



# Panchmahal Steel Limited

Registered Office: GIDC Industrial Estate, Kalol-389 330, Dist. Panchmahals, Gujarat

CIN: L27104GJ1972PLC002153, Phone No:02676-230777, Fax No:02676-230889

E-mail: shares@panchmahalsteel.co.in, Website: www.panchmahalsteel.co.in

## STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2020

(Rs. in Lakhs)

Sr. No.	Particulars	Quarter ended			Year ended	
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
		Audited	Unaudited	Audited	Audited	Audited
1	Revenue from Operations	7,107.90	6,897.57	10,494.47	33,047.41	45,305.27
2	Other Income	43.00	43.98	167.69	202.78	219.29
3	<b>Total Revenue (1+2)</b>	<b>7,150.90</b>	<b>6,941.55</b>	<b>10,662.16</b>	<b>33,250.19</b>	<b>45,524.56</b>
4	<b>Expenses:</b>					
	a. Cost of Materials Consumed	4,659.57	5,555.03	6,747.18	22,263.53	30,518.58
	b. Change in Inventories of Finished Goods	555.69	(383.28)	697.82	1,164.05	416.24
	c. Employee Benefits Expense	402.70	425.41	467.36	1,711.89	1,880.51
	d. Finance Costs	286.47	334.72	351.16	1,349.70	1,361.79
	e. Depreciation & Amortisation Expense	190.78	192.29	162.76	762.86	763.57
	f. Power & Fuel	913.71	938.54	1,198.73	4,216.07	5,111.71
	g. Other Expenses	589.90	681.88	1,112.93	3,301.47	5,092.20
	<b>Total Expenses</b>	<b>7,598.83</b>	<b>7,744.58</b>	<b>10,737.94</b>	<b>34,769.57</b>	<b>45,144.60</b>
5	<b>Profit / (Loss) before Exceptional Items &amp; Tax (3 - 4)</b>	<b>(447.93)</b>	<b>(803.03)</b>	<b>(75.78)</b>	<b>(1519.38)</b>	<b>379.96</b>
6	Exceptional Items	-	-	-	-	-
7	<b>Profit / (Loss) before Tax (5 - 6)</b>	<b>(447.93)</b>	<b>(803.03)</b>	<b>(75.78)</b>	<b>(1519.38)</b>	<b>379.96</b>
8	Tax Expense :					
	a. Provision for Current Tax	-	-	-	-	78.22
	b. Taxes for earlier Years	-	-	-	-	-
	c. Deferred Tax	2,089.09	(271.00)	(17.76)	1,701.85	45.89
9	<b>Profit / (Loss) for the period (7 - 8)</b>	<b>(2537.02)</b>	<b>(532.03)</b>	<b>(58.02)</b>	<b>(3221.23)</b>	<b>255.85</b>
10	<b>Other Comprehensive Income</b>					
	a. Items that will not be reclassified to profit or loss	37.88	2.16	-	44.36	-
	b. Income Tax effect on above	2.16	(0.72)	-	-	-
	c. Items that will be reclassified to profit or loss	-	-	-	-	-
	d. Income Tax effect on above	-	-	-	-	-
	Other Comprehensive Income for the year, net of taxes	40.04	1.44	-	44.36	-
11	<b>Total Comprehensive Income for the period (9 + 10)</b>	<b>(2,496.98)</b>	<b>(530.59)</b>	<b>(58.02)</b>	<b>(3,176.87)</b>	<b>255.85</b>
12	Paid-up Equity Share Capital ( Face value per share Rs.10/-)	1,908.31	1,908.31	1,908.31	1,908.31	1,908.31
13	Other Equity (excluding Revaluation Reserve as per Audited Balance sheet of previous accounting year)	-	-	-	7,265.22	10,442.10
14	Earning per Share (of Rs.10/- each) - not annualised					
	a. Basic	(13.30)	(2.79)	(0.30)	(16.88)	1.34
	b. Diluted	(13.30)	(2.79)	(0.30)	(16.88)	1.34



Place : Vadodara  
Date : 30.06.2020



By order of the Board

  
Ashok Malhotra  
Chairman & Managing Director  
DIN - 00120198

**STATEMENT OF ASSETS AND LIABILITIES AS AT 31ST MARCH, 2020**

		(Rs. In Lakhs)	
Particulars		As at 31.02.2020	As at 31.03.2019
		Audited	Audited
<b>I.</b>	<b>ASSETS</b>		
	(1) Non-Current Assets		
	(a) Property, Plant and Equipments	8,226.42	8,957.12
	(b) Capital work-in-progress	-	14.20
	(c) Financial Assets		
	i) Investment	0.02	0.02
	ii) Other Financial Assets	1.41	1.41
	(d) Deferred Tax Assets (Net)	-	1,702.12
	(e) Other Non-Current Assets	386.09	351.40
	<b>Total Non-Current Assets</b>	<b>8,613.94</b>	<b>11,026.27</b>
	(2) Current Assets		
	(a) Inventories	13,085.78	13,163.04
	(b) Financial Assets		
	(i) Trade Receivables	2,524.11	2,727.01
	(ii) Cash and Cash Equivalents	10.05	2.14
	(iii) Bank Balance Other than (ii) above	474.99	661.84
	(iv) Loans	-	2.02
	(v) Other Financial Assets	18.90	27.08
	(c) Other Current Assets	493.00	599.27
	(d) Assets Held For Sale	52.32	-
	<b>Total Current Assets</b>	<b>16,659.15</b>	<b>17,182.40</b>
	<b>TOTAL ASSETS :</b>	<b>25,273.09</b>	<b>28,208.67</b>
<b>II.</b>	<b>EQUITY &amp; LIABILITIES</b>		
	(1) Equity		
	(a) Equity Share Capital	1,908.31	1,908.31
	(b) Other Equity	7,265.22	10,442.10
	<b>Total Equity</b>	<b>9,173.53</b>	<b>12,350.41</b>
	(2) Non-Current Liabilities		
	(a) Financial Liabilities - Borrowings	855.00	855.00
	(b) Provisions	40.01	34.60
	<b>Total Non-Current Liabilities</b>	<b>895.01</b>	<b>889.60</b>
	(3) Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	6,364.81	6,067.53
	(ii) Trade Payables		
	a) Total Outstanding dues of Micro Enterprises and Small Enterprises and	86.95	73.81
	b) Total Outstanding Dues of creditors Other than Micro Enterprise and Small Enterprises	8,085.55	8,118.34
	(iii) Other Financial Liabilities	186.77	35.98
	Other Current Liabilities	399.12	581.20
	Provisions	81.35	91.80
	<b>Total Current Liabilities</b>	<b>15,204.55</b>	<b>14,968.66</b>
	<b>TOTAL LIABILITIES :</b>	<b>16,099.56</b>	<b>15,858.26</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>25,273.09</b>	<b>28,208.67</b>

**Notes:**

- The results have been duly reviewed by Statutory Auditors, recommended by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on 30th June, 2020.
- 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.
- The figures for the quarter ended 31st March, 2020 and the corresponding quarter of the previous year are balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures upto the third quarter for the relevant financial year.
- The Company has adopted Ind AS-116 "Lease" w.e.f. 1st April, 2019. The adoption of the said standard did not have any material impact on the financial results of the Company.
- The Company has evaluated the impact of COVID-19 on its financial statements based on the internal and external information up to the date of approval of these financial statements and expects to recover the carrying amount of inventories, receivables and other assets. The Company does not foresee any material impact on liquidity and assumption of going concern.
- The figures of previous year/period have been recast and regrouped wherever necessary.

By order of the Board




Ashok Malhotra  
Chairman & Managing Director  
DIN - 00120198

Place : Vadodara  
Date : 30.06.2020



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**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020**

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>A. Cash Flow from Operating Activities</b>		
Profit before Tax :	(1,519.38)	379.96
Adjustments for :		
Remeasurement of Defined benefit plans	44.36	-
Depreciation and amortization Expenses	762.86	763.57
Finance Cost	1,349.70	1,361.79
Loss/(Profit) on sale/disposal of Property,Plant and Equipment	(96.68)	-
Interest Income	(72.38)	(94.80)
<b>Operating Profit before Working Capital Changes :</b>	<b>468.48</b>	<b>2,410.54</b>
Adjustments for (increase) / decrease in operating assets :		
Inventories	77.26	(245.44)
Trade Receivables	202.90	976.97
Loans and Advances	2.02	(1.31)
Other current assets	106.28	432.12
Other Non Current Assets	(22.27)	(82.80)
Adjustments for increase / (decrease) in operating liabilities :		
Trade Payables	(19.65)	(1,651.64)
Other financial liabilities	(99.68)	(31.67)
Other current liabilities	15.56	(338.40)
Provisions	(5.04)	(50.42)
<b>Cash Generated from Operation</b>	<b>725.87</b>	<b>1,417.94</b>
Direct Taxes (Payment) / Refund	(24.79)	15.17
<b>Net Cash From Operating Activities ...A</b>	<b>701.08</b>	<b>1,433.11</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Property,Plant and Equipment	(100.27)	(84.52)
Sale / disposal of assets	139.27	1.39
Bank deposits	186.85	7.51
Interest Received	80.56	93.46
<b>Net Cash from Investing Activities ...B</b>	<b>306.43</b>	<b>7.84</b>
<b>C. Cash Flow from Financing Activities</b>		
Net increase / (decrease) in current borrowings	297.28	(76.48)
Finance Cost	(1,296.88)	(1,364.62)
<b>Net Cash from Financing Activities ...C</b>	<b>(999.60)</b>	<b>(1,441.10)</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents ( A+B+C )</b>	<b>7.91</b>	<b>(0.16)</b>
<b>Cash and Cash equivalents at the beginning of the year :</b>		
Cash on Hand	1.17	1.46
Balance with banks in current account	0.97	0.84
<b>Cash and Cash Equivalents</b>	<b>2.14</b>	<b>2.30</b>
<b>Cash and Cash equivalents at the end of the year :</b>		
Cash on Hand	1.85	1.17
Balance with banks in current account	8.20	0.97
<b>Cash and Cash Equivalents</b>	<b>10.05</b>	<b>2.14</b>
<b>Net Increase/(decrease) as disclosed above</b>	<b>7.91</b>	<b>(0.16)</b>



By order of the Board

Ashok Malhotra  
 Chairman & Managing Director  
 DIN - 00120198

Place : Vadodara  
 Date : 30.06.2020

**Independent Auditor's Report on Audited Quarterly Financial Results and Year to Date Results of the Panchmahal Steel Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended****TO THE BOARD OF DIRECTORS OF  
PANCHMAHAL STEEL LIMITED****Report on the audit of the Financial Results****Opinion**

We have audited the accompanying statement of financial results of Panchmahal Steel Limited (the company) for quarter and year ended 31<sup>st</sup> March, 2020 (the "Statement"), attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the statement:

- i. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian accounting standards and other accounting principles generally accepted in India of the net loss and other comprehensive income and other financial information for the quarter and year ended 31<sup>st</sup> March, 2020.

**Basis of Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those SAs are further described in the "Auditor's Responsibilities for the Audit of the Financial Results" 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 results under the provisions of the Act and the Rules 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.





## **Management's Responsibilities for the Financial Results**

The statement has been prepared on the basis of the financial statements. The Company's Board of Directors are responsible for the preparation and presentation of these financial results that give a true and fair view of the net loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 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 financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial results, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

## **Auditor's Responsibilities for the Audit of the Financial Results**

Our objectives are to obtain reasonable assurance about whether the financial results 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 financial results.



As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial results made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Other matter**

The Statement includes the results for the quarter ended 31<sup>st</sup> March, 2020 being the balancing figures between the audited figures in respect of full financial year ended 31<sup>st</sup> March, 2020 and the published unaudited year to date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For CNK & Associates, LLP  
Chartered Accountants  
Firm Registration No. 101961W/W-100036

*Alok Shah*

Alok Shah

Partner

Membership No. 042005

Place: Vadodara

Date: 30<sup>th</sup> June, 2020

UDIN: 20042005AAAAIF3311



PSL/CS/BSE/REG-33(3)(d) /20-21  
30<sup>th</sup> June, 2020

The BSE Limited  
Corporate Relationship Dept.  
P. J. Towers,  
Dalal Street, Fort,  
MUMBAI - 400 001

Company Code : 4166 (Scrip Code No. 513511)

Dear Sir,

**Sub : Declaration with respect to Audit Report with unmodified opinion to the Audited Financial Results for the F.Y. ended 31<sup>st</sup> March, 2020.**

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Pursuant to Regulation 33(3)(d) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended, we do hereby confirm that the Statutory Auditors of the Company M/s CNK & Associates LLP, Chartered Accountants have not expressed any modified opinion(s) in their Independent Audit Report pertaining to Audited Financial Results for the year ended 31<sup>st</sup> March, 2020.

Kindly take note of the same on your records and acknowledge.

Thanking you,

Yours faithfully,  
For **Panchmahal Steel Limited**

  
**Nilesh Shah**  
Chief Financial Officer

