	17	855.00	855.00
Provisions	18	34.60	39.29
<b>Total Non-Current Liabilities</b>		<b>889.60</b>	<b>894.29</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
i) Borrowings	19	6,067.53	6,144.02
ii) Trade Payables	20	7,986.77	9,638.41
iii) Other Financial Liabilities	21	37.58	74.45
Other Current Liabilities	22	811.13	1,147.15
Provisions	23	65.66	111.41
<b>Total Current Liabilities</b>		<b>14,968.67</b>	<b>17,115.44</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>28,208.68</b>	<b>30,104.28</b>
Summary of significant accounting policies	1		
The accompanying notes are an integral part of these financial statements.			

As per our Report of even date.

For **Atul Parikh & Co.**  
Chartered Accountants  
Firm Regn. No.106496W

**Ashok Malhotra**  
Chairman & Managing Director  
(DIN: 00120198)

**Pradeep Sharma**  
Director (Operations)  
(DIN: 00705862)

**Foram Doshi**  
Partner  
Membership No. 152328  
Vadodara, 25th May, 2019

**Pradip H. Gupta**  
Chief Financial Officer

**Deepak Nagar**  
G.M. (Legal) & Company Secretary  
Vadodara, 25th May, 2019

**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019**

(Amount Rupees in Lacs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
I. Revenue from Operations	24	45,305.27	39,821.93
II. Other Income	25	219.29	463.93
III. Total Revenue (I + II)		45,524.56	40,285.86
IV. Expenses:			
Cost of Materials Consumed	26	30,518.58	27,834.61
Change in Inventory of Finished Goods	27	416.24	(574.15)
Employee Benefits Expenses	28	1,880.50	1,959.42
Finance Costs	29	1,361.79	1,291.18
Depreciation and Amortization Expenses	2	763.57	783.65
Other Expenses	30	10,203.92	8,952.16
Total Expenses		45,144.60	40,246.86
V. Profit before Exceptional Items and Tax (III - IV)		379.96	38.99
VI. Exceptional Items		-	-
VII. Profit before Tax (V - VI)		379.96	38.99
VIII. Tax Expense:			
(1) Current Tax (MAT)		78.22	7.43
Less : MAT Credit Entitlement		78.22	7.43
Net Current Tax		-	-
(2) Deferred Tax		124.11	(15.72)
(3) Tax for Earlier Years		-	-
Total Tax Expense		124.11	(15.72)
IX. Profit for the year from Continuing Operations (VII-VIII)		255.85	54.71
X. Other Comprehensive Income/ (Loss)			
A. (i) Items that will not be reclassified to Profit or Loss		-	-
(ii) Income Tax relating to items that will not be reclassified to Profit or Loss		-	-
B. (i) Items that will be reclassified to Profit or Loss		-	-
(ii) Income Tax relating to items that will be reclassified to Profit or Loss		-	-
Total Comprehensive Income for the year (IX+X)		255.85	54.71
XII. Earnings per Equity Share:			
Basic and Diluted		1.34	0.29
Nominal value per share ( Rs.)		10.00	10.00
Summary of significant accounting policies	1		
The accompanying notes are an integral part of these financial statements.			

As per our Report of even date.  
For Atul Parikh & Co.  
Chartered Accountants  
Firm Regn. No.106496W

Ashok Malhotra  
Chairman & Managing Director  
(DIN: 00120198)

Pradeep Sharma  
Director (Operations)  
(DIN: 00705862)

Foram Doshi  
Partner  
Membership No. 152328  
Vadodara, 25th May, 2019

Pradip H. Gupta  
Chief Financial Officer

Deepak Nagar  
G.M. (Legal) & Company Secretary  
Vadodara, 25th May, 2019

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019**
**A. EQUITY SHARE CAPITAL**

(Amount Rupees in Lacs)

Particulars	Note No.	Amount
Balance as at 1st April, 2017		1,908.31
Changes in Equity Share Capital	15	-
Balance as at 1st April, 2018		1,908.31
Changes in Equity Share Capital	15	-
Balance as at 1st April, 2019		1,908.31

**B. OTHER EQUITY**

Particulars	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Total Other Equity
<b>Balance as at April 1, 2017</b>	175.23	7,712.71	300.00	2,050.27	10,238.22
Profit / (Loss) for the year	-	-	-	54.71	54.71
Other Comprehensive Income for the year	-	-	-	-	-
Other Comprehensive Income arising from remeasurement of Defined benefit obligation net of Income Tax	-	-	-	-	-
<b>Total Comprehensive Income for the year</b>	-	-	-	54.71	54.71
Payment for earlier period adjusted	-	-	-	(106.69)	(106.69)
Dividends	-	-	-	-	-
Tax on Dividends	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-
<b>Balance as at March 31, 2018</b>	175.23	7,712.71	300.00	1,998.30	10,186.24
<b>Balance as at April 1, 2018</b>	175.23	7,712.71	300.00	1,998.30	10,186.24
Profit/ (Loss) for the year	-	-	-	255.85	255.85
Other Comprehensive Income for the year	-	-	-	-	-
Other Comprehensive Income arising from remeasurement of Defined benefit obligation net of Income Tax	-	-	-	-	-
<b>Total Comprehensive Income for the year</b>	-	-	-	255.85	255.85
Payment for earlier period adjusted	-	-	-	-	-
Dividends	-	-	-	-	-
Tax on Dividends	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-
<b>Balance as at March 31, 2019</b>	175.23	7,712.71	300.00	2,254.15	10,442.10

As per our Report of even date.  
For **Atul Parikh & Co.**  
Chartered Accountants  
Firm Regn. No.106496W

**Ashok Malhotra**  
Chairman & Managing Director  
(DIN: 00120198)

**Pradeep Sharma**  
Director (Operations)  
(DIN: 00705862)

**Foram Doshi**  
Partner  
Membership No. 152328  
Vadodara, 25th May, 2019

**Pradip H. Gupta**  
Chief Financial Officer

**Deepak Nagar**  
G.M. (Legal) & Company Secretary  
Vadodara, 25th May, 2019



**CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED ON :**

(Rs. In lacs)

PARTICULARS	Year ended <u>31.03.2019</u>	Year ended <u>31.03.2018</u>
<b>A. Cash Flow from Operating Activities</b>		
Profit before Tax :	379.96	38.99
Adjustments for :		
Depreciation and Amortization Expenses	763.57	783.65
Finance Cost	1,361.79	1,291.18
Loss/(Profit) on sale/disposal of Property,Plant and Equipment	-	0.38
Interest Income	(94.80)	(194.33)
<b>Operating Profit before Working Capital Changes :</b>	<b>2,410.53</b>	<b>1,919.87</b>
<b>Adjustments for (Increase) / Decrease in Operating Assets :</b>		
Inventories	(245.44)	355.50
Trade Receivables	976.97	613.02
Loans and Advances	(1.31)	1.23
Other Current Assets	432.12	(520.02)
Security Deposits	-	0.05
Other Non Current Assets	(82.80)	276.30
<b>Adjustments for Increase / (Decrease) in Operating Liabilities :</b>		
Trade Payables	(1,651.64)	(48.72)
Other Financial Liabilities	(31.67)	39.99
Other Current Liabilities	(336.02)	(1,014.36)
Current Provisions	(45.74)	49.96
Non - Current Provisions	(4.68)	(17.80)
<b>Cash Generated from Operations</b>	<b>1,420.30</b>	<b>1,655.04</b>
Direct Taxes (Payment) / Refund	15.17	(260.02)
<b>Net Cash from Operating Activities</b> ...A	<b>1,435.48</b>	<b>1,395.02</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Property,Plant and Equipment	(94.52)	(262.73)
Sale / disposal of Property,Plant and Equipment	1.39	0.05
Interest Received	93.45	196.62
<b>Net Cash (Used in) / from Investing Activities</b> ...B	<b>0.33</b>	<b>(66.05)</b>
<b>C. Cash Flow from Financing Activities</b>		
Net Increase / (Decrease) in Current Borrowings	(76.48)	40.04
Finance Cost	(1,364.62)	(1,394.56)
Dividend Paid	(2.38)	(1.96)
<b>Net Cash (used in)/ from Financing Activities</b> ...C	<b>(1,443.48)</b>	<b>(1,356.48)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b> (A+B+C)	<b>(7.67)</b>	<b>(27.52)</b>
<b>Cash and Cash equivalents at the beginning of the year :</b>		
Cash on Hand	1.46	1.23
Balance with Banks in Current, Margin and Deposits Accounts	670.19	697.93
	<b>671.65</b>	<b>699.17</b>
<b>Cash and Cash equivalents at the closing of the year :</b>		
Cash on Hand	1.17	1.46
Balance with Banks in Current, Margin and Deposits Accounts	662.81	670.19
	<b>663.98</b>	<b>671.65</b>
<b>Net Increase/(Decrease) as disclosed above</b>	<b>(7.67)</b>	<b>(27.52)</b>
The statement referred above and notes to accounts form an integral part of Cash Flow Statement.		

As per our Report of even date.

For Atul Parikh &amp; Co.

Chartered Accountants  
Firm Regn. No.106496W

**Ashok Malhotra**  
Chairman & Managing Director  
(DIN: 00120198)

**Pradeep Sharma**  
Director (Operations)  
(DIN: 00705862)

Foram Doshi

Partner

Membership No. 152328

Vadodara, 25th May, 2019

**Pradip H. Gupta**  
Chief Financial Officer

**Deepak Nagar**  
G.M. (Legal) & Company Secretary  
Vadodara, 25th May, 2019

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### NOTE NO. : 2

#### Property, Plant and Equipment :

(Amount Rupees in Lacs)

Particular of Assets	GROSS BLOCK (AT COST)				ACCUMULATED DEPRECIATION/ AMORTIZATION					NET BLOCK	
	Gross Cost Value As at 01.04.'18	Addition during the year	Sales/ Adjustments (Cost)	Gross Balance As on 31.03.'19	Total As on 01.04.'18	For the year	Sales during the year	Dep. Adjustments	Total as on 31.03.'19	W.D.V as on 31.03.'19	W.D.V. as on 01.04.'18
<b>Land</b>											
Leasehold Land	100.36	-	-	100.36	11.59	1.44	-	-	13.03	87.32	88.77
Free-hold Land	83.75	-	-	83.75	-	-	-	-	-	83.75	83.75
Land Development	28.33	-	-	28.33	-	-	-	-	-	28.33	28.33
<b>Buildings</b>											
Factory Building	481.48	-	6.72	474.76	409.93	11.50	6.72	-	414.71	60.05	71.55
Other Building	554.72	-	-	554.72	136.12	9.04	-	-	145.16	409.56	418.60
<b>Plant &amp; Machinery</b>	21,841.37	22.22	-	21,863.60	13,087.33	689.81	-	-	13,777.14	8,086.45	8,754.04
<b>Furniture &amp; Fittings</b>	213.57	-	-	213.72	182.60	3.50	-	-	186.11	27.61	30.96
<b>Office Equipments</b>	132.83	2.28	-	135.12	96.26	7.07	-	-	103.33	31.79	36.58
<b>EDP Equipments</b>	223.13	33.21	-	256.34	188.38	16.54	-	-	204.92	51.42	34.75
<b>Vehicles</b>	463.40	43.49	27.89	479.00	389.99	24.66	26.50	-	388.15	90.85	73.41
<b>Total</b>	24,122.94	101.35	34.61	24,189.68	14,502.20	763.57	33.22	-	15,232.55	8,957.12	9,620.74

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

(Amount Rupees in Lacs)

Particulars	As at 31.03.2019	As at 31.03.2018
<b>NOTE NO. : 3 : INVESTMENT</b>		
<b>Non-Trade Investments (Unquoted)</b>		
<b>(At cost)</b>		
Investment in Equity Instruments (Unquoted - Fully Paid)		
- Landmark Premises Co.-Op. Services Society Ltd	0.02	0.02
40 (40) Shares of Rs.50 Each		
<b>TOTAL</b>	<b>0.02</b>	<b>0.02</b>
<b>NOTE NO. : 4 : DEPOSITS</b>		
<b>UNSECURED, CONSIDERED GOOD</b>		
Security Deposits	1.41	1.41
<b>TOTAL</b>	<b>1.41</b>	<b>1.41</b>
<b>NOTE NO. : 5 : OTHER NON-CURRENT ASSETS</b>		
<b>UNSECURED, CONSIDERED GOOD</b>		
Capital Advances	12.60	3.49
MAT Credit Entitlement	705.48	631.79
<b>TOTAL</b>	<b>718.08</b>	<b>635.28</b>
<b>NOTE NO. : 6 : DEFERRED TAX ASSETS (NET)</b>		
<b>Deferred Tax - Assets</b>		
On Account of unabsorbed Depreciation	2,282.15	2,260.21
On Account of unabsorbed Business Loss	233.85	350.11
On Account of Disallowances under Income Tax Act	43.34	57.42
	2,552.00	2,667.74
<b>Less : Deferred Tax - Liabilities</b>		
On Account of Difference in Tax & Book Depreciation	1,555.35	1,546.99
<b>TOTAL</b>	<b>996.64</b>	<b>1,120.75</b>
<b>NOTE NO. : 7 : INVENTORIES</b>		
Raw Materials*	2,323.51	1,769.33
Production Materials	406.05	321.21
General Stores & Spares	497.94	475.28
Finished goods*	9,935.54	10,351.78
<b>TOTAL</b>	<b>13,163.04</b>	<b>12,917.60</b>
*Note : Raw Materials and Finished Goods include Transit Stock		

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

(Amount Rupees in Lacs)

Particulars	As at 31.03.2019	As at 31.03.2018
<b>NOTE NO. : 8 : TRADE RECEIVABLES</b>		
Unsecured, considered good	2,727.02	3,703.98
Unsecured, considered doubtful	23.03	23.03
	2,750.05	3,727.01
Less : Allowance for doubtful debts	(23.03)	(23.03)
<b>TOTAL</b>	<b>2,727.02</b>	<b>3,703.98</b>
Note : Trade Receivables are net off bills discounted with the banks		
<b>NOTE NO. : 9 : CASH AND CASH EQUIVALENTS</b>		
Balances with Banks		
a) In Current Accounts	0.97	0.84
Cash on Hand	1.17	1.46
<b>TOTAL</b>	<b>2.14</b>	<b>2.30</b>
<b>NOTE NO. : 10 : OTHER BANK BALANCES</b>		
Balances with Banks		
a) In Unpaid Dividend Accounts	3.98	6.35
b) In Margin Money Accounts with maturity between three to twelve months	657.86	663.00
<b>TOTAL</b>	<b>661.84</b>	<b>669.35</b>
<b>NOTE NO. : 11 : LOANS AND ADVANCES UNSECURED, CONSIDERED GOOD</b>		
Loans to Employees	0.39	0.54
Advance to Employees	1.63	0.17
<b>TOTAL</b>	<b>2.02</b>	<b>0.71</b>
<b>NOTE NO. : 12 : CURRENT TAX ASSETS (NET)</b>		
Advance Income Tax and TDS	337.20	273.89
Less : Provision for Taxation	85.92	7.43
<b>TOTAL</b>	<b>251.28</b>	<b>266.45</b>
<b>NOTE NO. : 13 : OTHER CURRENT ASSETS UNSECURED, CONSIDERED GOOD</b>		
Balance with Government Authorities	571.02	1,010.48
Advance to Suppliers / Service Providers	45.65	36.14
Pre-paid Expenses	70.13	41.40
Interest accrued on Margin Money	27.08	25.73
<b>TOTAL</b>	<b>713.87</b>	<b>1,113.76</b>

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

(Amount Rupees in Lacs)

Particulars	As at 31.03.2019	As at 31.03.2018
<b>NOTE NO. : 14 : ASSETS CLASSIFIED AS HELD FOR SALE</b>		
Assets held for Disposal	-	30.89
<b>TOTAL</b>	-	30.89
<b>NOTE NO. : 15 : EQUITY SHARE CAPITAL</b>		
<b>AUTHORISED SHARE CAPITAL</b>		
4,00,00,000 (4,00,00,000) Equity Shares of Rs. 10/- each	4,000.00	4,000.00
<b>ISSUED SHARE CAPITAL</b>		
1,90,89,029 (1,90,89,029) Equity Shares of Rs. 10/- each fully paid-up	1,908.90	1,908.90
<b>SUBSCRIBED SHARE CAPITAL</b>		
1,90,89,029 (1,90,89,029) Equity Shares of Rs. 10/- each fully paid-up	1,908.90	1,908.90
<b>PAID-UP SHARE CAPITAL</b>		
1,90,78,329 (1,90,78,329) Equity Shares of Rs. 10/- each fully paid-up	1,907.83	1,907.83
<b>Add: Forfeited Equity Shares of Rs.10/- each</b>		
5,600 Forfeited Equity Shares of Rs.3/- each Paid	0.17	0.17
4,600 Forfeited Equity Shares of Rs.6/- each Paid	0.28	0.28
500 Forfeited Equity Shares of Rs.7/- each Paid	0.04	0.04
<b>TOTAL</b>	<b>1,908.31</b>	<b>1,908.31</b>

**Additional Notes:**

## 1) Reconciliation of Issued, Subscribed and Paid-up Share Capital:

Particulars	31.03.2019		31.03.2018	
	No. of Shares	Nominal Value	No. of Shares	Nominal Value
Equity Shares at the beginning of the year	1,90,78,329	1,907.83	1,90,78,329	1,907.83
Add : Equity Shares allotted during the year	-	-	-	-
Equity Shares at the end of the year	1,90,78,329	1,907.83	1,90,78,329	1,907.83

## 2) Details of Shares held by each Shareholder in excess of 5% of Paid-up Share Capital:

Name of Shareholder	31.03.2019		31.03.2018	
	No. of Shares	% Holding in Shares	No. of Shares	% Holding in Shares
a) Mr. Ashok Malhotra	24,59,940	12.89	24,59,940	12.89
b) Honeyvick Enterprises Private Limited	1,05,16,005	55.12	1,05,16,005	55.12
c) Dimple Kamlesh Kanungo	12,39,277	6.50	-	-

## 3) The Company has only one class of shares i.e. Equity carrying a nominal value of Rs.10/- per share.

## 4) Every holder of the equity share of the Company is entitled to one vote per share held.

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

(Amount Rupees in Lacs)

Particulars	As at 31.03.2019	As at 31.03.2018
<b>NOTE NO. : 16 : OTHER EQUITY RESERVES AND SURPLUS</b>		
<b>Capital Reserve</b>		
As per last Balance Sheet	175.23	175.23
<b>Securities Premium</b>		
As per last Balance Sheet	7,712.71	7,712.71
[including Rs.4,26,100/- of Forfeited Shares]		
<b>General Reserve</b>		
As per last Balance Sheet	300.00	300.00
Add : Inter Reserve Transfer	-	-
	300.00	300.00
<b>Retained Earnings</b>		
As per last Balance Sheet	1,998.30	2,050.27
Less : Payment for earlier period adjusted	-	(106.69)
Add : Profit/(Loss) for the year	255.85	54.71
Total Comprehensive Income for the year	2,254.15	1,998.30
<b>TOTAL</b>	<b>10,442.10</b>	<b>10,186.24</b>
<b>NOTE NO. : 17 : FINANCIAL LIABILITIES UNSECURED BORROWINGS</b>		
Inter-Corporate Deposits	855.00	855.00
<b>TOTAL</b>	<b>855.00</b>	<b>855.00</b>
<b>NOTE NO. : 18 : PROVISIONS PROVISION FOR EMPLOYEE BENEFITS</b>		
Provision for Leave Salary	34.60	39.28
<b>TOTAL</b>	<b>34.60</b>	<b>39.28</b>
<b>NOTE NO. : 19 : BORROWINGS SECURED BORROWINGS</b>		
Working Capital Facilities from Bank		
Cash Credit	4,802.88	4,451.13
Export Packing Credit	1,141.65	1,419.88
	5,944.53	5,871.02
<b>UNSECURED BORROWINGS</b>		
Inter-Corporate Deposits	123.00	273.00
	123.00	273.00
<b>TOTAL</b>	<b>6,067.53</b>	<b>6,144.02</b>

## Note:

The Working Capital Advances from State Bank of India are secured by first charge over the inventories, receivables and other chargeable current assets; second charge over the immovable properties situated at Plot No.117 GIDC Industrial Estate Kalol, Dist. Panchmahal and is further guaranteed by Chairman and Managing Director of the Company.

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

(Amount Rupees in Lacs)

Particulars	As at 31.03.2019	As at 31.03.2018
<b>NOTE NO. : 20 : TRADE PAYABLES</b>		
For Supplies / Services		
a) Due to Micro and Small Enterprises	73.81	6.75
b) Due to Others	2,550.00	2,555.77
	2,623.81	2,562.52
Bills Payable	5,362.95	7,075.89
<b>TOTAL</b>	<b>7,986.77</b>	<b>9,638.41</b>
<b>NOTE NO. : 21 : OTHER FINANCIAL LIABILITIES</b>		
Interest accrued and due on Secured Borrowings	8.93	11.76
Unpaid Dividend	3.98	6.35
Sundry Creditors for Projects	22.72	53.88
Other Payables	1.95	2.46
<b>TOTAL</b>	<b>37.58</b>	<b>74.45</b>
<b>NOTE NO. : 22 : OTHER CURRENT LIABILITIES</b>		
Advances received from Customers	203.62	67.31
Statutory Dues	15.71	7.20
Sundry Creditors for Expenses	591.80	1,072.64
<b>TOTAL</b>	<b>811.13</b>	<b>1,147.15</b>
<b>NOTE NO. : 23 : CURRENT PROVISIONS</b>		
Provision for Employee Benefits		
For Leave Salary	31.04	35.24
For Gratuity	23.73	65.82
For Provident Fund Scheme	10.90	10.36
<b>TOTAL</b>	<b>65.66</b>	<b>111.41</b>
<b>NOTE NO. : 24 : REVENUE FROM OPERATIONS</b>		
Sale of Manufactured Goods		
a) Domestic Sales	33,024.06	28,410.19
b) Export Sales	11,821.14	10,321.94
	44,845.20	38,732.13
Export Incentives	460.00	392.05
Trading Sales	-	654.78
Sale of Services		
Income from Jobwork	0.07	42.96
<b>TOTAL</b>	<b>45,305.27</b>	<b>39,821.93</b>

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

(Amount Rupees in Lacs)

Particulars	As at 31.03.2019	As at 31.03.2018
<b>NOTE NO. : 25 : OTHER INCOME</b>		
Miscellaneous Sales	37.19	34.87
Interest Income	94.80	194.01
Foreign Exchange Difference (Net)	65.32	234.73
Insurance claim	21.98	-
Interest on Income Tax Refund	-	0.32
<b>TOTAL</b>	<b>219.29</b>	<b>463.93</b>
<b>NOTE NO. : 26 : COST OF MATERIALS CONSUMED</b>		
<b>a) Raw Materials consumed</b>		
Opening Stock of Raw Materials	1,769.33	2,742.38
Add : Purchases	31,072.76	26,206.78
Less : Closing Stock of Raw Materials	2,323.51	1,769.33
	<b>30,518.58</b>	<b>27,179.83</b>
<b>b) Purchase of Trading Materials</b>		
	-	654.78
<b>TOTAL</b>	<b>30,518.58</b>	<b>27,834.61</b>
<b>Details of Major Raw Material Consumption</b>		
Scrap	13,498.57	9,178.44
Nickel	10,050.94	9,616.97
Ferro Chrome	3,428.64	4,973.69
Others	3,540.43	4,065.51
	<b>30,518.58</b>	<b>27,834.61</b>
<b>NOTE NO. : 27 : CHANGE IN INVENTORY OF FINISHED GOODS</b>		
Opening Stock	10,351.78	9,777.63
Less : Closing Stock	9,935.54	10,351.78
<b>TOTAL</b>	<b>416.24</b>	<b>(574.15)</b>
<b>NOTE NO. : 28 : EMPLOYEE BENEFITS EXPENSES</b>		
Managerial Remuneration	224.62	189.06
Salaries, Wages and Bonus	1,467.23	1,532.19
Contribution/Provisions for Provident and other Funds	160.37	18.60
Staff Welfare Expense	28.28	52.16
<b>TOTAL</b>	<b>1,880.50</b>	<b>1,959.42</b>
<b>NOTE NO. : 29 : FINANCE COSTS</b>		
Interest on Working Capital Advances	659.75	710.76
Other Interest	170.24	156.46
Bank Charges	531.80	423.95
<b>TOTAL</b>	<b>1,361.79</b>	<b>1,291.18</b>



**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

(Amount Rupees in Lacs)

Particulars	As at 31.03.2019	As at 31.03.2018
<b>NOTE NO. : 30 : OTHER EXPENSES</b>		
<b>I. Manufacturing Expenses</b>		
Consumption of Prod. Materials, Gen. Stores and Spares	4,022.36	2,837.15
Power and Fuel	5,111.71	4,914.10
<u>Repairs and Maintenance:</u>		
- Buildings	29.11	2.97
- Plant & Machineries	142.90	109.86
Other Manufacturing Expenses	98.57	86.55
Excise Duty	-	230.81
<b>TOTAL (I)</b>	<b>9,404.65</b>	<b>8,181.44</b>
<b>II. Administrative and General Expenses</b>		
Travelling and Conveyance	31.58	30.25
Printing and Stationery	7.40	6.95
Communication Cost	10.82	12.63
Vehicle Expenses	37.69	40.30
<u>Statutory Auditor's Remuneration</u>		
a) As Auditor	5.00	5.00
b) For Reimbursement of Expenses	0.11	0.28
	5.11	5.28
Repairs and Maintenance to other Assets	27.67	31.78
Legal and Professional charges	105.92	95.72
Directors Sitting Fees	3.01	3.50
Insurance Expenses	22.95	14.10
Rent, Rates and Taxes	43.92	51.46
Miscellaneous Expenses	23.22	27.28
Charities and Donation	1.95	1.88
Loss on Sale/ Disposal of Property, Plant & Equipment	-	0.38
<b>TOTAL (II)</b>	<b>321.24</b>	<b>321.51</b>
<b>III. Selling Expenses</b>		
Carriage Outward	348.52	349.97
Commission on Sales	49.50	26.21
Discount and Claims	4.11	21.46
Marine and ECGC Insurance	20.87	16.88
Other Selling Expenses	55.04	34.68
<b>TOTAL (III)</b>	<b>478.03</b>	<b>449.20</b>
<b>TOTAL (I + II + III)</b>	<b>10,203.92</b>	<b>8,952.16</b>

**NOTE NO. : 1****(A) NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019.****1 Corporate information:**

Panchmahal Steel Limited ("PSL" or the "Company") is a public Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed with Bombay Stock Exchange (BSE). The registered office of the Company is located at GIDC Industrial Estate, Kalol-389 330, Dist. Panchmahals, Gujarat. The Company is engaged in manufacturing of Stainless Steel Long Products viz., Bars, Rods and Wires of Stainless Steel.

The financial statements were approved for issue by the Board of Directors on 25th May, 2019.

**2 Basis of Preparation of Financial Statements:****a) Basis of Preparation and compliance with Ind AS:**

The Standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015; Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other accounting principles generally accepted in India. Effective April 1, 2017 the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with April 1, 2016 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under section 133 of the Companies Act, 2013 read with Rules 7 of the Companies (Accounts) Rules, 2015.

Accounting policies have consistently applied except where a newly issued accounting standard is initially adopted or a revision to an accounting policy hitherto in use.

**b) Basis of Measurement:**

The financial statements have been prepared on a going concern basis using historical cost convention and an accrual method of accounting, except for the following assets and liabilities which have been measured at fair value, as required by relevant Ind AS:

- i) Derivative financial instruments
- ii) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- iii) Defined benefit plans

**c) Functional and Presentation Currency:**

The financial statements are presented in Indian Rupees (INR) and all values are recorded to the nearest lakhs (INR '00,000) with two decimals, except otherwise indicated.

**d) Current and Non-Current Classification:**

The Company presents assets and liabilities in the Balance Sheet based on current / non-current classification.

An asset is classified as current if it satisfies any of the following criteria :

- a) It is expected to be realized or intended to sold or consumed in the Company's normal operating cycle.
- b) It is held primarily for the purpose of trading.
- c) It is expected to be realized within twelve months after the reporting period, or
- d) It is a cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified if it satisfies any of the following criteria :

- a) It is expected to be settled in the Company's normal operating cycle.
- b) It is held primarily for the purpose of trading.

- c) It is due to be settled within twelve months after the reporting period,
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Current liabilities include current portion of non-current financial liabilities.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

#### Other Significant Accounting Policies:

##### 1. Revenue Recognition:

The Company recognizes revenue when it depicts the transfer of promised goods or services to its customers on satisfaction of performance obligation for an amount that reflect the consideration to which it expects to be entitled in exchange for those goods or services.

- i) With regard to sale of goods revenue is recognized when significant control connected with the ownership have been transferred to the Customers. This usually occurs upon dispatch after the price has been determined. The company does not provide any extended warranties or maintenance contract to its customers. Sales are stated net of returns, trade discounts, and other applicable taxes or duties collected on behalf of the government.
- ii) Revenue from job work is recognized on completion of the related job.
- iii) Export incentives available under prevalent schemes are recognized as income in the year of exports and when there is reasonable assurance that the Company will comply with the conditions and the incentives will be received.

##### 2. Interest Income:

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on time basis and is included in other income in the Statement of Profit and Loss.

##### 3. Taxes:

###### Current Income Tax

Income tax expense comprises of current tax and deferred tax. Income tax expense is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity/OCI, in which case it is recognized in Other Comprehensive Income. Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 using the tax rates and tax laws that have been enacted or substantively enacted on the reporting date. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

###### Deferred Tax

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

##### 4. Property, Plant and Equipment:

Property, plant and equipment are recorded at cost of acquisition/construction less accumulated depreciation and impairment losses, if any. Cost comprise of purchase price including non-refundable purchase taxes and any directly attributable cost of bringing the assets to its working condition and location for its intended use.

Subsequent expenditure on major maintenance or repairs includes the cost of the replacement of parts of assets and overhaul costs. Where an asset or part of an asset is replaced and it is probable that future economic benefits associated with the item will be available to the Company, the expenditure is capitalized and the carrying amount of the item replaced is derecognized. Similarly, overhaul cost associated with major maintenance are capitalized and depreciated over their useful lives where it is probable that future economic benefits will be available and any remaining carrying amount of the cost of previous overhauls are derecognized. All other costs are expensed as incurred.

**5. Capital Work-in-Progress:**

Project under commissioning and/or construction wherein assets are not ready for use in the manner intended by the management are carried at cost. At the point when an asset is operating at management's intended use, the cost of construction and/or commissioning is transferred to the appropriate category of property, plant and equipment.

**6. Depreciation / Amortization on Property, Plant and Equipment:**

Depreciation on property, plant and equipment is provided on straight line method as per the useful life prescribed in Schedule II of the Companies Act, 2013. In the case of leased assets (including leasehold improvements), the cost of the leased assets are amortized over the lease term. The lease period is considered by excluding any lease renewal options unless the renewals are reasonably certain.

The estimated useful lives and residual values are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of that asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and loss.

**7. Intangible Assets:**

Intangible assets acquired are reported at cost less accumulated amortization and accumulated impairment losses. Amortization is charged over their estimated useful lives.

The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognized on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognized in the Statement of Profit and Loss.

**8. Non-Current Assets held for sale:**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less cost to sell.

Property, plant and equipment once classified as held for sale are not depreciated or amortized.

**9. Impairment of Non-Financial Assets:**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

Impairment losses of continuing operations, including impairment on inventories are recognized in the Statement of Profit and Loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation surplus.

**10. Borrowing Costs:**

Borrowing Costs directly attributable to acquisition or construction of qualifying fixed assets are capitalized as part of cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

All other borrowing costs are charged to the Statement of Profit and Loss account in the year in which they are incurred.

**11. Leases:**

The determination of whether an arrangement is a lease is based on the substance of the arrangement at the inception of the lease.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

**12. Inventories:**

Inventories are stated at lower of cost and net realizable value.

Raw materials, production materials and General Stores and Spares are valued at lower of cost determined on weighted average basis and net realizable value. The cost includes freight inward, direct expenses and other cost incurred in bringing the inventories to their present location and condition.

Finished goods are valued at lower of cost or net realizable value. Cost includes raw-materials cost, production materials cost, related overheads and excise duty.

Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

**13. Employee Benefits:**

A liability is recognized in respect of short-term employee benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Company's contribution to Provident Fund, Superannuation Fund, Employee State Insurance and other funds are determined under the relevant schemes and/or statute and charged to revenue.

Gratuity and Leave Encashment which are defined benefits are accrued based on actuarial valuation as at the Balance Sheet date. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Remeasurements gains or losses are recognized in profit or loss in the period in which they arise.

**14. Financial Instruments:**

Financial instruments are recognized when the Company becomes a party to the contractual provisions of the instrument.

**i) Financial Assets:**

The Company determines the classification of its financial assets at initial recognition. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For the purpose of subsequent measurement, financial assets are classified in three categories:

**a) Amortized Cost:**

A financial asset is subsequently measured at amortized cost if it is held within a business model with the objective of collecting the contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Financial assets at amortized cost includes loans receivable, trade and other receivable and other financial assets that are held with the object of collecting contractual cash flows. After initial measurement at fair value, the financial assets are measured at amortized cost using the effective interest rate (EIR) method less impairment.

**b) Fair Value through Other Comprehensive Income:**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held with in the business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Movements in the carrying amount are taken through other comprehensive income, except for recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in the Statement of Profit and Loss.

**c) Fair Value through Profit or Loss:**

Financial assets, which are not classified in any of the above categories are subsequently fair valued through profit or loss.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

The Company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets, which are not fair valued through profit or loss/OCI. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. Trade receivables are of short duration, normally less than twelve months and hence the loss allowance measured as lifetime ECL does not differ from that measured as twelve months ECL. For all other financial assets, expected credit losses are measured at an amount equal to the twelve months ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

**ii) Financial Liabilities:**

The financial liabilities are classified at initial recognition as at fair value through profit or loss or as those measured at amortized cost. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

The subsequent measurement of financial liabilities depends on their classification as under:

**a) Fair Value through Profit or Loss:**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. The Company has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

**b) Amortized Cost:**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effecting interest rate method.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

**15. Cash and Cash equivalents:**

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

**16. Foreign Currencies:**

The financial statements are presented in Indian Rupees which is the Company's functional and presentation currency. Transactions in foreign currencies are initially recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into functional currency at the rates prevailing on the reporting date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of Profit and Loss.

**17. Segment Accounting:**

The Company is engaged in the business of manufacturing of Stainless Steel Long Products, which, in the context of Ind-AS 108 on Segment Reporting, constitutes a single reportable segment.

**18. Provisions, Contingent Liabilities and Contingent Assets:**

Provisions are recognized only when there is a present obligation as a result of past event and when a reliable estimate of the amount of the obligation can be made. Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by the future events not wholly within the control of the company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation can not be made. Contingent Liabilities are not recognized but are disclosed in the Financial Statements. Contingent Assets are neither recognized nor disclosed in the Financial Statements.

The Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

**19. Earnings Per Share:**

The earnings considered in ascertaining the company's earnings per share comprise the net profit after tax. The number of shares used in the computing basic earnings per share is the weighted average number of shares outstanding during the year.

The number of share used in computing diluted earnings per share comprises the weighted average share considered for deriving basic earnings per share and also the weighted average number of shares, which would have been issued on the conversion of all dilutive potential equity shares.

**20. Cash Flow Statement:**

Cash flow are reported using indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals of accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and finance activities of the Company are segregated.

**21. Key Accounting Estimates, Assumptions and Management Judgments:**

In preparing the financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Any revision to such estimates is recognized in the period in which the same is determined.

Estimates and assumptions are reviewed on an ongoing basis. Any change in these estimates and assumptions will generally be reflected in the financial statements in current period or prospectively, unless they are required to be treated retrospectively under relevant accounting standard.

**22. Standards issued but not yet effective up to the date of Financial Statements:**

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2019. There are certain amendments to standards which are issued, but not yet effective, up to the date of the Company's financial statements. The Company intends to adopt these standards, if applicable, when they become effective.

**(B) OTHER EXPLANATORY NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019.**
**A. Micro, Small and Medium Enterprises Development Act, 2006:**

The identification of suppliers as micro and small enterprises under the "Micro, Small and Medium Enterprises Development Act, 2006" was done on the basis of the information to the extent provided by the supplier to the Company. Total outstanding dues to Micro and Small enterprises, are given below :

Particulars	Amt.- Rs. In lacs	
	31.03.2019	31.03.2018
Principal amount due at year end	13.01	4.23
Interest due and remaining unpaid	0.11	0.07
Principal amount paid beyond due date	281.89	60.77
Interest paid in terms of section 16 of the Act	Nil	Nil
Amount of interest due and payable for period of delay in payment made beyond the appointed day	6.96	1.18
Amount of interest accrued and remaining unpaid for earlier year	0.07	--

B. Balances of the most of the Debtors, Creditors and Loans of the Company are confirmed periodically.

**C. Segment Disclosures:**

The Company is engaged in a single segment of manufacture and sale of "Stainless Steel Long Products", accordingly necessary disclosures are not required to be made.

**D. Employment Benefit Plans:**

The table of retirement benefits (Gratuity - Funded) as on 31st March, 2019 is as below.

Financial Year :	2018-19	2017-18
Amount :	(Rs.in lacs)	(Rs.in lacs)
<b>I. Amounts recognized in Balance Sheet</b>		
Present value of Funded Obligations at the end of the year	916.08	914.37
Fair value of Plan Assets at the end of the year	892.35	848.55
Amounts recognized in the balance sheet:		
Liabilities	916.08	914.37
Assets	892.35	848.55
Net Liability/(Asset)	23.73	65.82
<b>II. Expenses Recognized in P &amp; L during the year</b>		
Current service cost	48.59	38.71
Interest on obligation	73.15	59.73
Expected Return on Plan Assets	63.86	64.20
Net actuarial losses/(gains) recognized in the year	39.97	184.36
Expense recognized during the year	17.91	218.60
<b>III. Changes in Present Value of Obligation</b>		
Obligation at the beginning of the year	914.37	746.61
Service Cost For The Year	48.59	38.71
Interest Cost For The Year	73.15	59.73
Actuarial losses (gains)	39.97	184.36
Benefits paid	80.06	115.04
Obligation at the end of the year	916.08	914.37
<b>IV. Changes in Fair Value of Plan Assets</b>		
Fair Value of Plan Assets at the beginning of the year	848.55	899.39
Expected return on Plan Assets	63.86	64.20



Actuarial gains and (losses)	-	-
Contributions	60.00	-
Benefits paid	80.06	115.04
Fair Value of Plan Assets at the end of the year	916.08	848.55
<b>V. Investment Details of Plan Assets</b>		
Administered by LIC of India	100%	100%
<b>VI. Assumptions used</b>		
Discount rate as on date	7.50%	8.00%
Expected increase in Annual Salary Costs	7.00%	7.00%
Actual Return on Plan Assets for the year	7.80%	7.65%

**E. Contingent Liabilities and Commitments not provided for:**

Particulars	Amt. Rs. In lacs	
	31.03.2019	31.03.2018
a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of Advances)	34.70	6.38
b) Disputed Income Tax demand	579.10	579.10
c) Claims against Company not acknowledged as debts	136.20	136.20
d) Disputed Excise, Custom & Service Tax liabilities	1,107.98	1,084.73
e) Guarantee given to Custom by Company's Banker	3.18	3.18
f) Guarantee given to M.G.V.C.L. by Company's Banker	425.80	425.80

Based on the favourable decision in similar cases and in the opinion of lawyers, the Management believes that it has good cause in respect of all the items listed under (b) to (d) above, therefore, no provision against it is considered.

**F. Related Party Disclosures**

**A. List of Related Parties :**

**(a) Holding Company**

Honeyvick Enterprises Private Limited

**(b) Key Managerial Personnel**

Mr. Ashok R. Malhotra, Chairman & Managing Director

Mr. Pradip H. Gupta, Chief Financial Officer

Mr. Deepak R. Nagar, GM (Legal) & Company Secretary

**(c) Whole-time Director**

Mr. Pradeep R. Sharma, Director (Operations)

**(d) Non-whole-time Directors**

Mr. Amal D. Dhru

Mr. Nilesh B. Mehta (up to October 8, 2018)

Mr. Milan P. Shah

Mr. Samir M. Parikh (w.e.f. February 4, 2019)

Ms. Suchita Shah

**(e) Relative of Key Managerial Personnel**

Mr. Vikas Malhotra, S/o Mr. Ashok Malhotra (up to November 30, 2018)

**(f) Post-employment Benefits Plans**

PSL Employees Group Gratuity Scheme

PSL Employees Superannuation Scheme

**B. Transactions with Holding Company:**

Amt. - Rs.in lacs

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Holding Company</b>		
ICD received	NIL	150.00
ICD repaid	150.00	15.00
Interest paid	129.20	130.48
Balance outstanding at the year end	978.00	1,128.00

**C. Compensation of Key Management Personnel**

Name of KMP	31.03.2019	31.03.2018
Mr. Ashok R. Malhotra	171.36	127.03
Mr. Pradip H. Gupta	24.09	30.27
Mr. Deepak R. Nagar	19.12	23.36
<b>Total compensation paid to KMP</b>	<b>214.57</b>	<b>180.66</b>
Short-term employee benefits	198.15	165.79
Post-employment benefits	16.42	14.87
<b>Total compensation paid to KMP</b>	<b>214.57</b>	<b>180.66</b>

**D. Compensation of Whole-time Directors**

Name of Whole-time Director	31.03.2019	31.03.2018
Mr. Pradeep R. Sharma	53.26	48.20
Mr. Hanish A. Malhotra (up to May 17, 2017)	-	14.88
<b>Total compensation paid to WTD</b>	<b>53.26</b>	<b>63.08</b>
Short-term employee benefits	44.58	55.48
Post-employment benefits	8.68	7.60
<b>Total compensation paid to WTD</b>	<b>53.26</b>	<b>63.08</b>

**E. Compensation of relative of Key Management Personnel**

Name of the relative of KMP	31.03.2019	31.03.2018
Mr. Vikas A. Malhotra (up to November 30, 2018)	8.12	6.63
<b>Total compensation paid to relative of KMP</b>	<b>8.12</b>	<b>6.63</b>
Short-term employee benefits	7.54	6.13
Post-employment benefits	0.58	0.50
<b>Total compensation paid to relative of KMP</b>	<b>8.12</b>	<b>6.63</b>

**F. Transactions with Non-whole-time Directors**

Particulars	31.03.2019	31.03.2018
Sitting Fee	3.01	3.50
Commission, if any	-	-
<b>Total</b>	<b>3.01</b>	<b>3.50</b>

**G. Post Employment Benefits Plans :**

Particulars	31.03.2019	31.03.2018
Contribution paid to PSL Employees Group Gratuity Scheme	60.00	-
Contribution paid to PSL Employees Superannuation Scheme	9.25	12.37

## G. Earnings per share:

		Unit	Year ended 31.03.2019	Year ended 31.03.2018
a)	Profit / (Loss) attributable to equity holders	Rs. in lacs	255.85	54.71
b)	Weighted average number of Equity Shares used as the denominator (Basic)	Nos.	1,90,78,329	1,90,78,329
c)	Weighted average number of Equity Shares used as the denominator (Diluted)	Nos.	1,90,78,329	1,90,78,329
d)	Nominal Value Per Share	Rupees	10.00	10.00
e)	Earnings per Share (Basic)	Rupees	1.34	0.29
f)	Earnings per Share (Diluted)	Rupees	1.34	0.29

## H. (a) Registered/Installed Capacity:

Class of Goods	Units	Registered Capacity	Installed Capacity (As certified by the Managing Director)
Steel Billets	M.T.	150,000 (150,000)	150,000 (150,000)
Bars, Rods, Coils & Wires	M.T.	150,000 (150,000)	72,000 (72,000)

## (b) Production, Sales and Stocks:

Class of Goods	Opening Stock		Production Qty.(M.T.)	Sale		Closing Stock	
	Qty.(M.T.)	Rs. (in Lacs)		Qty.(M.T.)	Rs. (in Lacs)	Qty.(M.T.)	Rs. (in Lacs)
Steel, Billets	3292 (2869)	4,050.22 (3,472.43)	27920 (28289)	- (-)	- (-)	2995 (3292)	3896.23 (4,050.22)
Bars, Rods, Coils & Wires	4293 (3912)	6,301.56 (6,305.20)	27250 (26990)*	25528 (24487)	44,845.20 (38,732.13)	3878 (4293)	6039.31 (6,301.56)

\* Include Job work production NIL M.T. (Previous Year 371 M.T)

Note: Figures in the bracket are for previous year.

## (c) Total Value of Imported and Indigenous raw materials and parts consumed and percentage to total consumption:

	Year 2018-2019		Year 2017-2018	
	Value (Rs. in lacs)	%	Value (Rs. in lacs)	%
<b>Raw Materials</b>				
Imported	21,586.18	70.73	15,972.30	58.77
Indigenous	8,932.48	29.27	11,207.53	41.23
<b>Total</b>	<b>30,518.58</b>	<b>100.00</b>	<b>27,179.83</b>	<b>100.00</b>
<b>Production Materials &amp; Stores &amp; Spares :</b>				
Imported	308.13	7.66	1,93.83	6.83
Indigenous	3,714.23	92.34	2,643.32	93.17
<b>Total</b>	<b>4,022.36</b>	<b>100.00</b>	<b>2,837.15</b>	<b>100.00</b>

**(d) Expenditure in Foreign Currency :** (Amt. Rs. in lacs)

	Year 2018-19	Year 2017-18
<u>C.I.F. Value of Imports :</u>		
Raw Materials	21,078.50	15,335.97
Production Materials and Stores & Spares	386.95	189.31
Capital Equipment		-
<u>Other Expenditure :</u>		
On Foreign Travels	11.80	9.00
Foreign Bank Charges	12.97	7.61
On Professional Fees Subscription & Books etc.	2.41	2.43
Commission on Export Sales	49.21	25.94
Discounts & Claims	4.11	3.84
On Foreign Exhibitions	11.72	12.70

**(e) Foreign Exchange Earned :**

FOB Value of Exports	11,669.26	10,173.40
----------------------	-----------	-----------

**I. Reconciliation of Tax Expense and the Accounting Profit multiplied by Tax Rate for the year ended:**

(Amt. Rs. in lacs)

	Year 2018-19	Year 2017-18
Accounting Profit before Tax from Continuing Operations	357.94	38.99
Tax Profit from Continuing Operations	358.43	(60.60)
Statutory Income Tax Rate of 20.5868% / 19.055% (under MAT) on Accounting Profit	73.69	7.43
Current Income Tax	73.69	7.43
MAT Credit Entitlement	(73.69)	(7.43)
Income Tax Expense	-	-
Deferred Tax Expense reported in the Statement of Profit and Loss	116.76	(15.72)
Tax Adjustment for earlier years	-	-
Tax Expense reported in Statement of Profit and Loss	116.76	(15.72)
<b>Deferred Tax Expense / (Income) relates to the following:</b>		
Depreciation	8.36	(14.87)
Disallowance u/s 43B	14.08	11.78
Carry Forward Business Loss / Unabsorbed Depreciation	94.32	18.80
<b>Total Deferred Tax Expense / (Income)</b>	<b>116.76</b>	<b>(15.72)</b>
<b>Deferred Tax relates to the following:</b>	<b>As at 31.03.19</b>	<b>As at 31.03.18</b>
Difference in Tax & Book Depreciation	(1,555.35)	(1,546.99)
Expenses allowable for Tax purpose when paid	43.34	57.42
Carry Forward Business Loss / Unabsorbed Depreciation	2,508.65	2,610.32
<b>Net Deferred Tax Assets / (Liabilities)</b>	<b>996.64</b>	<b>1,120.75</b>
Reflected in the Balance Sheet as follows:		
Deferred Tax Assets	2,551.99	2,667.74
Deferred Tax Liabilities	(1,555.35)	(1,546.99)
<b>Deferred Tax Assets (Net)</b>	<b>996.64</b>	<b>1,120.75</b>

- J. The Company has discharged all its liabilities towards the Secured Lenders of the Company as per the sanctioned modified Scheme of Compromise and/or Arrangements and orders of the Hon'ble High Court of Gujarat.  
In compliance with order dated 27.10.2017 passed by the Hon'ble National Company Law Tribunal, Ahmedabad Bench, M/s. Asset Reconstruction Company (India) Limited (ARCIL) has issued its No Due Certificate to the Company and to the Debentures Trustees.  
All underlying securities created under the Loan Agreements executed with secured lenders and/or under the Scheme of Compromise and/or Arrangement as approved by the Hon'ble High Court of Gujarat have been released except closure of shares pledged by the guarantors.
- K. Previous year's figures have been recast/ regrouped/reclassified wherever necessary to correspond with current year's classification/disclosures.
- 

As per our Report of even date.  
For **Atul Parikh & Co.**  
Chartered Accountants  
Firm Regn. No.106496W

**Ashok Malhotra**  
Chairman & Managing Director  
(DIN :00120198)

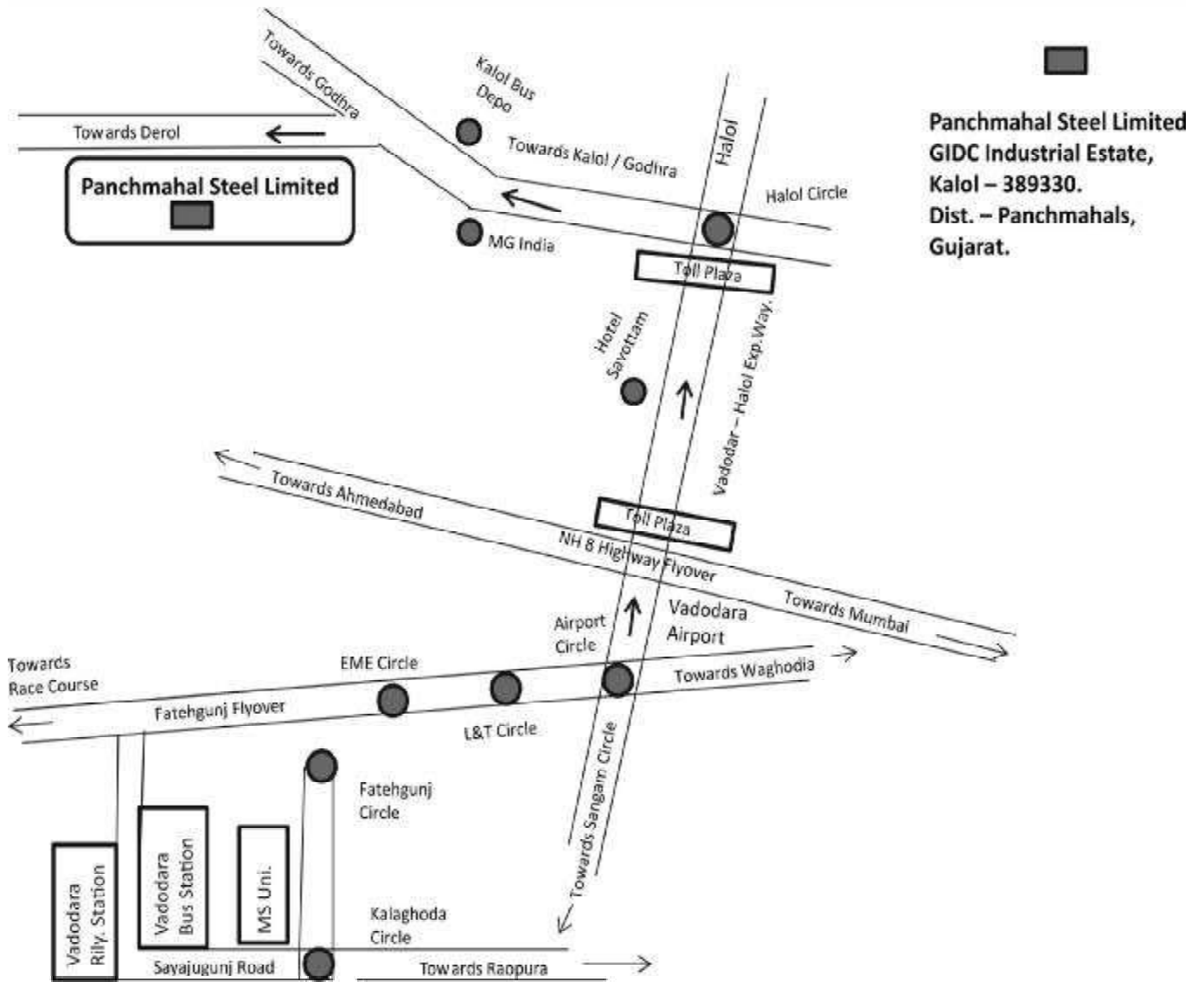
**Pradeep Sharma**  
Director (Operations)  
(DIN :00705862)

**Foram Doshi**  
Partner  
Membership No. 152328  
Vadodara, 25th May, 2019

**Pradip H. Gupta**  
Chief Financial Officer

**Deepak Nagar**  
G.M. (Legal) & Company Secretary  
Vadodara, 25th May, 2019

## PANCHMAHAL STEEL LIMITED Route Map to the AGM Venue from Vadodra





Regd. Office: GIDC Industrial Estate, Kalol-390 330 Dist. Panchmahals, Gujarat  
CIN : L27104GJ1972PLC002153, Tel: +91 2676 230777, Fax: +91 2676 230889  
Web: [www.panchmahalsteel.co.in](http://www.panchmahalsteel.co.in), mail: [shares@panchmahalsteel.co.in](mailto:shares@panchmahalsteel.co.in)

**ATTENDANCE SLIP -  
46th Annual General Meeting**

Joint Shareholders may obtain additional slip at the venue of the meeting.

DP Id *	
---------	--

Folio No.	
-----------	--

Client Id*	
------------	--

No. of Shares	
---------------	--

Name and Address of the Shareholder : \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

I hereby record my presence at the 46th Annual General Meeting of the Company held on Saturday, the 28th day of September, 2019 at 10.00 a.m. at the Registered Office of the Company.

\_\_\_\_\_  
Signature of Shareholder/Proxy

**Notes :**

1. Please complete the Folio / DP-ID / Client ID No. and Name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the entrance of the Meeting Hall.
2. Members holding shares in physical form are requested to advise the change in their address, if any to the Registrar / Company quoting their Folio Number(s). Members holding shares in electronic form may update such details with their respective Depository Participant(s).
3. Member intending to appoint a proxy, should complete the proxy form printed below and deposit it at the Company's Registered Office not later than 48 hours before the commencement of the Annual General meeting.







Regd. Office: GIDC Industrial Estate, Kalol-390 330 Dist. Panchmahals, Gujarat  
 CIN : L27104GJ1972PLC002153, Tel: +91 2676 230777, Fax: +91 2676 230889  
 Web: [www.panchmahalsteel.co.in](http://www.panchmahalsteel.co.in), mail: [shares@panchmahalsteel.co.in](mailto:shares@panchmahalsteel.co.in)

**FORM OF PROXY  
(Form MGT-11)**

Name of the Member (s) : \_\_\_\_\_

Registered Address : \_\_\_\_\_

E-mail ID : \_\_\_\_\_

Folio No./Client Id : \_\_\_\_\_ DP Id : \_\_\_\_\_

I/We, being the member (s) of \_\_\_\_\_ shares of the above named company hereby appoint

1. Name: \_\_\_\_\_ Address: \_\_\_\_\_  
 E-mail Id : \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him;
2. Name: \_\_\_\_\_ Address: \_\_\_\_\_  
 E-mail Id : \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him;
3. Name: \_\_\_\_\_ Address: \_\_\_\_\_  
 E-mail Id : \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him;

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 46th Annual General Meeting of the Company, to be held on Saturday, the 28th September, 2019 at 10 a.m. at the Registered Office of the Company and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolutions	Optional*	
		For	Against
1.	<b>Ordinary Business:</b>		
	Adoption of Standalone Audited Financial Statements for the year ended 31st March, 2019.		
2.	Re-appointment of Mr. Ashok Malhotra as Director of the Company.		
3.	<b>Special Business:</b>		
	Appointment of M/s. CNK & Associates, LLP, Chartered Accountants as Statutory Auditors of the Company.		
4.	Appointment of Mr. Samir M. Parikh as Director and an Independent Director of the Company.		
5.	Appointment of Mr. Amal D. Dhru as an Independent Director of the Company.		
6.	Appointment of Mr. Milan P. Shah as an Independent Director of the Company.		
7.	Ratification of Remuneration of Cost Auditors for the financial year 2019-20.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2019

Affix 1  
Rupee  
Revenue  
Stamp

Signature of Shareholder: \_\_\_\_\_

Signature of Proxy holder(s): \_\_\_\_\_

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 46th Annual General Meeting.
3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of member(s) in above box before submission.



Registered Book - Post / Courier



**Corporate Office:**

Landmark, 7th Floor, Race Course Circle  
Vadodara - 390 007, Gujarat, INDIA  
T: +91 265 2317777 F: +91 265 2317705  
E: [shares@panchmahalsteel.co.in](mailto:shares@panchmahalsteel.co.in)  
W: [www.panchmahalsteel.co.in](http://www.panchmahalsteel.co.in)

**Regd. Office:**

GIDC Industrial Estate, Kalol 389 330,  
Dist. Panchmahal, Gujarat, India  
T: +91 2676 230777 F: +91 2676 230 889