



**AANCHAL ISPAT LIMITED**

An ISO 9001 : 2008 Company

*Build today, for tomorrow...*

**Relicon**

  
"Strength Beyond Steel"

**2016 - 2017  
Annual Report**













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## **Corporate Information**

### **AANCHAL ISPAT LIMITED**

CIN: L27106WB1996PLC076866

#### **BOARD OF DIRECTORS:**

- **Mr. Mukesh Goel**, Managing Director
- **Mr. Manoj Goel**, Non-Executive Director
- **Mr. Sudhir Kr. Budhia**, Independent & Non-Executive Director
- **Mr. Mukesh Agarwal**, Independent & Non-Executive Director
- **Ms. Preetee Agarwal**, Independent & Non-Executive Director

#### **CHIEF FINANCIAL OFFICER**

Mr. A. S. Nageswar Rao

E-Mail: corporate@aanchalispac.com

#### **COMPANY SECRETARY**

Ms. Priyanka Bhauwala

E-Mail: cs@aanchalispac.com

#### **STATUTORY AUDITOR**

M/s Raj Chandra & Associates  
Chartered Accountants  
205, Rabindra Sarani  
3rd Floor, Room No. 105  
Kolkata- 700 007

#### **SECRETARIAL AUDITOR**

Ms. Manisha Saraf,  
Practicing Company Secretary  
11, Dacres Lane,  
1<sup>st</sup> Floor, Kolkata- 700069

#### **REGISTERED OFFICE**

Mouza-Chamrail,  
National Highway-6  
Liluah, Howrah-711114  
Tel: 03212246121  
E-Mail: info@aanchalispac.com

#### **INTERNAL AUDITOR**

M/s H. Jhaveri & Associates  
Chartered Accountants  
34A, Metcalfe Street  
Jain Centre, 6th Floor  
Kolkata-700013

#### **REGISTRAR & SHARE TRANSFER AGENT**

##### **Purva Sharegistry(India) Pvt. Ltd.**

Unit no. 9, Shiv Shakti Ind.Estt.  
J.R. Boricha Marg  
Opp. Kasturba Hospital Lane  
Lower Parel(E)  
Mumbai-400 011  
Email: busicomp@gmail.com

#### **BANKER**

##### **The Karur Vysya Bank Ltd**

43, Strand Road, Burrabazar  
(Off) 9, Ram Sevak Mullick Lane  
Kolkata-700001



## **Management Discussion & Analysis Report**

### **Steel Industry in India:**

Steel is crucial to the development of any modern economy and is considered to be the backbone of human civilization. The level of per capita consumption of steel is treated as an important index of the level of socio-economic development and living standards of the people in any country. It is a product of a large and technologically complex industry having strong forward and backward linkages in terms of material flows and income generation. All major industrial economies are characterized by the existence of a strong steel industry and the growth of many of these economies has been largely shaped by the strength of their steel industries in their initial stages of development.

It is also one of the most important products of the modern world and of strategic importance to any industrial nation. From construction, industrial machinery to consumer products, steel finds its way into a wide variety of applications. It is also an industry with diverse technologies based on the nature and extent of raw materials used.

India's economic growth is contingent upon the growth of the Indian steel industry. Consumption of steel is taken to be an indicator of economic development. While steel continues to have a stronghold in traditional sectors such as construction, housing and ground transportation, special steels are increasingly being used in engineering industries such as power generation, petrochemicals and fertilizers. India occupies a central position on the global steel map, with the establishment of new state-of-the-art steel mills, acquisition of global scale capacities by players, continuous modernization and up gradation of older plants, improving energy efficiency and backward integration into global raw material sources.

India became the 3rd largest producer of steel and is now well on track to emerge as the 2nd largest producer after China. There is significant potential for growth given the low per capita steel consumption of 61 Kg in India, as compared to world average of 208 Kg. Indian economy is rapidly growing with enormous focus on infrastructure and construction sector. Several initiatives mainly, affordable housing, expansion of railway networks, development of domestic shipbuilding industry, opening up of defence sector for private participation, and the anticipated growth in the automobile sector, are expected to create significant demand for steel in the country. Further, while the main focus of the industry is on the domestic market, being in close vicinity of the developed west and developing east, provides it a strategic location that augurs well for the industry seeking opportunities for exports of finished goods and imports of some scarcely available raw materials.

Steel industry derives its demand from other important sectors like infrastructure, aviation, engineering, construction, automobile, pipes and tubes etc. With the Indian economy poised for its next wave of growth under the reforms being unleashed in the last one year, there lies tremendous opportunity for the Indian steel industry to prosper and grow exponentially. In India, steel has an output multiplier effect of nearly 1.4X on GDP and employment multiplier factor of 6.8X.

### **Global Steel Industry:**

The global steel consumption grew by just 1% on a y-o-y basis to 1.52 billion tonnes in Calendar Year (CY) 2016. Although the figure declined in 1Q CY 2016, it started improving from 2Q CY 2016 and accelerated during 4Q CY 2016. This happened mainly due to an improving apparent consumption in China where the Government's mini stimulus measures drove buoyancy in infrastructure investment and the housing market. The apparent consumption in China appeared in the green than the largely expected negative. However, the statistic remained depressed in CIS, Middle East, Africa and Americas. The global crude steel production grew marginally at 0.8% y-o-y to 1.63 billion tonnes in CY 2016. China, India, Turkey and Ukraine were the

only four countries among the top 10 steel-producing nations to witness growth in steel production in CY 2016. The global crude steel output grew strongly at 3.3% y-o-y in second half of the year with increase in all major steel producing regions except South America, despite the fact that the global steel industry continues to face headwinds of overcapacity and weak demand.

(Source: World Steel Association)

Global economy is projected to grow by 3.5% in calendar year 2017. The overall macro-economic situation looks far better than previous year. While Global steel Industry continue to grapple with over capacity, weak demand growth, dumping of steel at predatory price by some countries & volatile input prices, improving growth momentum in advanced & key emerging markets & broad basing trade remedial measures will provide stability to steel industry.

### **Highlights of the Indian Steel Industry;**

- 3rd largest producer of crude steel in the world CY 2016.
- 3rd largest consumer of finished steel in the world (2016)
- Producer of world-class steel of all major varieties and grades
- Strong economic foundation and reform centric policy approach are key factors, favoring growth of the domestic steel industry
- Domestic availability of raw materials such as iron ore and cost-effective labour
- The steel industry contributes 2% to the GDP of the nation and provides more than 6 million jobs (according to Ministry of Steel) in the country

(Source: Joint Plant Committee Report March 2017)

2016 was the year of reforms in the Indian steel industry. The timely remedial measures by the Indian Government, shielded the Indian steel sector from succumbing to external threats of dumping and uniform trade

Despite, the financial year 2016-17 threw up challenges in terms of tepid global consumption growth, trade remedial actions across countries and volatile raw material prices, steel prices recovered due to imposition of trade remedial across geographies and spike iron ore and coal prices providing relief to the steel industry.

On-going rapid urbanization in India is driving steel-intensive growth in the country. The Indian government is investing heavily in infrastructure and has laid plans to boost domestic steel capacity to 300 MT per annum by 2030.

India with its stable government, strong reforms, rising infrastructure spend & robust consumption demand will provide a platform to reach per capita steel consumption of 160 kg & total steel capacity of 300 Million tons by 2030 as envisaged by National Steel Policy 2017. Also trade remedial measures taken by the Government of India will provide level playing field to this strategic industry to revive investment cycle & create employment opportunities.

The budgetary allocation of INR 4 trillion for infrastructure, water and gas pipelines, renewable energy and road sector should fuel enhanced economic activity, and as a result, steel demand. Together with this, a normal monsoon will also augur well for the economy. Therefore, we expect the steel industry to grow at 5-6% over the medium term.

In the recent years, the steel industry, and the key raw material (iron ore and coal mining) industries have seen significant volatility. It happened largely due to a sharp fall in demand, an outcome of the global economic crisis.

Despite lack of momentum in the global economy, uninspiring demand growth in India and liquidity crunch following the Government's demonetization initiative, our company has fared better than the previous corresponding period.

### **National Steel Policy 2017 (NSP):**

The National Steel Policy (NSP) 2017, released by the Government, aims to increase steel production. Its objective is to make India self-sufficient in steel production and projects crude steel capacity of 300 million tonnes (MnT) and per capita consumption of 160kg of finished steel by 2030-31. As a part of its focus area, the policy aims to address adequate local manufacturing to meet the demand for high-grade automotive steel, electrical steel, special steels and alloys for strategic applications by the same year.

(NSP) 2017 is also an effort to steer the industry to achieve its full potential, enhance steel production with focus on high end value added steel while being globally competitive. India's competitive advantage in steel production is driven, to a large extent, from the indigenous availability of high grade iron ore and non-coking coal – the two critical inputs of steel production. In addition, it also has a vast and rapidly growing market for steel, strong MSME sector and a relatively young work force with competitive labour costs.. Driven by the positive demand outlook and prevailing high prices of steel in the period post 2004, the Indian steel sector witnessed a wave of investments in many states of India. Substantial new capacity was created and existing plants were modernized.

### **The core elements of NSP are the following:**

1. Building a globally competitive steel industry with a crude steel capacity of 300 MnT 2030
2. Increasing the per capita steel consumption to 160 Kgs by 2030-31
3. To domestically meet entire demand of high grade automotive steel, electrical steel, special steels and alloys for strategic applications by 2030-31
4. Increase domestic availability of washed coking coal so as to reduce import dependence on coking coal to 50% by 2030-31
5. To be net exporter of steel by 2025-26
6. Encourage industry to be a world leader on energy and raw material efficient steel production by 2030-31, in a safe and sustainable manner
7. Develop and implement quality standards for domestic steel products

### **Business Overview:**

Our Company is engaged in manufacturing TMT bars and MS Rounds/angular, which have growing demand from infrastructure companies, Machinery Manufacturers and various other Engineering Industries. The long established relationships with esteemed buyers from these sectors and the continued emphasis of the Company on meeting the growing market demands has increased and enriched the company's product mix and sales turnover during the FY 2016-17.

### **Outlook**

The growth momentum should rise, driven by the Government's policy initiatives in areas such as taxation (GST), foreign direct investment (FDI), and the ease of doing business, among others. Other major factors helping India stay as a bright spot in the global economic landscape include the lower global oil price, with positive impact on the country's import bill, a well-regulated monetary policy by the Reserve Bank to stabilize prices, and improving fiscal condition. The Government's endeavor to drive a bigger as well as a cleaner GDP is expected to augur well for the economy in the medium and long terms. The growth recovery has



primarily happened due to discretionary spending, public investment and FDI reforms. The introduction of GST and higher outlays in the Budget 2017 are expected to drive growth as well

Looking at Indian government's focus on rapid infrastructural development across the country by constructing railways, roads, bridges, dams, airports, power plants and many more, construction is now growing at a fast pace

**Risk Management:**

The objects of Risk Management are to ensure that it is adequately estimated and controlled to enhance shareholder as well as stakeholder's value. Risk is Omni present and it is pertinent to virtually all business activities though in varying degrees and forms. It is the constant endeavour of the company to identify, assess, prioritize and manage existing as well as emerging risks in a planned and cohesive manner.

**Internal Control System & Adequacy:**

The company has an adequate internal audit system that promotes reliable financial reporting, safeguards assets, encourages adherence to fair management and ethical conduct. The internal control systems have been designed in a way that they not only prevent fraud and misuse of company's resources but also protect shareholder's interest. The Audit committee of Board of Directors on regular intervals and in coordination with internal and statutory Auditors reviews the adequacy of internal control systems within the company.

**Human Resources Management & Industrial relations:**

The employees are considered by your company as its greatest asset and the company has created a work environment that ensures their well-being. The company encourages an environment of industrial goal setting, continuous improvement, health and safety awareness and corporate sustainability. The workforce of your company is an assortment of varied qualifications and experience in the domain of engineering, management and finance. Your company believes the contribution of the human assets also plays in the growth of the company.

**CAUTIONARY STATEMENT**

Statements made in Management Discussion and Analysis Report describing the Company's objectives, estimates, expectations or predictions are "Forward looking Statement" within the meaning of applicable laws and regulations. They are based on certain assumptions and expectations of future events. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operation include global and Indian demand- supply condition, raw material availability, trained manpower, changes in Government regulations, tax regimes, economic development within India and the countries within which the Company conducts business and other incidental factors.

## DIRECTORS' REPORT

To the Members,

### AANCHAL ISPAT LIMITED.

Your Directors take pleasure in presenting the 22<sup>nd</sup> Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2017.

### 1. FINANCIAL RESULTS

The Company's financial performance for the year ended 31<sup>st</sup> March, 2017 is summarised below:

#### Financial Summary or performance of the company:

(Amt in Rs.)

PARTICULARS	YEAR ENDED	YEAR ENDED
	31.03.2017	31.03.2016
Net Sales /Income from Business Operations	2,79,47,95,014	2,26,66,27,846
Other Income	99,15,989	1,12,48,378
Total Income	<b>2,80,47,11,003</b>	<b>2,27,78,76,224</b>
Total Expenses	<b>2,72,92,49,726</b>	<b>2,20,85,10,360</b>
<b>EBITDA</b>	7,54,61,278	6,93,65,864
Less Interest	5,03,84,749	4,94,53,568
Profit before Depreciation ( <b>EBTDA</b> )	2,50,76,259	1,99,12,296
Less Depreciation	48,61,839	52,47,964
Profit after depreciation and Interest( <b>PBT</b> )	2,02,14,690	1,46,64,332
Less Current Income Tax	65,46,538	24,30,909
Less Previous year adjustment of Income Tax ,	9,75,852	1,93,518
Less Deferred Tax	3,13,143	20,03,759
Net Profit after Tax ( <b>PAT</b> )	1,23,79,157	1,00,36,146
Dividend (including Interim if any and final )	-	-
Net Profit after dividend and Tax	1,23,79,157	1,00,36,146
Amount transferred to General Reserve	-	-
Balance carried to Balance Sheet	1,23,79,157	1,00,36,146
Earnings per share (Basic)	0.59	0.48
Earnings per Share (Diluted)	0.59	0.48

## **RESULTS OF OPERATIONS AND STATE OF THE COMPANY'S AFFAIRS:**

Revenue from operations increased by 23.30% to Rs. 2,79,47,95,014/- in 2016-17.

Total Income increased by 23.12% to Rs. 2,80,47,11,003/- in 2016-17.

PBT increased by 37.85% to Rs. 2,02,14,690/-.

PAT increased by 23.34% to Rs. 1,23,79,157/-.

No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company

### **2. DIVIDEND**

No Dividend was declared for the current financial year to enable the company to conserve the surplus generated for future business use.

### **3. APPROPRIATIONS**

During the current financial year 2016-17, no amount has been appropriated to General Reserve.

### **4. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The Company has one Associate Company named M/s Maina Securities Private Limited and do not have any subsidiaries or Joint Venture.

### **5. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

There was no unpaid/unclaimed Dividend declared and paid last year and hence the provisions of Section 125 of the Companies Act, 2013 do not apply.

### **6. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT**

Management's Discussion and Analysis Report for the year under review, is presented in a separate section forming part of the Annual Report.

### **7. DEPOSITS**

The Company has neither accepted nor renewed any deposits during the year under review.

### **8. EXTRACT OF THE ANNUAL RETURN**

The extract of Annual Return as provided under Section 92(3) of the Companies Act, 2013, in the prescribed Form MGT- 9 is annexed to this report.

### **9 .NUMBER OF MEETINGS OF THE BOARD**

The Board of Directors met 7 times during the year, detailed information about dates of meetings and attendance of Directors thereat is given in the Corporate Governance Report annexed to this report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013

### **10. DIRECTORS RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement:—

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had 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 at the end of the financial year and of the profit and loss of the company for that period;



(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis; and

(e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

(f) your Company has had laid down Internal Financial Controls and that such Internal Financial Controls are adequate and were operating effectively.

## **11. RELATED PARTY TRANSACTIONS**

All related party transactions entered during financial year under review were on arm's length basis and were in the ordinary course of business. There were no material contracts or arrangement or transactions at arm's length basis that needs to be disclosed in Form AOC-2 as required under the Companies Act, 2013 during the year under review.

## **12. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES**

The Committee has formulated the Nomination and Remuneration Policy which broadly laid down the various principles of remuneration and covers the procedure for selection, appointment and compensation structure of Board members, Key Managerial Personnel (KMPs) and Senior Management Personnel (SMPs) of your Company. The said Policy is available on your Company's website at the link <http://aanchalispac.com/policies.html#policies>.

## **13. MATERIAL CHANGES AND COMMITMENT.**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relate on the date of this report.

## **14. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure I** and is attached to this report.

## **15. RISK MANAGEMENT POLICY**

The risk management strategy of your Company is based on a clear understanding of various risks, and adherence to well-laid out risk policies and procedures that are benchmarked with industry best practices. The Company has developed robust systems and embraced adequate practices for identifying, measuring and mitigating various risks – business, strategic, operational, market, credit, liquidity, reputational and process risks – and ensuring that they are maintained within pre-defined risk appetite levels.

## **16. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the provisions of section 135 of the Companies Act, 2013 along with Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable.

## **17. PERFORMANCE EVALUATION**

The Nomination and Remuneration Committee (NRC) of your Company has formulated and laid down criteria

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for Performance Evaluation of the Board (including Committees) and every Director (including Independent Directors) pursuant to provisions of Section 134, Section 149 read with Code of Independent Directors (Schedule IV) and Section 178 of the Companies Act, 2013 and Listing Regulations.

Based on these criteria, the performance of the Board, various Board Committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, and Individual Directors (including Independent Directors) was evaluated to be satisfactory.

During the year under review, the Independent Directors of your Company reviewed the performance of Non- Independent Directors and Chairman of your Company, taking into account the views of Executive Directors and Non-Executive Directors.

### **18. DIRECTORS**

During the year there were no change in the directorship of the company

All Independent Directors have given declarations that they meet the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 and Listing Regulations.

### **19. KEY MANAGERIAL PERSONNEL (KMPs)**

In accordance with the provisions of Section 203 of the Companies Act, 2013 the following executives of the Company are whole-time Key Managerial Persons (KMPs) as on March 31, 2017

<b>Name</b>	<b>Designation</b>	<b>Effective Date</b>
Ms. Priyanka Bhauwala	Company Secretary	26.09.2015
Mr. A. S. Nageswar Rao	Chief Financial Officer	20.07.2016

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

### **21. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:**

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, there were no such employees drawing remuneration in excess of the limits set out in the said rules.

In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

### **22. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Internal Compliant Committee under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year no complaint was filed before the said Committee

### **23. CORPORATE GOVERNANCE**

Your Company has complied with Corporate Governance requirements specified under Regulation 17 to 27 of SEBI (LODR) Regulations 2015 (as applicable to SME listed companies) and the same is mentioned in the Corporate Governance report along with a certificate from our Statutory Auditor M/s Raj Chandra & Associates, Chartered Accountants.

### **24. COMPOSITION OF COMMITTEES**

These details are provided in the Corporate Governance Report attached to this Annual Report.

### **25. VIGIL MECHANISM**

The Company has established a vigil mechanism policy through the audit committee, the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the chairman of the Audit Committee on reporting issues concerning the interests of co employees and the Company. The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at the link: <http://aanchalispac.com/policies.html#policies>.

### **26. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence there are no disclosures.

### **27. STATUTORY AUDITORS**

M/s Raj Chandra & Associates, Chartered Accountants were appointed as Statutory Auditors of the Company in the 21<sup>st</sup> Annual General Meeting held on 28.09.2016. Their continuance of appointment or otherwise and a payment of remuneration are to be confirmed and approved in the ensuing Annual General Meeting.

### **28. AUDIT QUALIFICATIONS**

There were no qualifications, reservations or adverse remarks made by the Auditors.

### **29. SECRETARIAL AUDIT REPORT**

Your Company appointed Ms. Manisha Saraf, member of The Institute of Company Secretaries of India (Membership No. FCS 7607 Certificate of Practice No. 8207 as the Secretarial Auditor of your Company for FY 2016-17 to conduct the Secretarial Audit pursuant to Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Secretarial Audit Report for the Financial Year 2016-17 forms a part of the Annual Report.

### **30. ACKNOWLEDGEMENT**

Your Company's performance during the year would not have been possible without the commitment and hard work of the employees.

We thank our customers, vendors, dealers, investors, business associates and bankers for their continued support during the year. We place on record our appreciation of the contribution made by the employees at all levels. Our resilience to meet challenges was made possible by their hard work, solidarity, co-operation and support.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**Kolkata**  
**29<sup>th</sup> May, 2017**

**Sd/-**  
**(Mukesh Goel)**  
**Managing Director**  
**(DIN :00555061)**

**DISCLOSURE OF THE PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER COMPANIES (ACCOUNTS) RULES, 2014.**

**A) CONSERVATION OF ENERGY:**

I) The steps taken or impact on conservation of energy	NIL
II) The steps taken by the Company for utilising alternate sources of energy	
III) The capital investment on energy conservation equipment	

**B) TECHNOLOGY ABSORPTION:**

I) Efforts made towards technology absorption	NIL
II) Benefits derived like product improvement, cost reduction, product development or import substitution	
III) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year), following information may be furnished: (a) Technology imported. (b) Year of import. (c) Whether technology been fully absorbed (d) If not fully absorbed, areas where absorption has not taken place and the reasons thereof	Not Applicable
V) The expenditure incurred on research or development	Not Applicable

**C) FOREIGN EXCHANGE EARNINGS AND OUTGO:**

	FY 2016-17 (Rs.)	FY 2015-16 (Rs.)
Foreign Exchange earned in terms of actual inflows	NIL	NIL
Foreign Exchange outgo in terms of actual outflows	NIL	NIL

## Form No. MGT -9

### EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2017

*[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]*

#### I. REGISTRATION AND OTHER DETAILS:

i.	<b>CIN</b>	L27106WB1996PLC076866
ii.	<b>Registration Date</b>	30/01/1996
iii.	<b>Name of the Company</b>	AANCHAL ISPAT LIMITED
iv.	<b>Category/Sub-Category of the Company</b>	COMPANY LIMITED BY SHARES
v.	<b>Address of the Registered office and contact details</b>	MOUZA-CHAMRAIL NATIONAL HIGHWAY 6 LILUAH HOWRAH-711114, WEST BENGAL EMAIL ID- cs@aanchalispac.com WEBSITE- www.aanchalispac.com TEL- 033 - 22510128 / 23230052
vi.	<b>Whether listed company</b>	Yes
vii.	<b>Name, Address and Contact details of Registrar and Transfer Agent, if any</b>	PURVA SHAREGISTRY(INDIA) PVT. LTD. UNIT NO.9, SHIV SHAKTI IND. ESTT.J.R BORICHA MARG, OPP.KASTURBA HOSPITAL LANE LOWER PAREL(E) MUMBAI-400 011 TEL- 022- 23016761 / 23018261 ; EMAIL- busicomp@gmail.com WEBSITE- www.purvashare.com

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	MANUFACTURING OF IRON & STEEL PRODUCTS	24311	68.10
2	TRADING OF CEMENT, CLINKER AND CHARCOAL	N.A	31.90



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**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	MAINA SECURITIES PVT LTD	U74900WB2009PTC135111	ASSOCIATE	22.73%	2(6)

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

*i. Category-wise ShareHolding*

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>1) Indian</b>									
a) Individual/ HUF	38,01,750	-	38,01,750	18.23%	38,01,750	-	38,01,750	18.23%	0.00%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp	9,048,000	-	9,048,000	43.39%	9,048,000	-	9,048,000	43.39%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any Other	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub-total(A)(1):-</b>	1,28,49,750		1,28,49,750	61.62%	1,28,49,750	-	1,28,49,750	61.62%	0.00%
<b>2) Foreign</b>									
g) NRIs-Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Other-Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
j) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
k) Any Other....	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub-total(A)(2):-</b>	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Total(A)</b>	12,849,750	-	12,849,750	61.62%	12,849,750	-	12,849,750	61.62%	0.00%

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<b>B.Public Share holding/Other than Promoters</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIs	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (Market Maker)	-	-	-	0.00%	-	-	-	0.00%	00.00%
Sub-total(B)(1)	-	-	-	0.00%	-	-	-	0.00%	00.00%
<b>2. Non Institutions</b>									
a) Bodies Corp.									
(i) Indian	20,76,000	-	20,76,000	9.96%	27,60,000	-	27,60,000	13.24%	3.28%
(ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Individuals									
(i) Individual share holders holding nominal share capital upto Rs. 1 lakh	15,84,000	6,000	15,90,000	7.62%	15,60,000	6,000	15,66,000	7.50%	-0.12%
(ii) Individual share holders holding nominal share capital in excess of Rs 1 lakh	35,10,000	-	35,10,000	16.83%	29,52,000	-	29,52,000	14.15%	-2.68%
c) Others(Specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
Non Resident Indians	-	-	-	0.00%	-	-	-	0.00%	0.00%
Overseas Corporate Bodies	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Nationals	-	-	-	0.00%	-	-	-	0.00%	0.00%
Clearing Members Trusts	18,000	-	18,000	0.09%	1,08,000	-	1,08,000	0.52%	0.43%
HUF	8,10,000	-	8,10,000	3.88%	6,18,000	-	6,18,000	2.97%	-0.91%
Sub-total(B)(2)	79,98,000	6,000	80,04,000	38.38%	79,98,000	6,000	80,04,000	38.38%	0.00%
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>79,98,000</b>	<b>6,000</b>	<b>8,004,000</b>	<b>38.38%</b>	<b>79,98,000</b>	<b>6,000</b>	<b>80,04,000</b>	<b>38.38%</b>	<b>0.00%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Grand Total(A+B+C)</b>	<b>20,847,750</b>	<b>6,000</b>	<b>20,853,750</b>	<b>100.00%</b>	<b>20,847,750</b>	<b>6,000</b>	<b>20,853,750</b>	<b>100.00%</b>	<b>0.00%</b>

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**ii. Shareholding of Promoters**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Maina Securities Pvt Ltd.	4,740,000	22.73%	-	4,740,000	22.73%	-	0.00%
2.	Pratik Suppliers Pvt. Ltd.	4,128,000	19.80%	-	4,128,000	19.80%	-	0.00%
3.	Mukesh Goel	1,994,850	9.57%	-	1,994,850	9.57%	-	0.00%
4.	Manoj Goel	1,716,900	8.23%	-	1,716,900	8.23%	-	0.00%
5.	Aanchal Cement Limited	180,000	0.86%	-	180,000	0.86%	-	0.00%
6.	Monika Goel	42,000	0.20%	-	42,000	0.20%	-	0.00%
7.	Rashmi Goel	33,000	0.16%	-	33,000	0.16%	-	0.00%
8.	Sitaram Goyal	15,000	0.07%	-	15,000	0.07%	-	0.00%
	<b>Total</b>	<b>12,849,750</b>	<b>61.62%</b>	<b>-</b>	<b>12,849,750</b>	<b>61.62%</b>	<b>-</b>	<b>0.00%</b>

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

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	12,849,750	61.62%	12,849,750	61.62%
Changes during the year	<b>NO CHANGE</b>			
At the End of the year	12,849,750	61.62%	12,849,750	61.62%

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**iv. Shareholding Pattern of top ten Shareholders:**  
**(Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No	For each of the Top 10 shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1.	<b>GUINNESS SECURITIES LIMITED</b> At the beginning of the year Bought during the year Sold during the year At the end of the year	3,00,000 4,62,000 2,22,000 5,40,000	1.44% 2.21% 1.06% 2.59%	3,00,000 7,62,000 5,40,000 5,40,000	1.44% 3.65% 2.59% 2.59%
2.	<b>SWARAN FINANCIAL PRIVATE LIMITED</b> At the beginning of the year Bought during the year Sold during the year At the end of the year	3,66,000 0 0 3,66,000	1.76% 0.00% 0.00% 1.76%	3,66,000 3,66,000 3,66,000 3,66,000	1.76% 1.76% 1.76% 1.76%
3.	<b>KHUSH ISPAT PRIVATE LIMITED</b> At the beginning of the year Bought during the year Sold during the year At the end of the year	1,32,000 96,000 0 2,28,000	0.63% 0.46% 0.00% 1.09%	1,32,000 2,28,000 2,28,000 2,28,000	0.63% 1.09% 1.09% 1.09%
4.	<b>GUINNESS FINANCE &amp; LEASING PRIVATE LIMITED</b> At the beginning of the year Bought during the year Sold during the year At the end of the year	6,000 2,16,000 0 2,22,000	0.02% 1.04% 0.00% 1.06%	6,000 2,22,000 2,22,000 2,22,000	0.02% 1.06% 1.06% 1.06%
5.	<b>REALSTEP AGENCIES PRIVATE LIMITED</b> At the beginning of the year Bought during the year Sold during the year At the end of the year	3,24,000 0 1,56,000 1,68,000	1.55% 0.00% 0.75% 0.80%	3,24,000 3,24,000 1,68,000 1,68,000	1.55% 1.55% 0.80% 0.80%
6.	<b>ARYAV SECURITIES PRIVATE LIMITED</b> At the beginning of the year Bought during the year Sold during the year At the end of the year	0 1,56,000 0 156,000	0.00% 0.75% 0.00% 0.75%	0 1,56,000 1,56,000 1,56,000	0.00% 0.75% 0.75% 0.75%



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<b>7.</b>	<b>DURGA ALLOY &amp; STEEL PRIVATE LIMITED</b>				
	At the beginning of the year	1,56,000	0.75%	1,56,000	0.75%
	Bought during the year	0	0.00%	1,56,000	0.75%
	Sold during the year	0	0.00%	1,56,000	0.75%
	At the end of the year	1,56,000	0.75%	1,56,000	0.75%
<b>8.</b>	<b>YOUTH VISION COMMODITIES PRIVATE LIMITED</b>				
	At the beginning of the year	0	0.00%	0	0.00%
	Bought during the year	2,16,000	1.04%	2,16,000	1.04%
	Sold during the year	1,02,000	0.49%	1,14,000	0.55%
	At the end of the year	1,14,000	0.55%	1,14,000	0.55%
<b>9.</b>	<b>YORK FINANCIAL SERVICES PRIVATE LIMITED</b>				
	At the beginning of the year	2,34,000	1.12%	2,34,000	1.12%
	Bought during the year	12,000	0.06%	2,46,000	1.18%
	Sold during the year	1,56,000	0.75%	90,000	0.43%
	At the end of the year	90,000	0.43%	90,000	0.43%
<b>10.</b>	<b>KOWSHIK B M</b>				
	At the beginning of the year	90,000	0.43%	90,000	0.43%
	Bought during the year	24,000	0.12%	1,14,000	0.55%
	Sold during the year	24,000	0.12%	90,000	0.43%
	At the end of the year	90,000	0.43%	90,000	0.43%

**v. Shareholding of Directors and Key Managerial Personnel:**

Sr. No	Shareholding of each Directors and each Key Managerial Personnel	Share holding at the beginning of the year		Cumulative Share holding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1.	<b>Mukesh Goel</b>				
	At the beginning of the year	19,94,850	0.00%	19,94,850	9.57%
	Changes during the year	-	0.00%	19,94,850	9.57%
	At the end of the year	19,94,850	0.00%	19,94,850	9.57%
2.	<b>Manoj Goel</b>				
	At the beginning of the year	17,16,900	0.00%	17,16,900	8.23%
	Changes during the year	-	0.00%	17,16,900	8.23%
	At the end of the year	17,16,900	0.00%	17,16,900	8.23%
3.	<b>Sudhir Kr Budhia</b>				
	At the beginning of the year	-	0.00%	-	0.00%
	Changes during the year	-	0.00%	-	0.00%
	At the end of the year	-	0.00%	-	0.00%
4.	<b>Mukesh Agarwal</b>				
	At the beginning of the year	-	0.00%	-	0.00%
	Changes during the year	-	0.00%	-	0.00%
	At the end of the year	-	0.00%	-	0.00%

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5.	<b>Preetee Agarwal</b> At the beginning of the year Changes during the year At the end of the year	- - -	0.00% 0.00% 0.00%	- - -	0.00% 0.00% 0.00%
6.	<b>Amit Sarawgi</b> <b>(Resigned on 20.07.2016)</b> At the beginning of the year Changes during the year At the end of the year	- - -	0.00% 0.00% 0.00%	- - -	0.00% 0.00% 0.00%
7.	<b>A.S. Nageswar Rao</b> <b>(Joined on 20.07.2016)</b> At the beginning of the year Changes during the year At the end of the year	- - -	0.00% 0.00% 0.00%	- - -	0.00% 0.00% 0.00%
8.	<b>Priyanka Bhauwala</b> At the beginning of the year Changes during the year At the end of the year	- - -	0.00% 0.00% 0.00%	- - -	0.00% 0.00% 0.00%

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment  
(Rs. in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	2,555.54	182.00	-	2,737.54
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not	-	-	-	-
<b>Total (i+ii+iii)</b>	2,555.54	182.00	-	2,737.54
<b>Change in Indebtedness during the financial year</b>				
- Addition	1165.36	234.97	-	1400.33
- Reduction	35.84	182.00	-	217.84
Net Change	1129.52	52.97	-	1182.49

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<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	3685.06	234.97	-	3920.03
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>3685.06</b>	<b>234.97</b>	<b>-</b>	<b>3920.03</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing -Director, Whole-time Directors and/or Manager**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (Rs/Lac)
		Mukesh Goel (Managing Director)	Manoj Goel	
1.	Gross salary	7.20	-	7.20
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit- others, specify	-	-	-
5.	Others, please specify	-	-	-
6.	Total(A)	7.20	-	7.20
	Ceiling as per the Act	15.19	-	-

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**Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of the Independent Directors			Total Amount (Rs.)
		Sudhir Kumar Budhia	Mukesh Agarwal	Preetee Agarwal	
	Independent Directors - Fee for attending board committee meetings - Commission - Others, please specify	51,000 - -	51,000 - -	96,000 - -	1,98,000 - -
	<b>Total(1)</b>	<b>51,000</b>	<b>51,000</b>	<b>96,000</b>	<b>1,98,000</b>
	Other Non-Executive Directors - Fee for attending board committee meetings - Commission - Others, please specify	Manoj Goel 51,000			
	<b>Total(2)</b>	<b>51,000</b>	<b>-</b>	<b>-</b>	<b>51,000</b>
	<b>Total(B)=(1+2)</b>	<b>1,02,000</b>	<b>51,000</b>	<b>96,000</b>	<b>2,49,000</b>
	Total Managerial Remuneration				
	Overall Ceiling as per the Act				

**B. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel				Total Amount (Rs- Lac)
		CEO	Priyanka Bhauwala (Company Secretary)	Amit Sarawgi (CFO)	A.S. Nageswar Rao (CFO)	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		3.15 - -	4.45 - -	10.48 - -	18.08 - -
2.	Stock Option		-	-	-	-
3.	Sweat Equity		-	-	-	-
4.	Commission- as % of profit- others, specify...		-	-	-	-
5.	Others, please specify		-	-	-	-
6.	<b>Total</b>		<b>3.15</b>	<b>4.45</b>	<b>10.48</b>	<b>18.08</b>

**NOTE:**

- Mr. Amit Sarawgi (CFO) relieved from the Company on 20.07.2016.
- Mr. A.S Nageswar Rao (CFO) joined the Company on 20.07.2016.



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**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ Court]	Appeal made. If any (give details)
<b>A.Company</b>					
Penalty			<b>NIL</b>		
Punishment					
Compounding					
<b>B.Directors</b>					
Penalty			<b>NIL</b>		
Punishment					
Compounding					
<b>C.Other Officers In Default</b>					
Penalty			<b>NIL</b>		
Punishment					
Compounding					

## **Pursuant to Regulation 34(3) and Schedule V (C) of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015, Report On Corporate Governance for the year 2016-17.**

### **1. CORPORATE GOVERNANCE**

Corporate Governance at Aanchal Ispat Limited has been a continuous journey and the business activities and goals of the Company are aimed of the overall well-being of all the stakeholders of the system. Sound Corporate Governance practices are guided by culture, conscience and mindset of an organization and are based on principles of openness, fairness, professionalism, transparency and accountability with an aim to build confidence of its various stakeholders and paving way for its long-term success. Achievement of excellence in good Corporate Governance practices requires continuous efforts and focus on its resources, strengths and strategies towards ensuring fairness and transparency in all its dealings with its stakeholders including society at large.

#### **COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE**

At Aanchal Ispat Limited, corporate governance encompasses law, procedures, practices and implicit rules that determine the management's ability to take sound and informed business decisions vis-à-vis all its stakeholders i.e. shareholders, creditors, employees and the state. Ethical dealings, transparency, fairness, disclosure and accountability are the main thrust to the working of the Aanchal Ispat Limited. The Board of Directors of your Company is responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a pivotal role in overseeing how the management serves the short and long term interests of shareholders and other stakeholders. At Aanchal Ispat Limited, we believe that the imperative for good corporate governance lies not merely in drafting a code of Corporate Governance but in practicing it. We keep our governance practices under continuous review and benchmark ourselves to the best practices across the globe.

### **2. BOARD OF DIRECTORS**

In keeping with the commitment of the Management to the principle of integrity and transparency in business operations for good corporate governance, the Company's policy is to have an appropriate blend of executive and independent directors to maintain the independence of the Board and to separate the Board functions of governance and management.

#### **Composition**

The Company has a balanced mix of Executive, Non-Executive and Independent Director. As on 31 March 2017, the Board of the Company consisted of 5 directors, of whom one was executive (Managing Director), another 4 were non-executive, including 3 were independent Directors (including one woman director)

According to regulation 17(1)(b) of SEBI Listing Regulations, 2015, where the Executive Director is the Chairperson, at least half of the Board of the Company should consist of independent directors. The following Table shows, this provision is met at Aanchal Ispat limited.

**Composition of the Board and Directorships held as on 31<sup>st</sup> March, 2017.**

Name of the Directors	Category	All companies Worldwide (1)&&	Board Committees		Attendance	
			Chairmanships	Memberships	Board Meetings	AGM
Mr. Mukesh Goel (Managing Director)	Promoter & Executive Director	10	NIL	NIL	7	YES
Mr. Manoj Goel	Promoter & Non-Executive Director	10	NIL	3	7	YES
Mr. Sudhir Kumar Budhia	Non-Executive & Independent Director	2	1	3	7	YES
Mr. Mukesh Agarwal	Non-Executive & Independent Director	1	2	3	7	YES
Ms. Preetee Agarwal	Non-Executive & Independent Director	1	NIL	NIL	7	YES

&& (1) Directorship in companies worldwide (listed, unlisted and private limited companies) including Aanchal Ispat Limited and excluding Section 8 companies.

**Note:** There exist an inter-se relationship between our board members i.e Mr. Mukesh Goel & Mr. Manoj Goel are brothers by relation.

**Meetings Number and dates of Board held during the financial year 2016-17**

The Board of Directors oversees the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long term interest of the stakeholders are being served. The Board met seven times during the financial year 2016-17. The gap between any two meetings has been less than one hundred and twenty days.

Sl. No	Date of Board Meetings	Total strength of the Board	No. of Directors present
1	May 30, 2016	5	5
2	July 14, 2016	5	5
3	August 29, 2016	5	5
4	September 8, 2016	5	5
5	November 28, 2016	5	5
6	March 21, 2017	5	5
7	March 31, 2017	5	5

## **Independent Directors' Meeting**

In compliance with Schedule IV to the Companies Act, 2013 and regulation 25(3) of SEBI Listing Regulations, 2015, the independent directors held their separate meeting on 31<sup>st</sup> March 2017, without the attendance of non-independent directors and members of Management, to inter alia discuss the following:

- i) review the performance of non-independent directors and the Board as a whole;
- ii) review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;
- iii) assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties; and
- iv) review the responsibility of independent directors with regard to internal financial controls.

All independent directors were present at the meeting.

The independent directors present elected Mr. Sudhir Budhia as Chairman for the meeting, deliberated on the above and expressed their satisfaction on each of the matters & on the evaluation process.

The Independent Directors hold an unanimous opinion that the non-independent Directors, including the Managing Director brings to the Board, abundant knowledge in their respective field and are experts in their areas. Besides, they are insightful, convincing, astute, with a keen sense of observation, mature and have a deep knowledge of the Company.

The Board as a whole is an integrated, balanced and cohesive unit where diverse views are expressed and dialogued when required, with each Director bringing professional domain knowledge to the table. All Directors are participative, interactive and communicative.

The Chairperson has abundant knowledge, experience, skills and understanding of the Board's functioning, possesses a mind for detail, is meticulous to the core and conducts the Meetings with poise and maturity.

The information flow between the Company's Management and the Board is complete, timely with good quality and sufficient quantity.

### **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 Listing Regulations, 2015.

### **Formal letter of appointment to independent directors**

The Company issues a formal letter of appointment to independent directors in the manner as provided in the Companies Act, 2013.

### **Information supplied to the Board**

In advance of each meeting, the Board is presented with relevant information on various matters related to the working of the Company, especially those that require deliberation at the highest level.

In terms of quality and importance, the information supplied by Management to the Board of the Company is in line with the mandated under regulation 17(7) read with Part A of Schedule II to the SEBI Listing



Regulations, 2015. As stated elsewhere, the independent directors of the Company at their meeting held on 31<sup>st</sup> March 2017 expressed satisfaction on the quality, quantity and timeliness of flow of information between the Company Management and the board that is necessary for the Board to effectively and reasonably perform their duties.

### **Familiarization programme for Independent Directors**

Whenever any person joins the Board of the Company as an Independent Director, an induction programme is arranged for him / her wherein he / she is familiarized with the Company, their roles, rights and responsibilities in the Company, the code of conduct to be adhered, nature of the industry in which the Company operates, business model of the Company, meeting with the senior management team members, etc.

### **3. AUDIT COMMITTEE:**

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 Company Secretary acts as the Secretary of the committee. The internal auditor reports functionally to the Audit Committee. The Board terms & reference of the Audit Committee are:-

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board the appointment, re-appointment, remuneration and terms of appointment of statutory auditors, cost auditor of the Company.
- To approve transactions of the Company with related parties and subsequent modifications of the transactions with related parties.
- To review reports of the Internal Auditors and discussion on any significant findings and follow up there on.
- In addition, the powers and role of the Audit Committee are as laid down in Regulation 18(3) and Part C of Schedule II of SEBI (LODR) Regulations, 2015 and section 177 of the Companies Act, 2013.

5 meetings of the Committee were held during the year ended March 31, 2017 i.e on May 30, 2016; July 14, 2016; August 29, 2016; November 14, 2016; and March 11, 2017.

**The Composition of the Committee and Attendance details of the members are given below:**

<b>Names of the Members</b>	<b>Category</b>	<b>No. of meetings attended</b>
Mr. Sudhir Kumar Budhia (Chairman)	Non-Executive & Independent	5
Mr. Manoj Goel	Non-Executive & Non-Independent	5
Mr. Mukesh Agarwal	Non-Executive & Independent	5

#### **4. NOMINATION AND REMUNERATION COMMITTEE:**

The purpose of the Nomination and Remuneration Committee (“NRC”) is to oversee the Company’s nomination process for the senior management and specifically to identify, screen and review individuals qualified to serve as EDs, NEDs and IDs consistent with criteria approved by the Board and to recommend, for approval by the Board, nominees for election at the AGM of the shareholders.

The Committee also discharges the Board’s responsibilities relating to compensation of the Company’s EDs and senior management. The Committee has formulated remuneration policy for Directors, KMPs and all other employees of the Company. The remuneration policy and the criterion for making payments to NEDs is available on our website at [www.aanchalisp.com](http://www.aanchalisp.com). The Committee has the overall responsibility of approving and evaluating the compensation plans, policies and programmes for EDs and the senior management. The Committee reviews and recommends to the Board the base salary, incentives/commission, other benefits, compensation or arrangements and executive employment agreements for the EDs for its approval. The Committee coordinates and oversees the annual self-evaluation of the performance of the Board, Committees and Individual Directors.

5 meetings of the Committee were held during the year ended March 31, 2017 i.e on May 30, 2016; July 14, 2016; August 29, 2016; November 14, 2016; and March 11, 2017.

**The Composition of the Committee and Attendance details of the members are given below:**

<b>Names of the Members</b>	<b>Category</b>	<b>No. of meetings attended</b>
Mr. Mukesh Agarwal(Chairman)	Non-Executive & Independent	5
Mr. Manoj Goel	Non-Executive & Non-Independent	5
Mr. Sudhir Kumar Budhia	Non-Executive & Independent	5

#### **5. Remuneration of Directors:**

(Amt. in Rs.)

<b>Name of the Directors</b>	<b>Salary</b>	<b>Perquisites and allowances</b>	<b>Performance Linked Incentive</b>	<b>Sitting Fees</b>	<b>Total</b>	<b>Stock options granted</b>
Mr. Mukesh Goel	7,20,000	-	-	-	7,20,000	-
Mr. Manoj Goel	-	-	-	51,000	51,000	-
Mr. Sudhir Kumar Budhia	-	-	-	51,000	51,000	-
Mr. Mukesh Agarwal	-	-	-	51,000	51,000	-
Ms. Preetee Agarwal	-	-	-	96,000	96,000	-

The tenure of office of Mr. Mukesh Goel, Managing Director is for five years commencing from 12<sup>th</sup> August, 2014. There is no provision for notice period and payment of severance fees. The Non-Executive Directors (other than promoter director) are paid only sitting fees on the recommendation of Nomination and Remuneration Committee.

**Aanchal Ispat Limited**  
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There were no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company. The Company has not granted any stock option to any of its Non-Executive Directors.

**6. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

As on March 31, 2017, the Committee comprises of 3 Directors, namely:

SI. No.	Name of the Members	Category	Designation
1.	Mr. Mukesh Agarwal	Non-Executive Independent	Chairman
2.	Mr. Sudhir Kumar Budhia	Non-Executive Independent	Member
3.	Mr. Manoj Goel	Non-Executive Non-Independent	Member

The Company Secretary acts as a Secretary to the Committee.

The terms and reference of the Committee are:-

- To review the reports submitted by the Registrar and Share Transfer Agent of the Company, at periodic intervals.
- To periodically report to the Board about serious concerns, if any

The Committee also looks into Redressal of Shareholders' / Investors' complaints like transfer of shares, non-receipt of declared dividend, non-receipt of annual report etc., besides complaints from SEBI, Stock Exchanges and Registrar of Companies etc.

**Investors' Complaints attended and resolved during 2016-17**

Pending at the beginning of the year	Nil
Received during the year	Nil
Disposed of during the year	Nil
Remaining unresolved at the end of the year	Nil

During the year under review, no complaints were received by the Company.

**Performance evaluation**

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, 2015, the Board has carried out an annual evaluation of its own performance, and that of its Committees and individual directors.

**The name, designation and address of Compliance Officer of the Company is as under:**

Name and Designation	Ms. Priyanka Bhauwala, Company Secretary
Address	National Highway-6, chamrail, Howrah- 711 114
Contacts	Phone: +91 9007020924
E-mail	cs@aanchalispac.com

## 7. GENERAL BODY MEETINGS:

The details of the last three Annual and/or Extra-ordinary General Meeting are as follows.

Year	Day, Date & Time	Venue	Special Resolution passed
2015-16	<b>(AGM)</b> Wednesday, 28 <sup>th</sup> September, 2016 at 10.00 A.M.	Oasis, National Highway-6, Kona Expressway, Post: Chamrail, P.S-Liluah, Howrah- 711114	Resolution passed for the following purpose: 1. Migration of our Company from SME platform to Main Board of Bombay Stock Exchange. 2. Appointment of Ms. Preetee Agarwal as Independent Director
2014-15	<b>(AGM)</b> Friday, 25 <sup>th</sup> September, 2015 at 1.00 P.M.	Oasis, National Highway-6, Kona Expressway, Post: Chamrail, P.S-Liluah, Howrah- 711323	NIL
2013-14	<b>(AGM)</b> Friday, 5 <sup>th</sup> September, 2014 at 11.30 A.M.	National Highway-6, Mouza-Chamrail, Howrah-711 114	NIL
	<b>(EGM)</b> 1 <sup>st</sup> September, 2014, at 11.00 A.M	National Highway-6, Mouza-Chamrail, Howrah-711 114	Resolution passed for appointment of Mr. Mukesh Agarwal as Independent Director.
	<b>(EGM)</b> 30 <sup>th</sup> July, 2014 at 11.00 A.M	National Highway-6, Mouza-Chamrail, Howrah-711 114	Resolution passed for the following purpose: 1. Bonus issue 2. conversion of company into a public company 3. Resolution passed for appointment of Mr. Sudhir Kumar Budhia as Independent Director

### Auditors' certificate on corporate governance

The Company has obtained the certificate from its statutory auditors regarding compliance with the provisions relating to corporate governance laid down in Part E of Schedule V to the SEBI Listing Regulations, 2015. This certificate is annexed to the Directors' Report and will be sent to the stock exchanges, along with the Annual Report to be filed by the Company.

### POSTAL BALLOT

During the previous year 2015-16, the company has passed the following special resolution through postal ballot. The detail of the postal ballot are as follows:

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Date of Postal Ballot Notice: 29.08.2016

<b>Special Resolution</b>	<b>No. of votes polled</b>	<b>Vote cast in favour</b>		<b>Vote cast against</b>	
Migration of our Company M/s Aanchal Ispat Limited from SME platform to Main Board of Bombay Stock Exchange.	<b>14973750</b>	<b>14973750</b>	<b>100%</b>	<b>0</b>	<b>0%</b>

Ms. Manisha Saraf, Practicing Company Secretary (Membership No. FCS 7607) was appointed as the scrutinizer for carrying out the postal ballot process in a fair and transparent manner.

### **PROCEDURE FOR POSTAL BALLOT**

In Compliance with Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the related rules, the Company provides e-voting facility to all its members. The Company engages the services of NSDL for the purpose of providing e-voting facility to all its members. The members have the option to vote either by postal ballot or by e-voting.

The Company dispatches the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose names appear on register of members/list of beneficiaries as on cut-off date. The Postal ballot notice is sent to members in electronic form to the e-mail addresses registered with their depository participants (in case of electronic shareholding)/ the Company's registrar and share transfer agents (in case of physical shareholding). The Company also publishes a notice in the newspaper declaring details of completion of dispatch and other requirements as mandated under the Act and applicable Rules.

Voting rights are reckoned on the paid-up value of the share registered in the names of the members as on the cut-off date. Members desiring to exercise their votes by physical postal ballots forms are requested to return the forms, duly completed and signed, to the scrutinizer on or before the close of the voting period. Members desiring to exercise their votes by electronic mode are requested to vote before the close of business hours on the last date of e-voting.

The Scrutinizer submits his report to Chairman, after the completion of scrutiny, and the consolidated results of the voting by postal ballot are then announced by the Chairman/ authorized officer. The results are also displayed on the Company website, [www.aanchalispac.com](http://www.aanchalispac.com), besides being communicated to the stock exchanges, depository and registrar and share transfer agent. The last date for the receipt of duly completed Postal Ballot forms ore - voting shall be the date on which the resolution would be deemed to have been passed, if approved by requisite majority.

**No special resolution is proposed to be conducted through Postal Ballot for the Financial Year 2016-17.**

### **8. MEANS OF COMMUNICATION:**

Information like quarterly / half yearly / annual financial results and press releases on significant developments in the Company that have been made available from time to time, are hosted on the Company's website [www.aanchalispac.com](http://www.aanchalispac.com) and have also been submitted to the Stock Exchanges to enable them to put them on their websites and communicate to their members. The Company is electronically filing all reports / information including Quarterly Results, Shareholding Pattern and Corporate Governance Report etc on the BSE website i.e [www.listing.bseindia.com](http://www.listing.bseindia.com).

**9. GENERAL SHAREHOLDER INFORMATION**

**i. AGM Details:**

<b>Date</b>	21 <sup>st</sup> of September, 2017
<b>Time</b>	11.00 A.M
<b>Venue</b>	Hotel Oasis, National Highway 6, Kona Expressway, Post: Chamrail, P.S: Liluah, Howrah-711 114

**ii. Financial Year**

Financial Year- 1<sup>st</sup> April 2016 to 31<sup>st</sup> March, 2017.

**iii. Dividend Payment Date:**

No dividend was declared during the financial year 2016-2017.

**iv. Listing on Stock Exchange and Stock Code:**

<b>Equity Shares</b>	BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001 Scrip Code: 538812ISIN No. INE322R01014
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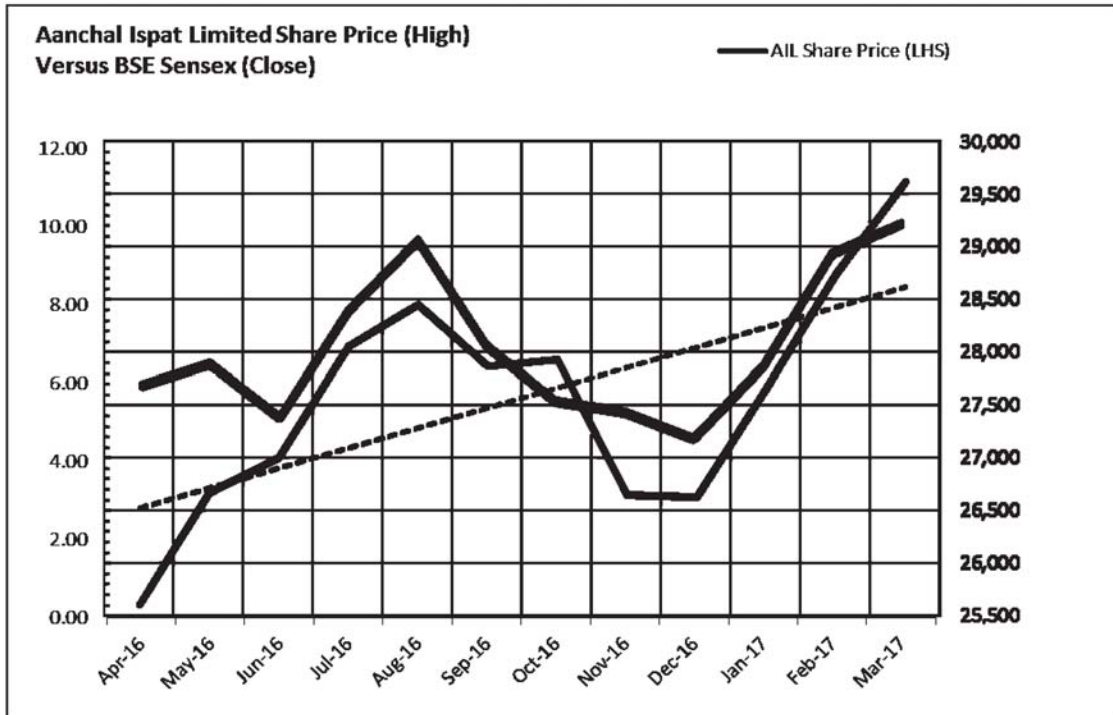
The annual listing fee for the year 2017-2018 has been paid to the above Stock Exchanges.

**v. Stock Market Price Data-BSE**

<b>The monthly movement of Equity Share Price on BSE.</b>		
<b>F.Y 2016-2017</b>	<b>Share Price (In Rs.)</b>	
<b>Months</b>	<b>High</b>	<b>Low</b>
<b>April</b>	6.01	5.00
<b>May</b>	6.55	4.50
<b>June</b>	5.19	4.10
<b>July</b>	7.90	5.05
<b>August</b>	9.73	4.48
<b>September</b>	7.00	5.00
<b>October</b>	5.60	4.83
<b>November</b>	5.31	3.56
<b>December</b>	4.65	3.90
<b>January</b>	6.51	3.55
<b>February</b>	9.37	6.25
<b>March</b>	10.15	7.71



**vi. Performance in comparison to broad based indices:**



**vii. Registrar and Share Transfer Agent and Share Transfer System**

The Company's share transfers are handled by Purva Shareregistry Pvt. Ltd., Registrar and Share Transfer Agents (RTA).

No. 9, Shiv Shakti Ind. Estate, Gr. Floor,  
 J. R. Boricha Marg, Lower Parel,  
 Mumbai-400 011  
 Tel: +91 22 2301 6761/8261  
 Fax: +91 22 2301 2517  
 Website: [www.purvashare.com](http://www.purvashare.com)  
 Email: [busicomp@vsnl.com](mailto:busicomp@vsnl.com)  
 SEBI Regn No. INR000001112  
 Contact Person: Mr. Rajesh Shah

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**viii. Share Transfer System**

The shares received in physical mode by the Company / RTA are transferred expeditiously provided the documents are complete and shares under transfer are not under dispute. Confirmation in respect of the request for dematerialization of shares is sent to respective depositories – National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) within stipulated period.

**ix. Distribution of Shareholding and shareholding pattern as on 31<sup>st</sup> March 2017**

Shareholding	Shareholders		Shares	
	Number	% of Total	Number	% of Total
Upto 500	-	-	-	-
501 to 1000	-	-	-	-
1001 to 2000	-	-	-	-
2001 to 3000	-	-	-	-
3001 to 4000	-	-	-	-
4001 to 5000	-	-	-	-
5001 to 10000	302	57.52	1812000	8.69
10001 and above	223	42.48	19041750	91.31
<b>Grand Total</b>	<b>525</b>	<b>100.00</b>	<b>20853750</b>	<b>100</b>

**x. Categories of Shareholders (as on 31st March, 2017)**

Sl. No.	Description	No. of shares	Percentage of capital (%)
I.	Promoters and Promoters group	12849750	61.62
II	Public Shareholding	-	-
1.	Non-Institutions	-	-
a.	Bodies Corporate	2760000	13.24
b.	Individuals	4518000	21.67
c.	HUF	618000	2.96
II.	Institutional.	-	-
d.	Market Maker -	-	-
e.	Non Resident Individual	-	-
f.	Clearing Member	108000	0.52
	Sub-total	8004000	38.38
	<b>Total (I) +(II)</b>	<b>20853750</b>	<b>100</b>

**xi. Dematerialization of shares and liquidity:-**

Over 99.97 % of the shares have been dematerialized upto 31st March, 2017. Trading in Equity Shares of the Company is permitted only in dematerialized form. The shares of the Company are regularly traded at BSE.

**xii. Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, Conversion date and likely impact on the Equity:-**

Not Applicable

**xiii. Commodity price risk or foreign exchange risk and hedging activities:**

Not Applicable

**xiv. Plant Location**

National Highway-6,

Chamrail,

Howrah- 711 114.

Website: [www.aanchalispac.com](http://www.aanchalispac.com)

Tel: +913212 246121 / [Info@aanchalispac.com](mailto:Info@aanchalispac.com)

**xv. Address For Correspondence**

For any assistance, queries regarding transfer or transmission of shares, dematerialization, non-receipt of dividend, non-credit of shares in demat account and any other query relating to the shares of the Company and Annual Report, the shareholders may write to the following:

<p><b>AANCHAL ISPAT LIMITED</b> SECRETARIAL DEPARTMENT National Highway-6, Chamrail, Howrah- 711 114. Website :<a href="http://www.aanchalispac.com">www.aanchalispac.com</a> Tel: +913212 246121 Email:<a href="mailto:cs@aanchalispac.com">cs@aanchalispac.com</a> Contact Person- Ms. Priyanka Bhauwala Mobile No. +91 9007020924</p>	<p><b>Registrar and Share Transfer Agent</b> PURVA SHAREGISTRY (INDIA) PRIVATE LIMITED No. 9, Shiv Shakti Ind. Estate, Gr. Floor, J. R. Boricha Marg, Lower Parel, Mumbai-400 011 Tel: +91 22 2301 6761/8261 Fax: +91 22 2301 2517 Website: <a href="http://www.purvashare.com">www.purvashare.com</a> Email: <a href="mailto:busicomp@vsnl.com">busicomp@vsnl.com</a> SEBI Regn No. INR000001112 Contact Person: Mr. Rajesh Shah</p>
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## **10. OTHER DISCLOSURES**

**a. Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large;**

All related party transactions (RPTs) which were entered into during the financial year were on an arm's length basis and were in the ordinary course of business and did not attract provisions of section 188 of the Companies Act, 2013 and were also not material RPTs under regulation 23 of SEBI Listing Regulations, 2015.

There were no material transactions entered into with related parties, during the period under review, which may have had any potential conflict with the interests of the Company.

**b. Details of non-compliance by the listed entity, penalties, structures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years :**

The Company has paid a penalty of Rs. 80,500/- (including taxes) as imposed by the Bombay Stock Exchange for delay in filing of unaudited financial results for the half year ended 30<sup>th</sup> Sep, 2016 under Reg 33 of SEBI (LODR) Regulations, 2015.

**c. Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee:**

The Whistle Blower Policy/Vigil mechanism provides a mechanism for the director/employee to report violations, without fear of victimization, any unethical behaviour, suspected or actual fraud, violation of the Code of Conduct etc. which are detrimental to the organization's interest. The mechanism protects whistle blower from any kind of discrimination, harassment, victimization or any other unfair employment practice. The Company affirms that no employee has been denied access to the Audit Committee.

**d. Details of Compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause:**

The Company has complied with all mandatory requirements of Corporate Governance under the erstwhile Reg 17–27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As regards the Non-Mandatory requirements they are complied with to the extent possible.

**e. Web link where policy for determining material subsidiaries is disclosed:**

Not Applicable

**f. Weblink where policy on dealing with Related Party Transactions:**

<http://www.aanchalispac.com/policies.html>

**g. Disclosure of Commodity Price Risks and Commodity Hedging Activities:**

Not Applicable

**COMPLIANCES UNDER ERSTWHILE LISTING AGREEMENT AND SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

The Company has complied with the provisions of the erstwhile Listing Agreement. Information, certificates and returns as required under erstwhile Listing Agreement and are sent to the stock exchanges within the prescribed time. The Company has complied with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**CERTIFICATE ON COMPLIANCE WITH CODE OF CONDUCT**

This Code has been laid down with a view to promote good corporate governance and exemplary personal conduct and is applicable to all the Directors and Senior Managerial Personnel of the Company. This Code is also available on the website of the Company <http://aanchalispac.com/policies.html#policies>.

**Declaration of compliance of the Code of Conduct in terms of Schedule V (D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given hereunder:**

In terms of Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per 'affirmation of compliance' letters received from the Directors and the members of senior managerial personnel of the Company, I hereby declare that members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management during the financial year 2016-17."

**For and on behalf of the Board**

**Date: - 29<sup>th</sup> May, 2017**  
**Place: - Kolkata**

**Sd/-**  
**Mukesh Goel**  
  
**(Managing Director)**  
**(DIN : 00555061)**

**M.D. & CFO CERTIFICATION**

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

To,  
The Board of Directors  
**Aanchal Ispat Limited**

We hereby certify that we have reviewed the Financial Statements and the Cash Flow Statement for the financial year ended 31st March, 2017 and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. 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.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the aforesaid period which are fraudulent, illegal or violative of the Company's Code of Conduct.
4. 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 such internal control systems, if any, of which we are aware, and that we have taken the required steps to rectify these deficiencies.
5. We have indicated to the Auditors and the Audit Committee that:
  - (a) There have been no significant changes in internal control over financial reporting during the year.
  - (b) There have been no significant changes in accounting policies during the year.
  - (c) There have been no 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.

**For, Aanchal Ispat Limited**

**Sd/**  
**Mukesh Goel**  
**(Managing Director)**  
**(DIN : 00555061)**

**Sd/-**  
**A.S. Nageswar Rao**  
**(Chief Financial Officer)**

**Date:- 29.05.2017**

**Place:- Kolkata**



**CERTIFICATE ON COMPLIANCE WITH CONDITIONS OF  
CORPORATE GOVERNANCE  
INDEPENDENT AUDITOR'S CERTIFICATE**

**TO THE MEMBERS OF AANCHAL ISPAT LIMITED**

We have examined the compliance of conditions of Corporate Governance by Aanchal Ispat Limited ("the Company"), for the year ended on March 31, 2017, as stipulated in Regulation 17-27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock exchanges.

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

We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations, during the year ended 31<sup>st</sup> March, 2017.

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

For Raj Chandra & Associates  
Firm Registration No. 326312E  
Chartered Accountants

Place : 205 Rabindra Sarani  
3<sup>rd</sup> Floor, Room No. 105  
Kolkata - 700007  
Date : The 29th day of May, 2017

Sd/-  
[Raj Kumar Agarwala]  
Partner  
ICAI Membership No. 060921

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,

The Members,

**AANCHAL ISPAT LIMITED**

**Mouza- Chamrail National Highway 6**

**Liluah**

**Howrah-711114**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Aanchal Ispat Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, registers, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, registers, forms and returns filed and other records maintained by Aanchal Ispat Limited ("the Company") as given in **Annexure I**, for the financial year ended on 31<sup>st</sup> March, 2017 according to the provisions of:

- (i) The Companies Act, 2013(the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not applicable to the company during the Audit period )
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the financial year under report:-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (d) 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;
  - (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- (vi) We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The sector specific and other list of head/groups of general Acts, Laws and Regulations as applicable to the Company is given in **Annexure II**.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchange.

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

**I further report that**

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

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

I further report that during the audit period the company has not undertaken events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

**Place: KOLKATA**

**Date: 29<sup>th</sup> day of May, 2017**

**Sd/-**

**Manisha Saraf**

**Company Secretary in Practice**

**FCS: 7607**

**C P No.: 8207**

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

#### **ANNEXURE-I**

##### **List of documents verified**

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the financial year ended 31st March, 2017.
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Share Transfer Committee and Stakeholders' Relationship Committee along with Attendance Register held during the financial year under report.
4. Minutes of General Body Meetings held during the financial year under report.
5. All Statutory Registers.
6. Agenda papers submitted to all the directors / members for the Board Meetings and Committee Meetings.
7. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Companies Act, 2013.
8. Intimations received from directors under the prohibition of Insider Trading Code.
9. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act 2013 and attachments thereof during the financial year under report.
10. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement during the financial year under report.

#### **ANNEXURE-II**

##### **List of applicable laws to the Company**

1. Employees Provident Funds & Miscellaneous Act, 1952
2. Employees State Insurance Act, 1948
3. The Environment (Protection) Act, 1986
4. Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981
5. West Bengal Value Added Tax Act, 2003
6. Central Sales Tax Act, 1956
7. Profession, Trade , Callings and Employment Act, 1979
8. Central Excise Act, 1944
9. Factories Act, 1948
10. Bureau of Indian Standard
11. Industrial Disputes Act, 1947
12. Payment Of Wages Act, 1936 and Minimum Wages Act, 1948
13. The Payment of Bonus Act, 1965
14. Payment of Gratuity Act, 1972
15. Contract Labour (Regulation And Abolition) Act, 1970

**ANNEXURE-III**

To,

The Members

Aanchal Ispat Limited

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 process 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 process 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 Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure 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: Kolkata**

**Date: 29<sup>th</sup> day of May, 2017**

**Sd/-**

**Manisha Saraf**

**Company Secretary in Practice**

**FCS: 7607**

**C P No.: 8207**



## **Independent Auditor's Report**

To the Members of

### **AANCHAL ISPAT LIMITED**

(Formerly: Vinita Projects Private Limited)

### **Report on the Financial Statement**

We have audited the accompanying Financial Statements of **AANCHAL ISPAT LIMITED** (“the company”), which comprises the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statement**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these financial statements that gives a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, 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.

### **Auditor's Responsibility**

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Aanchal Ispat Limited**  
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**Opinion**

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 Act in the manner so require (Formerly : Kalika Cement Limited and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- b) in the case of the Statement of Profit and Loss Account, of the **Profit** for the year ended on that date;
- c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on the other Legal and regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, We give in the Annexure 'A' statement on the matters specified in paragraph 3 & 4 of the order.
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 appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and 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, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on 31 March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to adequacy of 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 included in the Auditor's Report and to our best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
    - iii. No amount is required to be transferred to the Investor Education and Protection Fund by the Company as on 31 March, 2017.

For Raj Chandra & Associates  
Chartered Accountants

Sd/-  
(R K Agarwala)  
Partner  
(Firm Registration No. : 326312E)

Place : Kolkata

Date : 29.05.2017

**The Annexure A referred to in paragraph 1 of the Our Report of even date to the members of AANCHAL ISPAT LIMITED on the accounts of the company for the year ended 31<sup>st</sup> March, 2017.**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- 1) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of information available.  
(b) As explained to us, fixed assets have been physically verified by the management reasonable intervals; no material discrepancies were noticed on such verification.  
(c) In our opinion and according to the information and explanations given to us, no substantial part of fixed asset has been disposed off during the year and therefore does not affect the going concern assumption.
- 2) (a) As explained to us, the stock is regularly verified by the management at reasonable intervals.  
(b) In our opinion and according to the information and explanations given to us, the procedure for verification of stock followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.  
(c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its stocks. No discrepancies have been noticed on verification of stocks statement as compared to book records
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- 4) According to the information and explanations given to us, the company has not advanced any loans, including any loan represented by a book debt, to any of its directors or to any other person in whom the director is interested or given any guarantee or provided any security in connection with any loan taken by him or such other person. The company has not made any investments during the year. Therefore provisions of Clause 3(iv) of the Companies (Auditor's Report) Order 2016 are not applicable. The company has not granted any loans or provided any guarantees or security to the parties covered under section 185 of Companies Act 2013.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) We have broadly reviewed the cost records maintained by the Company relating to its products pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 148(1) of the Act, and are of the opinion that prima facie the prescribed Cost Records have been made and maintained. We have, however, not made a detailed examination of the cost record with a view to determine whether they are accurate or complete.

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- 7) a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, income tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues, as applicable, with the appropriate authorities.
- b) The particulars of dues of sales tax, income tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess as applicable as at 31st March 2017 which have not been deposited on account of a dispute are as follows –

<b>Name of the Statute</b>	<b>Nature of Dues</b>	<b>Amount Involved</b>	<b>Period to which the amount relates</b>	<b>Forum where Dispute is Pending</b>
The Central Excise Act, 1944	Excise Duty	Rs. 7,986,754/-	FY 2007-08	Customs & Central Excise, Service Tax Tribunal
Income Tax Act, 1961	Income Tax	Rs. 19,278,200/-	FY 2011-12	CIT(A)-1, Kolkata
The Central Sales Tax Act, 1956	CST	Rs. 6,034,194/-	FY 2012-13	Senior Joint Commissioner, Howrah Circle
Income Tax Act, 1961	Income Tax	Rs. 3,233,690/-	FY 2012-13	CIT(A)-1, Kolkata
West Bengal Value Tax Act, 2003	VAT	Rs.25,227,448/-	FY 2012-13	Senior Joint Commissioner, Howrah Circle

- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks & financial institutions. The Company has not taken any loan either from the government and has not issued any debentures.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer during the year under review. The company had utilized the money raised by way of term loan during the year for the purpose for which they were raised.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;

**Aanchal Ispat Limited**  
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- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For Raj Chandra & Associates  
Chartered Accountants

Sd/-

(R K Agarwala )

Partner

(Firm Registration No. : 326312E)

Place : Kolkata

Date : 29.05.2017

**“Annexure B” to the Independent Auditor’s Report of even date on the Financial Statements of  
AANCHAL ISPAT LIMITED**

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 AANCHAL ISPAT LIMITED (“the Company”) as of March 31, 2017 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”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**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 whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the



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

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

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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 Raj Chandra & Associates

Chartered Accountants

Sd/-

(R.K.Agarwala)

Partner

(Firm Registration No. : 326312E)

Place : Kolkata

Date : 29.05.2017

**Aanchal Ispat Limited**  
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**Balance Sheet as at 31st March, 2017**

Particulars		Note No.	As at 31st March, 2017	As at 31st March, 2016
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	(a) Share Capital	3	208,537,500	208,537,500
	(b) Reserves and Surplus	4	395,457,640	193,542,991
			603,995,140	402,080,491
<b>2</b>	<b>Non - Current Liabilities</b>			
	(a) Long Term Borrowings	5	25,251,770	3,910,911
	(b) Deferred Tax Liabilities (Net)	33	9,465,167	9,152,024
	(c) Long Term Provisions	6	1,176,070	654,205
			35,893,007	13,717,140
<b>3</b>	<b>Current liabilities</b>			
	(a) Short Term Borrowings	7	363,690,686	268,074,502
	(b) Trade Payables	8	284,379,574	284,695,962
	(c) Other Current Liabilities	9	23,954,066	36,637,557
	(d) Short-term Provisions	10	24,070,111	21,895,491
			696,094,437	611,303,512
	<b>TOTAL</b>		<b>1,335,982,585</b>	<b>1,027,101,144</b>
<b>B</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	<b>(a) Fixed Assets</b>			
	(i) Tangible Assets	11	258,824,822	70,189,923
	(b) Long Term Loans and Advances	12	4,573,044	6,203,895
	(c) Other Non Current Assets	13	7,165,444	10,400,000
			270,563,310	86,793,818
<b>2</b>	<b>Current assets</b>			
	(a) Inventories	14	351,881,565	371,206,045
	(b) Trade Receivables	15	587,303,910	489,822,586
	(c) Cash and Cash Equivalents	16	57,854,089	41,475,287
	(d) Short Term Loans and Advances	17	63,474,049	35,832,626
	(e) Other Current Assets	18	4,905,662	1,970,782
			1,065,419,275	940,307,326
	<b>TOTAL</b>		<b>1,335,982,585</b>	<b>1,027,101,144</b>
	See accompanying notes forming part of the financial statements	1 - 35	-	-

For and on behalf of the Board of Directors

sd/-

Mukesh Goel  
Managing Director  
[DIN-00555061]

sd/-

Manoj Goel  
Director  
[DIN-00554986]

sd/-

AS Nageswar Rao [CFO]

sd/-

Priyanka Bhauwala [Company Secretary]  
Place : Kolkata

Date 29th Day of May, 2017

In terms of our report attached.

**For Raj Chandra & Associates**  
**Firm Registration No: 326312E**

Chartered Accountants

sd/-

**[ Raj Kumar Agarwala ]**  
**Partner**

**ICAI Membership No. 060921**

Place : Kolkata

Date : 29th Day of May, 2017

**Aanchal Ispat Limited**  
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**Statement of Profit and Loss for the year ended 31st March, 2017**

Particulars		Note No.	For the year ended 31st March, 2017	For the year ended 31st March, 2016
1	Revenue From Operations	19	2,794,795,015	2,266,627,846
2	Other Income	20	9,915,989	11,248,378
3	<b>Total revenue (1 + 2)</b>		<b>2,804,711,004</b>	<b>2,277,876,224</b>
4	<b>Expenses</b>			
	Purchase of materials	21	2,579,041,588	2,164,477,428
	Changes in inventories	22	19,437,548	(119,102,414)
	Employee benefits expenses	23	10,877,594	7,485,882
	Other Expenses	24	119,892,996	155,649,464
	<b>Total</b>		<b>2,729,249,726</b>	<b>2,208,510,360</b>
5	<b>Earning before interest, tax, depreciation and amortization (EBITDA) (3 - 4)</b>		<b>75,461,278</b>	<b>69,365,864</b>
	Depreciation and amortization expense	25	4,861,839	5,247,964
	Finance Cost	26	50,384,749	49,453,568
6	<b>Profit / (Loss) before tax</b>		<b>20,214,690</b>	<b>14,664,332</b>
7	<b>Tax expense:</b>			
	Tax expense for current year		6,546,538	2,430,909
	Tax expense for earlier period		975,852	193,518
	Deferred Tax	32	313,143	(46,738)
	Deferred Tax Prior Period		-	2,050,497
			<b>7,835,533</b>	<b>4,628,186</b>
8	<b>Profit / (Loss) for the year (6 - 7)</b>		<b>12,379,157</b>	<b>10,036,146</b>
9	<b>Earnings per share (of Rs. 10/- each):</b>	33		
	(a) Basic		0.59	0.48
	(b) Diluted		0.59	0.48
	<b>See accompanying notes forming part of the financial statements</b>	1 - 35		

In terms of our report attached.

For and on behalf of the Board of Directors

**For Raj Chandra & Associates**  
**Firm Registration No: 326312E**  
**Chartered Accountants**

sd/-  
**[Raj Kumar Agarwala]**  
**Partner**  
**ICAI Membership No. 060921**

Place : Kolkata  
Date : 29th Day of May, 2017

sd/-  
Mukesh Goel  
Managing Director  
[DIN-00555061]

sd/-  
Manoj Goel  
Director  
[DIN-00554986]

sd/-  
AS Nageswar Rao [CFO]

sd/-  
Priyanka Bhauwala [Company Secretary]  
Place : Kolkata  
Date : 29th Day of May, 2017

**Aanchal Ispat Limited**  
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**Cash Flow Statement for the year ended 31st March, 2017**

Particulars	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax		20,214,690		14,664,332
<i>Adjustments for:</i>				
(Profit)/Loss on sale of Fixed Assets	-		180,615	
Depreciation and amortisation	4,861,839		5,247,964	
Finance costs	50,384,749		49,453,568	
Interest Income	(5,288,854)	49,957,734	(6,113,307)	48,768,840
Operating profit / (loss) before working capital changes		70,172,424		63,433,172
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Long Term Loans & Advances	1,630,851		1,258,516	
Other Non Current Assets	-		-	
Inventories	19,324,481		(115,501,764)	
Trade receivables	(97,481,324)		48,827,835	
Short Term Loans & Advances	(27,156,083)		(17,166,199)	
Other current assets	(2,934,880)	(106,616,955)	(1,940,159)	(84,521,771)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Long Term Provisions	521,865		127,391	
Trade payables	(316,388)		50,690,692	
Other current liabilities	(12,683,490)		19,744,925	
Short-term provisions	2,286,663	(10,191,350)	(1,761,515)	68,801,493
Cash flow from extraordinary items		-		-
Cash generated from operations		(46,635,881)		47,712,894
Net income tax (paid) / refunds		(8,119,775)		(287,335)
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>(54,755,656)</b>		<b>47,425,559</b>
<b>B. Cash flow from investing activities</b>				
Interest Income Received		5,288,854		6,113,307
Sale of Fixed Assets		(3,961,246)		(17,025,719)
Bank balances not considered as Cash and cash equivalents		-		-
- Matures/(Placed)		3,234,556		13,600,000
Cash flow from extraordinary items		-		-
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>4,562,164</b>		<b>2,687,588</b>
<b>C. Cash flow from financing activities</b>				
Proceeds from issue of Equity Shares (Incl. Premium)		-		-
Proceeds/(Repayment) of Long Term Borrowings		21,340,859		(3,389,535)
Proceeds/(Repayment) of Short Term Borrowings		95,616,184		41,102,292
Finance cost		(50,384,749)		(49,453,568)

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Share Application Money Received				-
Cash flow from extraordinary items		-		-
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>66,572,294</b>		<b>(11,740,811)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>16,378,802</b>		<b>38,372,336</b>
Cash and cash equivalents at the beginning of the year		41,475,287		3,102,951
<b>Cash and cash equivalents at the end of the year</b>		<b>57,854,089</b>		<b>41,475,287</b>

Particulars	For the year ended		For the year ended	
	31st March, 2017		31st March, 2016	
* Comprises:				
(a) Cash on hand		833,027		478,876
(b) Balances with banks				
(i) In current accounts		324,950		145,748
(ii) In deposit accounts		56,696,112		40,850,663
		<b>57,854,089</b>		<b>41,475,287</b>
<b>* As defined in AS 3 Cash Flow Statements</b>				
<b>Notes:</b>				
(i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.				
(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.				
<b>See accompanying notes forming part of the financial statements</b>		<b>1 - 35</b>		

In terms of our report attached.

For Raj Chandra & Associates  
Firm Registration No: 326312E

Chartered Accountants  
sd/-

[ Raj Kumar Agarwala ]  
Partner

ICAI Membership No. 060921

For and on behalf of the Board of Directors

sd/-

Mukesh Goel  
Managing Director  
[DIN-00555061]

sd/-

Manoj Goel  
Director  
[DIN-00554986]

sd/-

AS Nageswar Rao [CFO]

sd/-

Priyanka Bhauwala  
[Company Secretary]

Place : Kolkata

Date : 29th May, 2017

## **Notes forming part of the financial statements**

### **1 Corporate information**

M/s AANCHAL ISPAT LIMITED (the company) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The shares of the company are listed on Bombay Stock Exchange. The company caters to domestic markets only. The company has been incorporated with the object of manufacturing of Mild Steel TMT Re-bars, Structural Re-Bars, Round and other Sectional products.

The Company also engages in trading of Mild Steel Billets, Cement and Clinker and TMT and Structural Re-Bars.

### **2 Significant accounting policies**

#### **2.1 Basis of accounting and preparation of financial statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Indian Accounting Standards Rules), 2015 read with Rule 3(2) thereof and the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. There are no changes in any accounting policies during the year.

#### **2.2 Use of estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

#### **2.3 Fixed Assets**

##### **Tangible Assets**

Tangible Assets are stated at cost net of recoverable taxes, trade discount and rebates and include amount added on revaluation, less accumulated depreciation and impairment loss, if any. The cost of tangible assets comprise its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustment arising from exchange rate variations attributable to the assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets.

Fixed assets acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash consideration. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident. Fixed assets acquired in exchange for securities of the Company are



recorded at the fair market value of the assets or the fair market value of the securities issued, whichever is more clearly evident.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing assets beyond its previously assessed standard of performance.

Advances paid towards acquisition of tangible fixed assets and projects under which assets are not ready for their intended use are disclosed under Long term loans and advances Capital Work in Progress respectively.

*Land & Building (Fixed Assets) having book value of Rs. 2894531/- & 26369976/- respectively have been revalued at Rs. 149200000/- & Rs. 69600000/- on 30/03/2017 (as per valuation report issued by P.K. Sanyal, Valuer). The surplus arising from revaluation has been transferred to "Revaluation Reserve" and shown under the head "Reserve & Surplus". As the Fixed Assets were revalued on the last day of the Balance Sheet, no depreciation has been provided on the Revalued Figures.*

#### **2.4 Depreciation and amortisation**

Depreciation on fixed assets are provided to the extent of depreciable amount on the Straight Line Method (SLM) method. Depreciation is provided based on useful life of assets as prescribed in Schedule II to the Companies Act, 2013.

#### **2.5 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, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

#### **2.6 Investments**

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalised and depreciated (where applicable) in accordance with the policy stated for Tangible Fixed Assets. Impairment of investment property is determined in accordance with the policy stated for Impairment of Assets.

#### **2.7 Inventories**

Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and

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receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads, where applicable, excise duty.

The method of determining cost of various categories of inventories are as follows : -

<b>Description</b>	<b>Method of determining cost</b>
Raw Material	First in first out
Work in Progress	Lower of Cost or NRV
Finished Goods	Lower of Cost or NRV

## **2.8 Cash and cash equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

## **2.9 Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information

## **2.10 Revenue recognition**

### **Sale of Goods**

Revenue from sale of Goods is recognised on despatch of goods to customers which corresponds with transfer of all risks and rewards of ownership to the buyer. Sales include excise duty but exclude sales tax and value added tax.

## **2.11 Other Income**

Interest income is accounted on accrual basis. Other income is accounted for when the right to receive it is established.

## **2.12 Employee benefits**

(a) Short term employee benefits (i.e benefits payable within one year) are recognised in the period in which employees services are rendered. These benefits include performance incentives and compensated absences.

(b) Contribution made towards Provident Fund in accordance with applicable rules / statute, is charged to the revenue.

(c) Based on Actuarial Valuation necessary provisions has been created in the books to meet the liability as per AS - 15

## **2.13 Borrowing costs**

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted

#### **2.14 Segment Reporting**

As per the management, the company is dealing in single product i.e. construction material (Iron & Steel, Cement, Clinker and Charcoal) and therefore there are no separately identifiable products. Similarly, the company has no separately identifiable geographical segments.

Therefore, information about Business Segments as required under AS-17 on "Segment Reporting" issued by The Institute of Chartered Accountants of India are not applicable to the company

#### **2.15 Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

#### **2.16 Taxes on income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability. "

Current and deferred tax relating to items directly recognised in equity are recognised in equity and not in the Statement of Profit and Loss.

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**2.17 Provisions and contingencies**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

**2.18 Insurance claims**

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

**2.19 Service tax input credit**

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

**3. Share capital**

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Number of shares	Amount (Rs.)	Number of shares	Amount (Rs.)
<b>(a) Authorised</b> Equity shares of Rs. 10/- each with voting rights	22,000,000	220,000,000	22,000,000	220,000,000
	22,000,000	220,000,000	22,000,000	220,000,000
<b>(b) Issued</b> Equity shares of Rs. 10/- each with voting rights	20,853,750	208,537,500	20,853,750	208,537,500
	20,853,750	208,537,500	20,853,750	208,537,500
<b>(c) Subscribed and fully paid up</b> Equity shares of Rs. 10/- each with voting rights	20,853,750	208,537,500	20,853,750	208,537,500
<b>Total</b>	<b>20,853,750</b>	<b>208,537,500</b>	<b>20,853,750</b>	<b>208,537,500</b>

Refer Notes (i) to (iii) below

**Notes:** (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

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Particulars	Opening Balance	Fresh Issue	Other Changes	Closing Balance
<b>Issued, Subscribed and Fully Paid-up</b>				
<i>Equity shares with voting rights</i>				
year ended 31st March, 2017				
- Number of shares	20,853,750	-	-	20,853,750
- Amount (Rs.)	208,537,500	-	-	208,537,500
Year ended 31st March, 2016				
- Number of shares	20,853,750	-	-	20,853,750
- Amount (Rs.)	208,537,500	-	-	208,537,500

**(ii) Details of shares held by each shareholder holding more than 5% shares:**

Class of shares /Name of shareholder	As at 31st March, 2017		As at 31st March, 2016	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares with voting rights</b>				
Mukesh Goel	1,994,850	9.57	1,994,850	9.57
Manoj Goel	1,716,900	8.23	1,716,900	8.23
Maina Securities Pvt Ltd	4,740,000	22.73	4,740,000	22.73
Pratik Suppliers Pvt Ltd	4,128,000	19.80	4,128,000	19.80
<b>Total</b>	<b>12,579,750</b>	<b>60.33</b>	<b>12,579,750</b>	<b>60.33</b>

**(iii) Terms and Conditions attached to Equity Shares**

The company has only one class of Equity Shares at a par value of Rs. 10/- per share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity share will be entitled to receive remaining assets of the company, after distribution of all preferential amounts.

The distribution will be in proportion to the number of equity shares held by the shareholders.

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**4. Reserves & Surplus**

Particulars	As at 31-Mar-17	As at 31-Mar-16
<b>(a) Securities premium account</b>		
At the beginning & at the end of the year	145,867,500	145,867,500
Closing balance	<b>145,867,500</b>	<b>145,867,500</b>
<b>(b) General Reserve</b>		
At the beginning & at the end of the year	3,600,000	3,600,000
Closing balance	<b>3,600,000</b>	<b>3,600,000</b>
<b>(c) Revaluation Reserve</b>		
At the beginning of the year	-	-
Add : Revaluation of Land & Building	189,535,492	-
Closing balance	<b>189,535,492</b>	-
<b>(d) Surplus/(Deficit) in Statement of Profit and Loss</b>		
Opening balance	44,075,491	34,039,345
Add: Profit /(Loss) for the year	12,379,157	10,036,146
Closing balance	<b>56,454,648</b>	<b>44,075,491</b>
<b>Total</b>	<b>395,457,640</b>	<b>193,542,991</b>

**5. Long Term Borrowings**

Particulars	As at 31-Mar-17	As at 31-Mar-16
<b>(a) Secured Borrowings</b>		
<i>From Banks</i>		
<i>Term Loans</i>		
- Standard Chartered Bank (Loan Against Property)	2,819,079	5,679,159
- HDFC Bank Ltd (Loan Against Hypothication of Motor Vehicle)	1,018,658	-
- HDFC Bank Ltd (Loan Against Hypothication of Motor Vehicle)	976,767	-
<b>Less:</b> Considered under Other Current Liabilities as current maturities of Long Term Debt	3,059,544	1,768,248
	1,754,960	3,910,911
<b>(a) Un-Secured Borrowings</b>		
<i>From Others</i>	23,496,810	-
<b>Total</b>	<b>25,251,770</b>	<b>3,910,911</b>



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**6. Long Term Provisions**

Particulars	As at 31-Mar-17	As at 31-Mar-16
Provision for Gratuity	1,176,070	654,205
<b>Total</b>	<b>1,176,070</b>	<b>654,205</b>

**7. Short Term Borrowings**

Particulars	As at 31-Mar-17	As at 31-Mar-16
<b>Secured Borrowings</b>		
<i>From Banks</i>		
<i>(a) Term Loans</i>		
- Equipment Finance from LT Finance	-	724,099
<i>(b) Cash Credit</i>		
- Karur Vysya Bank (Refer Note below)	363,690,686	249,150,403
<b>Unsecured Borrowings</b>		
<i>Loans repayable on demand</i>		
From Others	-	18,200,000
	<b>363,690,686</b>	<b>268,074,502</b>

**Note**

Cash Credit from Karur Vysya Bank is secured by Hypothecation of present and future stocks of raw materials, work-in-progress and finished goods, consumables, stores and spares book debts, money receivables, right and other movable assets excluding bills purchased/discounted by bank and bills against which advance has been paid which belong to the company and charge and mortgage on immovable properties of the company.

**8. Trade Payables**

Particulars	As at 31-Mar-17	As at 31-Mar-16
Acceptances	49,385,761	93,978,987
Other than Acceptances	234,993,813	190,716,975
<b>Total</b>	<b>284,379,574</b>	<b>284,695,962</b>

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**9. Other Current Liabilities**

Particulars	As at 31-Mar-17	As at 31-Mar-16
a) Current Maturities of Long Term Debt <i>Term Loan</i>		
- Standard Chartered Bank	1,768,248	1,768,248
-HDFC Bank	638,364	-
- HDFC Bank	652,932	-
b) Outstanding Expenses	3,789,782	4,088,972
c) Advances from Customers	14,646,919	26,307,744
d) Statutory Dues	2,457,821	4,472,593
<b>Total</b>	<b>23,954,066</b>	<b>36,637,557</b>

**10. Short Term Provisions**

Particulars	As at 31-Mar-17	As at 31-Mar-16
a) Provision for Income Tax	6,299,863	6,411,907
b) Provision for Excise Duty	17,740,995	15,467,763
c) Provision for Gratuity	29,253	15,821
<b>Total</b>	<b>24,070,111</b>	<b>21,895,491</b>

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**11. FIXED ASSETS**

Particulars	Gross Block					Depreciation				Net Block	
	As at 01.04.2016	Additions	Deductions	Revaluation	Total	Upto 31.03.2016	For the year	Sales/ Adjustments	Total	As at 31.03.2017	As at 31.03.2016
<b>TANGIBLE ASSETS</b> <b>-Owned</b>											
Land	2,894,531	-	-	146,305,469	149,200,000	-	-	-	-	149,200,000	2,894,531
Plant & machinery (20Years)	58,475,861	138,137	-	-	58,613,998	23,079,191	2,779,461	-	25,858,652	32,755,346	35,396,670
Plant & machinery (15 Years)	592,400	-	-	-	592,400	194,540	11,164	-	205,704	386,696	397,860
Building	35,371,978	-	-	43,230,024	78,602,002	7,882,736	1,119,266	-	9,002,002	69,599,999	27,489,242
Furniture & Fixtures	9,632,921	937,949	-	-	10,570,870	8,822,119	53,361	-	8,875,480	1,695,390	810,802
Office Equipments	2,088,136	164,081	-	-	2,252,217	1,917,697	47,708	-	1,965,405	286,812	170,439
Computers & Peripherals	1,328,723	30,503	-	-	1,359,226	851,580	202,836	-	1,054,416	304,810	477,143
Motor Vehicles	9,660,438	2,599,765	-	-	12,260,203	7,255,383	624,874	-	7,880,257	4,379,946	2,405,055
Motor Cycles (10Years)	249,378	90,811	-	-	340,189	101,197	23,169	-	124,366	215,823	148,181
<b>Total</b>	<b>120,294,365</b>	<b>3,961,246</b>	<b>-</b>	<b>189,535,493</b>	<b>313,791,104</b>	<b>50,104,443</b>	<b>4,861,839</b>	<b>-</b>	<b>54,966,282</b>	<b>258,824,822</b>	<b>70,189,923</b>
<b>Previous Year</b>	<b>103,735,784</b>	<b>17,175,719</b>	<b>617,137</b>	<b>-</b>	<b>120,294,366</b>	<b>45,143,001</b>	<b>5,247,964</b>	<b>286,522</b>	<b>50,104,443</b>	<b>70,189,923</b>	<b>58,592,782</b>

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**12. Long Term Loans and Advances**

Particulars	As at 31-Mar-17	As at 31-Mar-16
<b>Advances - Unsecured - Considered good</b>		
Security Deposits	-	1,630,851
Advances - To Others	4,573,044	4,573,044
<b>Total</b>	<b>4,573,044</b>	<b>6,203,895</b>

**13. Other Non Current Assets**

Particulars	As at 31-Mar-17	As at 31-Mar-16
<b>Balances with Bank</b>		
- In Recurring Deposit A/c	7,165,444	10,400,000
<b>Total</b>	<b>7,165,444</b>	<b>10,400,000</b>

**14. Inventories**

Particulars	As at 31-Mar-17	As at 31-Mar-16
Finished Goods	343,847,752	318,601,060
Raw Materials	6,891,396	51,575,635
Stores, Spare Parts and Fuels	1,142,417	1,029,350
<b>Total</b>	<b>351,881,565</b>	<b>371,206,045</b>

**15. Trade Receivables**

Particulars	As at 31-Mar-17	As at 31-Mar-16
Trade Receivables		
- Unsecured, Considered Good	587,303,910	489,822,586
<b>Total</b>	<b>587,303,910</b>	<b>489,822,586</b>

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**16. Cash and Cash Equivalents**

Particulars	As at 31-Mar-17	As at 31-Mar-16
Cash on hand	833,027	478,876
Balances with banks		
In current accounts	324,950	145,748
In Fixed Deposit A/c	56,696,112	40,850,663
In Recurring Deposit A/c	7,165,444	10,400,000
	65,019,533	51,875,287
<b>Less:</b> Considered as Non Current Assets	7,165,444	10,400,000
<b>Total</b>	<b>57,854,089</b>	<b>41,475,287</b>

**17. Short Term Loans and Advances**

Particulars	As at 31-Mar-17	As at 31-Mar-16
<b>Advances - Unsecured - Considered good</b>		
(a) Security Deposits	1,630,851	17,500
(b) Trade Advances	35,939,119	20,267,321
(c) Other Advances	3,723,000	116,290
(d) Balances with government authorities		
- Income Tax Payments	819,927	334,587
- Balance with Excise & VAT Authorities	21,361,152	15,096,927
<b>Total</b>	<b>63,474,049</b>	<b>35,832,626</b>

**18. Other Current Assets**

Particulars	As at 31-Mar-17	As at 31-Mar-16
<b>Accruals</b>		
Accrued Interest on Fixed Deposits	4,905,662	1,970,782
<b>Total</b>	<b>4,905,662</b>	<b>1,970,782</b>

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**19. Revenue from operations**

Particulars	For the year ended 31-Mar-17	For the year ended 31-Mar-16
Sale of Goods	2,948,287,152	2,430,645,539
<b>Less: Excise Duty</b>	153,492,138	164,017,693
<b>Total</b>	<b>2,794,795,014</b>	<b>2,266,627,846</b>

**20. Other Income**

Particulars	For the year ended 31-Mar-17	For the year ended 31-Mar-16
<b>Interest Income</b>		
- Bank Deposits	5,288,854	6,113,308
Discount Received	4,627,135	3,505,423
Provisions for Excise Duty W/back	-	860,317
Sundry Balances written off	-	769,330
<b>Total</b>	<b>9,915,989</b>	<b>11,248,378</b>

**21. Purchase of Materials**

Particulars	For the year ended 31-Mar-17	For the year ended 31-Mar-16
Purchase of Materials during the year	2,579,041,588	2,164,477,428
<b>Total</b>	<b>2,579,041,588</b>	<b>2,164,477,428</b>



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**22. Changes in Inventories**

Particulars	For the year ended 31-Mar-17	For the year ended 31-Mar-16
Inventories at the beginning of the year	370,176,695	251,074,281
<b>Less</b> : Inventories at the end of the year	350,739,147	370,176,695
<b>Total</b>	<b>19,437,548</b>	<b>(119,102,414)</b>

**23. Employee Benefit Expenses**

Particulars	For the year ended 31-Mar-17	For the year ended 31-Mar-16
Salaries, Wages and Bonus	8,413,974	6,328,944
Directors' Remuneration	720,000	360,000
Directors Sitting fee	249,000	122,333
Contribution to Provident and Other Funds	669,734	457,962
Staff Welfare Expenses	289,589	85,580
Provision for Gratuity	535,297	131,063
<b>Total</b>	<b>10,877,594</b>	<b>7,485,882</b>

**24. Other Expenses**

Particulars	For the year ended 31-Mar-17	For the year ended 31-Mar-16
<b>Direct Expenses</b>		
Carriage Inward	39,671,757	91,068,199
Consumption of Stores and Spares	4,425,480	5,641,192
Electricity charges	36,269,817	40,457,828
Import Expenses	22,842,093	-
Labour Charges including loading & unloading charges	784,679	9,922,165
Security Expenses	777,468	739,992
Wastage and Handling Loss	100,565	486,710

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<b>Administrative Expenses</b>		
Audit Fee	200,000	200,000
Tax Audit	50,000	50,000
Advertisement Expense	15,051	10,618
Carriage-Out-Ward	1,710,438	32,172
Communication Cost	258,791	100,322
Computer Expenses	50,633	122,069
Discount Allowed	1,626,188	117,902
Filing fees	47,000	49,600
General Expenses	719,529	961,732
Insurance	184,911	251,637
Listing Expenses	551,500	349,518
Irrecoverable debts w/off	880,938	1,000,000
Legal & Professional Fees	954,590	661,410
Loss on Sale of Motor Car	-	180,615
Vehicle Maintenance	455,521	72,203
Other Expense	35,400	204,673
Postage & Courier	16,423	2,188
Printing & Stationery	87,454	138,910
Provisions for Excise Duty	2,273,231	-
Prior Period Expenses	-	788,780
Rates & Taxes	577,516	812,315
Interest & Penalty on Statutory Dues	619,926	113,043
Rent including lease rent	609,254	205,443
Repair & Maintenance	1,390,373	521,358
Selling & Distribution Expenses	63,000	82,085
Subscription & Donation	274,719	172,661
Travelling & Conveyance	1,368,751	132,124
<b>Total</b>	<b>119,892,996</b>	<b>155,649,464</b>

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**25. Depreciation and Amortisations**

Particulars	For the year ended 31-Mar-17	For the year ended 31-Mar-16
Depreciation on Tangible Assets	4,861,839	5,247,964
<b>Total</b>	<b>4,861,839</b>	<b>5,247,964</b>

**26. Finance Cost**

Particulars	For the year ended 31-Mar-17	For the year ended 31-Mar-16
<b>Interest Expense</b>		
- Borrowings	46,631,112	46,009,159
<b>Other Borrowing Costs</b>		
Loan Processing Charges	1,681,064	1,167,360
Bank Charges & Others	369,370	384,483
LC Charges & Commission	1,703,203	1,892,566
<b>Total</b>	<b>50,384,749</b>	<b>49,453,568</b>

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**27. Contingent Liabilities and Commitments to the extent not provided for**

			Amount (‘)	
			As at 31st March, 2017	As at 31st March, 2016
<b>(A) Contingent Liabilities</b>				
<b>(i) Unexpired Bank Guarantees</b>			Rs. 5,700,000/-	Rs. 5,700,000/-
<b>(ii) Claims against the company not acknowledged as debts</b>				
Issuing Authority	Period	Action taken by the company		
Commissioner of Central Excise, Haldia, Commissionerate	FY 2007-08	Appeal filed by the company on 13.07.2012 before Customs & Central Excise, Service Tax Tribunal (The company has already deposited Rs. 2,500,000/-)	Rs. 7,986,754/-	Rs. 7,986,754/-
Demand Notice u/s 156 of the IT Act, 1961 raised by DCIT, Circle-3(1), Kolkata	FY 2011-12	Appeal filed by the company on 16.04.2015 before CIT(A)-1, Kolkata	Rs. 19,278,200/-	Rs. 19,278,200/-
Joint Commissioner Commercial Taxes, Howrah Circle	FY 2012-13	Appeal filed by the company on 07/12/2015 before Senior Joint Commissioner, Howrah Circle (The company has already deposited Rs. 755,000/-)	Rs. 6,034,194/-	Rs. 6,034,194/-
Demand Notice u/s 156 of the IT Act, 1961 raised by DCIT, Circle-3(1), Kolkata	FY 2012-13	Appeal filed by the company on 04.04.2016 before CIT(A)-1, Kolkata	Rs. 3,233,690/-	Rs. 3,233,690/-
Joint Commissioner Commercial Taxes, Howrah Circle	FY 2012-13	Appeal filed by the company on 07/12/2015 before Senior Joint Commissioner, Howrah Circle (The company has already deposited Rs. 29,777/-)	Rs.25,227,448/-	Rs.25,227,448/-
<b>(b) Commitments</b>			Nil	Nil

**28. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

The Company is in the process of identifying the suppliers, who would be covered under the Micro, Small and Medium Enterprises Development Act, 2006. In this process the Company has given notice to its vendors/

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suppliers to inform about whether any of them are registered under the said Act. The Company has not yet received any information about such registration from the vendors. Such information will be provided as and when confirmation is received from them.

**29.**

In the opinion of the Board, the current assets have value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

**30. Earning and Expenditure in Foreign Currency**

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Expenditure in foreign currency	Nil	Nil
Earnings in foreign exchange	Nil	Nil

**31. Related Parties, Related Party Transactions and Balances receivable/payable as at the end of the year**

**31.a: Related Parties**

Description of relationship	Names of related parties
Ultimate Holding Company	Nil
Holding Company	Nil
Subsidiaries	Nil
Fellow Subsidiaries (to be given only if there are transactions)	Nil
Associates	Maina Securities Pvt Ltd
Key Management Personnel (KMP)	Mukesh Goel, Managing Director Manoj Goel, Director Sudhir Kumar Budhia, Director Mukesh Agarwal, Director Preetee Agarwal, Director
Relatives of KMP	Maina Devi Goel Monika Goel Rashmi Goel Manoj Goel HUF Mukesh Goel HUF Sita Ram Goyal Sita Ram Goyal HUF
Company in which KMP / Relatives of KMP can exercise significant influence	Aanchal Collection Limited Aanchal Cement Ltd Aanchal Iron & Steels Pvt Ltd Jaya Rice Mills Pvt Ltd Kalayani Rice Mills Pvt Ltd Penguin Creation Pvt Ltd Khush Metalliks Pvt Ltd Pratik Suppliers Pvt Ltd

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**31.b: Related Party Transactions**  
**Year Ended 31.03.2017**

Amount (₹)

Particulars of Related Party	Nature of Transaction	Amount of Transaction	Balance as at 31st March, 2017 Dr. / (Cr.)
Key Managerial Persons	Director Remuneration	720,000	Nil
	Sitting Fees	249,000	Nil
	Transactions on Current Account	Nil	Nil
Relatives of KMP	Transactions on Current Account	900,000	Nil
Company in which KMP / Relatives of KMP can exercise significant influence	Transactions on Current Account	Nil	Nil
	Sales of Goods	66,973,404	Nil
	Purchases of Goods	163,810,030	Nil
	Short Term Advances/given/taken	2,180,230	2,180,230

**Year Ended 31.03.2016**

Amount (₹)

Particulars of Related Party	Nature of Transaction	Amount of Transaction	Balance as at 31st March, 2016 Dr. / (Cr.)
Key Managerial Persons	Director Remuneration	360,000	(411,347)
	Sitting Fees	122,333	35,100
	Transactions on Current Account	1,800	Nil
Relatives of KMP	Transactions on Current Account	171,177	Nil
Company in which KMP / Relatives of KMP can exercise significant influence	Transactions on Current Account	9,124,598	Nil
	Sales of Goods	60,056,543	286,992,242
	Purchases of Goods	16,302,300	(1,076,623)
	Short Term Advances given/taken	94,670,908	Nil

**32. Deferred Tax Assets/ Liability**

	As at 31.03.2017	As at 31.03.2016
	Timing Difference	Timing Difference
Deferred Tax Liability	94,65,167	9,152,024
Less: Deferred Tax Liability b/f	91,52,024	7,148,265
Deferred Tax Provision for the year	3,13,143	(46,738)
Deferred Tax Provision (Prior Period)	-	2,050,497



**33. Earning Per Shares**  
**Year Ended 31.03.2017**

	Continuing Operations						Discontinuing Operations						Total Operations					
	Before Extraordinary and Exceptional Items			After Extraordinary and Exceptional Items			Before Extraordinary and Exceptional Items			After Extraordinary and Exceptional Items			Before Extraordinary and Exceptional Items			After Extraordinary and Exceptional Items		
	Basic	Diluted		Basic	Diluted		Basic	Diluted		Basic	Diluted		Basic	Diluted		Basic	Diluted	
Face Value of Shares	10	10		10	10		10	10		10	10		10	10		10	10	
Profit	12379157	12379157		12379157	12379157		0	0		0	0		12379157	12379157		12379157	12379157	
Weighted Average No. of Shares	20853750	20853750		20853750	20853750		20853750	20853750		20853750	20853750		20853750	20853750		20853750	20853750	
EPS (Rs.)	0.59	0.59		0.59	0.59		—	—		—	—		0.59	0.59		0.59	0.59	

**Year Ended 31.03.2016**

	Continuing Operations						Discontinuing Operations						Total Operations					
	Before Extraordinary and Exceptional Items			After Extraordinary and Exceptional Items			Before Extraordinary and Exceptional Items			After Extraordinary and Exceptional Items			Before Extraordinary and Exceptional Items			After Extraordinary and Exceptional Items		
	Basic	Diluted		Basic	Diluted		Basic	Diluted		Basic	Diluted		Basic	Diluted		Basic	Diluted	
Face Value of Shares	10	10		10	10		10	10		10	10		10	10		10	10	
Profit	10036146	10036146		10036146	10036146		0	0		0	0		10036146	10036146		10036146	10036146	
Weighted Average No. of Shares	20853750	20853750		20853750	20853750		20853750	20853750		20853750	20853750		20853750	20853750		20853750	20853750	
EPS (Rs.)	0.48	0.48		0.48	0.48		—	—		—	—		0.48	0.48		0.48	0.48	

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**34. The details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 is as under:**

	SBNs	Other denomination notes	Total
Closing Cash in Hand as on 08.11.2016	24510000	890277	25400277
Add: Permitted Receipts	-	2021356	2021356
Less: Permitted Payments	-	786793	786793
Less: Amount deposited in Bank	24510000	-	24510000
Closing Cash in Hand as on 30.12.2016	-	2124840	2124840

**35. Previous Year Figures**

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

In terms of our report attached.

For and on behalf of the Board of Directors

sd/-

Mukesh Goel

Managing Director

[DIN-00555061]

sd/-

Manoj Goel

Director

[DIN-00554986]

sd/-

AS Nageswar Rao [CFO]

sd/-

Priyanka Bhauwala [Company Secretary]

**For Raj Chandra & Associates**

**Firm Registration No: 326312E**

**Chartered Accountants**

sd/-

**[Raj Kumar Agarwala]**

**Partner**

**ICAI Membership No. 060921**

Place : Kolkata

Date : 29th Day of May, 2017

Place : Kolkata

Date : 29th Day of May, 2017

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**Extract of the Statement of Utilization of funds raised through Initial Public Offering (IPO) as on March 31, 2017 in compliance to Regulation 32 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

<b>PARTICULARS</b>	<b>PROPOSED AMT AS PER PROSPECTUS Rs. In lakhs</b>	<b>AMT UTILIZED UPTO MARCH 31, 2017 Rs. In lakhs</b>	<b>AMT UNUTILIZED AS ON MARCH 31, 2017 Rs. In lakhs</b>
Expansion & Modernization by upgradation and automation of our TMT bar manufacturing facilities	536.29	298.17	238.12
Additional Working Capital Requirements	1015.00	1015.00	0.00
Public Issue Expenses	49.51	51.10	(1.59)
<b>Total</b>	<b>1600.80</b>	<b>1364.27</b>	<b>238.12</b>

The unutilized fund as on 31<sup>st</sup> March, 2017 are kept as Fixed Deposit with Banks.

**NOTICE TO THE MEMBERS**

**NOTICE** is hereby given that the 22<sup>nd</sup> Annual General Meeting of the Members of Aanchal Ispat Limited will be held on **Thursday** the 21<sup>st</sup> day of **September, 2017** at **11.00 AM** at **Hotel Oasis, National Highway 6, Kona Expressway, Post : Chamrail, P.S : Liluah, Howrah – 711114** to transact the following business:

**ORDINARY BUSINESS**

- 1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2017, the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.**
- 2. Re-appointment of Mr. Manoj Goel as a Director liable to retire by rotation.**  
“RESOLVED THAT Mr. Manoj Goel (DIN: 00554986) who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation.”
- 3. To ratify appointment of M/s. Raj Chandra & Associates as Statutory Auditors:**  
“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under, (including any statutory modifications or re-enactment thereof, for the time being in force) and pursuant to the resolution passed by Members at the 21<sup>st</sup> Annual General Meeting appointing M/s. Raj Chandra & Associates, Chartered Accountants, Kolkata (Firm Registration No.: 326312E), as the Statutory Auditors of the Company to hold office until the conclusion of the 26th Annual General Meeting to be held in the year 2021, the Company hereby ratifies and confirms the appointment of M/s. Raj Chandra & Associates, as Statutory Auditors of the Company for the financial year ending 31<sup>st</sup> March, 2018 on such remuneration as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.”

**SPECIAL BUSINESS**

- 4. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution.**  
“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re enactment thereof) and subject to applicable notification or circular as may be issued by the Ministry of Corporate Affairs (MCA) in this regard, the remuneration of Rs. 30000/- plus applicable GST and reimbursement of out of pocket expenses as recommended by the Audit Committee and approved by the Board of Directors to be paid to M/s. A. S & Associates, Cost Accountants, Cost Auditor (Registration No. 000523) of the Company for the Financial Year 2017-2018, be and is hereby ratified, confirmed and approved.”

**Registered Office:**  
**Mouza - Chamrail, National Highway 6, Liluah**  
**Howrah, West Bengal – 711114**

**By Order of the Board**  
**For, Aanchal Ispat Limited**

Sd/-

**Priyanka Bhauwala**

**Company Secretary(ACS- 34911)**

**Date : 14<sup>th</sup> day of August , 2017**  
**Place : Kolkata**

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**NOTES**

1. The relevant Explanatory Statement pursuant to section 102 (1) of the Companies Act, 2013, in respect of Special Business at the meeting, is annexed hereto and forms part of this notice.
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective must be received by the company not later than forty eight (48) hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.
3. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.
4. The register of members and share transfer books of the Company will remain closed from Friday, September 15, 2017 to Thursday, September 21, 2017 (both days inclusive), in terms of the provisions of the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges, where the equity shares of the Company are listed, for the purpose of Annual General Meeting.
5. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
7. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours up to the date of the Meeting.
8. The Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Act is available for inspection by the Members at the Registered Office on all working days except on Sundays, during business hours of the Company and the same will be open for inspection at the AGM.
9. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
10. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Reg 44(1) of SEBI (LODR) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
11. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date on Thursday, September 14, 2017 and as per the Register of Members of the Company.
12. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice of Annual General Meeting and holding shares as of the cut-off date, i.e., Thursday, September 14, 2017, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

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13. Voting at AGM: the facility of voting through Ballot paper will also be made available at the AGM and the Members, who have not cast their vote through remote e-voting, shall be able to exercise their voting rights at the AGM through the Ballot Paper. Members, who have cast their vote through remote e- voting prior to the AGM, may attend the AGM but shall not be entitled to cast their votes again.
14. The remote e-voting period commences on 18<sup>th</sup> September, 2017 (9:00 am IST) and ends on 20<sup>th</sup> September, 2017 (5:00 pm IST). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 14<sup>th</sup> September, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
15. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
16. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to send their e-mail address to the following: [cs@aanchalispac.com](mailto:cs@aanchalispac.com)

The Notice of the AGM along with the Annual Report 2016-17 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

17. Abridged and full version of the Annual Reports will also be available under the Investor section on the website of the Company: [www.aanchalispac.com](http://www.aanchalispac.com)
18. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

19. **Updation of Members' Details:**

The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the companies Act, 2013 requires the Company/Registrars and Transfer Agents to record additional details of Members, including their Permanent Account Number details ("PAN"), email address, bank details for payment of dividend, etc. Further, the Securities and Exchange Board of India ("SEBI") has mandated the submission of PAN by every participant in the securities market.

A form for capturing the above details is appended to this Notice. Members holding shares in physical form are requested to submit the filled in form to the Company or its Registrars and Transfer Agents. Members holding shares in electronic form are requested to submit the details to their respective Depository Participant.

20. **E- Voting :**

I. **The process and manner for remote e-voting are as under:**

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
  - (i) Open email and open PDF file viz; "noticeaanchalispac.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
  - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>

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- (iii) Click on Shareholder - Login
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select "EVEN" of "AANCHAL ISPAT LIMITED".
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolutions, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to manisha\_saraf2007@yahoo.co.in with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

<b>EVEN (Remote e-voting Event Number)</b>	<b>USER ID</b>	<b>PASSWORD/PIN</b>
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- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or email ([evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)) or call on toll free no.: 1800-222-990.
- III. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 14<sup>th</sup> September, 2017.
- VI. 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. 14<sup>th</sup> September, 2017, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.

- VII. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.



**Aanchal Ispat Limited**  
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- VIII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e voting as well as voting at the AGM through Ballot Paper.
- IX. Ms. Manisha Saraf, Practicing Company Secretary (Membership No. 7607, CP No.8207) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- X. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Polling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XI. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XII. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company i.e www.aanchalispac.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

**Registered Office:**  
**Mouza - Chamrail, National Highway 6, Liluah**  
**Howrah, West Bengal – 711114**

**By Order of the Board**  
**For, Aanchal Ispat Limited**

Sd/-

**Priyanka Bhauwala**  
**Company Secretary(ACS- 34911)**

**Date : 14<sup>th</sup> day of August , 2017**  
**Place : Kolkata**

**Explanatory Statement pursuant to section 102 (1) of the Companies Act, 2013, (The Act)**

**Resolution No. 4**

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. A. S & Associates, Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2018. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, consent of the Members is sought to ratify the remuneration payable to the Cost Auditors.

None of the Directors or Key managerial Personnel and their relatives, are concerned or interested (financially or otherwise), in the resolution.

The Board commends the Ordinary Resolution set out at Item No. 4 for the approval of Members.

**Registered Office:**  
**Mouza - Chamrail, National Highway 6, Liluah**  
**Howrah, West Bengal – 711114**

**By Order of the Board**  
**For, Aanchal Ispat Limited**

**Sd/-**

**Priyanka Bhauwala**  
**Company Secretary(ACS- 34911)**

**Date : 14<sup>th</sup> day of August , 2017**  
**Place : Kolkata**

**Aanchal Ispat Limited**  
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Information of Director to be appointed and the Director seeking re-appointment at the forthcoming Annual General Meeting pursuant to Secretarial Standard 2 issued by ICSI and Regulation 36(3) of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on the date of Notice.

Name of the Director	<b>Mr. Manoj Goel</b>
Directors Identification Number (DIN)	<b>00554986</b>
Date of Birth	<b>18/06/1980</b>
Original date of appointment	September 3, 2014
Qualifications	Bachelors in Commerce from Calcutta University.
Experience and expertise in specific functional area	Experience of over 12 Years in Iron & Steel Industry. He started his career in Iron & Steel Trading and was involved in trading of the same.
Shareholding in Aanchal Ispat Limited	<b>1716900 Equity Shares</b>
Remuneration last drawn	<b>N.A</b>
No. of Board meetings attended during the year Governance report	As mentioned in the Corporate
Terms and conditions of re-appointment and remuneration	Existing Terms and Conditions.
Relationship with other Directors or KMPs	<b>Brother to Mr. Mukesh Goel (Managing Director)</b>
Directorships held in other companies in India	<b>9</b>
Membership / Chairmanship of committees in public limited companies in India	<b>Membership – 3 Chairmanship – Nil</b>

**Aanchal Ispat Limited**  
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**Form No. MGT-11**

**Proxy form**

**[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]**

Name of the Member(s) :		
Registered Address :		
E-mail Id :	Folio No /Client ID :	DP ID :

I/We, being the member(s) of \_\_\_\_\_ shares of the above named company. Hereby appoint

Name :	E-mail Id:
Address:	
Signature , or failing him :	

Name :	E-mail Id:
Address:	
Signature , or failing him	

Name :	E-mail Id:
Address:	
Signature , or failing him :	

as my/ our proxy to attend and vote( on a poll) for me/us and on my/our behalf at the \_\_\_\_\_ Annual General Meeting / Extra-Ordinary General Meeting of the company, to be held on the \_\_\_\_ day of \_\_\_\_ at \_\_\_\_\_ a.m. / p.m. at \_\_\_\_\_ (place) and at any adjournment thereof in respect of such resolutions as are indicated below:

**Resolution No.**

Sl. No.	Resolution(S)	Optional*	
		For	Against
1.	Adoption of statement of Profit & Loss, Balance Sheet, report of Director's and Auditor's for the financial year 31st March, 2017		
2.	Re-appointment of Mr. Manoj Goel as a Director liable to retire by rotation.		
3.	To ratify the Appointment of M/s. Raj Chandra & Associates, Chartered Accountants as Statutory Auditors & fixing their remuneration.		
4.	To ratify the remuneration paid to M/s. A. S & Associates, Cost Auditors for the year 2017-18		

\* Applicable for investors holding shares in Electronic form.

Signed this \_\_\_\_ day of \_\_\_\_ 2017

Affix Re. 1 Revenue Stamp.
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Signature of Shareholder  
across Revenue Stamp

Signature of Proxy holder

Signature of the shareholder

**Note:**

- 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- 2) The proxy need not be a member of the company.
- 3) It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

**Aanchal Ispat Limited**  
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**ATTENDANCE SLIP**

(To be handed over at the entrance of the meeting hall of AGM)

**22<sup>nd</sup> Annual General Meeting on:** Thursday, 21<sup>st</sup> of September, 2017 at 11:00 AM

Full name of the members attending \_\_\_\_\_

(In block capitals)

Ledger Folio No./Client ID No. \_\_\_\_\_ No. of shares held: \_\_\_\_\_

Name of Proxy \_\_\_\_\_

(To be filled in, if the proxy attends instead of the member)

I hereby record my presence at the 22<sup>nd</sup> Annual General Meeting of **Aanchal Ispat Limited, at Hotel Oasis, National Highway 6, Kona Expressway, Post : Chamrail, P.S : Liluah, Howrah - 711114, on Thursday, the 21<sup>st</sup> of September, 2017 at 11:00 AM**

(Member's /Proxy's Signature)

**Note:**

- 1) Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
- 2) The Proxy, to be effective should be deposited at the Registered Office of the Company not less than FORTY EIGHT HOURS before the commencement of the meeting.
- 3) A Proxy need not be a member of the Company.
- 4) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
- 5) The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.

**Aanchal Ispat Limited**  
**22nd Annual Report 2016 - 17**

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**AANCHAL ISPAT LIMITED**  
**CIN: L27106WB1996PLC076866**

Dear Shareholder(s),

This is to inform you that the company is in process of updation of records of the shareholders in order to reduce the physical documentation as far as possible.

With new BSE listing agreement, it is mandatory for all the investors including transferors to complete their KYC information. Hence, we have to update your PAN No., phone no. and e-mail id in our records. We would also like to update your current signature records in our system.

To achieve this we solicit your co-operation in providing the following details to us:

1. If you are holding the shares in dematerialized form you may update all your records with your Depository Participant (DP).
2. If you are holding shares in physical form, you may provide the following :

Folio No. :  
Pan No. :  
E-mail ID :  
Telephone No. :  
Name and Signatures : i.  
ii.  
iii.

Thanking you,

For, Aanchal Ispat Limited

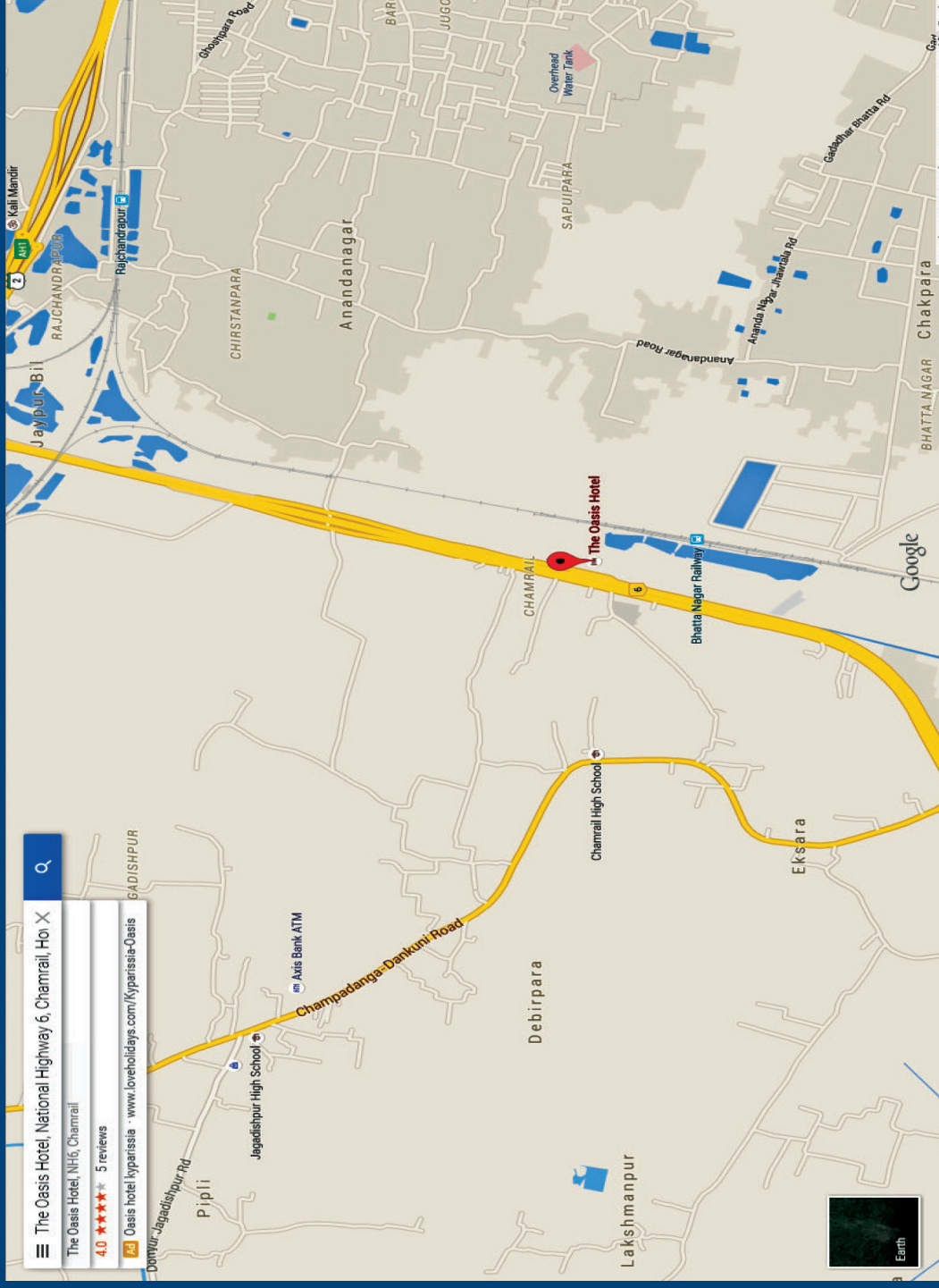
Sd/-  
Priyanka Bhauwala  
(Company Secretary)







## ROUTE MAP TO THE VENUE OF THE AGM OF ANCHAL ISPAT LIMITED



**22nd Annual General Meeting (AGM) of Anchal Ispat Limited to be held on Thursday, 21st day of September, 2017 at 11:00 AM at Hotel Oasis, National Highway 6, Kona Expressway, Post: Chamrao, P.S: Liluah, Howrah- 711114**  
**Landmark: Opp- Tata Motors Showroom. Approximately 20.1 Kms from Airport and 5.3 Kms from Belur Railway Station.**



## AANCHAL ISPAT LIMITED

*Registered Office:*

National Highway No.6, Chamrail, Howrah 711 114

Phone: 03212-246121, 033 2251-0128

Email: [info@aanchalispac.com](mailto:info@aanchalispac.com), [aanchalispac1996@gmail.com](mailto:aanchalispac1996@gmail.com)

Website: [www.aanchalispac.com](http://www.aanchalispac.com)