



# Aanchal Ispat Limited

CIN : L27106WB1996PLC076866 | GSTN/UID : 19AAACV8542M1ZQ | UAN : WB10C0007296

An ISO 9001:2015 Company



**Dated: 11<sup>th</sup> October, 2018**

**To,  
Department of Corporate Services  
BSE Limited  
PhirozeJeejeebhoy towers  
Dalal Street  
Mumbai - 400001**

Dear Sir,

**Ref:-SCRIP CODE: 538812; ISIN: INE322R01014**

**Subject: 23<sup>rd</sup> Annual Report of Aanchal Ispat Limited.**

With reference to the above captioned subject, please find attached a copy of the 23<sup>rd</sup> Annual Report of the Company under Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

You are requested to take the above information on your records.

Yours Faithfully  
**For Aanchal Ispat Limited,**

*Neha Sharma*

**Neha Sharma  
(Company Secretary  
& Compliance Officer)**



**Registered Office**

J.L. No. 5, National Highway No.6,  
Chamrail, Howrah 711114.  
Phone : 03212-246121 / 033 22510128 / 033 23230052  
Email : info@aanchalispatt.com | aanchalispatt1996@gmail.com  
Visit us as www.aanchalispatt.com





# Aanchal Ispat Limited

An ISO 9001:2015 Company

Annual Report 2017-18



**build today for tomorrow ...**







## Corporate Information

CORPORATE IDENTITY NUMBER: L27106WB1996PLC076866

### DIRECTORS

- |                            |   |
|----------------------------|---|
| 1. Mr. Mukesh Goel         | Managing Director   |
| 2. Mr. Manoj Goel          | Non-Executive Director                                    |
| 3. Mr. Mukesh Agarwal      | Independent Director                                      |
| 4. Mr. Sudhir Kumar Budhia | Independent Director<br>(Resigned w.e.f August 14, 2018)  |
| 5. Ms. Preetee Agarwal     | Independent Director<br>(Resigned w.e.f. May 30, 2018)    |
| 6. Mr. Vijay Srivastava    | Executive Director<br>(Appointed w.e.f August 14, 2018)   |
| 7. Ms. Nilu Nigania        | Independent Director<br>(Appointed w.e.f August 14, 2018) |

### SECRETARIAL AUDITOR

Ms. Manisha Saraf

11, Dacres Lane,  
1st Floor, Kolkata- 700069

### REGISTERED OFFICE

Mouza-Chamrail,  
National Highway-6  
Liluah, Howrah-711114  
Tel: 03212246121  
Fax: 03212246069  
E-Mail: cs@aanchalispac.com

### BANKERS

The Karur Vysya Bank Ltd  
43, Strand Road, Burrabazar  
(Off) 9, Ram Sevak Mullick Lane  
Kolkata-700001

### COST AUDITOR

M/s A S & Associates  
102, Banerjee Para Road,  
Kolkata-700041

### CHIEF FINANCIAL OFFICER

Mr. A.S Nageswar Rao

### COMPANY SECRETARY

Ms. Neha Sharma

### 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@vsnl.com

### STATUTORY AUDITOR

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



|   |         |
|---|---------|
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## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### GLOBAL IRON & STEEL INDUSTRY OVERVIEW

The World Economic Outlook recently brought out by IMF has predicted a reasonably good growth in global GDP of 3.9% and this would be fuelled by GDP growth of 7.4% in India, 6.6% in China, 2.4% in the EU and 2.9% in the US. Japan, a major steel producer is also likely to experience a GDP growth of 1.2% in the current year. Thus, higher global economic growth which would also require an investment growth of 11% over last year to take the share of investment as a percentage of global GDP to 26% as per IMF estimates would generate substantial steel demand in varying proportions in different countries depending on the primary focus of Fixed Asset Investment as a percentage of GDP.

The vulnerability of these positive outlook, however hinges crucially on what is going to happen in China that not only controls nearly 50% of global steel production, but is also a major exporter (achieved 16% of global exports in 2017) of steel, dominates the iron ore prices (imported 1,075 MT of iron ore in 2017 and would gradually close down the high priced domestic iron ore concentrate producing units). It has also a major influence on global coking coal and coke prices.

As excess steel capacity was found to be the single phenomenon damaging the interests of the global steel producers during 2014-17 in terms of lowering the prices and thereby the profitability of the industry, China, having accounted for nearly 50% of the estimated surplus steel capacity, had to assure the outside world that its commitment to bring down the carbon footprint would entail elimination of some of the polluting units in steel, coal and cement. It had set a target of closing down 150 MT steel capacity during 2016-20. The record so far is good and it is likely that China would overshoot the target by 2020.

The implication for the global steel trade arising out of US actions on steel imports under Section 232 of US Trade Expansion Act, 1962 may not be significant as the US has initiated exclusion action with a number of major trading partners. For China, however, the protectionist move by the US may extend to products other than steel and may include Chinese engineering exports. As the US is keen to improve the productivity of its manufacturing sector for job consideration and creating earning opportunities, it may restrict imports of manufactured products from China. The resultant slowdown in Chinese indirect steel exports would imply that indigenous demand for steel in China must grow by a larger extent to compensate the loss of steel market for making exportable engineering items to the US. The inability of the Chinese domestic market to grow to make up the shortfall may prompt China to enhance steel exports and this action may depress the global prices of HRC and other flat products.

The steel industry has been undergoing a technological revolution, and the trend in building new production capacity has been towards the recycled steel-scrap-using electric arc furnace (EAF) by smaller mills. Although integrated steel works where steel is made from iron ore are operating at record levels of efficiency, EAF steel works with production capacities in the order of less than 1 million tonnes a year are becoming more common in the main steel-producing countries of the world.

Thus, apart from these few unpredictable events, the global market for steel in 2018 is poised for a stable growth for steel industry in terms of a reasonable margin and profitability for the industry sufficient to attract more investment for creation of fresh capacities in the product range where indigenous availability remains a constraint to cater to the emerging requirements of the critical sectors in the economy.

### INDIAN IRON & STEEL INDUSTRY OVERVIEW

Indian firms are estimated to have churned out a record amount of steel in the year that ended in March, 2018 as the government took steps to protect steel makers, construction activity rebounded and China shut down illegal factories. India produced 86.7 million tonnes (mt) in the nine months to December 2017 from 73.96 mt in the corresponding previous year, according to provisional figures from the steel ministry. Exports rose to 7.6 mt from 4.98 mt in the previous year. India, in fact, has been a net exporter of steel for the past 13 months and has surpassed Japan to be the world's second largest exporter.

Last year's National Steel Policy that projected crude steel production capacity will increase to 300 mt per year for 2030-31 from 100-120 mt now came on heels of the government introducing a minimum import duty (MIP) on certain steel products, and an anti-dumping duty on products from China and European countries. The duty on Chinese products was later extended to five years.

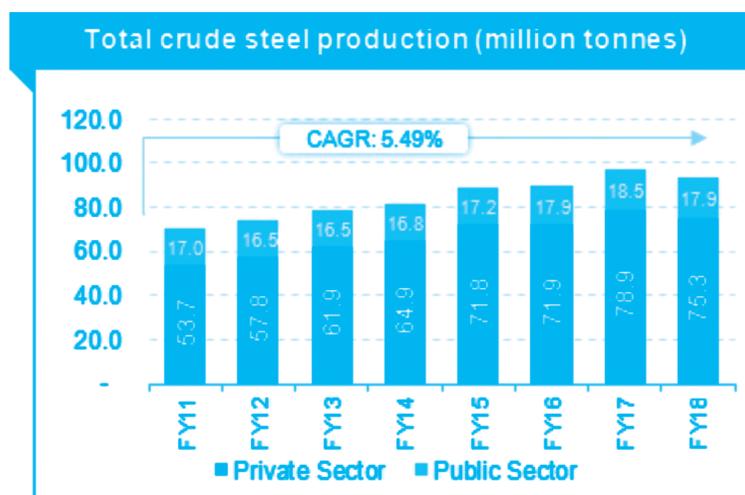
Across the northern border, the Chinese seem no longer interested in keeping open capital-intensive units

that are racking up losses. In 2016 and 2017, it phased out 115 mt of capacity and is aiming to further cut production by 30 mt in 2018. Marginal producers fell afoul of the country’s new environmental norms and have been shut down.

Indian steel makers have made the most of this. Domestic demand for steel has bounced back over the past year, growing at 7.6% y-o-y. This growth has been supported by a strong pick-up in infrastructure execution in the past year. JSW Steel, for instance, saw sales of its long products grow 11% y-o-y, the government’s Make in India initiative has come out very strongly, the government’s preferential procurement definitely has given a fillip and more and more orders are likely in the days ahead with the infrastructure development

Long-steel products are bulky and difficult to ship. So, as local construction activity has increased—especially of highways, bridges and metro lines—contractors have had to depend on locally made long-products to meet demand. Till last year, long steel sold at a discount of 15-17% to flat steel. The gap has since narrowed to 10%.

Long steel includes categories like TMT bars, which goes into construction and infrastructure. Given that the government has set aside Rs 14.3 lakh crore towards infrastructure expenditure, we see this momentum is likely to sustain with steel production growing at over 5% over the next two years.



### Government Initiatives

Some of the other recent government initiatives in this sector are as follows:

- Government of India’s focus on infrastructure and restarting road projects is aiding the boost in demand for steel. Also, further likely acceleration in rural economy and infrastructure is expected to lead to growth in demand for steel.
- The Union Cabinet, Government of India has approved the National Steel Policy (NSP) 2017, as it seeks to create a globally competitive steel industry in India. NSP 2017 targets 300 million tonnes (MT) steel-making capacity and 160 kgs per capita steel consumption by 2030.
- The Ministry of Steel is facilitating setting up of an industry driven Steel Research and Technology Mission of India (SRTMI) in association with the public and private sector steel companies to spearhead research and development activities in the iron and steel industry at an initial corpus of Rs 200 crore (US\$ 30 million).

### OPPORTUNITIES AND THREATS

India has one of the richest reserves of all the raw materials required for the Iron & steel industry, namely land, capital, cheap labour, iron ore, power, coal etc. Indian Iron and steel industry with its strong forward and backward linkages contributes significantly to overall growth and development of the economy. As per official estimates, the industry today directly contributes 2% of India’s Gross Domestic Product (GDP) and its weightage in the official index of Industrial Production (IIP) is 6.2 %.

The topmost factor determining the demand is the GDP of the country. The dependency is quite different for an advanced economy or a developing economy. People in country with increasing GDP will spend more on steel based on products, investments etc. Typically the per capita consumption keeps rising as the income level per head increases till it reaches an upper limit of income level. The consumption is somewhere around 120 to 160 kgs per head.

The next factor is the resource availability. The availability of iron ore, coal both in terms of quality and quantity triggers investment towards steel industry. In spite of all modern cheap transport, the transport logistics costs play a major role for steel industry and so when resources are available, building steel plants close to such resources will make the steel production cheaper.

Availability of downstream economy who need steel as input can also cause the need for a booming steel industry. This could be both, manufacturing setups (like India focusing on Made in India) or infrastructure developments.

One critical factor is also the government policies. The government could specifically target to produce iron & steel either to improve employment (as steel is a manpower intensive industry) or on the other side decide not to allow steel production even if all other factors favour it because of other consideration like pollution.

### Government Initiatives:

The Government of India initiated several steps to protect the iron & steel industry from the external threats of dumping and uniform trade. Following were the measures taken:

- Bureau of Indian Standards (BIS) -Norms Compulsory BIS norms were laid down for the steel industry and production of steel. The norms were also applied to overseas firms, which are licensed steel exporters to India. This reform was thoughtfully imposed to maintain consistency and improve the quality of steel, to compete with international standards.
- Annulling Classification-The Government removed classification of steelmakers in their projects to avoid any discrimination arising due to classification. Further, it served to provide equal opportunity for all steel manufacturers. Anti-dumping Measures India imposed strict anti-dumping duties on China, the United States and other countries to protect the interests of domestic steel producers. A 'Minimum Import Price' (MIP) was imposed on certain steel imports, which was a key factor in reducing low-priced steel imports to India. The Safeguard duty is another measure by the Government that will eventually replace the MIP.
- Railway Freight Reforms- The Government of India has withdrawn the differential railway freight policy for domestic consumption and exports of iron ore and pellets. This reform will help to bolster iron ore exports. Domestic Finished Steel price trend Domestic prices for both hot rolled coil and plate increased between 15% and 19% since April 2016. They reached peak price in January 2017. However, there has been a downward trend in the last few months. Additionally, price of long steel reached its apex in March and April 2017, thereafter facing a downward trend. Further, prices of TMT and wire rod have increased upto 9% since April 2016.

### SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

Make in India Manufacturing sector is the core driver of economic growth for any country, and the Government has shown strong intent to make India a global manufacturing hub through the 'Make in India' initiative launched in 2014. The initiative aims to build best-in-class manufacturing infrastructure by enabling investments, boosting innovation, encouraging skill development and strengthening intellectual property protection. India is expected to become the fifth largest manufacturing country in the world by the end of year 2020. Our Company also believes in the initiative taken by the Government and has adopted Make in India Policy. The Company has earned its position among the top ten manufacturers of Re-bars and Structural's under the segment of smaller dia size of Re-bars and lower section of structural's. The product we specialize in manufacturing are as under:

| Particulars        | Size                                |
|--------------------|-------------------------------------|
| TMT Re-Bars        | 8 mm to 25 mm                       |
| Structural Re-Bars | 35mm * 35mm * 5<br>40mm * 40mm * 75 |

### INTERNAL CONTROL SYSTEMS AND THEIR 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 Company has sufficient and commensurate internal control systems to match the size and the sector it falls under. The Company has well defined and clearly laid out policies, processes and systems. These are strictly and regularly monitored by the top management and any digression or discrepancy is immediately flagged off and corrected. The Company also has a regular internal audit process that is monitored and reviewed by the Audit Committee, which ensures that any deviations from set benchmarks are immediately reported and corrected. The Company regularly keeps upgrading its systems and processes to ensure these are up-to-date and the latest.

## FINANCIAL HIGHLIGHTS

| Particulars             | (₹ in Lacs) |          |            |
|-------------------------|-------------|----------|------------|
|                         | F.Y 2018    | F.Y 2017 | % Increase |
| Revenue from Operations | 38,451      | 27,948   | 37.58%     |
| PAT                     | 131         | 123      | 6.65%      |
| PBT                     | 223         | 202      | 10.26%     |
| EBITDA                  | 769         | 717      | 7.28%      |
| Total Income            | 38,510      | 28,047   | 37.31%     |

### Key Highlights of Iron & Steel Industry

- Infrastructure, oil and gas and automotives would drive the growth of the industry
- Steel production in India is for ecast to double by 2031, with growth rate expected to go above 10 percent in FY 18
- To achieve steel capacity build-up of 300 million tones per annum (MTPA) by 2030, India would need to invest US\$ 156.08 billion by 2030-31.
- Ministry of steel plans to setup Steel Research and Technology Mission in India to promote R & D activities in the sector
- As of 2017, India is the world's 3rd largest producer of crude steel (up from 8th in 2003). India's steel production in 2017 stood at 101.4 MT.
- National steel policy (NSP) implemented to encourage the industry to reach global benchmarks.

## 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.

## RISKS AND CHALLENGES

Across the world and in India too, business dynamics are fast changing. With greater digitization, every manufacturing process as well as pre and post manufacturing parameters are being revisited and updated rapidly. Being a producer of components for end-user industries, which are characterized by their unique economic cycles. Your Company has to remain alert to a range of factors that present themselves as risks and could upset the Company's sectoral growth path. Accordingly, wherever possible, your Company seeks to anticipate and pre-empt any foreseeable risk with robust mitigation strategies.

Here are some of the key risks which could emerge and the corresponding mitigation measures:

### **Technology Risk**

The Company has to constantly keep up with emerging technology to ensure superior quality and better efficiency of its products as its clients are marquee players in their industries and expect only the best. While investing in technology is the obvious solution, it could result in obsolescence before the technology investment has been fully depreciated. AIL follows a balanced approach to invest in new technology so as to meet the product requirements of its clients without over leveraging any single technological advancement.

### **Market Risk**

AIL supplies its products to end user industries in the construction equipment industries which are impacted by economic cycles.

Your Company ensures that it caters to a diverse universe of clients within the country. This product, industry and geographic diversification minimises the impact of a down-cycle on any single client segment.

### **Raw Material Risk**

Once the capital structure is in place, input costs form a bulk of the Company's business expenses. Any upward fluctuation in these costs could have a negative impact on the Company's bottom-line.

The ability to meet its clients' expectations in terms of deliverables has put the Company's in a position to draw out long-term contracts with clients that includes pass through clauses to cover hikes in the cost of raw materials.

### **Financial Risks**

The Company faces many risks with respect to its financial transactions, driven by changes in foreign exchange rates, interest rates, credit availability and liquidity. The Company is adequately equipped to deal with all types of financial risks. It takes into account its long-term growth objectives while managing its financial dealings.

### **Regulatory Risks**

There is always a chance that the policy scenario pertaining to the Company's processes and products, or to those of its clients, could change. These could be changes in laws, regulations, policies and other Governmental actions including those affecting environmental matters, employee welfare, safety, wastage emissions. To pre-empt any business disruption due to regulatory changes, the Company has a dedicated compliance team in place which tracks laws applicable to the Company and suggests course corrections, if necessary.

### **Product Risks**

AIL manufactures products that are critical components for user industries, where precision and quality are prerequisites. Any deviation from expectations can impact the Company's revenue and more importantly, reputation. Your Company has put in place internal systems with high standards for product design and quality. It also incorporates feedback from the clients on product supplies at regular intervals.

### **Human Resource Risk**

Skilled human resources are crucial to the production processes at the Company. Non-availability of the talent or high rates of attrition may impact the business. The Company has an internal assessment and training programme for developing the skills of the existing workforce. Also, the Company undertakes recruitment and training on regular basis.

### **ROAD AHEAD**

India has surpassed Japan to become the world's second largest steel producer, and has envisaged achieving 300 MT of annual steel production capacity by 2030.

Steel consumption is expected to grow 5.7 per cent year-on-year to 92.1 MT in 2018.

India is expected to become the second largest steel producer in the world by 2018, based on increased capacity addition in anticipation of upcoming demand, and the new steel policy that has been approved by the Union Cabinet in May 2017 is expected to boost India's steel production. Huge scope for growth is offered by India's comparatively low per capita steel consumption and the expected rise in consumption due to increased infrastructure construction and the thriving automobile and railways sectors.

### **HUMAN RESOURCE**

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 work-force 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. The Current employee strength is 102 numbers.

### **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.*

## BOARD'S REPORT

Dear Shareholders,

Your Directors take pleasure in presenting the 23rd Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2018.

### FINANCIAL HIGHLIGHTS

The Company's financial performance for the year ended 31st March, 2018 is summarised below:

(₹ in Lacs)

| PARTICULARS   |   | 2017-2018     | 2016-2017     |
|---|---|---------------|---------------|
| Revenue From operations   |   | 38,451.31     | 27,947.95     |
| Other Income  |   | 59.00         | 99.16         |
| Total Income  |   | 38,510.31     | 28,047.11     |
| Total Expenditure other than Financial Cost & Depreciation  |   | 37,741.07     | 27,330.03     |
| <b>Profit before Depreciation, Finance Cost &amp; Tax</b>   |   | <b>769.24</b> | <b>717.08</b> |
| Finance costs   |   | 472.95        | 466.31        |
| Depreciation and amortization expenses  |   | 73.42         | 48.62         |
| <b>Profit/(loss) before exceptional items and tax</b>   |   | <b>222.87</b> | <b>202.14</b> |
| Exceptional Items (Income) / Expense  |   | —             | —             |
| <b>Profit/ (loss) before tax</b>  |   | <b>222.87</b> | <b>202.14</b> |
| a)  | Current Tax   | 67.72         | 65.47         |
| b)  | Current Tax Expense relating to Prior Year's                                      | 6.13          | 9.75          |
| c)  | Deferred Tax  | 16.30         | 3.13          |
| <b>Profit/(loss) for the period</b>   |   | <b>132.72</b> | <b>123.71</b> |
| Other Comprehensive Income (net of tax)   |   | 2.06          | 1.29          |
| A.  | (i) Items that will not be reclassified to profit or loss                         | —             | —             |
|   | (ii) Income tax relating to items that will not be reclassified to profit or loss | —             | —             |
| B.  | (i) Items that will be reclassified to profit or loss                             | 2.06          | 1.29          |
|   | (ii) Income tax relating to items that will be reclassified to profit or loss     | —             | —             |
| <b>Total Comprehensive Income for the period Comprising Profit (Loss) and Other comprehensive Income for the period )</b> |   | <b>130.66</b> | <b>122.50</b> |
| <b>Earning per equity share (of Rs 10/- each)</b>   |   |               |               |
| Basic (in Rs.)  |   | 0.63          | 0.59          |
| Diluted (in Rs.)  |   | 0.63          | 0.59          |

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

The Ministry of Corporate Affairs (MCA), vide its notification in its official gazette dated 16th February 2015, notified Indian Accounting Standards (Ind AS) applicable to certain class of Companies. Ind AS has replaced the existing Indian GAAP prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies Accounts Rules, 2014. For your company, Ind AS is applicable from April 1, 2017 with a transition date of April 1, 2016 and IGAAP as its previous GAAP.

- Revenue from operations increased by 37.58% to Rs. 38451.31 Lacs in 2017-18.
- Total Income increased by 37.31% to Rs. 38510.31 Lacs in 2017-18.
- PBT increased by 10.26% to Rs.222.87 Lacs in 2017-2018.
- PAT increased by 7.21% to Rs. 132.72 Lacs in 2017-2018.

During the current financial year 2017-18, no amount has been appropriated to General Reserve.

The detailed Operational performance of your Company has been comprehensively discussed in the Management Discussion and Analysis Report.

## SHARE CAPITAL

During the year under review, there was no change in the share capital structure and the paid up capital of the Company as on 31st March, 2018 was Rs.208,537,500.

## DIVIDEND

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

## DEPOSITS

During the year under review the Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013, and the rules made thereunder.

## FINANCIAL ACCOUNTING

The Financial Statements have been prepared in compliance with Indian Accounting Standards Ind-AS issued by The Institute of Chartered Accountants of India (ICAI) effective from 01, April, 2016 and provisions of Section 133 of the Companies Act, 2013.

These financial statements for the year ended 31 March, 2018 are the Company's first Ind AS financial statements. The impact of transition has been accounted for in the opening reserves and the comparative period figures have been reinstated accordingly. Further, as per Ministry of Corporate Affairs (MCA) notification, the financial statements have been prepared as per the format prescribed under the Schedule III to the Companies Act, 2013.

## LISTING OF SHARES

The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited, Mumbai. During the year the Company migrated from SME Board of BSE to Main Board of BSE, w.e.f 5th June, 2017.

## PERFORMANCE EVALUATION

The Company has devised a policy for performance evaluation of the Board, Committees and other Individual Directors (including Independent Directors) which include criteria for performance evaluation of Non-Executive Directors and Executive Directors. The evaluation process inter alia considers attendance and participations of Directors in the meetings; commitment (including guidance provided to senior management outside of Board/committee meetings); Effective deployment of qualification, knowledge and expertise; effective management of relationship with stakeholders; Integrity and maintaining of confidentiality; Independence of behaviour and judgement and impact and influence.

During the year under review, the Board carried out annual evaluation in accordance with the above said policy and expressed satisfaction on the evaluation process and the performance of all the Directors, the Committees and the Board as a whole.

## 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 the Company. The said Policy forms a part of this Report as Annexure-A, and the same is also available on the website of the company at [www.aanchallispat.com](http://www.aanchallispat.com)

## 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 as at 31st March, 2018 and of the profit of the company for the year end on that date;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, 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.

## **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-B as attached hereto and forming part of this report.

## **CORPORATE GOVERNANCE**

Your Company has practised sound Corporate Governance and taken necessary actions at appropriate times for enhancing and meeting stakeholders' expectations while continuing to comply with mandatory provisions of Corporate Governance. Your Company has complied with the requirements of all applicable regulations read with Schedule-V of SEBI Listing regulations as issued by SEBI and amended from time to time.

A report on Corporate Governance along with certificate from M/s Raj Chandra & Associates, Chartered Accountants, regarding compliance of conditions forms a part of this report and has been annexed as Annexure-C hereto.

## **CODE OF CONDUCT**

The Code of Conduct of Directors, KMP's and Senior executive of the Company is already in force and the same has been placed on the Company's website [www.aanchalisp.com](http://www.aanchalisp.com) and the declaration for the affirmation with the same forms a part of this report.

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

Your Company do not have any Subsidiaries or Joint Venture or Associate during the year under review.

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

As per the terms of Regulation 34(2) read with Schedule V of SEBI Listing Regulations, Management's Discussion and Analysis Report for the year under review, is presented in a separate section forming part of the Annual Report.

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

The particulars of employees as required under Section 197 (12) of the Act read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (as amended) are given in separate annexure attached hereto as Annexure-D and forms a part of this report.

Further stating there were no such employees drawing remuneration in excess of the limits set out in Section 197 (12) of the Companies Act, 2013 read with Rule 5(2) & 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## **DIRECTORS**

### **Events Occurring after Balance Sheet Date/Board's Report**

Ms. Preetee Agarwal, Woman Independent Director (DIN: 07344364) resigned from Directorship of the Company w.e.f. closure of business hours on 30th day of May, 2018 due to personal reasons. The Board placed on record its sincere appreciation for the contribution of Ms Preetee Agarwal as Independent Director of the Company during her directorship and also for her significant contributions made to the management of affairs of the Company and her valuable advises made to the Board from time to time.

### **Director retiring by Rotation**

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Mr. Manoj Goel (DIN: 00554986) retires by rotation at the ensuing Annual General Meeting and

being eligible, offers himself for re-appointment. The Board of Directors on recommendation of Nomination & Remuneration Committee has recommended for the approval of appointment/ re-appointment of the aforesaid Directors at the ensuing Annual General Meeting.

The brief details of the Directors to be appointed/re-appointed as required under Regulation 36 of the SEBI Listing Regulation are given in the Notice convening the ensuing Annual General Meeting.

### **KEY MANAGERIAL PERSONNEL**

The Following director/officials of the Company have been designated as Key Managerial Personnels (KMP's) of the Company by the Board of Directors in terms of provisions of Section 203 of the Companies Act, 2013 and the Regulations:

1. Mr. Mukesh Goel, Managing Director;
2. Mr. A.S Nageswar Rao, Chief Financial Officer;
3. Ms. Neha Sharma, Company Secretary & Compliance Officer.

During the Financial year 2017-2018, Ms. Priyanka Bhauwala, Company Secretary & Compliance Officer. resigned from her office w.e.f. close of business hours of 14th day of November, 2017.

Ms. Neha Sharma was appointed as the Company Secretary & Compliance Officer of the Company at the Board Meeting held on 14th of February, 2018.

### **DECLARATION FROM INDEPENDENT DIRECTORS**

The terms & condition for appointment of Independent Directors are as per the provisions of Section 149 & Schedule IV of the Companies Act, 2013. The Company has received declarations from all Independent Directors confirming that they meet the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 and the SEBI Listing Regulations and there has been no change in the circumstances which may affect their status as Independent directors during the year.

### **AUDITORS & AUDITORS' REPORT**

#### **Statutory Auditors**

M/s Raj Chandra & Associates, Chartered Accountants (Firm Registration No. 326312E) were appointed as Statutory Auditors of the Company for a term of five years at the 21st Annual General Meeting held on 28th September, 2016. They have confirmed that they are not disqualified from continuing as Auditors of the Company.

The notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

Their continuance of appointment or otherwise and payment of remuneration are to be confirmed and approved in the ensuing Annual General Meeting.

#### **Cost Auditor**

The Board had appointed M/s A.S & Associates, Cost Accountants (Firm Registration no. 000523) as the Cost Auditors of the Company for conducting the audit of cost records of products of the Company for the F.Y 2017-2018.

#### **Secretarial Auditor**

In terms of Section 204(1) of the Companies Act, 2013, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has engaged Ms. Manisha Saraf, Company Secretary in whole time practice (Membership No. FCS-7607, Certificate of Practice No.-8207) as the Secretarial Auditor of the Company for the Financial Year 2017-2018 to conduct the Secretarial Audit.

The Secretarial Audit Report for the financial year ended 31st March, 2018 has been annexed as Annexure- E and forms a part of this annual report.

The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

### **CONTRACTS OR ARRANGEMENT WITH RELATED PARTY**

All contracts /arrangement /transaction with related parties entered by the Company during financial year under review were on arm's length basis and were in the ordinary course of business.

During the year, the Company had not entered contracts /arrangement /transaction with related parties which could be considered material as per the explanation provided under Regulation 23(1) of SEBI Listing Regulations.

The policy on dealing with Related Party Transactions as approved by the Board may be assessed on the Company's Website at [www.aanchalisp.com](http://www.aanchalisp.com) .

There were no materially significant related party transactions which could have potential conflict with the interest of the Company at large.

Members may refer to Note 30 to the standalone financial statements which set out related party disclosures pursuant to Ind AS.

### **NUMBER OF MEETINGS OF THE BOARD**

The Board of Directors met 5 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 any two meetings was not more than one hundred twenty days as mandated under the provisions of Section 173 of the Companies Act, 2013 and Regulation 17(2) of the SEBI Listing Regulations.

### **AUDIT COMMITTEE**

The Audit Committee comprises of Mr. Sudhir Kumar Budhia, Mr. Mukesh Agarwal & Mr. Manoj Goel.

During the year, Ms. Preetee Agarwal (the erstwhile member of Committee) was inducted in the committee as a member at the Board meeting dated May, 29, 2017, and accordingly the Audit Committee had been reconstituted and later on ceased to be a member of the Committee due to her resignation with effect from May, 30, 2018.

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

During the period under review, the Company has not made any loan, guarantee or investment in terms of provisions of Section 186 of the Companies Act, 2013.

### **SECRETARIAL STANDARDS**

The directors state that applicable Secretarial Standards, i.e. SS-1 & SS-2, relating to 'Meeting of the Board of Directors' and 'General Meeting' respectively have been duly followed by the Company.

### **MATERIAL CHANGES AFFECTING THE COMPANY**

There are no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report. There has been no change in the nature of business of the Company.

### **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.

### **EXTRACT OF THE ANNUAL RETURN**

In terms of provisions of Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management & Administration) Rules, 2014, a copy of the Annual return as prescribed under Section 92 of the Companies Act, 2013 forms a part of this report and is annexed as Annexure-F and the same can also be assessed at the website of the Company at [www.aanchalisp.com](http://www.aanchalisp.com).

### **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.

## VIGIL MECHANISM

The Company has established a robust vigil mechanism and whistle blower policy through the audit committee to mitigate 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 employees and the Company.

Protected disclosures can be made by a whistle blower through an e-mail, or dedicated telephone line or a letter to the ethics officer or to the Chairman of the Audit Committee. The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at the link [www.aanchalispac.com](http://www.aanchalispac.com).

## 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.

Assurance on the effectiveness of internal financial controls is obtained through management reviews, control self-assessment, continuous monitoring by functional expert as well as testing of the internal financial control systems by the internal auditors during their course of their audit. We believe that these systems provide reasonable assurance that our internal financial controls are designed effectively and are operating as intended.

## CREDIT RATING

During the Financial year 2017-2018, Company has been reaffirmed at BWR BB+ (pronounced as BWR Double B Plus) for Long term Tenure and at BWR A4+ (Pronounced as BWR A Four Plus) for short term tenure. The said reaffirmation in rating is based on the operational and financial performance of the Company.

## INSURANCE

The Company has taken appropriate insurance for all assets against foreseeable perils.

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

The Company has constituted an Internal Compliant Committee under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, which is responsible for redressal of complaints relating to sexual harassment at work place. During the year no complaint was filed before the said Committee.

## COURT/TRIBUNAL ORDERS

There were no instances of any significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

## ACKNOWLEDGEMENT

The Board of Directors thank the shareholders for their continued support and they would like to place on record their appreciation for the dedicated services rendered by the Employees at all levels.

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*

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

Date: 30th May, 2018  
Place: Howrah

## Annexure - A to the Board's Report

FRAMED UNDER SECTION 178(3) OF THE COMPANIES ACT, 2013 READ WITH SECURITIES & EXCHANGE BOARD OF INDIA (LISTING OBLIGATION & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

### BACKGROUND:

The Company considers human resources as its invaluable assets. The policy on nomination & remuneration of Directors, Key Managerial Personnel (KMPs) and other employees has been formulated in terms of the provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 in order to pay equitable remuneration to the Directors, KMPs and employees of the Company and to harmonise the aspirations of human resources consistent with the goals of the Company. This policy has been formulated by the Committee and approved by the Board of Directors.

### DEFINITIONS:

- "Act" means "The Companies Act, 2013" and Rules framed thereunder, as amended from time to time
- "Company" means Aanchal Ispat Limited.
- "Board" means Board of Directors of the Company.
- "Directors" mean Directors of the Company.
- "Committee" means Nomination and Remuneration Committee of the Company as constituted or re-constituted by the Board, in accordance with the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
- "Key Managerial Personnel" means:
  - Chief Executive Officer or the Managing Director or the Manager;
  - Whole-time director;
  - Chief Financial Officer;
  - Company Secretary; and
  - Such other officer as may be prescribed under the statutory applicable regulations /provisions.
- "Senior Management" means Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors and all members of the management two level below executive directors, including the functional head. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

### APPLICABILITY

The Policy is applicable to:

- Directors (Executive and Non Executive)
- Key Managerial Personnel
- Senior Management Personnel.

### GENERAL

This Policy is divided in three parts:

- Part – A covers the matters to be dealt with and recommended by the Committee to the Board;
- Part – B covers the appointment and nomination; and
- Part – C covers remuneration and perquisites etc.
- The Key features of this Company's Policy shall be included in the Boards' Report.

## PART-A

### MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY NOMINATION & REMUNERATION COMMITTEE

- The role of the nomination and remuneration are as follows:
  - formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
  - formulation of criteria for evaluation of performance of independent directors and the board of directors;
  - devising a policy on diversity of board of directors;
  - identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
  - whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

## PART-B

### POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

Qualifications for appointment of Directors (including Independent Directors):

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

#### Term / Tenure

##### A) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

##### B) Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

## Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

## Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

## Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## PART C

### POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

#### GENERAL

- The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company or Central Government, wherever required.
- The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.
- Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.
- Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration to any such personnel.

### REMUNERATION TO WHOLE-TIME / EXECUTIVE / MANAGING DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

#### Fixed pay:

The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the Shareholders and Central Government, wherever required.

#### Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

#### Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.



## **BOARD'S DIVERSITY POLICY**

AIL recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other distinctions between Directors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. All Board appointments, whenever required shall be made on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective. The Nomination and Remuneration Committee ('the Committee') shall review and assess Board composition on behalf of the Board and recommend the appointment of new Directors, whenever the need for the same arises.

### **REVIEW OF THE POLICY:**

The policy shall be reviewed from time to time so that the policy remains compliant with applicable legal requirements. The Company Secretary will keep the policy updated as per applicable statutory guidelines.

## Annexure -B to the Board's Report

Particulars pursuant to the provisions of Section 134 (m) of the Companies Act, 2013 and Rule 8 (3) of the Companies Accounts Rules, 2014

### A) CONSERVATION OF ENERGY:

#### 1. The steps taken or impact on conservation of energy:

- Installation of Automatic Power Factor Correction Equipment;
- Installation of Automatic Load Factor Correction Equipment;
- Using Energy Star Equipment;
- Became a paperless business;
- Unplug computers over the weekend;
- Good insulation;
- Proper use of compressors
- Use of recuperator in rolling mill;
- Installation of LED Lights;

#### 2. The steps taken by the Company for utilising alternate sources of energy:

- Use of transparent sheets;
- Embrace natural lighting.

#### 3. The capital investment on energy conservation equipment: Rs 11.07 Lacs

### B) TECHNOLOGY ABSORPTION:

#### 1. Efforts made towards technology absorption:

- Development of new product TMT 500D;
- Method improvements in manufacturing process;
- Increasing level of Automation in the production side;
- Improvement in safety and reliability of the plant;
- Upgrading Pollution control equipment for air/water;

#### 2. Benefits derived as a result of such efforts:

- Improvement in productivity;
- Cost Reduction;
- Improvement in profit;
- Energy conservation;
- Better quality products.

3. No fresh technology has been imported during the year.

4. The expenditure incurred on research or development: Rs.70,800/-

### C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

The foreign exchange earned in terms of actual inflows during the year and the foreign exchange outgo during the year in terms of actual outflow is as follows:

| Particulars  | FY 2017-18 (₹ in Crores) |
|--|--------------------------|
| Foreign Exchange earned in terms of actual inflows | NIL                      |
| Foreign Exchange outgo in terms of actual outflows | 8.06                     |

## Annexure - C to the Board's Report

### Report on Corporate Governance

Your Director's present the Company's report on Corporate Governance as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31st March, 2018.

#### 1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance is a combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the Organization. Good Corporate Governance leads to long-term shareholder value and enhances interests of all stakeholders. Your Company's philosophy on Corporate Governance is guided by strong emphasis on transparency, accountability, responsibility.

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.

At your Company 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 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 your Company, we believe that the imperative for good corporate governance lies not merely in drafting a code of Corporate Governance but in practicing it.

#### 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, including Independent Director which plays a crucial role in Board processes and provides independent judgement and helps the Company in improving corporate credibility and governance standards.

As on 31 March 2018, the Board of Directors of the Company comprises of 5 (five) directors, of whom 1 (one) was Executive Director, and 4 (four) were Non-Executive, out of which 3 (three) were Independent Directors (including one woman director). Independent directors are Non-Executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations. The maximum tenure of Independent Directors is in Compliance with the Companies Act, 2013.

None of the Directors of the Company's Board is a member in more in more than ten committees or act as chairperson of more than five committees across all listed entities in which he/she is a director (committees being Audit Committee, Nomination & Remuneration Committee & Stakeholders Relationship Committee). All the Directors have made necessary disclosures regarding Committee positions held by them in other Companies and donot hold office of Director in more than 10(ten) public companies as on 31st March, 2018 as specified in Section 165(1) of Companies Act, 2013.

The Composition of Board of Directors and number and the number of directorship and committee positions held by them as on 31st March, 2018 are as under:

| Name and Designation along with DIN of Directors | DIN      | Category                    | No. of Directorship Held* (other than AIL) | No. of Board Committees (other than AIL) in which Chairman/ Member |        |
|--|----------|-----------------------------|--|--|--------|
|  |          |                             |  | Chairman   | Member |
| Mr. Mukesh Goel, Chairman                        | 00555061 | Promoter, Executive         | 4  | None   | None   |
| Mr. Manoj Goel, Director                         | 00554986 | Promoter, Non-Executive     | 4  | None   | None   |
| Mr. Sudhir Kumar Budhia, Director                | 02869779 | Non-Executive (Independent) | —  | None   | None   |
| Mr. Mukesh Agarwal, Director                     | 06954595 | Non-Executive (Independent) | —  | None   | None   |
| Ms. Preetee Agarwal, Director                    | 07344364 | Non-Executive (Independent) | —  | None   | None   |

- \*The Directorships held by the Directors, as mentioned above excludes alternate directorship, directorship in foreign companies, Companies under section 8 of the Companies Act, 2013 and Private Limited Companies which are not subsidiaries of Public Limited Companies.
- Represents Membership/Chairmanship of two committees viz Audit Committee and Stakeholder Relationship Committee as per Regulation 26 of SEBI Listing Regulation.
- As on 31st March, 2018, none of the directors were related to each other except for Mr. Manoj Goel being brother of Mr. Mukesh Goel, Managing Director of the Company.
- Ms. Preetee Agarwal resigned as an Independent Director of the Company with effect from the close of business hours of 30th day of May, 2018, citing personal reasons.

## BOARD MEETINGS & PROCEDURES

All material information was circulated to the directors before the meeting or placed at the meeting, including minimum information required to be made available to the Board as prescribed under Regulation 17(7) read with Part A of Schedule II of the Listing Regulations. This includes:

- Review of annual operating plans of business and updates.
- Capital budgets and any updates.
- Quarterly results of the Company.
- Minutes of the meetings of the Audit Committee and other committees of the Board.
- Information on recruitment and remuneration of senior officers just below the Board-level including appointment or removal of Chief Financial Officer and the Company Secretary.
- Materially important show causes, demands, prosecutions and penalty notices.
- Fatal or serious accidents or dangerous occurrences, any materially significant effluent or pollution problems.
- Any materially relevant default in financial obligations to and by the Company or substantial non payment for goods sold by the Company.
- Any issue which involves possible public or product liability claims of a substantial nature.
- Details of any joint ventures or collaboration agreements.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Significant labour problems and their proposed solutions and significant developments in the human resources and industrial relations fronts.
- Sales of material nature of investments, subsidiaries, assets, which have not materialised in the normal course of business.
- Quarterly details of foreign exchange exposure and the steps taken by management to limit the risk of adverse exchange rate movement.

15. Non-compliance of any regulatory or statutory provision or listing requirements as well as shareholder services such as non-payment of dividend and delays in share transfer.

16. Major Capital Expenditure during the period.

17. Capital expenditure programme and updates thereof.

The Board is regularly presented with all the information under the above heads whenever applicable and materially significant. These are submitted either as part of the agenda papers well in advance of the Board meeting or are tabled in the course of the Board meetings considering the nature of agenda.

Five meeting of the Board of Directors were held during the year 2017-2018, on the following dates:

|                |                   |                     |                   |                     |
|----------------|-------------------|---------------------|-------------------|---------------------|
| 29th May, 2017 | 14th August, 2017 | 14th November, 2017 | 3rd January, 2018 | 14th February, 2018 |
|----------------|-------------------|---------------------|-------------------|---------------------|

The Company has held atleast one Board meeting in every quarter and the gap between two meetings did not exceed one hundred and twenty days. The necessary quorum was present in all the meetings.

The details of attendance of Directors at the Board Meetings and at the last Annual General Meeting are as under:

| Name of the Directors   | Number of Board Meetings held and attended during F.Y 2017-2018 |          | Attended last Annual General Meeting |
|-------------------------|---|----------|--------------------------------------|
|                         | Held during the tenure  | Attended |                                      |
| Mr. Mukesh Goel         | 5   | 5        | Yes                                  |
| Mr. Mukesh Goel         | 5   | 5        | Yes                                  |
| Mr. Sudhir Kumar Budhia | 5   | 5        | Yes                                  |
| Mr. Mukesh Agarwal      | 5   | 5        | Yes                                  |
| Ms. Preetee Agarwal     | 5   | 5        | Yes                                  |

### INDEPENDENT DIRECTORS MEETING

The Independent directors met on the 27th day of March, 2018, without the attendance of Non-Independent Directors and members of the management. The Independent Directors reviewed the performance of non independent directors and the board as a whole; the performance Chairperson of the Company taking into account the views of executive and Non-Executive directors for the F.Y 2017-2018 and assessed 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 of Independent Directors

At the time of the appointment, the Independent Directors are informed about their role and responsibilities through a formal letter of appointment, which also stipulates their roles and responsibilities and various terms and conditions of their appointment and are given an overview of business, operations and business model of the Company including an overview on Iron & Steel Sector and Industry Sector. Immediately after appointment Independent Director are also provided with copies of the following documents:

- Annual Reports of the Company of the last three years;
- Criteria of Independence applicable on Independent Directors as per the Regulation 16(b) of the SEBI(LODR) Regulations, 2015 and the Companies Act, 2013;
- Copies of code of conduct and Ethics for Board Members, Code for Prevention of Insider Trading in AIL Equity Shares/Securities and other relevant policies;
- The Board members are provided with internal policies to enable them to familiarize with the Company's procedures and practices.

#### Regular Familiarization Modules:

- Familiarization programmes are also proposed to be conducted on need basis during the term of the directors.
- The Board members are also made aware about the compliances applicable on the Company by way of quarterly compliances report.
- Independent Directors have the freedom to interact with the Company's management during the Board/Committee of Directors meetings or otherwise.
- Need Based training is provided to the Board Members on various matters. The Board Members based on

their requirement attend seminars, conferences, training programmes from time to time.

- Board Members are promptly updated on any change and new development with regard to relevant regulatory requirement such as SEBI regulations, Companies Act etc.

The Company familiarised the Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company, etc. from time to time. The familiarisation programme along with details of the same imparted to the Independent Directors during the year are available at the website of the Company and the web link thereof is [www.aanchalispac.com](http://www.aanchalispac.com)

### 3. BOARD COMMITTEES

- 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 Audit Committee has been constituted as per the requirements of Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013.

Four meeting of the Audit Committee were held during the year 2017-2018, on the following dates:

|                |                   |                     |                     |
|----------------|-------------------|---------------------|---------------------|
| 29th May, 2017 | 14th August, 2017 | 14th November, 2017 | 14th February, 2018 |
|----------------|-------------------|---------------------|---------------------|

The Composition of the Committee and the attendance of each member of the committee during the year 2017-2018 are given below:

| S No | Name of the Committee Members        | Designation in the Committee            | No. of meetings attended |
|------|--------------------------------------|---|--------------------------|
| 1.   | Mr. Sudhir Kumar Budhia,<br>Chairman | Independent, Non-Executive Director     | 4                        |
| 2.   | Mr. Mukesh Agarwal,<br>Member        | Independent, Non-Executive Director     | 4                        |
| 3.   | Mr. Manoj Goel,<br>Member            | Non-Independent, Non-Executive Director | 4                        |
| 4.   | Ms. Preetee Agarwal*<br>Member       | Independent, Non-Executive Director     | 4                        |

- Ms Preetee Agarwal was inducted in the committee at the meeting of the Board of Directors held on 29th day of May, 2017, and hence the committee was re-constituted.

Ms. Neha Sharma, Company Secretary & Compliance Officer of the Company is the secretary to the committee. Minutes of the Audit Committee are placed and discussed in the next meeting of the Board. Members of the Audit Committee have requisite expertise in the field of Finance and Management and have held or hold senior positions in the reputed Organizations.

The internal auditor reports to the Audit Committee.

#### Terms & Reference

- Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - (a) Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b) Changes, if any, in accounting policies and practices and reasons for the same;
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) Significant adjustments made in the financial statements arising out of audit findings;

- (e) Compliance with listing and other legal requirements relating to financial statements;
- (f) Disclosure of any related party transactions;
- (g) Modified opinion(s) in the draft audit report;
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the listed entity with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the whistle blower mechanism;
- approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee.

AIL has systems & procedures in place to ensure that the audit committee mandatorily reviews the following information:

- (1) management discussion and analysis of financial condition and results of operations;
- (2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- (3) management letters / letters of internal control weaknesses issued by the statutory auditors;
- (4) internal audit reports relating to internal control weaknesses; and
- (5) the appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the audit committee.
- (6) statement of deviations:
  - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

(b) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7).

• **Nomination & Remuneration Committee**

The Nomination & Remuneration Committee has been constituted as per Regulation 19 of the SEBI Listing regulations and Section 178 of the Companies Act, 2013.

Four meeting of the Nomination & Remuneration Committee were held during the year 2017-2018, on the following dates:

|                |                   |                     |                     |
|----------------|-------------------|---------------------|---------------------|
| 29th May, 2017 | 14th August, 2017 | 13th November, 2017 | 14th February, 2018 |
|----------------|-------------------|---------------------|---------------------|

The Composition of the Committee and the attendance of each member of the committee during the year 2017-2018 are given below:

| S No | Name of the Committee Members        | Designation in the Committee               | No. of meetings attended |
|------|--------------------------------------|--|--------------------------|
| 1.   | Mr. Sudhir Kumar Budhia,<br>Chairman | Independent, Non-Executive<br>Director     | 4                        |
| 2.   | Mr. Mukesh Agarwal,<br>Member        | Independent, Non-Executive<br>Director     | 4                        |
| 3.   | Mr. Manoj Goel,<br>Member            | Non-Independent, Non-Executive<br>Director | 4                        |
| 4.   | Ms. Preetee Agarwal*<br>Member       | Independent, Non-Executive<br>Director     | 4                        |

- \*Ms Preetee Agarwal was inducted in the committee at the meeting of the Board of Directors held on 29th day of May, 2017, and hence the committee was re-constituted.

Ms. Neha Sharma, Company Secretary & Compliance Officer of the Company is the secretary to the committee. Minutes of the Nomination and Remuneration Committee are placed and discussed in the next meeting of the Board. The Chairman of the Nomination & Remuneration Committee attends the Annual General Meetings of the Company to answer shareholders queries.

The terms of reference of the Committee includes:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

**Performance Evaluation Criteria for Independent Directors**

The performance evaluation criteria for Independent Directors are determined by the Nomination & Remuneration Committee. An indicative list of factors that may be evaluated considers attendance and participations of Directors in the meetings; commitment (including guidance provided to senior management outside of Board/ committee meetings); Effective deployment of qualification, knowledge and expertise; effective management of relationship with stakeholders; Integrity and maintaining of confidentiality; Independence of behaviour and judgement and impact and influence.

The Nomination and Remuneration Committee shall have the authority to include any other parameters in addition to the above mentioned criterion for evaluation of performance of the Board its Committees and Directors. However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to

improve the effectiveness of the Board / Committee.

The Board on the basis of the Performance Evaluation Policy of the company would evaluate the performance of Independent Directors (excluding the director being evaluated).

#### 4. REMUNERATION TO DIRECTORS:

The Company has formulated a remuneration policy which determines the compensation structure of the Executive/Non-Executive Directors. The Company's Remuneration policy is in consonance with the existing industry practices and aims at attracting and retaining high calibre talent. The policy is reviewed and reassessed by the Nomination & Remuneration Committee from time to time and the Board is responsible for approving and overseeing implementation of the same.

The salient features of the remuneration policy is provided as an Annexure to the Board's Report and the detailed policy is available on the website of the Company at [www.aanchalispac.com](http://www.aanchalispac.com)

##### (a) Remuneration to Non-Executive Directors

Non-Executive Directors are appointed by the Board on recommendations of the Nomination & Remuneration Committee for their expertise, advice and inputs. They devote their valuable time in deliberating on the strategic and critical issues in the course of the Board and Committee meetings of the Company and give their valuable advice, suggestions and guidance to the management of the Company from time to time. The Non-executive Directors bring in a wider perspective in the deliberations and decision-making of the Board which adds value to the Company. They also play a crucial role in the Independent functioning of the Board. Contribution of the Non-Executive Directors in Board and Committee Meetings, time devoted by them, participation in strategic decision making, timely guidance to the Board on important policy matters of the Company, performance of the Company and industry practices and benchmarks forms the main criteria for determining payments to Non-Executive Directors.

The Non-Executive Directors do not have any pecuniary relationship/transaction with the Company in their personal capacity other than receiving the sitting fees for attending each meeting of the Board and of the Committees thereof, and such fees is not exceeding the limits as specified under the Companies Act, 2013. The Details of Sitting fees paid to Non-Executive and Independent Directors for the financial year 2017-2018 are as under:

(₹ in Thousands)

| Name of the Director    | Sitting fees paid |                   | Performance Linked Incentive | No. of Shares Held |
|-------------------------|-------------------|-------------------|------------------------------|--------------------|
|                         | Board Meeting     | Committee Meeting |                              |                    |
| Mr. Manoj Goel          | 18                | 36                | —                            | 17,16,900          |
| Mr. Sudhir Kumar Budhia | 18                | 36                | —                            | —                  |
| Mr. Mukesh Agarwal      | 18                | 36                | —                            | —                  |
| Ms. Preetee Agarwal     | 30                | 66                | —                            | —                  |
| Ms. Preetee Agarwal     | 30                | 66                | —                            | —                  |

The Company pays remuneration to executive directors by way of Salary, within the limits prescribed under the Companies Act, 2013 and there is no separate provision for payment of severance fees under the resolutions governing the appointment of Managing Director. During the year Mr. Mukesh Goel, Managing director of the Company was paid remuneration Rs.10 Lacs which is under the limits as specified under Regulation 197 read with Schedule V of the Companies Act, 2013.

The Company has not granted any stock option plan to the executive director and employees of the Company.

#### 5. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

As per the applicable provisions of the Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company had constituted a Stakeholders Relationship Committee ("Stakeholders Relationship Committee"), at the Board Meeting held on 29th May, 2017.

Four meeting of the Nomination & Remuneration Committee were held during the year 2017-2018, on the following dates:

|                 |                   |                     |                     |
|-----------------|-------------------|---------------------|---------------------|
| 20th June, 2017 | 21st August, 2017 | 13th November, 2017 | 14th February, 2018 |
|-----------------|-------------------|---------------------|---------------------|

The Composition of the Committee and the attendance of each member of the committee during the year 2017-2018 are given below:

| S No | Name of the Committee Members      | Designation in the Committee            | No. of meetings attended |
|------|------------------------------------|---|--------------------------|
| 1.   | Mr. Mukesh Agarwal,<br>Chairman    | Independent, Non-Executive Director     | 4                        |
| 2.   | Mr. Sudhir Kumar Budhia,<br>Member | Independent, Non-Executive Director     | 4                        |
| 3.   | Mr. Manoj Goel,<br>Member          | Non-Independent, Non-Executive Director | 4                        |
| 4.   | Ms. Preetee Agarwal*,<br>Member    | Independent, Non-Executive Director     | 4                        |

- Mr. Mukesh Agarwal, Non-Executive, Independent Director was appointed as the chairman of the committee.
- Ms. Neha Sharma, Company Secretary is the Compliance officer of the Company.
- The number of shareholders' complaints received during the year 2017-18 is 1 and all have been satisfactorily resolved within the year. There were no unattended pending complaints as on 31st March, 2018.

#### Terms & Reference:

- Noting transfer/transmission of shares;
- Review of dematerialized/rematerialized shares and all other related matter;
- Monitors expeditious redressal of queries/complaints received from members relating to non-receipt of annual report and non-receipt of declared dividends;
- Any other power specifically assigned by the Board of Directors of the Company.

Ms. Neha Sharma, Company Secretary of the Company is the secretary to the committee. The Chairman of the Stakeholders Relationship Committee attends the Annual General Meetings of the Company to answer shareholders queries. The minutes of the Stakeholders Relationship committee are reviewed by the Board of Directors at its subsequent meeting.

## 6. GENERAL BODY MEETINGS

The details of Annual General Meeting held during last three years are as follows:

| Financial Year | Day        | Time      | Venue  | Special Resolution passed; if any  |
|----------------|------------|-----------|--|--|
| 2016-17        | 21/09/2017 | 11.00 A.M | Oasis, National Highway-6, Kona Expressway, Post: Chamrail, P.S- Liluah, Howrah- 711114 West Benga | None   |
| 2015-16        | 28/09/2016 | 10.00 A.M |  | Resolution passed for the following purpose:<br>1. Migration of our Company from SME platform to Main Board of Bombay Stock Exchange.<br>2. Appointment of Ms. Preetee Agarwal as Independent Director |
| 2014-15        | 25/09/2015 | 01.00 P.M |  | None   |

#### Postal ballot

The Company has not conducted any business through Postal Ballot during the Financial Year 2016-2017. Further none of the business is being proposed to be transacted through Postal Ballot at the ensuing Annual General Meeting.

## 7. MEANS OF COMMUNICATION:

The Company recognizes the importance of two way communication with shareholders and of giving a proper reporting of results and progress and responds to questions/issues raised in a timely and consistent manner. Shareholders seeking information may contact the Company directly throughout the year. They also have an opportunity to ask questions in person at the Annual General Meeting.

- **Website:** Comprehensive information about the Company, and its business operations and investors information can be viewed at the Company website [www.aanchalispac.com](http://www.aanchalispac.com).
- **Financial result:** The quarterly, half-yearly and annual results are regularly posted by the Company on its website. These are submitted to the Stock Exchanges in accordance with the SEBI (LODR) Regulations, 2015 and published in one English daily newspaper and in one Bengali (regional language) newspaper within 48 hours of approval thereof.
- **Annual Report:** Annual Report containing inter alia audited Annual Accounts, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereof.
- **Corporate Filing:** Announcements, Quarterly Results, Shareholding Pattern, Corporate Governance Report etc. of the Company is regularly filed by the Company with BSE Limited and is also available on the website of the Company.

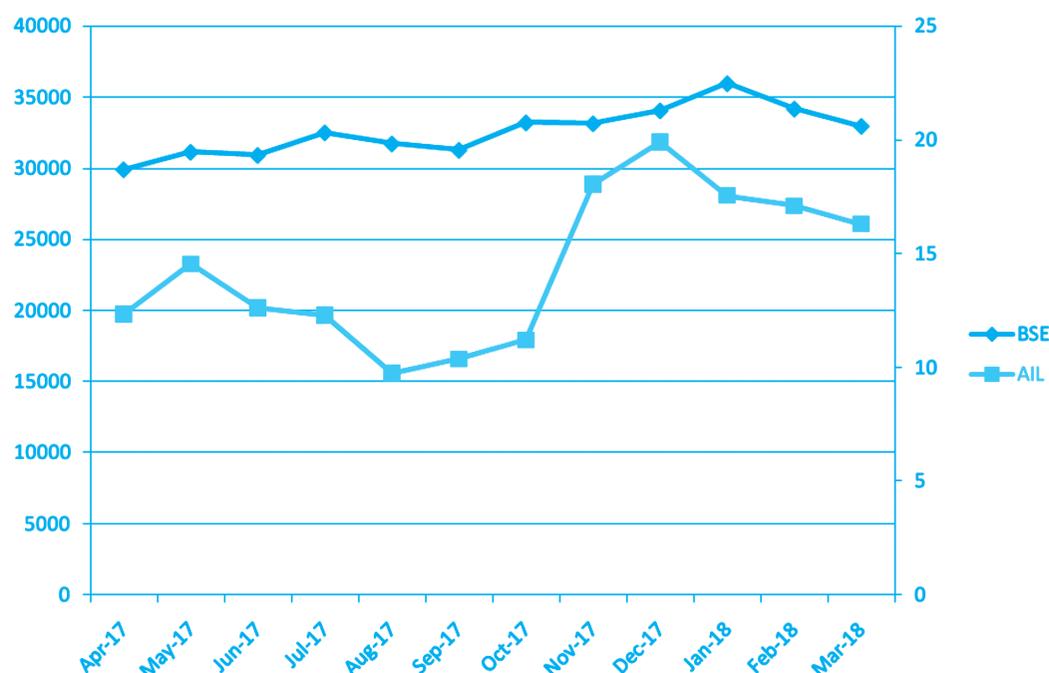
## 8. GENERAL SHAREHOLDER INFORMATION:

|                                       |  |
|---------------------------------------|--|
| Annual General Meeting                |  |
| - Day                                 | Friday   |
| - Date                                | 21st day of September, 2018  |
| - Time                                | 11.00 A.M  |
| - Venue                               | Hotel Oasis, National Highway-6, Kona Expressway, Post: Chamrail, P.S-Liluah, Howrah- 711114     |
| Financial Year                        | 1st April to 31st March of every year.   |
| Date of Book Closure                  | 15th September, 2018 till 21st September, 2018 (both days inclusive)                             |
| Dividend Payment Date                 | Not Applicable   |
| Financial Results Calendar:           | 2018-2019 (tentative)  |
| First Quarter Results by              | By 14th August, 2018   |
| Second Quarter Results by             | By 14th November, 2018   |
| Third Quarter Results by              | By 14th February, 2019   |
| Fourth Quarter Results by             | By 30th May, 2019  |
| Corporate Identification Number (CIN) | L27106WB1996PLC076866  |
| Listing on Stock Exchange             | Bombay Stock Exchange India (BSE)<br>Phirozee Jeejeebhoy Towers,<br>Dalal Street, Mumbai-400 001 |
| Stock Code                            | 538812   |
| ISIN                                  | INE322R01014   |

The Annual Listing fees for the year 2017-2018 have been paid to BSE.

**Stock Market Price Data**

| Month   | High (₹) | Low (₹) | No. of Shares |
|---------|----------|---------|---------------|
| Apr' 17 | 12.70    | 9.30    | 6,72,000      |
| May' 17 | 15.45    | 12.25   | 8,10,000      |
| Jun' 17 | 14.65    | 11.70   | 7,27,393      |
| Jul' 17 | 13.30    | 10.70   | 2,82,125      |
| Aug' 17 | 13.50    | 8.75    | 2,28,718      |
| Sep' 17 | 13.10    | 8.12    | 6,71,964      |
| Oct' 17 | 13.40    | 9.51    | 4,33,263      |
| Nov' 17 | 18.25    | 10.09   | 13,62,235     |
| Dec' 17 | 20.20    | 14.45   | 7,16,421      |
| Jan' 18 | 22.80    | 17.00   | 12,27,936     |
| Feb' 18 | 19.45    | 15.80   | 5,68,217      |
| Mar' 18 | 18.00    | 15.30   | 3,66,321      |

**Performance in comparison to broad-based indices:**

**Registrar to an issue and share transfer agents:**

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

|                              |   |
|------------------------------|---|
| Details:                     |   |
| Address                      | No. 9, Shiv Shakti Ind. Estate, Gr. Floor, J. R. Bori-chaMarg, LowerParel, Mumbai-400 011 |
| Contact No. & Contact Person | Tel: +91 22 2301 6761/8261<br>Fax: +91 22 2301 2517<br>Contact Person: Mr. Rajesh Shah    |
| Website                      | www.purvashare.com  |
| Email                        | busicomp@vsnl.com   |
| SEBI Registration No.        | INR000001112  |

### Share Transfer System

The Company has appointed Purva Sharegistry Pvt. Ltd (Registrar & Share Transfer Agent) to carry out share transfer for physical as well as electronic mode. The Company's shares are traded on stock exchanges in compulsory demat mode. Share transfers, which are received in physical form, are processed and the Share Certificates are returned within a period of 15 days from the date of receipt of request for transfer provided the documents being valid and complete in all respects. The dematerialised shares are transferred directly to the beneficiaries by the depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited.

### Reconciliation of Share Capital Audit

Ms Manisha Saraf, Company Secretary in Practice carried out a Reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with NSDL and CDSL).

### Shareholding as on 31st March, 2018

Distribution of shareholding as on 31st March, 2018:

| No. of Shares Slab<br>Shareholding | No. of Shareholders |                          | No. of Shares       |                   |
|------------------------------------|---------------------|--------------------------|---------------------|-------------------|
|                                    | Number              | % of Total Share holders | Number              | % of Total Shares |
| Upto 5000                          | 518                 | 42.39                    | 9,61,290            | 0.46              |
| 5001 to 10000                      | 139                 | 11.37                    | 12,55,140           | 0.60              |
| 10001 to 20000                     | 89                  | 7.28                     | 15,08,720           | 0.72              |
| 20001 to 30000                     | 45                  | 3.68                     | 11,71,460           | 0.56              |
| 30001 to 40000                     | 20                  | 1.64                     | 7,16,980            | 0.34              |
| 40001 to 50000                     | 28                  | 2.29                     | 13,18,760           | 0.63              |
| 50001 to 100000                    | 227                 | 18.58                    | 1,45,73,850         | 6.99              |
| 100001 and above                   | 156                 | 12.77                    | 18,70,31,300        | 89.69             |
| <b>Grand Total</b>                 | <b>1222</b>         | <b>100.00</b>            | <b>20,85,37,500</b> | <b>100.00</b>     |

### Categories of Shareholders:

| SI No.     | Description                            | No. of Shares      | Percentage of Capital (%) |
|------------|--|--------------------|---------------------------|
| <b>I.</b>  | <b>Promoters &amp; Promoters Group</b> | <b>1,33,67,724</b> | <b>64.1</b>               |
| <b>II.</b> | <b>Public Shareholding</b>             | <b>74,86,026</b>   | <b>35.9</b>               |
| i.         | Non Institutions                       |                    |                           |
| a.         | Bodies Corporate                       | 27,88,595          | 13.37                     |
| b.         | Individuals                            | 42,45,193          | 20.36                     |
| c.         | HUF                                    | 3,59,557           | 1.72                      |
| ii.        | Institutional                          |                    |                           |
| d.         | Market Maker                           | -                  | -                         |
| e.         | Non-Resident Individual                | 8,155              | .04                       |
| f.         | Clearing Member                        | 84,526             | 0.41                      |
|            | <b>TOTAL (I + II)</b>                  | <b>2,08,53,750</b> | <b>100</b>                |

### Dematerialisation of shares

The Company's Equity Shares are held in dematerialised form by National Securities Depository Ltd. (NSDL) and Central Depository Services India Ltd. (CDSL). As on 31st March, 2018, 100% of the Company's total shares were held in dematerialised mode.

**Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity**

There were no outstanding GDR's/ADR's/ Warrants or any convertible instruments as on 31st March, 2018.

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

The Company is not engaged in hedging activities.

**Plant Locations**

National Highway No.6  
Mouza- Chamrail,  
Howah, Pin-711114,  
Website: [www.aanchalispst.com](http://www.aanchalispst.com)  
Tel: +91321 2246121  
Email: [info@aanchalispst.com](mailto:info@aanchalispst.com)

**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 related to the shares of the Company and Annual Report, the Shareholders may write to the following:

|   |   |
|---|---|
| <p><b>Ms. Neha Sharma</b><br/>Company Secretary &amp; Compliance Officer<br/>Aanchal Ispat Limited<br/>National Highway No. 6, Mouza- Chamrail,<br/>Howrah, Pin-711114,<br/>West Bengal<br/>Email: <a href="mailto:cs@aanchalispst.com">cs@aanchalispst.com</a><br/>Tel: +913212 246121<br/>Fax: +913212 246069</p> | <p><b>M/s Purva Sharegistry (India) Pvt. Ltd.</b><br/>No.9, Shiv Shakti Ind. Estate, Gr. Floor,<br/>J.R Boricha Marg, Lower Parel,<br/>Mumbai, Pin-400 011,<br/>Maharashtra<br/>Email: <a href="mailto:busicomp@vsnl.com">busicomp@vsnl.com</a><br/>Tel: +91 22 2301 6761/ 8261<br/>Fax: +91 22 2301 2517<br/>Contact Person: Mr. Rajesh Shah</p> |
|---|---|

**9. OTHER DISCLOSURES:**

**Related Party Transactions:**

The Company did not enter into any materially significant related party transactions, which had potential conflict with the interest of the Company at large. The register of contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval. Transactions with the related parties are disclosed under Notes to Accounts 30 to the financial statements in the Annual Report. Further, the details of the policy are also posted on the website of the Company viz. [www.aanchalispst.com](http://www.aanchalispst.com).

**Strictures & Penalties**

The Company has complied with all the requirements of the SEBI (LODR) Regulations, 2015, with the Stock Exchanges as well as the regulations and guidelines of SEBI and other regulatory authorities.

Consequently, no penalties were imposed or strictures passed against the Company by SEBI, Stock Exchanges or any other statutory authorities on any matter relating to capital markets since listing of its securities.

**Vigil Mechanism (Whistle Blower Policy)**

The Company has a vigil mechanism called "Whistle Blower Policy" with a view to provide a mechanism for Directors and employees of the Company to raise concerns of any violations of any legal or regulatory requirement, incorrect or misrepresentation of any financial statement and reports, etc. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. The Company affirms that no employees have been denied access to the Audit Committee. Further, the details of the policy are also posted on the website of the Company viz. [www.aanchalispst.com](http://www.aanchalispst.com).

**Subsidiary Company**

The Company has no material un-listed Subsidiary Company as on 31st March, 2018.

**Details of compliance with mandatory requirements and adoption of the non-mandatory requirements;**

The Company has complied with all mandatory requirements of Corporate Governance under the Regulation 17–27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As regards the Non-Mandatory requirements are being complied with the extent possible.

#### **The Board**

The Company has an executive Chairman; hence the need for this non-mandatory requirement does not arise.

#### **Shareholders Rights**

The complete Annual Report is sent to each and every Shareholder of the Company.

#### **Audit Qualifications**

Remarks and reply on the Audit qualifications, if any; are captured in the Directors Report. During the year under review there were no audit qualification.

#### **Separate Post for Chairperson and Chief Executive Officer**

Mr. Mukesh Goel, is the Chairperson as well as Managing Director of the Company.

#### **Reporting of Internal Auditor**

The Internal Auditor of the Company reports to the Chairman of the Audit Committee and has direct access to the Audit Committee.

### **10. CEO/CFO CERTIFICATION**

The Managing Director and Chief Financial Officer of the Company have furnished the requisite Certificates to the Board of Directors as required under Regulation 26 of SEBI Listing Regulations, 2015. The same is being annexed to this report.

### **11. COMPLIANCE CERTIFICATE FROM THE AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

The Company has obtained a certificate from the Auditors of the Company, Raj Chandra & Associates, Chartered Accountants, regarding compliance with the provisions of Corporate Governance as stipulated under Listing Regulations. The same is annexed to this report.

### **12. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT**

Disclosures required pursuant to Regulation 34(3) read with Clause F of Schedule V of the Listing Regulations are not applicable.

*For and on Behalf of the Board of Directors*

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

Date: 30th May, 2018  
Place: Howrah

## CERTIFICATE ON COMPLIANCE WITH CODE OF CONDUCT

### Declaration of compliance of the Code of Conduct in terms of the Regulation 26(3) read with Schedule V (D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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 the Company for the Financial Year 2017-2018.

Date: 30th May, 2018  
Place: Howrah

For Aanchal Ispat Limited

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

## CERTIFICATE OF MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER (CFO)

To,  
The Board of Directors  
Aanchal Ispat Limited

In terms of Regulation 17(8) of Securities & Exchange Board of India (Listing Obligation and Disclosure Requirements), Regulations, 2015, We, Mukesh Goel (Managing Director & Chairman) and A.S Nageswar Rao (Chief Financial Officer) certify that:

- A) We have reviewed the Financial Statements and the Cash Flow Statement for the financial year ended 31st March, 2018 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.
- B) 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.
- C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal control systems, if any, of which we are aware, and that we have taken the required steps to rectify these deficiencies.
- D) We have indicated to the Auditors and the Audit Committee:
- (a) significant changes in internal control over financial reporting during the year;
  - (b) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statement; and
  - (c) that we have not come across any instances of significant fraud and the involvement therein 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  
Chairman & Managing Director  
(DIN:00555061)

Sd/-  
Mr. A. S. Nageswar Rao  
Chief Financial Officer

Date: 30th May, 2018  
Place: Howrah

## AUDITORS CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,  
The Members  
**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, 2018, 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 Company's 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.

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 31st March, 2018.

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.

Date: 30th May, 2018  
Place: Kolkata

**For Raj Chandra & Associates**  
**Firm Registration No. 326312E**  
**Chartered Accountants**  
Sd/-  
**Raj Kumar Agarwala**  
**Partner**  
**Membership No. 060921**

## Annexure - D to the Board's Report

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULES 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2017-18 and the ratio of the remuneration of each Director to the median remuneration of the employees of the Company are as under:

| SL No. | Name of the Director/ KMP                     | Remuneration of Director/KMP for the year (Rs in Lacs) | % increase in Remuneration in the year | Ratio of Remuneration of each Director/to median remuneration of employees for the year |
|--------|---|--|--|---|
| 1      | Mr. Mukesh Goel, Managing Director            | 10.00  | 38.88%                                 | 6.48:1  |
| 2      | Mr. A.S Nageswar Rao, Chief Financial Officer | 15.00  | —                                      | 9.72:1  |
| 3      | Ms. Neha Sharma, Company Secretary*           | 1.62   | —                                      | 1.06:1  |
| 4      | Ms. Priyanka Bhauwala, Company Secretary**    | 1.42   | —                                      | 1.11:1  |

\*Ms Neha Sharma was appointed for the part of Financial Year 2017-18 w.e.f from February, 14, 2018

\*\* Ms. Priyanka Bhauwala who was employed for the part of Financial Year 2017-18 resigned from the post of Company Secretary w.e.f November 14, 2017.

### Note:

1. No other Director other than the Executive Director received any remuneration other than the sitting fees during the year.
2. It is hereby affirmed that the remuneration paid during the year ended 31st March, 2018 was as per the Remuneration Policy of the Company.
3. There were 102 permanent employees on the rolls of the Company as on 31st March, 2018.
4. There is an increase of 54.38% increase in the median remuneration of the company from last year.

## Annexure - E to the Board's Report

Form No. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

[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**

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 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013(the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, 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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the Audit period).
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the Audit Period);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period); and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period).
- (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 (SS-1 and SS-2) issued by The Institute of Company Secretaries of India.; and
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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 with effect from 5th day of June, 2017 the equity shares of the company which were listed under BSE SME Platform were migrated to the Main Board Platform in the list of "B" Group.

Date: 29th day of May, 2018  
Place: Kolkata

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, 2018.
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.

Date: 29th day of May, 2018  
Place: Kolkata

Sd/-  
**Manisha Saraf**  
Company Secretary in Practice  
( FCS: 7607, C P No.: 8207)

## Annexure – F to the Board’s Report

### FORM MGT-9

#### EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2018

*[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.   | CIN  | L27106WB1996PLC076866   |
| ii.  | REGISTRATION DATE  | 30/01/1996  |
| iii. | NAME OF THE COMPANY  | AANCHAL ISPAT LIMITED   |
| iv.  | CATEGORY/SUB-CATEGORY OF THE COMPANY                                     | Company Limited By Shares   |
| v.   | ADDRESS OF THE REGISTERED OFFICE AND CONTACT DETAILS                     | Mouza-Chamrail National Highway-6,<br>Liluah, Howrah-711114, West Bengal<br>Email Id- cs@aanchalispac.com<br>Website- www.aanchalispac.com<br>TEL- 033 - 22510128 / 23230052  |
| vi.  | WHETHER LISTED COMPANY   | Yes   |
| vii. | NAME, ADDRESS AND CONTACT DETAILS OF REGISTRAR AND TRANSFERAGENT, IF ANY | Purva Sharegistry (India) Pvt. Ltd.<br>Unit No.9, Shiv Shakti Ind.<br>Estt.J.R Boricha Marg,<br>Opp.Kasturba Hospital Lane,<br>Lower Parel (E) Mumbai-400 011<br>Tel- 022- 23016761 / 23018261 ;<br>Email- busicomp@vsnl.com<br>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       | IRON & STEEL PRODUCTS                           | 24105                            | 90.35%                             |

#### 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 |
|---------|---------------------------------|---------|---------------------------------|-----------------|--------------------|
| NIL     |                                 |         |                                 |                 |                    |

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

##### i. Category-wise Share Holding

| 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. Promoter</b>       |   |          |                    |                   |   |          |                    |                   |                          |
| 1) Indian                |   |          |                    |                   |   |          |                    |                   |                          |
| 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%            | 95,65,974                                 | –        | 95,65,974          | 45.87%            | 2.49%                    |
| e) Banks / FI            | –   | –        | –                  | 0.00%             | –   | –        | –                  | 0.00%             | 0.00%                    |
| f) Any Other             | –   | –        | –                  | 0.00%             | –   | –        | –                  | 0.00%             | 0.00%                    |
| <b>Sub-total(A)(1):</b>  | <b>1,28,49,750</b>                              |          | <b>1,28,49,750</b> | <b>61.62%</b>     | <b>1,33,67,724</b>                        |          | <b>1,33,67,724</b> | <b>64.10%</b>     | <b>2.49%</b>             |

| 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 |                          |
| 2) Foreign  |      |  |   |              |                   |                   |   |          |                    |                   |                          |
|   | 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>                                 |      |  | —   | —            | —                 | <b>0.00%</b>      | —   | —        | —                  | <b>0.00%</b>      | <b>0.00%</b>             |
| <b>Total (A)</b>  |      |  | <b>12,849,750</b>                               | —            | <b>12,849,750</b> | <b>61.62%</b>     | <b>1,33,67,724</b>                        | —        | <b>1,33,67,724</b> | <b>64.10%</b>     | <b>2.48%</b>             |
| <b>B. Public Shareholding/ Other than Promoters</b>     |      |  |   |              |                   |                   |   |          |                    |                   |                          |
| 1) Institutions   |      |  |   |              |                   |                   |   |          |                    |                   |                          |
|   | 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%             | 0.00%                    |
| <b>Sub-total(A)(2):</b>                                 |      |  | —   | —            | —                 | <b>0.00%</b>      | —   | —        | —                  | <b>0.00%</b>      | <b>0.00%</b>             |
| 2) Non Institution                                      |      |  |   |              |                   |                   |   |          |                    |                   |                          |
|   | a)   | Bodies Corp.   |   |              |                   |                   |   |          |                    |                   |                          |
|   | (i)  | Indian   | 27.60.000                                       | —            | 27.60.000         | 13.24%            | 27.88.595                                 | —        | 27.88.595          | 13.37%            | 0.13%                    |
|   | (ii) | Overseas   | —   | —            | —                 | 0.00%             | —   | —        | —                  | 0.00%             | 0.00%                    |
|   | b)   | Individuals  |   |              |                   |                   |   |          |                    |                   |                          |
|   | (i)  | Individual shareholders holding nominal share capital upto Rs. 1 lakh        | 15.60.000                                       | 6.000        | 15.66.000         | 7.50%             | 18.31.419                                 | —        | 18.31.419          | 8.78%             | 1.28%                    |
|   | (ii) | Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 29,52,000                                       | —            | 29,52,000         | 14.15%            | 24,13,774                                 | —        | 24,13,774          | 11.58%            | -2.57%                   |
|   | c)   | Others(Specify)  | —   | —            | —                 | 0.00%             | —   | —        | —                  | 0.00%             | 0.00%                    |
| Non Resident Indians                                    |      |  | —   | —            | —                 | 0.00%             | 8,155                                     | —        | 8,155              | 0.04%             | 0.04%                    |
| Overseas Corporate Bodies                               |      |  | —   | —            | —                 | 0.00%             | —   | —        | —                  | 0.00%             | 0.00%                    |
| Foreign Nationals                                       |      |  | —   | —            | —                 | 0.00%             | —   | —        | —                  | 0.00%             | 0.00%                    |
| Clearing Members Trusts                                 |      |  | 1,08,000  | —            | 1,08,000          | 0.52%             | 84,526                                    | —        | 84,526             | 0.41%             | -0.11%                   |
| HUF   |      |  | 6,18,000  | —            | 6,18,000          | 2.97%             | 3,59,557                                  | —        | 3,59,557           | 1.72%             | -1.25%                   |
| <b>Sub-total(B)(2)</b>                                  |      |  | <b>79,98,000</b>                                | <b>6,000</b> | <b>80,04,000</b>  | <b>38.38%</b>     | <b>74,86,026</b>                          | —        | <b>74,86,026</b>   | <b>35.90%</b>     | <b>0.00%</b>             |
| <b>Total Public Share holding (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>74,86,026</b>                          | —        | <b>74,86,026</b>   | <b>35.90%</b>     | <b>0.00%</b>             |
| C. Shares held by Custodian for GDRs & ADRs             |      |  | —   | —            | —                 | 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>20,853,750</b>                         | —        | <b>100.00%</b>     | <b>0.00%</b>      | <b>0.00%</b>             |

**ii. Share holding of Promoters**

| Sr. No       | Shareholder's Name         | Shareholding at the beginning of the year |                                  |  | Shareholding at the end of the year |                                  |  | % change in shareholding 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.           | Aanchal Cement Limited     | 180,000                                   | 0.86%                            | —  | 6,97,974                            | 3.35%                            | —  | 2.48%                                    |
| 4.           | Mukesh Goel                | 1,994,850                                 | 9.57%                            | —  | 1,994,850                           | 9.57%                            | —  | 0.00%                                    |
| 5.           | Manoj Goel                 | 1,716,900                                 | 8.23%                            | —  | 1,716,900                           | 8.23%                            | —  | 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>1,33,67,724</b>                  | <b>64.10%</b>                    | <b>—</b>   | <b>2.48%</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%                           |
| Change in Shareholding during the | 5,17,974                                  | 2.48%                            | 1,33,67,724                             | 64.10%                           |
| At the End of the year            | 1,33,67,724                               | 64.10%                           | 1,33,67,724                             | 64.10%                           |

**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 (01.04.17)/end of the year (31.03.18) |                   | Cumulative Shareholding during the year (01.04.17 to 31.03.18) |                   |
|---|-------------------------------------|---|-------------------|--|-------------------|
|   |                                     | No. of shares   | % of total shares | No. of shares  | % of total shares |
| <b>1. KHUSH ISPAT PRIVATE LIMITED</b>   |                                     |   |                   |  |                   |
|   | At the beginning of the year        | 2,28,000  | 1.09%             | 2,28,000   | 1.09%             |
|   | Bought during the year              | 276,623   | 1.33%             | 5,04,623   | 2.42%             |
|   | Sold during the year                | —   | 0.00%             | 5,04,623   | 2.42%             |
|   | At the end of the year              | 5,04,623  | 2.42%             | 5,04,623   | 2.42%             |
| <b>2. DURGA ALLOY AND STEEL PVT LTD</b> |                                     |   |                   |  |                   |
|   | At the beginning of the year        | 1,56,000  | 0.75%             | 1,56,000   | 0.75%             |
|   | Bought during the year              | 3,41,720  | 1.64%             | 4,97,720   | 2.39%             |
|   | Sold during the year                | —   | 0.00%             | —  | 0.00%             |
|   | At the end of the year              | 4,97,720  | 2.39%             | 4,97,720   | 2.39%             |

| Sr. No     | For each of the Top 10 shareholders            | Shareholding at the beginning (01.04.17)/end of the year (31.03.18) |                   | Cumulative Shareholding during the year (01.04.17 to 31.03.18) |                   |
|------------|--|---|-------------------|--|-------------------|
|            |  | No. of shares   | % of total shares | No. of shares  | % of total shares |
| <b>3.</b>  | <b>SWARAN FINANCIAL PVT LTD</b>                |   |                   |  |                   |
|            | At the beginning of the year                   | 3,66,000  | 1.76%             | 3,66,000   | 1.76%             |
|            | Bought during the year                         | —   | 0.00%             | 3,66,000   | 1.76%             |
|            | Sold during the year                           | —   | 0.00%             | 3,66,000   | 1.76%             |
|            | At the end of the year                         | 3,66,000  | 1.76%             | 3,66,000   | 1.76%             |
| <b>4.</b>  | <b>SOLEX FINANCE PVT LTD</b>                   |   |                   |  |                   |
|            | At the beginning of the year                   | —   | 0.00%             | —  | 0.00%             |
|            | Bought during the year                         | 3,18,000  | 1.52%             | 3,18,000   | 1.52%             |
|            | Sold during the year                           | 12,000  | 0.05%             | 3,06,000   | 1.47%             |
|            | At the end of the year                         | 3,06,000  | 1.47%             | 3,06,000   | 1.47%             |
| <b>5.</b>  | <b>ANUPAMA RAJESH KEDIA</b>                    |   |                   |  |                   |
|            | At the beginning of the year                   | —   | 0.00%             | —  | 0.00%             |
|            | Bought during the year                         | 2,26,782  | 1.09%             | 2,26,782   | 1.09%             |
|            | Sold during the year                           | —   | 0.00%             | 2,26,782   | 1.09%             |
|            | At the end of the year                         | 2,26,782  | 1.09%             | 2,26,782   | 1.09%             |
| <b>6.</b>  | <b>GUINNESS FINANCE AND LEASING PVT LTD</b>    |   |                   |  |                   |
|            | At the beginning of the year                   | 2,22,000  | 1.06%             | 2,22,000   | 1.06%             |
|            | Bought during the year                         | —   | 0.00%             | 2,22,000   | 1.06%             |
|            | Sold during the year                           | —   | 0.00%             | 2,22,000   | 1.06%             |
|            | At the end of the year                         | 2,22,000  | 1.06%             | 2,22,000   | 1.06%             |
| <b>7.</b>  | <b>YOUTH VISION COMMODITIES PVT LTD</b>        |   |                   |  |                   |
|            | At the beginning of the year                   | 1,14,000  | 0.55%             | 1,14,000   | 0.55%             |
|            | Bought during the year                         | —   | 0.00%             | 1,14,000   | 0.55%             |
|            | Sold during the year                           | —   | 0.00%             | 1,14,000   | 0.55%             |
|            | At the end of the year                         | 1,14,000  | 0.55%             | 1,14,000   | 0.55%             |
| <b>8.</b>  | <b>GUINNESS SECURITIES LIMITED</b>             |   |                   |  |                   |
|            | At the beginning of the year                   | 5,40,000  | 2.59%             | 5,40,000   | 2.59%             |
|            | Bought during the year                         | 6,602   | 0.03%             | 5,46,602   | 2.62%             |
|            | Sold during the year                           | 3,69,002  | 1.77%             | 1,77,600   | 0.85%             |
|            | At the end of the year                         | 1,77,600  | 0.85%             | 1,77,600   | 0.85%             |
| <b>9.</b>  | <b>GANGADHAR DEALERS PVT LTD</b>               |   |                   |  |                   |
|            | At the beginning of the year                   | 90,000  | 0.43%             | 90,000   | 0.43%             |
|            | Bought during the year                         | 10,520  | 0.05%             | 1,00,520   | 0.48%             |
|            | Sold during the year                           | —   | 0.00%             | 1,00,520   | 0.48%             |
|            | At the end of the year                         | 1,00,520  | 0.48%             | 1,00,520   | 0.48%             |
| <b>10.</b> | <b>YORK FINANCIAL SERVICES PRIVATE LIMITED</b> |   |                   |  |                   |
|            | At the beginning of the year                   | 90,000  | 0.43%             | 90,000   | 0.43%             |
|            | Bought during the year                         | —   | 0.00%             | 90,000   | 0.43%             |
|            | Sold during the year                           | —   | 0.00%             | 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 | Shareholding at the beginning of the year |                   | Cumulative Shareholding during the year |                   |
|--------|--|---|-------------------|---|-------------------|
|        |  | No. of shares                             | % of total shares | No. of shares                           | % of total shares |
| 1.     | <b>Mukesh Goel (Executive Director)</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 (Non-Executive Director)</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 (Independent Director)</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 (Independent Director)</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%             |
| 5.     | <b>Preetee Agarwal (Independent Director)</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%             |
| 6.     | <b>A.S. Nageswar Rao (Chief Financial Officer)</b>               |   |                   |   |                   |
|        | At the beginning of the year                                     | —   | 0.00%             | —                                       | 0.00%             |
|        | Changes during the year  | —   | 0.00%             | 1836                                    | 0.00%             |
|        | At the end of the year   | —   | 0.00%             | 1836                                    | 0.00%             |
| 7.     | <b>Priyanka Bhauwala (Company Secretary)*</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%             |
| 8.     | <b>Neha Sharma (Company Secretary)**</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%             |

- \*Ms. Priyanka Bhauwala resigned from the post of Company Secretary w.ef from close of business hours of 14th November, 2017.
- \*\* Ms. Neha Sharma was appointed as the Company Secretary at the Board Meeting held on 14th February, 2018.

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

|   | Secured Loans<br>excluding<br>deposits | Unsecured<br>Loans | Deposits | Total<br>Indebtedness |
|---|--|--------------------|----------|-----------------------|
| Indebtedness at the beginning of the financial year |  |                    |          |                       |
| i) Principal Amount                                 | 3685.06                                | 234.97             | —        | 3920.03               |
| ii) Interest due but not paid                       | —                                      | —                  | —        | —                     |
| iii) Interest accrued but not                       | —                                      | —                  | —        | —                     |
| <b>Total (i + ii + iii)</b>                         | <b>3685.06</b>                         | <b>234.97</b>      |          | <b>3920.03</b>        |
| Change in Indebtedness during the financial year    |  |                    |          |                       |
| – Principal Amount                                  | —                                      | 345.92             | —        | 345.92                |
| – Interest due but not paid                         | 118.71                                 | 156.51             | —        | 275.22                |
| <b>Net Change</b>                                   | <b>(118.71)</b>                        | <b>189.41</b>      | —        | <b>70.7</b>           |
| Indebtedness at the end of the financial year       |  |                    |          |                       |
| i) Principal Amount                                 | 3566.35                                | 424.38             | —        | 3990.73               |
| ii) Interest due but not paid                       | —                                      | —                  | —        | —                     |
| iii) Interest accrued but not due                   | —                                      | —                  | —        | —                     |
| <b>Total (i + ii + iii)</b>                         | <b>3566.35</b>                         | <b>424.38</b>      | —        | <b>3990.73</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 (₹/Lacs) |
|--------|--|-------------------------------------|-----------------------|
|        |  | Mr. Mukesh Goel (Managing Director) |                       |
| 1.     | Gross Salary   | 10.00                               | 10.00                 |
|        | (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.     | <b>Total (A)</b>   | <b>10.00</b>                        | <b>10.00</b>          |
|        | Ceiling as per the Act   | 5% of the net profit of the Company |                       |

**Remuneration to other directors:**

| Sl. No.                        | Particulars of Remuneration                  | Name of the Independent Directors  |                    |                     | Total Amount (₹/Lacs) |
|--------------------------------|--|--|--------------------|---------------------|-----------------------|
|                                |  | Mr. Sudhir Kumar Budhia  | Mr. Mukesh Agarwal | Ms. Preetee Agarwal |                       |
| 1.                             | <b>Independent Directors</b>                 | .54  | .54                | .96                 | 2.04                  |
|                                | • Fee for attending board/committee meetings |  |                    |                     |                       |
|                                | • Commission                                 | —  | —                  | —                   | —                     |
|                                | • Others, please specify                     | —  | —                  | —                   | —                     |
|                                | <b>Total (1)</b>                             |  |                    |                     | <b>2.04</b>           |
| 2.                             | <b>Other Non-Executive Directors</b>         | Mr. Manoj Goel   |                    |                     |                       |
|                                | • Fee for attending board/committee meetings |  | .54                |                     | .54                   |
|                                | • Commission                                 |  | —                  |                     | —                     |
|                                | • Others, please specify                     |  | —                  |                     | —                     |
|                                | <b>Total (2)</b>                             |  |                    |                     | <b>.54</b>            |
|                                | <b>Total(B) = (1 + 2)</b>                    |  |                    |                     | <b>2.58</b>           |
| Overall Ceiling as per the Act |  | 1% of the net profit, calculated as per Section 198 of the Companies Act, 2013 |                    |                     |                       |

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

| SL. No. | Particulars of Remuneration  | Key Managerial Personnel |                                 |  | Total Amount (₹/Lacs) |
|---------|--|--------------------------|---------------------------------|--|-----------------------|
|         |  | A.S. Nageswar Rao (CFO)  | Neha Sharma (Company Secretary) | Priyanaka Bhauwala (Company Secretary) |                       |
| 1.      | (a) Salary as per provisions contained in section 17 (1) of the Income-tax Act, 1961 | 15.00                    | 1.62                            | 1.42                                   | 18.04                 |
|         | (b) Value of perquisites u/s17(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.      | <b>Total</b>   | <b>15.00</b>             | <b>1.62</b>                     | <b>1.42</b>                            | <b>18.04</b>          |

**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                             |                              |                   | NIL  |                            |                                   |
| Punishment                          |                              |                   |  |                            |                                   |
| Compounding                         |                              |                   |  |                            |                                   |
| <b>B. Directors</b>                 |                              |                   |  |                            |                                   |
| Penalty                             |                              |                   | NIL  |                            |                                   |
| Punishment                          |                              |                   |  |                            |                                   |
| Compounding                         |                              |                   |  |                            |                                   |
| <b>C. Other Officers in Default</b> |                              |                   |  |                            |                                   |
| Penalty                             |                              |                   | NIL  |                            |                                   |
| Punishment                          |                              |                   |  |                            |                                   |
| Compounding                         |                              |                   |  |                            |                                   |

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
**AANCHAL ISPAT LIMITED**

### Report on the Financial Statement

We have audited the accompanying Ind AS financial statements of AANCHAL ISPAT LIMITED ("the company"), which comprises the Balance Sheet as at 31 March 2018, 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 Standalone Ind AS 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 standalone Ind AS financial statements that give 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 Indian Accounting Standards (Ind AS) prescribed 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 Ind AS financial statements based on our audit.

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

We conducted our audit of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements, give the information required by the Act in the manner so require 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, 2018;
- 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 Ind AS 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, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018, 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, 2018.

Date: 30th May, 2018  
Place: Kolkata

**For Raj Chandra & Associates**  
**Chartered Accountants**  
Sd/-  
**(R. K. Agarwala)**  
**Partner**  
**(Firm Registration No. 326312E)**

**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 31st March, 2018.**

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 at 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.
- 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 2018 which have not been deposited on account of a dispute are as follows –

| Name of the Statute                   | Nature of Dues | Amount Involved  | Period to which the amount relates | Forum where Dispute is Pending                 |
|---------------------------------------|----------------|------------------|------------------------------------|--|
| 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                           |
| Income Tax Act, 1961                  | Income Tax     | Rs.3,233,690/-   | FY 2012-13                         | CIT(A)-1, Kolkata                              |
| West Bengal Value Added Tax Act, 2003 | VAT            | Rs.2,52,57,225/- | 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;
- 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)**

Date: 30th May, 2018

Place: Kolkata

## **“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, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India”. 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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”

Date: 30th May, 2018  
Place: Kolkata

**For Raj Chandra & Associates**  
**Chartered Accountants**  
Sd/-  
**(R. K. Agarwala)**  
**Partner**  
**(Firm Registration No. 326312E)**

**BALANCE SHEET AS AT 31ST MARCH, 2018**

(Amount in ₹)

| Particulars                               | Note No. | As at March 31st, 2018 | As at March 31st, 2017 | As at April 1st, 2016 |
|---|----------|------------------------|------------------------|-----------------------|
| <b>ASSETS</b>                             |          |                        |                        |                       |
| <b>(1) Non-current assets</b>             |          |                        |                        |                       |
| (a) Property, Plant and Equipment         | 4        | 268,144,975            | 258,824,822            | 70,189,923            |
| (b) Capital work-in-progress              |          | -                      | -                      | -                     |
| (c) Other Intangible assets               |          | -                      | -                      | -                     |
| (d) Financial Assets                      |          |                        |                        |                       |
| (i) Investments                           |          | -                      | -                      | -                     |
| (ii) Other Financial Assets               | 5        | 17,578,533             | 7,165,444              | 10,400,000            |
| (e) Deferred tax assets (Net)             |          | -                      | -                      | -                     |
| (f) Other non-current assets              | 6        | 4,573,044              | 4,573,044              | 6,203,895             |
| <b>Total-Non-current assets</b>           |          | <b>290,296,552</b>     | <b>270,563,310</b>     | <b>86,793,818</b>     |
| <b>(2) Current assets</b>                 |          |                        |                        |                       |
| (a) Inventories                           | 7        | 380,617,479            | 351,881,565            | 371,206,045           |
| (b) Financial Assets                      |          |                        |                        |                       |
| (i) Trade receivables                     | 8        | 774,541,546            | 587,303,910            | 489,822,586           |
| (iii) Cash and cash equivalents           | 9        | 1,798,099              | 1,157,978              | 624,624               |
| (iv) Bank Balances other than (iii) above | 10       | 62,472,936             | 61,601,773             | 42,821,444            |
| (v) Loans and Deposits                    | 11       | 1,692,770              | 5,353,851              | 133,791               |
| (vi) Others                               |          | -                      | -                      | -                     |
| (c) Other current assets                  | 12       | 24,282,637             | 58,120,198             | 35,698,835            |
| <b>Total-Current assets</b>               |          | <b>1,245,405,468</b>   | <b>1,065,419,275</b>   | <b>940,307,325</b>    |
| <b>TOTAL ASSETS</b>                       |          | <b>1,535,702,020</b>   | <b>1,335,982,585</b>   | <b>1,027,101,143</b>  |
| <b>EQUITY AND LIABILITIES</b>             |          |                        |                        |                       |
| <b>EQUITY</b>                             |          |                        |                        |                       |
| (a) Equity Share capital                  | 13       | 208,537,500            | 208,537,500            | 208,537,500           |
| (b) Other Equity                          | 14       | 408,376,462            | 395,311,029            | 193,525,185           |
| <b>Total-Equity</b>                       |          | <b>616,913,962</b>     | <b>603,848,529</b>     | <b>402,062,685</b>    |
| <b>LIABILITIES</b>                        |          |                        |                        |                       |
| <b>(1) Non-current liabilities</b>        |          |                        |                        |                       |
| (a) Financial Liabilities                 |          |                        |                        |                       |
| (i) Borrowings                            | 15       | 42,438,659             | 25,251,770             | 3,910,911             |
| (ii) Other Financial liabilities          |          | -                      | -                      | -                     |
| (b) Provisions                            | 16       | 1,991,840              | 1,378,395              | 675,370               |
| (c) Deferred tax liabilities (Net)        | 34       | 10,928,298             | 9,399,905              | 9,144,361             |
| (d) Other Non-current liabilities         |          | -                      | -                      | -                     |
| <b>Total-Non-current liabilities</b>      |          | <b>55,358,797</b>      | <b>36,030,070</b>      | <b>13,730,642</b>     |
| <b>(2) Current liabilities</b>            |          |                        |                        |                       |
| (a) Short-term borrowings                 |          |                        |                        |                       |
| (a) Financial Liabilities                 |          |                        |                        |                       |
| (i) Borrowings                            | 17       | 356,634,911            | 363,690,686            | 268,074,502           |
| (ii) Trade payables                       | 18       | 420,640,339            | 284,379,574            | 284,695,962           |
| (iii) Other financial liabilities         | 19       | 72,048,643             | 6,849,326              | 5,857,220             |
| (b) Other current liabilities             | 20       | 7,139,375              | 17,104,741             | 30,780,337            |
| (c) Provisions                            | 21       | 6,965,993              | 24,079,659             | 21,899,795            |
| <b>Total-Current liabilities</b>          |          | <b>863,429,261</b>     | <b>696,103,986</b>     | <b>611,307,816</b>    |
| <b>TOTAL EQUITY AND LIABILITIES</b>       |          | <b>1,535,702,020</b>   | <b>1,335,982,585</b>   | <b>1,027,101,143</b>  |

Significant Accounting Policies and Notes to Accounts 1 to 38

The accompanying notes are an integral part of the financial statements

This is the Balance Sheet referred to in our report of even date.

For Raj Chandra & Associates  
Chartered Accountants  
[Raj Kumar Agarwala]  
Partner  
Kolkata, 30th May, 2018

On behalf of the Board of Directors  
Mukesh Goel, Managing Director  
A.S. Nageswar Rao, Chief Financial Officer  
Neha Sharma, Company Secretary

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018**

(Amount in ₹)

| Particulars  | Note No. | For the year ended 31st March, 2018 | For the year ended 31st March, 2017 |
|--|----------|-------------------------------------|-------------------------------------|
| <b>INCOME</b>  |          |                                     |                                     |
| I Revenue from operations  | 22       | 3,845,131,046                       | 2,794,795,015                       |
| II Other income  | 23       | 5,900,505                           | 9,915,989                           |
| III <b>Total Income (I + II)</b>                                     |          | <b>3,851,031,551</b>                | <b>2,804,711,004</b>                |
| <b>IV EXPENSES</b>   |          |                                     |                                     |
| Cost of materials purchased  | 24       | 3,605,432,319                       | 2,579,041,588                       |
| Changes in inventories of finished goods and work in progress        | 25       | (22,694,121)                        | 19,437,548                          |
| Employee benefits expense  | 26       | 15,057,536                          | 10,877,594                          |
| Finance costs  | 27       | 47,295,345                          | 46,631,113                          |
| Depreciation and amortization expense                                | 4        | 7,341,175                           | 4,861,839                           |
| Other expenses   | 28       | 176,311,368                         | 123,646,632                         |
| <b>Total expenses (IV)</b>   |          | <b>3,828,743,622</b>                | <b>2,784,496,314</b>                |
| V <b>Profit/(Loss) before exceptional items and tax (III-IV)</b>     |          | <b>22,287,929</b>                   | <b>20,214,690</b>                   |
| VI Exceptional items   |          | -                                   | -                                   |
| VII <b>Profit/(Loss) before tax(V-VI)</b>                            |          | <b>22,287,929</b>                   | <b>20,214,690</b>                   |
| VIII <b>Tax expense:</b>   |          |                                     |                                     |
| Current tax/MAT  | 29(i)    | 6,772,512                           | 6,546,538                           |
| MAT Credit   |          | -                                   | -                                   |
| Income Tax Expenditure For Earlier Year (Net)                        |          | 613,298                             | 975,852                             |
| Deferred tax   |          | 1,630,324                           | 313,143                             |
| IX <b>Profit/(Loss) for the year (VII-VIII)</b>                      |          | <b>13,271,795</b>                   | <b>12,379,157</b>                   |
| X <b>Other Comprehensive Income (net of tax)</b>                     | 29(ii)   |                                     |                                     |
| Items that will not be reclassified subsequently to Profit and Loss  |          |                                     |                                     |
| Remeasurment of the net defined benefit liability/asset (net of tax) |          | 206,362                             | 128,805                             |
| <b>Total-Other Comprehensive Income (net of tax)</b>                 |          | <b>206,362</b>                      | <b>128,805</b>                      |
| XI <b>Total Comprehensive Income for the Year (IX-X)</b>             |          | <b>13,065,433</b>                   | <b>12,250,352</b>                   |
| <b>Earnings per equity share</b>                                     | 36       |                                     |                                     |
| [Nominal Value per share: Rs.10 (2017-18: Rs. 10)]                   |          |                                     |                                     |
| Basic - Rs.  |          | <b>0.63</b>                         | <b>0.59</b>                         |
| Diluted - Rs.  |          | <b>0.63</b>                         | <b>0.59</b>                         |
| Significant Accounting Policies and Notes to Accounts                | 1 to 38  |                                     |                                     |

The accompanying notes are an integral part of the financial statements.  
This is the Statement of Profit and Loss referred to in our report of even date.

**For Raj Chandra & Associates**  
Chartered Accountants  
[Raj Kumar Agarwala]  
Partner  
Kolkata, 30th May, 2018

On behalf of the Board of Directors  
Mukesh Goel, Managing Director  
A.S. Nageswar Rao, Chief Financial Officer  
Neha Sharma, Company Secretary

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

(Amount in ₹)

| Particulars   | For the year ended<br>31.03.2018 | For the year ended<br>31.03.2017 |
|---|----------------------------------|----------------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                       |                                  |                                  |
| <b>Net Profit before Tax and Extra-ordinary Items</b>               | <b>22,287,929</b>                | <b>20,214,690</b>                |
| <b>Adjustments for:</b>   |                                  |                                  |
| Depreciation and amortisation expense                               | 7,341,175                        | 4,861,839                        |
| Provision for bad & doubtful debts & Advances                       | –                                | –                                |
| Interest Income   | (5,900,505)                      | (5,288,854)                      |
| Finance Cost  | 47,295,345                       | 46,631,113                       |
| <b>Operating Profit Before Working Capital Changes</b>              | <b>71,023,944</b>                | <b>66,418,788</b>                |
| <b>Adjustments for increase/decrease in operating assets</b>        |                                  |                                  |
| Inventories   | (28,735,914)                     | 19,324,480                       |
| Trade receivables   | (187,237,636)                    | (97,481,324)                     |
| Other Financial assets  | (6,752,008)                      | (1,985,504)                      |
| Other Non-Financial assets  | 33,837,561                       | (20,790,512)                     |
| <b>Adjustments for increase/decrease in operating liabilities</b>   |                                  |                                  |
| Trade Payable   | 136,260,765                      | (316,388)                        |
| Other Financial Liabilities   | 65,199,317                       | 992,106                          |
| Other Non - Financial Liabilities                                   | (9,965,366)                      | (13,675,596)                     |
| Short term provisions   | (17,128,623)                     | 2,174,620                        |
| Long term provisions  | 320,108                          | 521,865                          |
| <b>Cash Generated from Operations :</b>                             | <b>56,822,148</b>                | <b>(44,817,465)</b>              |
| Direct Taxes Paid   | (7,385,810)                      | (7,522,390)                      |
| <b>Net Cash generated from Operating Activities (A)</b>             | <b>49,436,338</b>                | <b>(52,339,855)</b>              |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                       |                                  |                                  |
| Purchase of Property, Plant and Equipments (Net)                    | (16,661,327)                     | (3,961,246)                      |
| Interest Received   | 5,900,505                        | 5,288,854                        |
| <b>Net Cash used in Investing Activities (B)</b>                    | <b>(10,760,822)</b>              | <b>1,327,608</b>                 |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                       |                                  |                                  |
| Short term borrowing  | (7,055,775.00)                   | 95,616,184                       |
| Long term borrowing   | 17,186,889                       | 21,340,859                       |
| Finance Cost  | (47,295,345)                     | (46,631,113)                     |
| <b>Net Cash generated/(used) in Financing Activities (C)</b>        | <b>(37,164,231)</b>              | <b>70,325,930</b>                |
| <b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b> | <b>1,511,285</b>                 | <b>19,313,683</b>                |
| <b>Opening Cash and Cash Equivalents</b>                            | <b>62,759,751</b>                | <b>43,446,068</b>                |
| <b>Closing Cash and Cash Equivalents</b>                            | <b>64,271,036</b>                | <b>62,759,751</b>                |
| * Comprises:  |                                  |                                  |
| (a) Cash in hand  | 1,227,385                        | 833,027                          |
| (b) Balance with banks  |                                  |                                  |
| (i) In current accounts   | 570,714                          | 324,951                          |
| (ii) In deposit accounts  | 62,472,936                       | 61,601,773                       |
|   | 64,271,035                       | 62,759,751                       |

\* As defined in AS 3 Cash Flow Statements

Notes:

(i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discountig operations.

(ii) Previous year's figures have been recast/restated where necessary

See accompanying notes forming part of the financial statements

1 to 38

For Raj Chandra & Associates  
Chartered Accountants  
[Raj Kumar Agarwala]  
Partner  
Kolkata, 30th May, 2018

On behalf of the Board of Directors  
Mukesh Goel, Managing Director  
A.S. Nageswar Rao, Chief Financial Officer  
Neha Sharma, Company Secretary

## Notes to Accounting Policies

### 1. ACCOUNTING POLICIES

#### 1.01 General 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.

The financial statements are presented in Indian Rupee (INR) which is also the functional currency of the company.

#### 1.02 Application Of New And Revised Ind As

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April 2017, with a transition date of 1st April 2016. The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the 'first Ind AS financial statements' for the year ended 31st March 2018, be applied retrospectively and consistently for all financial years presented. However, in preparing these Ind AS financial statements, the Company has availed of certain exemptions and exceptions in accordance with Ind AS 101, as explained in note 4. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in retained earnings.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.01 Statement of compliance

The financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standard) Rules, 2015. Upto the financial year ended March 31, 2017, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Section 133 of the Companies Act, 2013. These are the Companies first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. Refer Note 4 for the details of first time adoption exemptions availed by the Company.

#### 2.02 Basis of preparation and presentation

These financial statements of the Company are prepared under the historical cost except for certain financial instruments that are measured at fair value at end of each reporting period. Historical cost is generally based on fair value of the consideration given in exchange for goods and services

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date..

In addition, for financial reporting purposes, fair value measurements are categorised in to Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

### 2.03 Use of Estimates

The preparation of separate financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the separate financial statements and the reported amounts of income and expense for the periods presented. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. 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.

### 2.04 Revenue Recognition

#### (i) Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have been passed, at which time all the following conditions are satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### (ii) Dividend and Interest income

Dividend income is recognised when the company's right to receive dividend is established. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate applicable.

### 2.05 Foreign Currencies

Transactions in currencies other than entity's functional currency (foreign currency) are recorded at the rates of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies remaining unsettled at the end of the each reporting period are remeasured at the rates of exchange prevailing at that date.

### 2.06 Employee Benefits

#### i) Short-term benefits

Short term employee benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

#### ii) Defined contribution retirement benefits

Payments to defined contribution retirement benefits are recognised as an expense when employees have rendered services entitling them to the contributions. Defined contribution plans are those plans where the Company pays fixed contributions to funds/schemes. Contributions are paid in return for services rendered by the employees during the year. The contributions are expensed as they are incurred in line with the treatment of wages and salaries. The liability as on the balance sheet is ascertained by an independent actuarial valuation.

#### iii) Defined benefit retirement benefits

The cost of providing defined benefit retirement benefits are determined & recognised as per independent actuarial valuations report carried out at the end of each reporting period. The Company provides gratuity to its employees. All actuarial gains or losses are recognised in the statement of profit and loss in the period in which they occur.

### 2.07 Taxation

#### i) Current tax

Current tax is payable based on taxable profit for the year. Taxable profit differs from 'profit before tax'

as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using tax rates in accordance with the provisions of the Income Tax Act, 1961.

#### ii) Deferred tax

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 to such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

#### iii) Minimum alternate tax

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 recognised as an asset in the balance sheet when there is convincing evidence that the Company will pay normal income tax during the specified period and it is probable that future economic benefit associated with it will flow to the Company.

### 2.08 Property, Plant and Equipment

- a) Buildings and Roads, Plant and Equipment, Furniture and Fixtures and Vehicles held for use in the production or supply of goods or services, or for administrative purposes are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes purchase cost of materials, including import duties and non-refundable taxes, any directly attributable costs of bringing an asset to the location and condition of its intended use and borrowing costs capitalised in accordance with the Company's accounting policy.

Depreciation is recognised so as to write off the cost of assets (other than properties under construction) less their residual values over the useful lives, using the straight-line method. Depreciation of assets commences when the assets are ready for their intended use. The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any changes is accounted as change in estimate on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is recognised in the statement of profit and loss.

The Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2015 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

### 2.09 Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment (if any) losses. Amortisation is recognised over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Estimated useful lives of the intangible assets are as follows:

An intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of intangible assets is recognised in the statement of profit and loss.

The Company has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2015 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

## 2.10 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.

## 2.11 Inventories

Raw materials, work-in-progress and finished products are valued at lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes purchase price, non refundable taxes and duties and other directly attributable costs incurred in bringing the goods to the point of sale. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty. Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the cost of conversion from their existing state to a finished condition and for the cost of marketing, selling and distribution.

Stores and spares are valued at cost comprising of purchase price, non refundable taxes and duties and other directly attributable costs after providing for obsolescence and other losses, where considered necessary.

## 2.12 Provisions, Contingent Liabilities and Contingent Assets

### (a) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are not discounted to their present value are measured at the management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

### (b) Contingent liabilities and assets

Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or is a present obligation that arises from past events but is not recognised because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made. Contingent liabilities are disclosed and not recognised. In the normal course of business, contingent liabilities may arise from litigation and other claims against the company. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the company is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

## 2.13 Foreign Exchange Gain and Losses

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.

## 2.14 Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, Cash and cash equivalents includes cash on hand and short term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### **2.15 Trade and Other Payables**

These amounts represent liabilities for goods and services received by the Company prior to the end of reporting period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost.

### **2.16 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.

### **2.17 Borrowing Costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are expensed in the period in which they are incurred.

### **2.18 Earnings Per Share**

Basic earnings per share is computed by dividing the profit after tax before other comprehensive income by the weighted average number of equity shares outstanding during the financial year. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year.

## **3. FIRST-TIME ADOPTION**

### **3.01 Overall principle**

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS.

### **3.02 Deemed cost of property, plant and equipment and intangible assets**

The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(Amount in ₹)

| 4. Property, Plant & Equipment        | Land        | Plant & Machinery (20 Years) | Plant & Machinery (15 Years) | Factory Shed & Building | Furniture & Fixtures | Office Equipments | Computers & Peripherals | Motor Vehicle | Motor Cycle | Total Tangible Assets |
|---------------------------------------|-------------|------------------------------|------------------------------|-------------------------|----------------------|-------------------|-------------------------|---------------|-------------|-----------------------|
| <b>Cost or Deemed Cost</b>            |             |                              |                              |                         |                      |                   |                         |               |             |                       |
| Balance at April 1, 2016              | 2,894,531   | 58,475,861                   | 592,400                      | 35,371,978              | 9,632,921            | 2,088,136         | 1,328,723               | 9,660,438     | 249,378     | 120,294,366           |
| Re-Classification (Transfer in/out)   | -           | -                            | -                            | -                       | -                    | -                 | -                       | -             | -           | -                     |
| Deemed Cost at April, 2016 (Adjusted) | 2,894,531   | 58,475,861                   | 592,400                      | 35,371,978              | 9,632,921            | 2,088,136         | 1,328,723               | 9,660,438     | 249,378     | 120,294,366           |
| Additions                             | -           | 138,137                      | -                            | -                       | 937,949              | 164,081           | 30,503                  | 2,599,765     | 90,811      | 3,961,246             |
| Revaluation                           | 146,305,469 | -                            | -                            | 43,230,024              | -                    | -                 | -                       | -             | -           | 189,535,493           |
| Disposals                             | -           | -                            | -                            | -                       | -                    | -                 | -                       | -             | -           | -                     |
| Balance at March 31, 2017             | 149,200,000 | 58,613,998                   | 592,400                      | 78,602,002              | 10,570,870           | 2,252,217         | 1,359,226               | 12,260,203    | 340,189     | 244,549,978           |
| Additions                             | -           | 13,433,291                   | 12,448                       | 236,498                 | 771,802              | 95,763            | 1,027,673               | 1,083,850     | -           | 16,661,325            |
| Disposals                             | -           | -                            | -                            | -                       | -                    | -                 | -                       | -             | -           | -                     |
| Balance at March 31, 2018             | 149,200,000 | 72,047,289                   | 604,848                      | 78,838,500              | 11,342,672           | 2,347,980         | 2,386,899               | 13,344,053    | 340,189     | 261,211,303           |
| <b>Accumulated Depreciation</b>       |             |                              |                              |                         |                      |                   |                         |               |             |                       |
| Balance at April 1, 2016              | -           | 23,079,191                   | 194,540                      | 7,882,736               | 8,822,119            | 1,917,697         | 851,580                 | 7,255,383     | 101,197     | 50,104,443            |
| Depreciation expenses                 | -           | 2,779,461                    | 11,164                       | 1,119,266               | 53,361               | 47,708            | 202,836                 | 624,874       | 23,169      | 4,861,839             |
| Disposals                             | -           | -                            | -                            | -                       | -                    | -                 | -                       | -             | -           | -                     |
| Balance at March 31, 2017             | -           | 25,858,652                   | 205,704                      | 9,002,002               | 8,875,480            | 1,965,405         | 1,054,416               | 7,880,257     | 124,366     | 54,966,282            |
| Depreciation expenses                 | -           | 3,054,644                    | 11,282                       | 2,531,913               | 170,933              | 43,022            | 403,125                 | 1,085,005     | 41,251      | 7,341,175             |
| Disposals                             | -           | -                            | -                            | -                       | -                    | -                 | -                       | -             | -           | -                     |
| Balance at March 31, 2018             | -           | 28,913,296                   | 216,986                      | 11,533,915              | 9,046,413            | 2,008,427         | 1,457,541               | 8,965,262     | 165,617     | 62,307,457            |
| <b>Carrying Amount</b>                |             |                              |                              |                         |                      |                   |                         |               |             |                       |
| Balance at April 1, 2016              | 2,894,531   | 58,475,861                   | 592,400                      | 35,371,978              | 9,632,921            | 2,088,136         | 1,328,723               | 9,660,438     | 249,378     | 120,294,366           |
| Re-Classification (Transfer in/out)   | -           | -                            | -                            | -                       | -                    | -                 | -                       | -             | -           | -                     |
| Deemed Cost at April, 2016 (Adjusted) | 2,894,531   | 58,475,861                   | 592,400                      | 35,371,978              | 9,632,921            | 2,088,136         | 1,328,723               | 9,660,438     | 249,378     | 120,294,366           |
| Additions                             | -           | 138,137                      | -                            | -                       | 937,949              | 164,081           | 30,503                  | 2,599,765     | 90,811      | 3,961,246             |
| Revaluation                           | 146,305,469 | -                            | -                            | 43,230,024              | -                    | -                 | -                       | -             | -           | 189,535,493           |
| Disposals                             | -           | -                            | -                            | -                       | -                    | -                 | -                       | -             | -           | -                     |
| Depreciation                          | -           | 25,858,652                   | 205,704                      | 9,002,002               | 8,875,480            | 1,965,405         | 1,054,416               | 7,880,257     | 124,366     | 54,966,282            |
| Balance at March 31, 2017             | 149,200,000 | 32,755,346                   | 386,696                      | 69,600,000              | 1,695,390            | 286,812           | 304,810                 | 4,379,946     | 215,823     | 258,824,823           |
| Additions                             | -           | 13,433,292                   | 12,448                       | 236,498                 | 771,802              | 95,763            | 1,027,674               | 1,083,850     | -           | 16,661,327            |
| Disposals                             | -           | -                            | -                            | -                       | -                    | -                 | -                       | -             | -           | -                     |
| Depreciation                          | -           | 3,054,644                    | 11,282                       | 2,531,913               | 170,933              | 43,022            | 403,125                 | 1,085,005     | 41,251      | 7,341,175             |
| Balance at March 31, 2018             | 149,200,000 | 43,133,994                   | 387,862                      | 67,304,585              | 2,296,259            | 339,553           | 929,359                 | 4,378,791     | 174,572     | 268,144,975           |

Notes:

Deemed Cost : The deemed cost of the property, plant and equipment as at 1st April, 2016 represent carrying value of all of its property, plant and equipment recognized as of 1 April, 2016 (transition date) measured as per the GAAP.

| (Amount in ₹)  |                   |                  |                   |
|--|-------------------|------------------|-------------------|
| 5. Other: Financial Assets (at amortised cost)                       | 31st March, 2018  | 31st March, 2017 | 1st April, 2016   |
| (Unsecured, Considered good unless state otherwise)                  |                   |                  |                   |
| Balances With Bank in Recurring Deposit Accounts                     | 17,578,533        | 7,165,444        | 10,400,000        |
| (Balance with KVB Bank Burrabazar Branch including Accrued Interest) | -                 | -                | -                 |
|  | <b>17,578,533</b> | <b>7,165,444</b> | <b>10,400,000</b> |

| (Amount in ₹)  |                  |                  |                  |
|--|------------------|------------------|------------------|
| 6. Other Non Current Assets                          | 31st March, 2018 | 31st March, 2017 | 1st April, 2016  |
| (Unsecured, considered good unless stated otherwise) |                  |                  |                  |
| Other Advance  | 4,573,044        | 4,573,044        | 6,203,895        |
|  | <b>4,573,044</b> | <b>4,573,044</b> | <b>6,203,895</b> |

| (Amount in ₹)   |                    |                    |                    |
|---|--------------------|--------------------|--------------------|
| 7. Inventories  | 31st March, 2018   | 31st March, 2017   | 1st April, 2016    |
| (At lower of cost and net realisable value)                     |                    |                    |                    |
| (a) Raw Materials (At lower of Cost and Net Realisable Value)   | 56,305,552         | 6,891,396          | 51,575,635         |
| (b) Finished Goods (At lower of Cost and Net Realisable Value)  | 317,127,716        | 343,847,752        | 318,601,060        |
| (c) Stores and Spares (At cost less write off for obsolescence) | 7,184,211          | 1,142,417          | 1,029,350          |
|   | <b>380,617,479</b> | <b>351,881,565</b> | <b>371,206,045</b> |

- The mode of valuation of Inventory stated in note no.2.11
- For details of carrying amount of inventories pledged as security for secured borrowings refer note 17.

| (Amount in ₹)  |                    |                    |                    |
|--|--------------------|--------------------|--------------------|
| 8. Trade receivables   | 31st March, 2018   | 31st March, 2017   | 1st April, 2016    |
| Outstanding for a period exceeding six months from due date of payment |                    |                    |                    |
| - Secured, considered good   | -                  | -                  | -                  |
| - Unsecured, considered good   | 92,944,986         | 80,476,469         | 73,317,694         |
|  | 92,944,986         | 80,476,469         | 73,317,694         |
| Other Receivables  |                    |                    |                    |
| - Secured, Considered good   | -                  | -                  | -                  |
| - Unsecured, Considered good   | 681,596,560        | 506,827,441        | 416,504,892        |
|  | 681,596,560        | 506,827,441        | 416,504,892        |
|  | 774,541,546        | 587,303,910        | 489,822,586        |
| Allowance for doubtful debts   | -                  | -                  | -                  |
|  | <b>774,541,546</b> | <b>587,303,910</b> | <b>489,822,586</b> |

- No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person.
- Trade receivable are pledged on pari passu first charge against working capital demand loans from Karur Vysya Bank refer note 17.

| (Amount in ₹)                |                  |                  |                 |
|------------------------------|------------------|------------------|-----------------|
| 9. Cash and Cash Equivalents | 31st March, 2018 | 31st March, 2017 | 1st April, 2016 |
| Cash and Cash Equivalent     |                  |                  |                 |
| Balance with Bank            |                  |                  |                 |
| -On Current Accounts         | 570,714          | 324,951          | 145,748         |
| -Cheques/Drafts on Hand      | -                | -                | -               |
| Cash In Hand                 | 1,227,385        | 833,027          | 478,876         |
|                              | <b>1,798,099</b> | <b>1,157,978</b> | <b>624,624</b>  |

(Amount in ₹)

| 10. Other Bank balances  | 31st March, 2018  | 31st March, 2017  | 1st April, 2016   |
|--|-------------------|-------------------|-------------------|
| Balances with Banks  |                   |                   |                   |
| On Short Term Deposit including interest accrued<br>(Term deposit including Accrued Interest with KVB Bank<br>Burrabazar Branch) | 62,472,936        | 61,601,773        | 42,821,444        |
|  | <b>62,472,936</b> | <b>61,601,773</b> | <b>42,821,444</b> |

(Amount in ₹)

| 11. Loans and Deposits       | 31st March, 2018 | 31st March, 2017 | 1st April, 2016 |
|------------------------------|------------------|------------------|-----------------|
| Other Financial Assets       |                  |                  |                 |
| Unsecured, considered good : |                  |                  |                 |
| Inter Corporate Advances     |                  |                  |                 |
| - Related Parties            | -                | -                | -               |
| - Others                     | 1,456,768        | 3,723,000        | 116,291         |
| Advances to Others           | 236,002          | 1,630,851        | 17,500          |
|                              | <b>1,692,770</b> | <b>5,353,851</b> | <b>133,791</b>  |

(Amount in ₹)

| 12. Other Current Assets:  | 31st March, 2018  | 31st March, 2017  | 1st April, 2016   |
|--|-------------------|-------------------|-------------------|
| Other non financial assets<br>(Unsecured, considered good unless stated otherwise) |                   |                   |                   |
| Advance other than Capital Advances  |                   |                   |                   |
| Other Advances   | 5,665,918         | 35,939,119        | 20,267,321        |
| Balances with Government Dept:   | -                 | -                 | -                 |
| Excise/VAT/CST   | 17,637,377        | 21,361,152        | 15,096,927        |
| Income Tax   | 979,342           | 819,927           | 334,587           |
|  | <b>24,282,637</b> | <b>58,120,198</b> | <b>35,698,835</b> |

(Amount in ₹)

| 13. SHARE CAPITAL                                       | 31st March, 2018   | 31st March, 2017   | 1st April, 2016    |
|---|--------------------|--------------------|--------------------|
| <b>Authorised:</b>                                      |                    |                    |                    |
| 22,000,000 Equity shares of Rs.10 each                  | 220,000,000        | 220,000,000        | 220,000,000        |
| <b>Subscribed and Paid up:</b>                          |                    |                    |                    |
| 20,853,750 Equity Shares of Rs. 10/- each fully paid up | 208,537,500        | 208,537,500        | 208,537,500        |
|   | <b>208,537,500</b> | <b>208,537,500</b> | <b>208,537,500</b> |

| 1. Reconciliation of the number of Equity Shares Outstanding     | 31st March, 2018 | 31st March, 2017 |
|--|------------------|------------------|
| Number of Equity Shares Outstanding at the beginning of the year | 20,853,750       | 20,853,750       |
| Number of Equity Shares Outstanding at the end of the year       | 20,853,750       | 20,853,750       |

| 2. Shares held by each shareholder holding more than 5 percent shares |               |        |               |        |
|---|---------------|--------|---------------|--------|
| Name of shareholders  | No. of Shares | %      | No. of Shares | %      |
| Mukesh Goel   | 1994850       | 9.57%  | 1994850       | 9.57%  |
| Manoj Goel  | 1716900       | 8.23%  | 1716900       | 8.23%  |
| Maina Securities Pvt Ltd  | 4740000       | 22.73% | 4740000       | 22.73% |
| Pratik Suppliers Pvt Ltd  | 4128000       | 19.80% | 4128000       | 19.80% |

### 3. Terms/rights attached to Equity Shares

- The Company has only one class of equity shares having a par value of Rs. 10 each. Each holder of one equity share is entitled to one vote per share.
- In the event of liquidation the equity shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts in proportion to their shareholding.
- No Equity shares have been reserved for issue under options and contracts/commitments for the sale of shares / disinvestment as at the Balance Sheet date.

**14. Statement of Changes in Equity:-**
**A. Equity Share Capital**

| Issued, subscribed and paid up Number of Shares Value (Rs.) | No of Shares      | Value (₹)          |
|---|-------------------|--------------------|
| Equity Shares of Rs. 10 each<br>On April 1, 2016            | 20,853,750        | 208,537,500        |
| Equity share capital issued during the year                 | -                 | -                  |
| Balance at March 31, 2017                                   | 20,853,750        | 208,537,500        |
| Equity share capital issued during the year                 | -                 | -                  |
| <b>Balance at March 31, 2018</b>                            | <b>20,853,750</b> | <b>208,537,500</b> |

(Amount in ₹)

| Particulars   | Security Premium Reserve | Revaluation Reserve | General Reserve  | Retained Earning  | Other Comprehensive Income | Total              |
|---|--------------------------|---------------------|------------------|-------------------|----------------------------|--------------------|
| Balance as at 1 April, 2016   | 145,867,500              | -                   | 3,600,000        | 44,075,491        | -                          | 193,542,991        |
| Opening IND AS adjustment   | -                        | -                   | -                | -                 | (17,806)                   | (17,806)           |
| <b>Restated balance at at 1 April, 2016</b>                                 | <b>145,867,500</b>       | <b>-</b>            | <b>3,600,000</b> | <b>44,075,491</b> | <b>(17,806)</b>            | <b>193,525,185</b> |
| Remeasurement of the net defined benefit liability/asset, net of tax effect | -                        | -                   | -                | -                 | (128,805)                  | (128,805)          |
| Equity Instrument through other comprehensive income                        | -                        | -                   | -                | -                 | -                          | -                  |
| Dividend Paid   | -                        | -                   | -                | -                 | -                          | -                  |
| Profit/(Loss) for the year  | -                        | -                   | -                | 12,379,157        | -                          | 12,379,157         |
| Revaluation during the year   | -                        | 189,535,492         | -                | -                 | -                          | 189,535,492        |
| <b>Balance as at 31 March, 2017</b>   | <b>145,867,500</b>       | <b>189,535,492</b>  | <b>3,600,000</b> | <b>56,454,648</b> | <b>(146,611)</b>           | <b>395,311,029</b> |
| Dividend Paid   | -                        | -                   | -                | -                 | -                          | -                  |
| Remeasurement of the net defined benefit liability/asset, net of tax effect | -                        | -                   | -                | -                 | (206,362)                  | (206,362)          |
| Adjustment in Reserve for depreciation on revalued asset                    | -                        | (1,416,557)         | -                | 1,416,557         | -                          | -                  |
| Equity Instrument through other comprehensive income                        | -                        | -                   | -                | -                 | -                          | -                  |
| Profit for the year   | -                        | -                   | -                | 13,271,795        | -                          | 13,271,795         |
| <b>Balance as at 31 March, 2018</b>   | <b>145,867,500</b>       | <b>188,118,935</b>  | <b>3,600,000</b> | <b>71,143,000</b> | <b>(352,973)</b>           | <b>408,376,462</b> |

(Amount in ₹)

| 15. Borrowings            | 31st March, 2018  | 31st March, 2017  | 1st April, 2016  |
|---------------------------|-------------------|-------------------|------------------|
| Secured:-                 |                   |                   |                  |
| Unsecured:-               |                   |                   |                  |
| Loan from other Parties   | 42,438,659        | 25,251,770        | 3,910,911        |
| Loan from Related Parties | -                 | -                 | -                |
|                           | <b>42,438,659</b> | <b>25,251,770</b> | <b>3,910,911</b> |

(Amount in ₹)

| 16. Provisions               | 31st March, 2018 | 31st March, 2017 | 1st April, 2016 |
|------------------------------|------------------|------------------|-----------------|
| Employee Benefits (Gratuity) | 1,991,840        | 1,378,395        | 675,370         |
|                              | <b>1,991,840</b> | <b>1,378,395</b> | <b>675,370</b>  |

(Amount in ₹)

| 17. Borrowings                    | 31st March, 2018   | 31st March, 2017   | 1st April, 2016    |
|-----------------------------------|--------------------|--------------------|--------------------|
| > Short term Borrowings:          |                    |                    |                    |
| From Bank :-                      |                    |                    |                    |
| - Secured                         |                    |                    |                    |
| - Working Capital Loan from banks |                    |                    |                    |
| Cash Credit                       | 356,634,911        | 363,690,686        | 268,074,502        |
|                                   | <b>356,634,911</b> | <b>363,690,686</b> | <b>268,074,502</b> |

- a) Cash credit facility (working capital loan) is payable on demand and effective interest rate of cash credit facility is 10.65% p.a. Working capital demand loans from bank is secured by hypothecation of movable raw material, stores and spares, book debts and other current assets. properties, finished Goods, semi Finished Goods.

(Amount in ₹)

| 18. Trade payables   | 31st March, 2018   | 31st March, 2017   | 1st April, 2016    |
|--|--------------------|--------------------|--------------------|
| a) Total outstanding dues of micro enterprises and small enterprises | -                  | -                  | -                  |
| b) Others  |                    |                    |                    |
| i) Creditors for supply and service                                  | 420,640,339        | 284,379,574        | 284,695,962        |
|  | <b>420,640,339</b> | <b>284,379,574</b> | <b>284,695,962</b> |

(Amount in ₹)

| 19. Other Financial Liabilities (at amortised cost) | 31st March, 2018  | 31st March, 2017 | 1st April, 2016  |
|---|-------------------|------------------|------------------|
| Current Maturities of long term debts               | 941,739           | 3,059,544        | 1,768,248        |
| Other Liabilities                                   | 71,106,904        | 3,789,782        | 4,088,972        |
|   | <b>72,048,643</b> | <b>6,849,326</b> | <b>5,857,220</b> |

(Amount in ₹)

| 20. Other Current Liabilities   | 31st March, 2018 | 31st March, 2017  | 1st April, 2016   |
|---------------------------------|------------------|-------------------|-------------------|
| Other Non Financial Liabilities |                  |                   |                   |
| Other Current Liabilities       | 7,139,375        | 17,104,741        | 30,780,337        |
|                                 | <b>7,139,375</b> | <b>17,104,741</b> | <b>30,780,337</b> |

(Amount in ₹)

| 21. Provisions               | 31st March, 2018 | 31st March, 2017  | 1st April, 2016   |
|------------------------------|------------------|-------------------|-------------------|
| Employee Benefits (Gratuity) | 53,758           | 38,801            | 20,125            |
| Provision for Tax:           |                  |                   |                   |
| Income Tax                   | 6,912,235        | 6,299,863         | 6,411,907         |
| Excise Duty                  | -                | 17,740,995        | 15,467,763        |
|                              | <b>6,965,993</b> | <b>24,079,659</b> | <b>21,899,795</b> |

(Amount in ₹)

| 22. Revenue from operations | 31st March, 2018     | 31st March, 2017     |
|-----------------------------|----------------------|----------------------|
| Sale of products            | 3,845,131,046        | 2,794,795,015        |
|                             | <b>3,845,131,046</b> | <b>2,794,795,015</b> |

(Amount in ₹)

| 23. Other income  | 31st March, 2018 | 31st March, 2017 |
|-------------------|------------------|------------------|
| Interest Income : |                  |                  |
| - Bank            | 5,900,505        | 5,288,854        |
| Discount Received | -                | 4,627,135        |
|                   | <b>5,900,505</b> | <b>9,915,989</b> |

(Amount in ₹)

| 24. Cost of Materials Consumed | 31st March, 2018     | 31st March, 2017     |
|--------------------------------|----------------------|----------------------|
| Purchase of Materials          | 3,605,432,319        | 2,579,041,588        |
|                                | <b>3,605,432,319</b> | <b>2,579,041,588</b> |

(Amount in ₹)

| 25. Changes in Inventories of Finished Goods & Work-in-Progress | 31st March, 2018    | 31st March, 2017   |
|---|---------------------|--------------------|
| <b>Opening Stock</b>  |                     |                    |
| Finished Goods  | 350,739,147         | 370,176,695        |
|   | <b>350,739,147</b>  | <b>370,176,695</b> |
| <b>Closing Stock</b>  |                     |                    |
| Finished Goods  | 373,433,268         | 350,739,147        |
|   | <b>373,433,268</b>  | <b>350,739,147</b> |
|   | <b>(22,694,121)</b> | <b>19,437,548</b>  |

| (Amount in ₹)                                       |                         |                         |
|---|-------------------------|-------------------------|
| <b>26. Employee benefits expense</b>                | <b>31st March, 2018</b> | <b>31st March, 2017</b> |
| Salaries, Wages, Bonus and Allowances               | 11,748,774              | 8,413,974               |
| Directors Remuneration & Sitting Fees               | 1,258,000               | 969,000                 |
| Contribution to Provident, Gratuity and other funds | 1,246,960               | 1,205,031               |
| Staff Welfare Expenses                              | 803,802                 | 289,589                 |
|   | <b>15,057,536</b>       | <b>10,877,594</b>       |

| (Amount in ₹)            |                         |                         |
|--------------------------|-------------------------|-------------------------|
| <b>27. Finance costs</b> | <b>31st March, 2018</b> | <b>31st March, 2017</b> |
| Interest Expenses        |                         |                         |
| -Banks                   | 47,295,345              | 46,631,112              |
|                          | <b>47,295,345</b>       | <b>46,631,112</b>       |

| (Amount in ₹)  |                         |                         |
|--|-------------------------|-------------------------|
| <b>28. Other expenses</b>                            | <b>31st March, 2018</b> | <b>31st March, 2017</b> |
| <b>Direct Expenses:</b>                              |                         |                         |
| Carriage Inward                                      | 76,521,010              | 39,671,757              |
| Consumption of Stores and Spares                     | 4,946,277               | 4,425,480               |
| Electricity charges                                  | 42,122,084              | 36,269,817              |
| Vehicle Maintenance                                  | 147,470                 | -                       |
| Labour Charges including loading & unloading charges | 875,690                 | 784,679                 |
| Security Expenses                                    | 760,515                 | 777,468                 |
| Wastage and Handling Loss                            | 488,952                 | 100,565                 |
| <b>Administrative Expenses:</b>                      |                         |                         |
| Auditors Remuneration:                               |                         |                         |
| - Audit Fee  | 275,000                 | 200,000                 |
| - Tax Audit  | 75,000                  | 50,000                  |
| Advertisement Expense                                | 78,667                  | 15,051                  |
| Carriage-Out-Ward                                    | 27,233,016              | 1,710,438               |
| Communication Cost                                   | 282,856                 | 258,791                 |
| Computer Expenses                                    | 272,400                 | 50,633                  |
| Discount Allowed                                     | 512,163                 | 1,626,188               |
| Filing fees  | 24,245                  | 47,000                  |
| General Expenses                                     | 447,629                 | 719,531                 |
| Insurance  | 434,892                 | 184,911                 |
| Listing Expenses                                     | 465,000                 | 551,500                 |
| Irrecoverable debts w/off                            | -                       | 880,938                 |
| Legal & Professional Fees                            | 1,747,527               | 954,590                 |
| Import Expenses                                      | 6,591,265               | 22,842,093              |
| Car Maintenance                                      | 811,411                 | 455,521                 |
| Other Expense  | 2,658,905               | 3,789,036               |
| Postage & Courier                                    | 19,152                  | 16,423                  |
| Printing & Stationery                                | 403,538                 | 87,454                  |
| Provisions for Excise Duty                           | -                       | 2,273,231               |
| Rates & Taxes  | 52,589                  | 577,516                 |
| Interest & Penalty on Statutory Dues                 | 689,890                 | 619,926                 |
| Rent including lease rent                            | 2,452,062               | 609,254                 |
| Repair & Maintenance                                 | 1,591,717               | 1,390,373               |
| Selling & Distribution Expenses                      | 807,475                 | 63,000                  |
| Subscription & Donation                              | 564,610                 | 274,719                 |
| Foreign exchange fluctuation                         | 764,025                 | -                       |
| Travelling & Conveyance                              | 1,194,336               | 1,368,751               |
|  | <b>176,311,368</b>      | <b>123,646,632</b>      |

(Amount in ₹)

| 29. (i) Income tax recognised in profit or loss :      | For the year ended<br>(31.03.2018) | For the year ended<br>(31.03.2017) |
|--|------------------------------------|------------------------------------|
| <b>Current Tax</b>                                     |                                    |                                    |
| - In respect of current year                           | 6,772,512                          | 6,546,538                          |
| - In respect of prior year                             | 613,298                            | 975,852                            |
| Deferred Tax in respect of current year                | 1,630,324                          | 313,143                            |
| <b>Total Income tax recognised in the current year</b> | <b>13,271,795</b>                  | <b>12,379,157</b>                  |

| 29. (ii) Income tax recognised in other comprehensive income:            | For the year ended<br>(31.03.2018) | For the year ended<br>(31.03.2017) |
|--|------------------------------------|------------------------------------|
| Arising on income and expenses recognised in other comprehensive income: |                                    |                                    |
| Remeasurement of defined benefit obligations                             | (308,293)                          | (186,404)                          |
| Total income tax recognised in other comprehensive income                | 101,931                            | 57,599                             |
|  | 206,362                            | 12,8805                            |

(Amount in ₹)

| 30. Related Party Disclosure   | Nature of Transaction           | Amount of Transaction | Balance as at 31st March, 2018<br>Dr. / (Cr.) |
|--|---------------------------------|-----------------------|---|
| Key Managerial Persons   | Director Remuneration           | 10,00,000             | Nil   |
|  | Sitting Fees                    | 2,58,000              | Nil   |
|  | Transactions on Current Account | Nil                   | Nil   |
| Relatives of KMP   | Transactions on Current Account | 6,75,000              | Nil   |
| Company in which KMP / Relatives of KMP can exercise significant influence | Transactions on Current Account | Nil                   | Nil   |
|  | Sales of Goods                  | 13,12,70,396          | Nil   |
|  | Purchases of Goods              | 6,65,09,936           | Nil   |
|  | Short Term Advances given/taken | 1,68,06,618           | Nil   |

**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   | Nil  |
| Key Management Personnel (KMP)   | Manoj Goel, Director<br>Mukesh Goel, Managing Director<br>Sudhir Kumar Budhia, Director<br>Mukesh Agarwal, Director<br>Preetee Agarwal, Director   |
| Relatives of KMP   | Maina Devi Goel<br>Monika Goel<br>Rashmi Goel<br>Manoj Goel HUF<br>Mukesh Goel HUF<br>Sita Ram Goyal<br>Sita Ram Goyal HUF   |
| Company in which KMP / Relatives of KMP can exercise significant influence | Aanchal Collection Limited<br>Aanchal Cement Ltd<br>Aanchal Iron & Steels Pvt Ltd<br>Jaya Rice Mills Pvt Ltd<br>Kalayani Rice Mills Pvt Ltd<br>Penguin Creation Pvt Ltd<br>Khush Metalliks Pvt Ltd<br>Pratik Suppliers Pvt Ltd |

(Amount in ₹)

| 31. Contingent Liability/commitment to the extent not provided for             |            |   | As at 31st March, 2018 | As at 31st March, 2017 |
|--|------------|---|------------------------|------------------------|
| <b>(A) Contingent Liabilities</b>  |            |   |                        |                        |
| (i) Unexpired Bank Guarantees  |            |   | Rs. 5,700,000/-        | Rs. 5,700,000/-        |
| (ii) Claims against the company not acknowledged as debts                      |            |   |                        |                        |
| 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 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/-       |
| 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, Haora Circle (The company has already deposited Rs. 29,777/-) | Rs. 2,52,57,225/-      | Rs. 2,52,57,225/-      |
| (b) Commitments  | Nil        | Nil   | Nil                    | Nil                    |

**32.1 Disclosures required under Section 22 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 vendor/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.

32.2 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.

(Amount in ₹)

| 33. Foreign Currency Transaction during the year: | For the year ended 31 March, 2018 | For the year ended 31 March, 2017 |
|---|-----------------------------------|-----------------------------------|
| Expenditure in foreign currency                   | 8,06,43,220                       | Nil                               |
| Earnings in foreign exchange                      | Nil                               | Nil                               |

(Amount in ₹)

| 34. Deferred Tax Assets/Liability   | As at 31.03.2018<br>Timing Difference | As at 31.03.2017<br>Timing Difference |
|-------------------------------------|---------------------------------------|---------------------------------------|
| Deferred Tax Liability              | 1,09,28,298                           | 93,99,905                             |
| Less: Deferred Tax Liability b/f    | 93,99,905                             | 91,44,361                             |
| Add: Ind As Adjustment              | 1,01,931                              | 57,599                                |
| Deferred Tax Provision for the year | 16,30,324                             | 3,13,143                              |

Deferred Tax Provision (Prior Period) | - | -

### 35. Additional Information to the Financial Statements pursuant to Companies Act, 2013 requirements :

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

|  | As at 31.03.2018 | As at 31.03.2017 |
|--|------------------|------------------|
| a) Principal amount remaining unpaid to the suppliers as at the end of the accounting year   | Nil              | Nil              |
| b) Interest due thereon remaining unpaid to suppliers as at the end of the accounting year   | Nil              | Nil              |
| c). Interest paid in terms of Section 16 along with the amount of payments made to suppliers beyond the appointment day during the year  | Nil              | Nil              |
| d). Interest due and payable for the period of delays in making payment (which have been paid beyond the appointment date during the year but without adding interest specified under the act) | Nil              | Nil              |
| e). The amount of interest accrued during the year for the year remaining unpaid at the end of the accounting year.  | Nil              | Nil              |

The information above has been compiled to the best of knowledge and as per the information available with the management to the extent to which parties would be identified as Micro, Small and Medium Enterprises and relied upon by the auditors.

35.02. There are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions in Companies Act 2013, and accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 made there under.

| 36. Earning Per Shares               |   |             |  |             |   |            |  |            |   |             |  |             |
|--------------------------------------|---|-------------|--|-------------|---|------------|--|------------|---|-------------|--|-------------|
| Year Ended<br>31.03.2018             | Continuing Operations                         |             |  |             | Discontinuing Operations                      |            |  |            | Total Operations                              |             |  |             |
|                                      | Before Extraordinary and<br>Exceptional Items |             | After Extraordinary and<br>Exceptional Items |             | Before Extraordinary and<br>Exceptional Items |            | After Extraordinary and<br>Exceptional Items |            | Before Extraordinary and<br>Exceptional Items |             | After Extraordinary and<br>Exceptional Items |             |
|                                      | Basic   | Diluted     | Basic  | Diluted     | Basic   | Diluted    | Basic  | Diluted    | Basic   | Diluted     | Basic  | Diluted     |
| Face Value of<br>Shares              | 10  | 10          | 10   | 10          | 10  | 10         | 10   | 10         | 10  | 10          | 10   | 10          |
| Profit                               | 13,271,795                                    | 13,271,795  | 13,271,795                                   | 13,271,795  | 0   | 0          | 0  | 0          | 13,271,795                                    | 13,271,795  | 13,271,795                                   | 13,271,795  |
| Weighted<br>Average No. of<br>Shares | 20,853,750                                    | 20,853,750  | 20,853,750                                   | 20,853,750  | 20,853,750                                    | 20,853,750 | 20,853,750                                   | 20,853,750 | 20,853,750                                    | 20,853,750  | 20,853,750                                   | 20,853,750  |
| <b>EPS (Rs.)</b>                     | <b>0.63</b>                                   | <b>0.63</b> | <b>0.63</b>                                  | <b>0.63</b> | —   | —          | —  | —          | <b>0.63</b>                                   | <b>0.63</b> | <b>0.63</b>                                  | <b>0.63</b> |

| 36. Earning Per Shares               |   |             |  |             |   |            |  |            |   |             |  |             |
|--------------------------------------|---|-------------|--|-------------|---|------------|--|------------|---|-------------|--|-------------|
| Year Ended<br>31.03.2017             | Continuing Operations                         |             |  |             | Discontinuing Operations                      |            |  |            | Total Operations                              |             |  |             |
|                                      | Before Extraordinary and<br>Exceptional Items |             | After Extraordinary and<br>Exceptional Items |             | Before Extraordinary and<br>Exceptional Items |            | After Extraordinary and<br>Exceptional Items |            | Before Extraordinary and<br>Exceptional Items |             | After Extraordinary and<br>Exceptional Items |             |
|                                      | Basic   | Diluted     | Basic  | Diluted     | Basic   | Diluted    | Basic  | Diluted    | Basic   | Diluted     | Basic  | Diluted     |
| Face Value of<br>Shares              | 10  | 10          | 10   | 10          | 10  | 10         | 10   | 10         | 10  | 10          | 10   | 10          |
| Profit                               | 12,379,157                                    | 12,379,157  | 12,379,157                                   | 12,379,157  | 0   | 0          | 0  | 0          | 12,379,157                                    | 12,379,157  | 12,379,157                                   | 12,379,157  |
| Weighted<br>Average No. of<br>Shares | 20,853,750                                    | 20,853,750  | 20,853,750                                   | 20,853,750  | 20,853,750                                    | 20,853,750 | 20,853,750                                   | 20,853,750 | 20,853,750                                    | 20,853,750  | 20,853,750                                   | 20,853,750  |
| <b>EPS (Rs.)</b>                     | <b>0.59</b>                                   | <b>0.59</b> | <b>0.59</b>                                  | <b>0.59</b> | —   | —          | —  | —          | <b>0.59</b>                                   | <b>0.59</b> | <b>0.59</b>                                  | <b>0.59</b> |

(Amount in ₹)

(Amount in ₹)

| <b>37.01: Reconciliation of total equity</b>           | <b>As at 31.03.2017</b> | <b>As at 01.04.2016</b> |
|--|-------------------------|-------------------------|
| Total equity (shareholder's funds) under previous GAAP | 603,995,140             | 402,080,491             |
| Less: Ind AS Adjustment                                | 146,611                 | 17,806                  |
| <b>Total equity (shareholder's funds) under Ind As</b> | <b>603,848,529</b>      | <b>402,062,685</b>      |

(Amount in ₹)

| <b>37.02: Reconciliation of total comprehensive income</b>  | <b>As at 31.03.2017</b> |
|---|-------------------------|
| <b>Profit as per previous GAAP</b>  | 12,379,157              |
| Re classification of actuarial gains/losses, arising in respect of employees post employment benefit Schemes, to other Comprehensive Income (OCI) | (186,404)               |
| Tax Effect  | 57,599                  |
| Total effect on transition to Ind AS  | (128,805)               |
| <b>Total comprehensive income under Ind AS</b>  | <b>12,250,352</b>       |

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

**Extract of Statement of Utilization of funds raised through Initial Public Offering (IPO) as on March 31, 2018 in compliance to Regulation 32 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015:**

| <b>Particulars</b>                                    | <b>Amount (₹ in Lacs )</b> |
|---|----------------------------|
| Issue Proceeds  | 1,600.80                   |
| Less: Issue Expenses                                  | 49.51                      |
| Net Proceeds from IPO                                 | 1,551.29                   |
| Less: Utilization of IPO proceeds upto March 31, 2018 | 1,479.78                   |
| Funds to be utilized                                  | 71.51                      |

**Object wise details of utilization are as under:**

(₹ in Lacs )

| <b>Particulars</b>  | <b>Proposed amt as per Prospectus</b> | <b>Amt utilized upto March 31, 2018</b> | <b>Amt unutilized as on March 31, 2018</b> |
|---|---------------------------------------|---|--|
| Expansion & Modernization by upgradation and automation of our TMT bar manufacturing facilities | 536.29                                | 464.78                                  | 71.51                                      |
| Additional Working Capital Requirements   | 1,015.00                              | 1,015.00                                | 0.00                                       |
| Public Issue Expenses   | 49.51                                 | 51.10                                   | (1.59)                                     |
| <b>Total</b>  | <b>1,600.80</b>                       | <b>1,530.88</b>                         | <b>71.51</b>                               |

The unutilized fund as on 31st March, 2018 is kept as Investment in Fixed Deposit with Bank.

## NOTICE TO THE MEMBERS OF THE COMPANY

NOTICE is hereby given that the 23rd Annual General Meeting (AGM) of the Members of Aanchal Ispat Limited will be held as scheduled below:

|       |   |
|-------|---|
| Day   | : Friday  |
| Date  | : 21st Day of September, 2018   |
| Time  | : 11.00 A.M   |
| Venue | : Hotel Oasis, National Highway 6,<br>Kona Expressway,<br>Post: Chamrail, P.S: Liluah,<br>Howrah – 711114 |

to transact the following business:

### ORDINARY BUSINESS

1. TO RECEIVE, CONSIDER AND ADOPT THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH, 2018, THE STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE TOGETHER WITH THE REPORTS OF THE BOARD OF DIRECTORS AND AUDITORS THEREON AND THE REPORT ON SECRETARIAL AUDIT.
2. TO APPOINT A DIRECTOR IN PLACE OF MR. MANOJ GOEL (DIN: 00554986), WHO RETIRES BY ROTATION AND BEING ELIGIBLE, OFFERS HIMSELF FOR RE-APPOINTMENT
3. TO RATIFY APPOINTMENT OF M/S. RAJ CHANDRA & ASSOCIATES AS STATUTORY AUDITORS AND TO FIX THEIR REMUNERATION AND IN THIS REGARD, TO CONSIDER AND IF THOUGHT FIT TO PASS THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION

**“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 21st 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 31st March, 2019 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 REGULARIZE THE APPOINTMENT OF MR. VIJAY SRIVASTAVA (DIN: 03618949) AS THE EXECUTIVE DIRECTOR OF THE COMPANY AND FIX HIS REMUNERATION

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

**“RESOLVED THAT** pursuant to provisions of Section 152, 161 and other applicable provisions, if any of the Companies Act, 2013 (“the Act”) the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force. Mr. Vijay Srivastava (DIN: 03618949), who was appointed as an Additional Director of the Company with effect from 14th August, 2018, and who holds office upto the date of this Annual General Meeting, and who has consented in writing to act as a director of the company, be and is hereby appointed as an executive director of the company on such terms and conditions including remuneration as decided by the Board of Directors of the Company and subject to approval of Shareholders in the General Meeting”

**“RESOLVED FURTHER THAT** any of the Directors or Company Secretary of the Company be and is hereby

authorized to file necessary forms with ROC West Bengal and to do such other acts, deeds and things as may be considered necessary in connection with the above appointment.”

#### 5. REGULARIZATION OF MS. NILU NIGANIA (DIN:08203037) AS THE INDEPENDENT DIRECTOR

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

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152 Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014, including any amendment, modification, variation or re-enactment thereof for the time being in force, Ms. Nilu Nigania (DIN:08203037), who was appointed as an Additional Director (Independent) pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) years effective from the date of appointment by the Board and who is not liable to retire by rotation.

“**RESOLVED FURTHER THAT** any of the Directors or Company Secretary of the Company be and is hereby authorized to file necessary forms with ROC West Bengal and to do such other acts, deeds and things as may be considered necessary in connection with the above appointment.”

#### 6. RATIFICATION OF REMUNERATION PAYABLE TO M/S A.S ASSOCIATES, THE COST AUDITOR OF THE COMPANY FOR THE FINANCIAL YEAR 2018-2019

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. 30,000/- 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 2018-2019, be and is hereby ratified, confirmed and approved.”

“**RESOLVED FURTHER THAT** any of the Directors or Company Secretary of the Company be and is hereby authorized to file necessary forms with ROC West Bengal and to do such other acts, deeds and things as may be considered necessary in connection with the above appointment.”

#### 7. TO RATIFY THE INCREASE IN REMUNERATION PAYABLE TO MR. MUKESH GOEL (DIN: 00555061), MANAGING DIRECTOR OF THE COMPANY

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

“**RESOLVED THAT** pursuant to the provisions under Section 196, 197, 198, Schedule V as applicable and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as “the Act”) including any statutory amendments, modifications or re-enactment thereof and subject to such other requisite approvals, as may be required in this regard, the consent of the Shareholders be and is hereby accorded for the payment of remuneration within the maximum permissible remuneration as specified in Section II of Part II of Schedule V to the Companies Act, 2013 to Mr. Mukesh Goel, Managing Director of the Company for a further period of 1 (One) year of his tenure w.e.f. 12th August, 2018 on the terms and conditions as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company and as set out in the explanatory statement forming part of this resolution notwithstanding that the remuneration may exceed the limits prescribed in the provisions of Section 197, 198 and within the limits prescribed under Schedule V to the Companies Act, 2013 in case of no profits/inadequate profits.

**RESOLVED FURTHER THAT** the remuneration as set out in the explanatory statement forming part of this resolution payable to Mr. Mukesh Goel, Managing Director for a period of 1 (One) year w.e.f. 12th August, 2018 is subject to the condition that:

- a. the total remuneration payable in any financial year by way of salary, perquisites, commission and other allowances shall not exceed the overall limit of five percent (5%) of the net profits of the Company as applicable to each of the Managing/Whole time Directors of the Company and/or ten percent (10%) of the net profits of the Company for all Managing/ Whole-time Directors in accordance with the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V including any statutory amendments, modifications or re-enactment thereof, as may be made thereto and for the time being in force or;
- b. if the Remuneration exceeds the limits as prescribed in the provisions of Section 197, 198 of the Companies Act, 2013, the remuneration payable shall be within the maximum permissible limits specified under Section II of Part II of Schedule V to the Companies Act, 2013 without obtaining the approval of the Central Government in case of no profits/inadequate profits.

**“RESOLVED FURTHER THAT** notwithstanding anything contained in Section 197, 198 and Schedule V of the Companies Act, 2013 or any amendment/re-enactment thereof or any revised/new schedule thereof, in the event of absence of profits or inadequate profits in any financial year, the salary, perquisites and statutory benefits, as set out in the explanatory statement forming part of this resolution be paid as minimum remuneration to Mr. Mukesh Goel, Managing Director.

**RESOLVED FURTHER THAT** the any of the Directors or Company Secretary of the Company be and is hereby authorized to do all such acts, deeds and things, to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit.”

**For Anchal Ispat Limited**  
**Sd/-**  
**Neha Sharma**  
**Company Secretary**  
**(ACS-52532)**

Date: 14th day of August, 2018  
Place: Howrah

## 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 THAT 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 COMMENCEMENT OF 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 Saturday, September 15, 2018 to Friday, September 21, 2018 (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. The Non-Resident Indian Shareholders are requested to inform the Company immediately about:

- a. The change in residential status on return to India, for permanent settlement.
- b. The particulars of NRO Bank Account in India, if not furnished earlier.
7. The change in address , nomination, etc, if any, to be effective must reach to the Registrar & Transfer Agent or the Registered Office of the Company by 14 September, 2018, (relevant forms for nomination and updation of Shareholders information are enclosed at the end of Annual Report.
8. Members seeking any further clarification /information relating to the Annual Financial Statements are requested to write at the Registered Office of the Company atleast one week before the date of the meeting i.e on or before 14th September, 2018 to enable the management to keep the information ready at the meeting.
9. 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.
10. The Companies Act, 2013 and SEBI Listing Regulations permits Companies to send soft copies of the Annual Report to all the shareholders who have registered their email address with the Company/depository participant(s).To support this green initiative the shareholders holding shares both in physical/demat form are requested to register/update their email address with the company/ depository participant(s). Accordingly, the Annual Report for the financial year ended 31st March, 2018, Notice for Annual General Meeting are being sent in electronic mode to those shareholders who have registered their e-mail address with the Company/ depository participant(s).For the shareholders who have not opted for the above, the same are being sent in physical form.
11. 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.
12. 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.
13. 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.
14. 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).
15. 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 Friday, September 14, 2018 and as per the Register of Members of the Company.
16. 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., Friday, September 14, 2018, 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).
17. 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.
18. The remote e-voting period commences on 18th September, 2018 (9:00 am IST) and ends on 20th September, 2018 (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 14th September, 2018, 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.

19. Abridged and full version of the Annual Reports will also be available under the Investor section on the website of the Company: [www.aanchalisp.com](http://www.aanchalisp.com)
20. 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.

**21. 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.

**22. E- Voting :**

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.com> / either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsd.com> / with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical

|    |   |  |
|----|---|--|
| a) | For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.   |
| b) | For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is 2***** then your user ID is 12*****.   |
| c) | For Members holding shares in Physical Form.            | EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need enter the ‘initial password’ and the system will force you to change your password.
- c) How to retrieve your ‘initial password’?
  - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
  - (ii) If your email ID is not registered, your ‘initial password’ is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
  - a) Click on “[Forgot User Details/Password?](#)”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) [Physical User Reset Password?](#)” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

#### How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### General Guidelines for shareholders

1. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [manisha\\_saraf2007@yahoo.co.in](mailto:manisha_saraf2007@yahoo.co.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
4. 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).
5. 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 14th September, 2018.
6. 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. 14th September, 2018, 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.
7. 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.
8. 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.

9. Ms. Manisha Saraf, Practicing Company Secretary (Membership No. 7607, C.P 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.
10. 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.
11. 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.
12. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company i.e [www.aanchalispac.com](http://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.

**For Aanchal Ispat Limited**  
**Sd/-**  
**Neha Sharma**  
**Company Secretary**  
**(ACS-52532)**

Date: 14th day of August, 2018  
Place: Howrah

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

### **Item No. 4**

In accordance with the provisions of Section 152, 161 of the Companies Act, 2013 and Article 89 of Articles of Association of the Company, Mr. Vijay Srivastava was appointed as an additional director. Pursuant to Section 161 of the Companies Act, 2013 he holds office up to the date this Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing his candidatures for appointment as Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013. The Board feels that presence of Mr. Vijay Srivastava on the Board is desirable and would be beneficial to the company and hence recommend resolutions No. 4 for adoption. In terms of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Vijay Srivastava being eligible and offering himself for appointment, is proposed to be appointed as the Executive Director of the Company, liable to retire by rotation on the following terms and conditions:

- (i) Salary- Rs. 7,20,000 p.a.
- (ii) Medical Reimbursement- Actual expenses incurred for the Director and his family.
- (iii) Gratuity- Gratuity payable shall be in accordance with the provisions of payment of Gratuity Act, 1972

In the opinion of the Board, Mr. Vijay Srivastava fulfils the conditions specified in the Companies Act, 2013, and rules made there under for his appointment as an Executive Director of the Company.

Except Ms. Vijay Srivastava being an appointee 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 Special Resolution set out at Item No. 4 for the approval of Members.

### **Item No.5**

As per the provisions of Section 149(4) of the Companies Act, 2013, every listed company shall have at least 1/3rd of its total number of directors as independent directors and further such classes of company as prescribed in Section 149(1)(b) of the Companies Act, 2013 shall have atleast one woman director. Section 149(6) of the said Act lays down the criteria for independence. Ms. Nilu Nigania, non-executive director of the Company has furnished declarations to the Company under Section 149(7) of the Companies Act, 2013, confirming that she meets the criteria prescribed for independent directors under Section 149(6) of the said Act.

In the opinion of the Board she is a person of integrity, possess the relevant expertise and experience, fulfill the conditions specified in the said Act and the rules made there under and is independent of the management of the Company. In terms of Section 149 of the Companies Act, 2013, an independent director shall hold office for two terms of up to 5 consecutive years each on the board of a company, but shall be eligible for re-appointment on passing of a Ordinary resolution by the company and disclosure of the same in the Directors' report. Further, in terms of Section 149(13) of the said Act, independent directors are not liable to retire by rotation.

Accordingly, the Board on recommendation of the Nomination & Remuneration Committee proposes to appoint Ms. Nilu Nigania as Independent Directors of the Company for a period of 5 years with effect from the Meeting dated August, 14, 2018,, as set out at Item Nos. 5 of this Notice. Upon the confirmation of the appointment of Ms. Nilu Nigania as Independent Directors by the Members of the Company, the appointment shall be formalised by the issue of a letter of appointment by the Company to her.

Except Ms. Nilu Nigania, the appointee 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. 5 for the approval of Members.

### **Item No.6**

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, 2019. 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. 6 for the approval of Members.

#### Item No. 7

Mr. Mukesh Goel, aged 40 years is presently designated as Managing Director of the Company. He is a Commerce Graduate from University of Calcutta. He has been affiliated with the Company as a member of the Board of Directors since 2009 and from then the Company has been taking the advantage of his guidance and supervision since 2009, the Company is growing its turnover on continuous basis and posting net profits. Because of his sustained efforts, the Company has sustained a growth pattern and has achieved success in creating a brand image in the Iron & Steel Industry. He has wholesome exposure on all aspects of business of the Company and is engaged in supervision & conduct of business of all the areas of Company, along with a team of senior management personnel, who assist him in carrying out his activities, subject to the overall supervision & control of the Board.

Mr. Mukesh Goel is also the non-executive Director of Aanchal Cement Limited (Public Limited Company) from where he is doesn't draw any remuneration. During the financial year 2017-18, 5 (Five) meetings of the Board of Directors had been held and all the meetings were attended by Mr. Mukesh Goel. As on 31 March, 2018, he holds 19,94,850 (9.57%) equity shares in the Company.

Mr. Mukesh Goel is not a member in any of the committees of the Board of Directors of the Company. He was appointed as the Managing director of the Company w.e.f. August 12, 2014, and his last drawn remuneration was Rs. 10 Lacs p.a

The Board of Directors of the Company in its meeting held on 30 May, 2018 approved the payment of remuneration to Mr. Mukesh Goel, Managing Director for the remaining period of 1(One) year of his tenure w.e.f. August 12, 2018 as recommended by the Nomination and Remuneration Committee in its meeting held on 30 May, 2018 in terms of Section 197, 198, Schedule V and any other applicable provisions of the Companies Act, 2013, at the terms and conditions as set out below:

| Sl. No. | Particulars                         | Description   |
|---------|-------------------------------------|---|
| 1.      | Salary                              | Rs 15,00,000/- per annum (Rs. 1,25,000 p.m)   |
| 2.      | Entertainment Allowance             | Reimbursement of Rs 1,20,000/- p.a. inclusive of entrance fees/subscription fees etc. for two clubs                                       |
| 3.      | Subscription to Newspapers/Journals | As may be required by the MD.   |
| 4.      | Gratuity                            | Gratuity payable shall be in accordance with the provisions of payment of Gratuity Act, 1972  |
| 5.      | Medical Aid                         | Medical Aid: Reimbursement of Medical Expenses for self and dependent family upto Rs. 1,00,000 p.a. on declaration basis                  |
|         |                                     | Hospitalisation Scheme-Reimbursement of hospitalization charges to the extent of 100% in the case of MD and his dependent family members. |
|         |                                     | OR  |
|         |                                     | Health Insurance Floater Policy for self and family dependents for Rs 20 Lacs.  |
| 6.      | Personal Accident Insurance Cover   | Personal Accident Insurance Cover upto Rs 20,00,000/- for journey by Air/Road/Rail for official purposes                                  |

Further, pursuant to the provisions of Sections 117(3), 197, Schedule V as applicable and other applicable provisions, if any, of the Companies Act, 2013, the said terms & conditions of remuneration shall be placed for the approval of the Shareholders in the Annual General Meeting.

Except Mr. Mukesh Goel, himself, none other Directors or Key managerial Personnel and their relatives, are concerned or interested (financially or otherwise), in the resolution.

Therefore, the Board of Directors of your Company recommends the passing of Special Resolution as set out at Item No. 07 of the Notice.

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>  | <b>Mr. Vijay Srivastava</b>   | <b>Ms. Nilu Nigania</b>   |
|--|--|---|---|
| Directors Identification Number (DIN)  | <b>00554986</b>  | <b>03618949</b>   | <b>08203037</b>   |
| Date of Birth  | <b>18/06/1980</b>  | <b>18/10/1970</b>   | <b>18/01/1990</b>   |
| Original date of appointment   | September 3, 2014  | August 14, 2018   | August 14, 2018   |
| Qualifications   | Mr. Manoj Goel, 38 years, Non-Executive Director of our Company has done Bachelors in Commerce from Calcutta University.                               | Mr. Vijay Srivastava, 47 years, Executive Director of our Company, is Commerce Graduate and holding a Master degree in MCA and M. tech as well.   | Ms. Nilu Nigania, 28 years, Independent Director of our Company, is a graduate in Commerce, Company Secretary, and have done LLB. She is an associate member of the Institute of Company Secretaries of India |
| Experience and expertise in specific functional area                         | He has an experience of over 13 Years in Iron & Steel Industry. He started his career in Iron & Steel Trading and was involved in trading of the same. | He is having an experience of about 15 years in Rolling Mill Industry and Project Management. He has worked with Vishwaroopa Group and has also been Centre Manager for Aptech Computer Education & informatics. He has also been guest faculty at BIT, Meshra (Jharkand) and Government Polytechnic, Ranchi. | She has an experience of over 2 years in Secretarial and Company Law matters. Currently she is associated with a renowned Practising CS Firm of Kolkata.  |
| Shareholding in Aanchal Ispat Limited  | <b>1716900 Equity Shares</b>   | <b>NIL</b>  | <b>NIL</b>  |
| Remuneration last drawn  | <b>N.A</b>   | <b>N.A</b>  | <b>N.A</b>  |
| Terms and conditions of re-appointment and remuneration                      | As per the Nomination & Remuneration Policy of the Company.  | As per the Nomination & Remuneration Policy of the Company.   | As per the Nomination & Remuneration Policy of the Company.   |
| Relationship with other Directors or KMPs                                    | <b>Brother to Mr. Mukesh Goel (Managing Director)</b>  | <b>None</b>   | <b>None</b>   |
| Directorships held in other public companies in India                        | <b>4</b>   | <b>None</b>   | <b>None</b>   |
| Membership / Chairmanship of committees in public limited companies in India | <b>Membership – 3<br/>Chairmanship – Nil</b>   | <b>Membership – Nil<br/>Chairmanship – Nil</b>  | <b>Membership – NIL<br/>Chairmanship – Nil</b>  |

For Aanchal Ispat Limited  
Sd/-  
**Neha Sharma**  
Company Secretary  
(ACS-52532)

Date: 14th day of August, 2018  
Place: Howrah



**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.      | To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March 2018, the statement of Profit and Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon and the Report on Secretarial Audit. (Ordinary Resolution) |           |         |
| 2.      | To appoint a Director in place of Mr. Manoj Goel (DIN: 00554986), who retires by rotation and being eligible, offers himself for re-appointment. (Ordinary Resolution)   |           |         |
| 3.      | To ratify appointment of M/s. Raj Chandra & Associates as Statutory Auditors (Ordinary Resolution)   |           |         |
| 4.      | To regularize the appointment of Mr. Vijay Srivastava (DIN: 03618949) as the Executive Director of the Company and to fix his remuneration(Special Resolution)   |           |         |
| 5.      | To regularize the appointment of Ms. Nilu Nigania (DIN: 08203037) as the Independent Director (Ordinary Resolution)  |           |         |
| 6.      | Ratification of Remuneration payable to M/S A.S Associates, the Cost Auditor of the Company for the Financial Year 2018-2019 (Ordinary Resolution)   |           |         |
| 7.      | To ratify the increase in remuneration payable to Mr. Mukesh Goel (Din: 00555061), Managing Director of the company (Special Resolution)   |           |         |

\* Applicable for investors holding shares in Electronic form.

Signed this \_\_\_ day of \_\_\_ 20\_\_

Signature of Shareholder

Signature of Proxy holder

Signature of the shareholder  
across Revenue Stamp

Affix  
Re.1 Revenue  
Stamp

**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

CIN: L27106WB1996PLC076866

Mouza-Chamarail, NH-6, Liluah, Howrah-711 114, WB

Email: info@aanchalispac.com, Tel: 03212-246121, Website: www.aanchalispac.com

### ATTENDANCE SLIP

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

23rd Annual General Meeting on: Friday, 21st day of September, 2018

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 23rd Annual General Meeting of **Aanchal Ispat Limited, at Hotel Oasis, National Highway 6, Kona Expressway, Post : Chamrail, P.S : Liluah, Howrah - 711114, on Friday, the 21st of September, 2018 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.

#### ELECTRONIC VOTING PARTICULARS

|                                   |        |
|-----------------------------------|--------|
| Electronic Voting Sequence Number | 109392 |
|-----------------------------------|--------|



## AANCHAL ISPAT LIMITED

CIN: L27106WB1996PLC076866

Mouza-Chamarail, NH-6, Liluah, Howrah-711 114, WB

Email: [info@aanchalispac.com](mailto:info@aanchalispac.com), Tel: 03212-246121, Website: [www.aanchalispac.com](http://www.aanchalispac.com)

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/-

**Neha Sharma**

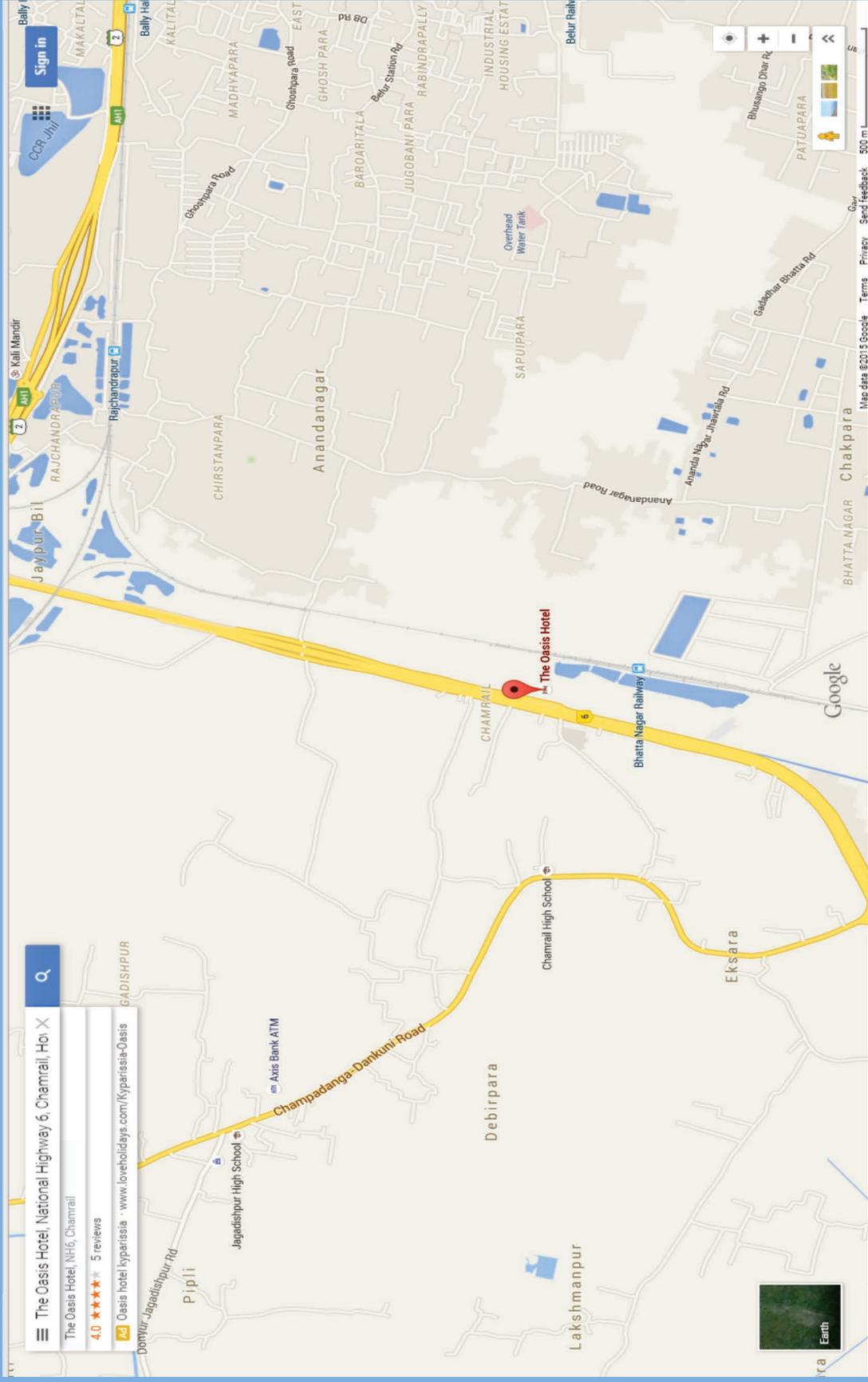
(Company Secretary)







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





## **Aanchal Ispat Limited**

*Registered Office*

National Highway No.6, J.L. No.5, Mouza Chamrail,  
Howrah 711114. Phone : 033 22510128/23230052

CIN : L27106WB1996PLC076866

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