



52<sup>ND</sup>  
ANNUAL REPORT  
2024-25

<b>BOARD OF DIRECTORS</b>	: Mr. Ashok Malhotra Mr. Samir Parikh Mr. Jaswantkumar Jain Mr. Swapon Adhikary Ms. Suchita Shah Mr. Kalpesh Parmar Mr. Amal Dhru Mr. Milan Shah	- Chairman & Managing Director - Independent Director - Independent Director (w.e.f 12-08-2024) - Independent Director (w.e.f 12-08-2024) - Director - Director - Independent Director (upto 27-09-2024) - Independent Director (upto 27-09-2024)
<b>CHIEF FINANCIAL OFFICER</b>	: Mr. Nilesh Shah	
<b>COMPANY SECRETARY</b>	: Mr. Deepak Nagar	
<b>STATUTORY AUDITORS</b>	: M/s CNK & Associates, LLP 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:mcsltbaroda@gmail.com">mcsltbaroda@gmail.com</a>	

**52<sup>nd</sup> Annual General Meeting to be held on  
Monday, the 22nd September, 2025 at  
11.00 a.m. through Video Conferencing ("VC") /  
Other Audio Visual Means ("OAVM")**

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## **NOTICE**

Notice is hereby given that the **52nd Annual General Meeting** of the Members of **Panchmahal Steel Limited** will be held on **Monday, the 22nd day of September, 2025 at 11.00 a.m. through Video Conferencing ("VC") / Other Audio Video Means ("OAVM")** to transact the following business:-

### **ORDINARY BUSINESS:**

**1. Adoption of Audited Financial Statements.**

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2025 together with the Reports of Board of Directors' and the Auditors' thereon.

**2. Declaration of Dividend.**

To declare a Dividend on Equity Shares @ 30% i.e. Rs.3/- per Equity Share for the financial year ended March 31, 2025.

**3. Appointment of a Director retiring by rotation.**

To appoint a Director in place of Mr. Kalpesh J. Parmar (DIN: 00230588), who retires by rotation and being eligible, offers his candidature for re-appointment.

### **SPECIAL BUSINESS:**

**4. Appointment of Secretarial Auditors**

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

"RESOLVED THAT pursuant to the provisions of Sections 179 and 204 and other applicable provisions of the Companies Act, 2013, read with the rules made thereunder, and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and based on the recommendations of the Audit Committee and the Board of Directors, the approval of the members be and is hereby accorded for the appointment of CS Niraj Trivedi, Practicing Company Secretary (FCS- 3844; COP: 3123), as Secretarial Auditors of the Company for a term of five consecutive years, commencing from financial year 2025-26 till financial year 2029-30 at such remuneration and on such terms and conditions as may be determined by the Board of Directors (including its committees thereof), and to avail any other services, certificates, or reports as may be permissible under applicable laws.

RESOLVED FURTHER THAT the Board (including its Committee thereof) and/or any person authorised by the Board, be and is hereby authorised, severally, to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds, matters and things, as may be considered necessary, desirable and expedient to give effect to this Resolution and/or otherwise considered by them to be in the best interest of the Company."

**5. Ratification of remuneration payable to Cost Auditors 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 (3) 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.1,75,000/- 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, 2026, 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, 11th August, 2025

By order of the Board of Directors

Sd/-  
Deepak Nagar  
GM (Legal) & Company Secretary  
Membership No. ACS 7960



**NOTES:**

1. The Statement, pursuant to Section 102 of the Companies Act, 2013, as amended ('Act') setting out material facts concerning the business with respect to Item Nos. 4 & 5 forms part of this Notice. Further, additional information, pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations') and Secretarial Standard - 2 on General Meetings, issued by The Institute of Company Secretaries of India, in respect of Director retiring by rotation seeking appointment/ re-appointment at this Annual General Meeting ('Meeting' or 'AGM') is furnished as Annexure-A to this Notice.
2. The Ministry of Corporate Affairs ('MCA'), inter-alia, vide its General Circular No(s). 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020, and subsequent circulars issued in this regard, the latest being General Circular No. 09/2024 dated September 19, 2024 (collectively referred to as 'MCA Circulars'), has permitted the holding of the AGM through Video Conferencing ('VC') or through Other Audio-Visual Means ('OAVM'), without the physical presence of the Members at a common venue.  
  
Further, the Securities and Exchange Board of India ('SEBI') vide its Circular(s) dated May 12, 2020, January 15, 2021, May 13, 2022, January 5, 2023, October 6, 2023, October 7, 2023 and October 3, 2024 ('SEBI Circulars') and other applicable circulars issued in this regard, has provided relaxations from compliance with certain provisions of the SEBI Listing Regulations.  
  
In compliance with the applicable provisions of the Act, SEBI Listing Regulations and MCA Circulars, the 52nd AGM of the Company is being held through VC/OAVM on Monday, 22nd September, 2025, at 11.00 a.m. (IST). The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company situated at GIDC Industrial Estate, Kalol-389 330, Dist. Panchmahals, Gujarat.
3. In compliance with the Circulars issued by MCA and SEBI, the Notice of the 52nd AGM along with the Annual Report is being sent through electronic mode to those Members whose email addresses are registered with the Company/ Depository Participants (DPs). Physical copy of the Notice of the 52nd AGM along with Annual Report for financial year 2024-25 shall be sent to those shareholders who request for the same. Members may note that the Notice and Annual Report will also be available on the Company's website [www.panchmahalsteel.co.in](http://www.panchmahalsteel.co.in), website of stock exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of Central Depository Services Limited at [www.evotingindia.com](http://www.evotingindia.com) respectively.
4. The Members attending AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. As per SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 which came into effect from 12th December, 2024, the requirement to send proxy forms is not applicable to general meetings held only through electronic mode. As this AGM would be conducted through VC / OAVM, the requirement to provide facility for appointment of Proxy by the Members is not applicable. Hence, the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.  
  
Institutional/corporate shareholders (i.e., other than individuals, HUF, NRI, etc.), are required to send a scanned copy (PDF/JPG Format) of their respective Board or governing body Resolution/Authorisation etc., authorising their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-Voting. The said Resolution/Authorisation shall be sent by e-mail on Scrutinizer's e-mail address at [csneerajtrivedi@gmail.com](mailto:csneerajtrivedi@gmail.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).  
  
Alternatively, the Corporate Members/ Institutional shareholders (i.e. other than individuals, HUFs, NRIs etc.) can also upload their Board Resolution/ Power of Attorney/Authority Letter etc. by clicking on the "Upload Board Resolution/Authority Letter" in the CDSL e-voting system.
6. Members who wish to inspect the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 ("Act") and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act and the relevant documents referred to in this Notice of AGM and Explanatory Statement on the date of AGM in electronic mode can send an e-mail to [shares@panchmahalsteel.co.in](mailto:shares@panchmahalsteel.co.in).

**7. Book Closure:**

Pursuant to Section 91 of the Companies Act, 2013 and Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and the Share Transfer Books of the Company will remain closed from **Saturday, 13th September, 2025 to Monday, 22nd September, 2025** (both days inclusive) for the purpose of 52nd AGM of the Company.

**8. Cut-off Date for remote e-voting:**

The Company has fixed **Monday, 15th September, 2025** as the Cut-off Date for remote e-voting. The remote e-voting / voting rights of the shareholders / beneficial owners shall be reckoned on the equity shares held by them as at close of business hours on the Cut-off Date i.e. 15th September, 2025 only. A person who is not a Member as on the Cut-off Date should treat this Notice for information purposes only.

9. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 15th September, 2025, may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or Registrar and Share Transfer Agent's Email Id at [mcslttdbaroda@gmail.com](mailto:mcslttdbaroda@gmail.com).

10. In case of joint holders attending the AGM, only such joint holder who is higher in the order of the names as per the Register of Members of the Company, as of the cut-off date, will be entitled to vote at the Meeting.

**Dividend related information:**

11. The Board of Directors of the Company ('Board') at its meeting held on May 23, 2025 recommended a dividend of Rs.3/- per Equity Share of Rs.10/- each (30%). Further, the Board has fixed Friday, 12th September, 2025 as the Record Date for determining the Members entitled to receive dividend for the Financial Year ended March 31, 2025, subject to approval of the shareholders at this AGM.

The dividend, if approved by the Members at the AGM, will be paid, subject to deduction of income-tax at source ('TDS') within thirty days from the date of the declaration at AGM, as under:

- **In respect of Equity shares held in physical form:** To all the Members, whose names are on the Company's Register of Members, after giving effect to valid transmission and transposition requests lodged with the Company, as on close of business hours of **Friday, 12th, September, 2025**.
- **In respect of Ordinary Shares held in electronic form:** To all beneficial owners of the shares, as of end of day on **Friday, 12th September, 2025**, as per details furnished by the Depositories for this purpose.

12. Members holding shares in demat mode are hereby informed that bank particulars registered with their respective DPs, with whom they maintain their demat accounts, will be used by the Company for the payment of dividend. Members holding shares in demat mode are requested to intimate any change in their address and/or bank mandate to their DPs only, as the Company or its Registrar cannot act on any request received directly on the same.

13. Members holding shares in physical form are requested to intimate any change of address and/ or bank mandate to MCS Share Transfer Agent Limited, Registrar and Share Transfer Agent of the Company by sending a request in Form ISR-1 at Neelam Apartment, 88 Sampatrao Colony, Above Chhapanbhog Sweet, Alkapuri, Vadodara-390 007 or by email to from their registered email id. As per SEBI requirements, effective 1st April, 2024, Companies are allowed to make dividend payments only in electronic mode. Members are once again reminded to update their PAN, KYC details, and Choice of Nomination by submitting the relevant ISR Forms before the cut-off date to ensure timely credit of dividend.

14. **TDS on Dividend :** Members may note that as per the Income Tax Act, 1961, dividend income is taxable in the hands of the Members and the Company is required to deduct tax at source (TDS) from the dividend paid to the Members at the rates prescribed in the Income Tax Act, 1961. In order to enable the Company to determine the appropriate TDS rate as applicable, Members are requested to submit the documents in accordance with the provisions of the Income Tax Act, 1961 and Rules thereunder.

- a) **For Resident Members:** Tax at source shall be deducted under Section 194 of the Income Tax Act, 1961 at 10% on the amount of dividend declared and paid by the Company during financial year

2025-26, subject to PAN details registered/updated by the Member. If PAN is not registered/updated in the demat account/ folio as on the cut-off date, TDS would be deducted @ 20% as per Section 206AA of the Income Tax Act, 1961.

No tax at source is required to be deducted, if aggregate dividend paid or likely to be paid during the financial year to individual member does not exceed Rs.10,000 (Rupees Ten Thousand only).

In case of individual shareholders, who are mandatorily required to have their PAN Aadhaar linked and have not done so, their PAN would be considered as inoperative. Such inoperative PANs would be considered as invalid and a higher TDS rate as per Section 206AA of the Income Tax Act, 1961 would be applied. The Company will rely on the reports downloaded from the reporting portal of the income tax department for checking the validity of PANs / inoperative PANs under Section 206AA of the Income Tax Act, 1961.

Further, in cases where the Member provides Form 15G (applicable to any person other than a Company or a Firm) / Form 15H (applicable to an Individual above the age of 60 years), provided that the eligibility conditions are being met, no TDS shall be deducted, subject to the PAN of the Member not having an 'In-operative' status as per provisions of Section 139AA of the Income Tax Act, 1961.

Further, in case PAN of any Member falls under the category of 'In-operative', the Company shall deduct TDS @ 20% as per Section 139AA read with Section 206AA of the Income Tax Act 1961.

Further, in case of resident member having Order under Section 197 of the Income Tax Act, 1961, TDS will be deducted at the rate mentioned in the Order; provided the Member submits copy of the Order obtained from the income-tax authorities.

- b) **For Non-resident Members:** Tax at source shall be deducted under Section 195 of the Income Tax Act, 1961 at the applicable rates. As per the relevant provisions of the Income Tax Act, 1961, the withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable to Non-resident Members.

Further, in case of Foreign Institutional Investors and Foreign Portfolio Investors, tax shall be deducted at source @ 20% (plus applicable surcharge and cess) under Section 196D of the Income Tax Act, 1961.

In case of Non-resident Member having Order under Section 197 of the Income Tax Act, 1961, TDS will be deducted at the rate mentioned in the Order; provided the member submits copy of the order obtained from the income tax authorities.

As per Section 90 of the Income Tax Act, 1961, Non-resident Members may be entitled to avail lower TDS rate as per Double Taxation Avoidance Agreement (DTAA or Tax Treaty). To avail the Tax Treaty benefits, the Non-resident Member will have to provide the following:

- i. Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the Member is a resident.
- ii. Electronically generated Form 10F.
- iii. Self-attested copy of the Permanent Account Number (PAN Card) allotted by the Indian Income Tax authorities, if any.
- iv. Self-declaration, certifying the following points:
  - a) Member is and will continue to remain a tax resident of the country of its residence during the financial year 2025-26;
  - b) Member is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;
  - c) Member has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;
  - d) Member is the ultimate beneficial owner of its shareholding in the Company and dividend receivable from the Company; and

- e) Member does not have a taxable presence or a permanent establishment in India during the financial year 2025-26.
- c) **For all Members:** In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by the Member(s), such Member(s) will be responsible to indemnify the Company, and also provide the Company with all information / documents and co-operation in any proceedings.
- Members holding shares under multiple accounts under different status / category and single PAN, may note that, higher of the tax as applicable to the status in which shares are held under a PAN will be considered on their entire holding in different accounts.
- In case of any discrepancy in documents submitted by the Member, the Company will deduct tax at higher rate as applicable, without any further communication in this regard.
- In case of joint Members, the member named first in the Register of Member is required to furnish the requisite documents for claiming any applicable beneficial tax rate.
15. The Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/ withholding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by the Non-resident Member.
16. In order to enable the Company to determine the appropriate TDS/ withholding tax rate applicable, Members are requested to provide the aforesaid details and documents by sending an email to [tax@panchmahalsteel.co.in](mailto:tax@panchmahalsteel.co.in) and to [mcslttdbaroda@gmail.com](mailto:mcslttdbaroda@gmail.com) latest by on or before **Friday, September 12, 2025**. No communication on the tax determination/ deduction shall be entertained post Friday, September 12, 2025. Members may note that in case the tax on said dividend is deducted at a higher rate due to non-receipt of the aforementioned details/ documents, there would still be an option available to the Member to file the return of income and claim an appropriate refund, if eligible.
17. In accordance with the provisions of the Income Tax Act 1961, TDS certificates can be made available to the Members at their registered email ID after filing of the quarterly TDS Returns of the Company, post payment of the said Dividend.
18. The Company had sent a separate e- mail communication informing the Members regarding the relevant procedure to be adopted by the Members to avail the applicable tax rate as per the Income Tax Act, 1961.
- Mandatory furnishing of PAN and KYC details by Physical Shareholders**
- In terms of SEBI's Master Circular No. SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/91 dated 23.06.2025 it is mandatory for Members holding shares in physical mode to furnish PAN, Contact details (Postal Address with PIN and Mobile Number), Bank A/c details and Specimen signature for their corresponding folio numbers.
- Members holding shares in physical mode and whose folio(s) do not have PAN, Contact Details, Bank Account Details and Specimen Signature updated, shall be eligible:
- (i) to lodge grievance or avail any service request from the RTA only after furnishing PAN and KYC details.
- (ii) for any payment including dividend, interest or redemption payment in respect of such folios, only through electronic mode with effect from 01.04.2024.
- In view of above SEBI Circular, Members holding shares in physical mode are requested to immediately comply with the requirements stated in the above SEBI Circular and furnish their valid PAN, Contact details, Bank Account details and Specimen Signature immediately to the RTA / Company in the prescribed Form. Relevant FAQs have been published by SEBI in this regard. In this regard you are requested to refer the FAQs issued by SEBI by accessing the link: [https://www.sebi.gov.in/sebi\\_data/faqfiles/sep-2024/1727418250017.pdf](https://www.sebi.gov.in/sebi_data/faqfiles/sep-2024/1727418250017.pdf). (FAQ No. 38 & 39).
- The forms for updation of PAN, KYC, Bank details and Nomination viz. Forms ISR-1, ISR-2, ISR-3 and SH-13 can be downloaded from our website at [http://panchmahalsteel.co.in/other\\_disclosures.html#0](http://panchmahalsteel.co.in/other_disclosures.html#0) or RTA at



<https://www.mcsregistrars.com/downloads.php> respectively. In view of the Notice above, we urge Members holding shares in physical form to submit the required forms duly filled up and signed, along with the supporting documents at the earliest to the RTA. Towards this, the Company has sent individuals letter dt. August 18, 2025 to the Members holding shares in physical form, in relation to applicable SEBI Circular(s). Members who hold shares in dematerialised form and wish to update their PAN, KYC, Bank details and Nomination, are requested to contact their respective DPs.

Further, Members holding shares in physical form are requested to ensure that their PAN is linked to their Aadhaar card.

**Updation of mandate for receiving dividend directly in bank account through Electronic Clearing System or any other means in a timely manner**

**Shares held in physical form:** Members are requested to send the following details/documents to the Company's RTA, viz. MCS Share Transfer Agent Limited, by sending a request in Form ISR-1 at Neelam Apartment, 88 Sampatrao Colony, Above Chhapanbhog Sweet, Alkapuri, Vadodara-390 007, latest by 12th September, 2025.

- Form ISR-1 duly filled and signed by the holders, stating their name, folio number, complete address with pin code, and the following details relating to the bank account in which the dividend is to be received:
  - (i) Name of Bank and Bank Branch;
  - (ii) Bank Account Number;
  - (iii) 11-digit IFSC Code; and
  - (iv) 9-digit MICR Code.

The said form is available on the website of the Company at [http://panchmahalsteel.co.in/other\\_disclosures.html#0](http://panchmahalsteel.co.in/other_disclosures.html#0) and on the website of the RTA at <https://www.mcsregistrars.com/downloads.php>.

- Cancelled cheque in original, bearing the name of the Member or first holder (in case shares are held jointly). In case name of the shareholder is not available on the cheque, kindly submit the following documents:
  - (i) Cancelled cheque in original
  - (ii) Bank attested legible copy of the first page of the Bank Passbook/Bank Statement bearing the names of the account holders, address, same bank account number and type as on the cheque leaf and full address of the bank branch
    - Self-attested copy of the PAN Card; and
    - Self-attested copy of any document (such as Aadhar Card, Driving Licence, Election Identity Card, Passport) in support of the address of the Member as registered with the Company. The PAN Card shall be linked to the Aadhar Card.

We urge Members holding shares in physical form to submit the required forms along with the supporting documents at the earliest.

**Shares held in electronic form:** Members may please note that their bank details as furnished by the respective DPs to the Company will be considered for remittance of dividend as per the applicable regulations of the DPs and the Company will not be able to accede to any direct request from such Members for change/addition/deletion in such bank details. Accordingly, the Members holding shares in demat form are requested to ensure that their Electronic Bank Mandate is updated with their respective DPs by 12th September, 2025.

Further, please note that instructions, if any, already given by Members in respect of shares held in physical form will not be automatically applicable to the dividend paid on shares held by the same shareholders in electronic form.

19. Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Further, pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority

(Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") as amended to date, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

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 dividend amount and shares transferred to IEPF Authority are 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).

No claim could be made in respect thereof with the Company. The voting rights on the shares transferred to IEPF Authority shall remain frozen till the rightful owner claims the shares.

Those shareholders who have not claimed / encashed their dividends for the FY 2021-22 are requested to claim the same. The concerned members are requested to verify the details of their unclaimed amount, if any, from the website of the Company and write to the Company's Registrar before the same becoming due for transfer to the IEPF. The last date for claiming the said unpaid dividend is 29th October, 2029.

20. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 read with SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024, as applicable, has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed dividend account; exchange of securities certificate; sub-division of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR -4 to the Company or Company's Registrars and Transfer Agents, MCS Share Transfer Agent Limited ("MCS"). It may be noted that any service request can be processed only after the folio is KYC Compliant.
21. In accordance with Regulation 40 of the SEBI Listing Regulations, as amended, any fresh transfer requests for securities shall be processed in demat/electronic form only. Members holding shares of the Company in physical form are requested to kindly get their shares converted into demat/electronic form to get inherent benefits of dematerialisation.
22. 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.
23. 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. In respect of shares held in dematerialized form, the nomination form may be filed with the respective Depository Participant.
24. SEBI has established a common Online Dispute Resolution Portal ('ODR Portal') for resolution of disputes arising in the Indian Securities Market. Pursuant to this, post exhausting the option to resolve their grievance with the RTA/Company directly and/or through the SEBI SCORES platform, the investors can initiate dispute resolution through the ODR Portal (<https://smartodr.in/login>) and the same can also be accessed through the Company's website at [http://panchmahalsteel.co.in/other\\_disclosures.html#0](http://panchmahalsteel.co.in/other_disclosures.html#0).
25. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their respective Depository Participants in case the shares are held by them in electronic form and with our RTA, namely, M/s MCS Share Transfer Agent Limited in case the shares are held by them in physical form.

### **INFORMATION AND OTHER INSTRUCTIONS RELATING TO REMOTE E-VOTING AND E-VOTING DURING AGM**

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and applicable circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

### **INFORMATION AND OTHER INSTRUCTIONS TO SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

**Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.**

**Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.**

- (i) The voting period begins on **Friday, the 19th September, 2025 (9.00 a.m. IST)** and ends on **Sunday, the 21st September, 2025 (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 of 15th September, 2025 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to **SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.**

- (iv) In terms of **SEBI circular no. SEBI/HO/ CFD/ CMD/ CIR/ P/2020/ 242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for **Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>1) Users of who have opted for CDSL's Easi /Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and New System Myeasi Tab.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e- Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e- voting option, the user will be able to see e-Voting page of the e- Voting service provider for casting your vote during the remote e- Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login and New System Myeasi Tab and then click on registration option.</li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all the e-Voting Service Providers.</li> </ol>

Type of sharholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e- Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re- directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the homepage of e- Voting system is launched, click</li> </ol>

Type of sharholders	Login Method
	<p>on the icon "Login" which is available under 'Shareholder/Member's section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>4) For OTP based login you can click on <a href="https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp">https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp</a>. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important Note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 21 09911
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no. : 022 - 4886 7000 and 022 - 2499 7000

**Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.**

(v) Login method for e-Voting and joining virtual meeting for **Physical Shareholders and shareholders other than individual holding in Demat Form.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- 2) Click on "Shareholders" module.



- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) 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 e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat Form.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN i.e. **250813010** of the Company "PANCHMAHAL STEEL LIMITED" on which you choose to vote.
- (x) 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.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

- (xv) 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.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

**(xvii) Additional Facility for Non-Individual Shareholders and Custodians - for Remote Voting only**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
- 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 a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- It is mandatory that 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.
- Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [csneerajtrivedi@gmail.com](mailto:csneerajtrivedi@gmail.com) and [shares@panchmahalsteel.co.in](mailto:shares@panchmahalsteel.co.in), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
2. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
3. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
5. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
6. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
7. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
8. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance on or before 13th September, 2025, mentioning their name, demat account number/folio number, email id, mobile number at e-mail Id - [shares@panchmahalsteel.co.in](mailto:shares@panchmahalsteel.co.in). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance on or before the above mentioned date, mentioning their name, demat account number/folio number, email id, mobile number at e-mail Id [shares@panchmahalsteel.co.in](mailto:shares@panchmahalsteel.co.in). Their queries will be replied to by the Company suitably.

9. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
10. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
11. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES**

1. **For Physical Shareholders:-** Please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to our RTA namely, MCS Share Transfer Agent Limited on their e-mail Id : [mcsltdbaroda@gmail.com](mailto:mcsltdbaroda@gmail.com).
2. **For Demat Shareholders:-** Please update your e-mail id and mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting and joining virtual meetings through Depository.
3. If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 21 09911
4. **For Individual Demat Shareholders -** Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no.1800 21 09911

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL), Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 21 09911

**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 **Monday, 15th September, 2025**.
- ii. Mr. Niraj Trivedi, Practicing Company Secretary (Membership No. FCS - 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 Scrutinizer will, after the conclusion of e-voting at the Meeting, scrutinise the votes cast at the Meeting (Insta Poll) and votes cast through remote e-voting, make a consolidated Scrutiniser's Report and submit the same to the Chairman. The result of e-voting will be declared within two working days of the conclusion of the Meeting and the same, along with the consolidated Scrutinizer's Report, will 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 result will simultaneously be communicated to the Stock Exchanges.

**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, 11th August, 2025

By order of the Board of Directors

Sd/-  
**Deepak Nagar**  
GM (Legal) & Company Secretary  
Membership No. ACS 7960

## EXPLANATORY STATEMENT

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

As required by Section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item No. 4 & 5 of the accompanying Notice:

#### Item No. 4:

In terms of provisions of Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (LODR) Regulations, 2015, the Board of Directors at its meeting held on August 11, 2025, on recommendation of the Audit Committee, recommend the appointment of CS Niraj Trivedi (FCS-3844; COP-3123), Peer Reviewed and Quality Reviewed Firm of Company Secretaries in Practice, as a Secretarial Auditor of the Company, for a period of five consecutive years commencing from FY 2025-26 till FY 2029-30. CS Niraj Trivedi, Practicing Company Secretary has given his consent to act as the secretarial auditors of the Company and confirmed that his aforesaid appointment (if made) would be within the limits specified by the Institute of Company Secretaries of India. He has also confirmed that he is not disqualified to be appointed as Secretarial Auditors and is in compliance with independence requirements as prescribed under the Auditing Standards issued by the Institute of Company Secretaries of India, and other applicable rules and regulations.

CS Niraj Trivedi is having extensive knowledge and experience of more than 30 years in the field of Corporate Laws. The firm is backed by a team of qualified and experienced Company Secretaries and provides professional services in the field of Corporate Laws, SEBI Regulations, FEMA Regulations including carrying out Secretarial Audits, Due Diligence Audits and Compliance Audits.

The details, terms and conditions of appointment (including remuneration) of the Auditor proposed to be appointed, pursuant to Regulation 36(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, are as follows:

Sr. No.	Particulars	Details
1	Proposed fees payable to the secretarial auditors along with terms of appointment	<p>The proposed remuneration to be paid to CS Niraj Trivedi for secretarial audit services for the financial year ending March 31, 2026, is Rs.1,25,000/- (Rupees One Lac Twenty Five Thousand only) plus applicable taxes and out-of-pocket expense, as may be incurred, in connection with the secretarial audit of the Company.</p> <p>The Board of Directors, in consultation with the Audit Committee, may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Auditors.</p>
2	Basis of recommendation for appointment	The Board and Audit Committee have evaluated and considered various factors such as independence, industry experience across listed entities, technical skills, audit team, audit quality reports, clientele served etc. and found said firm to be best suited to handle the scale, diversity and complexity associated with the secretarial audit of the Company.

Further, the Company may obtain certifications and avail other permissible services under statutory regulations from CS Niraj Trivedi, as may be required from time to time on mutually agreed terms.

None of the Directors, Key Managerial Personnel and their relatives is concerned or interested, financially or otherwise, in the resolution. The Board recommends the Special Resolution set out at Item no. 4 of the Notice for approval of the members.

**Item No. 5:**

In terms of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 ('Rules'), as amended from time to time, the Company is required to undertake the audit of its cost records for products covered under the Rules. Such cost audit shall be conducted by a Cost Accountant in practice.

Based on the recommendation of the Audit Committee, the Board at its meeting held on May 23, 2025, approved the appointment and remuneration of M/s Kiran J. Mehta & Co., Cost Accountants, Ahmedabad (Firm Registration No. 00025) as the Cost Auditors of the Company for FY 2025-26 at a remuneration of Rs.1.75 lakh plus applicable taxes and reimbursement of out-of-pocket expenses, incurred by the Cost Auditor in connection with cost audit.

In accordance with the provisions of Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, as amended, the remuneration payable to the Cost Auditors, as recommended by the Audit Committee and approved by the Board, must be ratified by the Members of the Company.

The consent of the Members is sought to pass an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditor of the Company for the Financial Year ending March 31, 2026.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the Resolution mentioned at Item No. 5 of the Notice.

The Board recommends the Resolution set forth in Item No. 5 for the approval of the Members.

**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, 11th August, 2025

By order of the Board of Directors

Sd/-  
Deepak Nagar  
GM (Legal) & Company Secretary  
Membership No. ACS 7960



**ANNEXURE - A****DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE AGM**

[ Pursuant to SEBI (LODR) Regulations, 2015 and paragraph 1.2.5 of Secretarial Standard-2 on General Meetings]

Name of the Director	Mr. Kalpesh J. Parmar
Designation	Non-Executive Non-Independent Director
DIN	00230588
Date of Birth & Age	08.11.1971 (54 years)
Nationality	Indian
Date of first appointment on the Board	14.02.2020
Educational Qualification	B.Com., FCA
Experience & Expertise	Mr. Kalpesh J. Parmar is having a professional experience of over 23 years.  He is one of the lead partner of M/s JHS & Associates, LLP, Chartered Accountants, Vadodara and has rich experience across range of service domains including Assurance, Taxation, Governance, Risk Consulting, Outsourced Accounting, Profit improvement and Foreign Exchange Management.
Terms and conditions of re-appointment	Re-appointment in terms of Section 152(6) of the Companies Act, 2013.
Details of remuneration sought to be paid	Not Applicable
Number of Meetings of the Board attended during the year.	4 of 4
List of Directorship/ Membership / Chairmanships of Committees of other Companies.	<u>Directorship</u> - Honeyvick Enterprises (P) Ltd.
Listed entities from which the person has resigned from the directorship in the past three years.	Not Applicable
Shareholding in the Company as at 31.03.2025	Nil
Relationship with other directors, manager and other Key Managerial Personnel of the Company.	None
Skills and capabilities required for the role and the manner in which proposed person meets such requirements.	Not Applicable

## **DIRECTORS' REPORT**

To,

The Members

Your Company's Directors are pleased to present the 52nd Annual Report of the Company together with the Statement of Audited Accounts for the financial year ended 31st March, 2025.

### **FINANCIAL RESULTS**

(Rs. in Lacs)

Particulars	Year ended 31.03.2025	Year ended 31.03.2024
Revenue from Operations	38310.11	42761.54
Operating Expenses	36759.30	41190.73
Operating Profit before Interest, Tax, Depreciation & Amortization	1550.81	1570.81
Depreciation & Amortization Expense	805.50	809.19
Finance Costs	560.89	794.34
Other Income	271.29	424.60
Profit before Tax	455.71	391.88
Tax Expense (including Deferred Tax)	123.18	94.96
Profit for the year	332.53	296.92
Other Comprehensive Income	8.34	8.66
Total Comprehensive Income for the year	340.87	305.58
Earnings per Share (in Rupees)	1.74	1.56

### **REVIEW OF OPERATIONS**

The Company recorded total income of Rs.385.81 crores as compared to Rs.431.86 crores in the previous year. The Company achieved a Profit after Tax for the year of Rs.3.33 crores as against Rs.2.97 crores in the previous year.

### **DIVIDEND**

The Board of Directors have recommended a Dividend of Rs.3/- per share (previous year: Nil) on face value of Rs.10/- each for the financial year ended March 31, 2025.

Pursuant to Regulation 43(A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company does not fall under top 1000 Listed Companies by market capitalization as on 31st March, 2025 and hence the requirement for adopting the Dividend Distribution Policy is not applicable to the Company.

### **TRANSFER TO RESERVES**

The Board of Directors has decided to retain the entire amount of profit for the financial year 2024-25 in the Statement of Profit and Loss.

### **MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION**

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

### **SHARE CAPITAL**

The paid-up Equity Share Capital of your Company as on March 31, 2025 stood at Rs.19.08 crores comprising of 1,90,78,329 equity shares of Rs.10/- each. 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 does not have 'Deposits' as contemplated under Chapter V of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. Further, the Company has not invited or accepted any such deposit during the financial year ended 31st March, 2025.

#### CREDIT RATING

The Rating Agency, India Ratings and Research (Ind-Ra) vide its letter dtd. 05.08.2025 has affirmed the ratings of various credit facilities of the Company as stated below:

Instrument Type	Size of Issue (million)	Rating assigned along with Outlook/watch	Rating Action
Bank Loan Facilities	INR 970.00 (reduced from INR 1,270)	IND BBB-/Stable/IND A3	Affirmed

#### DIRECTORS' RESPONSIBILITY STATEMENT

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

- in preparation of the annual accounts for the year ended March 31, 2025, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- 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, 2025 and of the profit of the Company for the year ended on that date;
- 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;
- they have prepared the annual accounts on a 'going concern' basis;
- 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
- 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

The Company has complied with the Corporate Governance requirements under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A report on Corporate Governance together with the certificate of the statutory auditors confirming compliance with the conditions of Corporate Governance as stipulated in Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is enclosed as a part of this report as **Annexure-D**.

#### MANAGEMENT DISCUSSION AND ANALYSIS

As required under Regulation 34(2)(e) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Management Discussion and Analysis is enclosed as a part of this report as **Annexure-E**.

#### CORPORATE SOCIAL RESPONSIBILITY

The provisions of corporate social responsibility as prescribed under Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 as amended from time to time are not applicable to your Company. Accordingly, there was no CSR obligation for the Company for the financial year 2024-25. The Annual Reporting on CSR under Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014 is currently not applicable to the Company.

Pursuant to the provisions of sub-section (9) of Section 135, the functions of CSR committee, if any, are duly discharged by the Board of Directors of the Company. The Board has formulated a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company. The CSR Policy may be accessed on the Company's website at <http://panchmahalsteel.co.in/policies/Corporate-Social-Responsibility-Policy.pdf>.

#### **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**

In line with the requirements of the Act and the SEBI Listing Regulations, the Company has formulated a Policy on Related Party Transactions. The Policy can be accessed on the Company's website at <http://panchmahalsteel.co.in/policies/Related-Party-Transaction-Policy.pdf>.

During the year under review, all related party transactions entered into by the Company, were approved by the Audit Committee and were at arm's length and in the ordinary course of business. Prior omnibus approval was obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and on an arm's length basis. There were no materially significant related party transactions with the Company's promoters, directors, management or their relatives, which could have had a potential conflict with the interests of the Company at large or which is required to be reported. The Company did not have any contracts or arrangements with related parties in terms of Section 188(1) of the Companies Act, 2013.

Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for FY2024-25 and hence does not form part of this report.

Details of related party transactions entered into by the Company, in terms of Ind AS-24 have been disclosed in the notes to the financial statements forming part of this Report & Annual Accounts 2024-25.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

##### **Appointments**

At the 51st Annual General Meeting of the Company held on September 27, 2024, the members of the Company approved the appointment of Mr. Jaswantkumar P. Jain (DIN : 10719368) & Mr. Swapon L. Adhikari (DIN : 07135873) as Independent Directors of the Company, not liable to retire by rotation, to hold office for a period of 5 (five) consecutive years commencing from August 12, 2024 till August 11, 2029.

##### **Re-appointment of Director retiring by rotation**

In terms of the provisions of the Companies Act, 2013 and Rules made thereunder, Mr. Kalpesh J. Parmar, Non-Executive & Non-Independent Director of the Company, retires at the ensuing AGM and being eligible, seeks re-appointment. The members are requested to consider and approve his re-appointment.

##### **Cessation**

In accordance with sub-section 11 of Section 149 of the Act read with regulation 25(2) of the Listing Regulations, Mr. Amal D. Dhru [DIN: 00165145], and Mr. Milan P. Shah [DIN: 00012088] completed their second consecutive term of 5 years as an independent director on September 27, 2024 and accordingly, ceased to be an Independent Director and

Member of the Board of Directors of the Company. The Board of Directors place on record their deep appreciation for the wisdom, knowledge, guidance and valuable contribution provided by them during their tenure as Independent Directors and committee members.

#### **Declaration by Independent Directors**

The Company has received the necessary declarations/confirmations from each Independent Director under Section 149(6) and 149(7) of the Act and Regulations 16(1)(b) and 25(8) of the SEBI Listing Regulations, that they meet the criteria of independence laid down thereunder. The independent directors have also confirmed compliance with the provisions of rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014 as amended, relating to inclusion of their name in the data bank of Independent Directors.

In the opinion of the Board, there has been no change in the circumstances which may affect their status as Independent Directors of the Company and the Board is satisfied of the integrity, expertise, and experience (including proficiency in terms of Section 150(1) of the Act and applicable rules thereunder) of all Independent Directors on the Board.

#### **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**

All Independent Directors are familiarized with the Company, their roles, rights and responsibilities, nature of the industry and operations of your Company. The Independent Directors were regularly updated on the industry and market trends, plant processes and the operational performance of the Company through presentations.

In compliance with the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has put in place a familiarization program for Independent Directors. The details of familiarization programs are explained in the Corporate Governance Report.

#### **Nomination & Remuneration Policy**

The Company's policy for appointment of Directors, Key Management Personnel and Senior Management employees and their remuneration and other matters provided in Section 178(3) of the Act is available on the website of the Company at <http://panchmahalsteel.co.in/policies/Remuneration-Policy-for-Directors-KMP-and-other-Employees.pdf>

The details of Nomination & Remuneration Policy form part of the 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 Committee 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:

- Audit Committee
- Remuneration and Nomination Committee
- 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.

#### **Changes in Key Managerial Personnel**

During the year under review, there are no changes in the Key Managerial Personnel.

#### **AUDITORS AND AUDITORS' REPORT**

##### **Statutory Auditors**

Members of the Company at the AGM held on September 28, 2019, approved the appointment of, M/s CNK & Associates LLP (Firm Registration No. 101961W), Chartered Accountants Vadodara, as the statutory auditors of the Company. Further, the shareholders approved the re-appointment of CNK for a second term of five years commencing from the conclusion of the 51st AGM held on September 27, 2024 until the conclusion of 56th AGM of the Company to be held in the year 2029.

The report of the Statutory Auditor forms part of this Annual Report and Annual Accounts 2024-25. The said report does not contain any qualification, reservation, adverse remark or disclaimer.

##### **Internal Auditors**

Your Company has re-appointed M/s Keyur Patel & Co., Chartered Accountants, Vadodara as Internal Auditors of the Company to carry out the internal audit of various operational areas of the Company for the financial year 2025-26.

##### **Cost Auditors**

In terms of Section 148 of the Companies Act, 2013, the Company is required to maintain cost records and have the audit of its cost records conducted by a Cost Accountant. Cost records are prepared and maintained by the Company as required under Section 148(1) of the Companies Act, 2013.

The Board of Directors of the Company, on the recommendation of the Audit Committee, has approved the appointment of M/s Kiran J. Mehta & Co. as cost auditors of the Company for the year ending March 31, 2026. M/s Kiran J. Mehta & Co., Cost Accountants (FRN: 000025), Ahmedabad have vast experience in the field of cost audit and have been conducting the audit of the cost records of the Company for the past several years.

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 ended 31st March, 2024 was filed with the Ministry of Corporate Affairs on 10th September, 2024.

##### **Secretarial Auditor**

Pursuant to the provisions of Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 204 of the Companies Act, 2013, the Board considered the recommendation of the Audit Committee and recommends for your approval, the appointment of CS Niraj Trivedi (FCS-3844; COP-3123), Practicing Company Secretary, as Secretarial Auditor of the Company for a term of 5 consecutive years. He is eligible for the said appointment and has furnished necessary certificate of his eligibility and consent to act as the Secretarial Auditors of the Company. Accordingly, a resolution seeking appointment of CS Niraj Trivedi, Practicing Company Secretary as Secretarial Auditors is provided at item no. 4 of the Notice of 52nd Annual General Meeting.

The Secretarial Audit Report as issued by the Secretarial Auditor in Form No. MR-3 for the financial year 2024-25 is annexed herewith as Annexure-A and forms integral part of this Annual Report. There are no qualifications, reservations, adverse remarks or disclaimers made by the Secretarial Auditors, in their Audit Report for the financial year 2024-25 except for those detailed in the attached Auditors' report included in the Annual Report.

### Secretarial Standards

The Company has Complied with the applicable Secretarial Standards (as amended from time to time) on meetings of the Board of Directors and Meeting of Shareholders (EGM/AGM) i.e. SS-1 and SS-2 issued by The Institute of Company Secretaries of India and approved by Central Government under section 118(10) of the Companies Act, 2013.

### Reporting of Fraud

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its officers or employees to the Audit Committee under Section 143(12) of the Act, details of which need to be mentioned in this Report.

### ANNUAL RETURN

As required under Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2025 is available on the Company's website at <http://panchmahalsteel.co.in/disclosures.html#0>

### 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. The composition of Audit Committee and other details are given in the Corporate Governance Report.

### 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 are 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 review the Risk Management Policy of the Company. The provisions of Regulation 21 of SEBI (LODR) Regulations, 2015 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 as 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-B" to this Report.

### PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The information required under Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Appointment and Remuneration of Managerial Personnel) Amendments Rules, 2016, as amended from time to time, in respect of Directors / employees of the Company is set out in "Annexure-C" to this report.

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

There has been no significant and material order passed by the regulators or courts or tribunals impacting the going concern status and the Company's future operations. However, Members' attention is drawn to the statement on contingent liabilities, commitments in the notes forming part of the Financial Statements.

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

Honeyvick Enterprises Private Limited continues to be a holding company, holding 55.36% Equity Share Capital (55.12% as at 31.03.2024) of the Company. The Company neither has any subsidiary/ associate/ joint venture company nor any other company has become subsidiary/ associate/ joint venture company of the Company during the year.

#### **UNPAID OR UNCLAIMED DIVIDEND**

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividends, if not claimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to IEPF.

Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares. Other relevant details are included in the Corporate Governance Report furnished in Annexure-D, which forms part of this report.

#### **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 in place an Anti-Sexual Harassment Policy 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. Hence, no complaint was disposed off and/or remains pending for more than 90 days as of March 31, 2025.

#### **OTHER DISCLOSURES**

- There was no change in the nature of business of the Company as stipulated under sub-rule 5(ii) of Rule 8 of Companies (Accounts) Rules, 2014.
- There was no application made or proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016 during the year under review.
- There was no instance of one-time settlement with any Bank or Financial Institution.
- Regulation 34(2)(f) of SEBI LODR, 2015 regarding Business Responsibility and Sustainability Report is not applicable to the Company.
- As required under the Companies (Accounts) Second Amendment Rules, 2025, the Board confirms that during the year under review, the Company has complied with all provisions of the Maternity Benefit Act, 1961.

#### **APPRECIATION**

Your Directors thank the Banks, Central and State Government Authorities, Shareholders, Customers, Suppliers and other business associates for their co-operation and support to the Company. The Directors express their sincere appreciation for the dedication and commitment of all their employees.

For and on behalf of the Board of Directors

Place : Vadodara  
Date : 11th August, 2025

Sd/-  
**Ashok Malhotra**  
Chairman & Managing Director  
DIN : 00120198

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

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2025**  
[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**

**(CIN: L27104GJ1972PLC002153)**

GIDC Industrial Estate, Kalol-389 330,

Dist. Panchmahals, Gujarat.

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

Based on my 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 the Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2025, 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:-

I 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, 2025 according to the provisions of:-

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force);
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force);
- iii. The Depositories Act, 1996 and the Regulations and Bye - laws framed thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force);
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force);
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force):-
  - 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, 2018 - Not applicable to the Company during the Audit Period;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - 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, 2021 - Not applicable to the Company during the Audit Period; and

- h) The Securities and Exchange Board of India (Buy - Back of Securities) Regulations, 2018 - 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 my 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.

I have also examined compliance with the applicable clauses of the following:-

- i. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings;
- ii. The Listing Agreements entered into by the Company with BSE Limited (BSE) read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

1. The Company pursuant to Reg. 19(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, failed to comply in respect of composition of Nomination and Remuneration Committee for a period from 27.09.2024 to 26.02.2025. BSE Ltd vide email dated 17.03.2025, imposed a fine of Rs 10,000/- plus GST. The company has paid the said fine and also has reconstituted NRC in line of the Regulation with effect from 26.02.2025.

I 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 of with provision of the Act except observation mentioned as above. Adequate notice is given to all the 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. Majority decisions are were carried out unanimously as recorded in the minutes of the meeting of the Board of Directors.

**I 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.

**I further report** that during the audit period, the following major event/action having a major bearing on the Company's affairs in pursuance of the above referred Laws, rules, regulations and guidelines, standards etc.

1. On 27th September, 2024 at the Annual General Meeting, the members of the company has approved the following agenda by passing a Special Resolution:
  - Appointment of Mr. Swapon Latitmohan Adhikary (DIN: 07135873) as an Non-Executive Independent Director;
  - Appointment of Mr. Jaswantkumar Jain (DIN: 10719368) as an Non-Executive Independent Director;

Signature : Sd/-  
 Name of PCS : NIRAJ TRIVEDI  
 FCS No. : 3844  
 C.P. No. : 3123  
 PR : 1014/2020  
 UDIN : F003844G000972416

Place : Vadodara

Date : 11th August, 2025

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



**"Annexure - A"**

To,  
The Members  
**M/s. PANCHMAHAL STEEL LIMITED**  
**(CIN: L27104GJ1972PLC002153)**  
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 records 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. I 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. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I 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 the Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the 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 : 11th August, 2025

Signature : Sd/-  
Name of PCS : NIRAJ TRIVEDI  
FCS No. : 3844  
C. P. No. : 3123  
PR : 1014/2020  
UDIN : F003844G000972416

### "Annexure - B" 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**

(Rs. in Lacs)

	Particulars	2024-25	2023-24
i.	Foreign Exchange Earnings	7590.84	6111.47
ii.	CIF Value of Imports	15805.08	17531.32
iii.	Expenditure in Foreign Currency	57.27	61.30

For and on behalf of the Board of Directors

Place : Vadodara  
Date : 11th August, 2025

Sd/-  
**Ashok Malhotra**  
Chairman & Managing Director  
DIN : 00120198

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

Statement of Disclosure of Remuneration under Section 197 (12) of Companies Act, 2013, Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with the Companies (Appointment and Remuneration of managerial Personnel) Amendments Rules, 2016 .

	Particulars	
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 - 73.4 : 1
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 - 0.27% Mr. Nilesh Shah, CFO - 0.18% Mr. Deepak Nagar, CS - 0.23%
3	The % increase in the median remuneration of employees in the financial year.	In the F.Y. 2024-25, there was an increase of 3.47% in the median remuneration of employees.
4	The number of permanent employees on the roll of the Company.	524 Employees as on March 31, 2025
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 are no exceptional circumstances for increase in the managerial remuneration.
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 paid to the Directors and Key Management Personnel and other employees in accordance with Remuneration Policy of the Company.

\*Since Non-executive directors received no remuneration, except sitting fees for attending Board/Committee meetings, the required details are not applicable.

#### Information required under provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Details of top 10 or such employees in terms of remuneration drawn during the year, where employed throughout the financial year, in receipt of remuneration for the year which, in the aggregate, was not less than Rs. 1,02,00,000/- and where employed for any part of the year, at a rate which, in the aggregate, was not less than Rs. 8,50,000/- per month:

Sr. No.	Employee Name	Designation	Educational Qualifications	Age years	Experience in	Gross Remuneration in F.Y. 2024-25 (Rs. In lacs)	Previous Employment & Designation
<b>A.</b>	<b>Employed throughout the year</b>						
1.	Mr. Ashok R. Malhotra	Chairman & Managing Director	B.Com.	73 years	More than 50 years. Joined Company as Director on 01.12.1976.	172.48	NA
<b>B.</b>	<b>Employed for part of the year</b>						
	-	-	-	-	-	-	-

Except for the above, none of the employees, employed throughout the year were in receipt of remuneration of more than Rs. 1.02 crore per annum and employed for part of the year, were in receipt of remuneration of not more than Rs. 8.50 lacs per month.

Mr. Ashok R. Malhotra was appointed as Managing Director of the Company for a period of 3 years w.e.f. 01.04.2024.

Mr. Ashok R. Malhotra is not related to any director of the Company. Mr. Ashok Malhotra along with his relatives holds more than 2% of equity share capital of the Company.

Apart from the above, none of the employees are neither relatives of any directors of the Company, nor hold 2% or more of equity share capital of the Company as per Clause (iii) of sub-rule (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

For and on behalf of the Board of Directors

Place : Vadodara  
Date : 11th August, 2025

Sd/-  
**Ashok Malhotra**  
Chairman & Managing Director  
DIN : 00120198

## Report on Corporate Governance - (Annexure-D)

The Board of Directors present the Company's Report on Corporate Governance for the financial year ended 31st March, 2025 as hereunder, in terms of Regulation 34(3) read with Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended.

### 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 pursues policies and procedures to satisfying its legal and ethical responsibilities.

### 2. Board of Directors

The Board of Directors ('Board') is at the core of our corporate governance practice and oversees and ensures that the Management serves and protects the long-term interest of all our stakeholders.

#### Composition of the Board

The Board has an optimum combination of executive director, non-executive directors and independent directors. The Composition of Board is in conformity with Regulation 17(1)(b) & 17(1)(c) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Section 149 and Section 152 of the Companies Act, 2013, which stipulates that at least half of the Board should comprise of Independent Directors if the Chairman of the Board is an Executive Chairman and that the Board of Directors of the top 2000 listed entities shall comprise of not less than six directors. The Board at present consists of six (6) Directors, including Executive Chairman and one women director. 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 composition of the Board as at 31st March, 2025 stood as under:

Name of Director	Category	Number of position held in other Companies		
		Directorships*	Committee Chairmanship@	Committee@ Memberships
Mr. Ashok R. Malhotra	Promoter & Executive Director	1	Nil	Nil
Mr. Samir M. Parikh	Independent Director	2	Nil	Nil
Ms. Suchita Shah	Non-Independent Non-Executive Director	1	Nil	Nil
Mr. Jaswantkumar P. Jain	Independent Director	1	Nil	Nil
Mr. Swapon L. Adhikary	Independent Director	3	Nil	Nil
Mr. Kalpesh J. Parmar	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 Unlisted Public Limited companies has been considered, excluding that in your Company.

During the year under review and as on date of this report, none of our Directors serve as Director or as IDs in more than seven listed companies and none of the EDs serve as IDs on any listed company. Further, none of our IDs serve as Non-Independent Director of any company on the board of which any of our Non-Independent Director is an ID. Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may reasonably be

anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Section 149 of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management. Further, the IDs have in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs.

As required under Regulation 46 of the SEBI Listing Regulations, as amended, the terms and conditions of appointment of IDs including their role, responsibility and duties are available on our website at [www.panchmahalsteel.co.in](http://www.panchmahalsteel.co.in)

During FY2024-25, none of our Directors acted as Member in more than 10 committees or as Chairperson in more than 5 committees across all listed entities where they serve as a Director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations. Further, there are no inter se relationships between our Board Members. None of the directors holds office as director, including alternate director, in more than twenty companies at the same time.

#### **Changes to Board during FY2024-25**

1. Mr. Jaswantkumar P. Jain and Mr. Swapon L. Adhikary have been appointed as an Independent Director of the Company, for a term of 5 (Five) consecutive years commencing August 12, 2024 through August 11, 2029.
2. Mr. Amal D. Dhru and Mr. Milan P. Shah, Non-Executive Independent Directors of the Company have completed their second consecutive term of 5 years each from the conclusion of 51st AGM held on September 27, 2024 and therefore ceased to be Directors in accordance with sub-section 11 of Section 149 of the Act, read with regulation 25(2) of the listing Regulation.

#### **Directorship in other listed companies as on March 31, 2025**

None of the Director of the Company is holding directorship in any other listed company.

#### **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. The information supplied by management to the Board of the Company is in accordance with SEBI LODR, 2015 and Companies Act, 2013.

During the year under review, 4 (Four) Board Meetings were held on 11th May, 2024, 12th August, 2024, 30th October, 2024 & 12th February, 2025. The 50th Annual General Meeting was held on 27th September, 2024 through Video Conferencing (VC). 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. 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 held on 27.09.2024
1.	Mr. Ashok R. Malhotra	4	4	Yes
2.	Mr. Amal D. Dhru #	2	1	Yes
3.	Mr. Milan P. Shah #	2	2	No
4.	Ms. Suchita Shah	4	4	Yes
5.	Mr. Samir M. Parikh	4	3	Yes
6.	Mr. Kalpesh J. Parmar	4	4	Yes
7.	Mr. Jaswantkumar P. Jain *	2	2	Yes
8.	Mr. Swapon L. Adhikary *	2	2	Yes

# Mr. Amal D. Dhru & Mr. Milan P. Shah ceased to be an Independent Director and Member of the Board from the conclusion of 51st AGM held on September 27, 2024.

\* Mr. Jaswantkumar P. Jain and Mr. Swapon L. Adhikary have been appointed as an Independent Director of the Company, for a term of 5 (Five) years commencing August 12, 2024 through August 11, 2029.



#### Independent Directors' Meeting

Pursuant to Schedule IV of the Act, the Independent Directors met on February 12, 2025 without the presence of Non-Independent Directors and Members of the Management. The meeting of Independent Directors was chaired by Mr. Jaswantkumar P. Jain, Independent Director and Chairperson of the Audit Committee.

The Independent Directors, inter-alia, evaluated the performance of the Non-Independent Directors and the Board of Directors as a whole, evaluated the performance of the Chairman of the Board taking into account the views of Executive and Non-Executive Directors. They also discussed the aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

Except Mr. Samir M. Parikh, all other 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, 2025

Name of the Non-Executive Directors	No. of Shares held
Ms. Suchita Shah	1900
Mr. Samir M. Parikh	Nil
Mr. Kalpesh J. Parmar	Nil
Mr. Jaswantkumar P. Jain	Nil
Mr. Swapon L. Adhikary	Nil

#### Familiarization Program for Independent Directors

The Company has formulated a Program 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. They are also informed of the important policies of the Company, including the Code of Conduct for Board Members and Senior Management Personnel and the Code of Conduct to Regulate, Monitor and Report Trading in securities by Insiders, 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. The Standard appointment letter containing the terms and conditions of appointment of independent directors is placed on the Company's website <http://panchmahalsteel.co.in/policies/Terms-and-Conditions-of-appointment-of-Independent-Directors.pdf>. Each newly appointed Independent Director is taken through a formal induction & familiarization program. Visits to plant are organized for the new Directors to enable them to understand the business better. The Directors were provided necessary updates and information about the business and compliances during the quarterly Board meeting/s. The Company's Policy of conducting the Familiarization Program has been disclosed on the website of the Company at <http://panchmahalsteel.co.in/policies/Familiarization%20Programs%20for%20Independent%20Directors%20%2831.03.2025%29.pdf>.

#### 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:-

- 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.
- Behavioral skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.
- Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making.

- Financial and Management skills, knowledge of law, Insurance, Project management, human resource management, CSR etc.
- Technical / Professional skills and specialized knowledge in relation to Company's business.

In the opinion of the Board, these skills are available with the board and the following chart/ matrix depicts the aforesaid skills/expertise/competence possessed by the board.

	Areas of Skills/ Expertise/ Competence						
	Industry knowledge/ experience	Leadership & Strategy	Operations/ Technology	Finance/ Management	Governance	Government/ Regulatory Affairs	Behavioural Competencies
Mr. Ashok R. Malhotra	3	3	3	3	3	3	3
Ms. Suchita Shah	3	3	-	3	3	3	3
Mr. Samir M. Parikh	3	3	-	3	3	3	3
Mr. Kalpesh J. Parmar	3	3	-	3	3	3	3
Mr. Jaswantkumar P. Jain	3	3	-	3	3	3	3
Mr. Swapn L. Adhikary	3	3	-	3	3	3	3

#### 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. In terms of the Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, all Independent Directors of the Company have enrolled themselves on the Independent Directors Databank.

None of the Independent Directors of the Company resigned before the expiry of their respective tenure during FY: 2024-25.

#### Orderly succession to the Board and Senior Management

The Board of the Company satisfied itself that plans are in place for orderly succession for appointments to the Board and Senior Management.

#### Review of Legal Compliance Reports

During the year, the Board periodically reviewed compliance reports with respect to the various laws applicable to the Company, as prepared and placed before it by the Management.

#### Maximum tenure of independent directors

The maximum tenure of independent directors is in accordance with the Companies Act, 2013 and Regulation 25 (2) of SEBI LODR, 2015.

### **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.

- Audit Committee
- Nomination & Remuneration Committee
- 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.

**(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 Four (4) members, 3 of them are Independent Directors. All the members of the Audit Committee are qualified and have insight to interpret and understand financial statements. The Composition of the Committee as at 31st March, 2025 was as under:

Sr. No.	Name of Member	Status	Category
1.	Mr. Jaswantkumar P. Jain	Chairman	Non-Executive Independent Director
2.	Mr. Samir M. Parikh	Member	Non-Executive Independent Director
3.	Mr. Kalpesh J. Parmar	Member	Non-Executive Independent Director
4.	Mr. Swapon L. Adhikary	Member	Non-Executive Non-Independent 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 11th May, 2024, 12th August, 2024, 30th October, 2024 & 12th February, 2025. 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 #	2	1
2.	Mr. Jaswantkumar P. Jain, Chairman *	2	2
3.	Mr. Milan P. Shah, Member #	2	2
4.	Mr. Samir M. Parikh, Member	4	3
5.	Mr. Kalpesh J. Parmar, Member	4	4
6.	Mr. Swapon L. Adhikary, Member *	4	2

# Mr. Amal D. Dhru & Mr. Milan P. Shah upon completion of their tenure as an Independent Director retired with effect from September 27, 2024.

\* Mr. Jaswantkumar P. Jain and Mr. Swapon L. Adhikary have been inducted as Chairman/Member of the Audit committee with effect from September 27, 2024 respectively.

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 27, 2024 through Video Conferencing.

**(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 (1) of the Companies Act, 2013.

Composition:

The Composition of the Nomination & Remuneration Committee as at 31st March, 2025 was as under:

Sr.No.	Name of Member	Status	Category
1.	Mr. Samir M. Parikh	Chairman	Non-Executive Independent Director
2.	Mr. Kalpesh J. Parmar	Member	Non-Executive Independent Director
3.	Mr. Swapon L. Adhikary	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 12th August, 2024. 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. Samir M. Parikh *	Chairman *	1	1
3.	Mr. Milan P. Shah #	Member #	1	1
4.	Ms. Suchita Shah **	Member	-	-
5.	Mr. Kalpesh J. Parmar ***	Member	-	-
6.	Mr. Swapon L. Adhikary ****	Member **	-	-

# Mr. Amal D. Dhru & Mr. Milan P. Shah upon completion of their tenure as an Independent Director retired with effect from September 27, 2024.

\* Mr. Samir M. Parikh was inducted as a member/Chairman of the Nomination & Remuneration Committee with effect from September 27, 2024.

\*\* Ms. Suchita Shah ceased to be a member of NRC Committee with effect from 26th February, 2025.

\*\*\* Mr. Kalpesh J. Parmar was inducted as a member of the NRC Committee with effect from September 27, 2024.

\*\*\*\* Mr. Swapon L. Adhikary is appointed as an Independent Director with effect from August 12, 2024 and also inducted as a member of the NRC Committee with effect from September 27, 2024.

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.

The previous Annual General Meeting of the Company held on September 27, 2024 through Video Conferencing was duly attended by the Chairman of the Nomination & Remuneration Committee.

Annual Performance Evaluation

The Board evaluated the effectiveness of its functioning, of the Committees and of individual Directors, pursuant to the provisions of the Companies Act, 2013, SEBI LODR, 2015 and guidance note on evaluation issued by SEBI.

The evaluation of the Independent Directors was carried out by the entire Board excluding the independent director being evaluated. The performance evaluation of the Chairman and the Non-Independent Directors was 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 Company has formulated Remuneration Policy for implementation by the Committee, which is available on the website under link <http://panchmahalsteel.co.in/policies/Remuneration-Policy-for-Directors-KMP-and-other-Employees.pdf>.

The brief summary of a remuneration policy for Directors, Key Management Personnel and other employees of the Company, inter-alia, 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.

The Company has no stock options plans and no payment by way of bonus, pension, incentives etc. shall be made to Non-Executive Directors.

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 Malhotra, Chairman & Managing Director for FY:2024-25 is as under: (Rs. In lacs)

Salary & Allowances	147.00
Perquisites	12.52
Contribution to PF & other Funds	12.96
Commission	---
<b>Total</b>	<b>172.48</b>

The Chairman & Managing Director has been appointed for a period of 3 years with effect from 01.04.2024, which can be terminated by giving 3 months' notice in writing. There is no provision for severance fee in the employment contract of the Managing Director of the Company. The Company does not pay any remuneration to the Non-executive Directors of the Company including, Independent Directors.

The Company has no stock options 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, 2025 is as under: -

(Rs. in lacs)

Sr. No.	Name of Director	Sitting Fee	No. of shares held
1.	Mr. Amal D. Dhru #	0.30	-
2.	Mr. Milan P. Shah #	0.70	200
3.	Ms. Suchita Shah	0.90	1900
4.	Mr. Samir M. Parikh	0.60	-
5.	Mr. Kalpesh J. Parmar	0.80	-
6.	Mr. Jaswantkumar P. Jain *	0.50	-
7.	Mr. Swapon L. Adhikary *	0.70	-

# Mr. Amal D. Dhru & Mr. Milan P. Shah ceased to be an Independent Director and Member of the Board from the conclusion of 51st AGM held on September 27, 2024.

\* Mr. Jaswantkumar P. Jain and Mr. Swapon L. Adhikary have been appointed as an Independent Director of the Company, for a term of 5 (Five) years commencing August 12, 2024 through August 11, 2029.

**(C) Stakeholders Relationship Committee**

In compliance with Regulation 20 of SEBI (LODR) and 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, 2025 was as under:

Sr.No.	Name of the Member	Status	Category
1.	Mr. Swapon L. Adhikary	Chairman	Non-Executive Independent Director
2.	Ms. Suchita Shah	Member	Non-Executive Non-Independent Director
3.	Mr. Ashok R. Malhotra	Member	Executive Director

### Terms of Reference

The role, powers and broad terms of reference of the Nomination & Remuneration Committee covers the area as contemplated under Regulation 20 read with Part D of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Section 178 (5) of the Companies Act, 2013.

The Committee also reviews matters pursuant to the IEPF Rules.

### Meetings and Attendance during the year

During the year, 4 Stakeholders Relationship Committee Meetings were held on 11th May, 2024, 12th August, 2024, 30th October, 2024 & 12th February, 2025. 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 #	2	2
2.	Mr. Swapon L. Adhikary, Chairman *	2	2
3.	Ms. Suchita Shah, Member	4	4
4.	Mr. Ashok Malhotra, Member	4	4

# Mr. Milan P. Shah upon completion of his tenure as an Independent Director retired with effect from September 27, 2024.

\* Mr. Swapon L. Adhikary is appointed as an Independent Director with effect from August 12, 2024 and also inducted as a Chairman/ member of the SRC Committee with effect from September 27, 2024.

The name & designation of Compliance Officer is Mr. Deepak Nagar, G.M. (Legal) & Company Secretary.

In the absence of the Chairman of SRC Committee, Ms. Suchita Shah member of the Stakeholders Relationship Committee was duly authorised to answer the queries of the security holders, if any, at the previous annual general meeting held on September 27, 2024.

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, issue of duplicate share certificate, request for change of address, revalidation of divided warrants etc. were attended within a prescribed time.

Details of Shareholders Complaints received and attended during the year 2024-25 were as under:-

Nature of Complaints	As on 1st April, 2024	Received during the year	Redressed during the year	As on 31st March, 2025
From Investors/Shareholders	-	-	-	-
From Stock Exchange/SEBI/DPs	-	-	-	-

#### 4. Risk Management Committee

The provisions of Regulation 21 of the SEBI (LODR) Regulations, 2015 regarding Risk Management Committee are not applicable to the Company.



#### 5. Corporate Social Responsibility Committee

The provisions of corporate social responsibility as prescribed under Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 are not applicable to the Company. There was no CSR obligation for the Company for the financial year 2024-25.

Pursuant to the provisions of sub-section (9) of Section 135, the functions of CSR committee, if any, are duly discharged by the Board of Directors of the Company. The Board has formulated a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company. The CSR Policy may be accessed on the Company's website at <http://panchmahalsteel.co.in/policies/Corporate-Social-Responsibility-Policy.pdf>.

#### 6. Particulars of Senior Management Personnel (excluding KMPs) and changes therein during the financial year ended 31st March, 2025 are as under:

- Mr. Hanish Malhotra - Chief Operating Officer (Resigned on 31.05.2024)
- Mr. Rajkumar Kalani, Vice-President (SMS)
- Mr. Ramesh Rathod, Asst. Vice-President - Project & Development (Retired on March 18, 2025)
- Mr. Girish Patel, Asst. Vice-President (Quality Control)
- Mr. Akshay Sehgal, Asst. Vice-President (HR and Admn.)
- Mr. Rashesh Shah, General Manager (Rolling Mills)

#### 7. General Body Meetings

(i) The details of General Body Meetings for the last three years are as under:

Date	Time	Type of Meeting	Venue
29.09.2022	11.00 a.m.	AGM	Meeting conducted through VC/OAVM pursuant to MCA Circular. Deemed venue of the meeting was Registered Office of the Company i.e. GIDC Industrial Estate, Kalol-389330 Dist. Panchmahals, Gujarat.
25.09.2023	11.00 a.m.	AGM	Meeting conducted through VC/OAVM pursuant to MCA Circular. Deemed venue of the meeting was Registered Office of the Company i.e. GIDC Industrial Estate, Kalol-389330 Dist. Panchmahals, Gujarat.
27.09.2024	11.00 a.m.	AGM	Meeting conducted through VC/OAVM pursuant to MCA Circular. Deemed venue of the meeting was Registered Office of the Company i.e. GIDC Industrial Estate, Kalol-389330 Dist. Panchmahals, Gujarat.

(ii) The details of the Special Resolutions passed in the Annual General Meetings held in the previous three (3) years are given below:

No. of AGM	Date & Time of AGM	Description of Special Resolution
49th	23.09.2022 at 11.00 a.m.	--
50th	23.09.2023 at 11.00 a.m.	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, 2024.
51st	27.09.2024 at 11.00 a.m.	a) Appointment of Mr. Swapon L. Adhikary as an Independent Director of the Company for a period of 5 consecutive years from 12.08.2024. b) Appointment of Mr. Jaswantkumar P. Jain as an Independent Director of the Company for a period of 5 consecutive years from 12.08.2024.

(iii) Details of Postal Ballot conducted during the year:

Postal Ballot was not conducted for any business during the year ended 31.03.2025.

(iv) Person who conducted the Postal Ballot exercise

Not Applicable

(v) Details of proposed business item through postal ballot:

None of the businesses proposed to be transacted at the ensuing 52nd Annual General Meeting require passing a resolution through Postal Ballot.

(vi) Procedure for Postal Ballot

Not Applicable

**8. Means of Communication**

- a) The Company's Financial Results are generally 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 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)

- b) No presentations were made to the Institutional Investors or to the analysts during the financial year 2024-25 and no official news were released for the same except routine publication of financial results as aforesaid.

**9. General Information for Shareholders**

(i)	Day, Date, Time & Venue of the 52nd Annual General Meeting (AGM)	Monday, the 22nd September, 2025 at 11.00 a.m. <u>Venue</u> : The Company will conduct the meeting through VC/ OAVM. The deemed venue of the 52nd AGM shall be the Registered Office of the Company.
(ii)	Financial Year of the Company  Tentative Financial Reporting :	The financial year of the Company begins from 1st April every year and ends on 31st March of every subsequent year. UFR for the quarter ending 30.06.2025 : on or before 14th Aug, 2025 UFR for the quarter ending 30.09.2025 : on or before 14th Nov, 2025 UFR for the quarter ending 31.12.2025 : on or before 14th Feb, 2026 UFR for the quarter ending 31.03.2026 : on or before 15th May, 2026 If Company takes Audited Results : on or before 30th May, 2026 for the whole Financial Year
(iii)	Date of Book Closure	Friday, the 13th September, 2025 to Monday, the 22nd September, 2025 (both days inclusive) for the purpose of payment of AGM and payment of dividend, if declared at the 52nd AGM.
(iv)	Dividend Payment Date	The Board of Directors at its meeting held on May 23, 2025, recommended final dividend @ 30% i.e. Rs.3/- per equity share of Rs.10/- each for F.Y. 2024-25 subject to approval of the shareholders at the ensuing 52nd AGM. The dividend shall be paid to the members whose names appear on the Company's Register of Members as of the close of business hours on Friday, 12th September, 2025 in respect of physical shareholders and whose name appear in the list of Beneficial Owner as of the close of business hours on Friday, 12th September, 2025 furnished by NSDL and CDSL for this purpose. The final dividend, if declared, at the Annual General Meeting shall be paid within 30 days from the date of declaration at AGM.
(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 2025-26 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:mcsltbaroda@gmail.com">mcsltbaroda@gmail.com</a>

(x) Share Transfer System

M/s MCS Share Transfer Agent Limited ('MCS'), continues to act as Registrar & Share Transfer Agent of the Company for carrying out the work relating to share transfer / dematerialization / re-materialisation of shares and allied activities.

(xi) Unclaimed Dividend and Transfer of shares to IEPF

Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Further, pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") as amended to date, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

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 dividend amount and shares transferred to IEPF Authority are 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)).

No claim could be made in respect thereof with the Company. The voting rights on the shares transferred to IEPF Authority shall remain frozen till the rightful owner claims the shares. Those shareholders who have not claimed their dividends for the FY 2021-22 are requested to claim the same. The concerned members are requested to verify the details of their unclaimed amount, if any, from the website of the Company and write to the Company's Registrar before the same becoming due for transfer to the IEPF. The last date for claiming the said unpaid dividend is 29th October, 2029.

(xii) Investor Grievance and Share Transfer System

The Company has a Board-level Stakeholders' Relationship Committee to examine and redress investors' complaints. The status on complaints and share transfers are reported to the entire Board.

All investor service requests, such as transmission, name deletion, issuance of duplicate share certificates, exchange/subdivision of securities and transposition of securities, issuance of letter of confirmation (LOC) in lieu of physical share certificates as well as requests for dematerialization/re-materialization are being processed at MCS. The work relating to dematerialization/re-materialization is handled by MCS through connectivity with National Securities Depository Limited and Central Depository Services (India) Limited.

During FY 2024-25, Share transfers (transmission/transposition) received by the share transfer agent/Company are registered within 15 days from the date of receipt, provided that documents are complete in all respects. During the year, there was no instance of physical share transfer. The Managing Director or Company Secretary of the Company is empowered to approve such requests.

Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/ 2022/8 dated January 25, 2022 read with SEBI Master Circular No. SEBI/ HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024, as applicable has mandated the listed companies to issue securities in demat form only, while processing service requests viz. Issue of duplicate securities certificate, claim from Unclaimed Suspense Account, Renewal/ Exchange of securities certificate, Endorsement, Sub-division/Splitting of securities certificate, Consolidation of securities certificates/ folios, Transmission and Transposition. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR-4. It may be noted that any service request can be processed only after the folio is KYC compliant.

Therefore, Members holding shares in physical form are advised to dematerialise their shareholding.

(xiii) Distribution of Shareholding as at 31.03.2025

No. of Equity Shares held	Shareholders		Shares	
	Number	% to Total Shareholders	Number	% to Total Capital
1-500	2569	92.48	248842	1.30
501-1000	97	3.49	79035	0.41
1001-2000	44	1.58	63555	0.33
2001-3000	9	0.32	22906	0.12
3001-4000	7	0.25	24608	0.13
4001-5000	6	0.22	27697	0.15
5001-10000	12	0.43	77113	0.40
10001 & above	30	1.23	18534573	97.16
<b>Total</b>	<b>2774</b>	<b>100.00</b>	<b>19078329</b>	<b>100.00</b>

(xiv) Category of Shareholding as at 31.03.2025

Category	Number of Shareholders	Shares	
		Number	% to Total Capital
Promoter & Promoter Group	7	14189656	74.38
<u>Institutional Investors:</u>			
- Banks, Financial Institutions,	2	750429	3.93
- Government - IEPF Authority	1	97710	0.51
<u>Non-Institutional Investors:</u>			
- Bodies Corporate	28	912571	4.78
- Non Resident Indians	19	11407	0.06
- HUF	42	63580	0.33
- Public	2675	3052976	16.01
<b>Total</b>	<b>2774</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 INE798F01010. As on March 31, 2025, total 1,90,03,426 Equity Shares of the Company representing 99.61% of the Share Capital were in electronic form.

	Shares	% to Total Issued Capital
No. of Shares held in dematerialized form in NSDL	1,49,22,667	78.22
No. of Shares held in dematerialized form in CDSL	40,80,759	21.39
No. of Shares held in physical form	74,903	0.39
<b>Total</b>	<b>1,90,78,329</b>	<b>100.00</b>

The trading in the Equity Shares of the Company is permitted only in dematerialized form. The Company has entered into agreements, with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through M/s MCS ShareTransfer Agent Limited to facilitate the members to demat their shares with any of the depositories.

**Request for updation of PAN, KYC details and Choice of Nomination**

As per circulars issued by SEBI from time to time, it is mandatory for holders of physical securities to furnish PAN, KYC details (viz. Contact details, Mobile Number, Bank Account Details, Signature) and Nomination/ Opt-out of Nomination, before getting any Investor Service Request (ISR) processed.

Security holders holding securities in physical form, whose folio(s) do not have PAN, KYC details or Choice of Nomination updated, shall be eligible for dividend in respect of such folios, only through electronic mode with effect from 1st April, 2024. Members may refer to the SEBI FAQs (FAQ Nos. 38 & 39) issued in this regard, available on its website at [https://www.sebi.gov.in/sebi\\_data/faqfiles/sep-2024/1727418250017.pdf](https://www.sebi.gov.in/sebi_data/faqfiles/sep-2024/1727418250017.pdf).

Keeping the above statutory requirements in view, members holding shares in physical form are requested to furnish valid PAN, KYC and Nomination details immediately to the RTA / Company in the required forms, to ensure that, their folios are not frozen. The Company had sent individual communication letters to concerned shareholders. The required forms can be downloaded from the Company's website at link [http://panchmahalsteel.co.in/other\\_disclosures.html#0](http://panchmahalsteel.co.in/other_disclosures.html#0).

#### Suspense Escrow Demat Account

The Company has not transferred any equity shares to 'Suspense Escrow Demat Account' on account of non-receipt of demat request from the investor within 120 days of issuance of the Letter of Confirmation by RTA for transmission / name deletion request.

(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 no hedging activities for commodities.

During the year 2024-25, the Company has done hedging for repayment of Standby Letter of Credit (SBLC).

(xviii) Plant Location

Plot No. 117, GIDC Industrial Estate, Kalol-389330, Dist. Panchmahals (Gujarat).

(xix) Address for Correspondence

Shareholders may correspond with the Company at the Registered Office and / or Corporate 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-390007. Tel Nos.: 0265- 2317777 Fax No.: 0265-2317705 E-mail: <a href="mailto:shares@panchmahalsteel.co.in">shares@panchmahalsteel.co.in</a>	M/s MCS Share Transfer Agent Limited 1st Floor, Neelam Apartment, 88, Sampatrao Colony, Above Chappanbhog Sweets, Alkapuri, Vadodara-390 007. Tel Nos.: 0265-2314757, 2350490 Fax No.: 0265-2341639 Email: <a href="mailto:mcsltdbaroda@gmail.com">mcsltdbaroda@gmail.com</a>
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(xxi) 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, for the working capital facilities that the Company utilizes from its banker, a general credit rating has been obtained by the Company. Accordingly, Rating Agency viz., India Ratings & Research (Ind-RA) has affirmed the rating on the Bank facilities of the Company as follows:

Instrument Type	Size of Issue (million)	Rating assigned along with Outlook/watch
Bank Loan Facilities	INR 970.00 (reduced from INR 1,270)	IND BBB-/Stable/IND A3

## 10. Other Disclosures:

(a) Related Party Disclosures:

During the financial year 2024-25, 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 Note No. 34 forming part of the

Financial Statements for the year ended 31.03.2025. The Policy on Related Party Transactions is posted on the website of the Company on following web link <http://panchmahalsteel.co.in/policies/Related-Party-Transaction-Policy.pdf>

(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, except one instance in financial year 2024-25 detailed below:

The Company pursuant to Reg. 19(1) of SEBI (LODR) Regulations, 2015, failed to comply in respect of composition of Nomination and Remuneration Committee during the period from 27.09.2024 to 26.02.2025. BSE Ltd has levied a fine of Rs 10,000/- plus GST on the Company. The company has paid the fine within the prescribed period and also has reconstituted NRC in line of the Regulation with effect from 26.02.2025.

(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 detailed policy on above can be accessed on the Company's website under the weblink: <http://panchmahalsteel.co.in/policies/Whistle-Blower-Policy.pdf>

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) Disclosure in relation to material subsidiaries

The Company does not have any 'material subsidiary' Company.

(f) Details of utilization of funds raised through preferential allotment, Institutions Placement as specified under Regulation 32 (7A)

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 Company has obtained and filed the Annual Secretarial Compliance Report for the Financial Year ended March 31, 2025 with the Stock Exchange within the stipulated time.



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 Regulation 34(3) and Part C of Schedule V of Listing Regulations has been obtained from Mr. Niraj Trivedi (CP No. 3123), Practicing Company Secretary certifying 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 is forming part of this Annual Report.

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

(j) Details of fees paid to Statutory Auditors

The details of total fee paid during the F.Y.2024-25 for all the services rendered by the statutory auditors to the Company 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. CNK & Associates LLP Chartered Accountants, Vadodara	Audit, Limited Review & Certification	9.60
	Reimbursement of Expense	0.00
	Total	9.60

(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) Adoption of Mandatory and Non-mandatory requirements

i) Mandatory :

All mandatory requirements of the SEBI Listing Regulations have been complied with by the Company.

ii) Non-mandatory :

- Shareholder rights: Quarterly financial results were published in English newspapers and in Gujarat newspaper. These were not sent individually to the shareholders.
- Audit Qualifications: The auditors' report does not contain any qualification.
- Separate post of Chairman and CEO: The Company has same person as Chairman & Managing Director.
- Reporting of Internal Auditor: Internal Auditors are invited to the meetings of the Audit Committee wherein they report directly to the Committee.

(m) The Company has complied with all 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 SEBI LODR, 2015.

(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://panchmahalsteel.co.in/policies/Code-of-Conduct-for-Directors-&-Senior-Management.pdf>. 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 and forms part of this Report.

(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) as amended from time to time.

The aforesaid Code and Policies have been uploaded on website of the Company and can be accessed through the following link : <http://panchmahalsteel.co.in/policies/Policy-on-Code-of-Conduct-to-Regulate-Monitor-&-Report%20Trading-by-Insiders.pdf>.

**11. CEO/CFO Certificate**

In terms of Regulation 17(8) of the SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015, the Chairman & Managing Director and CFO of the Company have furnished the requisite certificate to the Board of Directors of the Company. The certificate forms part of this Report.

**12. Management Discussion and Analysis Report**

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

**13. Certificate on Corporate Governance**

The Company has obtained a certificate from Mr. Niraj Trivedi, Practicing Company Secretary, Vadodara regarding compliance of the conditions of Corporate Governance as stipulated in the Listing Regulations and forms part of this Report.

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**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 2024-25.

Place : Vadodara  
Date : 11th August, 2025

Sd/-  
Ashok Malhotra  
Chairman & Managing Director  
DIN: 00120198

**CERTIFICATE ON CORPORATE GOVERNANCE**

(Pursuant to Regulation 34 (3) and Schedule V Para E of the  
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of

**Panchmahal Steel Limited**

(CIN: L27104GJ1972PLC002153)

GIDC Industrial Estate, Kalol - 389 330,

Dist. Panchmahal, Gujarat.

Dear Sir / Madam,

We have examined the compliance of the conditions of Corporate Governance by Panchmahal Steel Limited, CIN: L27104GJ1972PLC002153, having Registered Office at GIDC Industrial Estate, Kalol - 389 330, Dist. Panchmahal, Gujarat (hereinafter referred to as "the Company"), for the Financial Year ended on 31st March, 2025, as stipulated in Regulation 17 to 27 and clause (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, collectively referred to as "SEBI Listing Regulations, 2015".

In my opinion and to the best of my information and according to the explanations given to us, and representations made by the management, I certify that the Company, to the extent applicable, has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of Listing Regulations for the year ended on March 31, 2025, except non-compliance of Reg. 19 (1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of composition of Nomination and Remuneration Committee for a period from 27.09.2024 to 26.02.2025. The company has paid fine of Rs. 10,000 plus GST as imposed by BSE and has reconstituted NRC in line of the Regulation with effect from 26.02.2025 .

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. My examination was limited to the procedures and implementation thereof adopted by the Company, for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

I further state that such compliance is neither an assurance as to the future viability of the Company nor efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Date : 11th August, 2025

Place : Vadodara

Sd/-  
NIRAJ TRIVEDI  
Practicing Company Secretary  
C. P. No.: 3123  
P. R. NO.: 1014/2020  
UDIN: F003844G000972460

### **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to the Regulation 34 (3) and Schedule V Para C Clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
**PANCHMAHAL STEEL LIMITED**  
(CIN: L27104GJ1972PLC002153)  
GIDC Industrial Estate,  
Kalol- 389 330, Dist. Panchmahal, Gujarat.

Dear Sir / Madam,

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. Panchmahal Steel Limited, CIN:L27104GJ1972PLC002153, having Registered Office situated at GIDC Industrial Estate, Kalol - 389 330, Dist. Panchmahal, Gujarat (hereinafter referred to as "the Company"), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (Including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company and its officers, i hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2025, have been debarred or disqualified from being appointed or continuing as the Directors of the Companies, by the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA) or any such other Statutory Authority:-

Sr. No.	Name of Directors	DIN	Date of Appointment in Company
1	Mr. Ashok Ramlubhaya Malhotra	00120198	14/11/2014#
2	Ms. Suchita Bhavik Shah	00427169	31/03/2015
3	Mr. Samir Madhusudan Parikh	01646819	04/02/2019
4	Mr. Kalpesh Janaksinh Parmar	00230588	14/02/2020
5	Mr. Jaswantkumar Jain	10719368	12/08/2024
6	Mr. Swapon Lalitmohan Adhikary	07135873	12/08/2024

# Mr. Ashok Ramlubhaya Malhotra is associated as a Director of the Company since 1976 and he has been re-appointed as a Managing Director of the Company from time to time and continue as a Managing Director of the Company.

\*The date of appointment is as per the MCA Portal.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on the basis of our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date : 11th August, 2025  
Place : Vadodara

Sd/-  
NIRAJ TRIVEDI  
Practicing Company Secretary  
C. P. No.: 3123  
P. R. NO.: 1014/2020  
UDIN: F003844G000972449

**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 31st March 2025, and certify that:

- a) 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) 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) 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) 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 : 23rd May, 2025

Sd/-  
**Ashok Malhotra**  
Chairman & Managing Director  
**DIN : 00120198**

Sd/-  
**Nilesh Shah**  
Chief Financial Officer

## Management Discussion and Analysis Report

### Overview

The objective of this report is to convey the Management's perspective on the stainless-steel industry. This Report should be read in conjunction with the Company's financial statements, the schedules and notes thereto and other information included elsewhere in the Annual Report and Annual Accounts 2024-25.

### 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 Company achieved a total income of Rs.385.81 crores during FY 2024-25 as compared to Rs.431.86 crores in the previous year. The Company posted a Profit after Tax Rs.3.33 crores during the year as against Rs.2.97 crores in the previous year.

### Opportunities, Threats, Risk & Concerns

The Company is an established and recognized producer of stainless steel long products with customers around the world. The Company's philosophy of focusing on value added products and expanding the customer base provides the necessary resilience to successfully overcome challenges through different parts of the business cycle. The Company is confident of high quality and sustainable growth and profitability.

Increasing awareness on the benefits of stainless steel is leading to substantial increase of its usage in railways, public transport systems, automobiles, process industries, building & construction, FMCG etc.

Risk is inherent in every business. The steel industry is deeply connected to the global economy. Geopolitical risks around trade policy uncertainty, and ongoing conflicts continued to weigh on global economic sentiment. Changes in the demand and supply scenario can cause disruptions in the global markets. Volatility in the raw materials prices can also be cause for concern. However, with ever changing market dynamics, Panchmahal Steel Limited is equipped to provide customized products and services for global markets, for volume as well as for specialty niche market requirements.

### Outlook for the year 2025-26

We are living in challenging and uncertain times. The global business environment is changing and every geo-political region is trying to protect its industries and economy by strengthening their safeguards and trade defense measures.

However, India's economic outlook remains strong, driven by robust domestic demand, policy support, and sectoral resilience. The long-term outlook for the Indian stainless-steel industry remains optimistic, with continued infrastructure development, industrial expansion, and supportive government policies driving its growth.

### Changes in Key Financial Ratios

The change in the key financial ratios as compared to previous year is stated below:

Name of Ratio	F.Y. 2024-25	F.Y. 2023-24	Change %	Reason for variation if change is more than +/- 25% as compared to PY
Current Ratio (No. of times)	2.44	2.39	2%	NA
Debt-Equity Ratio (No. of times)	0.31	0.25	22%	NA
Debt Service Coverage Ratio (No. of times)	3.66	2.52	45%	On account of better operating performance
Return on Equity	2.10%	1.91%	10%	NA



Inventory Turnover Ratio (No. of times)	3.11	3.12	0%	NA
Trade Receivable Turnover Ratio (No. of times)	8.81	10.00	-12%	NA
Trade Payable Turnover Ratio (No. of times)	16.88	9.74	73%	On account of better operating performance and payment to Trade payable.
Net Capital Turnover Ratio (No. of times)	3.60	4.43	-19%	NA
Net Profit Ratio	0.86%	0.69%	25.36%	On account of better operating performance.
Return on Capital Employed	4.08%	5.31%	23%	NA
Return on Investment	-	-	-	NA

#### 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.

For and on behalf of the Board of Directors

Place : Vadodara  
Date : 11th August, 2025

Sd/-  
**Ashok Malhotra**  
Chairman & Managing Director  
DIN : 00120198

## INDEPENDENT AUDITOR'S REPORT

To

The Members of  
PANCHMAHAL STEEL LIMITED

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of PANCHMAHAL STEEL LIMITED ("the Company"), which comprises the Balance Sheet as at 31st March 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of material accounting policies and other explanatory information (herein after referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2025, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the financial statements 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 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 independence requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, 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 on the financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	How the matter was addressed in our audit:
1.	<b>Evaluation of uncertain tax positions and litigations</b>  The company has on-going legal matters relating to direct tax, Indirect tax and other matters which requires significant management judgement to determine the likely outcome.  Refer Note 30 (i)(a) and (b) to the Financial Statements.	In assessing the potential exposure of the on-going litigation, we have performed the following procedures: <ul style="list-style-type: none"> <li>• Obtaining from the management details of all completed / pending tax assessments and other litigations up to 31st March 2025;</li> <li>• Understanding the status of pending tax demands and potential liability for the other pending litigations;</li> <li>• Involved our internal tax teams and discussing with the company's legal advisors to confirm the management's underlying assumptions and judgement for determining the potential liability and provisions and the possible outcome of the litigation.</li> </ul>

### Information other than the Financial Statement and Auditor's Report thereon

The Company's Management and Board of Directors are responsible for preparation of the other information. The other information comprises the information included in the Management discussion and analysis, board's report including Annexure to Board's Report, Corporate Governance and Shareholder's information, but does not include the financial statements and our auditor's report thereon. The Board's Report including Annexure to Board's Report, Corporate Governance and Shareholder's Information are expected to be made available to us after the date of this auditor's report. Any Material misstatement thereon pertaining to it, will be reported thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including

The Accounting Standards 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 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management and 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### Auditor's Responsibilities for the Audit of Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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 made by management;
- Conclude on the appropriateness of management's 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 statements 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 statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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;

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2025 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) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer 30 (i)(a) to the financial statements.
  - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March 2025.
  - iv. i. The Management has represented that , to the best of its knowledge and belief, as disclosed in note no. 40(d)(v) to the accounts , no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - ii. The Management has represented that , to the best of its knowledge and belief, as disclosed in note no. 40(d)(vi) to the accounts, that no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - iii. Based on such audit procedures performed that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.
  - v. As stated in Note 42 to the financial statements, the board of Directors of the company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
  - vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during our audit we did not come across any instance of the audit trail feature being tampered with. Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.

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

Place : Vadodara  
Date : 23rd May, 2025

(Pareen Shah)  
Partner  
Membership No. 125011  
UDIN: 25125011BMGYPA9914

### Annexure-A to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of the company of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of the property, plant and equipments;
- (B) The Company does not hold any intangible assets and accordingly, the requirements under paragraph 3(i)(a)(B) of the Companies (Auditor's Report) Order, 2020 ("the Order") is not applicable to the Company;
- (b) The company has a phased programme of physical verification of its Property, plant and Equipments so as to cover all assets once in three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets. In accordance with this program, certain Property, plant and Equipments were verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification;
- (c) Based on our verification of the documents provided to us and according to the information and explanations given by the Management, the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the financial statements, are held in the name of the Company as at the Balance Sheet date except following:

SN	Description of item of property	Gross carrying value as on 31.03.25	Title deeds held in the name of	Title deed holder	Property held since which date	Reason for not being held in the name of the company**
1	Land at Plot No-42 - Charotar CHSL	1.68	Late. Mr. Ramlubhaya Malhotra	Promoter	20/01/1984	As per by laws of the society, Corporate cannot become member so properties are in the name of promoter/relative of promoter.
2	Land at Plot No-43 - Charotar CHSL	1.71	Mr. Ashok R. Malhotra	Promoter	20/01/1984	
3	Land at Plot No-44 - Charotar CHSL	3.00	Mr. Ravi R. Malhotra	Relative of Promoter	23/10/1986	
4	Land at Plot Nos. C-1/B-102	2.21	M/S. Precision Engineering Company	-	11/04/2007	Company has executed MOU and agreement to sale with the seller. Company has paid total consideration and taken possession from seller. Sale deed could not be executed.

- (d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year;
- (e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder;
- (ii) (a) As per the information and explanations given to us, the inventories held by the company have been physically verified by the management. In our opinion, having regard to the nature and location of stocks, the frequency of the physical verification is reasonable and no discrepancies of 10% or more in aggregate for each class of inventory were noticed on physical verification;
- (b) Based on our examination of the records provided by the management, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets and the quarterly returns and statements filed by the company with such banks are in agreement with the books of account of the company;
- (iii) The Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence the requirements of paragraph 3(iii) of the Companies (Auditor's Report) Order, 2020 ("the order") are not applicable to the company;

- (iv) In our opinion and according to the information provided to us, there are no loan to directors including entities in which they are interested in respect of which provision of section 185 are applicable and hence not commented upon. Further, in our opinion and according to information and explanation given to us, provision of section 186 in respect of loans and advances given and investment made have been complied with by the Company. There are no guarantees and securities given in respect of which provision of section 186 of the Act are applicable and hence not commented upon;
- (v) The company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and other relevant provisions of the Act and rules made thereunder;
- (vi) We have broadly reviewed the cost records maintained by the Company as prescribed by the Central Government under sub section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been made and maintained by the company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete;
- (vii) (a) In our opinion, the company is generally regular in depositing undisputed statutory dues including Goods and Service tax, provident fund, employee state insurance, income-tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues as applicable to the appropriate authorities.

Further, there were no undisputed amounts payable with respect to above statutory dues in arrears as at March 31, 2025 for a period of six months from the date they became payable

- (b) According to the information and explanations given to us and the records examined by us, the particulars of statutory dues as at March 31, 2025 which have not been deposited on account of a dispute are as follows:

Name of the Statute	Nature of dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Custom Act, 1962	Custom Duty (including penalty)	40.74	2014 to 2015	CESTAT, Mumbai
Central Excise Act, 1944	Excise Duty (including penalty)	92.67	2005 to 2015	CESTAT, Ahmedabad
Income Tax Act, 1961	Income Tax (including penalty)	1.64	2009-10	High Court of Gujarat/ CIT(Appeals) Faceless New Delhi / ITAT Ahmedabad
Income Tax Act, 1961	Income Tax (including penalty)	1217.94	2010-11	
Goods & Service Tax Act, 2017	Goods & Service Tax	100.65	2017-18	CESTAT, Ahmedabad
Note: - Amounts paid under protest and not charged to profit and loss statement have not been included above.				

- (viii) There were no transactions which were not recorded in the books of account, have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961);
- (ix) (a) The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender;
- (b) The company is not declared as wilful defaulter by any bank or financial institution or other lender;
- (c) The company has not taken any loan or other borrowing from any lender. Accordingly reporting under clause 3(ix)(c) of the order is not applicable to the company;
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company;
- (e) According to the information and explanations given to us, and the records examined by us, the company has no subsidiaries, associates or joint ventures. Accordingly, reporting under the clause 3 (ix) (e) and (f) is not applicable;
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x) (a) of the Order is not applicable;



- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable;
- (xi) (a) During the course of our examination of the books of account and records of the company, 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 incidence of fraud on or by the company noticed or reported during the year, nor we have been informed of any such case by the management;
- (b) According to the information and explanations given to us, no report under sub- section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- (c) According to the information and explanations given to us, and based on our examination of the records, Company has not received any whistle blower complaints during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable;
- (xiii) In our opinion, all the transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements Note no. 34 as required by the applicable accounting standards;
- (xiv) (a) In our opinion and the records examined by us, the company has an internal audit system commensurate with the size and nature of its business;
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures;
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him and the provisions of section 192 of the Companies Act, 2013 are not applicable;
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) As informed to us , there is not more than one core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016);
- (xvii) The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year;
- (xviii) There has been no resignation of the statutory auditors during the year;
- (xix) Based on our examination of financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, knowledge of the Board of Directors and management plans, there is no material uncertainty exists as on the date of the audit report that that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due;
- (xx) During the year , the company is not required to spent any amount towards Corporate Social Responsibility (CSR ) as prescribed under section 135 of the Act. Accordingly, reporting under clause 3(xx)(a) and (b) of the Order is not applicable for the year;
- (xxi) According to the information and explanations provided by the management, the company has no subsidiary, associates or joint venture and the company is not required to prepare Consolidated Financial Statements as per the section 129 of the Companies Act. Accordingly reporting under clause 3(xxi) is not applicable to the Company.

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

Place : Vadodara  
Date : 23rd May, 2025

(Pareen Shah)  
Partner  
Membership No. 125011  
UDIN: 25125011BMGYPA9914

**Annexure-B to the Independent Auditor's Report****Report on the Internal Financial Controls 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 31st March 2025 in conjunction with our audit of the 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 internal financial controls with reference to financial statements of the company 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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about internal financial controls with reference to financial statements of the company were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to financial statements of the company 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, the Company has, in all material respects, an internal financial controls with reference to financial statements of the company and such internal financial controls over financial reporting were operating effectively as at 31st March 2025, 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 CNK & Associates, LLP  
Chartered Accountants,  
Firm Registration No. 101961W/W-100036

Place : Vadodara  
Date : 23rd May, 2025

(Pareen Shah)  
Partner  
Membership No. 125011  
UDIN: 25125011BMGYPA9914

**BALANCE SHEET AS AT 31ST MARCH, 2025**

(Rupees in Lakhs)

Particulars	Note No.	As at 31st March 2025	As at 31st March 2024
<b>I. ASSETS</b>			
<b>Non-Current Assets</b>			
a. Property, Plant and Equipment	3	5,739.25	6,511.66
b. Capital work-in-progress	3	-	13.28
c. Financial Assets			
i) Investments	4	0.02	0.02
ii) Other Financial Assets	5	1.48	1.48
d. Other Non-Current Assets	6	373.51	325.65
<b>Total Non-Current Assets</b>		<b>6,114.26</b>	<b>6,852.09</b>
<b>Current Assets</b>			
a. Inventories	7	12,670.50	11,930.34
b. Financial Assets			
i) Trade Receivables	8	4,591.87	4,106.01
ii) Cash and Cash Equivalents	9	31.64	3.77
iii) Bank Balances other than (ii) above	10	101.76	221.60
iv) Other Financial Assets	11	2.95	7.65
c. Other Current Assets	12	665.64	313.23
<b>Total Current Assets</b>		<b>18,064.37</b>	<b>16,582.60</b>
<b>TOTAL ASSETS</b>		<b>24,178.63</b>	<b>23,434.69</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a. Equity Share Capital	13	1,907.83	1,907.83
b. Other Equity	14	14,121.93	13,781.06
<b>Total Equity</b>		<b>16,029.76</b>	<b>15,688.89</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
a. Provisions	15	86.19	78.95
b. Deferred Tax Liabilities (net)	16	650.26	729.53
<b>Total Non-Current Liabilities</b>		<b>736.45</b>	<b>808.48</b>
<b>Current Liabilities</b>			
a. Financial Liabilities			
i) Borrowings	17	4,966.46	3,990.10
ii) Trade Payables	18		
a) Total Outstanding dues of Micro Enterprises and Small Enterprises		122.18	61.81
b) Total Outstanding dues other than Micro and Small Enterprises		1,822.84	2,174.18
iii) Other Financial Liabilities	19	73.90	100.20
b. Other Current Liabilities	20	346.31	447.09
c. Provisions	21	80.73	80.06
d. Current Tax Liabilities (net)		-	83.86
<b>Total Current Liabilities</b>		<b>7,412.42</b>	<b>6,937.32</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>24,178.63</b>	<b>23,434.69</b>

See accompanying notes forming part of the financial statements.

For and on behalf of the Board of Directors  
Panchmahal Steel Limited

As per our Report of even date.

For CNK &amp; Associates LLP.

Chartered Accountants

Firm Reg. No. 101961W/W-100036

**Pareen Shah**

Partner

Membership No. 125011

Vadodara, 23rd May, 2025

**Kalpesh Parmar**

Director

(DIN: 00230588)

**Nilesh Shah**

Chief Financial Officer

**Ashok Malhotra**

Chairman &amp; Managing Director

(DIN: 00120198)

**Deepak Nagar**

GM (Legal) &amp; Company Secretary

Vadodara, 23rd May, 2025

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2025**

(Rupees in Lakhs)

Particulars	Note No.	For the year ended 31st March, 2025	For the year ended 31st March, 2024
I. Revenue from Operations	22	38,310.11	42,761.54
II. Other Income	23	271.29	424.60
III. Total Income (I + II)		38,581.40	43,186.14
IV. Expenses:			
Cost of Materials consumed	24	28,649.06	29,234.89
Change in Inventory of Finished Goods	25	(2,149.78)	1,422.37
Employee Benefit Expenses	26	2,227.12	2,178.56
Finance Costs	27	560.89	794.34
Depreciation and Amortization Expenses	3	805.50	809.19
Other Expenses	28	8,032.90	8,354.91
Total Expenses		38,125.69	42,794.26
V. Profit before Tax (III- IV)		455.71	391.88
VI. Tax Expense:			
Current Tax	29	198.76	132.24
Deferred Tax		(82.07)	(25.51)
Income Tax Earlier Years		6.49	(11.77)
		123.17	94.96
VII. Profit for the year (V-VI)		332.53	296.92
VIII. Other Comprehensive Income			
(i) Items that will not be reclassified to Profit or Loss			
- Remeasurement of Defined Benefit Plans		11.14	11.57
Income Tax relating to items that will not be reclassified to Profit or Loss			
- Remeasurement of Defined Benefit Plans		(2.80)	(2.91)
Total Other Comprehensive Income		8.34	8.66
IX. Total Comprehensive Income for the year (VII+VIII)		340.87	305.58
X. Earnings per Equity Share	32		
(1) Basic		1.74	1.56
(1) Diluted		1.74	1.56

See accompanying notes forming part of the financial statements.

For and on behalf of the Board of Directors  
Panchmahal Steel LimitedAs per our Report of even date.  
For CNK & Associates LLP.  
Chartered Accountants  
Firm Reg. No. 101961W/W-100036Kalpesh Parmar  
Director  
(DIN: 00230588)Ashok Malhotra  
Chairman & Managing Director  
(DIN: 00120198)Pareen Shah  
Partner  
Membership No. 125011  
Vadodara, 23rd May, 2025Nilesh Shah  
Chief Financial OfficerDeepak Nagar  
GM (Legal) & Company Secretary  
Vadodara, 23rd May, 2025

**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2025**

(Rs. in lacs)

PARTICULARS	For the Year ended 31.03.2025	For the Year ended 31.03.2024
<b>A. Cash Flow from Operating Activities</b>		
Profit before Tax :	455.71	391.88
Adjustments for :		
Remeasurement of Defined Benefit Plans		
Depreciation and Amortization Expenses	805.50	809.19
Finance Cost	560.89	794.34
Loss/(Profit) on sale/disposal of Property, Plant and Equipment	(0.04)	(0.17)
Interest Income	(14.94)	(90.71)
Reversal for Expected Credit Loss	-	(52.24)
Net Unrealised Foreign Exchange (Gain)/Loss	6.97	(4.83)
<b>Operating Profit before Working Capital Changes :</b>	<b>1,814.08</b>	<b>1,847.45</b>
Adjustments for (Increase) / Decrease in Operating Assets :		
Inventories	(740.16)	3,549.25
Trade Receivables	(492.83)	398.39
Other Current Assets	(352.41)	588.33
Other Non Current Assets	29.78	116.41
Adjustments for Increase / (Decrease) in Operating Liabilities :		
Trade Payables	(290.97)	(2,830.41)
Other Financial Liabilities	(23.87)	(32.13)
Other Current Liabilities	(100.78)	124.67
Provisions	19.06	(53.95)
<b>Cash generated from Operations</b>	<b>(138.10)</b>	<b>3,708.01</b>
Direct Taxes (Payment) / Refund	(366.76)	261.65
<b>Net Cash From Operating Activities</b> ...A	<b>(504.86)</b>	<b>3,969.66</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Property, Plant and Equipment	(19.87)	(169.97)
Sale / disposal of Property, Plant and Equipment	0.10	9.54
Bank Deposits	119.84	547.81
Interest Received	19.64	105.02
<b>Net Cash (used in) / from Investing Activities</b> ...B	<b>119.71</b>	<b>492.40</b>
<b>C. Cash Flow from Financing Activities</b>		
Net Increase / (Decrease) in Short Term Borrowings (net)	976.35	(3,653.46)
Finance Cost	(563.32)	(806.93)
<b>Net Cash (used in)/ from Financing Activities</b> ...C	<b>413.03</b>	<b>(4,460.39)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b> (A+B+C)	<b>27.87</b>	<b>1.65</b>
<b>Cash and Cash Equivalents at the beginning of the year :</b>		
Cash on hand	1.23	2.10
Balance with Banks in Current Account	2.54	0.01
Exchange Gain/Loss on Foreign Currency	-	-
<b>Cash and Cash Equivalents as per Note 9</b>	<b>3.77</b>	<b>2.12</b>
<b>Cash and Cash equivalents at the closing of the year :</b>		
Cash on hand	1.39	1.23
Balance with Banks in Current Account	30.47	2.54
Exchange Gain/Loss on Foreign Currency	(0.22)	-
<b>Cash and Cash Equivalents as per Note 9</b>	<b>31.64</b>	<b>3.77</b>
<b>Net Increase/(Decrease) as disclosed above</b>	<b>27.87</b>	<b>1.65</b>

As per our Report of even date.  
For CNK & Associates LLP.  
Chartered Accountants  
Firm Reg. No. 101961W/W-100036

Pareen Shah  
Partner  
Membership No. 125011  
Vadodara, 23rd May, 2025

Kalpesh Parmar  
Director  
(DIN: 00230588)

Nilesh Shah  
Chief Financial Officer

For and on behalf of the Board of Directors  
Panchmahal Steel Limited

Ashok Malhotra  
Chairman & Managing Director  
(DIN: 00120198)

Deepak Nagar  
GM (Legal) & Company Secretary  
Vadodara, 23rd May, 2025

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2025****A. EQUITY SHARE CAPITAL**

(Rupees in Lakhs)

Particulars	Note No.	Amount
Balance as at the 1st April, 2024		1,907.83
Changes in Equity Share Capital during the year	13	-
Balance as at the 31st March, 2025		1,907.83
Changes in Equity Share Capital during the year	13	-
Balance as at the 31st March, 2025		1,907.83

**B. OTHER EQUITY**

(Rupees in Lakhs)

Particulars	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Total Other Equity
As at April 1, 2023	175.71	7,712.71	300.00	5,287.06	13,475.49
Addition during the year					-
Profit for the year	-	-	-	296.92	296.92
Remeasurements of post-employment benefit obligation, net of tax	-	-	-	8.66	8.66
Other Comprehensive Income for the year	-	-	-	-	-
As at March 31, 2024	175.71	7,712.71	300.00	5,592.63	13,781.06
As at April 1, 2024	175.71	7,712.71	300.00	5,592.63	13,781.06
Addition during the year	-	-	-	-	-
Profit for the year	-	-	-	332.53	332.53
Remeasurements of post-employment benefit obligation, net of tax	-	-	-	8.34	8.34
Dividend	-	-	-	-	-
Balance as at March 31, 2025	175.71	7,712.71	300.00	5,933.50	14,121.93

See accompanying notes forming part of the financial statement

For and on behalf of the Board of Directors  
Panchmahal Steel Limited

As per our Report of even date.  
For CNK & Associates LLP.  
Chartered Accountants  
Firm Reg. No. 101961W/W-100036

Pareen Shah  
Partner  
Membership No. 125011  
Vadodara, 23rd May, 2025

Kalpesh Parmar  
Director  
(DIN: 00230588)

Nilesh Shah  
Chief Financial Officer

Ashok Malhotra  
Chairman & Managing Director  
(DIN: 00120198)

Deepak Nagar  
GM (Legal) & Company Secretary  
Vadodara, 23rd May, 2025



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

### COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES:

#### 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. Panchmahal, Gujarat. The Company is principally engaged in manufacturing of Stainless Steel Long Products viz., Bars, Rods and Wires.

The financial statements are approved by the Company's Board of Directors on 23rd May, 2025.

#### 2.1 Statement of compliance

The Company has prepared financial statements for the year ended March 31, 2025 in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) together with the comparative period data as at and for the year ended March 31, 2025.

#### 2.2 Basis of preparation of financial statements:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards as prescribed under Section 133 of the Act to be read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The financial statements for the year ended 31st March 2025 are prepared in accordance with Ind AS.

#### 2.3 Composition of Financial Statements

The financial statements are drawn up in Indian Rupees, the functional currency of the Company, and in accordance with Ind AS presentation. The financial statements comprise:

- Balance Sheet
- Statement of Profit and Loss
- Statement of Changes in Equity
- Statement of Cash Flow
- Notes to Financial Statements

#### 2.4 Material Accounting Policies

##### A. 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.

##### B. Historical cost convention:

The financial statements have been prepared on a historical cost basis, except the following:

- " Certain financial assets and liabilities that are measured at fair value;
- " Defined benefit plans- measured at fair value

##### C. Functional and presentation currency:

These financial statements are presented in Indian Rupees, which is the Company's functional currency.

##### D. Current and Non-Current classification:

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

##### An asset as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle

- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or 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 current when:**

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

**E. Property, Plant and Equipment:**

**Recognition and measurement**

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.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for, as separate items (major components) of property, plant and equipment. Any gains or losses on their disposal, determined by comparing sales proceeds with carrying amount, are recognized in the Statement of Profit or Loss.

**Subsequent Expenditure**

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.

**Depreciation**

Depreciation is recognized so as to write off the cost of the assets (other than freehold land and Capital work in progress) less their residual values over their useful lives, using the written down value method as per the useful life prescribed in schedule II to the Companies Act, 2013. The Estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in the estimated accounted for on a prospective basis. The estimated useful lives are as mentioned below:

Asset	Useful Lives (Years)
Factory Building	30 years
Plant & Machinery	20 years
Furniture and Fixtures	10 years
Vehicles	8 years
Office Equipments	10 years
Computer & Hardware (EDP Equipment)	6 years

### **De-Recognition**

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.

### **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.

#### **F. Impairment of Assets:**

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceeds the estimated recoverable amount, impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss

#### **G. Inventories:**

Inventories are stated at the lower of cost and net realisable value. Cost is ascertained on a weighted average basis. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the cost of conversion from their existing state to a finished condition and for the cost of marketing, selling and distribution.

Provisions are made to cover slow-moving and obsolete items based on historical experience of utilisation on a product category basis, which involves individual businesses considering their product lines and market conditions.

#### **H. Trade receivables:**

Trade receivables that do not contain a significant financing component are measured at transaction price less any provisions for doubtful debts based on expected credit loss calculation. Provisions are made where there is evidence of a risk of non-payment, taking into account ageing, previous experience and general economic conditions. When a trade receivable is determined to be uncollectable it is written off, firstly against any provision available and then to the Statement of Profit and Loss.

#### **I. Financial instruments:**

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

##### **i) Financial Assets:**

##### **Initial recognition and measurement**

All financial assets except trade receivables that do not contain a significant financing component are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date i.e, the date that the Company commits to purchase or sell the asset.

##### **Subsequent measurement**

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 within 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.

**d) De-recognition**

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.

**e) Impairment**

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:**

**Initial recognition and measurement**

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.

**Subsequent measurement**

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 effective interest rate method.

**c) De-recognition :**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the Effective Interest rate (EIR) amortization process.

**J. 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, which are subject to an insignificant risk of changes in value.

**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.

**K. Foreign Currencies:****Initial Recognition**

The financial statements are presented in Indian Rupees which is the Company's functional and presentation currency.

**Conversion**

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 are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

**L. Revenue Recognition:**

Revenue is measured based on the identification of performance obligations in a contract and is recognised when or as those performance obligations are satisfied. Revenue towards satisfaction of performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered if any are net off variable consideration on account of various discounts, schemes, rebates offered by the company as the part of the contract.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer.

Revenue is recognised when the amount can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the company, the costs incurred or to be incurred can be measured reliably.

**Sale of Goods**

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.

Income from operations includes revenue earned on account of job work income which is accounted as per the terms agreed with the customers.

**M. Other Income:****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.

**Export Incentives**

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.

The benefits accrued under the duty drawback scheme as per the Import and export Policy in respect of exports under the said scheme are recognized when there is a reasonable assurance that the benefit will be received and the company will comply with all attached conditions. The above benefit has been included under the head 'Export Incentives.'

**N. 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.

**Contribution towards defined benefit contribution schemes**

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.

**Defined Benefit Obligation Plans:****Gratuity**

The Company operates a defined benefit gratuity plan which requires contributions to be made to a separately administered fund held with Life Insurance of India.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

The service cost and the net interest cost are charged to the Statement of Profit and Loss. Actuarial gains and losses arise due to re-measurement as result of the actual experience and the assumed parameters and changes in the assumptions used for valuation are recognized in the Other Comprehensive Income (OCI).

**Compensated absences**

The Company has a policy to allow accumulation of leave by employees up to certain days. The excess leave will be encashed. Accordingly, the excess leave liability is discharged by the Company. Remaining accumulated leave liability as at the year end is provided.

**O. Borrowing Costs:**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

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.

**P. Taxation:****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.

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

**Provisions:**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

**Contingent Liabilities:**

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 cannot be made.

**Contingent Assets:**

Contingent Assets are not recognised but are disclosed in the notes to the financial statements.

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

**R. Earnings Per Share:**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**2.5. Recent pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has notified Ind AS - 117 Insurance Contracts and amendments to Ind AS 116 - Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 1, 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025****NOTE NO. : 3****a) Property, Plant and Equipment :**

(Rupees in Lakhs)

Particular	Land-Lease Hold	Land-Free Hold	Factory Building	Other Building	Plant & Equipments	Furniture & Fixtures	Office Equipments	EDP Equipments	Vehicles	Total
Gross Carrying Amount As at 01-04-2024	91.65	40.79	127.32	436.68	11,275.05	38.92	62.72	178.04	272.78	12,523.93
Additions	-	-	3.34	-	23.66	-	2.39	3.76	-	33.15
Disposals	-	-	-	-	-	-	(1.17)	-	-	(1.17)
Gross Carrying Amount As at 31-03-2025	91.65	40.79	130.66	436.68	11,298.70	38.92	63.93	181.80	272.78	12,555.91
Accumulated Depreciation As at 01-04-2024	11.53	-	84.43	72.33	5,583.58	27.28	45.34	133.01	54.72	6,012.22
Depreciation charge for the year	1.44	-	1.76	9.04	737.25	2.29	3.83	14.91	34.99	805.50
On Disposals	-	-	-	-	-	-	(1.11)	-	-	(1.11)
Closing Accumulated Depreciation As at 31-03-2025	12.97	-	86.19	81.37	6,320.84	29.57	48.07	147.92	89.72	6,816.61
Net Carrying Amount:										
As at 31-03-2025	78.68	40.79	44.47	355.31	4,977.86	9.35	15.86	33.88	183.06	5,739.25
As at 31-03-2024	80.12	40.79	42.87	364.34	5,691.45	11.64	17.37	45.03	218.07	6,511.66
Particulars	Land-Lease Hold	Land-Free Hold	Factory Building	Other Building	Plant & Equipments	Furniture & Fixtures	Office Equipments	EDP Equipments	Vehicles	Total
Gross Carrying Amount As at 01-04-2023	91.65	40.79	107.77	436.68	11,104.23	38.92	60.92	165.56	272.28	12,318.79
Additions	-	-	19.54	-	180.32	-	1.80	12.48	1.00	215.14
Disposals	-	-	-	-	9.50	-	-	-	0.50	10.00
Transfer to asset held for disposal		-								-
Gross Carrying Amount As at 31-03-2024	91.65	40.79	127.32	436.68	11,275.05	38.92	62.72	178.04	272.78	12,523.93
Accumulated Depreciation As at 01-04-2023	10.09	-	78.85	63.29	4,849.35	24.60	41.47	116.92	19.08	5,203.65
Depreciation charge for the year	1.44	-	5.58	9.04	734.38	2.68	3.87	16.09	36.11	809.19
On Disposals	-	-	-	-	0.15	-	-	-	0.47	0.62
Closing Accumulated Depreciation As at 31-03-2024	11.53	-	84.43	72.33	5,583.58	27.28	45.34	133.01	54.72	6,012.22
Net Carrying Amount:										
As at 31-03-2024	80.12	40.79	42.87	364.34	5,691.45	11.64	17.37	45.03	218.07	6,511.66
As at 31-03-2023	81.56	40.79	28.91	373.39	6,254.86	14.32	19.44	48.64	253.18	7,115.07

**b) Capital Work-in-Progress**

(Rs. in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Capital Work in Progress	-	13.28

**AGEING OF CAPITAL WORK-IN-PROGRESS**

Capital Work-In-Progress	Amount in CWIP / Intangible Assets under development for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Year	
As at 31st March 2025 Projects in progress	-	-	-	-	-
As at 31st March 2024 Projects in progress	13.28	-	-	-	13.28

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025**

(Rupees in Lakhs)

Particulars		As at 31st March 2025		As at 31st March 2024
<b>NOTE NO. : 4 : INVESTMENT</b> <b>Investments in Equity Instrument (Unquoted)</b> <b>(At Ammortised cost)</b> Investment in Equity Instruments (Unquoted - Fully Paid) - Landmark Premises Co.-Op. Services Society Ltd 40 (40) Shares of Rs.50 Each		0.02		0.02
<b>TOTAL</b>		0.02		0.02
<b>NOTE NO. : 5 : OTHER FINANCIAL ASSETS</b> <b>UNSECURED, CONSIDERED GOOD</b> At amortized cost Security Deposits Bank Deposit With More than 12 Months*	-	1.48	-	1.48
<b>TOTAL</b>		1.48		1.48
* The above Bank deposits are give as Margin against Bank guarantee and LC facilities				
<b>NOTE NO. : 6 : OTHER NON-CURRENT ASSETS</b> <b>UNSECURED, CONSIDERED GOOD</b> Balance With Government Authorities Income Taxes (net of provisions) Pre-Deposit - Central Excise VAT recoverable	356.26 11.86 5.39		278.61 36.72 10.32	
<b>TOTAL</b>		373.51		325.65
<b>NOTE NO. : 7 : INVENTORIES</b> <b>(At lower of cost and net realizable value)</b> Raw Materials Raw Material in Transit Production Materials Production Materials in Transit Stores & Spares Finished goods		1,193.07 328.91 305.68 - 358.34 10,484.50		2,363.35 545.06 313.12 39.74 334.35 8,334.72
<b>TOTAL</b>		12,670.50		11,930.34
Note : The above inventories are hypothecated as securites to the bankers against the fund based and non fund based limites availed or to be availed by the company.				
<b>NOTE NO. : 8 : TRADE RECEIVABLES</b> At amortized cost Trade Receivables considered Good - Secured Trade Receivables considered Good - Unsecured Trade Receivables which have significant increase in credit risk Trade Receivables credit impaired Less : Loss allowance		4,592.22 - (0.35)		4,106.36 - (0.35)
<b>TOTAL</b>		4,591.87		4,106.01
Note : Trade Receivables are net off bills discounted with the Banks.				

**TRADE RECEIVABLES AGEING**

Particulars	Outstanding for following periods from due date of payment as on 31.03.2025					
	Less than 6 Months	6 Months - 1 year	1-2 years	2-3 Years	More than 3 Years	Total
<b>As at 31 March 2025</b>						
(i) Undisputed Trade Receivable - Considered Good	4,584.38	5.51	0.97	1.35	-	4,592.22
(ii) Undisputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivable - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivable - Considered Good	-	-	-	-	-	-
(v) Disputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivable - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>4,584.38</b>	<b>5.51</b>	<b>0.97</b>	<b>1.35</b>	<b>-</b>	<b>4,592.22</b>
The Proportion of expected Credit Loss Provided for Across the Ageing	0%	2%	5%	10%	25%	
Less: Provision for Expected Credit Loss (ECL)	-	0.11	0.05	0.14	-	(0.35)
<b>Total Trade Receivable - 31.03.2025</b>	<b>4,584.38</b>	<b>5.40</b>	<b>0.93</b>	<b>1.22</b>	<b>-</b>	<b>4,591.87</b>

Particulars	Outstanding for following periods from due date of payment as on 31.03.2024					
	Less than 6 Months	6 Months - 1 year	1-2 years	2-3 Years	More than 3 Years	Total
<b>As at 31 March 2024</b>						
(i) Undisputed Trade Receivable - Considered Good	4,099.33	0.05	6.98	-	-	4,106.36
(ii) Undisputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivable - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivable - Considered Good	-	-	-	-	-	-
(v) Disputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivable - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>4,099.33</b>	<b>0.05</b>	<b>6.98</b>	<b>-</b>	<b>-</b>	<b>4,106.36</b>
The Proportion of expected Credit Loss Provided for Across the Ageing	0%	2%	5%	10%	25%	
Less: Provision for Expected Credit Loss (ECL)	-	0.00	0.35	-	-	(0.35)
<b>Total Trade Receivable - 31.03.2024</b>	<b>4,099.33</b>	<b>0.05</b>	<b>6.63</b>	<b>-</b>	<b>-</b>	<b>4,106.01</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025**

(Rupees in Lakhs)

Particulars		As at 31st March 2025		As at 31st March 2024
<b>NOTE NO. : 9 : CASH AND CASH EQUIVALENTS</b>				
Cash in Hand		1.39		1.23
Balances with Banks				
- In Current Accounts		30.25		2.54
<b>TOTAL</b>		<b>31.64</b>		<b>3.77</b>
<b>NOTE NO. : 10 : BANK BALANCES OTHER THAN ABOVE</b>				
<u>At amortized cost</u>				
Other Bank Balances				
Balances held as margin money against Bank Guarantee issued by bank		99.51		219.35
Balances in Unpaid Dividend Account		2.25		2.25
		<b>101.76</b>		<b>221.60</b>
<b>NOTE NO. : 11 : OTHER FINANCIAL ASSETS</b>				
<u>At amortized cost</u>				
Interest accrued on Deposits		2.95		7.65
<b>TOTAL</b>		<b>2.95</b>		<b>7.65</b>
<b>NOTE NO. : 12 : OTHER CURRENT ASSETS</b>				
<b>UNSECURED, CONSIDERED GOOD</b>				
Balance with Government Authorities		207.62		120.05
Advance to Suppliers		341.05		59.49
Advance to Employees		0.61		0.16
Gratuity Fund (Refer Note. 33)		33.42		25.07
Expenses paid in advance		82.95		108.45
<b>TOTAL</b>		<b>665.64</b>		<b>313.23</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025**

(Rupees in Lakhs)

Particulars		As at 31st March 2025		As at 31st March 2024
<b>NOTE NO. : 13 : 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 and Subscribed 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>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>TOTAL</b>		<b>1,907.83</b>		<b>1,907.83</b>

**Shares in the Company held by each Shareholder more than of 5% of Equity Shares :**

	As at 31.03.2025		As at 31.03.2024	
Pramoter Name	No. of Shares	% Holding in Shares	No. of Shares	% Holding in Shares
Mr. Ashok Malhotra	2,895,804	15.18	2,895,804	15.18
Honeyvick Enterprises Pvt.Ltd	10,561,005	55.36	10,516,005	55.12
Dimple Kamlesh Kanungo	1,643,695	8.62	1,612,433	8.45

**Details of Shareholding of Promoters**

Shares held by Promoters at the end of the year March 2025	No. of Shares	% held	% Change during the year
Honeyvick Enterprises Pvt.Ltd	10,561,005	55.36	0.24
Mr. Ashok Malhotra	2,895,804	15.18	-
Mr. Hanish Malhotra	108,627	0.57	(1.81)
Mr. Ashok Ramlubhaya Malhotra HUF	256,000	1.34	-
Mrs. Neelkamal Malhotra	-	-	(0.84)
Mr. Vikas Malhotra	168,220	0.88	0.84
Mrs. Tejas Malhotra	100,000	0.52	0.52
Mr. Shaan Malhotra	100,000	0.52	0.52
Shares held by Promoters at the end of the year March 2024	No. of Shares	% held	% Change during the year
Honeyvick Enterprises Pvt.Ltd	10,516,005	55.12	-
Mr. Ashok Malhotra	2,895,804	15.18	-
Mr. Hanish Malhotra	453,850	2.38	-
Mr. Ashok Ramlubhaya Malhotra HUF	256,000	1.34	-
Mrs. Neelkamal Malhotra	160,000	0.84	-
Mr. Vikas Malhotra	8,220	0.04	-

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025**

(Rupees in Lakhs)

Particulars		As at 31st March 2025		As at 31st March 2024
<b>NOTE NO. : 14 : OTHER EQUITY RESERVES AND SURPLUS</b>				
Capital Reserve				
Subsidy	27.83		27.83	
Sales Tax Incentive	69.63		69.63	
Transfer from Debenture Redemption Reserve	77.78		77.78	
Transfer from forfeited Equity Shares	0.48		0.48	
Opening/closing balance		175.71		175.71
<b>Securities Premium (Excess of face value of the equity shares)</b>				
Opening/Closing Balance		7,712.71		7,712.71
[including Rs.4,26,100/- of Forfeited Shares]				
<b>General Reserve (transfer of a portion of the net profit)</b>				
Opening/Closing Balance		300.00		300.00
<b>Other Comprehensive Income</b>				
<b>Retained Earnings</b>				
Opening Balance	5,592.64		5,287.06	
Add : Net Profit for the year	332.53		296.92	
Add : Remeasurement of the Net Defined Benefit Liability/Asset	8.34		8.66	
<b>Closing Balance</b>		5,933.51		5,592.64
<b>TOTAL</b>		14,121.93		13,781.06
<b>NOTE NO. : 15 : PROVISIONS</b>				
Provision for Employee Benefits				
Provision for Compensated Absences( Refer Note. 33B)		86.19		78.95
<b>TOTAL</b>		86.19		78.95

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025**

(Rupees in Lakhs)

Particulars		As at 31st March 2025		As at 31st March 2024
<b>NOTE NO. : 16 : DEFERRED TAX ASSETS / LIABILITIES (NET)</b>				
Deferred Tax - Assets on account of :				
Unabsorbed Depreciation (recognised to the extent of Deferred Tax Liability)		-		
Provision for Doubtful Debts	0.09		0.09	
Disallowances under section 43B of the Income Tax, Act 1961	45.52		40.35	
Remeasurement Benefit of the Defined Benefit plans through OCI	(0.40)		2.41	
		45.21		42.85
Less : Deferred Tax - Liabilities on account of: Related to Property, Plant and Equipment		695.47		772.38
<b>TOTAL</b>		<b>650.26</b>		<b>729.53</b>
<b>NOTE NO. : 17 : BORROWINGS</b>				
At amortized cost				
Secured				
Loans repayable on Demand (Refer below note (i) )				
Cash Credit	4,966.46		3,990.10	
		4,966.46		3,990.10
<b>TOTAL</b>		<b>4,966.46</b>		<b>3,990.10</b>

**Note :**

(i) The Working Capital Advances from State Bank of India are secured by first charge over the inventories, receivables and other chargeable current assets; and over the immovable properties situated at Plot No.117, GIDC Industrial Estate, Kalol, Dist. Panchmahal, Pledge of Equity Share (8,15,180 Equity Share) held by Chairman and Managing Director (CMD) and is further secured by personal guarantee of CMD. The Bank charged rate of interest 6 month MCLR + 1.20%. (also refer note no : 40 (d) (ii) )

(Rupees in Lakhs)

Particulars		As at 31st March 2025		As at 31st March 2024
<b>NOTE NO. : 18 : TRADE PAYABLES</b>				
<u>At amortized cost</u>				
For supply/services				
a) Total Outstanding dues of Micro Enterprises and Small Enterprises (Refer Note. 31)	122.18		61.81	
b) Total Outstanding Dues of creditors Other than Micro Enterprise and Small Enterprises *	1,822.84		2,174.18	
		1,945.02		2,235.99
<b>TOTAL</b>		<b>1,945.02</b>		<b>2,235.99</b>
* includes Bills Payable of Rs. 152.09 Lakhs (P.Y. Rs. 332.62 Lakhs)				



Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Year	
<b>As at 31st March 2025</b>					
MSME	122.18	-	-	-	122.18
Others	1,821.08	1.04	0.26	0.46	1,822.84
Disputed Dues - MSME	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-
<b>As at 31st March 2024</b>					
MSME	61.81	-	-	-	61.81
Others	2,173.43	0.26	0.48	-	2,174.18
Disputed Dues - MSME	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025**

(Rupees in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
<b>NOTE NO. : 19 : OTHER FINANCIAL LIABILITIES</b>		
<b><u>At amortized cost</u></b>		
Interest accrued	-	2.43
Payable for Capital Goods	0.39	41.75
Payable for Expenses	71.26	53.77
Unpaid Dividends	2.25	2.25
<b>TOTAL</b>	<b>73.90</b>	<b>100.20</b>
<b>NOTE NO. : 20 : OTHER CURRENT LIABILITIES</b>		
Advances received from Customers	151.36	85.86
Statutory Liabilities	46.98	219.21
Salary and Wages Payable	147.97	142.02
<b>TOTAL</b>	<b>346.31</b>	<b>447.09</b>
<b>NOTE NO. : 21 : CURRENT PROVISIONS</b>		
Provision for Employee Benefits		
Provision for Compensated absences (Refer Note. 33B)	14.36	16.92
Provision for Gratuity (Refer Note. 33A)	-	-
Provision for Bonus	66.37	63.14
<b>TOTAL</b>	<b>80.73</b>	<b>80.06</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025**

(Rupees in Lakhs)

Particulars		As at 31st March 2025		As at 31st March 2024
<b>NOTE NO. : 22 : REVENUE FROM OPERATIONS</b>				
Sale of Manufactured Goods				
a) Domestic Sales	30,605.30		36,435.81	
b) Export Sales	7,590.84		6,228.71	
		38,196.14		42,664.52
Note No : 22 For disaggregated information on sale of goods required as per Ind AS 115- "Revenue from contract with customers" refer note no : 36				
Sale of Services				
Income from Jobwork		4.80		0.89
Other Operating Revenue				
Export Incentives		109.17		96.12
<b>TOTAL</b>		38,310.11		42,761.54
<b>NOTE NO. : 23 : OTHER INCOME</b>				
Interest Income - At amortized cost		14.94		90.71
Profit on sale of Property, Plant & Equipment(net)		0.04		0.17
Gain on Foreign Currency Transactions/Translations(Net)		214.82		219.05
Reversal of Expected Credit Loss (refer note 38(A) (i) )		-		52.24
Insurance Claim Received		-		2.42
Miscellaneous Sales		41.48		60.00
<b>TOTAL</b>		271.29		424.60
<b>NOTE NO. : 24 : COST OF MATERIALS CONSUMED</b>				
a) Raw Materials consumed				
Opening Stock of Raw Materials	2,908.41		4,925.63	
Add : Purchases	27,262.63		27,217.67	
Less : Closing Stock of Raw Materials	1,521.98		2,908.41	
		28,649.06		29,234.89
<b>TOTAL</b>		28,649.06		29,234.89
<b>NOTE NO. : 25 : CHANGE IN INVENTORY OF FINISHED GOODS</b>				
Opening Stock		8,334.72		9,757.10
Less : Closing Stock		10,484.50		8,334.72
<b>TOTAL</b>		(2,149.78)		1,422.37
<b>NOTE NO. : 26 : EMPLOYEE BENEFITS EXPENSES</b>				
Director Remuneration		159.53		159.28
Salaries, Wages and Bonus		1,752.59		1,700.02
Contribution/Provisions for Provident and other Funds		252.24		248.26
Staff Welfare Expense		62.76		71.00
<b>TOTAL</b>		2,227.12		2,178.56
<b>NOTE NO. : 27 : FINANCE COSTS</b>				
Interest on Borrowings measured at amortized cost		428.19		692.00
Other Interest		25.53		4.91
Bank Charges		107.17		97.43
<b>TOTAL</b>		560.89		794.34

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025**

(Rupees in Lakhs)

Particulars		As at 31st March 2025		As at 31st March 2024
<b>NOTE NO. : 28 : OTHER EXPENSES</b>				
<b>I. Manufacturing Expenses</b>				
Consumption of Prod. Materials, Gen. Stores and Spares		2,316.10		2,619.52
Power and Fuel		4,618.76		4,848.85
Repairs and Maintenance:				
- Buildings		0.75		2.34
- Plant & Machineries		123.60		116.38
Other Manufacturing Expenses		117.44		96.01
<b>TOTAL (I)</b>		<b>7,176.65</b>		<b>7,683.11</b>
<b>II. Administrative and General Expenses</b>				
Travelling, Conveyance & Vehicle Expenses		60.07		52.31
Printing and Stationery		3.76		5.37
Communication Cost		7.44		6.67
Auditor's Remuneration				
a) As Auditor	9.00		9.00	
b) For Certification Fees	0.60	9.60	0.22	9.22
Repairs and Maintenance to Other Assets		59.53		46.87
Legal and Professional charges		54.02		158.87
Directors Sitting Fees		4.50		5.20
Insurance Expenses		33.33		51.57
Rates and Taxes		54.47		53.16
Miscellaneous Expenses		33.19		29.55
<b>TOTAL (II)</b>		<b>319.91</b>		<b>418.77</b>
<b>III. Selling Expenses</b>				
Carriage Outward		438.00		190.58
Commission on Sales		25.16		6.59
Discount and Claims		-		4.56
Marine and ECGC Insurance		1.59		1.21
Other Selling Expenses		71.58		50.07
<b>TOTAL (III)</b>		<b>536.33</b>		<b>253.02</b>
<b>TOTAL (I + II + III)</b>		<b>8,032.90</b>		<b>8,354.91</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025**
**29. A. Tax Reconciliation**

(Rupees in Lakhs)

	Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
(a)	Income Tax Expense		
	(i) Current Tax		
	Current Tax on Profits for the year	198.76	132.25
	Income Tax adjustments for earlier years	6.49	(11.77)
		205.25	120.48
	(ii) Deferred Tax	(82.07)	(25.51)
		(82.07)	(25.51)
	Total Income Tax Expenses (i + ii)	123.17	94.97
(b)	Reconciliation of Tax Expense and the Accounting Profit multiplied by India's Tax Rate		
	Profit before Income Tax Expense	455.71	391.88
	Tax at the Indian Tax Rate of 25.17% (2024-2025 – 25.17%)	114.70	98.64
	Non deductible expenses (such as MSME Interest and other disallowances)	1.98	8.10
	Income Tax adjustments for earlier years	6.49	(11.77)
	Income Tax Expense	123.17	94.97

**Note 29B : The major components of deferred tax (liabilities)/assets arising on account of timing differences are as follows:**

As at 31st March, 2025	Balance Sheet 01.04.2024	Profit & Loss 2024-25	OCI 2024-25	Balance Sheet 31.03.2025
Difference between written down value/capital work in progress of fixed assets as per the books of accounts and Income Tax Act, 1961.	(772.37)	76.90	0	(695.47)
Provision for expense allowed for tax purpose on payment basis	40.35	5.17	0	45.52
On account of provision of Expected Credit losses	0.09	(0.00)	0	0.09
Remeasurement benefit of the defined benefit plans through OCI	2.41	-	(2.80)	(0.39)
Deferred tax (expense)/benefit	-	-	-	-
<b>Net Deferred Tax Asset/(Liabilities)</b>	<b>(729.53)</b>	<b>82.07</b>	<b>(2.80)</b>	<b>(650.26)</b>

  

As at 31st March, 2024	Balance Sheet 01.04.2023	Profit & Loss 2023-24	OCI 2023-24	Balance Sheet 31.03.2024
Difference between written down value/capital work in progress of fixed assets as per the books of accounts and Income Tax Act, 1961.	(818.96)	46.59	-	(772.37)
Provision for expense allowed for tax purpose on payment basis	48.28	(7.93)	-	40.35
Carried forward losses	0	-	-	-
On account of provision of Expected Credit losses	13.24	(13.15)	-	0.09
Remeasurement benefit of the defined benefit plans through OCI	5.32	-	(2.91)	2.41
Deferred Tax (expense)/benefit	-	-	-	-
<b>Net Deferred Tax Asset/(Liabilities)</b>	<b>(752.12)</b>	<b>25.51</b>	<b>(2.91)</b>	<b>(729.53)</b>

**30. Contingent Liabilities**

(Rupees in Lakhs)

Sr. No.	Particulars	As at 31st March 2025	As at 31st March 2024
(i)	<b>Contingent Liabilities</b>		
	a) Liabilities Disputed		
	- Income Tax	1481.81	1481.81
	- Disputed Excise, Custom & Service Tax liabilities	145.27	145.27
	- Disputed GST liabilities	105.70	105.70
	b) Bank Guarantees	438.86	438.86
	<b>Total</b>	<b>2,171.65</b>	<b>2,171.65</b>
(ii)	<b>Estimated amount of contracts remaining to be executed on capital account and not provided for:</b>	-	-

**31. Disclosure related to Micro, Small and Medium Enterprises:**

On the basis of confirmation obtained from the supplier who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) and based on the information available with the company, the following are the details:

	Particulars	As at 31st March 2025	As at 31st March 2024
(a)	The principal amount and the interest due thereon remaining unpaid		
	i) Principle Amount	122.18	61.81
	ii) Interest Due thereon	-	-
(b)	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	114.32	440.08
(c)	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d)	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	10.49	6.84
(e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

**32. Earnings Per Share (EPS)**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

**i. Profit attributable to Equity holders of Company**

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Profit attributable to equity holders of the Company for basic and diluted earnings per share	332.53	296.92

**ii. Weighted average number of Ordinary Shares**

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Issued ordinary shares (in Nos)	19,078,329	19,078,329
Weighted average number of shares at 31st March for basic and diluted earnings per share	19,078,329	19,078,329
<b>Basic Earnings Per Share</b>	<b>1.74</b>	<b>1.56</b>

**33 Disclosure as required under Ind AS 19 - Employee Benefits****[A] Defined benefit plans:**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded. The following tables summaries the components of net benefit expense recognized in the Statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

**Risks associated with defined benefit plan**

**Interest rate risk:** A fall in the discount rate which is linked to the Government securities rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

**Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

**Investment Risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

**Asset Liability Matching Risk:** The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

**Mortality risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

**Concentration Risk:** Plan has a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

**Characteristics of defined benefit plans**

During the year, there were no plan amendments, curtailments and settlements.

The Company makes annual contributions to Panchmahal Steel Limited Employees' Gratuity Fund managed by LIC, a funded defined benefit plan for qualifying employees. The scheme provides for payment to vested employees as under:

The following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at 31st March, 2025

**Defined benefit plans****a) Reconciliation in present value of obligations (PVO) - Defined Benefit Obligation:**

Particulars	Gratuity Funded as on	
	31st March, 2025	31st March, 2024
Present value of Benefit Obligations at the beginning of the period	869.51	867.54
Current Service Cost	64.61	61.90
Interest Cost	62.78	65.07
Past Service Cost	-	-
Actuarial (Gains)/Losses on obligations - Due to Change in Demographic Assumption	-	-
Actuarial (Gains)/Losses on obligations - Due to Change in Financial Assumption	22.09	15.01
Actuarial (Gains)/Losses on obligations- Due to Experience	(29.96)	(27.25)
Benefits Paid	(63.31)	(112.76)
Accrued Payment		
<b>Present value of Benefit Obligations at the end of the period</b>	<b>925.71</b>	<b>869.51</b>

**b) Change in fair value of plan assets:**

Particulars	Gratuity Funded as on	
	31st March, 2025	31st March, 2024
Fair value of Plan assets at the beginning of the year	894.58	881.90
Interest Income	64.59	66.15
Return on plan assets, Excluding Interest Income	3.27	(0.67)
Contributions by Employer	60.00	59.96
Benefits paid	(63.31)	(112.76)
<b>Fair value of Plan assets at the end of the year</b>	<b>959.13</b>	<b>894.58</b>

**c) Reconciliation of PVO and fair value of plan assets:**

Particulars	Gratuity Funded as on	
	31st March, 2025	31st March, 2024
Present value of Benefit Obligations at the end of the period	925.71	869.51
Fair value of Plan assets at the end of the year	959.13	894.58
<b>Net (Asset) / Liability recognised in Balance sheet</b>	<b>(33.42)</b>	<b>(25.08)</b>



## d) Net Interest Cost for Current Period

Particulars	Gratuity Funded as on	
	31st March, 2025	31st March, 2024
Present Value of Benefit Obligation at the Beginning of the Period	869.51	867.54
(Fair Value of Plan Assets at the Beginning of the Period)	894.58	881.90
Net Liability/ ( Asset) at the Beginning	(25.07)	(14.36)
Interest cost	62.78	65.07
(Interest Income )	(64.59)	(66.15)
<b>Net Interest Cost for Current Period</b>	<b>(1.81)</b>	<b>(1.09)</b>

## e) Net Expenses recognised in the statement of Profit and Loss accounts

Particulars	Gratuity Funded as on	
	31st March, 2025	31st March, 2024
Current Service Cost	64.61	61.90
Net Interest Cost	(1.81)	(1.09)
<b>Total</b>	<b>62.80</b>	<b>60.81</b>

## f) Expense recognised in Other comprehensive Income for Current Period

Particulars	Gratuity Funded as on	
	31st March, 2025	31st March, 2024
Actuarial ( Gains) Losses on Obligation for the Period	(7.87)	(12.24)
Return on Plan Assets, Excluding Interest Income	(3.27)	0.67
<b>Net ( Income)/ Expense For the Period Recognized in OCI</b>	<b>(11.14)</b>	<b>(11.57)</b>

## g) Balance Sheet Reconciliation

Particulars	Gratuity Funded as on	
	31st March, 2025	31st March, 2024
Opening Net Liability	(25.08)	(14.37)
Expense Recognized in Statement of Profit Or Loss	62.80	60.81
Expense Recognized in OCI	(11.14)	(11.57)
(Employer's Contribution )	(60.00)	(59.96)
<b>Net Liability ( Assets) Recognized in the Balance Sheet</b>	<b>(33.42)</b>	<b>(25.08)</b>

## h) Category of Assets

Particulars	Gratuity Funded as on	
	31st March, 2025	31st March, 2024
Insurance Fund	959.13	894.58
<b>Total</b>	<b>959.13</b>	<b>894.58</b>

## i) Other Details

Particulars	Gratuity Funded as on	
	31st March, 2025	31st March, 2024
No of Active Members	517	544
Per Month Salary for Active Members	86.68	89.97
Weighted Average Duration of the Projected Benefit Obligation	8	8
Average Expected Future Service	13	13
Projected Benefit Obligation	925.71	869.51
Prescribed Contribution for Next Year (12 Months)	31.78	39.53

## j) Net Interest Cost for Next Year

Particulars	Gratuity Funded as on	
	31st March, 2025	31st March, 2024
Present Value of Benefit Obligation at the End of the Period ( Fair Value of Plan Assets at the End of the Period )	925.71 (959.13)	869.51 (894.58)
Net Liability/(Asset ) at the End of the Period	(33.42)	(25.07)
Interest Cost ( Interest Income )	63.23 (65.51)	62.78 (64.59)
<b>Net Interest Cost for Next Year</b>	<b>(2.28)</b>	<b>(1.81)</b>

## k) Expenses Recognized in the statement of "Profit or Loss for Next Year "

Particulars	Gratuity Funded as on	
	31st March, 2025	31st March, 2024
Current Service Cost	65.20	64.61
Net Interest	(2.28)	(1.81)
<b>Expenses Recognized</b>	<b>62.92</b>	<b>62.80</b>

## l) Major category of assets as at:

Particulars	Gratuity Funded as on	
	31st March, 2025	31st March, 2024
Insurer Managed funds	959.13	894.58

## m) Assumptions used in the accounting for the Gratuity Plan:

Particulars	Gratuity Funded as on	
	31st March, 2025	31st March, 2024
Expected return on plan assets (%)	6.83%	7.22%
Rate of Discounting	6.83%	7.22%
Rate of Salary Increase	5.00%	5.00%
Rate of Employee Turnover	2.00%	2.00%
Mortality Rate During Employment	Indian Assured Lives Mortality 2012-14	Indian Assured Lives Mortality 2012-14

**Note 1:** Discount rate is determined by reference to market yields at the balance sheet date on Government bonds, where the currency and terms of the Government bonds are consistent with the currency and estimated terms for the benefit obligation.

**Note 2:** The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

**Note 3:** 100% of the plan assets are invested in group gratuity scheme offered by LIC of India.

**Maturity Analysis of the Benefit Payments : From the Fund**

Particulars	31st March, 2025	31st March, 2024
1st Following Year	116.78	93.22
2nd Following Year	74.39	88.18
3rd Following Year	124.01	79.94
4th Following Year	96.14	119.94
5th Following Year	85.45	92.41
Sum of Years 6 to 10	375.21	376.15
Sum of Years 11 and above	735.39	710.62

**Sensitivity Analysis**

Particulars	Gratuity Funded as on 31st March, 2025	Gratuity Funded as on 31st March, 2024
Projected Benefit Obligation on Current Assumptions	925.71	869.51
+1.00% Change in Rate of Discounting	(54.53)	(51.33)
-1.00% Change in Rate of Discounting	62.06	58.21
+1.00% Change in Rate of Salary escalation	62.58	58.92
-1.00% Change in Rate of Salary escalation	(55.92)	(52.82)
+1.00% Change in Rate of Employee Turnover	6.47	8.10
-1.00% Change in Rate of Employee Turnover	(7.36)	(9.07)

The sensitivity analysis has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

There was no change in the methods and assumption used in preparing the sensitivity analysis from prior years.

Particulars	31st March, 2025	31st March, 2024
Total employee benefit liabilities		
Non-current	-	-
Current	(33.42)	(25.08)

**[B] Other long Term Benefit:**

The Company's Long Term benefits includes Leave Encashment payable at the time of retirement subject to, policy of maximum leave accumulation of company. The scheme is not funded.

**Changes in the value of the obligation in respect of leave encashment**

Particulars	31st March, 2025	31st March, 2024
Obligation at the year beginning	95.87	94.06
(gains) / losses on obligation	4.68	1.81
Obligation at the year end	100.55	95.87
Particulars	31st March, 2025	31st March, 2024
Total employee benefit liabilities		
Non-current	86.19	78.95
Current	14.36	16.92

**(C) Defined Contribution plans:**

Amounts recognized as expense for the period towards contribution to the following funds:

Particulars	31st March, 2025	31st March, 2024
<b>Employers contribution to:</b>		
- Provident Fund	83.76	83.71
- Employee State Insurance Fund	23.75	22.66
- Pension fund	67.84	64.39
- Superannuation Fund	0.81	3.06
<b>Total Compensation</b>	<b>176.15</b>	<b>173.81</b>

**34 Related Party Disclosures****a) Name of the related party and nature of relationship: -**

Sr. No.	Particulars	Relationship
<b>I</b>	<b>Holding Company</b> Honeyvick Enterprises Private Limited	Holding Company of Panchmahal Steel Ltd
<b>II</b>	<b>Key Managerial Personnel:</b> Mr. Ashok R. Malhotra Mr. Nilesh S. Shah Mr. Deepak R. Nagar	Managing Director Chief Financial Officer GM (Legal) & Company Secretery
<b>III</b>	<b>Directors</b> Mr. Amal D. Dhru ( Upto 27.09.2024) Mr. Milan P. Shah ( Upto 27.09.2024) Mr. Swapon L. Adhikary (w.e.f. 12.08.2024) Mr. Jaswantkumar P. Jain (w.e.f. 12.08.2024) Mr. Samir M. Parikh Ms. Suchita Shah Mr. Kalpesh J. Parmar	Independent Director Independent Director Independent Director Independent Director Independent Director Non Independent Director Non Independent Director
<b>IV</b>	<b>Directors Relatives</b> Mr. Hanish A. Malhotra (upto 31.05.2024)	Chief Operating Officer

## b) Key Managerial Personnel Compensation

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Short-term employee benefits	204.00	203.44
Post Employment Benefits	16.63	16.63
<b>Total Compensation</b>	<b>220.63</b>	<b>220.07</b>

## c) Transactions with Related Parties:

During the year, the following transactions were carried out with related parties and relative of Key Managerial Personnel in the ordinary course of the business.

Sr. No.	Key Managerial Personnel and their relatives	Name of Parties	Nature of Transaction	For the year ended 31st March, 2025	For the year ended 31st March, 2024
1	Holding Company	Honeyvick Enterprises Private Limited	Interest Expenses Inter Corporate Deposit Received Repayment of Inter corporate deposit	- - -	23.26 600.00 623.26
2	Key Managerial Personnel	Mr. Ashok R. Malhotra Mr. Nilesh S. Shah Mr. Deepak R. Nagar	Remuneration (Incl. PF) Remuneration (Incl. PF) Remuneration (Incl. PF)	172.49 26.60 21.54	172.02 26.56 21.49
3	Directors Relative	Mr. Hanish A. Malhotra	Remuneration	7.00	6.76
4	Other Directors	Mr. Amal D. Dhru Mr. Milan P. Shah Mr. Swapon L. Adhikary Mr. Jaswantkumar P. Jain Mr. Samir M. Parikh Ms. Suchita Shah Mr. Kalpesh J. Parmar	Sitting fees Sitting fees Sitting fees Sitting fees Sitting fees Sitting fees Sitting fees	0.30 0.70 0.70 0.50 0.60 0.90 0.80	1.20 1.60   0.70 0.90 0.80

## d) Outstanding Balances Payable

Sr. No.	Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
1	Holding Company	-	-
2	Key Managerial Personnel - Mr. Ashok R. Malhotra Mr. Nilesh S. Shah Mr. Deepak R. Nagar	14.08 2.20 1.78	14.08 2.20 1.78
3	Directors Relative Mr. Hanish A. Malhotra	0.00	3.50

**35. Operating Segments**

The Company is engaged in a single segment of manufacture and sale of Stainless Steel Long Products.

The analysis of geographical information is based on the geographical location of the customers. The geographical information considered for disclosure are as follows:

**Geographical Information****Revenue by Geography**

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Within India	30,605.30	36,435.81
Outside India	7,590.84	6,228.71

**Carrying value of segment assets**

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Within India	22,875.48	23,138.80
Outside India	1303.15	295.89

**Property, Plant and Equipment(PPE) by Geographical Locations**

The Company has common PPE for producing goods for domestic as well as overseas market. There are no PPE situated outside India. Hence, additional segment-wise information for PPE / additions to PPE has not been furnished.

**Disclosure related to Revenue from Major Customers**

For the year ended 31st March, 2025 and 2024, there was no customer , revenue from whom constitutes more than 10%. of total revenue.

**36. Disclosure on revenue pursuant to Ind AS 115 - Revenue from Contracts with Customers:****(i) Disaggregation of revenue**

- Revenue from sale of products are recognised at a point in time. There are no further disaggregation of revenue with respect to this information.
- Revenue from sale of products are from domestic & export market. There are no further disaggregation of revenue with respect to this information.

**(ii) Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price:**

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Revenue as per Contracted price	38,196.14	42,664.52
<b>Adjustments</b>		
Less:- Discounts, Rebates and Incentives	-	-
<b>Revenue from contract with Customers (excluding other operative Income)</b>	<b>38,196.14</b>	<b>42,664.52</b>

## 37. Fair Value Measurements

## Financial Instruments by category

Particulars	For the year ended 31st March, 2025			For the year ended 31st March, 2024		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
<b>Financial Assets</b>						
Investments						
- Equity Instruments	-	-	-	-	-	-
- Other	-	-	0.02	-	-	0.02
Deposits	-	-	1.48	-	-	1.48
Trade Receivables	-	-	4,591.87	-	-	4,106.01
Cash and Cash Equivalents	-	-	31.64	-	-	3.77
Bank Balances other than above	-	-	101.76	-	-	221.60
Other Financial Assets	-	-	2.95	-	-	7.65
<b>Total Financial Assets</b>	-	-	<b>4,729.73</b>	-	-	<b>4,340.52</b>
<b>Financial Liabilities</b>						
Borrowings	-	-	4,966.46	-	-	3,990.10
Other current financial Liabilities	-	-	73.90	-	-	100.20
Trade payables	-	-	1,945.02	-	-	2,235.99
<b>Total Financial Liabilities</b>	-	-	<b>6,985.38</b>	-	-	<b>6,326.30</b>

## (i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

## Financial Assets and Liabilities measured at fair value - recurring fair value measurements

As at 31st March, 2025	Notes	Level 1	Level 2	Level 3	Total
<b>Financial Assets at amortized cost</b>					
Investments	4	-	0.02	-	0.02
Deposits	5	-	1.48	-	1.48
<b>Total Financial Assets</b>		-	1.50	-	1.50
<b>Financial Liabilities at amortized cost</b>					
Borrowings (Non Current)	-	-	-	-	-
<b>Total Financial Liabilities</b>	-	-	-	-	-



## Financial Assets and Liabilities measured at fair value - recurring fair value measurements

As at 31st March, 2024	Notes	Level 1	Level 2	Level 3	Total
Financial Assets at amortized cost					
Investments	4	-	0.02	-	0.02
Deposits	5	-	1.48	-	1.48
Total Financial Assets		-	1.50	-	1.50
Financial Liabilities at amortized cost					
Borrowings (Non Current)	16	-	-	-	-
Total Financial Liabilities		-	-	-	-

**Level 1:** Hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfers between levels 1 and 2 during the year.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels at the end of the reporting period.

**(ii) Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted analysis (if any).

**38 Financial Risk Management**

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

**(A) Credit risk**

Credit risk is the risk of incurring a loss that may arise from a borrower or customer failing to make required payments. Credit risk arises mainly from outstanding receivables from free market dealers, cash and cash equivalents, employee advances and security deposits. The Company manages and analyses the credit risk for each of its new clients before standard payment and delivery terms and conditions are offered.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer and including the default risk of the industry, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward-looking information such as:

- i) Actual or expected significant adverse changes in business;
- ii) Actual or expected significant changes in the operating results of the counterparty;
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;
- iv) Significant increase in credit risk on other financial instruments of the same counterparty;
- v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss.

**(i) Trade Receivables**

For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instrument, which requires expected lifetime losses to be recognized from initial recognition of the receivables. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit Losses (ECL), the Company considers reasonable and relevant information that is available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

The reconciliation of ECL is as follows:

Particulars	As at 31st March, 2025	As at 31st March, 2024
Balance at the beginning of the year	0.35	52.59
Provision made/(reversed) during the year	-	(52.24)
Balance at the end	0.35	0.35

**(ii) Cash and Cash Equivalents**

As at the year end, the company held cash and cash equivalents of Rs. 31.64 lakhs (31.03.2024 Rs. 3.77 lakhs). The cash and cash equivalents are held with bank and financial institution counterparties with good credit rating.

**(iii) Other Financials Assets**

Others Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

**(B) Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

**Maturities of Financial Liabilities**

The tables herewith analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

**Contractual Maturities of Financial Liabilities**

Particulars	Less than 1 Year	More than 1 Year	Total
<b>As at 31st March, 2025</b>			
<b>Non-Derivatives</b>			
Borrowings	4,966.46	-	4,966.46
Trade Payables	1,945.02	-	1,945.02
Other Financial Liabilities	73.90	-	73.90
<b>Total Non-Derivative Liabilities</b>	<b>6,985.38</b>	<b>-</b>	<b>6,985.38</b>
<b>As at 31st March, 2024</b>			
<b>Non-Derivatives</b>			
Borrowings	3,990.10	-	3,990.10
Trade Payables	2,235.99	-	2,235.99
Other Financial Liabilities	100.20	-	100.20
<b>Total Non-Derivative Liabilities</b>	<b>6,326.30</b>	<b>-</b>	<b>6,326.30</b>

**(C) Market Risk**
**Currency Risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The risk is measured through a forecast of foreign currency for the Company's operations.

The Company's exposure to foreign currency risk at the end of the reporting period expressed in Indian Rupee, are as follows:

**(i) Trade Receivable and other Receivable**

Currency	As at 31st March, 2025		
	Trade Receivable and other Receivable	Hedges available	Net exposure to Foreign Currency Risk
USD (in lakhs)	15.25	-	15.25
Equivalent INR (in lakhs)	1,303.15	-	1,303.15
Currency	As at 31st March, 2024		
	Trade Receivable and other Receivable	Hedges available	Net exposure to Foreign Currency Risk
USD (in lakhs)	3.55	-	3.55
Equivalent INR (in lakhs)	295.89	-	295.89

## (ii) Trade Payable and Other Payable

Currency	As at 31st March, 2025		
	Trade Payable and other Payable	Hedges available	Net exposure to Foreign Currency Risk
USD (in lakhs)	3.85	-	3.85
Equivalent INR (in lakhs)	328.91	-	328.91
Currency	As at 31st March, 2024		
	Trade Payable and other Payable	Hedges available	Net exposure to Foreign Currency Risk
USD (in lakhs)	10.87	3.96	6.91
Equivalent INR (in lakhs)	906.63	330.48	576.15

The sensitivity of profit or loss to changes in the exchange rates arises mainly in USD sensitivity from unhedged foreign currency denominated financial instruments.

Currency	Impact on Profit after Tax	
	31st March, 2025	31st March, 2024
USD sensitivity		
INR/USD increases by 5%	48.73	(30.53)
INR/USD decreases by 5%	(48.73)	30.53

**39 Capital Management**

For the purpose of the Company's capital management, equity includes equity share capital and all other equity reserves attributable to the equity holders of the Company. The Company manages its capital to optimise returns to the shareholders and makes adjustments to it in light of changes in economic conditions or its business requirements. The Company's objectives are to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth and maximise the shareholders value. The Company funds its operation through long term and short term borrowings from holding company and cash credit and other working capital facilities from the bankers. The management and Board of Directors monitor the return on capital.

**40 Additional Regulatory Information to be disclosed as per Schedule III of the Companies Act, 2013**

(a) The company holds all the title deeds of immovable property in its name except following properties.

SN	Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value as on 31.03.25	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter* / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company**
	PPE						As per by laws of the society, Corporate can not become member so properties are in the name of promoter/relative of promoter.
1	Plot No- 42 - Charotar CHSL	Land	1.68	Late. Mr. Ramlubhaya Malhotra	Promoter	20/01/1984	
2	Plot No- 43 - Charotar CHSL	Land	1.71	Mr. Ashok R. Malhotra	Promoter	20/01/1984	
3	Plot No- 44 - Charotar CHSL	Land	3.00	Mr. Ravi R. Malhotra	Relative of Promoter	23/10/1986	Company has executed MOU and agreement to sale with the seller. Company has paid total consideration and taken possession from seller. Sale Deed could not be executed.
4	Plot Nos. C-1/ B-102	Lease hold Land	2.21	M/S Precision Engineering Company	-	11/04/2007	

(b) The company does not have any transactions with companies struck off except following transactions, as per the information available with the company.

SN	Name of the Struck off Companies	Nature of transactions with struck off company	Balance outstanding/ Nominal share value	Relationship with the struck off company, if any
1	Varun Finvest Limited - Status not available	Investments in securities - 100 shares - Physical	0.01	Equity shareholder

(c) Details of the quarterly returns and statement of current assets filled by the company with Banks:

Qtr.	Name of Bank	Details of current assets	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason
Q1	SBI	Inventory	12,910.33	12,910.33	(0.00)	Note 1
		Book Debts	3,594.34	3,594.34	-	
		Trade Payable	3,509.03	1,841.34	1,667.69	Note 2 & 3
Q2	SBI	Inventory	13,156.07	13,156.07	-	Note 1
		Book Debts	2,868.06	2,868.06	-	
		Trade Payable	2,608.90	2,152.81	456.09	Note 3
Q3	SBI	Inventory	12,927.82	12,927.82	-	Note 1
		Book Debts	3,077.35	3,077.35	-	
		Trade Payable	1,566.32	1,109.40	456.92	Note 3
Q4	SBI	Inventory	12,312.18	12,312.18	-	Note 1
		Book Debts	4,591.87	4,591.87	-	
		Trade Payable	1,945.02	1,797.04	147.98	Note 3

Note 1 General Stores & spares are not included in the stock as the same are not required to be submitted to bank

Note 2 Stock Statement filed with the banks are after adjusting the Vendor Advance payment made.

Note 3 Creditors submitted to the banks are only related to the creditors for goods

**(d) Others:**

- (i) The company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- (ii) The quarterly returns and statement of current assets filled by the company with Banks are given in Note 40(c).
- (iii) The company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The company have not traded or invested in Crypto currency or Virtual Currency during the period/year.
- (v) The company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- vii) The company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- viii) The company is not declared as wilful defaulter by any bank or financial Institution or other lender.
- ix) There is no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013

## 41 Disclosures related to various Ratios :

Name of Ratio	Formula	F.Y. 2024-25		F.Y. 2023-24		% of change	Reason for variation if change is more than 25% +/- as compared to previous year
Current Ratio (No. of times)	Current Assets	18,064.37	2.44	16,582.60	2.39	2%	NA
	Current Liabilities	7,412.42		6,937.32			
Debt Equity Ratio (No. of times)	Short term Debt+Long term Debt	4,966.46	0.31	3,990.10	0.25	22%	NA
	Share holder's equity	16,029.76		15,688.89			
Debt Service Coverage Ratio (No. of times)	Earnings available for Debt service	1,566.18	3.66	1,745.70	2.52	45%	On account of better operating performance
	Debt service	428.19		692.00			
Return on Equity	Net Profit After Tax	332.53	2.10%	296.90	1.91%	10%	NA
	Average Share holder's equity	15,859.33		15,536.10			
Inventory Turnover Ratio (No. of times)	Sales	38,310.11	3.11	42,761.54	3.12	0%	NA
	Average Inventory	12,300.42		13,704.96			
Trade Receivable Turnover Ratio (No. of times)	Net Sales	38,310.11	8.81	42,761.54	10.00	-12%	NA
	Average Trade receivables	4,348.94		4,277.73			
Trade Payable Turnover Ratio (No. of times)	Net Purchase / Services	35,295.53	16.88	35,572.57	9.74	73%	On account of better operating performance and payment to trade payables
	Average Trade payables	2,090.51		3,652.27			
Net Capital Turnover Ratio (No. of times)	Net Sales	38,310.11	3.60	42,761.54	4.43	-19%	NA
	Working Capital	10,651.95		9,645.28			
Net Profit Ratio	Net Profit After Tax	332.53	0.86%	296.92	0.69%	25.36%	On account of better operating performance
	Total Sales	38,581.40		43,186.14			
Return on Capital Employed	Earning Before Interest and Tax	883.89	4.08%	1,083.88	5.31%	23%	NA
	Capital Employed	21,646.48		20,408.52			
Return on Investment	Income generated from Invested funds	-		-			NA
	Average Invested funds in Treasury Investment	-		-			



**42 Event after the reporting period**

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Proposed Dividend on Equity Shares:		
Proposed Dividend for the year ended 31st March, 2025 :	572.35	-
( Current Year Rs.3.00 Per Share, Previous year Rs.Nil Per Share )	572.35	-

This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting and therefore not recognised as liability at year end.

**43** These Financial Statements were authorised for issue in accordance with the resolution of the Board of Directors in its meeting held on 23rd May, 2025. The financial statements as approved by the Board of Directors are subject to final approval by its Shareholders.

The accompanying notes are an integral part of the financial statement

As per our Report of even date.

**For CNK & Associates LLP.**  
Chartered Accountants  
Firm Reg. No. 101961W/W-100036

**Pareen Shah**  
Partner  
Membership No. 125011  
Vadodara, 23rd May, 2025

**Kalpesh Parmar**  
Director  
(DIN: 00230588)

**Nilesh Shah**  
Chief Financial Officer

For and on behalf of the Board of Directors  
Panchmahal Steel Limited

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

**Deepak Nagar**  
GM (Legal) & Company Secretary  
Vadodara, 23rd May, 2025



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