Panchmahal Steel Limited

Giving Edge to your Business

Stainless Steel

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45th ANNUAL REPORT 2017 - 2018

BOARD OF DIRECTORS	:	Mr. Ashok Malhotra	- Chairman & Managing Director
		Mr. Nilesh Mehta	- Independent Director
		Mr. Amal Dhru	- Independent Director
		Mr. Milan Shah	- Independent Director
		Ms. Suchita Shah	- Non Independent Director
		Mr. Pradeep Sharma	- Director (Operations)
COMPANY SECRETARY	:	Mr. Deepak Nagar	
STATUTORY AUDITORS	:	M/s Atul Parkih & Co. Chartered Accountants Vadodara.	
BANKERS	:	State Bank of India	
REGISTERED OFFICE	:	GIDC Industrial Estate, Kalol - 389 330 Dist. Panchmahals, Gujarat. Phone : +91 2676 230777 Fax : +91 2676 230889 Email : shares@panchmahalsteel.co.in website : www.panchmahalsteel.co.in CIN : L27104GJ1972PLC002153	
CORPORATE OFFICE	:	"Landmark", 7th Floor, Race Course Circle, Vadodara - 390 007.	
REGISTRAR & TRANSFER AGENT	:	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 E-mail : mcsltdbaroda@gmail.com	

45th Annual General Meeting to be held on Saturday, the 22nd September, 2018 at 10.00 a.m. at the Registered Office of the Company at GIDC Industrial Estate, Kalol-389 330, Dist. Panchmahals, (Gujarat)

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NOTICE

Notice is hereby given that the 45th Annual General Meeting of the Members of Panchmahal Steel Limited will be held at the Registered Office of the Company situated at GIDC Industrial Estate, Kalol-389 330, Dist. Panchmahal, (Gujarat) on Saturday, the 22nd day of September, 2018 at 10.00 a.m. to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2018 and the Reports of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of Mr. Pradeep Sharma (DIN: 00705862), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

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

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Ashok Malhotra (holding DIN 00120198) as Managing Director of the Company, for a further period of 3 (Three) years with effect from April 1, 2018 on the terms and conditions of appointment and remuneration as set out in the explanatory statement attached hereto and that he be paid remuneration by way of salary, perquisites and allowances as approved by the Board of Directors and the Nomination & Remuneration Committee of the Company.

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

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

   "RESOLVED THAT pursuant to the provisions of Section 148(3) and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the remuneration payable to M/s Kiran J. Mehta & Co., Cost Accountants, Ahmedabad (Firm Registration No.00025), appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2019, amounting to Rs.1,50,000/- as also the payment of tax as applicable and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified and confirmed."

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

By order of the Board of Directors

Deepak Nagar
GM (Legal) & Company Secretary

Vadodara, 11th August, 2018

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the business under Item No. 3 & 4 of the Notice is annexed hereto.

2. A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

3. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 15th day of September, 2018 to Saturday, the 22nd day of September, 2018 (both days inclusive) for the purpose of Annual General Meeting.

4. Pursuant to the provisions of Section 139 of the Companies Act, 2013, the Members at the 44th Annual General Meeting of the Company held on 21st September, 2017 appointed M/s Atul Parikh & Co, Chartered Accountant (Firm Reg. No.106496W) as statutory auditors of the Company from the conclusion of the 44th Annual General Meeting till the conclusion of 49th Annual General Meeting, covering one term of five consecutive years, subject to ratification by the members at each intervening Annual General Meeting.

The requirement to place the matter relating to appointment of Statutory Auditors for ratification by Members at every Annual General Meeting has been done away with vide notification dated May 7, 2018, issued by the Ministry of Corporate Affairs. Accordingly no resolution is proposed for ratification of appointment statutory auditors of the Company. They are eligible for re-appointment and have given their confirmation that they are not disqualified from continuing as Auditors of the Company.

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

(a) In terms of the provisions of Section 124(5) and other applicable provisions of the Companies Act, 2013, the amount of dividend not encashed or claimed within 7(seven) years from the date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund set up by the Central Government. Accordingly, the unclaimed dividend in respect of financial year 2010-11 is due for transfer to the said Fund on 31st August, 2018. Members who have not yet encashed their dividend warrant(s) pertaining to the dividend for the financial year 2010-11 onwards, are requested to lodge their claims with the company/or Share Transfer Agents for the same.

(b) Attention of Members is invited to the provisions of Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 amended from time to time, which inter alia requires the Company to transfer the equity shares on which the dividend has remained unpaid or unclaimed for a continuous period of seven years, to the Demat Account of Investor Education and Protection Fund Authority ('IEPF Authority').

The Company has initiated necessary action for transfer of shares in respect of which dividend has not been paid or claimed by the members consecutively since 2010-11. The Company has already sent individual communication to all the concerned shareholders at their registered address, whose equity shares are liable to be transferred to Demat Account of the IEPF Authority, to claim the said unclaimed dividend latest by 31st August, 2018 in order to avoid transfer of shares to the IEPF Authority.

Pursuant to the Provisions of Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 21st September, 2017 (the date of the last Annual General Meeting) and details of shares due for transfer to Demat Account of the IEPF

Authority on its website at www.panchmahalsteel.co.in. As required under the IEPF Rules, the Company has also published a Notice informing the Members' to claim their unpaid/unclaimed from the Company before such shares are transferred to IEPF Authority.

The members who have not claimed dividends in respect of financial years from 2010-11 onwards are requested to approach the Company/RTA for claiming the same as early as possible, to avoid transfer of relevant shares to Demat Account of IEPF Authority.

(c) The Company has transferred the unpaid/unclaimed dividend for the financial year 2009-10 amounting to Rs. 1,89,616/- to the IEPF Authority on 3rd October, 2017.

Further, in accordance with the provisions of Companies Act, 2013 the Company has transferred 59,000 equity shares of Rs.10/- each in respect of 486 shareholders, to the demat account of the IEPF Authority, on 29th November, 2017, in respect of which dividend had not been claimed by the members for seven consecutive years or more as on the cut-off date, i.e. October 31, 2017.

(d) The members/claimants whose shares and/or unclaimed dividend have been transferred to the IEPF Authority may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF-5 (available on 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.

(e) Pursuant to the aforesaid provision, the dividend for the years as mentioned hereinbelow shall be transferred to the IEPF on the respective dates, if the dividend remains unclaimed for seven years, and the corresponding shares shall also be transferred to IEPF if dividend is unclaimed for seven consecutive years. The details of Unclaimed Dividend as at 31.03.2018 was as under:

Year of Declaration of Dividend	Date of Declaration of Dividend	Unclaimed Amount (Rs.)	Due Date for transfer to IEPF Account
2010-11	25.07.2011	2,43,026.00	31/08/2018
2011-12	16.07.2012	2,54,126.00	22/08/2019
2012-13	29.07.2013	1,38,347.00	04/09/2020

6. SEBI has vide notification SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018 notified that requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed after 5th December 2018, unless the securities are held in the dematerialized form with the depositories. Hence, you will not be able to transfer securities held in physical form, after 5th December, 2018. You are requested to dematerialize your physical securities at the earliest.

In continuation to SEBI's aforesaid Circular, BSE vide its circular dtd. 5th July, 2018 has directed the listed entities to ensure the dematerialization of shares held by public.

In view of the above direction and amended Regulation 40 of LODR Regulations, a letter under Registered/ Speed post is being mailed by the Company/RTA to the holders of physical share certificate(s) appraising them about the amendment and sensitise them about the impact of the regulation on the transfer of shares held by them in physical form w.e.f. December 5, 2018. The Company has also placed information on its website intimating the investors about the proposed change and provided a guidance note on how to dematerialize their shares.

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

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

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

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

8. 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.

9. Members seeking any information with regard to the accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.

10. 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.

11. In terms of Section 101 and 136 of the Act read together with the Rules made thereunder, the Listed Companies may send the notice of Annual General Meeting and the Annual Report, including Financial Statements, Board Report, etc. by electronic mode, unless any member has requested for a physical copy of the same. The Company is accordingly forwarding copies of the above referred documents to all those members who have registered their email Ids with their respective DPs or with the RTA by electronic mode. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may also note that the Notice of the AGM & the Annual Report will also be available on the Company's website www.panchmahalsteel.co.in.

12. To support the 'Green Initiative' and to receive shareholders' communications from the Company through electronic means, including annual reports and notices, members are requested to kindly register/ update their email address with their respective Depository Participants, where shares are held in electronic form. If, the shares are held in physical form, members are advised to register their e-mail address with the RTA at mcsltdbaroda@gmail.com.

13. The information on directors recommended for appointment / re-appointment as required under Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 and paragraph 1.2.5 of Secretarial Standard-2 on General Meetings, are provided in "Details of Directors seeking Appointment/ Reappointment at the Annual General Meeting" annexed herewith as Annexure-I.

14. INSTRUCTIONS FOR E-VOTING

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

The facility for voting through ballot paper will also be made available at the 45th Annual General Meeting and members attending the meeting, who have not already cast their vote by remote e-voting shall be able to exercise their voting rights at the meeting through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the meeting but shall not be entitled to cast their vote again. The instructions for e-voting are as under:

Procedure for E-Voting

The instructions for shareholders voting electronically are as under:

(i) The voting period begins on **Wednesday, the 19th September, 2018 (9.00 am IST)** and ends on **Friday the 21st September, 2018 (5.00 pm IST)**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **15th September, 2018** may cast their vote electronically.The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding sharesin Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) *Members who have not updated their PAN with the Company/Depository Participant are requested to use the serial number which is printed on address slip pasted on Annual Report.
Date of Birth	Enter the Date of Birth as registered with DP/RTA in dd/mm/yyyy format
OR	
Dividend Bank Details	Enter the Dividend Bank details as recorded with your DP/RTA. Please note-In respect of Physical shareholding and whose DOB and Dividend Bank Details are not registered with DP/RTA should enter number of shares held by you as on the cut-off date i.e.15th September, 2018.

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN i.e. **180813021** of the Company "PANCHMAHAL STEEL LIMITED" on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also use Mobile app - "CDSL m-Voting" for e-voting. m-Voting app is available on IOS, Android & Windows based mobile. Shareholders may log in to m-Voting using their e-voting credentials to vote for the company resolution(s).

(xix) Note for Non-Individual Shareholders and Custodians

* Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
* A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
* After receiving the login details, user would be able to link the account(s) for which they wish to vote on.
* The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
* A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Other Instructions:

i. E-voting is optional. The E-voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as on 15th September, 2018.

ii. Mr. Niraj Trivedi, Practicing Company Secretary (Membership No. 3844 and CP No. 3123) (Address : 218-219, Saffron Complex, Fatehgunj, Vadodara - 390002) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

iii. The copy of the Notice convening the 45th Annual General Meeting has been placed on the website of the Company viz. www.panchmahalsteel.co.in and also on the website of CDSL.

iv. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of the Scrutinize, by use of " Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

v. The Scrutinizer shall after the conclusion of voting the general meeting, will first count the vote cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witness not in employment of the Company and shall make within forty eight hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

vi. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.panchmahalsteel.co.in and on the website of CDSL immediately after declaration of results by the Chairman or a person authorized by him in writing. The results shall also be uploaded on the BSE Listing Portal.

Subject to receipt of requisite number of votes, the Resolutions shall deemed to be passed on the date of Annual General Meeting of the Company scheduled to be held on Saturday, 22nd September, 2018.

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

As required by Section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item No. 3 & 4 of the accompanying Notice:

Item No. 3:

The members, at the 42nd Annual General Meeting held on 28th September, 2015 had approved the appointment of Mr. Ashok Malhotra as Managing Director for a period of 3 (three) years with effect from 1st April, 2015.,

The Nomination and Remuneration Committee, at its meeting held on 14th February, 2018, had recommended the re-appointment of Mr. Ashok Malhotra as Managing Director of the Company and terms of remuneration payable to him for a further period of three years from 1st April, 2018 to 31st March, 2021.

The Board of Directors, at its meeting held on 14th February, 2018, had approved the same. The Nomination and Remuneration Committee and the Board of Directors of the Company are of the opinion that he is fit and proper person to hold the said office and his re-appointment will be in the interest of the Company.

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

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

1. Period of Appointment: From 1st April, 2018 to 31st March, 2021.
2. Remuneration:
   a. Salary : Rs.9,00,000/- (Rupees Nine lacs only) p.m.
   b. Perquisites :
      (i) In addition to the salary payable, the Managing Director shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, together with reimbursement of expenses or allowances for utilities such as gas, electricity, water and furnishings and repairs, all of which may be hired or owned; medical reimbursement; club fees and leave travel concession for himself and family; medical insurance, personal accident insurance and such other perquisites and allowances in accordance with rules of the Company or as may be agreed to by the Board of Directors and the Managing Director. Such perquisites and allowances will be subject to maximum of Rs.5,00,000/- per month.
      (ii) For the purpose of calculating the above ceiling, perquisite and allowances shall be evaluated as per Income tax Rules, wherever applicable; in the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost or hire charges.
      (iii) Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in computation of perquisites for the purpose of calculating the said ceiling.
      (iv) As per Section IV of Schedule V of the Companies Act, 2013, the following perquisites shall not be included in the computation of the ceiling on remuneration as specified in Section II of the said Schedule:
         a) contribution to Provident Fund, Superannuation or Annuity Fund, to the extent these either singly or together are not taxable under the Income tax Act,1961 (43 of 1961);
         b) gratuity payable at a rate not exceeding half a month's salary for each completed year of service; &
         c) encashment of leave at the end of the tenure
   c) Commission:

      Commission on profits, not exceeding 2% of the net profit of the Company for that financial year of the Company as the Board or its committee at the end of each financial year may determine, subject to overall ceiling as provided under Section 197 of the Companies Act, 2013. The commission payable to

the Managing Director will be determined at the end of each financial year and will be payable annually after the annual accounts have been approved by the Board of Directors and adopted by the members.

d) Minimum Remuneration:

Notwithstanding anything contained herein, where in any financial year, during the currency of tenure of the Managing Director, the Company has no profit or its profits are inadequate, the Company will pay him the above stated remuneration and perquisites as minimum remuneration.

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

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

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

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

In view of the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, the Board recommends the Special Resolution set out at item no. 3 of the accompanying Notice for the approval of the Members.

Additional Information pursuant to Part II of Schedule V to the Companies Act, 2013 for Item No. 3 of the Notice are furnished hereunder.

I. General Information:

(i) Nature of Industry:

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

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

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

(iii) Financial Performance based on given indicators:

The financial performance of the Company as reflected by total income, profit, earning per share and dividend recommended for the financial year ended 31st March, 2018 is as under:-

Particulars	(Rs. in crores)
Turnover & Other Income	402.86
Profit/Loss for the year	0.55
Earnings Per share	0.29
Rate of Dividend	Nil

(iv) Export Performance &Foreign Exchange Earning/ Outgo:

(Rs. in crores)

Particulars	2017-18	2016-17
FOB value of Exports	101.73	63.87
CIF value of Import	155.25	134.61
Other Expenditure in Foreign Currency	0.62	0.28

(v) Foreign Investment or Collaborators, if any:

Not Applicable

II. Information about the Appointee:

Nature of Information		
Background Details	Mr. Ashok Malhotra, aged 66 years, is a Commerce Graduate and has been involved with Company's management since 1976 and is well-versed with all aspects of the industry. He has more than 45 years of experience in the steel industry and has been instrumental in establishing the Company name as a qualitative and reliable manufacturer in the global market.	
Past Remuneration	Year	Rs. in lacs
	2015-16	127.07
	2016-17	127.03
	2017-18	127.03
Recognition or Awards	He is a past President of Indian Stainless Steel Association of India.	
Job Profile & Suitability	He is serving as Managing Director of the Company since 18th February, 1976. He is responsible for overall affairs of the Company including strategic planning, direction, operations, finance & corporate affairs. He has sound knowledge of the steel industry, marketing, business process and contemporary management techniques.	
Remuneration proposed	The proposed remuneration is within the limits specified in Section-II of Part II of Schedule V of the Companies Act, 2013 and has been elaborated in the explanatory statement.	
Comparative remuneration profile with respect to Industry, size of the Company, profile of the position and person	The remuneration proposed takes into consideration the nature and size of business operations, the qualifications, experience and contribution of the appointees to all round growth of the Company besides present industry benchmarks for payment of managerial remuneration by companies of comparable size and nature of business. Mr. Ashok Malhotra is drawing same salary for the last 6 years. The remuneration proposed to be paid is reasonable and commensurate with the remuneration packages paid to similar senior level appointees in other companies. The proposed remuneration was recommended to the Board of Directors by the Nomination & Remuneration Committee after elaborate discussion.	
Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any	Does not have any pecuniary relationship with the Company except remuneration drawn as Managing Director and as a shareholder to the extent of his shareholding in the Company. Mr. Ashok Malhotra is not related to any of the Director of the Company.	

III. Other Information

Reasons of Loss or Inadequate Profit	Even though the Company had inadequate profits and/or incurred losses in earlier years on account of the global recessionary trends and volatility in all commodity prices, resulting into lower realisations as compared to input costs, it has made small profits in last 2 financial years as per the computation prescribed under Section 198 of the Companies Act, 2013. However, the same may not be adequate to pay remuneration to the Directors (MD/WTD) within the overall limits laid down under Section 197 of the Act.
Steps taken or proposed to be taken for improvement	The Company continues to improve its operating efficiencies and has taken several steps and measures to reduce cost of production and achieve higher productivity while maintaining the superior quality standards of the end products.
Expected increase in productivity and profits in measurable terms.	The global market continues to be unpredictable. However the Company expects improvement in productivity and profitability of its operations during the current year as the economic climate is getting positive with improvement in demand for stainless steel products from various sectors.

IV. Disclosures

The information and disclosures of the remuneration package of the managerial personnel have been mentioned in the Annual Report in the Corporate Governance Report Section under the Heading "Remuneration of Directors" for the year ended 31st March, 2018.

Memorandum of Interest

Mr. Ashok Malhotra is interested in this resolution, which pertain to his re-appointment and remuneration payable to him.

Save and except the above, none of the Directors and Key Managerial Personnel of the Company (including their relatives) has any concern or interest, financial or otherwise, in this Resolution.

Item No. 4:

M/s Kiran J. Mehta & Co., Cost Accountants, Ahmedabad (Firm Registration No. 00025) has been appointed by the Board of Directors of the Company, on the recommendation of the Audit Committee, to conduct the audit of the Cost Records of the Company for the financial year 2018-19.

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

Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditor for the financial year 2018-19 as setout in the resolution for aforesaid services to be rendered by him.

The Board of Directors recommends passing of ordinary resolution as set out at Item No. 4 of this Notice.

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

By order of the Board of Directors

Deepak Nagar
GM (Legal) & Company Secretary

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

Vadodara, 11th August, 2018

ANNEXURE - I

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT/APPOINTMENT AT THE AGM

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

Name of the Director	Mr. Pradeep Sharma	Mr. Ashok Malhotra
DIN	00705862	00120198
Date of Birth & Age	01.10.1964 (54 years)	27.08.1952 (66 years)
Date of Appointment on the Board	26.10.2005	01.12.1976
Educational Qualification	B.Com., LL.B.	B.Com.
Experience & Expertise	Mr. Pradeep Sharma has joined the services of the Company in the year 1988 and has held different managerial positions at different times. He is responsible for overall operations at the Plant besides Corporate Management, Procurement & commercial activities of the Company.	Mr. Ashok Malhotra is Promoter Director of the Company. He has more than 45 years of experience in the steel industry and has expertise in business process, marketing and contemporary management techniques.
Number of Meetings of the Board attended during the year.	4 out of 4	4 out of 4
List of Directorship/Membership / Chairmanship of Committees of other Companies.	Nil	Directorship Honeyvick Enterprises (P) Ltd.
Shareholding in the Company	100 Equity Shares	24,59,940 Equity Shares
Relationship with other directors, manager and other Key Managerial Personnel of the Company.	None	None

DIRECTORS' REPORT

To,

The Members

Your Company's Directors are pleased to present the 45th Annual Report of the Company together with the Statement of Audited Accounts for the financial year ended 31st March, 2018.

FINANCIAL RESULTS

(Rs. in lacs)

Particulars	**Year ended 31.03.2018**	Year ended 31.03.2017
Revenue from Operations	**39821.93**	36241.01
Operating Expenses	**38172.03**	34450.36
Operating Profit before Interest, Tax, Depreciation & Amortization	**1649.90**	1790.65
Depreciation & Amortization Expense	**783.65**	778.08
Finance Costs	**1291.18**	1351.15
Other Income	**463.93**	363.76
Profit/(Loss) before Exceptional & Extraordinary Items and Tax	**38.99**	25.18
Exceptional & Extraordinary Items	**-**	-
Profit/(Loss) before Tax	**38.99**	25.18
Tax Expense (including Deferred Tax)	**(15.72)**	(6.99)
Tax for Earlier Years	**-**	2.77
Profit for the year from Continuing Operations	**54.71**	29.40
Other Comprehensive Income	**-**	-
Total Comprehensive Income for the year	**54.71**	29.40

TRANSFER TO RESERVES

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

STATE OF COMPANY AFFAIRS / REVIEW OF OPERATIONS

The total revenue (including other income) of the Company during the year was Rs.402.86 crores as compared to Rs.366.05 crores in the previous year. The Company reported a total comprehensive income of Rs.54.71 lacs for the year under review. The business environment though challenging looks promising and optimistic, considering the overall economic environment and marketing strategy of the Company.

As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended on March 31, 2018 has been prepared in accordance with the Indian Accounting Standards (Ind- AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014. The estimates and judgements relating to the Financial Statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended March 31, 2018.

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

DIVIDEND

The Directors do not recommend any dividend for the year ended 31st March, 2018.

SHARE CAPITAL

The paid-up Equity Share Capital of your Company as on March 31, 2018 was Rs.19.08 crores. The Company has not issued shares with differential voting rights/Bonus Shares nor has granted stock options/sweat equity and has not bought back any of its securities during the year under review.

FIXED DEPOSITS

The Company has not accepted or renewed any deposits during the year. There are no outstanding deposits as at 31st March, 2018.

DIRECTORS' RESPONSIBILITY STATEMENT

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

a) in preparation of the annual accounts for the year ended March 31, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit of the Company for the year ended on that date;

c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) they have prepared the annual accounts on a 'going concern' basis;

e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

CORPORATE GOVERNANCE REPORT AND MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

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

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

CORPORATE SOCIAL RESPONSIBILITY

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Your Company has not directly or indirectly:

a) given any loan to any person or other body corporate other than usual advances envisaged in a contract of supply of materials if any,

b) given any guarantee or provide security in connection with a loan to any other body corporate or person; and

c) acquired by way of subscription purchase or otherwise, the securities of any other body corporate exceeding sixty percent, of its paid-up share capital, free reserve and securities premium account or one hundred percent of its free reserves and securities premium account whichever is more.

RELATED PARTY TRANSACTIONS

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

There were no related party transactions entered into during the financial year under Section 188 of Companies Act, 2013.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Change in Directors

Mr. Hanish Malhotra, Director (Marketing) and Mr. Mohanraj M. Singhi, Independent Director, have resigned from the Board of Directors with effect from 17th May, 2017 and 8th July, 2017 respectively.

The Board records its appreciation for the valuable services rendered by both the Directors.

Re-appointments

In accordance with the applicable provisions of the Companies Act, 2013 and Rules made thereunder, Mr. Pradeep Sharma retires by rotation at the forthcoming Annual General Meeting and being eligible offer himself for re-appointment. The Board recommends his re-appointment.

The Board has re-appointed Mr. Ashok Malhotra as Managing Director of the Company w.e.f. 1st April, 2018 for a period of 3 years. The Board recommends his re-appointment.

Declaration by Independent Directors

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

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

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the annual evaluation of the performance of the Board, its committees and of individual directors has been made by the Board of Directors of the Company. The details of Board evaluation process have been provided under the Corporate Governance Report.

Familiarization Programme for Independent Directors

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

Remuneration Policy

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

Number of Meetings of the Board

The details of the number of meetings held during the financial year 2017-18 forms part of the Corporate Governance Report. The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and Regulation 17(2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

Committees of the Board

The Board of Directors has the following Committees:

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

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

Key Management Personnel

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

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

Pursuant to the provisions of Section 139 of the Companies Act, 2013, the Members at the 44th Annual General Meeting of the Company held on 21st September, 2017 appointed M/s Atul Parikh & Co, Chartered Accountant (Firm Reg. No.106496W) as statutory auditors of the Company from the conclusion of the 44th Annual General Meeting till the conclusion of 49th Annual General Meeting, covering one term of five consecutive years, subject to ratification by the members at each intervening Annual General Meeting.

The requirement to place the matter relating to appointment of Statutory Auditors for ratification by Members at every Annual General Meeting has been done away with vide notification dated May 7, 2018, issued by the Ministry of Corporate Affairs. Accordingly no resolution is proposed for ratification of appointment statutory auditors of the Company. They are eligible for re-appointment and have given their confirmation that they are not disqualified from continuing as Auditors of the Company.

There is no audit qualification, reservation or adverse remark or disclaimer given by the Auditors in their Report for the year under review.

Internal Auditors

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

Cost Auditors

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

The Board of Directors, on the recommendation of the Audit Committee, has appointed M/s Kiran J. Mehta & Co., Cost Accountants, (Firm Registration Number 000025) as Cost Auditor to audit the cost records of the Company for the financial year 2018-19. 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 2016-17 was filed with the Ministry of Corporate Affairs on 31st August, 2017.

Secretarial Auditor

In terms of the provisions of Section 204 of the Companies Act, 2013, Mr. Niraj Trivedi, Practising Company Secretary, Vadodara, have been re-appointed by the Board as Secretarial Auditor of the Company for the financial year 2018-19.

The Secretarial Audit Report as issued by the Secretarial Auditor in Form No. MR-3 for the financial year 2017-18 is annexed herewith as "Annexure -A" and forms integral part of this Annual Report. The Secretarial Audit Report does not containany qualification, reservation or adverse remark. The Company has complied with applicable Secretarial Standards during the year.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return required under Section 134(3)(a) and 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, forms part of this report as “Annexure-B”.

AUDIT COMMITTEE

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

RISK MANAGEMENT POLICY

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. These systems are routinely tested by Statutory as well as Internal Auditors. 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 EXCHNAGE EARNINGS & OUTGO

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

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

SUBSIDIARY, JOINT VENTURES OR ASSOCIATE COMPANY

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

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

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

During the year under review, the company has not received any complaints on sexual harassment and hence no complaints remain pending as of 31 March, 2018.

APPRECIATION

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

For and on behalf of the Board of Directors

Place : Vadodara
Date : 11th August, 2018

Ashok Malhotra
Chairman & Managing Director

Annexure - "A" to Directors' Report

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2018

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment (ODI) and External Commercial Borrowings;

(v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz. :-

- **(a)** The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- **(b)** The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- **(c)** The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - **Not applicable to the Company during the Audit Period.**
- **(d)** The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; - **Not applicable to the Company during the Audit Period**
- **(e)** The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **Not applicable to the Company during the Audit Period**
- **(f)** The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
- **(g)** The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not applicable to the Company during the Audit Period**
- **(h)** The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - **Not applicable to the Company during the Audit Period**

(vi) Other applicable laws -Based on the information provided and the representation made by the Company and its officers and also on the review of the compliance reports taken on record by the Board of Directors of the Company,

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

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

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

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

We further report that:

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

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

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

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

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

Place: Vadodara
Date: 11th August, 2018

Signature : Sd/-
Name of PCS: **NIRAJ TRIVEDI**
C. P. No.: 3123

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

'Annexure to Secretarial Audit Report'

To,

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

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

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

Place: Vadodara
Date: 11th August, 2018

Signature : Sd/-
Name of PCS : **NIRAJ TRIVEDI**
FCS : 3844
C. P. No.: 3123

"Annexure - B" to Directors' Report

FORM NO. MGT 9

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L27104GJ1972PLC002153
2.	Registration Date	12th September, 1972
3.	Name of the Company	Panchmahal Steel Limited
4.	Category/Sub-category of the Company	Public Limited Company
5.	Address of the Registered office & contact details	GIDC Industrial Estate, Kalol-389 330 Dist. Panchmahals, Gujarat. Phone No. : 02676 -3041777 Fax No. : 02676 304889 E-mail : shares@panchmahalsteel.co.in Website : www.panchmahalsteel.co.in
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s MCS Share Transfer Agent Limited 1st Floor, Neelam Apartment, 88, Sampatrao Colony, Above Chappanbhog Sweet, Alkapuri, Vadodara-390 007 Phone : 0265-2314757, 2350490 Fax : 0265-2341639 E-mail : mcsltdbaroda@gmail.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service the company	% to total turnover of
1	Bars & Rods of Stainless Steel, Hot -Rolled, in irregularly wound coils	27163	31.20%
2	Other Bars & Rods of Stainless Steel	27153	28.34%
3	Wires of Stainless Steel	57183	38.78%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total % of Total Shares	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF*	2988725	-	2988725	15.67%	3339060	-	3309060	17.50%	1.83%
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	10516005	-	10516005	55.12%	10516005	-	10516005	55.12%	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
(2) Foreign	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)	**13504730**	**-**	**13504730**	**70.79%**	**13855065**	**-**	**13855065**	**72.62%**	**1.83%**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	5700	5700	0.03%	-	-	-	-	(0.03%)
b) Banks / FI	754635	200	754835	3.96%	754635	200	754835	3.96%	-
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	331000	-	331000	1.73%	331000	-	331000	1.73%	-
g) FIIs	-	1000	1000	0.00%	-	-	-	-	(0.00%)
h) Foreign Venture Capital	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**1085635**	**6900**	**1092535**	**5.73%**	**1085635**	**200**	**1085835**	**5.69%**	**(0.03%)**
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	2261115	3300	2264415	11.87%	1117834	3200	1121034	5.88%	(5.98%)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	1207888	194205	1402093	7.35%	1635884	137305	1773189	9.29%	1.94%
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	713978	-	713978	3.74%	897892	-	897892	4.71%	0.97%
c) Others									
i) HUF	78965	-	78965	0.42%	209548	-	209548	1.10%	0.68%
ii) Non Resident Indians	21613	-	21613	0.11%	76766	-	76766	0.40%	0.29%
iii) OCBs	-	-	-	-	-	-	-	-	-
iv) Foreign Nationals	-	-	-	-	-	-	-	-	-
v) Clearing Members	-	-	-	-	-	-	-	-	-
vi) Trusts	-	-	-	-	-	-	-	-	-
vii) IEPF Authority	-	-	-	-	59000	-	59000	0.31%	0.31%
Sub-total (B)(2):-	**4283559**	**197505**	**4481064**	**23.49%**	**3996924**	**140505**	**4137429**	**21.69%**	**(1.80)%**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**5369194**	**204405**	**5573599**	**29.21%**	**5082559**	**140705**	**5223264**	**27.38%**	**(1.83%)**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**18873924**	**204405**	**19078329**	**100.00%**	**18937624**	**140705**	**19078329**	**100.00%**	**-**

* In terms of Regulation 10(1)(d)(iii) of SEBI (Substantial Acquisition of Shares & Takeover) Regulations, 2011, Mr. Ashok Malhotra, who is a part of Promoter and Promoter Group, had acquired 1,81,634 Equity Shares on 29.03.2017 & 1,68,701 Equity Shares on 30.03.2017. As per the data provided by the RTA of the Company, these 3,50,335 Equity Shares were not credited to the Beneficiary Account as at 31.03.2017. Therefore, the same is not reflected in Promoters - Individual/HUF Shareholding as at 01.04.2017.

B. Shareholding of Promoter(s)-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 1st April 2017)			Shareholding at the end of the year (As on 31st March 2018)			% change in share-holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encum-bered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encum-bered to total shares	
1	Mr. Ashok Malhotra*	2109605	11.06%	5.95%	2459940	12.89%	5.95%	1.83%
2	Ashok R. Malhotra (HUF)	256000	1.34%	1.34%	256000	1.34%	1.34%	-
3	Mr. Hanish Malhotra	454900	2.38%	-	454900	2.38%	-	-
4	Mr. Vikas Malhotra	168220	0.88%	-	168220	0.88%	-	-
5	Honeyvick Enterprises (P) Ltd.	10516005	55.12%	18.25%	10516005	55.12%	18.25%	-
	Total	**13504730**	**70.79%**	**25.54%**	**13855065**	**72.62%**	**25.54%**	**1.83%**

* In terms of Regulation 10(1)(d)(iii) of SEBI (Substantial Acquisition of Shares & Takeover) Regulations, 2011, Mr. Ashok Malhotra, who is a part of Promoter and Promoter Group, had acquired 1,81,634 Equity Shares on 29.03.2017 & 1,68,701 Equity Shares on 30.03.2017. As per the data provided by the RTA of the Company, these 3,50,335 Equity Shares were not credited to the Beneficiary Account as at 31.03.2017. Therefore, the same has not been reflected in the shareholding of Mr. Ashok Malhotra as at 1st April, .2017.

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

Sr. No.	Name of the Promoter	Shareholding at the beginning of the year (as on 01.04.2017) / at the end of the year (31.03.2018)		Cumulative Shareholding during the year	
	At the beginning of the year (01.04.2017)	**13504730**	**70.79%**		
	Date wise Increase/Decrease in Promoters Shareholding :				
1.	Mr. Ashok Malhotra*				
	29.03.2017 - Market Acquisition	181634	0.95%	13686364	71.74%
	30.03.2017 - Market Acquisition	168701	0.88%	13855065	72.62%
	At the end of the year (31.3.2018)	**13855065**	**72.62%**		

* As per the data provided by the RTA of the Company, the Equity Shares acquired by Mr. Ashok Malhotra were not credited to the Beneficiary Account as at 31.03.2017. Therefore, the change in Promoter's Shareholding is reflected during the year ended 31.03.2018.

D) Shareholding Pattern of Top Ten Shareholders:

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

Sr. No.	Name of the Promoter	Shareholding at the beginning of the year (As on 1st April 2017)		Cumulative Shareholding during the year (As on 31st March 2018)	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	Gujarat Industrial Investment Corporation Ltd.	750329	3.93%	750329	3.93%
2.	Motilal Oswal Securities Ltd. - Client Account	0	0.00%	409372	2.15%
3.	Movies N More (india) Private Limited	377714	1.98%	377714	1.98%
4.	Life Insurance Corporation of India	331000	1.74%	331000	1.74%
5.	Tanvi Jignesh Mehta	196128	1.03%	181678	0.95%
6.	Mahendra Girdharilal	109163	0.57%	109163	0.57%
7.	Om Prakash Chugh	0	0.00%	98337	0.52%
8.	SMS Holding Private Limited	0	0.00%	65231	0.34%
9.	Manohar Manek Alloys Private Limited	471332	2.47%	61974	0.32%
10.	Anu Narayan	83128	0.44%	60439	0.31%

E) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of Director or KMP	Period	Shareholding at the beginning of the year		Cumulative Share holding during the year	
			No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	Mr. Ashok Malhotra Chairman & Managing Director	At the beginning of the year At the end of the year	2109605*	11.06	2459940	11.89
2.	Mr. Nilesh B. Mehta Independent Director	At the beginning of the year At the end of the year	Nil	Nil	Nil	Nil
3.	Mr. Amal Dutt Dhru Independent Director	At the beginning of the year At the end of the year	Nil	Nil	Nil	Nil
4.	Mr. Milan P. Shah Independent Director	At the beginning of the year At the end of the year	200	0.00	200	0.00
5.	Ms. Suchita Shah Non-Independent NE Director	At the beginning of the year At the end of the year	1900	0.02	1900	0.02
6.	Mr. Pradeep R. Sharma Director (Operations)	At the beginning of the year At the end of the year	100	0.00	100	0.00
7.	Mr. Mohanraj M. Singhi (upto 8.7.2017) Independent Director	At the beginning of the year At the end of the year	Nil	Nil	Nil	Nil
8.	Mr. Hanish Malhotra (Upto 17.5.2017) Director (Operations)	At the beginning of the year At the end of the year	454900	2.38	454900	2.38
9.	Mr. Pradip H. Gupta Chief Financial Officer	At the beginning of the year At the end of the year	Nil	Nil	Nil	Nil
10.	Mr. Deepak R. Nagar Company Secretary	At the beginning of the year At the end of the year	Nil	Nil	Nil	Nil

* Mr. Ashok Malhotra, who is a part of Promoter & Promoter Group, had acquired 1,81,634 Equity Shares on 29.03.2017 & 1,68,701 Equity Shares on 30.03.2017. As per the data provided by the RTA of the Company, these 3,50,335 Equity Shares were not credited to the Beneficiary Account as at 31.03.2017. Therefore, the same is not reflected in the shareholding of Mr. Ashok Malhotra as at 01.04.2017.

V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amt. in Rs.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness as at 01.04.2017 -				
(Working Capital)				
i) Principal Amount	59,65,98,142	9,93,00,000	-	69,58,98,142
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	8,44,886	-	-	8,44,886
Total (i+ii+iii)	**59,74,43,028**	**9,93,00,000**	**-**	**69,67,43,028**
Change in Indebtedness during the financial year				
* Addition	-	1,35,00,000	-	1,35,00,000
* Reduction	91,65,456	-	-	91,65,456
Net Change	**91,65,456**	**1,35,00,000**	**-**	**43,34,544**
Indebtedness as at 31.03.2018				
i) Principal Amount	58,71,01,793	11,28,00,000	-	69,99,01,793
ii) Interest due but not paid (Net of TDS)	-	-	-	-
iii) Interest accrued but not due	11,75,779	-	-	11,75,779
Total (i+ii+iii)	**58,82,77,572**	**11,28,00,000**	**-**	**70,10,77,572**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:-

A. Remuneration to Managing Director, Whole-time Directors and /or Manager: (Amt. in Rs.)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Ashok Malhotra	Mr. Hanish Malhotra*	Mr. Pradeep Sharma	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	78,00,000	12,48,764	29,67,178	1,20,15,942
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	9,17,429	32,192	2,46,507	11,96,128
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	30,50,000	1,60,176	8,46,575	40,56,751
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
5	Others (contribution to PF & SAF)	9,36,000	46,452	7,60,162	17,42,614
	Total (A)	**1,27,03,429**	**14,87,584**	**48,20,422**	**1,90,11,435**
	Ceiling as per the Act	As per Schedule V of the Companies Act, 2013.			

* Ceased to be a Director w.e.f. May 17, 2017.

B. Remuneration to other Director.

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. M.M.Singhi	Mr. Nilesh Mehta	Mr. Amal Dhru	Mr. Milan Shah	
1	Independent Directors					
	Fee for attending board committee meetings	10,000	50,000	1,00,000	1,40,000	3,40,000
	Commission	-	–	-	-	-
	Others, please specify	-	–	-	-	-
	Total (1)	**50,000**	**50,000**	**1,10,000**	**1,50,000**	**3,20,000**
		Ms. Suchita Shah				
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	30,000	–	-	-	30,000
	Commission	-	–	-	-	-
	Others, please specify	-	–	-	-	-
	Total (2)	**30,000**	**–**	**-**	**-**	**30,000**
	Total (B)=(1+2)					**3,50,000**
	Total Managerial Remuneration (A+B)					**1,93,61,435**
	Ceiling as per the Act	Sitting Fees paid is within the limits specified under the Companies Act, 2013.				

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

Sr. No.	Particulars of Remuneration	Name of Key Management Personnel		Total Amount
		Mr. Pradip Gupta CFO	Mr. Deepak Nagar Company Secretary	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	20,47,500	15,45,000	35,92,500
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3,32,500	4,66,592	7,99,092
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	2,40,000	1,80,000	4,20,000
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
5	Others (Contribution to PF & SAF)	4,07,400	1,44,000	5,51,400
	Total (A)	**30,27,400**	**23,35,592**	**53,62,992**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board of Directors

Place : Vadodara
Date : 11th August, 2018

Ashok Malhotra
Chairman & Managing Director

"Annexure - C" to Directors' Report

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

A) Conservation of Energy and Technology Absorption

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

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

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

B) Foreign Exchange Earnings and Outgo Description

(Rs. in crores)

	Particulars	**2017-18**	2016-17
i.	Foreign Exchange Earnings	**101.73**	63.87
ii.	CIF Value of Imports	**155.25**	134.61
iii.	Expenditure in Foreign Currency	**0.62**	0.28

For and on behalf of the Board of Directors

Place : Vadodara
Date : 11th August, 2018

Ashok Malhotra
Chairman & Managing Director

"Annexure - D" to Directors' Report

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

Sr.No.	Particulars	Details
a)	Name of the Employee	Mr. Ashok Malhotra
b)	Designation of the Employee	Chairman & Managing Director
c)	Remuneration received	Rs.127.07 Lakhs (including PF contribution)
d)	Nature of Employment	Contractual
e)	Qualification of employee	B.Com.
f)	Experience of employee	46 years
g)	Date of commencement of employment	01.12.1976
h)	Age of employee	66 years
i)	Last employment held before joining the Company.	N.A.
j)	% of Equity Shares held by the employee in the Company within the meaning of clause (iii) of sub-rule (2) above	11.89%
k)	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager.	None

"Annexure - E" to Directors' Report

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

1	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year.	Mr. Ashok Malhotra, CMD - 67.79 Mr. Pradeep Sharma, D(O) - 25.72
2	The % increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manger, if any of the Financial Year. (on annualized basis)	Mr. Ashok Malhotra, CMD - Nil Mr. Pradeep Sharma, D (O) - 6% Mr. Pradip H. Gupta, CFO - 10% Mr. Deepak Nagar, CS - 16%
3	The % increase in the median remuneration of employees in the financial year.	9.35%
4	The number of permanent employees on the rolls of Company.	529 Employees as on March 31, 2018
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.	The average increase in salaries of employees (other than managerial personnel) during financial year 2017-18 was 11.45% on annualized basis. There is no exceptional 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 is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Place : Vadodara
Date : 11th August, 2018

Ashok Malhotra
Chairman & Managing Director

Report on Corporate Governance

The Board of Directors present the Company's Report on Corporate Governance for the financial year ended 31st March, 2018 in terms of Regulation 34(3) read with Schedule V(C) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

1. Corporate Governance Philosophy

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

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

2. Board of Directors

Composition of the Board

The Composition of Board is in conformity with Regulation 17(1)(B) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, which stipulates that at least half of the Board should comprise of Independent Directors if the Chairman of the Board is an Executive Chairman.

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

The composition of the Board as at 31st March, 2018 stood as under:

Name of Director	Category	Number of position held in other Companies		
		Directorships*	Committee @ Chairmanship	Committee @ Memberships
Mr. Ashok R. Malhotra	Non-Independent Executive Director	1	Nil	Nil
Mr. Nilesh B. Mehta	Independent Director	12	2	Nil
Mr. Amal Dutt Dhru	Independent Director	5	Nil	Nil
Mr. Milan P. Shah	Independent Director	4	Nil	Nil
Mr. Pradeep R. Sharma	Non-Independent Executive Director	Nil	Nil	Nil
Ms. Suchita Shah	Non-Independent Executive Director	1	Nil	Nil

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

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

The Board at present consists of six (6) Directors, including Executive Chairman. Out of these directors, three (3) are Independent Directors.

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

Board Meetings and Attendance of Directors

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

During the year under review, 4 (Four) Board Meetings were held on 17th May, 2017, 14th August, 2017, 14th November, 2017 & 14th February, 2018. The Forty Fourth Annual General Meeting was held on 21st September, 2017. The maximum gap between two Board Meetings was always less than one hundred and twenty days as prescribed under Regulation 17(2) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Attendance of Directors at these Board Meetings and at the last Annual General Meeting was as under:

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

* Mr. Mohanraj M. Singhi ceased to be a Director w.e.f. July 8, 2017.

** Mr. Hanish Malhotra ceased to be a Director w.e.f. May 17, 2017.

Independent Directors' Meeting

During the year under review, the Independent Directors met on February 14, 2018, inter alia, to discuss:

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

All Independent Directors were present at the Meeting.

Disclosure of Relationships between Directors inter-se

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

Details of Equity Shares held by Non-Executive/Independent Directors as on 31st March, 2018

Name of the Non-Executive Directors	No. of Shares held
Mr. Nilesh B. Mehta	Nil
Mr. Mohanraj M. Singhi	Nil
Mr. Amal Dutt Dhru	Nil
Mr. Milan P. Shah	200
Ms. Suchita Shah	1900

Familiarization Programme for Independent Directors

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

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

3. COMMITTEES OF THE BOARD

The Board of Directors has constituted 3 Committees of the Board viz.

(i) Audit Committee

(ii) Nomination & Remuneration Committee

(iii) Stakeholders Relationship Committee

The Board is responsible for the constitution, co-opting and determining the terms of reference of these Committees from time to time. The Meetings of these Committees are convened by the respective Committee Chairman/ Company Secretary. At each Board Meeting, minutes of these Committees are placed before the Directors for their perusal and noting.

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

(A) Audit Committee

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

Composition:

The Audit Committee of the Company comprises of three (3) members, 2 of them are Independent Directors. All the members of the Audit Committee are qualified and having insight to interpret and understand financial statements. The Composition of the Committee as at 31st March, 2018 was as under:

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

* Mr. Ashok Malhotra was inducted as member of the Audit Committee on May 17, 2017 vice Mr. Hanish Malhotra.

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.

Meeting & Attendance during the year

During the year, 4 Audit Committee Meetings were held on 17th May, 2017, 14th August, 2017, 14th November, 2017 & 14th February, 2018. The Attendance of Members at meetings was as under:

Sr. No.	Name of Member	Status	No. of Meetings	
			Held	Attended
1.	Mr. Amal Dutt Dhru	Chairman	4	4
2.	Mr. Milan P. Shah	Member	4	4
3.	Mr. Ashok Malhotra	Member	4	3
4.	Mr. Hanish Malhotra	Member*	4	-

*Mr. Hanish Malhotra ceased to be a member of Audit Committee on May 17, 2017.

The Company Secretary functions as the Secretary of the Committee.

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

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 21, 2017.

B. Nomination & Remuneration Committee

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

Composition:

The Composition of the Nomination & Remuneration Committee as at 31st March, 2018 was as under:

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

* Ms. Suchita Shah was inducted as member of the Nomination & Remuneration Committee on July 8, 2017 vice Mr. Mohanraj M. Singhi.

Meetings and Attendance during the year

During the year under review, 2 (two) meeting of the Nomination & Remuneration Committee were held on 14th August, 2017 & on 14th February 2018. The Attendance of Members at meeting was as under:

Sr. No.	Name of Member	Status	No. of Meetings	
			Held	Attended
1.	Mr. Amal Dutt Dhru	Chairman	2	2
2.	Mr. Milan Shah	Member	2	2
3.	Ms. Suchita Shah@	Member	2	-
4.	Mr. Mohanraj M. Singhi*	Chairman	2	-

* Mr. Mohanraj M. Singhi ceased to be a Chairman/Member of Nomination & Remuneration Committee on 8th July, 2017.

@ Ms. Suchita Shah was inducted as member and Mr. Amal Dutt Dhru was designated as Chairman of the Committee on 14th August, 2017.

The Company Secretary functions as the Secretary of the Committee.

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

As per Regulation 19(3) of the Listing Regulations, the Chairman of the Nomination and Remuneration Committee had attended the AGM of the Company held on September 21, 2017.

Performance Evaluation

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

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

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

Remuneration Policy for Directors, Key Managerial Personnel & other Employees

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

Non-Executive Directors :

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

Managing Directors, Key Managerial Personnel & Other Employees :

The objective of the Remuneration Policy is directed towards having a compensation philosophy and structure that will reward and retain talent. The Remuneration to whole-time Directors and Key Management Personnel shall take into account the Company's overall performance, their contribution for the same and trends in the industry in general, in a manner which will ensure and support a high performance culture. The remuneration structure to other employees will be such as to ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmark so as to reward and retain talent.

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

C) Stakeholders Relationship Committee

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

Composition

The composition of the Stakeholders Relationship Committee as on 31st March, 2018was as under:

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

*Ms. Suchita Shah was inducted as member of the Stakeholders Relationship Committee on May 17, 2017 vice Mr. Hanish Malhotra.

Terms of Reference

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

- To specifically look into the redressal of Investors' Grievances pertaining to:
  - Transfer of shares and debentures;
  - Non-receipt of declared dividends, interests and redemption proceeds of debentures;
  - Dematerialization of Shares and Debentures;
  - Replacement of lost, stolen, mutilated share and debenture certificates;
  - Non-receipt of rights, bonus, split share and debenture certificates;
  - Non-receipt of Annual Report.
  - To look into other related issues towards strengthening investors' relations.

- To consider and approve issuance of share / debenture certificates including duplicate share/debenture certificates.
- To look into the reasons for any defaults in the payment to the Depositors, Debenture holders, Shareholders (in case of non-payment of declared dividends) and Creditors.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

Meetings and Attendance during the year

During the year, 4 Stakeholders Relationship Committee Meetings were held on 17th May, 2017, 14th August, 2017, 14th November, 2017 & 14th February, 2018. The Attendance of Members at meetings was as under:

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

*Mr. Hanish Malhotra ceased to be a member of Stakeholders Relationship Committee on May 17,2017.

The Company Secretary functions as the Secretary of the Committee.

The minutes of the Meeting of the Stakeholders Relationship Committee are discussed and taken note of by the Board of Directors.At each Meeting of the Stakeholders Relationship Committee, all matters pertaining to investors including their grievances and redressal are reported. The Registrars and Transfer Agent under the supervision of the Secretarial Department of the Company look after the investors' grievances, routine complaints relating to non-receipt of annual report, payment of dividends, transfer of shares, dematerialisation of shares and request for change of address, revalidation of divided warrants etc. were attended generally within a week time for approval by Mr. Deepak Nagar, GM (Legal) & Company Secretary the Compliance Officer.

Details of Shareholders Complaints received and attended during the year 2017-18 were as under:-

Nature of Complaints	As on 1st April, 2017	Received during the year	Redressed during the year	As on 31st March, 2018
From Investors/Shareholders	-	-	-	-
From Stock Exchange/SEBI	-	-	-	-
TOTAL	**-**	**-**	**-**	**-**

4. General Body Meetings

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

Date	Time	Type of Meeting	No. of Special Resolutions passed
28.09.2015	10.00 a.m.	Annual General Meeting	2*
26.09.2016	10.00 a.m.	Annual General Meeting	–
21.09.2017	10.00 a.m.	Annual General Meeting	–

* Special Resolution passed were for: (i) 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, 2015; & (ii) adoption of new set of Articles of Association in place of existing Articles of Association u/s 14 and other applicable provisions of the Companies Act, 2013.

No special resolution was passed through postal ballot during the financial year 2017-18. At the forthcoming Annual General Meeting, there is no item on the agenda requiring postal ballot.

5. Means of Communication

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

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

(ii) No presentations were made to the Institutional Investors or to the analysts during the financial year 2017-18 and no official news were released for the same except routine publication of financial results as aforesaid.

6. General Information for Shareholders

(i)	Day, Date, Time & Venue of the 45th Annual General Meeting (AGM)	Saturday, the 22nd September, 2018 at 10.00 a.m. Venue : GIDC Industrial Estate, Kalol-389 330, Dist. Panchmahals, Gujarat
(ii)	Financial Year	1st April, 2018 to 31st March, 2019
(iii)	Date of Book Closure	Saturday, the 15th September, 2018 to Saturday, the 22nd September, 2018 (both days inclusive).
(iv)	Dividend Payment Date	The Board has not recommended any dividend for the year ended 31.03.2018.
(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 2018-19 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 : mcsltdbaroda@gmail.com

(x) Share Transfer System

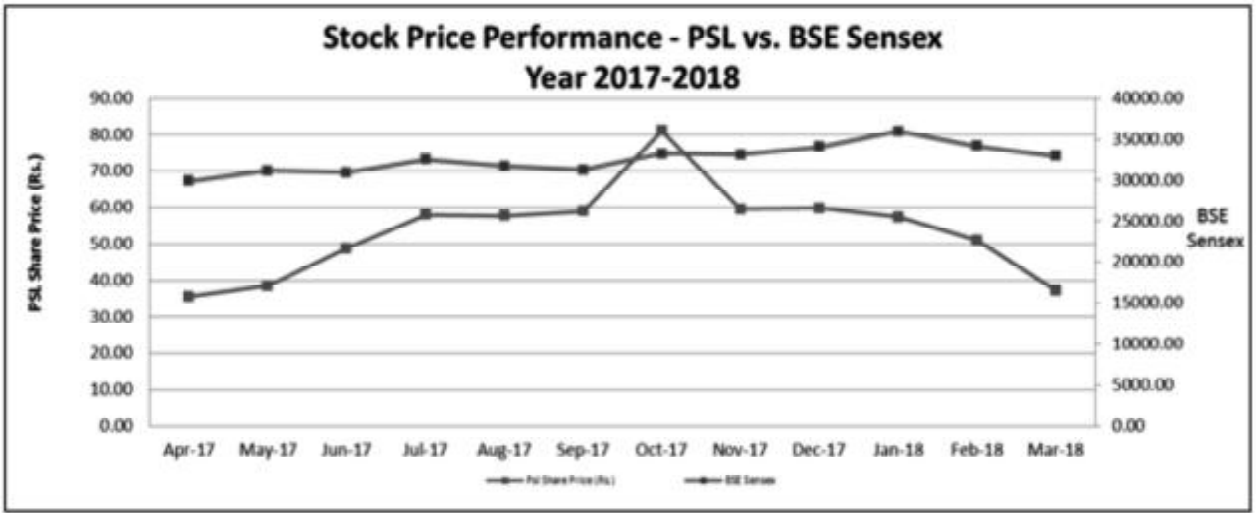
M/s MCS Share Transfer Agent Ltd. (RTA) processes the share transfer/transmission requests on fortnightly basis. Shares lodged for transfer in the physical form are normally processed at the earliest within the statutory time frame from the date of lodgement provided the documents are complete in all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

(xi) Market Price Data

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

Month	Share Price (Rs.)		Quantity Traded
	High	Low	(No. of Shares)
April, 2017	39.80	33.60	5,66,164
May, 2017	43.15	34.60	4,78,103
June, 2017	51.30	35.40	9,54,864
July, 2017	65.00	51.25	10,62,321
August, 2017	64.40	45.80	1,71,450
September, 2017	69.20	55.50	3,72,144
October, 2017	61.45	56.15	5,52,889
November, 2017	83.85	56.05	4,88,930
December, 2017	62.20	52.00	3,18,073
January, 2018	67.90	55.00	2,69,537
February, 2018	63.50	48.80	1,90,486
March, 2018	51.00	37.20	2,04,567

(xii) Share price performance in comparison to broad based indices - BSE Sensex



(xiii) Distribution of Shareholding as at 31.03.2018

No. of Equity Shares held	Shareholders		Shares	
	Number	% to Total Shareholders	Number	% to Total Capital
1 - 500	3460	83.35	454170	2.38
501 - 1000	258	6.60	217036	1.14
1001 - 2000	143	3.66	220753	1.16
2001 - 3000	74	1.89	197803	1.03
3001 - 4000	34	0.87	121529	0.64
4001 - 5000	33	0.84	155519	0.81
5001 - 10000	40	1.02	304693	1.60
10001 & above	65	1.77	17406826	91.24
Total	**3907**	**100.00%**	**19078329**	**100.00%**

(xiv)Category of Shareholding as at 31.03.2018

Category	Number of Shareholders	Shares	
		Number	% to Total Capital
Promoter & Promoter Group	5	13855065	72.62
Institutional Investors :			
- Banks, Financial Institutions,	4	754835	3.96
- Insurance Companies	1	331000	1.73
- Government - IEPF authority	1	59000	0.31
Non-Institutional Investors :			
- Bodies Corporate	85	1121034	5.87
- Non Resident Individuals	36	76766	0.40
- Public	3775	2880629	15.11
Total	**3917**	**19078329**	**100.00%**

(xv) Dematerialisation of Shares

The Equity Shares of the Company are compulsorily traded in dematerialized form.The Company has established connectivity with both the depositories - NSDL and CDSL for dematerialization of shares and the same are available in electronic segment under ISIN INE 798F01010. As on March 31, 2018, total 1,89,37,624 Equity Shares of the Company representing 99.26% of the Share Capital were in electronic form.

	Shares	% to Total Issued Capital
No. of Shares held in dematerialized form in NSDL	1,66,67,484	87.36
No. of Shares held in dematerialized form in CDSL	22,70,140	11.90
No. of Shares held in physical from	1,40,705	0.74
Total	**1,90,78,329**	**100.00**

(xvi) Outstanding GDRs/ADRs/ Warrants or any convertible instruments - Not Applicable

(xvii)Plant Location

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

(xviii) Address for Correspondence

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

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

7. Other Disclosures:

(a) Related Party Disclosures:

During the financial year 2017-18, there were no materially significant transactions with related party i.e. transactions of the Company of material nature with its Promoters, Directors or the management, their subsidiaries, associates companies or relatives etc. which may have potential conflict with the interests of the Company at large. The details of Related Party Transactions are disclosed in Other Explanatory Note No. B(F) of the Standalone Financial Statement forming part of the Annual Report . The Policy on Related Party Transactions is posted on the website of the Company.

(b) Disclosure of Accounting Treatment:

The Company has followed the Indian Accounting System specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent applicable, in the preparation of the financial statements. The Company adopted Indian Accounting Standards ("Ind AS") and accordingly, the financial results for all periods presented have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34 Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.

(c) 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.

(d) Whistle Blower Policy

The Company has adopted a Whistle Blower 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 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.

(e) 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. 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.

(f) Prevention of Insider Trading

In accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board has adopted the following codes:

1) Code of Conduct to Regulate, Monitor and Report Trading by its employees and other connected Persons- Under this code, obligations are cast upon Directors, connected persons and designated employees to preserve Price Sensitive Information, which is likely to have a bearing on share price of the Company. Procedures are prescribed to ensure that such information is not misused for any personal advantage. The Company Secretary has been appointed as the Compliance Officer for monitoring implementation of the Code across the Company.

2) Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information- This code lays down principles and procedures with the objective of ensuring that the Price Sensitive Information related to the Company is handled in prescribed manner. Adequate disclosure of such information is sought to be made to the public through Stock Exchanges, Press, Media and the PSL web-site in a timely manner to enable the investors to take informed investment decisions with regard to the Company's Securities.

(g) CEO/CFO Certificate

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

(h) Management Discussion and Analysis Report

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

8. Adoption of Mandatory & Non-Mandatory Requirements

The Company has complied with the mandatory requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Company adopts non-mandatory requirements on need basis. The Board has taken cognizance of the same and shall consider adopting the same as and when required.

9. Certificate on Corporate Governance

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

Declaration by the Chairman & Managing Director

To,
The Members of
Panchmahal Steel Limited

Sub : Compliance with Code of Conduct - Pursuant to Clause 49 of the Listing Agreement / 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 2017-18.

Place : Vadodara
Date : 11th August, 2018

Ashok Malhotra
Chairman & Managing Director

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

To,

The Members of

Panchmahal Steel Limited

1. We have examined the compliance of conditions of Corporate Governance by Panchmahal Steel Limited ('the Company'), for the year ended on March 31, 2018, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Management's Responsibility

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

Auditor's Responsibility

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

Opinion

7. Based on our examination, as above, and to the best of the information and explanations given to us and representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2018.
8. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on Use

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

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

Place : Vadodara
Date : 11th August, 2018

Foram Doshi
Partner
Membership No. 152328

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

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

We have reviewed the attached Financial Statements and the Cash Flow Statement of PANCHMAHAL STEEL LIMITED for the year ended 31 March 2018, and certify to the Board:

(a) That to the best of our knowledge and belief:

(i) these statements do not contain any materially untrue statement or omit material fact or contain statements that might be misleading;

(ii) these statements together present a true and fair view of the Company's affairs and are incompliance with existing accounting standards, applicable laws and regulations.

(b) That there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.

(c) That we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) That we have indicated to the Auditors and the Audit Committee:

i. significant changes in internal control over financial reporting during the year;

ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Vadodara
Date : 30th May, 2018

Ashok Malhotra
Chairman & Managing Director

Pradip H. Gupta
Chief Financial Officer

Management Discussion and Analysis Report

Industry Structure, Developments

The Company is primarily engaged in the manufacture of stainless steel long products in the form of wire rods, bars and wires, which find application in a wide range of applications in engineering, construction and infrastructure, automotive and railways, consumer durables, food processing and dairy industry, housing and pharmaceuticals.Stainless Steel increasingly making its presence felt in places we could not have imagined a decade ago. The infrastructure development in India is steadily increasing the demand of stainless steel usage.

Performance

The total revenue (including other income) of the Company during the year was Rs.402.86 crores as compared to Rs.366.05 crores in the previous year. The Company reported a total comprehensive income of Rs.54.71 lacs for the year under review. The business environment though challenging looks promising and optimistic, considering the overall economic environment and marketing strategy of the Company.

Opportunities, Threats and Future Outlook

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

However, there is a fierce competition in the stainless steel sector. The Company is also vulnerable to highly volatile nickel and ferro alloys prices.

The outlook of stainless steel looks promising. The consumption of stainless steel in a country is organically linked to its economic development. Going by India's GDP growth rate, it is evident that stainless steel has ample scope for growth.

The Indian Government's initiatives like 'Make in India', smart cities, focus on improving sanitation & waste management facilities, building new infrastructure etc. is likely to give a strong push to the stainless-steel industry in future.

Internal control systems

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

Human Resources

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

Place : Vadodara
Date : 11th August, 2018

Ashok Malhotra
Chairman & Managing Director

INDEPENDENT AUDITOR'S REPORT

To

The Members of
PANCHMAHAL STEEL LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS financial statements of PANCHMAHAL STEEL LIMITED ("the Company") which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The company's Board of Directors is responsible for the matters specified in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matter

The audited standalone financial statements for the year ended 31st March, 2017, was carried out and reported by J.R.S. Patel & Co., vide their unmodified audit report dated 17th May, 2017, whose report has been furnished to us by the management and which has been relied upon by us for the purpose of our audit of the standalone financial statements. Our audit report is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act dated 29.03.2016, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we further report that:
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
   c. the Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
   d. In our opinion, the standalone Ind AS financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015 as amended;
   e. On the basis of written representations received from the directors as on 31st March, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
   g. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended :
      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 1 (B) E to the standalone Ind AS financial statements;
      ii. As informed to us, the Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise;
      iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

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

(Foram Doshi)
Partner
Membership No. 152328

Place : Vadodara
Date : 30th May, 2018.

ANNEXURE A REFERRED TO PARAGRAPH 1 UNDER "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH 2018 OF PANCHMAHAL STEEL LIMITED, KALOL.

1. In respect of its Fixed Assets :
   (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets, on the basis of available information.
   (b) The Company carries out physical verification of fixed assets under a phased program of verification at reasonable intervals, which in our opinion is reasonable. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
   (c) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.
2. (a) As explained to us, the inventories have been physically verified by the management during the year at reasonable intervals other than material in transit and lying with branches and consignment agent/ stockiest, which have been substantially confirmed by them. In our opinion, having regard to the nature and location of stocks, the frequency of verification is reasonable.
   (b) According to the information and explanations given to us, no material discrepancies were noticed on physical verification of inventory as compared to the book records.
3. As informed, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties listed in register maintained under Section 189 of the Companies Act, 2013. Accordingly, sub-clauses (a), (b) and (c) of (iii) of the said Order are not applicable.
4. In our opinion and according to explanations given to us, the Company has not entered into any transactions with respect to loans and investments as prescribed under Sections 185 and 186 of the Companies Act, 2013.
5. In our opinion and according to the information and explanations given to us the Company has not accepted any deposits from the public during the year and hence the question of complying with the provisions of Section 73 to 76 of the Companies Act, 2013 and the rules framed there under and the directives issued by the Reserve Bank of India, wherever applicable, does not arise.
6. On the basis of the records produced, we are of the opinion that prima facie, the cost records and accounts prescribed by the Central Government of India under Section 148(1) of the Companies Act, 2013, have been made and maintained by the Company. However, we are not required to carry out and have not carried out any detailed examination of such records and accounts.
7. According to the information and explanations given to us in respect of statutory and other dues, the Company is generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other Statutory dues with the appropriate authorities during the year. Based on our audit procedures and according to the information and explanations given to us, there are no arrears of statutory dues which has remained outstanding as at 31st March, 2018 for a period of more than six months from the date they became payable.
8. According to the information and explanations given to us and on the basis of records produced before us by the Company, the details of disputed Income Tax/Custom Duty/Excise Duty/Service Tax which have not been deposited as on 31st March, 2018 are given below:

Name of Statute	Nature of Dues	Amount Rs. in Lacs	Forum where dispute is pending
The Central Excise Act, 1944	Excise Duty	57.41	Gujarat High Court
The Central Excise Act, 1944	Excise Duty	5.05	Assistant Commissioner, Halol
The Central Excise Act, 1944	Excise Duty	21.00	Assistant Commissioner, Halol
The Central Excise Act, 1944	Excise Duty	8.05	Commissioner (Appeals), Vadodara
The Central Excise Act, 1944	Excise Duty	0.04	Assistant Commissioner, Halol
The Central Excise Act, 1944	Excise Duty	10.03	CESTAT, Ahmedabad.
The Central Excise Act, 1944	Excise Duty	6.34	CESTAT, Ahmedabad.
The Central Excise Act, 1944	Excise Duty	6.33	CESTAT, Ahmedabad.
The Central Excise Act, 1944	Excise Duty	67.45	CESTAT, Ahmedabad.
The Central Excise Act, 1944	Excise Duty	2.50	CESTAT, Ahmedabad.
The Central Excise Act, 1944	Excise Duty	841.36	CESTAT, Ahmedabad.
The Central Excise Act, 1944	Excise Duty	15.02	Commissioner (Appeals), Vadodara
Finance Act, 1994	Service Tax	2.15	CESTAT, Ahmedabad.
The Custom Act, 1962	Custom Duty	1.20	CESTAT, Mumbai
The Custom Act, 1962	Custom Duty	40.73	CESTAT, Mumbai
The Income Tax Act, 1961	Income Tax	579.10	Commissioner (Appeals), Vadodara

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

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

Place : Vadodara
Date : 30th May, 2018

(Foram Doshi)
Partner
Membership No. 152328

ANNEXURE B REFERRED TO PARAGRAPH 1(f) UNDER "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" SECTION OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH 2018 OF PANCHMAHAL STEEL LIMITED, KALOL.

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

We have audited the internal financial controls over financial reporting of **PANCHMAHAL STEEL LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place : Vadodara
Date : 30th May, 2018

(Foram Doshi)
Partner
Membership No. 152328

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2018

(Amount Rupees in Lacs)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016"
I. ASSETS				
Non-Current Assets				
Property, Plant and Equipment	2	**9,620.74**	10,132.59	10,843.81
Capital work-in-progress		**21.03**	30.53	-
Financial Assets				
i) Investment	3	**0.02**	0.02	0.02
ii) Deposits	4	**1.41**	1.46	1.45
Other Non-Current Assets	5	**635.28**	911.59	884.56
Deferred Tax Assets (Net)	6	**1,120.75**	1,105.03	1,098.04
Total Non-Current Assets		**11,399.23**	12,181.22	12,827.88
Current Assets				
Inventories	7	**12,917.60**	13,273.10	10,505.44
Financial Assets				
i) Trade Receivables	8	**3,703.98**	4,317.00	2,425.01
ii) Cash and Cash equivalents	9	**2.30**	3.54	2.03
iii) Bank Balances other than (ii) above	10	**669.35**	695.63	578.21
iv) Loans and Advances	11	**0.71**	1.94	11.63
Current Tax Assets (Net)	12	**266.45**	6.43	97.83
Other Current Assets	13	**1,113.76**	596.03	407.74
Total Current Assets		**18,674.16**	18,893.68	14,027.89
Assets classified as held for sale	14	**30.89**	30.89	30.89
TOTAL ASSETS		**30,104.28**	31,105.79	26,886.66
II. EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	15	**1,908.31**	1,908.31	1,908.31
Other Equity	16	**10,186.24**	10,238.22	10,208.81
Total Equity		**12,094.55**	12,146.53	12,117.12
Non-Current Liabilities				
Financial Liabilities				
i) Borrowings	17	**855.00**	855.00	-
Provisions	18	**39.29**	57.08	47.03
Total Non-Current Liabilities		**894.29**	912.08	47.03
Current Liabilities				
Financial Liabilities				
i) Borrowings	19	**6,144.02**	6,103.98	6,210.56
ii) Trade Payables	20	**10,711.05**	10,759.77	7,183.59
iii) Other Financial Liabilities	21	**74.45**	33.11	30.07
Other Current Liabilities	22	**74.51**	1,088.87	1,245.63
Provisions	23	**111.41**	61.45	52.65
Total Current Liabilities		**17,115.44**	18,047.18	14,722.50
TOTAL EQUITY AND LIABILITIES		**30,104.28**	31,105.79	26,886.66
Summary of significant accounting policies	1			
The accompanying notes are an integral part of these financial statements.				

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

Foram Doshi
Partner (Membership No. 152328)
Vadodara, 30th May, 2018

Ashok Malhotra
Chairman & Managing Director
(DIN :00120198)

Pradip H. Gupta
Chief Financial Officer

Pradeep Sharma
Director (Operations)
(DIN :00705862)

Deepak Nagar
G.M. (Legal) & Company Secretary
Vadodara, 30th May, 2018

STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount Rupees in Lacs)

	Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
I.	**Revenue from Operations**	24	**39,821.93**	36,241.01
II.	**Other Income**	25	**463.93**	363.76
III.	**Total Revenue (I + II)**		**40,285.86**	36,604.77
IV.	**Expenses:**			
	Cost of Materials consumed	26	**27,834.61**	23,882.72
	Change in Inventory of Finished Goods	27	**(574.15)**	(1,713.88)
	Employee Benefits Expenses	28	**1,959.42**	1,607.09
	Finance Costs	29	**1,291.18**	1,351.15
	Depreciation and Amortization expenses	2	**783.65**	778.08
	Other Expenses	30	**8,952.16**	10,674.42
	Total Expenses		**40,246.86**	36,579.59
V.	**Profit before Exceptional Items and Tax (III - IV)**		**38.99**	25.18
VI.	**Exceptional Items**		**-**	-
VII.	**Profit before Tax (V- VI)**		**38.99**	25.18
VIII.	**Tax Expense:**			
	(1) Current Tax (MAT)		**7.43**	4.80
	Less : MAT Credit entitlement		**7.43**	4.80
	Net Current Tax		**-**	-
	(2) Deferred Tax		**(15.72)**	(6.99)
	(3) Tax for earlier years		**-**	2.77
	Total Tax Expense		**(15.72)**	(4.22)
IX.	**Profit for the year from Continuing Operations (VII-VIII)**		**54.71**	29.40
X.	**Other Comprehensive Income/ (Loss)**			
	A. (i) Items that will not be reclassified to Profit or Loss		**-**	-
	(ii) Income tax relating to items that will not be reclassified to Profit or Loss		**-**	-
	B. (i) Items that will be reclassified to Profit or Loss		**-**	-
	(ii) Income tax relating to items that will be reclassified to Profit or Loss		**-**	-
XI.	**Total Comprehensive Income for the year (IX+X)**		**54.71**	29.40
XII.	**Earnings per Equity Share:**			
	Basic and Diluted		**0.29**	0.15
	Nominal value per share (Rs.)		**10**	10
	Summary of significant accounting policies	1		
	The accompanying notes are an integral part of these financial statements.			

As per our Report of even date.

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

Foram Doshi
Partner (Membership No. 152328)
Vadodara, 30th May, 2018

Ashok Malhotra
Chairman & Managing Director
(DIN :00120198)

Pradip H. Gupta
Chief Financial Officer

Pradeep Sharma
Director (Operations)
(DIN :00705862)

Deepak Nagar
G.M. (Legal) & Company Secretary
Vadodara, 30th May, 2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

A. EQUITY SHARE CAPITAL

Particulars	Note No.	(Amt. Rupees in Lacs)
As at 1st April, 2015		1,908.31
Changes in Equity Share Capital	15	-
As at 31st March, 2016		1,908.31
Changes in Equity Share Capital	15	-
As at 31st March, 2017		1,908.31
Changes in Equity Share Capital	15	-
As at 31st March, 2018		**1,908.31**

B. OTHER EQUITY

Particulars	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Total Other Equity
Balance as at April 1, 2015	175.23	7,712.71	300.00	3,279.80	11,467.75
Profit / (Loss) for the year	-	-	-	(1,258.94)	(1,258.94)
Other Comprehensive Income for the year		-	-	-	-
Other Comprehensive Income arising from remeasurement of Defined benefit obligation net of income tax	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	(1,258.94)	(1,258.94)
Dividends -	-	-	-	-	
Tax on Dividends	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-
Balance as at March 31, 2016	**175.23**	**7,712.71**	**300.00**	**2,020.86**	**10,208.81**
Balance as at April 1, 2016	175.23	7,712.71	300.00	2,020.86	10,208.81
Profit/ (Loss) for the year	-	-	-	29.40	29.40
Other Comprehensive Income for the year	-	-	-	-	-
Other Comprehensive Income arising from remeasurement of Defined benefit obligation net of income tax	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	29.40	29.40
Dividends -	-	-	-	-	
Tax on Dividends	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-
Balance as at March 31, 2017	**175.23**	**7,712.71**	**300.00**	**2,050.27**	**10,238.22**
Balance as at April 1, 2017	175.23	7,712.71	300.00	2,050.27	10,238.22
Profit/ (Loss) for the year	-	-	-	54.71	**54.71**
Other Comprehensive Income for the year	-	-	-	-	**-**
Other Comprehensive Income arising from remeasurement of Defined benefit obligation net of income tax	-	-	-	-	**-**
Total Comprehensive Income for the year	-	-	-	54.71	**54.71**
Payment for earlier period adjusted				(106.68)	**(106.68)**
Dividends -	-	-	-	-	
Tax on Dividends	-	-	-	-	**-**
Transfer to General Reserve	-	-	-	-	**-**
Balance as at March 31, 2018	**175.23**	**7,712.71**	**300.00**	**1,998.30**	**10,186.24**

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

Foram Doshi
Partner (Membership No. 152328)
Vadodara, 30th May, 2018

Ashok Malhotra
Chairman & Managing Director
(DIN :00120198)

Pradip H. Gupta
Chief Financial Officer

Pradeep Sharma
Director (Operations)
(DIN :00705862)

Deepak Nagar
G.M. (Legal) & Company Secretary
Vadodara, 30th May, 2018

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

	Particulars		Year ended 31.03.2018	Year ended 31.03.2017
A.	**Cash Flow from Operating Activities**			
	Profit before Tax :		**38.99**	25.18
	Adjustments for :			
	Depreciation and Amortization Expenses		**783.65**	778.08
	Finance Cost		**1,291.18**	1,351.15
	Loss/(Profit) on sale/disposal of Property, Plant and Equipment		**0.38**	(0.10)
	Interest Income		**(194.33)**	(249.36)
	Operating Profit before Working Capital Changes :		**1,919.87**	1,904.96
	Adjustments for (Increase) / Decrease in Operating Assets :			
	Inventories		**355.50**	(2,767.66)
	Trade Receivables		**613.02**	(1,891.99)
	Loans and Advances		**1.23**	9.69
	Other Current Assets		**(520.02)**	(184.72)
	Security Deposits		**0.05**	(0.02)
	Other Non Current Assets		**276.30**	(22.23)
	Adjustments for Increase / (Decrease) in Operating Liabilities :			
	Trade Payables		**(48.72)**	3,576.17
	Other Financial Liabilities		**39.99**	(499.89)
	Other Current Liabilities		**(1,014.36)**	343.24
	Current Provisions		**49.96**	8.80
	Non-Current Provisions		**(17.80)**	10.05
	Cash Generated from Operations		**1655.04**	486.40
	Direct Taxes (Payment) / Refund		**(260.02)**	83.83
	Net Cash from Operating Activities	**...A**	**1,395.02**	570.22
B.	**Cash Flow from Investing Activities**			
	Purchase of Property, Plant and Equipment		**(262.73)**	(97.38)
	Sale / disposal of Property, Plant and Equipment		**0.05**	0.10
	Interest Received		**196.63**	245.79
	Net Cash (used in) / from Investing Activities	**...B**	**66.05**	148.51
C.	**Cash Flow from Financing Activities**			
	Net Increase / (Decrease) in Current Borrowings		**40.04**	(106.58)
	Net Increase / (Decrease) in Non-Current Borrowings		**-**	855.00
	Finance Cost		**(1,394.56)**	(1,348.21)
	Dividend Paid		**(1.96)**	(0.01)
	Net Cash (used in)/ from Financing Activities	**...C**	**(1,356.48)**	(599.80)
	Net Increase/(Decrease) in Cash & Cash equivalents	**(A+B+C)**	**(27.52)**	118.93
	Cash and Cash equivalents at the beginning of the year :			
	Cash on Hand		**1.23**	1.26
	Balance with Banks in Current, Margin and Deposits accounts		**697.93**	578.98
			699.17	580.24
	Cash and Cash equivalents at the closing of the year :			
	Cash on Hand		**1.46**	1.23
	Balance with Banks in Current, Margin and Deposits accounts		**670.19**	697.93
			671.65	699.17
	Net Increase/(Decrease) as disclosed above		**(27.52)**	118.93
	The statement referred above and notes to accounts form an integral part of Cash Flow Statement.			

As per our Report of even date.

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

Foram Doshi
Partner (Membership No. 152328)
Vadodara, 30th May, 2018

Ashok Malhotra
Chairman & Managing Director
(DIN :00120198)

Pradip H. Gupta
Chief Financial Officer

Pradeep Sharma
Director (Operations)
(DIN :00705862)

Deepak Nagar
G.M. (Legal) & Company Secretary
Vadodara, 30th May, 2018

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE NO. : 2

PROPERTY, PLANT AND EQUIPMENT : (Amount Rupees in Lacs)

Particulars of Assets	GROSS BLOCK (AT COST)				ACCUMULATED DEPRECIATION/ AMORTIZATION				NET BLOCK	
	Gross Cost / Value as on 01.04.'17	Addition during the year	Sales/ Adjust-ments (Cost)	Gross Balance as on 31.03.'18	Total as on 01.04.'17	for the year	Sales during this Year	Total as on 31.03.'18	W.D.V. as on 31.03.'18	W.D.V. as on 01.04.'17
Land										
Leasehold Land	100.36	**-**	**-**	**100.36**	10.15	**1.44**	**-**	**11.59**	**88.77**	90.21
Free-hold Land	83.75	**-**	**-**	**83.75**	-	**-**	**-**	**-**	**83.75**	83.75
Land Development	28.33	**-**	**-**	**28.33**	-	**-**	**-**	**-**	**28.33**	28.33
Buildings										
Factory Building	481.48	**-**	**-**	**481.48**	388.46	**21.47**	**-**	**409.93**	**71.55**	93.02
Other Building	554.72	**-**	**-**	**554.72**	127.08	**9.04**	**-**	**136.12**	**418.60**	427.64
Plant & Machinery	21,600.04	**241.34**	**-**	**21,841.37**	12,402.85	**684.48**	**-**	**13,087.33**	**8,754.04**	9,197.18
Furniture & Fittings	213.20	**0.46**	**0.09**	**213.57**	178.70	**3.94**	**0.04**	**182.60**	**30.97**	34.50
Office Equipments	133.92	**1.92**	**3.00**	**132.83**	90.68	**8.19**	**2.62**	**96.26**	**36.57**	43.23
EDP Equipments	195.04	**28.51**	**0.42**	**223.13**	172.30	**16.50**	**0.42**	**188.38**	**34.75**	22.74
Vehicles	463.40	**-**	**-**	**463.40**	351.40	**38.58**	**-**	**389.99**	**73.41**	112.00
Total	23,854.24	**272.23**	**3.51**	**24,122.94**	13,721.63	**783.65**	**3.08**	**14,502.20**	**9,620.74**	10,132.59

NOTE NO. : 2 (Contd..)

PROPERTY, PLANT AND EQUIPMENT : (Amount Rupees in Lacs)

Particulars of Assets	GROSS BLOCK (AT COST)				ACCUMULATED DEPRECIATION/ AMORTIZATION				NET BLOCK	
	Gross Cost / Value as on 01.04.'16	Addition during the year	Sales/ Adjust-ments (Cost)	Gross Balance as on 31.03.'17	Total as on 01.04.'16	for the year	Sales during this Year	Total as on 31.03.'17	W.D.V. as on 31.03.'17	W.D.V. as on 01.04.'16
Land										
Leasehold Land	100.36	-	-	100.36	8.71	1.44	-	10.15	90.21	91.65
Free-hold Land	83.74	-	-	83.74	-	-	-	-	83.74	83.74
Land Development	28.33	-	-	28.33	-	-	-	-	28.33	28.33
Buildings										
Factory Building	481.48	-	-	481.48	366.99	21.47	-	388.46	93.02	114.49
Other Building	554.71	-	-	554.71	118.03	9.04	-	127.07	427.64	436.68
Plant & Machinery	21,540.49	59.55	-	21,600.04	11,718.44	684.42	-	12,402.86	9,197.18	9,822.05
Furniture & Fittings	213.20	-	-	213.20	174.79	3.91	-	178.70	34.50	38.41
Office Equipments	127.68	6.24	-	133.92	81.95	8.73	-	90.68	43.24	45.73
EDP Equipments	195.74	1.07	1.77	195.04	163.59	10.49	1.77	172.31	22.73	32.15
Vehicles	463.40	-	-	463.40	312.82	38.58	-	351.40	112.00	150.58
Total	23,789.13	66.86	1.77	23,854.22	12,945.32	778.08	1.77	13,721.63	10,132.59	10,843.81

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Amount Rupees in Lacs)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
NOTE NO. : 3 : INVESTMENT			
Non-Trade Investments (Unquoted)			
(At cost)			
Investment in Equity Instruments			
(Unquoted - Fully Paid)			
- Landmark Premises Co-Op. Services Society Ltd	**0.02**	0.02	0.02
40 (40) Shares of Rs.50 Each			
TOTAL	**0.02**	0.02	0.02
NOTE NO. : 4 : DEPOSITS			
UNSECURED, CONSIDERED GOOD			
Security Deposits	**1.41**	1.46	1.45
TOTAL	**1.41**	1.46	1.45
NOTE NO. : 5 : OTHER NON-CURRENT ASSETS			
UNSECURED, CONSIDERED GOOD			
Capital Advances	**3.49**	25.00	-
MAT Credit Entitlement	**631.79**	886.59	884.56
TOTAL	**635.28**	911.59	884.56
NOTE NO. : 6 : DEFERRED TAX ASSETS (NET)			
Deferred Tax - Assets			
On account of unabsorbed Depreciation	**2,260.21**	2,241.40	2,543.96
On account of unabsorbed Business Loss	**350.11**	350.11	-
On account of Disallowances under I.Tax Act	**57.42**	45.64	39.57
	2,667.74	2,637.15	2,583.53
Less : Deferred Tax - Liabilities			
On account of Difference in Tax & Book Depreciation	**1,546.99**	1,532.12	1,485.49
TOTAL	**1,120.75**	1,105.03	1,098.04
NOTE NO. : 7 : INVENTORIES			
Raw Materials*	**1,769.33**	2,742.38	1,861.18
Production Materials	**321.21**	308.10	176.53
General Stores & Spares	**475.28**	444.99	403.98
Finished goods*	**10,351.78**	9,777.63	8,063.75
TOTAL	**12,917.60**	13,273.10	10,505.44
*Note : Raw Materials and Finished Goods include Transit Stock			

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Amount Rupees in Lacs)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
NOTE NO. : 8 : TRADE RECEIVABLES			
Unsecured, considered good	**3,703.98**	4,317.00	2,425.01
Unsecured, considered doubtful	**23.03**	23.03	23.03
	3,727.01	4,340.03	2,448.04
Less : Allowance for doubtful debts	**(23.03)**	(23.03)	(23.03)
TOTAL	**3,703.98**	4,317.00	2,425.01
Note : Trade Receivables are net off bills discounted with the banks			
NOTE NO. : 9 : CASH AND CASH EQUIVALENTS			
Balances with Banks			
a) In Current Accounts	**0.84**	2.30	0.77
Cash on Hand	**1.46**	1.23	1.26
TOTAL	**2.30**	3.54	2.03
NOTE NO. : 10 : OTHER BANK BALANCES			
Balances with Banks			
a) In Unpaid Dividend Accounts	**6.35**	8.31	8.32
b) In Margin Money Accounts with maturity between three to twelve months	**663.00**	687.32	569.89
TOTAL	**669.35**	695.63	578.21
NOTE NO. : 11 : LOANS AND ADVANCES UNSECURED, CONSIDERED GOOD			
Loan to employees	**0.54**	1.54	4.86
Advance to employees	**0.17**	0.40	6.77
TOTAL	**0.71**	1.94	11.63
NOTE NO. : 12 : CURRENT TAX ASSETS (NET)			
Advance Income Tax and TDS	**273.89**	11.23	97.83
Less : Provision for Taxation	**7.43**	4.80	-
TOTAL	**266.45**	6.43	97.83
NOTE NO. : 13 : OTHER CURRENT ASSETS UNSECURED, CONSIDERED GOOD			
Balance with Government Authorities	**1,010.48**	463.08	305.97
Advance to Suppliers / Service Providers	**36.15**	47.16	34.61
Pre-paid Expenses	**41.40**	57.77	42.70
Interest accrued on Margin Money	**25.73**	28.03	24.46
TOTAL	**1,113.76**	596.03	407.74

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Amount Rupees in Lacs)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
NOTE NO. : 14 : ASSETS CLASSIFIED AS HELD FOR SALE			
Assets held for Disposal	**30.89**	30.89	30.89
TOTAL	**30.89**	30.89	30.89
The Company decided to sell Plant and Machinery which is of obsolete technology. The Company expects to sell the same in near future. There is no cost to sell the asset and hence the same is not presented separately under liabilities.			
NOTE NO. : 15 : EQUITY SHARE CAPITAL			
AUTHORISED SHARE CAPITAL			
4,00,00,000 (4,00,00,000) Equity Shares of Rs. 10/- each	**4,000.00**	4,000.00	4,000.00
ISSUED SHARE CAPITAL			
1,90,89,029 (1,90,89,029) Equity Shares of Rs. 10/- each fully paid-up	**1,908.90**	1,908.90	1,908.90
SUBSCRIBED SHARE CAPITAL			
1,90,89,029 (1,90,89,029) Equity Shares of Rs. 10/- each fully paid-up	**1,908.90**	1,908.90	1,908.90
PAID-UP SHARE CAPITAL			
1,90,78,329 (1,90,78,329) Equity Shares of Rs. 10/- each fully paid-up	**1,907.83**	1,907.83	1,907.83
Add: Forfeited Equity Shares of Rs.10/- each			
5,600 Forfeited Equity Shares of Rs.3/- each Paid	**0.17**	0.17	0.17
4,600 Forfeited Equity Shares of Rs.6/- each Paid	**0.28**	0.28	0.28
500 Forfeited Equity Shares of Rs.7/- each Paid	**0.04**	0.04	0.04
TOTAL	**1,908.31**	1,908.31	1,908.31

Additional Notes:

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

Particulars	31.03.2018		31.03.2017		01.04.2016	
	No. of Shares	**Nominal Value**	No. of Shares	Nominal Value	No. of Shares	Nominal Value
Equity Shares at the beginning of the year	**1,90,78,329**	**1,907.83**	1,90,78,329	1,907.83	1,90,78,329	1,907.83
Add : Equity Shares allotted during the year	**-**	**-**	-	-	-	-
Equity Shares at the end of the year	**1,90,78,329**	**1,907.83**	1,90,78,329	1,907.83	1,90,78,329	1,907.83

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

Name of Share Holder	31.03.2018		31.03.2017		01.04.2016	
	No. of Shares	**%Holding in Shares**	No. of Shares	%Holding in Shares	No. of Shares	%Holding in Shares
a) Mr. Ashok Malhotra	**24,59,940**	**12.89**	21,09,605	11.06	21,09,605	11.06
b) Honeyvick Enterprises Pvt. Ltd.	**1,05,16,005**	**55.12**	1,05,16,005	55.12	1,05,16,005	55.12
c) ICICI Bank Ltd.	**--**	**--**	12,90,179	6.76	12,90,179	6.76

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

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Amount Rupees in Lacs)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
NOTE NO. : 16 : OTHER EQUITY			
RESERVES AND SURPLUS			
Capital Reserve			
As per last Balance Sheet	**175.23**	175.23	175.23
Securities Premium			
As per last Balance Sheet	**7,712.71**	7,712.71	7,712.71
[including Rs.4,26,100/- of Forfeited Shares]			
General Reserve			
As per last Balance Sheet	**300.00**	300.00	300.00
Add : Inter Reserve transfer	**-**	-	-
	300.00	300.00	300.00
Retained Earnings			
As per last Balance Sheet	**2,050.27**	2,020.86	3,279.80
Less : Payment for earlier period adjusted	**(106.68)**	-	-
Add : Profit/(Loss) for the year	**54.71**	29.40	(1,258.94)
	1,998.30	2,050.27	2,020.86
TOTAL	**10,186.24**	10,238.22	10,208.81
NOTE NO. : 17 : FINANCIAL LIABILITIES			
UNSECURED BORROWINGS			
Inter-Corporate Deposits	855.00	855.00	-
TOTAL	**855.00**	855.00	-
NOTE NO. : 18 : PROVISIONS			
Provision for employee benefits			
Provision for Leave Salary	**39.29**	57.08	47.03
TOTAL	**39.29**	57.08	47.03
NOTE NO. : 19 : BORROWINGS			
SECURED BORROWINGS			
Working Capital Facilities from Bank			
Cash Credit	**4,451.13**	5,101.47	5,316.16
Bills Discounting	**-**	65.79	82.05
Export Packing Credit	**1,419.89**	798.72	584.54
	5,871.02	5,965.98	5,982.75
UNSECURED BORROWINGS			
Inter-Corporate Deposits	**273.00**	138.00	227.81
TOTAL	**6,144.02**	6,103.98	6,210.56

Note:

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Amount Rupees in Lacs)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
NOTE NO. : 20 : TRADE PAYABLES			
For Supplies / Services			
a) Due to Micro, Small and Medium Enterprises	**6.75**	33.82	22.75
b) Due to Others	**3,628.41**	4,056.92	2,623.73
	3,635.16	4,090.74	2,646.47
Bills Payable	**7,075.89**	6,669.03	4,537.12
TOTAL	**10,711.05**	10,759.77	7,183.59
NOTE NO. : 21 : OTHER FINANCIAL LIABILITIES			
Interest accrued and due on EPC	**11.76**	8.45	5.51
Unpaid Dividend	**6.35**	8.31	8.32
Sundry Creditors for Projects	**53.88**	13.93	12.38
Other Payables	**2.46**	2.41	3.86
TOTAL	**74.45**	33.11	30.07
NOTE NO. : 22 : OTHER CURRENT LIABILITIES			
Advances received from Customers	**67.31**	325.80	86.91
Other Advances	**-**	-	500.00
Statutory dues	**7.20**	763.07	658.72
TOTAL	**74.51**	1,088.87	1,245.63
NOTE NO. : 23 : CURRENT PROVISIONS			
Provision for Employee Benefits			
For Leave Salary	**35.24**	51.27	43.97
For Gratuity	**65.82**	-	-
For Provident Fund Scheme	**10.35**	10.18	8.68
TOTAL	**111.41**	61.45	52.65

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Amount Rupees in Lacs)

Particulars	For the year 2017-2018	For the year 2016-2017
NOTE NO. : 24 : REVENUE FROM OPERATIONS		
Sale of Manufactured Goods		
a) Domestic Sales	**28,410.19**	29,253.73
b) Export Sales	**10,321.94**	6,478.68
	38,732.13	35,732.40
Export Incentives	**392.06**	245.23
Trading Sales	**654.78**	216.93
Sale of Services		
Income from Jobwork	**42.96**	46.44
TOTAL	**39,821.93**	36,241.01
NOTE NO. : 25 : OTHER INCOME		
Miscellaneous Sales	**34.87**	33.36
Other Income	**-**	0.01
Interest Income	**194.01**	241.76
Profit on sale of Property, Plant & Equipment	**-**	0.10
Foreign Exchange difference (Net)	**234.73**	80.94
Interest on Income/ Sales Tax refund	**0.32**	7.60
TOTAL	**463.93**	363.76
NOTE NO. : 26 : COST OF MATERIALS CONSUMED		
a) Raw Materials consumed		
Opening Stock of Raw Materials	**2,742.38**	1,861.18
Add : Purchases	**26,206.78**	24,546.99
Less : Closing Stock of Raw Materials	**1,769.33**	2,742.38
	27,179.83	23,665.79
b) Purchase of Trading Materials	**654.78**	216.93
TOTAL	**27,834.61**	23,882.72
Details of Major Raw Material Consumption		
Scrap	**9,178.44**	8,523.58
Nickel	**9,616.97**	8,320.36
Ferro Chrome	**4,973.69**	4,046.35
Others	**4,065.51**	2,992.43
	27,834.61	23,882.72
NOTE NO. : 27 : CHANGE IN INVENTORY OF FINISHED GOODS		
Opening Stock	**9,777.63**	8,063.75
Less : Closing Stock	**10,351.78**	9,777.63
TOTAL	**(574.15)**	(1,713.88)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Amount Rupees in Lacs)

Particulars	For the year 2017-2018	For the year 2016-2017
NOTE NO. : 28 : EMPLOYEE BENEFITS EXPENSES		
Managerial Remuneration	**189.06**	212.40
Salaries, Wages and Bonus	**1,532.19**	1,241.44
Contribution/Provisions for Provident and other Funds	**186.01**	129.61
Staff welfare expense	**52.16**	23.63
TOTAL	**1,959.42**	1,607.09
NOTE NO. : 29 : FINANCE COSTS		
Interest on Working Capital Advance	**710.76**	723.70
Other Interest	**156.46**	249.13
Bank charges	**423.96**	378.33
TOTAL	**1,291.18**	1,351.15
NOTE NO. : 30 : OTHER EXPENSES		
I. Manufacturing Expenses		
Consumption of Prod. Materials, Gen. Stores and Spares	**2,837.15**	2,178.88
Power and Fuel	**4,914.10**	4,374.25
Repairs and Maintenance:		
Buildings	**2.97**	1.58
Plant & Machineries	**109.86**	65.87
Other Manufacturing Expenses	**86.55**	70.81
Excise Duty	**230.81**	3,299.86
TOTAL (I)	**8,181.44**	9,991.24
II. Administrative and General Expenses		
Travelling and Conveyance	**30.25**	28.14
Printing and Stationery	**6.95**	7.61
Communication Cost	**12.63**	18.30
Vehicle Expenses	**40.30**	46.86
Statutory Auditor's Remuneration		
a) As Auditor	**5.00**	7.00
b) For Tax Audit Fees	**-**	1.20
c) For Taxation Matters	**-**	0.80
d) For Other Services	**-**	0.47
e) For Reimbursement of Expenses	**0.28**	0.10
	5.28	9.57
Cost Auditor's Remuneration		
a) As Auditor	**1.50**	1.50
b) For Other Services	**0.15**	0.15
c) For Reimbursement of Expenses	**0.17**	0.18
	1.82	1.83

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Amount Rupees in Lacs)

Particulars	For the year 2017-2018	For the year 2016-2017
Repairs and Maintenance to Other Assets	**31.79**	19.77
Legal and Professional charges	**93.90**	26.68
Directors Sitting Fees	**3.50**	3.80
Insurance expenses	**14.10**	9.54
Rent, Rates and Taxes	**51.46**	59.92
Miscellaneous Expenses	**27.28**	25.96
Charities and Donation	**1.88**	0.51
Loss on Sale/ Disposal of Property, Plant & Equipment	**0.38**	-
TOTAL (II)	**321.51**	258.51
III. Selling Expenses		
Carriage Outward	**349.97**	359.05
Commission on Sales	**26.21**	10.42
Discount and Claims	**21.46**	3.89
Marine and ECGC Insurance	**16.88**	12.42
Other Selling Expenses	**34.68**	38.90
TOTAL (III)	**449.20**	424.68
TOTAL (I + II + III)	**8,952.16**	10,674.42

NOTE NO. : 1

(A) NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018.

1 Corporate information:

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

The financial statements were approved for issue by the Board of Directors on 30th May, 2018.

2 Basis of Preparation of Financial Statements:

a) Basis of Preparation and compliance with Ind AS:

The Standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015; Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other accounting principles generally accepted in India.

These financial statements are the first financial statement of the Company prepared in accordance with Ind-AS based on the permissible options and exemptions available to the Company in terms of Ind AS 101- 'First Time Adoption of Indian Accounting Standards'. The financial statements for all periods up to and including the year ended 31st March, 2017, were prepared in accordance with Indian IGAAP including accounting standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2015. Accounting policies have consistently applied except where a newly issued accounting standard is initially adopted or a revision to an accounting policy hitherto in use.

The Company has transitioned from Indian GAAP to Ind AS with effect from 1st April, 2016 being the transition date as on which the opening Balance Sheet has been prepared. The Company has followed the provisions of Ind AS 101 'First Time Adoption of Indian Accounting Standards' in preparing its opening Ind AS Balance Sheet as of the date of transition.

b) Basis of measurement:

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

i) Derivative financial instruments

ii) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

iii) Defined benefit plans

c) Functional and presentation currency:

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

d) Current and non-current classification:

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

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

a) It is expected to be realized or intended to sold or consumed in the Company's normal operating cycle.

b) It is held primarily for the purpose of trading.

c) It is expected to be realized within twelve months after the reporting period, or

d) It is a cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

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

a) It is expected to be settled in the Company's normal operating cycle.

b) It is held primarily for the purpose of trading.

c) It is due to be settled within twelve months after the reporting period,

d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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

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

3. Other Significant Accounting Policies:

1. Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably regardless of when the payment is made. Revenue is measured at fair value of the consideration received or receivable, taking into account contractually defined terms of payment excluding duties or taxes collected on behalf of the government.

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of goods.

i) Sales are recognized on dispatch of goods and are inclusive of excise duty as the case may be but are net of returns, trade discounts, and other applicable taxes.

ii) 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.

iii) Revenue from job work is recognized on completion of the job.

2. Interest Income:

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

3. Taxes:

Current Income Tax

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

Deferred Tax

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

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

4. Property, Plant and Equipment:

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

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

5. Capital Work-in-Progress:

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

6. Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1st April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

7. Depreciation / Amortization on Property, Plant and Equipment:

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

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

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

8. Intangible Assets:

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

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

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

9. Non-Current Assets held for Sale:

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less cost to sell.

10. Impairment of Non-Financial Assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) unless the asset

does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

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

11. Borrowing Costs:

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

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

12. Leases:

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

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

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

13. Inventories:

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

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

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

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

14. Employee Benefits:

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

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

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

15. Financial Instruments:

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

i) Financial Assets:

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

a) Amortized Cost:

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

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

b) Fair Value through Other Comprehensive Income:

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

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

c) Fair Value through Profit or Loss:

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

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

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

ii) Financial Liabilities:

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

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

a) Fair Value through Profit or Loss:

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

b) Amortized Cost:

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

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

16. 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.

17. Foreign Currencies:

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

Transactions in foreign currencies are initially recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into functional currency at the rates prevailing on the reporting date.

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

18. Segment Accounting:

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

19. Provisions, Contingent Liabilities and Contingent Assets:

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

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

20. Earnings per share:

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

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

21. 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.

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

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018. There are certain amendments to standards which are issued, but not yet effective, up to the date of the Company's financial statements. The Company intends to adopt these standards, if applicable, when they become effective.

23. 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) OTHER EXPLANATORY NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

A. Micro, Small and Medium Enterprises Development Act, 2006:

The Company has amounts due to suppliers covered under MSMED Act. The disclosure pursuant to the said Act is as under:

Amt.- Rs. In lacs

Particulars	**31.03.2018**	31.03.2017	01.04.2016
Delayed Payment due - Principal amount	**4.23**	3.75	3.22
- Interest on above	**0.07**	0.06	0.07
Interest paid	**Nil**	Nil	Nil
Interest due on Principal amount paid beyond due date during the year	**1.08**	1.06	0.61
Total Interest due but not paid	**1.16**	1.13	0.69

The information has been given in respect of such suppliers to the extent they could be identified as 'micro, small and medium enterprises' on the basis of information available with the company. This has been relied upon by the auditors.

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

C. Segment Disclosures:

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

D. Employment Benefit Plans:

The Table of Retirement Benefits (Gratuity - Funded) as on 31st March, 2018 is as below. Amt.- Rs. In lacs

Financial Year :	**2017-18**	2016-17
I. Amounts recognized in Balance Sheet		
Present value of Funded Obligations at the end of the year	**914.37**	746.61
Fair value of Plan Assets at the end of the year	**848.55**	899.39
Amounts recognized in the balance sheet:		
Liabilities	**914.37**	746.61
Assets	**848.55**	899.39
Net Liability/(Asset)	**65.82**	(152.79)
II. Expenses Recognized in P & L during the year		
Current Service Cost	**38.71**	40.26
Interest on Obligation	**59.73**	60.71
Expected Return on Plan Assets	**64.20**	(69.90)
Net Actuarial Losses/(Gains) recognized in the year	**184.36**	(52.50)
Expense recognized during the year	**218.60**	(21.43)
III. Changes in Present Value of Obligation		
Obligation at the beginning of the year	**746.61**	758.82
Service Cost for the year	**38.71**	40.26
Interest Cost for the year	**59.73**	60.71
Actuarial Losses (Gains)	**184.36**	(52.50)
Benefits paid	**115.04**	60.68
Obligation at the end of the year	**914.37**	746.61
IV. Changes in Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	**899.39**	890.18
Expected return on Plan Assets	**64.20**	69.90

	Actuarial Gains and (Losses)	**-**	-
	Contributions	**-**	-
	Benefits paid	**115.04**	60.68
	Fair Value of Plan Assets at the end of the year	**848.55**	899.39
V.	**Investment Details of Plan Assets**		
	Administered by LIC of India	**100%**	100%
VI.	**Assumptions used**		
	Discount Rate as on date	**8.00%**	8.00%
	Expected increase in Annual Salary Costs	**7.00%**	7.00%
	Actual Return on Plan Assets for the year	**7.65%**	8.25%

E. Contingent Liabilities and Commitments not provided for:

Amt. Rs. In lacs

Particulars	**31.03.2018**	31.03.2017	01.04.2016
a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of Advances)	**6.38**	182.18	-
b) Disputed Income Tax Demand	**579.10**	-	-
c) Claims against Company not acknowledged as debts	**136.20**	136.20	136.20
d) Disputed Excise, Custom & Service Tax Liabilities	**1,084.73**	1,032.39	1,032.39
e) Guarantee given to Custom by Company`s Banker	**3.18**	61.52	61.52
f) Guarantee given to MGVCL by Company`s Banker	**425.80**	425.80	425.80

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

F. Related Party Disclosures

A. List of Related Parties :

The following table provides the list of related parties and total amount of transactions that have been entered into with related parties for the relevant financial years.

(a) Holding Company

Honeyvick Enterprises Private Limited

(b) Key Managerial Personnel

Mr. Ashok R. Malhotra, Chairman & Managing Director
Mr. Pradip H. Gupta, Chief Financial Officer
Mr. Deepak R. Nagar, GM (Legal) & Company Secretary

(c) Whole-time Directors

Mr. Pradeep R. Sharma, Director (Operations)
Mr. Hanish A. Malhotra, Director (Marketing) (upto May 17, 2017)

(d) Non-whole-time Directors

Mr. Amal Dutt Dhru
Mr. Nilesh B. Mehta
Mr. Mohanraj M. Singhi (upto July 08, 2017)
Mr. Milan P. Shah
Ms. Suchita Shah

(e) Relative of Key Managerial Personnel

Mr. Vikas Malhotra, s/o Mr. Ashok Malhotra

(f) Post-employment Benefits Plans

PSL Employees Group Gratuity Scheme
PSL Employees Superannuation Scheme

B. Transactions with Holding Company: Amt. - Rs.in lacs

	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016
Holding Company			
ICD received	**150.00**	908.00	225.00
ICD repaid	**15.00**	140.00	-
Interest paid	**130.48**	107.44	3.12
Balance outstanding at the year end	**1,128.00**	993.00	227.81

C. Compensation of Key Management Personnel

Name of KMP	**31.03. 2018**	31.03. 2017
Mr. Ashok R. Malhotra	**127.03**	127.03
Mr. Pradip H. Gupta	**30.27**	19.98
Mr. Deepak R. Nagar	**23.36**	12.81
Total compensation paid to KMP	**180.66**	159.82
Short-term employee benefits	**165.79**	146.12
Post-employment benefits	**14.87**	13.70
Total compensation paid to KMP	**180.66**	159.82

D. Compensation of Whole-time Directors

Name of Whole-time Director	**31.03. 2018**	31.03. 2017
Mr. Pradeep R. Sharma	**48.20**	44.86
Mr. Hanish A. Malhotra (up to May 17, 2017)	**14.88**	44.39
Total compensation paid to WTD	**63.08**	89.25
Short-term employee benefits	**55.48**	78.37
Post-employment benefits	**7.60**	10.89
Total compensation paid to WTD	**63.08**	89.26

E. Compensation of relative of Key Management Personnel

Name of the relative of KMP	**31.03. 2018**	31.03. 2017
Mr. Vikas A. Malhotra (w.e.f. 01.09.2017)	**6.63**	-
Total compensation paid to relative of KMP	**6.63**	-
Short-term employee benefits	**6.13**	-
Post-employment benefits	**0.50**	-
Total compensation paid to relative of KMP	**6.63**	-

F. Transactions with Non-whole-time Directors

Particulars	**31.03. 2018**	31.03. 2017
Sitting Fee	**3.50**	3.80
Commission, if any	**-**	-
Total	**3.50**	3.80

G. Post Employment Benefits Plans :

Particulars	**31.03. 2018**	31.03. 2017
Contribution paid to PSL Employees Superannuation Scheme	**12.37**	11.10

G. Earnings per share:

		Unit	**Year ended 31.03.2018**	Year ended 31.03.2017
a)	Profit / (Loss) attributable to equity holders	Rs. in lacs	**54.71**	29.40
b)	Weighted average number of Equity Shares used as the denominator (Basic)	Nos.	**1,90,78,329**	1,90,78,329
c)	Weighted average number of Equity Shares used as the denominator (Diluted)	Nos.	**1,90,78,329**	1,90,78,329
d)	Nominal Value Per Share	Rupees	**10.00**	10.00
e)	Earnings per Share (Basic)	Rupees	**0.29**	0.15
f)	Earnings per Share (Diluted)	Rupees	**0.29**	0.15

H. (a) Registered/Installed Capacity:

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

(b) Production, Sales and Stocks:

Class of Goods	Opening Stock		Production	Sale		Closing Stock	
	Qty.(M.T.)	Rupees	Qty.(M.T.)	Qty.(M.T.)	Rupees	Qty.(M.T.)	Rupees
Steel, Billets	2869	3,472.43	28289	-	-	3292	4,050.22
	(2187)	(2,522.10)	(26660)	(-)	(-)	(2869)	(3,472.43)
Bars, Rods,	3912	6,305.20	26990*	24487	38,732.13	4293	6,301.56
Coils & Wires	(3827)	(5,541.65)	(25560)*	(23606)	(35,732.40)	(3912)	(6,305.20)

* Include Job work production 371 M.T. (Previous Year 505 M.T)

Note: Figures in the bracket are for previous year.

(c) Total Value of Imported and Indigenous Raw Materials and Parts consumed and percentage to total consumption:

	Year 2017-2018		Year 2016-2017	
	Value (Rs. in Lacs)	**%**	Value (Rs.in Lacs)	%
Raw Materials :				
Imported	**15,972.30**	**58.77**	13,907.16	58.76
Indigenous	**11,207.53**	**41.23**	9,758.63	41.24
Total	**27,179.83**	**100.00**	23,665.79	100.00
Production Materials & Stores & Spares :				
Imported	**193.83**	**6.83**	144.25	6.62
Indigenous	**2,643.32**	**93.17**	2,034.63	93.38
Total	**2,837.15**	**100.00**	2,178.88	100.00

(d) Expenditure in Foreign Currency : (Amount Rupees in lacs)

	Year 2017-18	Year 2016-17
C.I.F. Value of Imports :		
Raw Materials	**15,335.97**	13,311.18
Production Materials and Stores & Spares	**189.31**	141.28
Capital Equipment	**-**	8.68
Other Expenditure :		
On Foreign Travels	**9.00**	5.92
Foreign Bank Charges	**7.61**	9.06
On Professional Fees Subscription & Books etc.	**2.43**	0.95
Commission on Export Sales	**25.94**	4.51
Discounts & Claims	**3.84**	0.53
On Foreign Exhibitions	**12.70**	6.58

(e) Foreign Exchange Earned :

FOB Value of Exports	**10173.40**	6386.52

I. Reconciliations under Ind AS 101 are as under :

(a) Effect of IND AS adoption on the Balance Sheet as at 1st April, 2016 (Amount Rupees in lacs)

Particulars	Note No.	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
I. ASSETS				
1. Non-Current Assets				
Property, Plant and Equipment	**2**	10,843.81	-	10,843.81
Capital work-in-progress		-	-	-
Financial Assets				
i) Investment	**3**	0.02	-	0.02
ii) Deposits	**4**	1.45	-	1.45
Other Non-Current Assets	**5**	884.56	-	884.56
Deferred Tax Assets (Net)	**6**	1,098.04	-	1,098.04
Total Non-Current Assets		**12,827.88**	**-**	**12,827.88**
2. Current Assets				
Inventories	**7**	10,505.44	-	10,505.44
Financial Assets				
i) Trade Receivables	**8**	2,425.01	-	2,425.01
ii) Cash and Cash equivalents	**9**	2.03	-	2.03
iii) Bank Balances other than (ii) above	**10**	578.21	-	578.21
iv) Loans and Advances	**11**	11.63	-	11.63
Current Tax Assets (Net)	**12**	97.83	-	97.83
Other Current Assets	**13**	407.74	-	407.74
Total Current Assets		**14,027.89**	**-**	**14,027.89**
3. Assets classified as held for sale	**14**	30.89	-	30.89
TOTAL ASSETS		**26,886.66**	-	**26,886.66**

(Amount Rupees in lacs)

Particulars	Note No.	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
II. EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	**15**	1,908.31	-	1,908.31
Other Equity	**16**	10,208.81	-	10,208.81
Total Equity		**12,117.12**	**-**	**12,117.12**
Non-Current Liabilities				
Financial Liabilities				
i) Borrowings	**17**	-	-	-
ii) Provisions	**18**	47.03	-	47.03
Total Non-Current Liabilities		**47.03**	**-**	**47.03**
Current Liabilities				
Financial Liabilities				
i) Borrowings	**19**	6,210.56	-	6,210.56
ii) Trade Payables	**20**	7,183.59	-	7,183.59
iii) Other Financial Liabilities	**21**	30.07	-	30.07
Other Current Liabilities	**22**	1,245.63	-	1,245.63
Provisions	**23**	52.65	-	52.65
Total Current Liabilities		**14,722.50**	**-**	**14,722.50**
TOTAL EQUITY AND LIABILITIES		**26,886.66**	**-**	**26,886.66**

(b) Effect of Ind AS adoption on the Balance Sheet as at 31st March, 2017 (Amount Rupees in lacs)

Particulars	Note No.	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
I. ASSETS				
1. Non-Current Assets				
Property, Plant and Equipment	**2**	10,132.59	-	10,132.59
Capital work-in-progress		30.52	-	30.52
Financial Assets				
i) Investment	**3**	0.02	-	0.02
ii) Deposits	**4**	1.46	-	1.46
Other Non-Current Assets	**5**	911.59	-	911.59
Deferred Tax Assets (Net)	**6**	1,105.03	-	1,105.03
Total Non-Current Assets		**12,181.22**	**-**	**12,181.22**
2. Current Assets				
Inventories	**7**	13,273.10	-	13,273.10
Financial Assets				
- Trade Receivables	**8**	4,317.00	-	4,317.00
- Cash and Cash equivalents	**9**	3.54	-	3.54
- Bank Balances other than (ii) above	**10**	695.63	-	695.63
- Loans	**11**	1.94	-	1.94
Current Tax Assets (Net)	**12**	6.43	-	6.43
Other Current Assets	**13**	596.03	-	596.03
Total Current Assets		**18,893.68**	**-**	**18,893.68**
3. Assets classified as held for sale	**14**	**30.89**	**-**	**30.89**
TOTAL ASSETS		**31,105.79**	**-**	**31,105.79**

(Amount Rupees in lacs)

Particulars	Note No.	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
II. EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	**15**	1,908.31	-	1,908.31
Other Equity	**16**	10,238.22	-	10,238.22
Total Equity		**12,146.53**	**-**	**12,146.53**
Non-Current Liabilities				
Financial Liabilities				
Borrowings	**17**	855.00	-	855.00
Provisions	**18**	57.08	-	57.08
Total Non-Current Liabilities		**912.08**	**-**	**912.08**
Current Liabilities				
Financial Liabilities				
i) Borrowings	**19**	6,103.98	-	6,103.98
ii) Trade Payables	**20**	10,759.77	-	10,759.77
iii) Other Financial Liabilities	**21**	33.11	-	33.11
Other Current Liabilities	**22**	1,088.87	-	1,088.87
Provisions	**23**	61.45	-	61.45
Total Current Liabilities		**18,047.18**	**-**	**18,047.18**
TOTAL EQUITY AND LIABILITIES		**31,105.79**	**-**	**31,105.79**

(c) Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended 31st March, 2017

(Amount Rupees in lacs)

Particulars	Note No.	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
I. Revenue from Operations	**24**	32,941.15	3,299.86	36,241.01
II. Other Income	**25**	360.35	3.41	363.76
III. Total Revenue (I + II)		**33,301.50**	**3,303.27**	**36,604.77**
IV. Expenses:				
Cost of Materials Consumed	**26**	23,882.72	-	23,882.72
Change in Inventory of Finished Goods	**27**	(1,713.88)	-	(1,713.88)
Employee Benefits Expenses	**28**	1,607.09	-	1,607.09
Finance Costs	**29**	1,351.15	-	1,351.15
Depreciation and Amortization expenses	**2**	778.08	-	778.08
Other Expenses	**30**	7,371.15	3,303.27	10,674.42
Total Expenses		**33,276.32**	**3,303.27**	**36,579.59**
V. Profit before Exceptional Items and Tax (III - IV)		25.18	-	25.18
VI. Exceptional Items		-	-	-
VII. Profit before Tax (V- VI)		25.18	-	25.18
VIII. Tax Expense:				
(1) Current Tax (MAT)		4.80	-	4.80
Less : MAT Credit Entitlement		4.80	-	4.80
Net Current Tax		-	-	-
(2) Deferred Tax		(6.99)	-	(6.99)
(3) Tax for Earlier Years'		2.77	-	2.77
Total Tax Expense		(4.22)	-	(4.22)
IX. Profit for the period from Continuing Operations (VII-VIII)		**29.40**	**-**	**29.40**
X. Other Comprehensive Income/(Loss)				
A. (i) Items that will not be reclassified to Profit or Loss		-	-	-
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		-	-	-
B. (i) Items that will be reclassified to Profit or Loss		-	-	-
(ii) Income tax relating to items that will be reclassified to Profit or Loss		-	-	-
XI. Total Comprehensive Income for the period (IX+X)		**29.40**	**-**	**29.40**

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

Amt. Rs. In lacs

Particulars	As at 31.03.2018	As at 31.03.2017
Accounting Profit before Tax from Continuing Operations	**38.99**	25.18
Tax Profit from Continuing Operations	**(60.60)**	(99.73)
Statutory Income Tax Rate of 19.055% (under MAT) on Accounting Profit	**7.43**	4.80
Current Income Tax	**7.43**	4.80
MAT Credit entitlement	**(7.43)**	(4.80)
Income Tax Expense	**-**	-
Deferred Tax Expense reported in the Statement of Profit and Loss	**(15.72)**	(7.00)
Tax adjustment for earlier years	**-**	2.77
Tax Expense reported in Statement of Profit and Loss	**(15.72)**	(4.22)
Deferred Tax Expense / (Income) relates to the following:		
Depreciation	**(14.87)**	(46.63)
Disallowance u/s 43B	**11.78**	6.07
Carry Forward Unabsorbed Depreciation	**18.80**	47.55
Total Deferred Tax Expense / (Income)	**(15.72)**	(7.00)

Deferred Tax relates to the following:	**As at 31.03.2018**	As at 31.03.2017	As at 31.03.2016
Difference in Tax & Book Depreciation	**(1,546.99)**	(1,532.12)	(1,485.49)
Expenses allowable for Tax purpose when paid	**57.42**	45.64	39.57
Carry Forward Business Loss / Unabsorbed Depreciation	**2,610.32**	2,591.52	2,543.96
Net Deferred Tax Assets / (Liabilities)	**1,120.75**	1,105.03	1,098.04
Reflected in the Balance Sheet as follows:			
Deferred Tax Assets	**2,667.74**	2,637.15	2,583.53
Deferred Tax Liabilities	**(1,546.99)**	(1,532.12)	(1,485.49)
Deferred Tax Assets (net)	**1,120.75**	1,105.03	1,098.04

K. The Company has discharged all its liabilities towards the Secured Lenders of the Company as per the sanctioned modified Scheme of Compromise and/or Arrangement and orders of the Hon'ble High Court of Gujarat.
In compliance with order dated 27.10.2017 passed by the Hon'ble National Company Law Tribunal, Ahmedabad Bench, M/s. Asset Reconstruction Company (India) Limited (ARCIL) has issued its No Due Certificate to the Company and to the Debentures Trustees.
The Company is taking necessary steps for release of all underlying securities created under the Loan Agreements executed with secured lenders and/or under the Scheme of Compromise and/or Arrangement as approved by the Hon'ble High Court of Gujarat including shares pledged by the guarantors.

L. The financial statements for the previous year ended March 31, 2017 prepared in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) were jointly audited by the predecessor auditor and continuing auditor.

M. Previous year's figures have been recast/ regrouped/reclassified wherever necessary to correspond with current year's classification/disclosures.

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

Foram Doshi
Partner (Membership No. 152328)
Vadodara, 30th May, 2018

Ashok Malhotra
Chairman & Managing Director
(DIN :00120198)

Pradip H. Gupta
Chief Financial Officer

Pradeep Sharma
Director (Operations)
(DIN :00705862)

Deepak Nagar
G.M. (Legal) & Company Secretary
Vadodara, 30th May, 2018

Panchmahal
Steel Limited

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

ATTENDANCE SLIP

45th Annual General Meeting

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTERANCE OF THE MEETING HALL

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

DP Id *		Folio No.	
Client Id*		No. of Shares	

Name and Address of the Shareholder : _____

_____

_____

_____

I hereby record my presence at the 45th Annual General Meeting of the Company held on 22nd day of September, 2018 at 10.00 a.m. at the Registered Office of the Company.

_____

Signature of Shareholder/Proxy

Panchmahal
Steel Limited

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

FORM OF PROXY

Name of the Member (s) : _____

Registered Address : _____

E-mail ID : _____

Folio No./Client Id : _____ DP Id : _____

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

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

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 45th Annual General Meeting of the Company, to be held on Saturday, the 22nd September, 2018 at 10 a.m. at the Registered Office of the Company and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolutions	Optional*	
	Ordinary Business :	**For**	**Against**
1	Adoption of Standalone Audited Financial Statements for the year ended 31st March, 2018.		
2	Re-appointment of Mr. Pradeep Sharma s a Director of the Company.		
	Special Business:		
3	Appointment of Mr. Ashok Malhotra as Managing Director of Company.		
4	Ratification of Remuneration of Cost Auditors for the financial year 2018-19.		

Affix 1 Rupee Revenue Stamp

Signed this _____day of _____ , 2018

Signature of Shareholder: _____ Signature of Proxy holder(s): _____

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 45th Annual General Meeting.
3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of member(s) in above box before submission.

Registered Book - Post / Courier

Panchmahal Steel Limited

Giving Edge to your Business

Stainless Steel

WIRE ROD • BARS • WIRES

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
W: 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