

PSL/CS/BSE/REG-34/24-25  
3<sup>rd</sup> September, 2024

The BSE Limited  
Corporate Relationship Department  
1st Floor, P.J. Towers,  
Dalal Street, Fort,  
Mumbai-400 001

COMPANY CODE NO: 4166 (Scrip Code : 513511)

Dear Sir,

**Sub: Submission of Annual Report for FY 2023-24 including Notice of 51<sup>st</sup> Annual General Meeting to be held on September 27, 2024.**

**Ref: Regulation 30 & 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

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Pursuant to Regulations 30 & 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith the Annual Report for the financial year 2023-24 along with the Notice of 51<sup>st</sup> Annual General Meeting (AGM) of the Company scheduled to be held on Friday, the 27<sup>th</sup> day of September, 2024 at 11.00 a.m. through Video Conferencing (VC)/Other Audio Visual Means (OAVM) to transact the business as set out in the Notice of AGM dated August 12, 2024.

In compliance with circulars issued by the SEBI and the Ministry of Corporate Affairs, the Annual Report and the Notice of AGM are being sent to the shareholders through electronic mode and are also available on the website of the Company at [www.panchmahalsteel.co.in](http://www.panchmahalsteel.co.in).

Kindly take note of the above and acknowledge.

Thanking you,

Yours faithfully

For **PANCHMAHAL STEEL LIMITED**

**DEEPAK**

**RAMAKANT**

**NAGAR**

Digitally signed by  
DEEPAK RAMAKANT

NAGAR

Date: 2024.09.03

09:42:46 +05'30'

**Deepak Nagar**

**GM (Legal) & Company Secretary**

E-mail : [shares@panchmahalsteel.co.in](mailto:shares@panchmahalsteel.co.in)

Encl : as above

# 51st Annual Report

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<b>BOARD OF DIRECTORS</b>	: Mr. Ashok Malhotra Mr. Amal Dhru Mr. Milan Shah Mr. Samir Parikh Ms. Suchita Shah Mr. Kalpesh Parmar Mr. Swapon Lalitmohan Adhikary Mr. Jaswantkumar Jain	- Chairman & Managing Director - Independent Director - Independent Director - Independent Director - Director - Director - Additional Director (w.e.f 12-08-2024) - Additional Director (w.e.f 12-08-2024)
<b>CHIEF FINANCIAL OFFICER</b>	: Mr. Nilesh Shah	
<b>COMPANY SECRETARY</b>	: Mr. Deepak Nagar	
<b>STATUTORY AUDITORS</b>	: M/s CNK & Associates, LLP Chartered Accountants Vadodara.	
<b>BANKERS</b>	: State Bank of India	
<b>REGISTERED OFFICE</b>	: GIDC Industrial Estate, Kalol - 389 330 Dist. Panchmahals, Gujarat. Phone : +91 2676 230777 Fax : +91 2676 230889 Email : <a href="mailto:shares@panchmahalsteel.co.in">shares@panchmahalsteel.co.in</a> website : <a href="http://www.panchmahalsteel.co.in">www.panchmahalsteel.co.in</a> CIN : L27104GJ1972PLC002153	
<b>CORPORATE OFFICE</b>	: "Landmark", 7th Floor, Race Course Circle, Vadodara - 390 007.	
<b>REGISTRAR &amp; TRANSFER AGENT</b>	: M/s MCS Share Transfer Agent Limited Neelam Apartment, 88, Sampatrao Colony, Above Chhapanbhog Sweet, Alkapuri, Vadodara-390 007. Tel Nos.: 0265-2314757, 2350490, Fax No.: 0265-2341639 E-mail : <a href="mailto:mcsltdbaroda@gmail.com">mcsltdbaroda@gmail.com</a>	

**51<sup>st</sup> Annual General Meeting to be held on  
Friday, the 27th September, 2024 at  
11.00 a.m. through Video Conferencing ("VC") /  
Other Audio Visual Means ("OAVM")**

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## **NOTICE**

Notice is hereby given that the **51st Annual General Meeting** of the Members of **Panchmahal Steel Limited** will be held on **Friday, the 27th day of September, 2024 at 11.00 a.m. through Video Conferencing ("VC") / Other Audio Video Means ("OAVM")** to transact the following business:-

### **ORDINARY BUSINESS:**

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

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2024 together with the Reports of Board of Directors' and the Auditors' thereon.

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

To appoint a Director in place of Mr. Ashok Ramlubhaya Malhotra (DIN: 00120198), who retires by rotation and being eligible, offers his candidature for re-appointment.

**3. Re-appointment of Statutory Auditors of the Company and to fix their remuneration.**

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 139, 141, 142 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and pursuant to the recommendations of the Audit Committee and approval by the Board of Directors, M/s CNK & Associates, LLP, Chartered Accountants (Firm Registration No. (FRN) 101961W/W-100036), be and are hereby re-appointed as Statutory Auditors of the Company for a second term of 5 consecutive years commencing from the conclusion of ensuing 51st Annual General Meeting until the conclusion of 56th Annual General Meeting of the Company, at such remuneration plus reimbursement of out-of-pocket and other incidental expenses in connection with the audit, as recommended by the Audit Committee and approved by the Board of Directors.

RESOLVED FURTHER THAT any Director and Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary or expedient in order to give effect to aforementioned Resolution."

### **SPECIAL BUSINESS:**

**4. Appointment of Mr. Swapon Lalitmohan Adhikary (DIN: 07135873) as an Independent Director.**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 161, Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act") read with the Rules framed thereunder, and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and Articles of Association of the Company, approval and recommendation of the Nomination and Remuneration Committee and that of the Board, Mr. Swapon Lalitmohan Adhikary (DIN: 07135873), who was appointed as an Additional Director in the capacity of an Independent Director with effect from August 12, 2024 and who vacates his office at this annual general meeting and who meets the criteria for independence under Section 149(6) of the Act and the Rules made thereunder and Regulation 16(1)(b) of the SEBI (LODR) Regulations and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Act, be and is hereby appointed as an Independent Director of the Company for a period of 5 (five) consecutive years till August 11, 2029, and that he shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to or any other Officer(s) / Authorized Representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**5. Appointment of Mr. Jaswantkumar Jain (DIN: 10719368) as an Independent Director.**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 161, Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act") read with the Rules framed thereunder, and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and Articles of Association of the Company, approval and recommendation of the Nomination and Remuneration Committee and that of the Board, Mr. Jaswantkumar Jain (DIN: 10719368), who was appointed as an Additional Director in the capacity of an Independent Director with effect from August 12, 2024 and who vacates his office at this annual general meeting and who meets the criteria for independence under Section 149(6) of the Act and the Rules made thereunder and Regulation 16(1)(b) of the SEBI (LODR) Regulations and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Act, be and is hereby appointed as an Independent Director of the Company for a period of 5 (five) consecutive years till August 11, 2029, and that he shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to or any other Officer(s) / Authorized Representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**6. Ratification of remuneration payable to Cost Auditors of the Company.**

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

"RESOLVED THAT pursuant to the provisions of Section 148 (3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and as per the recommendation of the Audit Committee of the Board of Directors, the remuneration of Rs.1,75,000/- and reimbursement of travelling and other out of pocket expenses plus taxes as applicable, to be paid to M/s. Kiran J. Mehta & Co., Cost Accountants, Ahmedabad (Firm Registration No. 00025) for conducting the audit of cost records of the Company for the financial year ending March 31, 2025, as approved by the Board of Directors of the Company, be and is hereby ratified.

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

Regd. Office :

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

Vadodara, 12th August, 2024

By order of the Board of Directors

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

**NOTES:**

1. The Statement, pursuant to Section 102 of the Companies Act, 2013, as amended ('Act') setting out material facts concerning the business with respect to Item Nos. 3 to 6 forms part of this Notice. Additional information, pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations') and Secretarial Standard - 2 on General Meetings, issued by The Institute of Company Secretaries of India, in respect of Director seeking appointment/ re-appointment at this Annual General Meeting ('Meeting' or 'AGM') is furnished as Annexure-A to this Notice.
2. The Ministry of Corporate Affairs ('MCA'), inter alia, vide its General Circular No(s). 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020 and subsequent circulars issued in this regard, the latest being General Circular No. 09/2023 dated September 25, 2023, (collectively referred to as 'MCA Circulars'), has permitted the holding of the AGM through Video Conferencing ('VC') or through Other Audio-Visual Means ('OAVM'), without the physical presence of the Members at a common venue.  
Further, towards this, the Securities and Exchange Board of India ('SEBI'), vide its Circular(s) dated May 12, 2020, January 15, 2021, May 13, 2022, January 5, 2023, October 6, 2023, and October 7, 2023 ('SEBI Circulars') and other applicable circulars issued in this regard from time to time, has provided relaxations from compliance with certain provisions of the SEBI Listing Regulations.  
In compliance with the applicable provisions of the Act, SEBI Listing Regulations, SEBI Circulars and MCA Circulars, the 51st AGM of the Company is being held through VC/OAVM on Friday, 27th September, 2024, at 11.00 a.m. (IST). The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company situated at GIDC Industrial Estate, Kalol-389 330, Dist. Panchmahals, Gujarat.
3. In compliance with the Circulars issued by MCA and SEBI, the Notice of the 51st AGM along with the Annual Report is being sent through only electronic mode to those Members whose email addresses are registered with the Company/ Depository Participants (DPs). Physical copy of the Notice of the 51st AGM along with Annual Report for financial year 2023-24 shall be sent to those shareholders who request for the same. Members may note that the Notice and Annual Report will also be available on the Company's website at [www.panchmahalsteel.co.in](http://www.panchmahalsteel.co.in), website of stock exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of Central Depository Services Limited at [www.evotingindia.com](http://www.evotingindia.com) respectively.
4. The Members attending AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON ITS BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Since this AGM is being held pursuant to MCA/SEBI Circulars through VC / OAVM, physical attendance of the Members has been dispensed with. Accordingly, the facility to appoint proxies by the Members will not be available for this AGM and hence the Proxy Form & Attendance Slip including Route map are not annexed to this Notice.  
Institutional/corporate shareholders (i.e., other than individuals, HUF, NRI, etc.), are required to send a scanned copy (PDF/JPG Format) of their respective Board or governing body Resolution/Authorisation etc., authorising their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-Voting. The said Resolution/Authorisation shall be sent by e-mail on Scrutinizer's e-mail address at [csneerajtrivedi@gmail.com](mailto:csneerajtrivedi@gmail.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). Corporate Members/ Institutional shareholders (i.e. other than individuals, HUFs, NRIs etc.) can also upload their Board Resolution/ Power of Attorney/Authority Letter etc. by clicking on the "Upload Board Resolution/Authority Letter" in the CDSL e-voting system.
6. Members who wish to inspect the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 ("Act") and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act and the relevant documents referred to in this Notice of AGM and Explanatory Statement on the date of AGM in electronic mode can send an e-mail to [shares@panchmahalsteel.co.in](mailto:shares@panchmahalsteel.co.in).

**7. Book Closure:**

Pursuant to Section 91 of the Companies Act, 2013 and Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and the Share Transfer Books of the Company will remain closed from **Saturday, 21st September, 2024 to Friday, 27th September, 2024 (both days inclusive)** for the purpose of 51st AGM of the Company.

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

The Company has fixed **Friday, 20th September, 2024** as the Cut-off Date for remote e-voting. The remote e-voting / voting rights of the shareholders / beneficial owners shall be reckoned on the equity shares held by them as at close of business hours on the Cut-off Date i.e. Friday, 20th September, 2024 only. A person who is not a Member as on the Cut-off Date should treat this Notice for information purposes only.

9. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 20th September, 2024, may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or Registrar and Share Transfer Agent's Email Id at [mcsLtdbaroda@gmail.com](mailto:mcsLtdbaroda@gmail.com)

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

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

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

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

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

12. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022, has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed dividend account; exchange of securities certificate; sub-division of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4 to the Company or Company's Registrars and Transfer Agents, MCS Share Transfer Agent Limited ("MCS"). It may be noted that any service request can be processed only after the folio is KYC Compliant.



13. As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of listed companies can only be transferred in a demat form with effect from April 1, 2019, except in case of a request for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for the ease of portfolio management, members holding shares in the physical form are requested to consider converting their holding to a demat form. Members can contact the Company and/or its Registrar and Share Transfer Agent, MCS Share Transfer Agent Limited for assistance. Transfer(s) of equity shares in electronic form are effected through the depositories with no involvement of the Company.
14. SEBI has mandated that any service request from members holding securities in physical mode shall be entertained only upon registration of the PAN, KYC details (ISR-1) and nomination (SH-13/ISR-3). Members are requested to submit the aforesaid forms duly filled and signed along with self-attested copy of the PAN card and such other documents as prescribed in the Forms, to register or update:
- KYC details and Nomination;
  - Particulars of bank account for receiving dividend directly in their account through electronic mode or change in their address, for receiving dividend through physical instrument; and
  - Email address to receive all communication through electronic means, including Annual Report and Notice of the general meeting.

The forms for updation of PAN, KYC, Bank details and Nomination viz., Forms ISR-1, ISR-2, ISR-3, SH-13 and the said SEBI Circular are available on our website at [http://panchmahalsteel.co.in/other\\_disclosures.html#0](http://panchmahalsteel.co.in/other_disclosures.html#0). We urge Members holding shares in physical form to submit the required forms along with the supporting documents at the earliest.

15. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone / mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.:
- For shares held in electronic form: to their Depository Participants (DPs)
  - For shares held in physical form: to the Company / Registrar and Transfer Agent in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/ CIR/2021/655 dated November 3, 2021.

The Company has sent communication to shareholders in this regard

16. Members desirous of making a nomination in respect of their shareholding, as permitted under Section 72 of the Companies Act, 2013, are requested to submit the prescribed Form SH-13 (Nomination Form) & SH - 14 (Cancellation or Variation of Nomination) accordingly to the Company or to the office of the Registrar & Share Transfer Agent. In respect of shares held in dematerialized form, the nomination form may be filed with the respective Depository Participant.
17. During FY 2023-24, SEBI has established a common Online Dispute Resolution Portal ('ODR Portal') for resolution of disputes arising in the Indian Securities Market. Pursuant to this, post exhausting the option to resolve their grievance with the RTA/Company directly and/or through the SEBI SCORES platform, the investors can initiate dispute resolution through the ODR Portal (<https://smartodr.in/login>) and the same can also be accessed through the Company's website at [www.panchmahalsteel.co.in/other-disclosures.html](http://www.panchmahalsteel.co.in/other-disclosures.html).
18. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their respective Depository Participants in case the shares are held by them in electronic form and with our RTA, namely, M/s MCS Share Transfer Agent Limited in case the shares are held by them in physical form.



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

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020 and January 13, 2021, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

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

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

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

- (i) The voting period begins on **Tuesday, the 24th September, 2024 (9.00 a.m. IST)** and ends on **Thursday, the 26th September, 2024 (5.00 p.m. IST)**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20th September, 2024 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to **SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>1) Users of who have opted for CDSL's Easi /Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and New System Myeasi Tab.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login and New System Myeasi Tab and then click on registration option.</li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all the e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL:<a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e- Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re- directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL:<a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the homepage of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/</li> </ol>

Type of shareholders	Login Method
	Member's section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e- Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e- Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e- Voting period or joining virtual meeting & voting during the meeting.

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

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

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

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

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

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

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

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN i.e. 240814006 of the Company "PANCHMAHAL STEEL LIMITED" on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) **Additional Facility for Non-Individual Shareholders and Custodians - for Remote Voting only**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- It is mandatory that a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [csneerajtrivedi@gmail.com](mailto:csneerajtrivedi@gmail.com) and [shares@panchmahalsteel.co.in](mailto:shares@panchmahalsteel.co.in), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

1. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
2. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
3. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
5. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
6. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
7. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
8. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance on or before 16th September, 2024, mentioning their name, demat account number/folio number, email id, mobile number at e-mail Id - [shares@panchmahalsteel.co.in](mailto:shares@panchmahalsteel.co.in). The shareholders, who do not wish to speak during the AGM but have queries may send their queries in advance on or before the above mentioned date, mentioning their name, demat account number/folio number, email id, mobile number at e-mail Id [shares@panchmahalsteel.co.in](mailto:shares@panchmahalsteel.co.in). Their queries will be replied to by the Company suitably.
9. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
10. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
11. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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

1. **For Physical shareholders:-** Please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to our RTA namely, MCS Share Transfer Agent Limited on their e-mail Id : [mcsitdbaroda@gmail.com](mailto:mcsitdbaroda@gmail.com).
2. **For Demat shareholders:-** Please update your e-mail id and mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting and joining virtual meetings through Depository.
3. **For Individual Demat shareholders -** Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

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

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

**Other Instructions:**

- i. E-voting is optional. The E-voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as on **20th September, 2024**.
- ii. Mr. Niraj Trivedi, Practicing Company Secretary (Membership No. 3844 and CP No. 3123) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- iii. The Scrutiniser will, after the conclusion of e-voting at the Meeting, scrutinise the votes cast at the Meeting (Insta Poll) and votes cast through remote e-voting, make a consolidated Scrutiniser's Report and submit the same to the Chairman. The result of e-voting will be declared within two working days of the conclusion of the Meeting and the same, along with the consolidated Scrutiniser's Report, will be placed on the website of the Company: [www.panchmahalsteel.co.in](http://www.panchmahalsteel.co.in) and on the website of CDSL immediately after declaration of results by the Chairman or a person authorized by him in writing. The result will simultaneously be communicated to the Stock Exchanges.

The Resolutions shall deemed to be passed on the date of the Annual General Meeting of the Company, subject to the same being passed with requisite majority.

**Regd. Office :**

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

Vadodara, 12th August, 2024

By order of the Board of Directors

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



## EXPLANATORY STATEMENT

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

As required under Section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item No. 3 to 6 of the accompanying Notice:

#### Item No. 3 :

M/s CNK & Associates, LLP, Chartered Accountants ("CNK") (Firm Registration No. 101961W/W-100036), were appointed as the Statutory Auditors of the Company for a term of five consecutive years from the conclusion of 46th Annual General Meeting ('AGM') until the conclusion of 51st AGM of the Company. The tenure of CNK will end at the conclusion of the ensuing AGM.

After evaluating and considering various factors such as industry experience, competency of the audit team, efficiency in conduct of audit, independence, etc., the Board of Directors of the Company ('Board') has, based on the recommendation of the Audit Committee, proposed the re-appointment of CNK, as the Statutory Auditors of the Company, for the second consecutive term of five years from the conclusion of 51st AGM till the conclusion of 56th AGM of the Company to be held in the year 2029, at a remuneration as may be mutually agreed between the Board and the Statutory Auditors.

CNK have consented to their appointment as the Statutory Auditors and have confirmed that the appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act and that they are not disqualified to be appointed as the Statutory Auditors in terms of the provisions of Section 139 and 141 of the Companies Act or the Chartered Accountants Act, 1949 and the Rules framed thereunder. As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, CNK has confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI.

The fee for audit services for the financial year 2024-25 will be 9.00 lacs plus applicable taxes, out-of-pocket and other incidental expenses in connection with the audit. Besides the audit services, the Company would also obtain certifications from the Statutory Auditors under various statutory regulations and certifications required by clients, banks, statutory authorities, audit related services and other permissible non-audit services as required from time to time, for which they will be remunerated separately on mutually agreed terms.

The remuneration for the subsequent year(s) of their term shall be determined based on the recommendation of the Audit Committee and as approved by the Board of Directors of the Company. The Board, in consultation with the Audit Committee, may alter and vary the terms and conditions of re-appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

None of the Directors, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution at Item No. 3 of the accompanying Notice.

Based on the recommendation of the Audit Committee, the Board recommends the Ordinary Resolution set forth at Item No.3 of the Notice for approval of the Members.

#### Item No. 4 & 5 :

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company ("Board") at its meeting held on August 12, 2024 had appointed Mr. Swapon Lalitmohan Adhikary (DIN: 07135873) and Mr. Jaswantkumar Jain (DIN: 10719368) as Additional Directors (Non-Executive, Independent) of the Company for a first term of five (5) years effective from August 12, 2024, not liable to retire by rotation, subject to approval of the shareholders of the Company through a special resolution and shall hold office till the date of the ensuing Annual General Meeting pursuant to the provisions of Section 161(1) of the Act and rules made thereunder, Regulation 17(1C) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and the Articles of Association of the Company.

The Company has received from Mr. Swapon Lalitmohan Adhikary and Mr. Jaswantkumar Jain : (i) Consent in writing to act as Directors in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that they are not disqualified under Section 164(2) of the Act; (iii) Declaration to the effect that they meet the criteria of independence as provided in Section 149(6) of the Act and under SEBI Listing Regulations; (iv) Declaration that they have not been debarred from holding office of a director by virtue



of any order passed by SEBI or any other such authority; (v) A declaration that they are in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to their registration with the data bank of independent directors maintained by the Indian Institute of Corporate Affairs. They do not hold any equity shares of the Company.

The Company has also received Notices under Section 160 of the Act from members proposing the candidature of Mr. Swapon Lalitmohan Adhikary and Mr. Jaswantkumar Jain for the office of Directors of the Company.

Mr. Swapon Lalitmohan Adhikary and Mr. Jaswantkumar Jain possesses the requisite skills, professional qualifications, experience, knowledge and capabilities identified by the Committee and the Board and required for the role of an Independent Director of the Company.

In the opinion of the Board, both Mr. Swapon Lalitmohan Adhikary and Mr. Jaswantkumar Jain fulfils the conditions for independence specified in the Act, the Rules made thereunder, the LODR Regulations and such other laws / regulations for the time being in force, to the extent applicable to the Company. They shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof as may be decided by the Board & reimbursement of expenses for participating in the Board and other meetings, if any.

**Brief profile of Mr. Swapon Lalitmohan Adhikary is as under:**

With 29 years of rich experience in Operations, Business Development and Customer Relationship Management. Swapon has flair for formulating & implementing tactical sales strategies and contributing towards enhancing business volumes/ growth through, breaking new avenues & driving sales growth.

Being an integral part of Management teams for over 20+ years, Swapon has successfully completed various On-Site projects, Transitions & Migrations for North America, EMEA & ASIAPAC regions. Prior to joining HIRD as CEO - Director, Swapon was CEO ICI and prior to that Sr. Vice President - UCX aligned to Global Technology Infrastructure providing IT Service Delivery & IT Service Management Operations, for leading clients across world. He has the expertise to have worked in 27 countries across all cultures.

Under his distinctive leadership style and as focused, passionate and futurist, Swapon has contributed significantly into organization in his career working with Big Foot Technologies, Coca-Cola and Ceat Tyres and was largely responsible for business results. He has received numerous awards for his leadership over the past 29 years of experience including been awarded twice the AEGIS GRAHAM BELL AWARD.

The learnings from IIM Kolkata and Mckinsey have taught him to be methodical and analytical in his approach.

His philanthropic side is he serves as a Trustee for top NGO in India and has been the recipient of Chief Minister's award to bring Sustainability & Diversity programs for the rural people for the state.

He has also been awarded the Duke of Edinburgh Gold medal at London and have excellent track record in Sports. In addition he has represented India at Canada for 6 months as NCC Best Cadet. Last but not the least he is an avid Pilot holding a CPL and takes his hobby seriously. Golfing is his another passion of life.

**Brief profile of Mr. Jaswantkumar Jain is as under:**

Mr. Jaswantkumar Jain is a Chartered Accountant and practicing since 1983. He is a partner in JAIN & HINDOCHA, Chartered Accountants since 1987. He has got wide experience in Indirect Taxation and Commercial matters. He has extensive experience in statutory, internal and concurrent and stock audits of large companies and banks. During his long career he has done statutory audit of listed and unlisted companies.

He is also associated with various NGOs and doing social work. He is Trustee of Mahavir Foundation Trust since 2015 and has become Managing Trustee in 2022. Mahavir Foundation Trust is a Registered Trust and is engaged in Educational Activities for under privileged students since the year 2001.

The draft letter of appointment to be issued to Mr. Swapon Lalitmohan Adhikary and Mr. Jaswantkumar Jain as an Independent Directors of the Company, setting out the terms and conditions of the appointment, would be available for inspection. Members seeking to inspect such documents can send an email to [shares@panchmahalsteel.co.in](mailto:shares@panchmahalsteel.co.in) till the date of AGM.

Pursuant to Regulation 36(3) of SEBI Listing Regulations and Para 1.2.5 of Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India (ICSI), other details of Mr. Swapon Lalitmohan Adhikary and Mr. Jaswantkumar Jain are given in the "Annexure -A" to the AGM Notice.

The Board recommends passing of the Special Resolutions as set out in Items no. 4 & 5 of this Notice, for approval by the Members of the Company, as the rich experience and the vast knowledge they bring with them would benefit the Company.

Except Mr. Swapn Lalitmohan Adhikary and Mr. Jaswantkumar Jain and their relatives, no other Director(s) and Key Managerial Personnel(s) or their relatives, are in any way, concerned or interested, financially or otherwise, in the resolutions, as set out in the Items No. 4 & 5 of this Notice.

**Item No. 6:**

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

The Board of Directors of the Company at its meeting held on 11th May, 2024, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s Kiran J. Mehta & Co., Cost Accountants, Ahmedabad (Firm Registration No. 00025), as Cost Auditor of the Company for conducting the Cost Audit for the Financial Year ending March 31, 2025.

In accordance with the provisions of Section 148 of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, as amended, the remuneration and the Rules made thereunder, the remuneration payable to the Cost Auditors is required to be ratified by the Members of the Company.

Accordingly, consent of the Members is sought for ratification of remuneration payable to the Cost Auditor for the financial year 2024-25 as set out in the resolution for aforesaid services to be rendered by him.

The Directors recommend that the remuneration payable to the Cost Auditors in terms of the resolution set out at Item No. 6 of this Notice be ratified by the members.

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

Regd. Office :

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

Vadodara, 12th August, 2024

By order of the Board of Directors

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

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

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meeting (SS-2)]

<b>Name of Director</b>	Mr. Ashok Ramlubhaya Malhotra	Mr. Swapon Lalitmohan Adhikary	Mr. Jaswantkumar Jain
<b>DIN</b>	00120198	07135873	10719368
<b>Age</b>	72 years	56 years	68 years
<b>Nationality</b>	Indian	Indian	Indian
<b>Qualification</b>	B.Com.	B.Com., MBA	B.Com , FCA
<b>Designation</b>	Chairman & Managing Director	Non-Executive Independent Director	Non-Executive Independent Director
<b>Experience &amp; Expertise</b>	Mr. Ashok Malhotra is a Promoter Director of the Company. He has more than 50 years of experience in the steel industry and expertise in business process, marketing and contemporary management techniques.	With 29 years of rich experience in Operations, Business Development and Customer Relationship Management. He has flair for formulating & implementing tactical sales strategies and contributing towards enhancing business volumes/ growth through, breaking new avenues & driving sales growth.	Mr. Jaswantkumar Jain, a chartered Accountant is practicing since 1983. He is a partner in JAIN & HINDOCHA, Chartered Accountants since 1987. He has got wide experience in Indirect Taxation and Commercial matters and has extensive experience in statutory, internal and concurrent and stock audits of large companies and banks.
<b>Date of first appointment on the Board</b>	01.12.1976	12.08.2024	12.08.2024
<b>Relationship with other Directors and Key Managerial Personnel of the Company</b>	None	None	None
<b>Directorship, Membership/ Chairmanship of Committees of other Boards/ companies/LLP</b>	<u>Directorship</u> - Honeyvick Enterprises (P) Ltd.	<u>Directorship</u> - Aruja Organics (P) Ltd. - 6Fusion Online India (P) Ltd. - Knotify Services (P) Ltd. - Triway Business Solutions LLP	NA
<b>Listed entities from which the person has resigned from the directorship in the past three years.</b>	NA	NA	NA
<b>Number of Shares held in the Company as at 31.03.2024</b>	28,95,804 Equity Shares	Nil	Nil
<b>Terms and conditions of the appointment / re-appointment including details of remuneration sought to be paid and the last remuneration drawn</b>	Re-appointment in terms of Section 152(6) of the Companies Act,2013.	Mr. Swapon Lalitmohan Adhikary will be appointed as an Non-Executive Independent Director, not liable to retire by rotation to hold office for a period of 5 (five) years from August 12, 2024 to August 11, 2029 (both days inclusive). He will be entitled to sitting fees for attending Board Meetings and Committee meetings, if any, where he is a member.	Mr. Jaswantkumar Jain will be appointed as an Non-Executive Independent Director, not liable to retire by rotation to hold office for a period of 5 (five) years from August 12, 2024 to August 11, 2029 (both days inclusive). He will be entitled to sitting fees for attending Board Meetings and Committee meetings, if any, where he is a member.
<b>Number of Board Meetings attended during the year. (FY : 2023-24)</b>	4 of 4	NA	NA
<b>Skills and capabilities required for the role and the manner in which proposed person meets such requirements.</b>	NA	Please refer Explanatory Statement for Item No. 4 & 5 of the accompanying Notice.	Please refer Explanatory Statement for Item No. 4 & 5 of the accompanying Notice.

## **DIRECTORS' REPORT**

To,

The Members

Your Company's Directors are pleased to present the 51st Annual Report of the Company together with the Statement of Audited Accounts for the financial year ended 31st March, 2024.

### **FINANCIAL RESULTS**

(Rs. in Lacs)

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Revenue from Operations	42761.54	48864.10
Operating Expenses	41190.73	47310.74
Operating Profit before Interest, Tax, Depreciation & Amortization	1570.81	1553.36
Depreciation & Amortization Expense	809.19	796.01
Finance Costs	794.34	707.92
Other Income	424.60	140.53
Profit before Tax	391.88	189.96
Tax Expense (including Deferred Tax)	94.96	52.13
Profit for the year	296.92	137.83
Other Comprehensive Income	8.66	12.51
Total Comprehensive Income for the year	305.58	150.33
Earnings per Share (in Rupees)	1.56	0.72

### **REVIEW OF OPERATIONS**

The Company recorded total income of Rs.431.86 crores as compared to Rs.490.05 crores in the previous year. The Company achieved a Profit after Tax for the year of Rs.2.97 crores as against Rs.1.38 crores in the previous year.

### **DIVIDEND**

The Directors do not recommend any dividend for the financial year ended March 31, 2024.

Pursuant to Regulation 43(A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company does not fall under top 1000 Listed Companies by market capitalization as on 31st March, 2024 and hence the requirement for adopting the Dividend Distribution Policy is not applicable to the Company.

### **TRANSFER TO RESERVES**

The Board of Directors has decided to retain the entire amount of profit for the financial year 2023-24 in the Statement of Profit and Loss.

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

There are no material changes and commitments affecting the financial position and business operations of the Company for the financial year ended 31st March, 2024 to the date of signing of the Directors' Report.

### **SHARE CAPITAL**

The paid-up Equity Share Capital of your Company as on March 31, 2024 stood at Rs.19.08 crores comprising of 1,90,78,329 equity shares of Rs.10/- each. The Company has not issued shares with differential voting rights/Bonus Shares nor has granted stock options/sweat equity and has not bought back any of its securities during the year under review.

## FIXED DEPOSITS

The Company does not have 'Deposits' as contemplated under Chapter V of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. Further, the Company has not invited or accepted any such deposit during the financial year ended 31st March, 2024.

## CREDIT RATING

The Rating Agency, India Ratings and Research (Ind-Ra) vide its letter dtd. 04.09.2023 has assigned the ratings of various credit facilities of the Company as stated below:

Instrument Type	Rating Type	Rated Limits (million)	Rating
Fund-based working capital limit	Long Term	INR 900.00	IND BBB/Stable/ IND A3+
Non-fund-based working capital limit	Short Term	INR 1320.00	IND A3+

## DIRECTORS' RESPONSIBILITY STATEMENT

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

- in preparation of the annual accounts for the year ended March 31, 2024, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2024 and of the profit of the Company for the year ended on that date;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a 'going concern' basis;
- they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

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

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

A report on Corporate Governance together with the certificate of the Practicing Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated in Regulation 34(3) read with Schedule V of SEBI LODR, 2015 is annexed thereto as integral part of this report.

Pursuant to Regulation 34 (2)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Management Discussion and Analysis Report is presented in a separate section forming part of this Annual Report.

## CORPORATE SOCIAL RESPONSIBILITY

The provisions of corporate social responsibility as prescribed under Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 as amended from time to time are not applicable to your Company. There was no CSR obligation for the Company for the financial year 2023-24. The Annual Reporting on CSR under Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014 is currently not applicable to the Company.

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

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Your Company has not directly or indirectly:

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

#### **RELATED PARTY TRANSACTIONS**

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

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

Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for FY2023-24 and hence does not form part of this report. Details of related party transactions entered into by the Company, in terms of Ind AS-24 have been disclosed in the notes forming part of the financial statements of the Company for the year ended 31st March, 2024.

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

##### Appointment / Re-appointments

At the 50th Annual General Meeting of the Company held on September 25, 2023, the shareholders of the Company approved the re-appointment of Mr. Ashok R. Malhotra as Chairman & Managing Director of the Company for a period of 3 years w.e.f. April 01, 2024.

Mr. Samir M. Parikh is re-appointed as Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years on the Board of the Company with effect from February 4, 2024, till February 3, 2029, and his re-appointment is approved by the Shareholders vide Special Resolution passed through Postal Ballot Notice dated February 3, 2024.

Based on recommendation of NRC and in accordance with provisions of the Act and Listing Regulations, Mr. Swapon Lalitmohan Adhikari (DIN: 07135873) & Mr. Jaswantkumar Jain (DIN: 10719368) are appointed as an Additional Directors (Independent) of the Company by the Board of Directors on August 12, 2024, for a term of 5 years commencing from August 12, upto August 11, 2029, subject to the approval of Members. The resolutions seeking members' approval for their appointment forms part of the Notice.

In terms of the provisions of Section 152(6) of the Companies Act, 2013 and Rules made thereunder, Mr. Ashok R. Malhotra (DIN: 00120198), Chairman & Managing Director of the Company, retires at the ensuing AGM and being eligible, seeks re-appointment. The members are requested to consider and approve his re-appointment.



### Declaration by Independent Directors

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

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

### Performance Evaluation

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

### Familiarization Programme for Independent Directors

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

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

### Nomination & Remuneration Policy

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

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

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

### Committees of the Board

The Board of Directors has the following Committees:

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

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

### Key Management Personnel

Pursuant to the provisions of Section 2(51) and Section 203 of the Companies Act, 2013 read with Rules framed thereunder, the following persons have been designated as Key Management Personnel of the Company:

1. Mr. Ashok Malhotra, Chairman & Managing Director
2. Mr. Nilesh Shah, Chief Financial Officer
3. Mr. Deepak Nagar, GM (Legal) & Company Secretary.

During the year under review, Mr. Ashok Malhotra is re-appointed as Chairman and Managing Director of the Company, liable to retire by rotation, for a period of 3 (Three) years w.e.f. April 01, 2024 and his remuneration and appointment is approved by the Shareholders vide Special Resolution passed at the 50th AGM held on 25.09.2023.



## AUDITORS AND AUDITORS' REPORT

### Statutory Auditors

In terms of provisions of the Companies Act, 2013, at the 46th Annual General Meeting (28.09.2019) of the Company, M/s CNK & Associates LLP, Chartered Accountants (Firm Registration No. 101961W/W-100036), Vadodara, were appointed as statutory auditors of the Company to hold the office from the conclusion of the 46th Annual General Meeting till the conclusion of 51st Annual General Meeting to be held in the year 2024. They have given their consent for re-appointment as the Statutory Auditors for the second term of five years. They are holding a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

Members are requested to approve their appointment as the Auditors of the Company and to fix their remuneration as recommended by the Board, pursuant to Section 139 of the Companies Act, 2013. The Statutory Auditors have confirmed that they satisfy the criteria of independence, as required under the provisions of the Companies Act, 2013.

The Notes on Financial Statements referred to in the Auditor's Report are self-explanatory and do not call for any further comments. The Auditor's Report does not contain any qualification, reservation, adverse remark, or disclaimer.

### Internal Auditors

M/s Keyur Patel & Co., Chartered Accountants, Vadodara, has carried out the Internal Audit of the Company for the financial year 2023-24. On the recommendation of the Audit Committee, the Board has re-appointed them as Internal Auditors of the Company to carry out the internal audit of various operational areas of the Company for the financial year 2024-25.

### Cost Auditors

The Company is required to maintain cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and accordingly such accounts and records are made and maintained by the Company.

M/s. Kiran J. Mehta & Co., Cost Accountants, (FRN: 000025) Ahmedabad, the Cost Auditors of the Company have carried out the audit of cost records for steel Plant of the Company during the year.

The Board after considering the recommendations of its Audit Committee, re-appointed the aforesaid firm as cost auditors for the financial year 2024-25. As required under the Companies Act, 2013, a resolution seeking members' approval for the remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting for their ratification.

The Cost Audit Report for the financial year ended 31st March, 2023 was filed with the Ministry of Corporate Affairs on 23rd August, 2023.

### Secretarial Auditor

Your Board has appointed Mr. Niraj Trivedi, Practicing Company Secretary, Vadodara, as Secretarial Auditor of the Company for the financial year 2024-25.

The Secretarial Audit Report as issued by the Secretarial Auditor in Form No. MR-3 for the financial year 2023-24 is annexed herewith as "**Annexure-A**" and forms integral part of this Annual Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. The Company has complied with applicable Secretarial Standards issued by the Institute of Company Secretaries of India during the year.

### Reporting of Fraud

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

## ANNUAL RETURN

As required under Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2024 is available on the Company's website at <http://panchmahalsteel.co.in/disclosures.html#0>.

**AUDIT COMMITTEE**

During the year, the Board has accepted all recommendations of Audit Committee and accordingly no disclosure is required to be made in respect of non-acceptance of the recommendation of the Audit Committee by the Board. The composition of Audit Committee and other details are given in the Corporate Governance Report.

**VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has a vigil mechanism named Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The details of the Whistle Blower Policy are explained in the Corporate Governance Report and also posted on the website of the Company at <http://panchmahalsteel.co.in/policies/Whistle-Blower-Policy.pdf>.

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

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

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

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

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

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

**PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

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

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

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

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

The Company has zero tolerance for sexual harassment at workplace and has in place an Anti-Sexual Harassment Policy in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder.

During the year under review, the Company has not received any complaint on sexual harassment and hence no complaints remain pending as of March 31, 2024.

**OTHER DISCLOSURES**

There was no change in the nature of business of the Company as stipulated under sub-rule 5(ii) of Rule 8 of Companies (Accounts) Rules, 2014.

There is no application made or proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the financial year 2023-24.

There was no instance of one-time settlement with any Bank or Financial Institution.

Regulation 34(2)(f) of SEBI (LODR) Regulations, 2015 with regard to Business Responsibility and Sustainability Report is not applicable to the Company.

**APPRECIATION**

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

For and on behalf of the Board of Directors

Place : Vadodara  
Date : 12th August, 2024

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

## Annexure - "A" to Directors' Report

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2024

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

To,

The Members

M/s. PANCHMAHAL STEEL LIMITED

(CIN: L27104GJ1972PLC002153)

GIDC Industrial Estate, Kalol-389 330,

Dist. Panchmahals, Gujarat.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by PANCHMAHAL STEEL LIMITED (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided 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 the Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2024, 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, 2024 according to the provisions of:-

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force);
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force);
- iii. The Depositories Act, 1996 and the Regulations and Bye - laws framed thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force);
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force);
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - **Not applicable to the Company during the Audit Period;**
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - **Not applicable to the Company during the Audit Period;**
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not applicable to the Company during the Audit Period;**

- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **Not applicable to the Company during the Audit Period; and**
- h) The Securities and Exchange Board of India (Buy - Back of Securities) Regulations, 2018 - **Not applicable to the Company during the Audit Period.**
- vi. **Other applicable Laws** - Based on the information provided and the representation made by the Company and its officers and also on the review of the compliance reports taken on record by the Board of Directors of the Company, in 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.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings;
- ii. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

**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. No changes in the composition of the Board of Directors that took place during the period under review.

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

Decisions at the meetings of the Board of Directors were carried through on the basis of unanimously and/or requisite majority. There were no dissenting views by any member of the Board of Directors during the period of under review.

**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, the following events/actions having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards referred to above have taken place etc.

Signature : Sd/-  
 Name of PCS : NIRAJ TRIVEDI  
 FCS No. : 3844  
 C.P. No. : 3123  
 PR : 1014/2020  
 UDIN : F003844F000949228

Place : Vadodara

Date : 12th August, 2024

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

**"Annexure - A"**

To,  
The Members  
M/s. PANCHMAHAL STEEL LIMITED  
(CIN: L27104GJ1972PLC002153)  
GIDC Industrial Estate,  
Kalol - 389 330, Dist. Panchmahals,  
Gujarat.

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. 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. Wherever 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 the Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Vadodara  
Date : 12th August, 2024

Signature : Sd/-  
Name of PCS : NIRAJ TRIVEDI  
FCS No. : 3844  
C. P. No. : 3123  
PR : 1014/2020  
UDIN : F003844F000949228

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

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

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

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

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

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

#### B) Foreign Exchange Earnings and Outgo

(Rs. in Lacs)

	Particulars	2023-24	2022-23
i.	Foreign Exchange Earnings	6111.47	9473.53
ii.	CIF Value of Imports	17531.32	25758.92
iii.	Expenditure in Foreign Currency	61.30	26.28

For and on behalf of the Board of Directors

Place : Vadodara  
Date : 12th August, 2024

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



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

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

	Particulars	
1	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year. *	Mr. Ashok Malhotra, CMD - 75.69:1
2	The % increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manger, if any of the Financial Year. *	Mr. Ashok Malhotra, CMD - 0.12% Mr. Nilesh Shah, CFO - 9.21% Mr. Deepak Nagar, CS - 8.32%
3	The % increase in the median remuneration of employees in the financial year.	0.05% (2.14% in previous year)
4	The number of permanent employees on the roll of the Company.	547 (529 in previous year)
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.	3.80% (7.79% in previous year) There are no exceptional circumstances for increase in the managerial remuneration.
6	The key parameters for any variable component of remuneration availed by the directors.	Not Applicable
7	Affirmation that the remuneration is as per the remuneration policy of the Company.	We affirm that the remuneration paid to the Directors and Key Management Personnel and other employees in accordance with Remuneration Policy of the Company.

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

The information required under provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Annual Report. Having regard to the provisions of Section 134 and Section 136 of the Companies Act, 2013, the Reports and Accounts are being sent to the Members excluding such information. However, the said information is available for inspection by the Members in electronic mode. Shareholders may write to the Company at [shares@panchmahalsteel.co.in](mailto:shares@panchmahalsteel.co.in) in that regard, by mentioning "Request for Inspection" in the subject of the email.

For and on behalf of the Board of Directors

Place : Vadodara  
Date : 12th August, 2024

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

## Report on Corporate Governance

The Board of Directors present the Company's Report on Corporate Governance for the financial year ended 31st March, 2024 as hereunder, in terms of Regulation 34(3) read with Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended.

### 1. Corporate Governance Philosophy

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

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

### 2. Board of Directors

#### Composition of the Board

The Board has an optimum combination of executive and non-executive directors with one woman Director. The Composition of Board is in conformity with Regulation 17(1)(a) & 17(1)(c) 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 and that the Board of Directors of the top 2000 listed entities shall comprise of not less than six directors.

The Directors are eminent industrialists/professionals with optimal mix of knowledge and experience and bring with them the reputation of independent judgement and experience, which they exercise and also satisfy the criteria of independence.

The composition of the Board as at 31st March, 2024 stood as under:

Name of Director	Category	Number of position held in other Companies		
		Directorships*	Committee Chairmanship@	Committee@ Memberships
Mr. Ashok R. Malhotra (DIN : 00120198)	Promoter & Executive Director	1	Nil	Nil
Mr. Amal D. Dhru (DIN: 00165145)	Independent Director	2	Nil	Nil
Mr. Milan P. Shah (DIN: 00012088)	Independent Director	2	Nil	Nil
Ms. Suchita Shah (DIN: 00427169)	Non-Independent Non-Executive Director	1	Nil	Nil
Mr. Samir M. Parikh (DIN: 01646819)	Independent Director	3	Nil	Nil
Mr. Kalpesh J. Parmar (DIN: 00230588)	Non-Independent Non-Executive Director	1	Nil	Nil

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

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

None of the directors is a member of more than ten committees or acting as Chairman of more than five committees across all public companies in which he/ she is a Director as per Regulation 26 of SEBI LODR, 2015. As per declarations received, none of the directors serves as an independent director in more than seven listed companies.

For the purpose of considering limit of the committees on which a director can serve, all public limited companies, whether listed or not have been included, and all other companies including private companies, foreign companies and companies under Section 8 of the Companies Act, 2013 have been excluded. Only Audit Committee and Stakeholders' Relationship Committee are considered for the purpose of reckoning committee positions.

None of the directors holds office as director, including alternate director, in more than twenty companies at the same time.

None of them has directorship in more than ten public companies. For reckoning the limits of public companies, directorship of private companies that are either holding or subsidiary of public companies are included and directorship in dormant companies are excluded.

#### Directorship in other listed companies as on March 31, 2024

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

#### Board Meetings and Attendance of Directors

The Board meeting is conducted at least once in every quarter to consider amongst other businesses, the performance of the Company and Quarterly Financial Results. The Agenda of the business(es) to be transacted at the Board Meeting along with explanatory notes thereof are circulated well in advance to the Board of Directors of the Company. The information supplied by management to the Board of the Company is in accordance with SEBI LODR, 2015 and Companies Act, 2013.

During the year under review, 4 (Four) Board Meetings were held on 20th May, 2023, 14th August, 2023, 11th November, 2023 & 3rd February, 2024. The 50th Annual General Meeting was held on 25th September, 2023 through Video Conferencing (VC). The maximum gap between two Board Meetings was always less than one hundred and twenty days as prescribed under Regulation 17(2) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. 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 held on 25.09.2023
1.	Mr. Ashok R. Malhotra	4	4	Yes
2.	Mr. Amal D. Dhru	4	4	Yes
3.	Mr. Milan P. Shah	4	4	Yes
4.	Ms. Suchita Shah	4	3	Yes
5.	Mr. Samir M. Parikh	4	3	Yes
6.	Mr. KalpeshJ. Parmar	4	4	Yes

#### Independent Directors' Meeting

During the year under review, the Independent Directors met on February 3, 2024, inter-alia, to discuss:

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

All Independent Directors were present at the Meeting.

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

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

**Details of Equity Shares held by Non-Executive/Independent Directors as on 31st March, 2024**

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

**Familiarization Program for Independent Directors**

The Company has formulated a Program for Familiarization of Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the company operates and its business model etc. They are also informed of the important policies of the Company, including the Code of Conduct for Board Members and Senior Management Personnel and the Code of Conduct to Regulate, Monitor and Report Trading in securities by Insiders, etc.

On appointment of an individual as Independent Director, the Company issues a formal Letter of Appointment to the concerned director, setting out in detail, the terms of appointment, duties and responsibilities. Each newly appointed Independent Director is taken through a formal induction & familiarization program. Visits to plant are organized for the new Directors to enable them to understand the business better. The Directors were provided necessary updates and information about the business and compliances during the quarterly Board meeting/s. The Company's Policy of conducting the Familiarization Program has been disclosed on the website of the Company at <http://panchmahalsteel.co.in/policies/Familiarization-Programs-for-Independent-Directors.pdf>.

**Skills/ Expertise/ Competencies of the Board of Directors**

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

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

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

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

Confirmation regarding Independent Directors:

Based on annual declaration of independence received from Independent Directors, all the independent directors of the Company meet the conditions specified in SEBI Listing Regulations 2015 and are independent of the management. In terms of the Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, all Independent Directors of the Company have enrolled themselves on the Independent Directors Databank.

None of the Independent Directors of the Company resigned before the expiry of their respective tenure during FY: 2023-24.

Orderly succession to the Board and Senior Management

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

Review of legal compliance reports

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

Maximum tenure of independent directors

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

**3. COMMITTEES OF THE BOARD**

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

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

- (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 of the Companies Act, 2013 regarding Corporate Social Responsibility are not applicable to the Company. The Company has not constituted Corporate Social Responsibility Committee. The CSR policy duly adopted by the Board of Directors is uploaded on the website of the Company.

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

**(A) Audit Committee**

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

Composition

The Audit Committee of the Company comprises of Four (4) members, 3 of them are Independent Directors. All the members of the Audit Committee are qualified and have insight to interpret and understand financial statements. The Composition of the Committee as at 31st March, 2024 was as under:

Sr. No.	Name of Member	Status	Category
1.	Mr. Amal D. Dhru	Chairman	Non-Executive Independent Director
2.	Mr. Milan P. Shah	Member	Non-Executive Independent Director
3.	Mr. Samir M. Parikh	Member	Non-Executive Independent Director
4.	Mr. Kalpesh J. Parmar	Member	Non-Executive Non-Independent Director

### Terms of Reference

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

The primary objective of the Audit Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Committee oversees the work carried out in the financial reporting process by the Management, the internal auditor, the statutory auditor and the cost auditor and notes the processes and safeguards employed by each of them. The Committee further reviews the processes and controls including compliance with laws, PSL's Code of Conduct and Insider Trading Code, Whistle Blower Policies and related cases thereto. The Committee also reviews matters under the Prevention of Sexual Harassment at Workplace Policy.

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

### Meeting & Attendance during the year

During the year, 4 (four) Audit Committee Meetings were held on 20th May, 2023, 14th August, 2023, 11th November, 2023 & 3rd February, 2024. The Attendance of Members at meetings was as under:

Sr. No.	Name of Member	No. of Meetings	
		Held	Attended
1.	Mr. Amal D. Dhru, Chairman	4	4
2.	Mr. Milan P. Shah, Member	4	4
3.	Mr. Samir M. Parikh, Member	4	3
4.	Mr. Kalpesh J. Parmar, Member	4	4

The Company Secretary functions as the Secretary of the Committee.

As per Regulation 18(1) (d) of the Listing Regulations, the Chairman of the Audit Committee had attended the AGM of the Company held on September 25, 2023 through Video Conferencing.

### **(B) Nomination & Remuneration Committee**

The role, powers and broad terms of reference of the Nomination & Remuneration Committee covers the area as contemplated under Regulation 19 read with Part D of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Section 178 (1) of the Companies Act, 2013.

The purpose of the Nomination and Remuneration Committee ('NRC') is to oversee the Company's nomination process including succession planning for the Senior Management and the Board and specifically to assist the Board in identifying, screening and reviewing individuals qualified to serve as Executive Directors, Non-Executive Directors and determine the role and capabilities required for Independent Directors consistent with the criteria as stated by the Board in its Policy on Appointment and Removal of Directors. The NRC and the Board periodically reviews the succession planning process of the Company and is satisfied that the Company has adequate process for orderly succession of Board Members and Members of the Senior Management. The NRC also assists the Board in discharging its responsibilities relating to compensation of the Company's Executive Directors and Senior Management.

### Composition

The Composition of the Nomination & Remuneration Committee as at 31st March, 2024 was as under:

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



### Meetings and Attendance during the year

During the year under review, 1 (one) meeting of the Nomination & Remuneration Committee were held on 20th May, 2023, 14th August, 2023 and 3rd February, 2024. The attendance of Members at meeting was as under:

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

The Company Secretary functions as the Secretary of the Committee.

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

The previous Annual General Meeting of the Company held on September 25, 2023 through Video Conferencing was duly attended by the Chairman of the Nomination & Remuneration Committee.

### Annual Performance Evaluation

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

The evaluation of the Independent Directors was carried out by the entire Board excluding the independent director being evaluated. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors.

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

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

The Company has formulated Remuneration Policy for implementation by the Committee, which is available on the website under link <http://panchmahalsteel.co.in/policies/Remuneration-Policy-for-Directors-KMP-and-other-Employees.pdf>.

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

#### Non-Executive Directors

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

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

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

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

The details of remuneration of Mr. Ashok Malhotra, Chairman & Managing Director for FY:2023-24 is as under:  
(Rs. In lacs)

Salary & Allowances	147.00
Perquisites	12.06
Contribution to PF & other Funds	12.96
Commission	---
<b>Total</b>	<b>172.02</b>



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

The Company has no stock options plans and hence such instruments do not form part of the remuneration package.

Details of sitting fees paid to the Non-executive Directors during the year and the shares of the Company held by them as on March 31, 2024 is as under: -

(Rs. in lacs)

Sr. No.	Name of Director	Sitting Fee	No. of shares held
1.	Mr. Amal D. Dhru	1.00	-
2.	Mr. Milan P. Shah	1.40	200
3.	Ms. Suchita Shah	0.70	1900
4.	Mr. Samir M. Parikh	0.30	-
5.	Mr. Kalpesh J. Parmar	0.80	-

### (C) Stakeholders Relationship Committee

In compliance with Regulation 20 of SEBI (LODR) and Section 178(5) of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board has constituted the Stakeholders Relationship Committee.

The Stakeholders' Relationship Committee ('SRC') considers and resolves the grievances of our shareholders and other security holders, including complaints relating to non-receipt of annual report, transfer and transmission of securities, non-receipt of dividends/interests, issue of new/duplicate certificates, general meetings and such other grievance as may be raised by the security holders from time to time.

#### Composition

The composition of the Stakeholders Relationship Committee as on 31st March, 2024 was as under:

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

#### Terms of Reference

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

The Committee also reviews matters pursuant to the IEPF Rules.

#### Meetings and Attendance during the year

During the year, 4 Stakeholders Relationship Committee Meetings were held on 20th May, 2023, 14th August, 2023, 11th November, 2023 & 3rd February, 2024. 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.	Ms. Suchita Shah, Member	4	3
3.	Mr. Ashok Malhotra, Member	4	4

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

The Chairman of Stakeholders Relationship Committee had attended the previous annual general meeting to answer queries of the security holders, if any.

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

Details of Shareholders Complaints received and attended during the year 2023-24 were as under:-

Nature of Complaints	As on 1st April, 2023	Received during the year	Redressed during the year	As on 31st March, 2024
From Investors/Shareholders	-	-	-	-
From Stock Exchange/SEBI/DPs	-	-	-	-

#### 4. Risk Management Committee

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

#### 5. Senior Management Personnel

The particulars of Senior Management Personnel (excluding KMPs) and changes therein during the financial year ended 31st March, 2024 are as under:

- Mr. Hanish Malhotra - Appointed as Chief Operating Officer w.e.f. 05.02.2024 (Resigned on 31.05.2024)
- Mr. Rajkumar Kalani, Vice-President (SMS)
- Mr. Ramesh Rathod, Asst. Vice-President (Project & Development)
- Mr. Girish Patel, Asst. Vice-President (QAD)
- Mr. Akshay Sehgal, Asst. Vice-President (HR and Admn.)
- Mr. Rashesh Shah, General Manager (Rolling Mills)

#### 6. General Body Meetings

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

Date	Time	Type of Meeting	Venue
27.09.2021	11.00 a.m.	AGM	Meeting conducted through VC/OAVM pursuant to MCA Circular. Deemed venue of the meeting was Registered Office of the Company i.e. GIDC Industrial Estate, Kalol-389330 Dist. Panchmahals, Gujarat.
23.09.2022	11.00 a.m.	AGM	Meeting conducted through VC/OAVM pursuant to MCA Circular. Deemed venue of the meeting was Registered Office of the Company i.e. GIDC Industrial Estate, Kalol-389330 Dist. Panchmahals, Gujarat.
23.09.2023	11.00 a.m.	AGM	Meeting conducted through VC/OAVM pursuant to MCA Circular. Deemed venue of the meeting was Registered Office of the Company i.e. GIDC Industrial Estate, Kalol-389330 Dist. Panchmahals, Gujarat.

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

No. of AGM	Date & Time of AGM	Description of Special Resolution
48th	27.09.2021 at 11.00 a.m.	i) Approval of alteration of Article of Association of the Company. ii) Approval for Re-appointment and remuneration payable to Mr. Ashok Malhotra as Managing Director of the Company.
49th	23.09.2022 at 11.00 a.m.	--
50th	23.09.2023 at 11.00 a.m.	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, 2024.

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

During the year, following Resolutions were passed through postal ballot ;

## 1. Re-appointment of Mr. Samir Madhusudan Parikh as an Independent Director of the Company

- Details of the Scrutinizer: Mr. Niraj Trivedi, Practicing Company Secretary, Vadodara
- Date of approval of resolution: March 17, 2024
- Date of Scrutinizer report: March 18, 2024
- Type of Resolution: Special Resolution

Total no. of valid votes polled	Total no. of votes -in favour (%)	Total no of votes - against (%)
16308018	100%	----

The Scrutinizer's Report along with details of voting for the above Postal ballots have been posted on the Company's website and can be accessed at <http://panchmahalsteel.co.in/Notices/Postal%20Ballot%20dtd.%2003.02.2024%20-%20Voting%20Results%20&%20Scrutinizers%20Report.pdf>.

## 2. To ratify and accord consent for appointment of Mr. Hanish Ashok Malhotra to hold an office or place of profit in the Company

- Details of the Scrutinizer: Mr. Niraj Trivedi, Practicing Company Secretary, Vadodara
- Date of approval of resolution: March 17, 2024
- Date of Scrutinizer report: March 18, 2024
- Type of Resolution: Ordinary Resolution

Total no. of valid votes polled	Total no. of votes -in favour (%)	Total no of votes - against (%)
2640209	99.9997%	0.0003%

The Scrutinizer's Report along with details of voting for the above Postal ballots have been posted on the Company's website and can be accessed at <http://panchmahalsteel.co.in/Notices/Postal%20Ballot%20dtd.%2003.02.2024%20-%20Voting%20Results%20&%20Scrutinizers%20Report.pdf>.

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

None of the businesses proposed to be transacted at the ensuing 51st Annual General Meeting require passing a resolution through Postal Ballot.

(v) Procedure for Postal Ballot

The Postal Ballot was carried out as per the provisions of Section 108 and 110 and other applicable provisions of the Companies Act, 2013, read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014, as amended, (including any statutory modification or re-enactment thereof for the time being in force), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Secretarial Standards issued by the Institute of Company Secretaries of India on General Meeting ('SS-2') and the relaxations and clarifications issued by Ministry of Corporate Affairs vide General Circular Nos. 14/2020 dated April, 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 8, 2021, 3/2022 dated May 5, 2022, 11/2022 dated December 28, 2022 and 09/2023 dated September 25, 2023, and Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 13, 2023 issued by the Securities and Exchange Board of India.

## 7. Means of Communication

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

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

- No presentations were made to the Institutional Investors or to the analysts during the financial year 2023-24 and no official news were released for the same except routine publication of financial results as aforesaid.

## 8. General Information for Shareholders

(i)	Day, Date, Time & Venue of the 51st Annual General Meeting (AGM)	Friday, the 27th September, 2024 at 11.00 a.m. <u>Venue</u> : The Company will conduct the meeting through VC/ OAVM. The deemed venue of the 51st AGM shall be the Registered Office of the Company.
(ii)	Financial Year of the Company  Tentative Financial Reporting :	The financial year of the Company begins from 1st April every year and ends on 31st March of every subsequent year. UFR for the quarter ending 30.06.2024 : on or before 14th Aug, 2023 UFR for the quarter ending 30.09.2023 : on or before 14th Nov, 2023 UFR for the quarter ending 31.12.2023 : on or before 14th Feb, 2024 UFR for the quarter ending 31.03.2024 : on or before 15th May, 2024 In case Company takes Audited Results : on or before 30th May, 2024 for the whole Financial Year
(iii)	Date of Book Closure	Saturday, the 21st September, 2024 to Friday, the 27th September, 2024 (both days inclusive) for the purpose of AGM.
(iv)	Dividend Payment Date	The Board has not recommend any dividend for financial year 2023-24.
(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 2024-25 to the Stock Exchange.
(vi)	Stock Code	BSE - 513511
(vii)	ISIN for NSDL & CDSL	INE 798F01010
(viii)	CIN	L27104GJ1972PLC002153
(ix)	Registrar & Share Transfer Agent (RTA)	M/s MCS Share Transfer Agent Limited 1st Floor, Neelam Apartment, 88, Sampatrao Colony, Above Chhapanbhog Sweet, Alkapuri, Vadodara-390 007. Tel Nos.: 0265- 2314757, 2350490 Fax No.: 0265-2341639 Email : <a href="mailto:mcsitdbaroda@gmail.com">mcsitdbaroda@gmail.com</a>

### (x) Share Transfer System

The Company has appointed MCS Share Transfer Agent ('MCS'), as its Registrar & share transfer agent for carrying out the work relating to share transfer / dematerialization /re-materialisation of shares and allied activities.

As per Regulation 40 of the Listing Regulations, as amended, securities of listed entities can be transferred only in dematerialized form, with effect from April 1, 2019. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are affected through the Depositories with no involvement of the Company. Any Director of the Company or the Company Secretary is empowered to approve transfers.

Pursuant to SEBI circular dated January 25, 2022, securities of the Company shall be issued in dematerialized form only while processing service requests in relation to issue of duplicate securities certificate, renewal/ exchange of securities certificate, endorsement, sub-division/ splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition. Further, SEBI vide its Circular dated January 25, 2022, clarified that the RTA/ listed company shall verify and process the service requests and thereafter issue a 'Letter of Confirmation' (LOC) in lieu of physical securities certificate(s), to the securities holder/ claimant within 30 days of its receipt of such request after removing objections, if any. The 'Letter of Confirmation' (LOC) shall be valid for a period of 120 days from the date of its issuance, within which the securities holder/ claimant shall make a request to the Depository Participant for dematerializing the said securities.

Such requests are being processed by MCS within the stipulated time period, provided that documents are complete in all respects. The work relating to dematerialization/re-materialisation is handled by MCS through connectivity with National Securities Depository Limited and Central Depository Services (India) Limited.

Shareholders are advised to refer the latest SEBI guidelines/ circular issued for all the holder holding securities in listed companies in physical form from time to time and keep their KYC details updated at all times, to avoid freezing their folio as prescribed by SEBI.

In terms of Regulation 40(9) of the SEBI Listing Regulations, certificates, have been issued by a Company Secretary in Practice, on annual basis, with respect to due compliance of share and security transfer formalities by the Company.

(xi) Unclaimed Dividend and Transfer of shares to IEPF

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

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

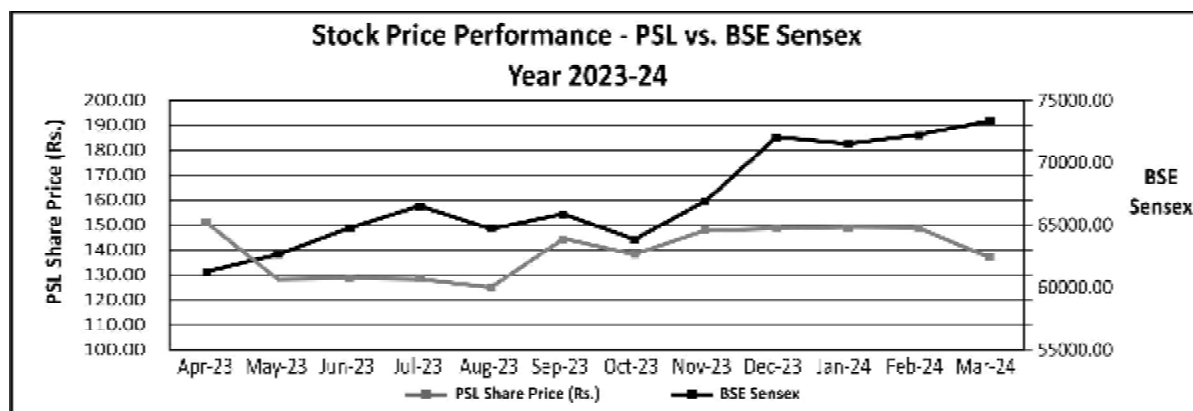
No claim could be made in respect thereof with the Company. The voting rights on the shares transferred to IEPF Authority shall remain frozen till the rightful owner claims the shares. Those shareholders who have not claimed their dividends for the FY 2021-22 are requested to claim the same. The concerned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

(xii) 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, 2023	156.00	132.00	3,88,628
May, 2023	152.00	124.00	1,02,645
June, 2023	140.00	122.05	26,057
July, 2023	141.00	123.10	33,179
August, 2023	129.00	102.60	2,24,802
September, 2023	157.00	120.30	1,68,777
October, 2023	152.00	116.60	52,295
November, 2023	160.00	118.65	1,79,853
December, 2023	169.90	138.45	1,30,683
January, 2024	164.90	142.20	1,26,991
February, 2024	166.00	140.00	97,171
March, 2024	164.00	137.30	2,27,115

(xiii) Share Price performance in comparison to broad based indices - BSE Sensex



(xiv) Distribution of Shareholding as at 31.03.2024

No. of Equity Shares held	Shareholders		Shares	
	Number	% to Total Shareholders	Number	% to Total Capital
1-500	2834	92.43	294577	1.54
501-1000	115	3.75	94494	0.50
1001-2000	48	1.57	70774	0.37
2001-3000	12	0.39	30442	0.16
3001-4000	6	0.20	21205	0.11
4001-5000	4	0.13	18451	0.10
5001-10000	14	0.55	94928	0.50
10001 & above	30	0.98	18453458	96.72
<b>Total</b>	<b>3063</b>	<b>100.00</b>	<b>19078329</b>	<b>100.00</b>

(xv) Category of Shareholding as at 31.03.2024

Category	Number of Shareholders	Shares	
		Number	% to Total Capital
Promoter & Promoter Group	6	14289879	74.90
<u>Institutional Investors:</u>			
- Banks, Financial Institutions,	2	750429	3.93
- Government - IEPF Authority	1	97810	0.51
<u>Non-Institutional Investors:</u>			
- Bodies Corporate	26	900347	4.72
- Non Resident Indians	23	5527	0.03
- HUF	48	84613	0.44
- Public	2957	2949724	15.47
<b>Total</b>	<b>3063</b>	<b>19078329</b>	<b>100.00</b>

(xvi) Dematerialisation of Shares

The Equity Shares of the Company are compulsorily traded in dematerialized form. The Company has established connectivity with both the depositories - NSDL and CDSL for dematerialization of shares and the same are available in electronic segment under ISIN INE798F01010. As on March 31, 2024, total 1,90,01,026 Equity Shares of the Company representing 99.59% of the Share Capital were in electronic form.

	Shares	% to Total Issued Capital
No. of Shares held in dematerialized form in NSDL	1,49,43,395	78.33
No. of Shares held in dematerialized form in CDSL	40,57,631	21.27
No. of Shares held in physical form	77,303	0.40
<b>Total</b>	<b>1,90,78,329</b>	<b>100.00</b>

As per Notification issued by SEBI with effect from July 24, 2000, the trading in the Equity Shares of the Company is permitted only in dematerialized form. The Company has entered into agreements, with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through M/s MCS ShareTransfer Agent Limited to facilitate the members to demat their shares with any of the depositories.

**Furnishing of PAN, KYC details and Nomination by holders of physical securities:**

As a part of its ongoing measures to protect the interest of the investors in the Securities Market, Securities and



Exchange Board of India (SEBI), vide its Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 has specified common and simplified norms for furnishing PAN, KYC details and nomination, in supersession of earlier circulars issued.

SEBI, vide aforesaid circular, also specified the formats for physical shareholders for raising the requests with regard to registration or changes / updation of PAN, KYC, nomination and also for banker's attestation of the signature of the shareholder in the event of major mismatch in the signature of the shareholder.

It has been made mandatory for all holders of physical shares to furnish / update the PAN, Nomination, Contact details, Bank account details and specimen signature with the Company's RTA.

Please note that - The RTAs shall not process any service requests or complaints received from the holder(s) / claimant(s), till valid PAN, KYC and Nomination documents/details are received. The required forms can be downloaded from the Company's website at link [http:// panchmahalsteel.co.in/other\\_disclosures.html#0](http://panchmahalsteel.co.in/other_disclosures.html#0)

#### Suspense Escrow Demat Account

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

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

(xviii) Commodity Price Risk or Foreign Exchange Risk & Hedging Activities

The Company faces commodity price risks such as foreign currency fluctuations, volatility in product/ raw-material prices etc. The Company has no hedging activities for commodities.

During the year 2023-24, the Company has done hedging for repayment of Stand By Letter of Credit (SBLC).

(xix) Plant Location

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

(xx) Address for Correspondence

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

Panchmahal Steel Limited Landmark, 7th Floor, Race Course Circle, Vadodara-390007. Tel Nos.: 0265- 2317777 Fax No.: 0265-2317705 E-mail: <a href="mailto:shares@panchmahalsteel.co.in">shares@panchmahalsteel.co.in</a>	M/s MCS Share Transfer Agent Limited 1st Floor, Neelam Apartment, 88, Sampatrao Colony, Above Chappanbhog Sweets, Alkapuri, Vadodara-390 007. Tel Nos.: 0265-2314757,2350490 Fax No.: 0265-2341639 Email: <a href="mailto:mcsltdbaroda@gmail.com">mcsltdbaroda@gmail.com</a>
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To serve the investors better and as required under Regulation 46(2)(j) of the SEBI Listing Regulations, the designated e-mail address for investor complaints is [shares@panchmahalsteel.co.in](mailto:shares@panchmahalsteel.co.in). The e-mail address for grievance redressal is monitored by the Company's Compliance Officer.

(xxi) Credit Rating

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

However, for the working capital facilities that the Company utilizes from its banker, a general credit rating has been obtained by the Company. Accordingly, Rating Agency viz., India Ratings & Research (Ind-RA) has assigned the rating on the Bank facilities of the Company as follows:

Instrument Type	Size of Issue (million)	Rating/Outlook
Fund-based working capital limit	INR 900.00	INDBBB/Stable/INDA3+
Non-fund-based working capital limit	INR1320.00	INDA3+



## 9. Other Disclosures:

### (a) Related Party Disclosures:

During the financial year 2023-24, there were no materially significant transactions with related party i.e. transactions of the Company of material nature with its Promoters, Directors or the management, their subsidiaries, associates companies or relatives etc. which may have potential conflict with the interests of the Company at large. The details of Related Party Transactions are disclosed in Note No. 34 forming part of the Financial Statements for the year ended 31.03.2024. The Policy on Related Party Transactions is posted on the website of the Company on following web link <http://panchmahalsteel.co.in/policies/Related-Party-Transaction-Policy.pdf>

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

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

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

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

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

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

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

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

(e) The Company is not having any 'material subsidiary' Company.

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

### (g) Secretarial Compliance Report

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019 read with Regulation 24(A) of the Listing Regulations, directed listed entities to conduct Annual Secretarial Compliance Audit from a Practicing Company Secretary of all applicable SEBI Regulations and circulars/guidelines issued thereunder. The Company has obtained and filed the Annual Secretarial Compliance Report for the Financial Year ended March 31, 2024 with the Stock Exchange within the stipulated time.

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

(h) Certificate on non-disqualification of Directors

A Certificate as required under Regulation 34(3) and Part C of Schedule V of Listing Regulations has been obtained from Mr. Niraj Trivedi (CP No. 3123), Practicing Company Secretary certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority is forming part of this Annual Report.

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

(j) The details of total fee paid during the F.Y.2023-24 for all the services rendered by the statutory auditors to the Company and all entities in the network firm / network entity of which the Statutory Auditor is a part, are stated below : (Rs. in lacs)

Firm Name	Nature of Service	Total Fee
M/s. CNK & Associates LLP Chartered Accountants, Vadodara	Audit, Limited Review & Certification	9.22
	Reimbursement of Expense	0.00
	Total	9.22

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

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

(l) Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) of Para C, with reasons:- N.A.

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

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

(ii) Audit Qualification - There has been no audit qualification/modified opinions in the audit report by the Auditors for the financial year 2023-24.

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

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

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

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

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

The Company has adopted a Code of Conduct to Regulate, Monitor and Report trading by Designated Persons (Insider Trading Code) under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (SEBI Insider Trading Regulations) as a mended from time to time.

In accordance with the said a mendments to the SEBI Insider Trading Regulations, the revised code of Conduct to Regulate, Monitor and Report trading by Designated Persons; Code of Conduct for Prohibition of Insider Trading and the code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive

Information (UPSI) were approved and adopted by the Board of Directors of the Company, duly affecting the changes / amendments made under SEBI (Prohibition of Insider Trading) Regulations, 2015.

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

#### 10. CEO/CFO Certificate

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

#### 11. Management Discussion and Analysis Report

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

#### 12. Certificate on Corporate Governance

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

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#### Declaration by the Chairman & Managing Director

To,  
The Members of  
Panchmahal Steel Limited

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

I hereby declare that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct as applicable to them in respect of the financial year 2023-24.

Place : Vadodara  
Date : 12th August, 2024

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

**CERTIFICATE ON CORPORATE GOVERNANCE**

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

To,

The Members of

**Panchmahal Steel Limited**

(CIN: L27104GJ1972PLC002153)

GIDC Industrial Estate, Kalol - 389 330,

Dist. Panchmahal, Gujarat.

Dear Sir / Madam,

I have examined the compliance of the conditions of Corporate Governance by Panchmahal Steel Limited, ("the Company") CIN: L27104GJ1972PLC002153, having Registered Office at GIDC Industrial Estate, Kalol - 389 330, Dist.: Panchmahal, Gujarat (hereinafter referred to as "the Company"), for the Financial Year ended on 31st March, 2024, as stipulated in Regulation 17 to 27 and clause (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, collectively referred to as "SEBI Listing Regulations, 2015".

In my opinion and to the best of my information and according to the explanations given to us, and representations made by the management, I certify that the Company, to the extent applicable, has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of Listing Regulations for the year ended on March 31, 2024.

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

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

Sd/-  
NIRAJ TRIVEDI  
Practicing Company Secretary  
C. P. No.: 3123  
P. R. NO.: 1014/2020  
UDIN: F003844F000949800

Date :12th August, 2024

Place : Vadodara

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

Dear Sir / Madam,

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

In my opinion and to the best of my information and according to the verifications (Including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company and its officers, i hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023, have been debarred or disqualified from being appointed or continuing as the Directors of the Companies, by the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA) or any such other Statutory Authority:-

Sr. No.	Name of Directors	DIN	Date of Appointment in Company
1	Mr. Amal Dattkumar Dhru	00165145	30/01/2004
2	Mr. Milan Pravinchandra Shah	00012088	01/09/2006
3	Mr. Ashok Ramlubhaya Malhotra	00120198	14/11/2014#
4	Ms. Suchita Bhavik Shah	00427169	31/03/2015
5	Mr. Samir Madhusudan Parikh	01646819	04/02/2019
6	Mr. Kalpesh Janaksinh Parmar	00230588	14/02/2020

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

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

Sd/-  
NIRAJ TRIVEDI  
Practicing Company Secretary  
C. P. No.: 3123  
P. R. NO.: 1014/2020  
UDIN: F0003844F000949250

Date :12th August, 2024  
Place : Vadodara

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

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

We have reviewed the attached Financial Statements and the Cash Flow Statement of PANCHMAHAL STEEL LIMITED for the year ended 31st March 2024, and certify that:

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

Place : Vadodara  
Date : 11th May, 2024

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

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

## Management Discussion and Analysis Report

### Industry Structure, Developments

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

### Performance

The Company recorded total income of Rs.431.86 crores as compared to Rs.490.05 crores in the previous year. The Company achieved a Profit after Tax for the year of Rs.2.97 crores as against Rs.1.38 crores in the previous year.

### Opportunities, Threats, Risk & Concerns

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

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

Risk is inherent in every business. The steel industry is deeply connected to the global economy. Changes in the demand and supply scenario can cause disruptions in the global markets. Volatility in the raw materials prices can also be cause for concern. However, the Company is capable of responding to the changing situations appropriately.

### Outlook for the year 2024-25

The year was marked with challenges and uncertainties on account of geopolitical tensions and global economic slowdown. The industry experienced volatility on account of fluctuations in raw-material costs and supply demand dynamics. The crisis in the Red Sea created logistical challenges resulting in increased costs and loss of business.

However, looking forward, we are hopeful of improved performances on account of general economic recovery and more particularly the growth of the India Economy triggered by Government policies of investments in infrastructure, Railways, Housing etc. The Government policy of promoting the MSME sector will also generate demand of Company's products.

The Company continues to focus on value added products and customer satisfaction.

Your Company remains optimistic of the long-term future and is well poised to meet the growing demand for quality products in the ever growing quality conscious business environment.

### Changes in Key Financial Ratios

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

Name of Ratio	F.Y. 2023-24	F.Y. 2022-23	Change %	Reason for variation
Current Ratio (No. of times)	2.39	1.62	47.46%	On account of reduction in bank borrowing & Trade payables.
Debt-Equity Ratio (No. of times)	0.25	0.50	-48.81%	On account of reduction in Bank Borrowing.
Debt Service Coverage Ratio (No. of times)	2.52	2.71	-6.78%	NA
Return on Equity	1.91%	0.88%	117.55%	On account of increase in margin and decrease in administrative expenses.



Inventory Turnover Ratio (No. of times)	3.12	3.05	2.34%	NA
Trade Receivable Turnover Ratio (No. of times)	10.00	11.41	-12.36%	NA
Trade Payable Turnover Ratio (No. of times)	9.74	6.17	57.92%	On account of payment to the Trade payable.
Net Capital Turnover Ratio (No. of times)	4.43	5.91	-24.98%	NA
Net Profit Ratio	0.69%	0.28%	144.45%	On account of increase in margin and decrease in Administrative expenses.
Return on Capital Employed	5.31%	3.22%	65.01%	On account of increase in operating profit and decrease in administrative expenses and reduction in borrowing.

#### Internal Control Systems

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

#### Human Resources

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

For and on behalf of the Board of Directors

Place : Vadodara  
Date : 12th August, 2024

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

## INDEPENDENT AUDITOR'S REPORT

To

The Members of  
PANCHMAHAL STEEL LIMITED

Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of **PANCHMAHAL STEEL LIMITED** ("the Company"), which comprises the Balance Sheet as at 31st March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of material accounting policies and other explanatory information (herein after referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2024, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

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

Sr. No.	Key Audit Matter	How the matter was addressed in our audit:
1.	<p><b>Evaluation of uncertain tax positions and litigations</b></p> <p>The company has on-going legal matters relating to direct tax, Indirect tax and other matters which requires significant management judgement to determine the likely outcome.</p> <p>Refer Note 30 (i)(a) and (b) to the Financial Statements.</p>	<p>In assessing the potential exposure of the on-going litigation, we have performed the following procedures:</p> <ul style="list-style-type: none"> <li>• Obtaining from the management details of all completed / pending tax assessments and other litigations up to 31st March 2024;</li> <li>• Understanding the status of pending tax demands and potential liability for the other pending litigations;</li> <li>• Involved our internal tax teams and discussing with the company's legal advisors to confirm the management's underlying assumptions and judgement for determining the potential liability and provisions and the possible outcome of the litigation.</li> </ul>

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

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

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

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

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

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

In preparing the financial statements, the management and board of directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also

responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

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

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

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

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

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer 30 (i)(a) and (b) to the financial statements.
  - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March 2024.
  - iv. i. The Management has represented that , to the best of its knowledge and belief, as disclosed in note no. 40(c)(v) to the accounts , no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - ii. The Management has represented that , to the best of it's knowledge and belief, as disclosed in note no. 40(c)(vi) to the accounts, that no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - iii. Based on such audit procedures performed that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.
  - v. The company has not declared or paid any Dividend during the year.
  - vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with. Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.

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

Place : Vadodara  
Date : 11th May, 2024

(Pareen Shah)  
Partner  
Membership No. 125011  
UDIN: 24125011BKEQVP8230

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

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

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

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

(Rs. in lakhs)

SN	Description of item of property	Gross carrying value as on 31.03.24	Title deeds held in the name of	Title deed holder	Property held since which date	Reason for not being held in the name of the company**
1	Land at Plot No-42 - Charotar CHSL	1.68	Late. Mr. Ramlubhaya Malhotra	Promoter	20/01/1984	As per by laws of the society, Corporate cannot become member so properties are in the name of promoter/relative of promoter.
2	Land at Plot No-43 - Charotar CHSL	1.71	Mr. Ashok R. Malhotra	Promoter	20/01/1984	
3	Land at Plot No-44 - Charotar CHSL	3.00	Mr. Ravi R. Malhotra	Relative of Promoter	23/10/1986	
4	Land at Plot Nos. C-1/B-102	2.21	M/S. Precision Engineering Company	-	11/04/2007	Company has executed MOU and agreement to sale with the seller. Company has paid total consideration and taken possession from seller. Sale deed could not be executed.

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



in which they are interested in respect of which provision of section 185 are applicable and hence not commented upon. Further, in our opinion and according to information and explanation given to us, provision of section 186 in respect of loans and advances given and investment made have been complied with by the Company. There are no guarantees and securities given in respect of which provision of section 186 of the Act are applicable and hence not commented upon;

- (v) The company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and other relevant provisions of the Act and rules made thereunder;
- (vi) We have broadly reviewed the cost records maintained by the Company as prescribed by the Central Government under sub section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been made and maintained by the company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete;
- (vii) (a) In our opinion, the company is generally regular in depositing undisputed statutory dues including Goods and Service tax, provident fund, employee state insurance, income-tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues as applicable to the appropriate authorities except payment of Advance Income Taxes as follow

Nature of Taxes	Amount due	Period of delay	Other remarks
Advance	24.38 lakhs	198 days	The company has paid the taxes as on the date of signing of the financial statement
Income Tax	26.25 lakhs	105 days	
	21.88 lakhs	15 days	

Further, there were no undisputed amounts payable with respect to above statutory dues in arrears as at March 31, 2024 for a period of six months from the date they became payable except Income tax amounting to Rs. 24.38 lakhs.

- (b) According to the information and explanations given to us and the records examined by us, the particulars of statutory dues as at March 31, 2024 which have not been deposited on account of a dispute are as follows:

Name of the Statute	Nature of dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Custom Act, 1962	Custom Duty (including penalty)	40.74	2014 to 2015	CESTAT, Mumbai
Central Excise Act, 1944	Excise Duty (including penalty)	92.67	2005 to 2015	CESTAT, Ahmedabad
Income Tax Act, 1961	Income Tax (including penalty)	1.64	2009-10	High Court of Gujarat/ CIT(Appeals) Faceless New Delhi / ITAT Ahmedabad
Income Tax Act, 1961	Income Tax (including penalty)	1217.94	2010-11	
Goods & Service Tax Act, 2017	Goods & Service Tax	100.65	2017-18	CESTAT, Ahmedabad

Note: - Amounts paid under protest and not charged to profit and loss statement have not been included above.

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



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

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

Place : Vadodara  
Date : 11th May, 2024

(Pareen Shah)  
Partner  
Membership No. 125011  
UDIN: 24125011BKEQVP8230

## **Annexure-B to the Independent Auditor's Report**

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

We have audited the internal financial controls over financial reporting of PANCHMAHAL STEEL LIMITED ("the Company") as of 31st March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of internal financial controls with reference to financial statements of the company that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

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

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

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an internal financial controls with reference to financial statements of the company and such internal financial controls over financial reporting were operating effectively as at 31st March 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place : Vadodara  
Date : 11th May, 2024

(Pareen Shah)  
Partner  
Membership No. 125011  
UDIN: 24125011BKEQVP8230

**BALANCE SHEET AS AT 31ST MARCH, 2024**

(Rupees in Lakhs)

Particulars	Note No.	As at 31st March 2024	As at 31st March 2023
<b>I. ASSETS</b>			
<b>Non-Current Assets</b>			
a. Property, Plant and Equipment	3	6,511.66	7,115.07
b. Capital work-in-progress	3	13.28	58.45
c. Financial Assets			
i) Investments	4	0.02	0.02
ii) Other Financial Assets	5	1.48	32.17
d. Other Non-Current Assets	6	325.65	740.31
<b>Total Non-Current Assets</b>		<b>6852.09</b>	<b>7,946.02</b>
<b>Current Assets</b>			
a. Inventories	7	11,930.34	15,479.59
b. Financial Assets			
i) Trade Receivables	8	4,106.01	4,449.46
ii) Cash and Cash Equivalents	9	3.77	2.12
iii) Bank Balances other than (ii) above	10	221.60	738.72
iv) Other Financial Assets	11	7.65	21.95
c. Other Current Assets	12	313.23	889.99
<b>Total Current Assets</b>		<b>16,582.60</b>	<b>21,581.83</b>
<b>TOTAL ASSETS</b>		<b>23,434.69</b>	<b>29,527.85</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a. Equity Share Capital	13	1,907.83	1,907.83
b. Other Equity	14	13,781.06	13,475.47
<b>Total Equity</b>		<b>15,688.89</b>	<b>15,383.31</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
a. Provisions	15	78.95	78.80
b. Deferred tax Liabilities(net)	16	729.53	752.13
<b>Total Non-Current Liabilities</b>		<b>808.48</b>	<b>830.93</b>
<b>Current Liabilities</b>			
a. Financial Liabilities			
i) Borrowings	17	3,990.10	7,643.56
ii) Trade Payables	18		
a) Total Outstanding dues of Micro Enterprises and Small "Enterprises"		61.81	122.75
b) Total Outstanding Dues other than Micro and Small enterprises		2,174.18	4,945.79
iii) Other Financial Liabilities	19	100.20	144.93
b. Other Current Liabilities	20	447.09	322.42
c. Provisions	21	80.06	134.16
d. Current Tax Liabilities (net)		83.86	-
<b>Total Current Liabilities</b>		<b>6,937.32</b>	<b>13,313.61</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>23,434.69</b>	<b>29,527.85</b>

See accompanying notes forming part of the financial statements.

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

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

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

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

**Pareen Shah**  
Partner  
Membership No. 125011  
Vadodara, 11th May, 2024

**Nilesh Shah**  
Chief Financial Officer

**Deepak Nagar**  
GM (Legal) & Company Secretary  
Vadodara, 11th May, 2024

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024**

(Rupees in Lakhs)

Particulars	Note No.	For the year ended 31st March, 2024	For the year ended 31st March, 2023
I. Revenue from Operations	22	42,761.54	48,864.10
II. Other Income	23	424.60	140.53
III. Total Income (I + II)		43,186.14	49,004.63
IV. Expenses:			
Cost of Materials Consumed	24	29,234.89	34,109.94
Change in Inventory of Finished Goods	25	1,422.37	2,156.15
Employee Benefits Expenses	26	2,178.56	2,155.19
Finance Costs	27	794.34	707.92
Depreciation and Amortization Expenses	3	809.19	796.01
Other Expenses	28	8,354.91	8,889.46
Total Expenses		42,794.26	48,814.67
V. Profit before Tax (III- IV)		391.88	189.96
VI. Tax Expense:			
Current Tax		132.24	94.23
Deferred Tax	29	(25.51)	(39.39)
Income Tax Earlier Years		(11.77)	(2.71)
		94.96	52.13
VII. Profit for the year (V-VI)		296.92	137.83
VIII. Other Comprehensive Income			
(i) Items that will not be reclassified to Profit or Loss			
- Remeasurement of Defined Benefit Plans		11.57	16.72
Income tax relating to items that will not be reclassified to Profit or Loss			
- Remeasurement of Defined benefit plans		(2.91)	(4.21)
Total Other Comprehensive Income		8.66	12.51
IX. Total Comprehensive Income for the period (VII+VIII)		305.58	150.34
X. Earnings per Equity Share	32		
(1) Basic		1.56	0.72
(2) Diluted		1.56	0.72

See accompanying notes forming part of the financial statements.

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

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Vadodara, 11th May, 2024

**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2024**

(Rs. in lacs)

PARTICULARS	For the Year ended 31.03.2024	For the Year ended 31.03.2023
<b>A. Cash Flow from Operating Activities</b>		
Profit before Tax :	391.88	189.96
Adjustments for :		
Depreciation and Amortization Expenses	809.19	796.01
Finance Cost	794.34	707.92
Loss/(Profit) on sale/disposal of Property,Plant and Equipment	(0.17)	0.58
Interest Income	(90.71)	(46.92)
Reversal for provision of Doubtful Debt	(52.24)	-
Provision of Doubtful debt	-	6.36
Net Unrealised Foreign Exchange (gain)/Loss	(4.83)	77.40
<b>Operating Profit before Working Capital Changes :</b>	<b>1,847.45</b>	<b>1,731.30</b>
Adjustments for (Increase) / Decrease in Operating Assets :		
Inventories	3,549.25	1,095.00
Trade Receivables	398.39	(366.46)
Other Current Assets	588.33	(554.28)
Other Financial Assets	-	(0.07)
Other Non Current Assets	116.41	(0.14)
Adjustments for Increase / (Decrease) in Operating Liabilities :		
Trade Payables	(2,830.41)	(4,206.36)
Other Financial Liabilities	(32.13)	59.77
Other Current Liabilities	124.67	(401.10)
Provisions	(53.95)	(14.00)
<b>Cash generated from Operation</b>	<b>3,708.01</b>	<b>(2,656.33)</b>
Direct Taxes (Payment) / Refund	261.65	(355.06)
<b>Net Cash From Operating Activities</b> ...A	<b>3,969.66</b>	<b>(3,011.38)</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Property,Plant and Equipment	(169.97)	(662.86)
Sale / disposal of Property,Plant and Equipment	9.54	6.72
Bank Deposits	547.81	(32.89)
Interest Received	105.02	42.90
<b>Net Cash (used in) / from Investing Activities</b> ...B	<b>492.40</b>	<b>(646.13)</b>
<b>C. Cash Flow from Financing Activities</b>		
Net Increase / (Decrease) in Short Term Borrowing (Net)	(3,653.46)	4,822.43
Finance Cost	(806.93)	(707.92)
Dividend Payment	-	(763.13)
<b>Net Cash (used in)/ from Financing Activities</b> ...C	<b>(4,460.39)</b>	<b>3,351.38</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b> (A+B+C)	<b>1.65</b>	<b>(306.13)</b>
<b>Cash and Cash Equivalents at the beginning of the year :</b>		
Cash on Hand	2.10	2.25
Balance with Banks in Current Account	0.01	305.68
Exchange gain/loss on Foreign Currency (*)	-	0.32
<b>Cash and Cash Equivalents as per Note 9</b>	<b>2.12</b>	<b>308.25</b>
<b>Cash and Cash equivalents at the closing of the year :</b>		
Cash on Hand	1.23	2.10
Balance with Banks in Current Account	2.54	0.01
Exchange gain/loss on Foreign Currency (*)	-	-
<b>Cash and Cash Equivalents as per Note 9</b>	<b>3.77</b>	<b>2.12</b>
<b>Net Increase/(Decrease) as disclosed above</b>	<b>1.65</b>	<b>(306.13)</b>

For and on behalf of the Board of Directors  
Panchmahal Steel LimitedAs per our Report of even date.  
For CNK & Associates LLP.  
Chartered Accountants  
Firm Reg. No. 101961W/W-100036**Kalpesh Parmar**  
Director  
(DIN: 00230588)**Ashok Malhotra**  
Chairman & Managing Director  
(DIN: 00120198)**Pareen Shah**  
Partner  
Membership No. 125011  
Vadodara, 11th May, 2024**Nilesh Shah**  
Chief Financial Officer**Deepak Nagar**  
GM (Legal) & Company Secretary  
Vadodara, 11th May, 2024

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2024**
**A. EQUITY SHARE CAPITAL**

(Rupees in Lakhs)

Particulars	Note No.	Amount
Balance as at the 1st April, 2022		1,907.83
Changes in Equity Share Capital during the year	13	-
Balance as at the 31st March, 2023		1,907.83
Changes in Equity Share Capital during the year	13	-
Balance as at the 31st March, 2024		1,907.83

**B. OTHER EQUITY**

(Rupees in Lakhs)

Particulars	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Total Other Equity
As at April 1, 2022	175.71	7,712.71	300.00	5,899.84	14,088.27
Addition during the year	-	-	-	-	-
Profit for the year	-	-	-	137.83	137.83
Remeasurements of post-employment benefit obligation, net of tax	-	-	-	12.51	12.51
Dividend paid for the year March , 2022	-	-	-	(763.13)	(763.13)
Balance as at March 31, 2023	175.71	7,712.71	300.00	5,287.04	13,475.48
As at April 1, 2023	175.71	7,712.71	300.00	5,287.06	13,475.48
Addition during the year	-	-	-	-	-
Profit for the year	-	-	-	296.92	296.92
Remeasurements of post-employment benefit obligation, net of tax	-	-	-	8.65	8.65
Dividend	-	-	-	-	-
Balance as at March 31, 2024	175.71	7,712.71	300.00	5,592.62	13,781.05

See accompanying notes forming part of the financial statement

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

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

**Pareen Shah**  
Partner  
Membership No. 125011  
Vadodara, 11th May, 2024

**Kalpesh Parmar**  
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(DIN: 00230588)

**Nilesh Shah**  
Chief Financial Officer

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

**Deepak Nagar**  
GM (Legal) & Company Secretary  
Vadodara, 11th May, 2024



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

### COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES:

#### 1. Corporate Information:

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

The financial statements are approved by the Company's Board of Directors on 11th May, 2024.

#### 2.1 Statement of compliance

The Company has prepared financial statements for the year ended March 31, 2024 in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) together with the comparative period data as at and for the year ended March 31, 2024.

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

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards as prescribed under Section 133 of the Act to be read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The financial statements for the year ended 31st March 2024 are prepared in accordance with Ind AS.

#### 2.3 Composition of Financial Statements

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

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

#### 2.4 Material Accounting Policies

##### A. Key Accounting Estimates, Assumptions and Management Judgments:

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

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

##### B. Historical cost convention:

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

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

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

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

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

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

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

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

- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

**A liability is current when:**

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

All other liabilities are classified as non-current.

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

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

**Recognition and measurement**

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

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

**Subsequent Expenditure**

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

**Depreciation**

Depreciation 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.

**De-Recognition**

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

**Capital Work-in-Progress**

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

**F. Impairment of Assets:**

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

**G. Inventories:**

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

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

**H. Trade receivables:**

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

**I. Financial instruments:**

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

**i) Financial Assets:**
**Initial recognition and measurement**

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

**Subsequent measurement**

For the purpose of subsequent measurement, financial assets are classified in three categories:

**a) Amortized Cost:**

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

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

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

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

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

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

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

**d) De-recognition**

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

**e) Impairment**

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

**ii) Financial Liabilities:**

**Initial recognition and measurement**

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

**Subsequent measurement**

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

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

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

**b) Amortized Cost:**

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

**c) De-recognition :**

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

**J. Cash and Cash equivalents:**

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**Cash Flow Statement:**

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

**K. Foreign Currencies:**

**Initial Recognition**

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

**Conversion**

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

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

**L. Revenue Recognition:**

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

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

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

**Sale of Goods**

With regard to sale of goods revenue is recognized when significant control connected with the ownership have been transferred to the Customers. This usually occurs upon dispatch after the price has been determined. The company does not provide any extended warranties or maintenance contract to its customers. Sales are stated net of returns, trade discounts, and other applicable taxes or duties collected on behalf of the government.

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

**M. Other Income:**

**Interest Income**

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

**Export Incentives**

Export incentives available under prevalent schemes are recognized as income in the year of exports and when there is reasonable assurance that the Company will comply with the conditions and the incentives will be received.

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

**N. Employee Benefits:**

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

**Contribution towards defined benefit contribution schemes**

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

**Defined Benefit Obligation Plans:**

**Gratuity**

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

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

The service cost and the net interest cost are charged to the Statement of Profit and Loss. Actuarial gains

and losses arise due to re-measurement as result of the actual experience and the assumed parameters and changes in the assumptions used for valuation are recognized in the Other Comprehensive Income (OCI).

#### **Compensated absences**

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

#### **O. Borrowing Costs:**

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

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

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

#### **P. Taxation:**

##### **Current Income Tax**

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

##### **Deferred Tax**

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

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

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

##### **Provisions:**

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

##### **Contingent Liabilities:**

Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by the future events not wholly within the control of the company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable

estimate of the amount of the obligation cannot be made.

**Contingent Assets:**

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

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

**R. Earnings Per Share:**

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

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

**2.5. Recent pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**
**NOTE NO. : 3**
**Property, Plant and Equipment :**

(Rupees in Lakhs)

Particular	Land-Lease Hold	Land-Free Hold	Factory Building	Other Building	Plant & Equipments	Furniture & Fixtures	Office Equipments	EDP Equipments	Vehicles	Total
Gross Carrying Amount As at 01-04-2023	91.65	40.79	107.77	436.68	11,104.23	38.92	60.92	165.56	272.28	12,318.79
Additions	-	-	19.54	-	180.32	-	1.80	12.48	1.00	215.14
Disposals	-	-	-	-	9.50	-	-	-	0.50	10.00
Transfer to asset held for disposal	-	-	-	-	-	-	-	-	-	-
Gross Carrying Amount As at 31-03-2024	91.65	40.79	127.32	436.68	11,275.05	38.92	62.72	178.04	272.78	12,523.93
Accumulated Depreciation As at 01-04-2023	10.09	-	78.85	63.29	4,849.35	24.60	41.47	116.92	19.08	5,203.65
Depreciation charge for the year	1.44	-	5.19	9.04	720.56	3.29	4.39	16.03	36.07	796.01
On Disposals	-	-	-	-	-	-	0.67	-	58.17	58.84
Closing Accumulated Depreciation As at 31-03-2024	11.53	-	84.43	72.33	5,583.58	27.28	45.34	133.01	54.72	6,012.22
Net Carrying Amount:										
As at 31-03-2024	80.12	40.79	42.87	364.34	5,691.45	11.64	17.37	45.03	218.07	6,511.66
As at 31-03-2023	81.56	40.79	28.91	373.39	6,254.86	14.32	19.44	48.64	253.18	7,115.07
Particulars	Land-Lease Hold	Land-Free Hold	Factory Building	Other Building	Plant & Equipments	Furniture & Fixtures	Office Equipments	EDP Equipments	Vehicles	Total
Gross Carrying Amount As at 01-04-2022	91.65	40.79	107.77	436.68	10,504.36	38.92	58.50	164.41	337.44	11,780.53
Additions	-	-	-	-	599.87	-	3.39	1.15	-	604.41
Disposals	-	-	-	-	-	-	0.97	-	65.16	66.13
Transfer to asset held for disposal	-	-	-	-	-	-	-	-	-	-
Gross Carrying Amount As at 31-03-2023	91.65	40.79	107.77	436.68	11,104.23	38.92	60.92	165.56	272.28	12,318.79
Accumulated Depreciation As at 01-04-2022	8.65	-	73.66	54.25	4,128.79	21.31	37.75	100.89	41.18	4,466.48
Depreciation charge for the year	1.44	-	5.19	9.04	720.56	3.29	4.39	16.03	36.07	796.01
On Disposals	-	-	-	-	-	-	0.67	-	58.17	58.84
Closing Accumulated Depreciation As at 31-03-2023	10.09	-	78.85	63.29	4,849.35	24.60	41.47	116.92	19.08	5,203.67
Net Carrying Amount:										
As at 31-03-2023	81.56	40.79	28.91	373.39	6,254.86	14.32	19.44	48.64	253.18	7,115.07
As at 31-03-2022	83.00	40.79	34.11	382.44	6,375.57	17.61	20.75	63.52	296.25	7,314.03

**Capital Work-in-Progress**

(Rs. in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Capital Work in Progress	13.28	58.45

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

Capital Work-In-Progress	Amount in CWIP / Intangible Assets under development for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Year	
As at 31st March 2024 Projects in Progress	13.28	-	-	-	13.28
As at 31st March 2023 Projects in Progress	58.45	-	-	-	58.45

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(Rupees in Lakhs)

Particulars		As at 31st March 2024		As at 31st March 2023
<b>NOTE NO. : 4 : INVESTMENT</b>				
Investments in Equity Instrument (Unquoted) (At Amortised cost)				
Investment in Equity Instruments (Unquoted - Fully Paid)				
- Landmark Premises Co.-Op. Services Society Ltd 40 (40) Shares of Rs.50 Each		0.02		0.02
<b>TOTAL</b>		<b>0.02</b>		<b>0.02</b>
<b>NOTE NO. : 5 : OTHER FINANCIAL ASSETS</b>				
Unsecured, Considered Good				
Security Deposits		1.48		1.48
Bank Deposit with more than 12 Months*		-		<b>30.69</b>
<b>TOTAL</b>		<b>1.48</b>		<b>32.17</b>
* The above Bank Deposits are give as Margin against Bank guarantee and LC facilities				
<b>NOTE NO. : 6 : OTHER NON-CURRENT ASSETS</b>				
Unsecured, Considered Good				
Balance With Government Authorities				
Taxes paid in advance (net of provisions)	278.61		576.87	
Pre-Deposit - Central Excise	36.72		73.31	
VAT Recoverable	10.32		90.13	
<b>TOTAL</b>		<b>325.65</b>		<b>740.31</b>
<b>NOTE NO. : 7 : INVENTORIES</b>				
(At lower of cost and net realizable value)				
Raw Materials		2,363.35		4,299.01
Raw Material in Transit		545.06		626.62
Production Materials		313.12		361.28
Production Materials in transit		39.74		-
Stores & Spares		334.35		435.57
Finished Goods		8,334.72		9,757.10
<b>TOTAL</b>		<b>11,930.34</b>		<b>15,479.59</b>
<b>NOTE NO. : 8 : TRADE RECEIVABLES</b>				
Trade Receivables considered Good - Secured		-		-
Trade Receivables considered Good - Unsecured		4,106.36		4,502.05
Trade Receivables which have significant increase in credit risk		-		-
Trade Receivables credit impaired		-		-
Less : Loss allowance		(0.35)		(52.59)
<b>TOTAL</b>		<b>4,106.01</b>		<b>4,449.46</b>
Note : Trade Receivables are net off bills discounted with the banks				

## TRADE RECEIVABLES AGEING

Particulars	Outstanding for following periods from due date of payment as on 31.03.2024					
	Less than 6 Months	6 Months - 1 year	1-2 years	2-3 Years	More than 3 Years	Total
<b>As at 31 March 2024</b>						
(i) Undisputed Trade Receivable - Considered Good	4,099.33	0.05	6.98	-	-	4,106.36
(ii) Undisputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivable - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivable - Considered Good	-	-	-	-	-	-
(v) Disputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivable - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>4,099.33</b>	<b>0.05</b>	<b>6.98</b>	<b>-</b>	<b>-</b>	<b>4,106.36</b>
The Proportion of expected Credit Loss Provided for Across the Ageing	-	2%	5%	10%	25%	
Less: Provision for Expected Credit Loss (ECL)	-	0.00	0.35	-	-	(0.35)
<b>Total Trade Receivable - 31.03.24</b>	<b>4,099.33</b>	<b>0.05</b>	<b>6.63</b>	<b>-</b>	<b>-</b>	<b>4,106.01</b>

Particulars	Outstanding for following periods from due date of payment as on 31.03.2023					
	Less than 6 Months	6 Months - 1 year	1-2 years	2-3 Years	More than 3 Years	Total
<b>As at 31 March 2023</b>						
(i) Undisputed Trade Receivable - Considered Good	4,262.00	11.46	3.60	27.10	197.90	4,502.05
(ii) Undisputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivable - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivable - Considered Good	-	-	-	-	-	-
(v) Disputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivable - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>4,262.00</b>	<b>11.46</b>	<b>3.60</b>	<b>27.10</b>	<b>197.90</b>	<b>4,502.05</b>
The Proportion of expected Credit Loss Provided for Across the Ageing	-	2%	5%	10%	25%	
Less: Provision for Expected Credit Loss (ECL)	-	0.23	0.18	2.71	49.47	(52.59)
<b>Total Trade Receivable - 31.03.23</b>	<b>4,262.00</b>	<b>11.46</b>	<b>3.60</b>	<b>27.10</b>	<b>197.90</b>	<b>4,449.46</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(Rupees in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
<b>NOTE NO. : 9 : CASH AND CASH EQUIVALENTS</b>		
<b>Balances with Banks</b>		
a) In Current Accounts	2.54	0.01
<b>Cash in Hand</b>	1.23	2.10
<b>TOTAL</b>	<b>3.77</b>	<b>2.12</b>
<b>NOTE NO. : 10 : BANK BALANCES OTHER THAN ABOVE</b>		
<b>Other Bank Balances</b>		
Balances held as Margin Money against Bank Guarantee issued by bank*	219.35	736.45
Balances in Unpaid Dividend Account	2.25	2.27
	<b>221.60</b>	<b>738.72</b>
* The above Bank Deposits are give as Margin against Bank Guarantee and LC facilities		
<b>NOTE NO. : 11 : OTHER FINANCIAL ASSETS</b>		
Interest accrued on Deposits	7.65	21.95
<b>TOTAL</b>	<b>7.65</b>	<b>21.95</b>
<b>NOTE NO. : 12 : OTHER CURRENT ASSETS</b>		
<b>Unsecured, Considered Good</b>		
Balance with Government Authorities	120.05	701.99
Advance to Suppliers	59.49	118.17
Advance to Employees	0.16	4.46
Gratuity Fund (Refer Note. 33)	25.07	14.37
Expenses paid in advance	108.45	50.99
<b>TOTAL</b>	<b>313.23</b>	<b>889.99</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(Rupees in Lakhs)

Particulars		As at 31st March 2024		As at 31st March 2023
<b>NOTE NO. : 13 : EQUITY SHARE CAPITAL</b>				
<b>Authorised Share Capital</b> 4,00,00,000 (4,00,00,000) Equity Shares of Rs. 10/- each		4,000.00		4,000.00
<b>Issued and Subscribed Share Capital</b> 1,90,78,329 (1,90,78,329) Equity Shares of Rs. 10/- each fully paid-up		1,907.83		1,907.83
<b>Paid-up Share Capital</b> 1,90,78,329 (1,90,78,329) Equity Shares of Rs. 10/- each fully paid-up		1,907.83		1,907.83
<b>TOTAL</b>		<b>1,907.83</b>		<b>1,907.83</b>

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

Particulars	As at 31.03.2024		As at 31.03.2023	
	No. of Shares	% Holding in Shares	No. of Shares	% Holding in Shares
Mr. Ashok Malhotra	28.96	15.18	28.96	15.18
Honeyvick Enterprises Pvt.Ltd	105.16	55.12	105.16	55.12
Dimple Kamlesh Kanungo	16.12	8.45	15.08	7.90

**Details of Shareholding of Promoters**

Shares held by Promoters at the end of the year March 2024	No. of Shares	% held	% Change during the year
Honeyvick Enterprises Pvt.Ltd	105.16	55.12	0.00
Mr. Ashok Ramlubhaya Malhotra	28.96	15.18	0.00
Mr. Hanish Ashok Malhotra	4.54	2.38	0.00
Mr. Ashok Ramlubhaya Malhotra HUF	2.56	1.34	0.00
Mrs. Neelkamal Ashok Malhotra	1.60	0.84	0.00
Mr. Vikas Ashok Malhotra	0.08	0.04	0.00
Shares held by Promoters at the end of the year March 2023	No. of Shares	% held	% Change during the year
Honeyvick Enterprises Pvt.Ltd	105.16	55.12	0.00
Mr. Ashok Ramlubhaya Malhotra	28.96	15.18	0.00
Mr. Hanish Ashok Malhotra	4.54	2.38	0.00
Mr. Ashok Ramlubhaya Malhotra HUF	2.56	1.34	0.00
Mrs. Neelkamal Ashok Malhotra	1.60	0.84	0.00
Mr. Vikas Ashok Malhotra	0.08	0.04	0.00

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(Rupees in Lakhs)

Particulars		As at 31st March 2024		As at 31st March 2023
<b>NOTE NO. : 14 : OTHER EQUITY RESERVES AND SURPLUS</b>				
<b>Capital Reserve</b>				
Subsidy		27.83		27.83
Sales Tax Incentive		69.63		69.63
Transfer from Debenture Redemption Reserve		77.78		77.78
Transfer from forfeited Equity Shares		0.48		0.48
Opening / closing balance		175.71		175.71
<b>Securities Premium (Excess of face value of the equity shares)</b>				
Opening/closing balance [including Rs.4,26,100/- of Forfeited Shares]		7,712.71		7,712.71
<b>General Reserve (transfer of a portion of the net profit)</b>				
Opening/closing balance		300.00		300.00
<b>Other Comprehensive Income</b>				
<b>Retained Earnings</b>				
Opening Balance	5,287.06		5899.85	
Add : Net Profit for the year	296.92		137.83	
Add : Remeasurements of post-employment benefit obligation, net of tax	8.66		12.51	
Less : Dividends paid for the year ended 31st March 2023	-		763.13	
<b>Closing Balance</b>		<b>5,592.64</b>		<b>5,287.05</b>
<b>TOTAL</b>		<b>13,781.05</b>		<b>13,475.47</b>
<b>NOTE NO. : 15 : PROVISIONS</b>				
<b>Provision for Employee Benefits</b>				
Provision for Compensated absences( Refer Note. 33)		78.95		78.80
<b>TOTAL</b>		<b>78.95</b>		<b>78.80</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(Rupees in Lakhs)

Particulars		As at 31st March 2024		As at 31st March 2023
<b>NOTE NO. : 16 : DEFERRED TAX ASSETS / LIABILITIES (NET)</b>				
Deferred Tax - Assets on account of :				
Unabsorbed Depreciation (recognised to the extent of Deferred Tax Liability)	-	-	-	-
Provision for Doubtful Debts	0.09	13.24	13.24	13.24
Disallowances under section 43B of the Income Tax Act 1961	40.35	48.28	48.28	48.28
Remeasurement benefit of the defined benefit plans through OCI	2.41	5.32	5.32	5.32
		<b>42.85</b>		<b>66.83</b>
Less : Deferred Tax - Liabilities on account of: Related to Property, Plant and Equipment		<b>772.38</b>		<b>818.96</b>
<b>TOTAL</b>		<b>729.53</b>		<b>752.13</b>
<b>NOTE NO. : 17 : BORROWINGS</b>				
Secured - at amortized cost				
Loans repayable on demand (Refer below note)				
Cash Credit	3,990.10	7,643.56	7,643.56	7,643.56
<b>TOTAL</b>		<b>3,990.10</b>		<b>7,643.56</b>
		<b>3,990.10</b>		<b>7,643.56</b>

**Note :**

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

(Rupees in Lakhs)

Particulars		As at 31st March 2024		As at 31st March 2023
<b>NOTE NO. : 18 : TRADE PAYABLES</b>				
For Supply/Services				
a) Total Outstanding Dues of Micro Enterprises and Small Enterprises (Refer Note. 33)	61.81	122.75	122.75	122.75
b) Total Outstanding Dues of Creditors other than Micro Enterprise and Small Enterprises	2,174.18	4,945.79	4,945.79	4,945.79
<b>TOTAL</b>		<b>2,235.99</b>		<b>5,068.54</b>
		<b>2,235.99</b>		<b>5,068.54</b>
* Includes Bills Payable of Rs. 332.62 Lakhs (P.Y. Rs. 2520.66 Lakhs)				



Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Year	
<b>As at 31 March 2024</b>					
MSME	61.81	-	-	-	61.81
Others	2,173.43	0.26	0.48	-	2,174.18
Disputed Dues - MSME	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-
<b>As at 31 March 2023</b>					
MSME	122.75	-	-	-	122.75
Others	4,944.95	0.76	0.09	-	4,945.79
Disputed Dues - MSME	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(Rupees in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
<b>NOTE NO. : 19 : OTHER FINANCIAL LIABILITIES</b>		
Interest accrued	2.43	15.03
Payable for Capital Goods	41.75	54.86
Payable for Expenses	53.77	72.76
Unpaid Dividends	2.25	2.27
<b>TOTAL</b>	<b>100.20</b>	<b>144.93</b>
<b>NOTE NO. : 20 : OTHER CURRENT LIABILITIES</b>		
Advances received from Customers	85.86	155.80
Statutory Liabilities	219.21	44.09
Salary and wages Payable	142.02	122.52
<b>TOTAL</b>	<b>447.09</b>	<b>322.42</b>
<b>NOTE NO. : 21 : CURRENT PROVISIONS</b>		
Provision for Employee Benefits	-	-
Provision for Compensated Absences (Refer Note. 33B)	16.92	15.26
Provision for Gratuity (Refer Note. 33A)	-	-
Provision for Bonus	63.14	118.90
<b>TOTAL</b>	<b>80.06</b>	<b>134.16</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(Rupees in Lakhs)

Particulars		As at 31st March 2024		As at 31st March 2023
<b>NOTE NO. : 22 : REVENUE FROM OPERATIONS</b>				
<b>Sale of Manufactured Goods</b>				
a) Domestic Sales	36,435.81		38,989.07	
b) Export Sales	6,228.71		9,704.88	
		42,664.52		48,693.95
<b>Sale of Services</b>				
Income from Jobwork		0.89		18.49
<b>Other Operating Revenue</b>				
Export Incentives		96.12		151.65
<b>TOTAL</b>		<b>42,761.54</b>		<b>48,864.10</b>
<b>NOTE NO. : 23 : OTHER INCOME</b>				
Miscellaneous Sales		60.00		93.62
Other Income		-		-
Insurance claim Received		2.42		-
Interest Income		90.71		46.92
Gain on Foreign Currency Transactions/Translations(Net)		-		77.80
Profit on sale of Property, Plant & Equipment		0.17		-
Reversal for Provision of Doubtful Debt (refer note 37(A))		52.24		-
<b>TOTAL</b>		<b>424.60</b>		<b>140.53</b>
<b>NOTE NO. : 24 : COST OF MATERIALS CONSUMED</b>				
a) <b>Raw Materials consumed</b>				
Opening Stock of Raw Materials	4,925.63		3,840.92	
Add : Purchases	27,217.67		35,194.65	
Less : Closing Stock of Raw Materials	2,908.41		4,925.63	
		29,234.89		34,109.94
<b>TOTAL</b>		<b>29,234.89</b>		<b>34,109.94</b>
<b>NOTE NO. : 25 : CHANGE IN INVENTORY OF FINISHED GOODS</b>				
Opening Stock		9,757.10		11,913.25
Less : Closing Stock		8,334.72		9,757.10
<b>TOTAL</b>		<b>1,422.37</b>		<b>2,156.15</b>
<b>NOTE NO. : 26 : EMPLOYEE BENEFITS EXPENSES</b>				
Director Remuneration		159.28		158.85
Salaries, Wages and Bonus		1,700.02		1,683.70
Contribution/Provisions for Provident and other Funds		248.26		247.08
Staff Welfare Expense		71.00		65.57
<b>TOTAL</b>		<b>2,178.56</b>		<b>2,155.19</b>
<b>NOTE NO. : 27 : FINANCE COSTS</b>				
Interest on Borrowings		692.00		575.39
Other Interest		4.91		2.82
Bank charges		97.43		129.71
<b>TOTAL</b>		<b>794.34</b>		<b>707.92</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(Rupees in Lakhs)

Particulars		As at 31st March 2024		As at 31st March 2023
<b>NOTE NO. : 28 : OTHER EXPENSES</b>				
<b>I. Manufacturing Expenses</b>				
Consumption of Prod. Materials, Gen. Stores and Spares		2,619.52		2,795.41
Power and Fuel		4,848.85		4,590.37
Repairs and Maintenance:				
- Buildings		2.34		35.39
- Plant & Machineries		116.38		177.60
Other Manufacturing Expenses		96.01		84.94
<b>TOTAL ( I )</b>		<b>7,683.11</b>		<b>7,683.71</b>
<b>II. Administrative and General Expenses</b>				
Travelling, Conveyance & Vehicle Expenses		52.31		56.70
Printing and Stationery		5.37		3.63
Communication Cost		6.67		6.78
Auditor's Remuneration				
a) As Auditor	9.00		7.55	
b) For Certification Fees	0.22	9.22	0.04	7.59
Repairs and Maintenance to Other Assets		46.87		52.53
Legal and Professional charges		158.87		105.44
Directors Sitting Fees		5.20		4.20
Insurance Expenses		51.57		47.22
Rates and Taxes		53.16		50.05
Miscellaneous Expenses		29.55		33.35
CSR Expenses (refer note 39)		-		38.50
Loss on Foreign Currency Transactions/Translations(Net)		-		163.43
Loss on Sale/ Disposal of Property, Plant & Equipment		-		0.58
Provision for Expected credit loss (refer note 37(A)(i))		-		6.36
<b>TOTAL ( II )</b>		<b>418.77</b>		<b>576.33</b>
<b>III. Selling Expenses</b>				
Carriage Outward		190.58		335.85
Commission on Sales		6.59		4.72
Discount and Claims		4.56		3.06
Marine and ECGC Insurance		1.21		6.97
Other Selling Expenses		50.07		278.81
<b>TOTAL ( III )</b>		<b>253.02</b>		<b>629.40</b>
<b>TOTAL ( I + II + III )</b>		<b>8,354.91</b>		<b>8,889.46</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**
**29. Tax Reconciliation**

(Rupees in Lakhs)

	Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
(a)	Income Tax Expense		
	(i) Current Tax		
	Current Tax on Profits for the year	132.25	94.23
	Income Tax adjustments for earlier years	(11.77)	(2.71)
		120.48	91.52
	(ii) Deferred Tax	(25.51)	(39.39)
	Total Income Tax Expenses (i + ii)	94.97	52.13
(b)	Reconciliation of Tax Expense and the Accounting Profit multiplied by India's Tax Rate		
	Profit before Income Tax Expense	391.88	189.96
	Tax at the Indian Tax Rate of 25.17% (2022 - 2023 – 25.17%)	98.64	47.81
	Non Deductible Expenses(Such as MSME Interest and other disallowances)	8.10	7.04
	Income Tax Adjustments for earlier years	(11.77)	(2.71)
	Income Tax Expense	94.97	52.14

Note 29B : The major components of Deferred Tax (Liabilities)/Assets arising on account of timing differences are as follows:

As at 31st March, 2024	Balance Sheet 01.04.2023	Profit & Loss 2023-24	OCI 2023-24	Balance Sheet 31.03.2024
Difference between written down value/capital work in progress of fixed assets as per the books of accounts and Income Tax Act,1961.	(818.96)	46.59		(772.37)
Provision for expense allowed for tax purpose on payment basis	48.28	(7.93)		40.35
On account of provision of Expected Credit losses	13.24	(13.15)		0.09
Remeasurement benefit of the defined benefit plans through OCI	5.32		(2.91)	2.41
Deferred tax (expense)/benefit				
<b>Net Deferred Tax Asset/(Liabilities)</b>	<b>(752.13)</b>	<b>25.50</b>	<b>(2.91)</b>	<b>(729.53)</b>
As at 31st March, 2023	Balance Sheet 01.04.2022	Profit & Loss 2022-23	OCI 2022-23	Balance Sheet 31.03.2023
Difference between written down value/capital work in progress of fixed assets as per the books of accounts and Income Tax Act,1961.	(871.72)	52.76		(818.96)
Provision for expense allowed for tax purpose on payment basis	36.10	12.18		48.28
Carried forward losses	27.15	(27.15)		-
On account of provision of Expected Credit losses	11.64	1.60		13.24
Remeasurement benefit of the defined benefit plans through OCI	9.52		(4.20)	5.32
Deferred tax (expense)/benefit				
<b>Net Deferred tax Asset/(Liabilities)</b>	<b>(787.31)</b>	<b>39.39</b>	<b>(4.20)</b>	<b>(752.13)</b>

## 30. Contingent Liabilities

(Rupees in Lakhs)

Sr. No.	Particulars	As at 31st March 2024	As at 31st March 2023
(i)	<b>Contingent Liabilities</b>		
	a) Liabilities Disputed		
	- Income Tax	1481.81	1481.81
	- Disputed Excise, Custom & Service Tax Liabilities	145.27	1677.24
	- Disputed GST Liabilities	105.70	1.85
	b) Claims against the Company not acknowledged as Debt (*)	-	46.07
	c) Bank Guarantees	438.86	438.86
	<b>Total</b>	<b>2,171.65</b>	<b>3,645.83</b>
(ii)	Estimated amount of contracts remaining to be executed on capital account and not provided for:	-	-

(\*) The above claims are related to the cases which are not enforceable due as the restrictions imposed under the Limitation Act, 1963 and therefore the chances that the obligation may arise are very remote. Considering above, the company no longer considers the same as Contingent liability.

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

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

	Particulars	As at 31st March 2024	As at 31st March 2023
(a)	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;		
	i) Principle Amount	61.81	122.75
	ii) Interest Due thereon	0.00	0.00
(b)	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	440.08	561.66
(c)	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d)	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	6.84	8.71
(e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

### 32. Earnings Per Share (EPS)

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

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

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

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Profit attributable to equity holders of the Company for basic and diluted earnings per share	296.92	137.83

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

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Issued Ordinary Shares (in Nos)	190.78	190.78
Weighted average number of shares at 31st March for Basic and Diluted Earnings Per Share	190.78	190.78
Basic Earnings Per Share	1.56	0.72

### 33 Disclosure as required under Ind AS 19 - Employee Benefits

#### [A] Defined Benefit Plans:

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

#### Risks associated with Defined Benefit Plan

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

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

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

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

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

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

### Characteristics of Defined Benefit Plans

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

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

The following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at 31st March, 2024

#### Defined Benefit Plans

##### a) Reconciliation in present value of obligations (PVO) - Defined Benefit Obligation:

Particulars	Gratuity Funded as on	
	31st March, 2024	31st March, 2023
Present value of Benefit Obligations at the beginning of the period	867.54	807.72
Current Service Cost	61.90	58.97
Interest Cost	65.07	58.40
Past Service Cost	-	-
Actuarial (Gains)/Losses on obligations- Due to Change in Demographic Assumption	-	-
Actuarial (Gains)/Losses on obligations- Due to Change in Financial Assumption	15.01	(14.88)
Actuarial (Gains)/Losses on obligations- Due to Experience	(27.25)	5.78
Benefits Paid	(112.76)	(48.45)
Accrued Payment		
<b>Present value of Benefit Obligations at the end of the period</b>	<b>869.51</b>	<b>867.54</b>

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

Particulars	Gratuity Funded as on	
	31st March, 2024	31st March, 2023
Fair value of Plan assets at the beginning of the year	881.90	761.11
Interest Income	66.15	55.03
Return on Plan Assets, Excluding Interest Income	(0.67)	7.62
Contributions by Employer	59.96	106.60
Benefits paid	(112.76)	(48.45)
<b>Fair value of Plan assets at the end of the year</b>	<b>894.58</b>	<b>881.90</b>

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

Particulars	Gratuity Funded as on	
	31st March, 2024	31st March, 2023
Present value of Benefit Obligations at the end of the period	869.51	867.54
Fair value of Plan assets at the end of the year	894.58	881.90
<b>Net (Asset) / Liability recognised in Balance sheet</b>	<b>(25.08)</b>	<b>(14.37)</b>



## d) Net Interest Cost for Current Period

Particulars	Gratuity Funded as on	
	31st March, 2024	31st March, 2023
Present Value of Benefit Obligation at the Beginning of the Period (Fair Value of Plan Assets at the Beginning of the Period)	867.54 881.90	807.72 761.11
Net Liability/ ( Asset) at the Beginning	(14.36)	46.61
Interest cost (Interest Income )	65.07 (66.15)	58.40 (55.03)
<b>Net Interest Cost for Current Period</b>	<b>(1.09)</b>	<b>3.37</b>

## e) Net Expenses recognised in the Statement of Profit and Loss Accounts

Particulars	Gratuity Funded as on	
	31st March, 2024	31st March, 2023
Current Service Cost	61.90	58.97
Net Interest Cost	(1.09)	3.37
<b>Total</b>	<b>60.81</b>	<b>62.34</b>

## f) Expenses recognised in Other Comprehensive Income for Current Period

Particulars	Gratuity Funded as on	
	31st March, 2024	31st March, 2023
Actuarial ( Gains) Losses on Obligation for the Period	(12.24)	(9.10)
Return on Plan Assets, Excluding Interest Income	0.67	(7.62)
<b>Net ( Income)/ Expense For the Period Recognized in OCI</b>	<b>(11.57)</b>	<b>(16.72)</b>

## g) Balance Sheet Reconciliation

Particulars	Gratuity Funded as on	
	31st March, 2024	31st March, 2023
Opening Net Liability	(14.38)	46.60
Expense Recognized in Statement of Profit Or Loss	60.81	62.34
Expense Recognized in OCI (Employer's Contribution )	(11.57) (59.96)	(16.72) (106.60)
<b>Net Liability (Assets) Recognized in the Balance Sheet</b>	<b>(25.09)</b>	<b>(14.38)</b>

## h) Category of Assets

Particulars	Gratuity Funded as on	
	31st March, 2024	31st March, 2023
Insurance Fund	894.58	881.90
<b>Total</b>	<b>894.58</b>	<b>881.90</b>

## i) Other Details

Particulars	Gratuity Funded as on	
	31st March, 2024	31st March, 2023
No of Active Members	544.00	529.00
Per Month Salary for Active Members	89.97	86.70
Weighted Average Duration of the Projected Benefit Obligation	8.00	8.00
Average Expected Future Service	13.00	12.00
Projected Benefit Obligation	869.51	867.54
Prescribed Contribution for Next Year (12 Months)	39.53	47.53

## j) Net Interest Cost for Next Year

Particulars	Gratuity Funded as on	
	31st March, 2024	31st March, 2023
Present Value of Benefit Obligation at the End of the Period ( Fair Value of Plan Assets at the End of the Period )	869.51 (894.58)	867.54 (881.90)
Net Liability/(Asset ) at the End of the Period	(25.07)	(14.36)
Interest Cost ( Interest Income )	62.78 (64.59)	65.07 (66.14)
<b>Net Interest Cost for Next Year</b>	<b>(1.81)</b>	<b>(1.07)</b>

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

Particulars	Gratuity Funded as on	
	31st March, 2024	31st March, 2023
Current Service Cost	64.61	61.90
Net Interest	(1.81)	(1.07)
<b>Expenses Recognized</b>	<b>62.80</b>	<b>60.83</b>

## l) Major category of Assets as at:

Particulars	Gratuity Funded as on	
	31st March, 2024	31st March, 2023
Insurer Managed funds	894.58	881.90

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

Particulars	Gratuity Funded as on	
	31st March, 2024	31st March, 2023
Expected return on plan assets (%)	7.22%	7.50%
Rate of Discounting	7.22%	7.50%
Rate of Salary Increase	5.00%	5.00%
Rate of Employee Turnover	2.00%	2.00%
Mortality Rate During Employment	Indian Assured Lives Mortality 2012-14	Indian Assured Lives Mortality 2012-14

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

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

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

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

Particulars	31st March, 2024	31st March, 2023
1st Following Year	93.22	93.69
2nd Following Year	88.18	55.53
3rd Following Year	79.94	110.91
4th Following Year	119.94	78.13
5th Following Year	92.41	125.91
Sum of Years 6 to 10	376.15	430.85
Sum of Years 11 and above	710.62	686.92

#### Sensitivity Analysis

Particulars	Gratuity Funded as on 31st March, 2024	Gratuity Funded as on 31st March, 2023
Projected Benefit Obligation on Current Assumptions	869.51	867.54
+1.00% Change in Rate of Discounting	(51.33)	(51.11)
-1.00% Change in Rate of Discounting	58.21	57.70
+1.00% Change in Rate of Salary escalation	58.92	58.57
-1.00% Change in Rate of Salary escalation	(52.82)	(52.73)
+1.00% Change in Rate of Employee Turnover	8.10	9.28
-1.00% Change in Rate of Employee Turnover	(9.07)	(10.30)

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

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

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

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

Particulars	31st March, 2024	31st March, 2023
Total employee benefit liabilities		
Non-current	-	-
Current	(25.09)	(14.38)

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

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

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

Particulars	31st March, 2024	31st March, 2023
Obligation at the year beginning	94.06	81.69
(gains) / losses on obligation	1.81	12.37
Obligation at the year end	95.87	94.06

Particulars	31st March, 2024	31st March, 2023
Total employee benefit liabilities		
Non-current	78.95	78.80
Current	16.92	15.26

**(C) Defined Contribution Plans:**

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

Particulars	31st March, 2024	31st March, 2023
<b>Employers contribution to:</b>		
- Provident Fund	83.71	93.17
- Employee State Insurance Fund	22.66	28.05
- Pension fund	64.39	67.47
- Superannuation Fund	3.06	2.52
<b>Total Compensation</b>	<b>173.81</b>	<b>191.21</b>

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

Sr. No.	Particulars	Relationship
I	<b>Holding Company</b> Honeyvick Enterprises Private Limited	Holding Company of Panchmahal Steel Ltd
II	<b>Key Managerial Personnel:</b> Mr. Ashok R. Malhotra Mr. Nilesh S. Shah Mr. Deepak R. Nagar	Managing Director Chief Financial Officer GM (Legal) & Company Secretary
III	<b>Directors</b> Mr. Amal D. Dhru Mr. Milan P. Shah Mr. Samir M. Parikh Ms. Suchita Shah Mr. Kalpesh J. Parmar	Independent Director Independent Director Independent Director Non Independent Director Non Independent Director
IV	<b>Directors Relatives</b> Mr. Hanish A. Malhotra	Chief Operating Officer (W.e.f. 05.02.2024)

## b) Key Managerial Personnel Compensation

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Short-Term Employee Benefits	203.44	199.72
Post Employment Benefits	16.63	16.25
<b>Total Compensation</b>	<b>220.07</b>	<b>215.97</b>

## c) Transactions with Related Parties:

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

Sr. No.	Key Managerial Personnel and their relatives	Name of Parties	Nature of Transaction	For the year ended 31st March, 2024	For the year ended 31st March, 2023
1	Holding Company	Honeyvick Enterprises Private Limited	Interest Expenses	23.26	61.19
			Inter Corporate Deposit Received	600.00	945.00
			Repayment of Inter corporate Deposit	623.26	1006.19
2	Key Managerial Personnel	Mr. Ashok R. Malhotra	Remuneration (Incl.PF)	172.02	171.81
		Mr. Nilesh S. Shah	Remuneration (Incl.PF)	26.56	24.32
		Mr. Deepak R. Nagar	Remuneration (Incl.PF)	21.49	19.84
3	Directors Relatives	Mr. Hanish A. Malhotra	Remuneration	6.76	0
4	Other Directors	Mr. Amal D. Dhru	Sitting fees	1.20	1.00
		Mr. Milan P. Shah	Sitting fees	1.60	1.40
		Mr. Samir M. Parikh	Sitting fees	0.70	0.30
		Ms. Suchita Shah	Sitting fees	0.90	0.70
		Mr. Kalpesh J. Parmar	Sitting fees	0.80	0.80

## d) Outstanding Balances

Sr. No.	Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
1	Holding Company	-	-
2	Key Managerial Personnel - Mr. Ashok R. Malhotra Mr. Nilesh S. Shah Mr. Deepak R. Nagar	14.08	14.08
		2.20	2.01
		1.78	1.78
3	Directors Relatives - Mr. Hanish A. Malhotra	3.50	-

### 35. Operating Segments

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

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

#### Geographical Information

##### Revenue by Geography

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Within India	36,435.81	38,989.07
Outside India	6,228.71	9,704.88

##### Carrying value of segment assets

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Within India	23,138.80	27,794.80
Outside India	295.89	1,733.05

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

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

#### Disclosure related to Revenue from Major Customers

For the year ended 31st March, 2024 and 2023, there was no customer , revenue from whom constitutes more than 10%. of total revenue.

### 36. Fair Value Measurements

#### Financial Instruments by category

Particulars	For the year ended 31st March, 2024			For the year ended 31st March, 2023		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
<b>Financial Assets</b>						
Investments						
- Equity Instruments	-			-	-	
- Other	-		0.02	-	-	0.02
Deposits	-		1.48	-	-	32.17
Trade Receivables	-		4,106.01	-	-	4,449.46
Cash and Cash Equivalents	-		3.77	-	-	2.12
Bank Balances other than above	-		221.60	-	-	738.72
Other Financial Assets	-	-	7.65	-	-	21.95
<b>Total Financial Assets</b>	-	-	4,340.52	-	-	5,244.44
<b>Financial Liabilities</b>						
Borrowings	-		3,990.10	-	-	7,643.56
Other current financial Liabilities	-		100.20	-	-	144.93
Trade payables	-		2,235.99	-	-	5,068.54
<b>Total Financial Liabilities</b>	-	-	6,326.30	-	-	12,857.03

**(i) Fair value hierarchy**

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

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

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

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

As at 31st March, 2023	Notes	Level 1	Level 2	Level 3	Total
Financial Assets at amortized cost					
Investments	4	-	0.02	-	0.02
Deposits	5	-	32.17	-	32.17
<b>Total Financial Assets</b>		-	32.19	-	32.19
Financial Liabilities at amortized cost					
Borrowings (Non Current)	16	-	-	-	-
<b>Total Financial Liabilities</b>		-	-	-	-

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

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

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

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

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

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

Specific valuation techniques used to value financial instruments include:

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



### 37 Financial Risk Management

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

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

#### (A) Credit risk

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

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

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

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

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

#### (i) Trade Receivables

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

The reconciliation of ECL is as follows:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balance at the beginning of the year	52.59	46.23
Provision made/(reversed) during the year	(52.24)	6.36
Balance at the end	0.35	52.59

**(ii) Cash and Cash Equivalents**

As at the year end, the company held cash and cash equivalents of Rs. 3.77 lakhs (31.03.2023 Rs. 2.12 lakhs). The cash and cash equivalents are held with bank and financial institution counterparties with good credit rating.

**(iii) Other Financial Assets**

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

**(B) Liquidity Risk**

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

**Maturities of Financial Liabilities**

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

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

**Contractual Maturities of Financial Liabilities**

Particulars	Less than 1 Year	More than 1 Year	Total
<b>As at 31st March, 2024</b>			
<b>Non-derivatives</b>			
Borrowings	3,990.10	-	3,990.10
Trade payables	2,235.99	-	2,235.99
Other financial liabilities	100.20	-	100.20
<b>Total Non-derivative liabilities</b>	<b>6,326.30</b>	<b>-</b>	<b>6,326.30</b>
<b>As at 31st March, 2023</b>			
<b>Non-derivatives</b>			
Borrowings	7,643.56	-	7,643.56
Trade payables	5,068.54	-	5,068.54
Other financial liabilities	144.93	-	144.93
<b>Total Non-derivative liabilities</b>	<b>12,857.03</b>	<b>-</b>	<b>12,857.03</b>

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

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

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

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

## (i) Trade Receivable and Other Receivable

Currency	As at 31st March, 2024		
	Trade Receivable and other Receivable	Hedges available	Net exposure to Foreign Currency Risk
USD (in lakhs)	3.55	-	3.55
Equivalent INR (in lakhs)	295.89	-	295.89
Currency	As at 31st March, 2023		
	Trade Receivable and other Receivable	Hedges available	Net exposure to Foreign Currency Risk
USD (in lakhs)	21.09	-	21.09
Equivalent INR (in lakhs)	1,733.05	-	1,733.05

## (ii) Trade Payable and Other Payable

Currency	As at 31st March, 2024		
	Trade Payable and other Payable	Hedges available	Net exposure to Foreign Currency Risk
USD (in lakhs)	10.87	3.96	6.91
Equivalent INR (in lakhs)	906.63	330.48	576.15
Currency	As at 31st March, 2023		
	Trade Payable and other Payable	Hedges available	Net exposure to Foreign Currency Risk
USD (in lakhs)	29.68	-	29.68
Equivalent INR (in lakhs)	2,438.61	-	2,438.61

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

Currency	Impact on Profit after Tax	
	31st March, 2024	31st March, 2023
USD sensitivity		
INR/USD increases by 5%	(30.53)	(35.29)
INR/USD decreases by 5%	30.53	35.29

## 38 Capital Management

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

### 39 Corporate Social Responsibility (CSR)

As per section 135 of the Companies Act, 2013, the board of directors approves the CSR spending of the company. The areas for CSR activities are promoting education, art and culture, healthcare, destitute care and rehabilitation and rural development projects as specified in Schedule VII of the Companies Act, 2013. The details of amount required to be spent and actual expenses spent during the year is as under:

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
(i) Amount required to be spent by the company during the year	-	37.70
(ii) Amount of expenditure incurred	-	38.50
(iii) Shortfall at the end of the year	-	-
(iv) Total of previous years shortfall	-	-
(v) Reason for shortfall	-	-
(vi) Nature of CSR activities		Promoting education, art and culture, healthcare, destitute care and rehabilitation and rural development projects
(vii) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant AS	-	-
(viii) "Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year"	NA	NA

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

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

SN	Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value as on 31.03.24	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter* / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company**
	PPE						As per by laws of the society, Corporate can not become member so properties are in the name of promoter/relative of promoter.
1	Plot No- 42 - Charotar CHSL	Land	1.68	Late. Mr. Ramlubhaya Malhotra	Promoter	1/20/1984	
2	Plot No- 43 - Charotar CHSL	Land	1.71	Mr. Ashok R. Malhotra	Promoter	1/20/1984	
3	Plot No- 44 - Charotar CHSL	Land	3.00	Mr. Ravi R. Malhotra	Relative of Promoter	10/23/1986	
4	Plot Nos. C-1/ B-102	Lease hold Land	2.21	M/S Precision Engineering Company	-	4/11/2007	Company has executed MOU and agreement to sale with the seller. Company has paid total consideration and taken possession from seller. Sale Deed could not be executed.

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

SN	Name of the Struck off Companies	Nature of transactions with struck off company	Balance outstanding/ Nominal share value	Relationship with the struck off company, if any
1	Varun Finvest Limited - Status not available	Investments in securities - 100 shares - Physical	1,000.00	Equity shareholder

- (c) Others:

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

## 41 Disclosures related to various Ratios :

Name of Ratio	Formula	F.Y. 2023-24		F.Y. 2022-23		% of change	Reason for variation if change is more than 25% +/- as compared to previous year
Current Ratio (No. of times)	Current Assets	16,582.60	2.39	21,581.83	1.62	47.46%	On account of reduction in bank borrowing & Trade payables
	Current Liabilities	6,937.32		13,313.61			
Debt Equity Ratio (No. of times)	Short Term Debt + Long Term Debt	3990.10	0.25	7,643.56	0.50	-48.81%	On account of reduction in bank borrowing
	Share holder's Equity	15,688.89		15,383.31			
Debt Service Coverage Ratio (No. of times)	Earnings available for Debt Service	1,745.70	2.52	1,564.76	2.71	-6.78%	NA
	Debt Service	692.00		578.21			
Return on Equity	Net Profit After Tax	296.92	1.91%	137.83	0.88%	117.55%	On account of increase in margin and decrease in Administrative expenses
	Average Shareholder's Equity	15,536.10		15,689.71			
Inventory Turnover Ratio (No. of times)	Sales	42,761.54	3.12	48,864.10	3.05	2.34%	NA
	Average Inventory	13,704.96		16,027.09			
Trade Receivable Turnover Ratio (No. of times)	Net Sales	42,761.54	10.00	48,864.10	11.41	-12.36%	NA
	Average Trade Receivables	4,277.73		4,283.96			
Trade Payable Turnover Ratio (No. of times)	Net Purchase / Services	35,572.58	9.74	44,084.11	6.17	57.92%	On account of payment to the trade payable
	Average Trade Payables	3,652.27		7,147.56			
Net Capital Turnover Ratio (No. of times)	Net Sales	42,761.54	4.43	48,864.10	5.91	-24.98%	NA
	Working Capital	9,645.28		8,268.22			
Net Profit Ratio	Net Profit After Tax	296.92	0.69%	137.83	0.28%	144.45%	On account of increase in margin and decrease in Administrative expenses
	Total Sales	43,186.14		49,004.63			
Return on Capital Employed	Earning Before Interest and Tax	1,083.88	5.31%	1,083.88	3.22%	65.01%	On account of increasing Operating Profit and decrease in Administrative expenses and reduction in borrowings
	Capital Employed	20,408.52		20,408.53			
Return on Investment	Income generated from Invested funds	-		-		NA	
	Average Invested funds in Treasury Investment	-		-			

42 These Financial Statements were authorised for issue in accordance with the resolution of the Board of Directors in its meeting held on 11th May, 2024.

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The accompanying notes are an integral part of the financial statement

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

As per our Report of even date.

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

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

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

**Pareen Shah**  
Partner  
Membership No. 125011  
Vadodara, 11th May, 2024

**Nilesh Shah**  
Chief Financial Officer

**Deepak Nagar**  
GM (Legal) & Company Secretary  
Vadodara, 11th May, 2024





Registered Book - Post / Courier



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