



Regd. Office : GIDC Industrial Estate, Kalol - 389 330, Dist. Panchmahals (Gujarat).

NOTICE TO MEMBERS

Notice is hereby given that an Extraordinary General Meeting of the Members of PANCHMAHAL STEEL LIMITED is scheduled to be held on Saturday, the 30th day of March, 2013 at 10.00 A.M. at the Registered Office of the Company situated at GIDC Industrial Estate, Kalol - 389 330, Dist. Panchmahals (Gujarat) to transact the following business:

SPECIAL BUSINESS

1. To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution :-

"RESOLVED THAT pursuant to Section 309 (5B) read with Schedule XIII of the Companies Act, 1956 and subject to approval of the Central Government and also subject to such other consents and approvals as may be necessary, consent of the members of the Company be and is hereby accorded for waiver of recovery of excess remuneration paid to Mr. Ashok Malhotra, Managing Director of the Company over and above the limits as prescribed under Section 309 read with Schedule XIII to the Companies Act, 1956 for the 3 financial years ended on 31st March, 2010, on 31st March, 2011 and on 31st March, 2012".

"RESOLVED FURTHER THAT the Director(s) and the Company Secretary of the Company be and are hereby severally authorized to make application to the Central Government and / or any other authority for waiver of recovery of excess remuneration paid to Mr. Ashok Malhotra, Managing Director and to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution."

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 is annexed hereto and forming part of this Notice.
3. The Proxy Form duly completed and signed should reach the Company's Registered Office at least 48 hours before the time fixed for the meeting.

Regd. Office:
GIDC Industrial Estate,
Kalol - 389 330
Dist. Panchmahals (Gujarat)
Date : 14th February, 2013

By Order of the Board of Directors,
For **Panchmahal Steel Limited**
Sd/-
Deepak Nagar
AGM (Legal) & Company Secretary

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Item No. 1

Mr. Ashok Malhotra was re-appointed as a Managing Director of the Company with effect from 1st April, 2007 for a period of 5 years on the terms and conditions as contained in the Board Resolution dated 30th April 2007 and Agreement executed with him. The remuneration proposed was recommended by the Remuneration Committee at their meeting held on 30th April, 2007 and the said appointment was confirmed by the shareholders at the 34th Annual General Meeting held on 28th December, 2007 by way of an Ordinary Resolution. At that time, the Company had adequate profits and remuneration approved by the members was well within the limits prescribed under the Companies Act, 1956.

However, during the currency of his tenure and for the financial year ended 31st March, 2012, the Company recorded a net profit of Rs.1033.76 lacs as per Section 198 of the Act and paid a managerial remuneration of Rs.103.74 lacs to Mr. Ashok Malhotra, Managing Director of the Company. Due to inadequate profits as defined under the Companies Act, 1956, the remuneration paid to him as approved by the members exceeds the limit as specified under the Act by Rs.55.74 lacs.

Accordingly, pursuant to Section 309 (5) of the Companies Act, 1956, an application was filed with the Central Government for waiver of recovery of excess remuneration of Rs.55.74 lacs paid to Mr. Ashok Malhotra for the financial year ended 31st March, 2012. The Central Government vide its letter dtd. 13th December, 2012 has advised the Company to comply with statutory requirements i.e. to obtain the approval of members by way of Special Resolution for waiver of recovery of excess remuneration of Rs.55.74 lacs paid to Mr. Ashok Malhotra for the financial year 2011-12 to enable them to reconsider Company's application along with application for waiver of excess remuneration paid to Mr. Ashok Malhotra in the financial year 2009-10 and 2010-11.

In addition, an application made to the Central Government for approval of the re-appointment of Mr. Ashok Malhotra as Managing Director for a further period of 3 years w.e.f. 1st April, 2012 on the terms and remuneration as approved by the members at 39th Annual General Meeting held on 16th day of July, 2012 has also been kept in abeyance for the aforesaid reason. Your Company has again represented the case before the Ministry of Corporate Affairs, which is under their kind consideration.

However, as a precautionary measure, the Remuneration Committee and the Board of Directors of the Company at their meeting held on 14th February, 2013 considered and thought it fit to sought the consent of the members by way of special resolution for waiver of excess remuneration paid to Mr. Ashok Malhotra, Managing Director of the Company and to obtain the approval of the Central Government for waiver of remuneration paid to him in excess of limits prescribed under Schedule XIII to the Companies Act, 1956 as per the following table :

Financial Year	Remuneration Paid (Rs. in lacs)	Eligible Remuneration as per Schedule XIII to the Companies Act, 1956. (Rs. in lacs)	Excess Remuneration (Rs. in lacs)
2009-10	103.73	84.68	19.05
2010-11	103.80	94.11	9.69
2011-12	103.74	48.00*	55.74

* arrived on Effective Capital

Mr. Ashok Malhotra is serving as Managing Director of the Company since 1976 and considering his responsibilities and contribution for the development and growth of the Company and non-revision in the remuneration and other terms during the tenure of his re-appointment, as approved by the shareholders, your Directors are of the opinion that the waiver of recovery of excess remuneration paid to Mr. Ashok Malhotra is justified and in the best interest of the Company.

The consent of the members for waiver of excess remuneration will enable the Company to comply with the applicable provisions of the Companies Act, in this regard.

Therefore, the Board recommends the above resolution to the members.

None of the Directors, except Mr. Ashok Malhotra and Mr. Hanish Malhotra, being related to each other, are directly or indirectly concerned or interested in the said Resolution.

Regd. Office:
GIDC Industrial Estate,
Kalol - 389 330
Dist. Panchmahals (Gujarat)
Date : 14th February, 2013

By Order of the Board of Directors,
For **Panchmahal Steel Limited**
Sd/-
Deepak Nagar
AGM (Legal) & Company Secretary



Regd. Office : G.I.D.C. Industrial Estate, Kalol-389 330, Dist. Panchmahals (Gujarat)

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE

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

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

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

No. of Share(s) held	
----------------------	--

NAME AND ADDRESS OF THE SHAREHOLDER

--

I hereby record my presence at the **EXTRAORDINARY GENERAL MEETING** of the Company held on Saturday, the 30th March, 2013 at 10.00 a.m. at the Regd. Office of the Company at G.I.D.C. Industrial Estate, Kalol-389 330, Dist. Panchmahals (Gujarat).

Signature of the Shareholder or proxy

*Applicable for investors holding shares in electronic form



Regd. Office : G.I.D.C. Industrial Estate, Kalol-389 330, Dist. Panchmahals (Gujarat)

PROXY FORM

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

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

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

No. of Share(s) held	
----------------------	--

I/We _____ of

_____ being a member/members of PANCHMAHAL STEEL LIMITED

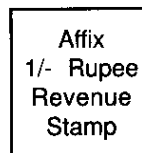
hereby appoint _____ of

_____ or failing him

_____ of _____

as my/our proxy to vote for me/us on my/our behalf at the **EXTRAORDINARY GENERAL MEETING** to be held on Saturday, the 30th March, 2013 at 10.00 a.m. or at any adjournment thereof.

Signed this _____ day of _____ 2013.



* Applicable for investors holding shares in electronic form.

NOTE : The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.

Book-Post

To,

If undelivered please return to:



Corporate Office:
"Landmark", 7th Floor,
Race Course Circle, Vadodara - 390 007.