

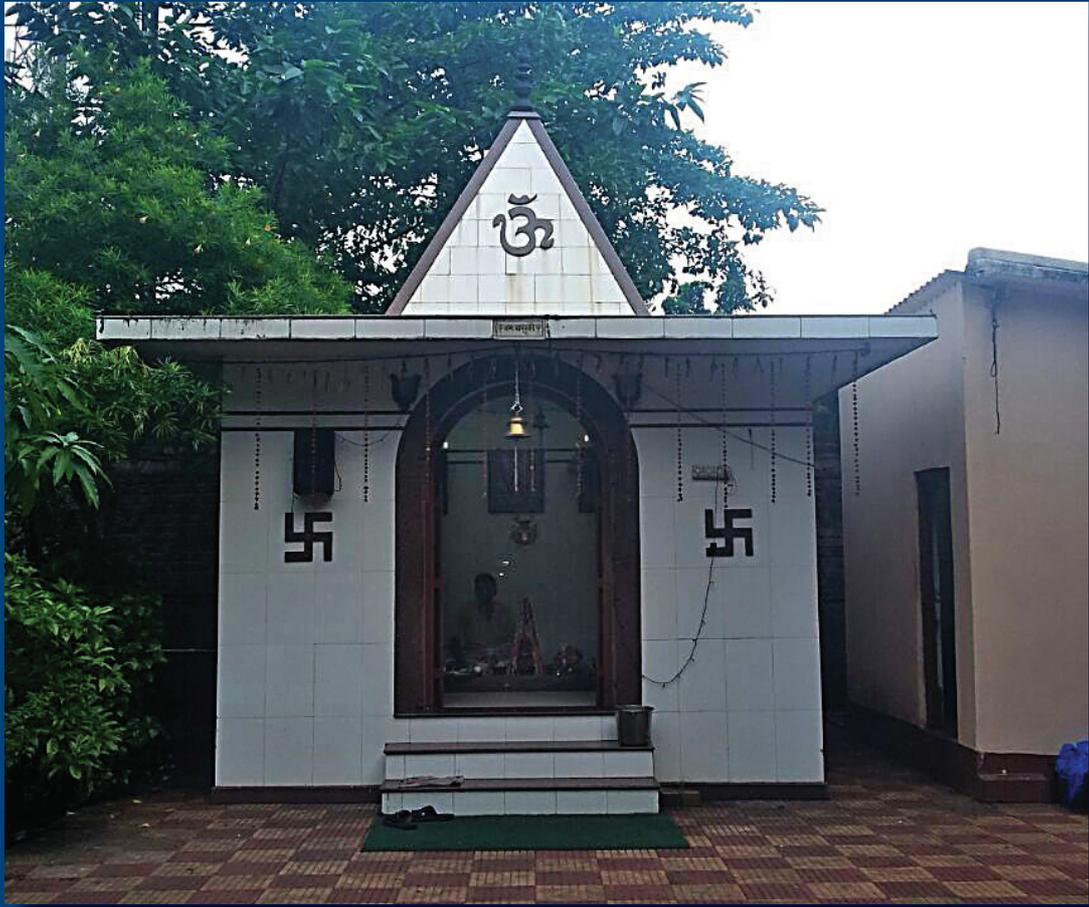


AANCHAL ISPAT LIMITED
An ISO 9001 : 2008 Company

Build today, for tomorrow...



2015 - 2016
Annual Report





NO ADMISSION WITHOUT PERMISSION.
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अनुमति बिना प्रवेश नकरने ना.

AANCHAL ISPAT LIMITED
N.H: 6 , CHAMRAIL & HOWRAH - 711114.
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AANCHAL ISPAT LIMITED

CIN : L27106WB1996PLC076866

Corporate Information

BOARD OF DIRECTORS:

- Mr. Mukesh Goel - Chairman & Managing Director
- Mr. Manoj Goel - Non-executive Director
- Mr. Sudhir Kr. Budhia - Independent Director
- Mr. Mukesh Agarwal - Independent Director
- Ms. Preetee Agarwal - Independent Director

CHIEF FINANCIAL OFFICER

Mr. Amit Sarawgi

COMPANY SECRETARY

Ms. Priyanka Bhauwala

STATUTORY AUDITOR

M/s Rajesh Mohan & Associates
Chartered Accountants
Unit 18, 5th Floor, Bagati House
34, Ganesh Chandra Avenue
Kolkata- 700 013

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@aanchalisp.com

BANKERS

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

REGISTRAR & TRANSFER AGENT

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

BOARD REPORT

To the Members,
AANCHAL ISPAT LIMITED.

Your Directors have pleasure in submitting their 21st Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2016.

1. FINANCIAL RESULTS

The Company's financial performance for the year ended 31st March, 2016 is summarised below:

Financial Summary or performance of the company:

(in Rs/-)

PARTICULARS	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015
Net Sales /Income from Business Operations	2,26,66,27,846	19067,53,739
Other Income	1,12,48,378	6,06,535
Total Income (EBITDA)	2277,876,224	19073,60,274
Less Interest	4,94,53,568	370,04,580
Profit before Depreciation (EBTDA)	1,99,12,296	129,71,401
Less Depreciation	52,47,964	63,86,003
Profit after depreciation and Interest (PBT)	1,46,64,332	65,85,398
Less Current Income Tax	24,30,909	32,85,655
Less Previous year adjustment of Income Tax ,	1,93,518	-
Less Deferred Tax	20,03,759	(5,58,340)
Net Profit after Tax (PAT)	1,00,36,146	38,58,083
Dividend (including Interim if any and final)	-	-
Net Profit after dividend and Tax	1,00,36,146	38,58,083
Amount transferred to General Reserve	-	-
Balance carried to Balance Sheet	1,00,36,146	38,58,083
Earnings per share (Basic)	0.48	0.19
Earnings per Share (Diluted)	0.48	0.19

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

Revenue from operations increased by 18.87% to Rs.226,66,27,846/- in 2015-16.

(Total Income) EBITDA increased by 19.42% to Rs.227,78,76,224/- in 2015-16

PBT increased by 122.67% to Rs.146,64,332/-.

PAT increased by 160.13% to Rs.100,36,446/-.

2. DIVIDEND

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

3. APPROPRIATIONS

During the current financial year 2015-16, no amount has been appropriated to General Reserve.

4. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint venture or Associate Company.

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

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

6. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

7. DEPOSITS

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

8. EXTRACT OF THE ANNUAL RETURN

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

9. NUMBER OF MEETINGS OF THE BOARD

The Board of Directors met 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.

10. DIRECTORS RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- (f) your Company has had laid down Internal Financial Controls and that such Internal Financial Controls are adequate and were operating effectively.

11. RELATED PARTY TRANSACTIONS

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

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

The Committee has formulated the Nomination and Remuneration Policy which broadly laid down the various principles of remuneration and covers the procedure for selection, appointment and compensation structure of Board members, Key Managerial Personnel (KMPs) and Senior Management Personnel (SMPs) of your Company. The said Policy is available on your Company's website

13. MATERIAL CHANGES AND COMMITMENT.

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

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

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

15. RISK MANAGEMENT POLICY

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

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

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

17. PERFORMANCE EVALUATION

The Nomination and Remuneration Committee (NRC) of your Company has formulated and laid down criteria for Performance Evaluation of the Board (including Committees) and every Director (including Independent Directors) pursuant to provisions of Section 134, Section 149 read with Code of Independent Directors (Schedule IV) and Section 178 of the Companies Act, 2013 and Listing Regulations.

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

During the year under review, the Independent Directors of your Company reviewed the performance of Non- Independent Directors and Chairperson of your Company, taking into account the views of Executive Directors and Non-Executive Directors and found the same satisfactory

18. DIRECTORS

Ms. Preetee Agarwal (DIN NO. 07344364) was appointed as Additional Director of the Company with effect from November 14, 2015 till the date of the ensuing AGM.

Further on recommendation of the Nomination & Remuneration Committee the board proposes to appoint Ms. Preetee Agarwal as an Independent Director. Items Seeking your approval on the same is included in the Notice convening the Annual General Meeting along with the brief resume of Ms. Preetee Agarwal.

Ms. Preetee Agarwal has given the required declaration under Companies Act, 2013 and Listing Regulations.

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

19. KEY MANAGERIAL PERSONNEL (KMPs)

In accordance with the provisions of Section 203 of the Companies Act, 2013 the following executives of the Company are whole-time Key Managerial Persons (KMPs) as on March 31, 2016

Name	Designation	Effective Date
Ms. Priyanka Bhauwala	Company Secretary	26.09.2015
Mr. Amit Sarawgi	Chief Financial Officer	14.11.2015

20. INTERNAL FINANCIAL CONTROLS

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

21. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

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

The Nomination and Remuneration Committee has affirmed that the remuneration is as per remuneration policy of the Company.

22. 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. During the year no complaint was filed before the said Committee

23. CORPORATE GOVERNANCE

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

24. COMPOSITION OF COMMITTEES

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

25. VIGIL MECHANISM

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

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

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

27. STATUTORY AUDITORS

M/s Rajesh Mohan and Associates were appointed as Statutory Auditors of the Company in the 20th Annual General Meeting held on 25.09.2015. Their continuance of appointment or otherwise and a payment of remuneration are to be confirmed and approved in the ensuing Annual General Meeting

28. AUDIT QUALIFICATIONS

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

29. SECRETARIAL AUDIT REPORT

Your Company appointed Ms. Manisha Saraf, member of The Institute of Company Secretaries of India (Membership No. FCS 7607 Certificate of Practice No. 8207 as the Secretarial Auditor of your Company for FY 2015-16 to conduct the Secretarial Audit pursuant to Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Secretarial Audit Report for the Financial Year 2015-16 forms a part of the Annual Report.

30. ACKNOWLEDGEMENT

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Kolkata
30th May, 2016

(Mukesh Goel)
Managing Director

Annexure I

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

A) CONSERVATION OF ENERGY:

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

B) TECHNOLOGY ABSORPTION:

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

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

	FY 2015-16 (Rs.)	FY 2014-15 (Rs.)
Foreign Exchange earned in terms of actual inflows	NIL	NIL
Foreign Exchange outgo in terms of actual outflows	NIL	NIL

Form No.MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2016

[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 contactd etails	MOUZA-CHAMRAIL NATIONAL HIGHWAY 6 LILUAH HOWRAH-711114, WEST BENGAL EMAIL ID- cs@aanchalispasat.com WEBSITE- www.aanchalispasat.com TEL- 033 - 22510128 / 23230052
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	PURVA SHAREGISTRY(INDIA) PVT. LTD. UNIT NO.9, SHIV SHAKTI IND. ESTT.J.R BORICHA MARG, OPP.KASTURBA HOSPITAL LANE LOWER PAREL(E) MUMBAI-400 011 TEL- 022- 23016761 / 23018261 ; EMAIL- busicomp@gmail.com WEBSITE- www.purvashare.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

(Allthebusinessactivitiescontributing10%ormoreofthetotal turnoverofthecompanyshallbestated):-

Sr. No.	Nameand Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	MANUFACTURING OF IRON & STEEL PRODUCTS	24311	65.11
2	TRADING OF CEMENT, CLINKER AND CHARCOAL	N.A	34.89

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	NameAndAddress OfThe Company	CIN/GLN	Holding / Subsidiary Associate	%of shares held	Applicable Section
1.	NIL	NIL	NIL	NIL	NIL

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

i. Category-wiseShareHolding

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	
A. Promoter									
1) Indian									
a) Individual/ HUF	38,01,750	-	38,01,750	18.23%	38,01,750	-	38,01,750	18.23%	0.00%
b) CentralGovt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp	9,048,000	-	9,048,000	43.39%	9,048,000	-	9,048,000	43.39%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any Other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total(A)(1):-	1,28,49,750		1,28,49,750	61.62%	1,28,49,750	-	1,28,49,750	61.62%	0.00%
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%
Sub-total(A)(2):-	-	-	-	0.00%	-	-	-	0.00%	0.00%
Total(A)	12,849,750	-	12,849,750	61.62%	12,849,750	-	12,849,750	61.62%	0.00%

B. Public Shareholding/Other than Promoters

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)	270,000	-	270,000	1.29%	-	-	-	0.00%	100.00%
Sub-total(B)(1)	270,000	-	270,000	1.29%	-	-	-	0.00%	100.00%
2. Non Institutions									
a) Bodies Corp.									
(i) Indian	1,572,000	-	1,572,000	7.54%	2,076,000	-	2,076,000	9.96%	32.06%
(ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Individuals									
(i) Individual share-holders holding nominal share capital upto Rs. 1 lakh	1,650,000	-	1,650,000	7.91%	1,584,000	6000	1,590,000	7.62%	-3.64%
(ii) Individual share-holders holding nominal share capital in excess of Rs 1 lakh	3,606,000	-	3,606,000	17.29%	3,510,000	-	3,510,000	16.83%	-2.66%
c) Others(Specify)									
Non Resident Indians	-	-	-	0.00%	-	-	-	0.00%	0.00%
Overseas Corporate Bodies	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Nationals	-	-	-	0.00%	-	-	-	0.00%	0.00%
Clearing Members									
Trusts	-	-	-	0.00%	18,000	-	18,000	0.09%	0.00%
HUF	9,06,000	-	9,06,000	4.34%	8,10,000	-	8,10,000	3.88%	-10.60%
Sub-total(B)(2)	7,734,000	-	7,734,000	37.09%	7,998,000	6,000	8,004,000	38.38%	3.49%
Total Public									
Shareholding (B) = (B)(1)+ (B)(2)	8,004,000	-	8,004,000	38.38%	7,998,000	6,000	8,004,000	38.38%	0.00%
C Shares held by Custodian for GDRs & ADRs	-	-	-	0.00%	-	-	-	0.00%	0.00%
Grand Total (A+B+C)	20,853,750	-	20,853,750	100.00%	20,847,750	6,000	20,853,750	100.00%	0.00%

ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in 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.	Mukesh Goel	1,994,850	9.57%	-	1,994,850	9.57%	-	0.00%
4.	Manoj Goel	1,716,900	8.23%	-	1,716,900	8.23%	-	0.00%
5.	Aanchal Cement Limited	180,000	0.86%	-	180,000	0.86%	-	0.00%
6.	Monika Goel	42,000	0.20%	-	42,000	0.20%	-	0.00%
7.	Rashmi Goel	33,000	0.16%	-	33,000	0.16%	-	0.00%
8.	Sitaram Goyal	15,000	0.07%	-	15,000	0.07%	-	0.00%
	Total	12,849,750	61.62%	-	12,849,750	61.62%	-	0.00%

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

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

iv. Shareholding Pattern of top ten Shareholders:

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

Sr. No.	For each of the Top 10 shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares	No. of shares	of total shares
1.	SWARAN FINANCIAL PVT LTD				
	At the beginning of the year	366,000	1.76%	366,000	1.76%
	Bought during the year	-	0.00%	366,000	1.76%
	Sold during the year	-	0.00%	366,000	1.76%
	At the end of the year	366,000	1.76%	366,000	1.76%
2.	REALSTEP AGENCIES PVT LTD				
	At the beginning of the year	-	0.00%	-	0.00%
	Bought during the year	354,000	1.70%	354,000	1.70%
	Sold during the year	-	0.00%	354,000	1.70%
	At the end of the year	354,000	1.70%	354,000	1.70%

3.	GUINNESS SECURITIES LTD.				
	At the beginning of the year	468,000	2.24%	468,000	2.24%
	Bought during the year	-	0.00%	468,000	2.24%
	Sold during the year	168,000	0.81%	300,000	1.44%
	At the end of the year	300,000	1.44%	300,000	1.44%
4.	YORK FINANCIAL SERVICES PVT. LTD.				
	At the beginning of the year	366,000	1.76%	366,000	1.76%
	Bought during the year	54,000	0.26%	420,000	2.01%
	Sold during the year	186,000	0.89%	234,000	1.12%
	At the end of the year	234,000	1.12%	234,000	1.12%
5.	DURGA ALLOY & STEEL PVT. LTD.				
	At the beginning of the year	-	0.00%	-	0.00%
	Bought during the year	156,000	0.75%	156,000	0.75%
	Sold during the year	-	0.00%	156,000	0.75%
	At the end of the year	156,000	0.75%	156,000	0.75%
	SHYAM SUNDER NEWAR				
	At the beginning of the year	156,000	0.75%	156,000	0.75%
	Bought during the year	-	0.00%	156,000	0.75%
	Sold during the year	-	0.00%	156,000	0.75%
	At the end of the year	156,000	0.75%	156,000	0.75%
6.	KHUSH ISPAT PVT. LTD.				
	At the beginning of the year	-	0.00%	-	0.00%
	Bought during the year	132,000	0.63%	132,000	0.63%
	Sold during the year	-	0.00%	132,000	0.63%
	At the end of the year	132,000	0.63%	132,000	0.63%
7.	SHREE KUMAR BANGUR				
	At the beginning of the year	108,000	0.52%	108,000	0.52%
	Bought during the year	-	0.00%	108,000	0.52%
	Sold during the year	-	0.00%	108,000	0.52%
	At the end of the year	108,000	0.52%	108,000	0.52%
8.	VENERA PROPERTY PVT. LTD.				
	At the beginning of the year	-	0.00%	-	0.00%
	Bought during the year	90,000	0.43%	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%

	KOWSHIK B M				
	At the beginning of the year	66,000	0.32%	66,000	0.32%
	Bought during the year	24,000	0.12%	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%
9.	ANIL KUMAR KHEMKA				
	At the beginning of the year	72,000	0.35%	72,000	0.35%
	Bought during the year	-	0.00%	72,000	0.35%
	Sold during the year	-	0.00%	72,000	0.35%
	At the end of the year	72,000	0.35%	72,000	0.35%
	ECAP EQUITIES LTD.				
	At the beginning of the year	72,000	0.35%	72,000	0.35%
	Bought during the year	-	0.00%	72,000	0.35%
	Sold during the year	-	0.00%	72,000	0.35%
	At the end of the year	72,000	0.35%	72,000	0.35%
10.	ADITI KHEMKA				
	At the beginning of the year	60,000	0.29%	60,000	0.29%
	Bought during the year	-	0.00%	60,000	0.29%
	Sold during the year	-	0.00%	60,000	0.29%
	At the end of the year	60,000	0.29%	60,000	0.29%
	NARAYAN LOHIA				
	At the beginning of the year	42,000	0.20%	42,000	0.20%
	Bought during the year	18,000	0.09%	60,000	0.29%
	Sold during the year	-	0.00%	60,000	0.29%
	At the end of the year	60,000	0.29%	60,000	0.29%

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 at the during the year	
		No. of shares	% of total shares	No. of shares	of total shares
1.	Mukesh Goel				
	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.	Manoj Goel				
	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.	Sudhir Kr Budhia				
	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.	Mukesh Agarwal				
	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.	Preetee Agarwal (Joined on 14.11.2015)				
	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.	Ritesh Shaw (Resigned on 26.09.2015)				
	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%
7.	Amit Sarawgi (Joined on 14.11.2015)				
	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.	Babita Kaur Bagga (Resigned on 26.09.2015)				
	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%
9.	Priyanka Bhauwala (Joined on 26.09.2015)				
	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%

V. INDEBTEDNESS

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

(Amount in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,790.69	-	-	2,790.69
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not	-	-	-	-
Total(i+ii+iii)	2,790.69	-	-	2,790.69
Change in Indebtedness during the financial year				
- Addition	7.25	182.00	-	189.25
- Reduction	299.18	-	-	299.18
Net Change	-291.93	182.00	-	-109.93
Indebtedness at the end of the financial year				
i) Principal Amount	2498.76	182.00	-	2680.76
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2498.76	182.00	-	2680.76

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SI. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (Rs/Lac)
		Mukesh Goel (Managing Director)	Manoj Goel	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	3.60	-	3.60
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify	- - -	- - -	- - -
5.	Others, please specify	-	-	-
6.	Total (A)	3.60	-	3.60
	Ceiling as per the Act	15.19	-	-

Remuneration to other directors:

SI. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount (Rs.)
1.	<u>Independent Directors</u> • Fee for attending board committee meetings • Commission • Others, please specify Total (1)	Sudhir Kumar Budhia 44,000 - - 44,000	Mukesh Agarwal 44,000 - - 44,000	Preetee Agarwal 22,100 - - 22,100	1,10,100 - - 1,10,100
2.	<u>Other Non-Executive Directors.</u> • Fee for attending board committee meetings • Commission • Others, please specify Total (2)	44,000 - - -	44,000 - - -	22,100 - - -	1,10,100 - - -
	Total (B) = (1+2)	44,000	44,000	22,100	1,10,100
	Total Managerial Remuneration Overall Ceiling as per the Act				

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

(AmtRs/Lacs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Babita Kaur Bagga (Company Secretary)	Ritesh Shaw (CFO)	Total
1.	Gross salary	—	1.44	2.00	-
	(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.	Total	—	1.44	2.00	

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Priyanka Bhauwala (Company Secretary)	Amit Sarawgi (CFO)	Total
1.	Gross salary	—	1.75	6.85	8.6
	(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 8.6		-	-	-
	- as % of profit		-	-	-
	- others, specify...		-	-	-
5.	Others, please specify		-	-	-
6.	Total	—	1.75	6.85	8.6

NOTE: Ms. Babita Kaur Bagga (CS) & Mr. Ritesh Shaw (CFO) resigned from their post on 26.09.2015.
Ms. Priyanka Bhauwala (CS) & Mr. Amit Sarawgi (CFO) joined the Company on 26.09.2015 and 14.11.2015 respectively.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the companies	Brief description Act	Details of Penalty/ Punishment/ Compounding	Authority [RD /NCLT/Court] fees imposed	Appeal made.
A. Company Penalty Punishment Compounding	NIL				
B. Directors Penalty Punishment Compounding	NIL				
C. Other Officers In Default Penalty Punishment Compounding	NIL				

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

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

To,
The Members,
AANCHAL ISPAT LIMITED
Mouza- Chamarail National Highway 6
Liluah
Howrah-711114

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

Based on my verification of the company's books, papers, minute books, 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, 2016 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, 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, 2016 according to the provisions of:

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

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

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- (vi) We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The sector specific and other list of head/groups of general Acts, Laws and Regulations as applicable to the Company is given in **Annexure II**.

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

1. Secretarial Standards issued by The Institute of Company Secretaries of India.
2. The Listing Agreements entered into by the Company with Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below, *however the same pertaining to the previous financial years*

Statute Name	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Remarks (if any)
The Central Excise Act, 1944	Excise Duty	Rs. 10,486,754/-	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/-)
Income Tax Act, 1961	Income Tax	Rs. 19,278,200/-	FY 2011-12	Appeal filed by the company on 16.04.2015 before CIT(A)-1, Kolkata
The Central Sales Tax Act, 1956	CST	Rs. 6,789,194/-	FY 2012-13	Appeal filed by the company on 07/12/2015 before Senior Joint Commissioner, Haora Circle
Income Tax Act, 1961	Income Tax	Rs. 3,233,690/-	FY 2012-13	Appeal filed by the company on 04.04.2016 before CIT(A)-1, Kolkata
West Bengal Value Added Tax Act, 2003	VAT	Rs. 25,227,448/-	FY 2012-13	Appeal filed by the company on 07/12/2015 before Senior Joint Commissioner, Haora Circle

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

Place : KOLKATA

Date : 28th day of May, 2016

Signature:

Manisha Saraf
Company Secretary in Practice
FCS: 7607
C P No.: 8207

ANNEXURE-I

List of documents verified

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the financial year ended 31st March, 2016.
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 299 of the Companies Act, 1956 and 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
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

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Steel Industry in India:

The liberalization of Industrial policy and other initiatives taken by the Government have given a definite impetus for entry, participation and growth of the private sector in the steel industry. While the existing units are being modernized/expanded, a large number of steel plants have also come up in different parts of the country based on modern, cost effective, state-of-the art technologies. In the last few years, the rapid and stable growth of the demand side has also prompted domestic entrepreneurs to set up fresh Greenfield projects in different states of the country. The foreign technologies generally add life to the plant and production units, which ultimately lead to the country's growth.

Crude steel production reached 89.4 MT in F.Y 2015-16 and India, which emerged as the 3rd largest producer of crude steel in the world in F.Y/ 2015 as per ranking released by WSA, has to its credit, the capability to produce a variety of grades and that too, of international quality standards.

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. In FY 2015, India's per capita consumption of steel was 60 kg, which is close to one fourth of the international average, indicating strong growth opportunity. National Mineral Development Corporation is expected to increase the iron ore production 75 MTPA until 2021 indicating new opportunities in the sector.

Total finished steel production in India has increased at a CAGR of 7.45 per cent over FY11-15. The country has become the third largest crude steel producer in FY 2015, as large public and private sector players strengthen steel production capacity in view of rising demand. Moreover, capacity is also expected to increase from 100 million tonnes (MT) to 112.5 MT by FY 2017 while in the coming 10 years the country is anticipated to produce 300 MT of steel

The country is expected to become the 2nd largest producer of crude steel in the world soon, provided all requirements for creation of fresh capacity are adequately met.

Global Steel Industry:

World crude steel production reached 1,621 million tonnes (Mt) for the Financial Year 2015-2016, down by 2.9% compared to Financial Year 2014-2015.

China remained the world's largest crude steel producer in **FY 2016** and accounted for 44.8% of the global market for steel (by volume), compared to 45.9% in **FY 2015**.

China remained the world's largest crude steel producer in FY 2016(804 MT) followed by Japan (105.2 MT),the USA (78.8 MT) and India(89.4 MT). India was advanced to third position as against the fourth position,in world ranking on this count, in the year **FY 2016**.

Opportunities & Threats:

With an accelerated push from the policies proposed by the Government regarding Steel intensive segments such as Infrastructure, capital goods and constructions, India is all set to become the 2nd largest Steel consumer in the world in the next 4 – 5 years. Also there is a high potential for improving product quality and reducing cost through operational efficiency.

Raw material costs form a significant portion of the steel making cost. India has adequate reserves of high quality Iron ore giving steel manufacturers in India a price advantage. Competitive labour costs in India allow steel producers a distinct advantage. Globally, labour constitutes approximately 8-10% of the total cost of making and selling steel. We seek to leverage this advantageous position and strengthen our status as a low-cost producer of steel, with quality.

Competition in Steel industry is escalating and technological changes will spur or drag the forward march of individual units in steel industry. Supply side could also be an issue in next few years because of increase in production capacity by steel industry in India and expression of interest by foreign companies to set up new steel making units. However, coming years are also going to witness substantial additions particularly in the Asian regions. The Company's thrust on improving productivity and reducing cost of production will, in such a scenario, help in forging ahead in globally competitive environment.

Business Overview:

The company is engaged in manufacturing TMT Bars and MS Rounds/angular, which have a growing demand from Infrastructure Companies, Machinery Manufacturers, and various other Engineering Industries. The long established relationships with esteemed buyers from these sectors and the continued emphasis of the Company on meeting the growing market demands has increased and enriched the Company's product mix and sales turnover during the FY 2015-16.

Recovery in steel demand in developed markets is in progress, but the strong growth in steel demand in our country and in emerging markets will continue, fuelled by growing demand from infrastructure, construction and automotive end-users. The company has always explored the possibility and enhancing of the doing business but did not find good opportunities, in exports, and hence decided to wait till right opportunity emerges.

Risk Management:

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

Internal Control System & Adequacy:

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

The internal audit focuses on compliance as well as on robustness of various business processes. A feedback on non-conformities along with recommendation for process improvements is directly provided to the top management of the Company. Compliance on audit findings and tracking of process improvements is regularly carried out.

Financial performance with respect to operation performance and Outlook

Your Company is engaged in manufacture of Steel (TMT Bars/MS Rounds/Angulars etc).

The revenue from operations of your Company for the year ended 31st March, 2016 is Rs. 226.66 Crores which is about 19% higher than the revenue from operation of the corresponding previous year (Rs. 190.74crores). The Profit after Tax (PAT) also shown similar growth and stood at Rs. 1.00 Crores as against the previous year figure of Rs 0.39 Crores. Operational efficiency and growth in sales turnover, had, thus positive effect on the Top Line and Bottom Line of the company during the financial year 2015-16. Your company is hopeful of sustain and surpassing the growth rate posted in the yester year and intend to become a key player in its segment by leveraging the opportunities thrown open to this sector.

Human Resource Management & Industrial Relations

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

Cautionary Statement

Statements in this Management discussion and Analysis describing the company's objectives and expectations may be *forward looking* within the meaning of applicable laws and regulations. Actual results may differ from these expressed or implied. Factors such as global economy, political stability, changes in government regulations, economic developments and any other internal factors could make a difference. Except as required by the law, the company does not undertake to update any forward-looking statements to reflect future events or circumstances.

REPORT ON CORPORATE GOVERNANCE

SEBI vide its notification No. SEBI/LAD-NRO/GN/2015-16/013 dated 2 September 2015 notified the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as 'SEBI Listing Regulations, 2015'), which were made applicable with effect from 1 December 2015, and repealed the erstwhile Listing Agreement with the stock exchanges.

(Pursuant to Schedule V Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015)

1. CORPORATE GOVERNANCE

Sound Corporate Governance practices are guided by culture, conscience and mindset of an organization and are based on principles of openness, fairness, professionalism, transparency and accountability with an aim to build confidence of its various stakeholders and paving way for its long-term success. Achievement of excellence in good Corporate Governance practices requires continuous efforts and focus on its resources, strengths and strategies towards ensuring fairness and transparency in all its dealings with its stakeholders including society at large

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

At Aanchal Ispat Limited, corporate governance has always been a focal point of attention with emphasis on the complete well-being of all constituents. Good corporate governance encompasses law, procedures, practices and implicit rules that determine the management's ability to take sound and informed business decisions vis-à-vis all its stakeholders i.e. shareholders, creditors, employees and the state. Ethical dealings, transparency, fairness, disclosure and accountability are the main thrust to the working of the Aanchal Ispat Limited. The Board of Directors of your Company is responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a pivotal role in overseeing how the management serves the short and long term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. We keep our governance practices under continuous review and benchmark ourselves to the best practices across the globe.

2. BOARD OF DIRECTORS

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

Composition

As on 31 March 2016, the Board of the Company consisted of 5 directors, of whom one was executive (Managing Director : ED), another 4 were Non-Executive : NED, including 3 were Independent Directors : ID (including one woman director)

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

Composition of the Board and Directorships held as on 31st March, 2016.

Name of the Director	Category	All companies World wide(1)	Board Committees		Attendance	
			Chairman-ship	Member-ship	Board Meeting	AGM
Mr. Mukesh Goel (Managing Director)	Promoter & Executive	10	NIL	NIL	5	YES
Mr. Manoj Goel	Promoter & Non-Executive	10	NIL	3	5	YES
Mr. Sudhir Kumar Budhia	Non-Executive & Independent	2	1	3	4	YES
Mr. Mukesh Agarwal	Non-Executive & Independent	1	2	3	4	YES
Ms. Preetee Agarwal	Non-Executive & Independent	1	NIL	NIL	1	NO

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

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

Meetings Number and dates of Board held during the financial year 2015-16

The Board met five times, viz. 30 May 2015, 19 August 2015, 14 November 2015, 23 November 2015 and 12 March 2016. The gap between any two meetings has been less than one hundred and twenty days.

SI. No	Date of Board Meeting	Total strength of the Board	No. of Directors present
1	May 30, 2015	4	3
2	August 19, 2015	4	3
3	November 14, 2015	4	4
4	November 23, 2015	5	4
5	March 12, 2016	5	5

Independent Directors' Meeting

In compliance with Schedule IV to the Companies Act, 2013 and regulation 25(3) of SEBI Listing Regulations, 2015, the independent directors held their separate meeting on 31st March 2016, without the attendance of non-independent directors and members of Management, to inter alia discuss the following:

- i) review the performance of non-independent directors and the Board as a whole;

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

All independent directors were present at the meeting.

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

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

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

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

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

Maximum tenure of independent directors

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

Formal letter of appointment to independent directors

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

Information supplied to the Board

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

In terms of quality and importance, the information supplied by Management to the Board of the Company is in line with the mandated under regulation 17(7) read with Part A of Schedule II to the SEBI Listing Regulations, 2015. As stated elsewhere, the independent directors of the Company at their meeting held on 31st March 2016 expressed satisfaction on the quality, quantity and timeliness of flow of information between the Company Management and the board that is necessary for the Board to effectively and reasonably perform their duties.

Familiarization programme for Independent Directors

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

3. AUDIT COMMITTEE :

The primary objective of the Audit Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Committee oversees the work carried out in the financial reporting process by the Management, the internal auditor, the statutory auditor and the cost auditor and notes the processes and safeguards employed by each of them.

The Company Secretary acts as the Secretary of the committee. The internal auditor reports functionally to the Audit Committee.

Four meetings of the Committee were held during the year ended March 31, 2016 i.e on May 27, 2015, August 19, 2015, November 14, 2015 and March 12, 2016.

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

Names of the Members	Category	No. of meetings attended
Mr. Sudhir Kumar Budhia (Chairman)	Non-Executive & Independent	4
Mr. Manoj Goel	Non-Executive & Non-Independent	4
Mr. Mukesh Agarwal	Non-Executive & Independent	4

4. NOMINATION AND REMUNERATION COMMITTEE:

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

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

Four meetings of the Committee were held during the year ended March 31, 2016 i.e on May 27 2015, August 19, 2015, November 14, 2015 and March 12, 2016.

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

Names of the Members	Category	No. of meetings attended
Mr. Mukesh Agarwal (Chairman)	Non-Executive & Independent	4
Mr. Manoj Goel	Non-Executive & Non-Independent	4
Mr. Sudhir Kumar Budhia	Non-Executive & Independent	4

5. Remuneration of Directors:

(Amount in Rs.)

Name of the Director	Salary	Perquisites and allow-ances	Performance Linked Incentive	Sitting Fees	Total	Stock options granted
Mr. Mukesh Goel	3,60,000	-	-	-	3,60,000	-
Mr. Manoj Goel	-	-	-	-	-	-
Mr. Sudhir Kumar Budhia	-	-	-	44,000	44,000	-
Mr. Mukesh Agarwal	-	-	-	44,000	44,000	-
Ms. Preetee Agarwal*	-	-	-	22,100	22,100	-

*Ms. Preetee Agarwal has joined the post of Directorship of the Company w.e.f 14th November, 2015.

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

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

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

As on March 31, 2016, the Committee comprises of 3 Directors, namely:

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

The Company Secretary acts as a Secretary to the Committee.

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

Investors' Complaints attended and resolved during 2015-16

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

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

Performance evaluation

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

Compliances regarding insider trading

The Company had in place a 'Code of Conduct for Prevention of Insider Trading and Corporate Disclosure Practices', in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended. These regulations have been substituted by SEBI with a new set of Regulations, which have come into effect from 15 May 2015.

Accordingly, the Board has approved and adopted,

- a) Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information; and
- b) Code of Conduct to Regulate, Monitor and Report Trading by its employees and other connected persons.

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

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

7. GENERAL BODY MEETINGS:

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

Year	Day, Date & Time	Venue	Special Resolution passed
2014-15	Friday, 25 th September, 2015	Oasis, National Highway-6, Kona Expressway, Post: Chamrail, P.S-Liluah, Howrah- 711323	NIL
2013-14	Friday, 5 th September, 2014 at 11.30 A.M.	National Highway-6, Mouza-Chamrail, Howrah-711 114	NIL
	1 st September, 2014, at 11.00 A.M (EGM)	National Highway-6, Mouza-Chamrail, Howrah-711 114	Resolution passed for appointment of Mr. Mukesh Agarwal as Independent Director.
	30 th July, 2014 at 11.00 A.M Howrah-711 114 (EGM)	National Highway-6, Mouza-Chamrail,	Resolution passed for the following purpose: 1. Bonus issue 2. conversion of company into a public company 3. Resolution passed for appointment of Mr.Sudhir Kumar Budhia as Independent Director
2012-13	24 th September,2013 at 1.00 P.M	National Highway-6, Mouza-Chamarail, Howrah-711 114	NIL

Auditors' certificate on corporate governance

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

POSTAL BALLOT

- A)** No Special Resolution was passed through postal ballot during the financial year 2014-15.
- B)** Proposed Business seeking migration from SME platform to Main Board of Bombay Stock Exchange Limited to be transacted at the ensuing Annual General Meeting requires passing of special resolution through postal ballot.

PROCEDURE FOR POSTAL BALLOT

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

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

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

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

REMOTE E-VOTING AND BALLOT VOTING AT THE AGM.

To allow the Shareholders to vote on the resolutions proposed at the AGM, the Company has arranged for a remote E-voting facility. The Company has engaged NSDL to provide E-voting facility to all the members. Members whose name appears on the Register of Members as on 21st September, 2016 shall be eligible to participate in the E-voting.

The facility for voting through ballot will also be made available at the AGM, and the members who have not already cast their vote by remote E-voting can exercise their vote at the AGM.

8. MEANS OF COMMUNICATION:

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

9. GENERAL SHAREHOLDER INFORMATION

i. AGM Details:

Date	28 th of September, 2016
Time	10.00 A.M
Venue	Hotel Oasis, National Highway 6, Kona Expressway, Post: Chamrail, P.S: Liluah, Howrah-711 114

ii. Financial Year

Financial Year- 1st April 2015 to 31st March, 2016.

iii. Dividend Payment Date:

No dividend was declared during the financial year 2015-2016.

iv. Listing on Stock Exchange and Stock Code:

Equity Shares BSE Limited (BSE) Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400 001
Scrip Code : 538812
ISIN No. : INE 322R01014

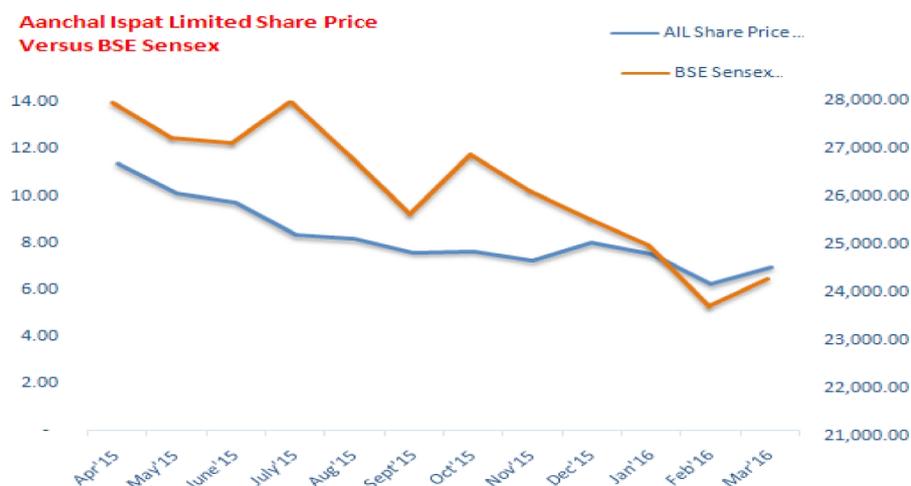
The annual listing fee for the year 2016-2017 has been paid to the above Stock Exchanges.

v. Stock Market Price Data-BSE

The monthly movement of Equity Share Price on BSE.

F.Y 2015-2016	Share Price (In Rs.)	
Months	High	Low
April	13.43	9.44
May	12.30	8.00
June	11.50	8.00
July	8.70	8.00
August	9.50	6.90
September	8.90	6.33
October	8.00	7.35
November	9.00	5.53
December	10.09	6.00
January	8.48	6.60
February	7.00	5.50
March	8.45	5.55

vi. Performance in comparison to broad based indices:



vii. Registrar and Share Transfer Agent and Share Transfer System

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

No. 9, Shiv Shakti Ind. Estate, Gr. Floor,
 J. R. Boricha Marg, Lower Parel,
 Mumbai-400 011
 Tel: +91 22 2301 6761/8261
 Fax: +91 22 2301 2517

Website: www.purvashare.com
 Email: busicomp@vsnl.com
 SEBI Regn No. INR000001112
 Contact Person: Mr. Rajesh Shah

viii. Share Transfer System

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

ix. Distribution of Shareholding and shareholding pattern as on 31st March 2016

Shareholding	Shareholders		Shares	
	Number	% of Total	Number	% of Total
Upto 500	-	-	-	-
501 to 1000	-	-	-	-
1001 to 2000	-	-	-	-
2001 to 3000	-	-	-	-
3001 to 4000	-	-	-	-
4001 to 5000	-	-	-	-
5001 to 10000	314	57.40	18780000	9.01
10001 and above	233	42.60	189757500	90.99
Grand Total	547	100.00	208537500	100.00

xi. Categories of Shareholders (as on 31st March, 2016)

Sl. No.	Description	No. of shares	Percentage of capital
I.	Promoter and Promoter group	12849750	61.62%
II	Public Shareholding	-	-
1.	Non-Institutions	-	-
a.	Bodies Corporate	2076000	9.96%
b.	Individuals	5100000	24.45%
c.	HUF	810000	3.88%
II.	Institutional.	-	-
d.	Market Maker -	-	-
e.	Non Resident Individual	-	-
f.	Clearing Member	18000	0.09%
	Sub-total	8004000	38.38
	Total (I) +(II)	20853750	100

xii. Dematerialization of shares and liquidity:-

Over 99.97 % of the shares have been dematerialized upto 31st March, 2016. Trading in Equity Shares of the Company is permitted only in dematerialized form. The shares of the Company are regularly traded at BSE.

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

Not Applicable

xiv. Commodity price risk or foreign exchange risk and hedging activities:

Not Applicable

xv. Plant Locations

National Highway-6,
Chamrail,
Howrah- 711 114.
Website: www.aanchalispac.com
Tel: +913212 246121 / Info@aanchalispac.com

xvi. Address For Correspondence

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

AANCHAL ISPAT LIMITED

SECRETARIAL DEPARTMENT
National Highway-6, Chamrail,
Howrah- 711 114.
Website :www.aanchalispac.com
Tel: +913212 246121
Email:cs@aanchalispac.com
Contact Person- Ms. Priyanka Bhauwala
Mobile No. +91 9007020924

Registrar and Share Transfer Agent

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

10. OTHER DISCLOSURES

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

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

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

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

There was no non-compliance by the Company of any legal requirements; nor has there been any penalty/stricture imposed on the Company by any stock exchange, SEBI or any statutory authority on any matter related to capital markets ,since the listing of company equity shares with SME platform of BSE.

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

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

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

The Company has complied with all mandatory requirements of Corporate Governance under the erstwhile clause 49 of the listing agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As regards the Non-Mandatory requirements they are complied with to the extent possible.

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

Not Applicable

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

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

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

Not Applicable

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

The Company has complied with the provisions of the erstwhile Listing Agreement. Information, certificates and returns as required under erstwhile Listing Agreement and are sent to the stock exchanges within the prescribed time.

The Company has complied with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

CERTIFICATE ON COMPLIANCE WITH CODE OF CONDUCT

This Code has been laid down with a view to promote good corporate governance and exemplary personal conduct and is applicable to all the Directors and Senior Managerial Personnel of the Company. This Code is also available on the website of the Company www.aanchalispac.com.

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

In terms of Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per 'affirmation of compliance' letters received from the Directors and the members of senior managerial personnel of the Company, I hereby declare that members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management during the financial year 2015-16."

For and on behalf of the Board

Date: - 30th May, 2016
Place: - Kolkata

Mukesh Goel
(Managing Director)

CFO CERTIFICATE

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

To,
The Board of Directors
Aanchal Ispat Limited

We hereby certify that we have reviewed the Financial Statements and the Cash Flow Statement for the financial year ended 31st March, 2016 and that to the best of our knowledge and belief:

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

30.05.2016

Kolkata

For, Aanchal Ispat Limited

Amit Sarawgi
(CFO)

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

**TO THE MEMBERS OF AANCHAL ISPAT LIMITED
(Formerly known as Vinita Projects Pvt. Ltd.)**

We have examined the compliance of conditions of Corporate Governance by Aanchal Ispat Limited ("the Company"), for the year ended on March 31, 2016, as stipulated in:

- Clause 49 (excluding clause 49(VII)(E)) of the Listing Agreements of the Company with stock exchange(s) for the period from 1st April, 2015 to 30th November, 2015.
- Clause 49(VII)(E) of the Listing Agreements of the Company with the stock exchange(s) for the period from 1st April, 2015 to 1st September, 2015.
- Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**the Listing Regulations**") for the period from 2nd September, 2015 to 31st March, 2016 and
- Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from 1st December, 2015 to 31st March, 2016.

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

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

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended 31st March, 2016.

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

For Rajesh Mohan & Associates
Firm Registration No. 323131E
Chartered Accountants

Place : Unit 18, 5th Floor, Bagati House,
34, Ganesh Chandra Avenue, Kolkata - 700 013.
Date : The 30th day of May, 2016.

[Rajesh Kumar Agrawal]
Partner
ICAI Membership No. 057271

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AANCHAL ISPAT LIMITED
(Formerly known as Vinita Projects Pvt. Ltd.)

Report on the Financial Statements

We have audited the accompanying financial statements of M/s AANCHAL ISPAT LIMITED ("the company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of balance Sheet, of the state of affairs of the Company as at 31st March, 2016;
- b) in the case of Statement of profit and Loss, of the profit for the year on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2016, ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 & 4 of the Order, to the extent applicable.
- 2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.(and proper returns adequate for the purposes of our audit have been received from the branches not visited by us);
 - c) The Balance Sheet and the Statement of Profit and Loss and the Cash flow statement dealt with by this report are in agreement with the books of account. (and the returns received from the branches not visited by us);
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of written representations received from the directors as on 31st March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, from being appointed as a director in terms of Section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) With respect to the other matters included in the Auditor's Report in accordance with rule 11 of the companies (audit and Auditors) Rules, 2014 and in our opinion 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. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.

Place : Unit 18, 5th Floor,
Bagati House,
34, Ganesh Chandra Avenue,
Kolkata - 700013

Date : The 30th day of May, 2016

For Rajesh Mohan & Associates
Firm Registration No. 323131E
Chartered Accountants

[Rajesh Kumar Agrawal]
Partner

ICAI Membership No. 057271

“ANNEXURE A” REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT TO THE MEMBERS OF AANCHAL ISPAT LIMITED (FORMELY KNOWN AS VINITA PROJECTS PVT. LTD.) OF EVEN DATE

- (i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
- (b) The fixed assets have been physically verified by the management at regular intervals. No material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the company.
- (ii) The Inventory has been physically verified during the year by the management. In our opinion the frequency of such verification is reasonable and no material discrepancies were noticed on verification between the physical stocks and with the book records.
- (iii) a) to (c) The company has not granted any loans, secured or unsecured to any companies, firms or other parties covered by clause (76) of Section 2 of the Companies Act, 2013, therefore the provisions of Clause 3 (iii) (a) to (iii) (c) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- (iv) 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.
- (v) The company has not accepted any deposits, therefore provisions of Clause 3(v) of the Companies (Auditor's Report) Order, 2016 are not applicable.
- (vi) The company has maintained books of account pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 of the Companies Act, 2013.
- (vii) (a) Undisputed statutory dues, including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, and any other statutory dues have not generally been regularly deposited with the appropriate authorities, though the delay in deposit have not been serious. The Income Tax demand of Rs. 3,479,173/- has been paid during the course of audit. The company has not paid advance income tax of Rs. 1,534,642/- for the year as and when the same became due. The company has also not paid service tax liability of Rs. 433,675/-.
- (b) According to the information and explanations given to us, following dues relating to income tax/sales tax/ service tax/ custom duty/excise duty have not been deposited on account of dispute:-

Statute Name	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending	Remarks (if any)
The Central Excise Act, 1944	Excise Duty	Rs. 10,486,754/-	FY 2007-08	Customs, Excise and Service Tax Appellate Tribunal	Appeal filed by the Company on 13.07.2012 before Customs Excise Service Tax Tribunal (The company has already deposited Rs. 2,500,000/-)
Income Tax Act, 1961	Income Tax	Rs. 19,278,200/-	FY 2011-12	CIT(A)-1, Kolkata	Appeal filed by the company on 16.04.2015 before CIT(A)-1, Kolkata
The Central Sales Tax Act, 1956	CST	Rs. 6,789,194/-	FY 2012-13	Senior Joint Commissioner, Haora Circle	Appeal filed by the company on 07/12/2015 before Senior Joint Commissioner, Haora Circle
Income Tax Act, 1961	Income Tax	Rs. 3,233,690/-	FY 2012-13	CIT(A)-1, Kolkata	Appeal filed by the company on 04.04.2016 before CIT(A)-1, Kolkata
West Bengal Value Added Tax Act, 2003	VAT	Rs. 25,227,448/-	FY 2012-13	Senior Joint Commissioner, Haora Circle	Appeal filed by the company on 07/12/2015 before Senior Joint Commissioner, Haora Circle

- (viii) The company has not defaulted in repayment of loans or borrowings to any bank, financial institution or debenture holders.
- (ix) The company has not raised any money by way of Initial public offer or further public offer (including debt instruments). According to the information and explanations given to us, the company had utilized the money raised by way of term loan during the year for the purpose for which they were raised.
- (x) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.
- (xi) The company has paid or provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act, 2013.
- (xii) The company is not a Nidhi company, therefore the provisions of Clause 3(xii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- (xiii) According to the information and explanations given to us, the company has entered into transactions with related parties during the year in accordance with section 177 and 188 of Companies Act, 2013 and details have been disclosed in the Financial Statements.
- (xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review, therefore the provisions of Clause 3(xiv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- (xv) According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him, therefore the provisions of Clause 3(xv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- (xvi) The company is not engaged in the business of financing activity which attracts the requirements of registration under section 45-IA of the Reserve Bank of India Act, 1934.

Place : Unit 18, 5th Floor, Bagati House,
34, Ganesh Chandra Avenue, Kolkata - 700013

For Rajesh Mohan & Associates
Firm Registration No. 323131E
Chartered Accountants

Date : The 30th day of May, 2016

[Rajesh Kumar Agrawal]
Partner
ICAI Membership No. 057271

**“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN
DATE ON THE FINANCIAL STATEMENT OF AANCHAL ISPAT LIMITED
(FORMELY KNOWN AS VINITA PROJECTS PVT. LTD.)**

**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 M/s AANCHAL ISPAT LIMITED (“the company”), as of 31st March, 2016, in conjunction with our audit of the standalone 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 judgement, 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 31st March, 2016 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.

Place : Unit 18, 5th Floor,
Bagati House,
34, Ganesh Chandra Avenue,
Kolkata - 700013

Date : The 30th day of May, 2016

For Rajesh Mohan & Associates
Firm Registration No. 323131E
Chartered Accountants

[Rajesh Kumar Agrawal]
Partner

ICAI Membership No. 057271

Balance Sheet as at 31st March, 2016

(Amount in Rs.)

Particulars	Note No.	As at 31st March, 2016	As at 31st March, 2015
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share Capital	3	208,537,500	208,537,500
(b) Reserves and Surplus	4	193,542,991	183,506,845
		402,080,491	392,044,345
2 Non - Current Liabilities			
(a) Long Term Borrowings	5	3,910,911	5,679,159
(b) Deferred Tax Liabilities (Net)		9,152,024	7,148,265
(c) Long Term Provisions	6	654,205	526,814
		13,717,140	13,354,238
3 Current liabilities			
(a) Short Term Borrowings	7	268,074,502	226,972,209
(b) Trade Payables	8	284,695,962	234,005,270
(c) Other Current Liabilities	9	36,637,557	18,513,919
(d) Short-term Provisions	10	21,895,492	21,032,580
		611,303,513	500,523,978
TOTAL		1,027,101,144	905,922,561
B ASSETS			
1 Non-current assets			
(a) Fixed Assets			
(i) Tangible Assets	11	70,189,923	58,592,782
(b) Long Term Loans and Advances	12	6,203,895	7,462,411
(c) Other Non Current Assets	13	10,400,000	24,000,000
		86,793,818	90,055,193
2 Current assets			
(a) Inventories	14	371,206,045	255,704,281
(b) Trade Receivables	15	489,822,586	538,650,421
(c) Cash and Cash Equivalents	16	41,475,287	3,102,951
(d) Short Term Loans and Advances	17	35,832,626	18,379,091
(e) Other Current Assets	18	1,970,782	30,623
		940,307,326	815,867,368
TOTAL		1,027,101,144	905,922,561
See accompanying notes forming part of the financial statements	1 - 35	-	-

In terms of our report attached.
For Rajesh Mohan & Associates
Firm Registration No: 323131E
Chartered Accountants

[Rajesh Kumar Agrawal]
Partner
ICAI Membership No. 057271

Place : Kolkata
Date : The 30th Day of May, 2016

For and on behalf of the Board of Directors
Mukesh Goel
Managing Director
[DIN-00555061]

Manoj Goel
Director
[DIN-00554986]

Amit Sarawagi [CFO]
Priyanka Bhauwala [Company Secretary]
Place : Kolkata
Date The 30th Day of May, 2016

Statement of Profit and Loss for the year ended 31st March, 2016
(Amount in Rs.)

Particulars	Note No.	For the year ended 31.03.2016	For the year ended 31.03.2015
1 Revenue From Operations	19	2,266,627,846	1,906,753,739
2 Other Income	20	11,248,378	842,922
3 Total revenue (1 + 2)		2,277,876,223	1,907,596,661
4 Expenses			
Cost of raw materials consumed	21	863,604,905	1,242,016,743
Changes in inventories	22	(153,258,378)	57,502,953
Purchase of Stock-in-Trade	23	1,335,028,487	465,866,862
Employee benefits expenses	24	7,485,882	6,314,008
Other Expenses	25	155,649,464	85,776,787
Total		2,208,510,360	1,857,477,354
5 Earning before interest, tax, depreciation and amortization (EBITDA) (3 - 4)		69,365,864	50,119,308
Depreciation and amortization expense	26	5,247,964	6,386,004
Finance Cost	27	49,453,568	37,147,906
6 Profit / (Loss) before tax		14,664,332	6,585,398
7 Tax expense:			
Current tax expense for current year		2,430,909	3,285,655
Current tax expense for earlier period		193,518	-
Deferred Tax	33	(46,738)	(558,340)
Deferred Tax Prior Period		2,050,497	-
		4,628,186	2,727,315
8 Profit / (Loss) for the year (6 - 7)		10,036,146	3,858,083
9 Earnings per share (of Rs. 10/- each):	34		
(a) Basic		0.48	0.19
(b) Diluted		0.48	0.19
See accompanying notes forming part of the financial statements	1 - 35		

For and on behalf of the Board of Directors

In terms of our report attached.
For Rajesh Mohan & Associates
Firm Registration No: 323131E
Chartered Accountants

Mukesh Goel
Managing Director
[DIN-00555061]

[Rajesh Kumar Agrawal]
Partner
ICAI Membership No. 057271

Manoj Goel
Director
[DIN-00554986]

Place : Kolkata
Date : The 30th Day of May, 2016

Amit Sarawagi [CFO]
Priyanka Bhauwala [Company Secretary]
Place : Kolkata
Date The 30th Day of May, 2016

Cash Flow Statement for the year ended 31st March, 2016

(Amount in Rs.)

Particulars	For the year ended 31-Mar-16		For the year ended 31-Mar-15	
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		14,664,332		6,585,398
<u>Adjustments for:</u>				
(Profit)/Loss on sale of Fixed Assets	180,615			
Depreciation and amortisation	5,247,964		6,386,004	
Finance costs	49,453,568		37,147,906	
Interest Income	(6,113,307)	48,768,839	(437,693)	43,096,217
Operating profit / (loss) before working capital changes		63,433,171		49,681,615
<u>Changes in working capital:</u>				
<u>Adjustments for (increase) / decrease in operating assets:</u>				
Long Term Loans & Advances	1,258,516		1,225,831	
Other Non Current Assets	-		-	
Inventories	(115,501,764)		3,986,138	
Trade receivables	48,827,835		(188,591,621)	
Short Term Loans & Advances	(17,166,199)		(5,717,618)	
Other current assets	(1,940,159)	(84,521,772)	(30,623)	(189,127,892)
<u>Adjustments for increase / (decrease) in operating liabilities:</u>				
Long Term Provisions	127,391		526,814	
Trade payables	50,690,692		89,202,824	
Other current liabilities	19,744,925		(2,272,802)	
Short-term provisions	(1,761,515)	68,801,493	(224,238)	87,232,599
Cash flow from extraordinary items				
Cash generated from operations		47,712,892		(52,213,678)
Net income tax (paid) / refunds		(287,335)		(4,164,387)
Net cash flow from / (used in) operating activities (A)		47,425,557		(56,378,064)
B. Cash flow from investing activities				
Interest Income Received		6,113,307		437,693
Sale of Fixed Assets		(17,025,719)		(8,680,262)
Bank balances not considered as Cash and cash equivalents		(31,000,000)		-
- Matures/(Placed)		13,600,000		(15,400,000)
Cash flow from extraordinary items		-		-
Net cash flow from / (used in) investing activities (B)		(28,312,412)		(23,642,569)
C. Cash flow from financing activities				
Proceeds from issue of Equity Shares (Incl. Premium)		-		160,080,000
Proceeds/(Repayment) of Long Term Borrowings		(3,389,535)		(22,783,562)
Proceeds/(Repayment) of Short Term Borrowings		41,102,292		(23,762,418)
Finance cost		(49,453,568)		(37,147,906)
Share Application Money Received		-		-

(Amount in Rs.)

Cash flow from extraordinary items	-	-
Net cash flow from / (used in) financing activities (C)	(11,740,811)	76,386,115
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	7,372,335	(3,634,519)
Cash and cash equivalents at the beginning of the year	3,102,951	6,737,471
Cash and cash equivalents at the end of the year	10,475,286	3,102,951
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 14)	41,475,287	3,102,951
Less: Bank balances not considered as Cash and cash equivalents*		
Deposit with original maturity of more than 12 months	31,000,000	-
Net Cash and cash equivalents included in Note 14*	10,475,287	3,102,951
Add: Current investments considered as part of Cash and cash equivalent		
Cash and cash equivalents at the end of the year *	10,475,287	3,102,951
* Comprises:		
(a) Cash on hand	478,876	256,414
(b) Balances with banks		
(i) In current accounts	145,748	395,221
(ii) In deposit accounts with original maturity of less than 12 months	9,850,663	2,451,316
	10,475,287	3,102,951

* As defined in AS 3 Cash Flow Statements

Notes:

- (i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.
- (ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.

See accompanying notes forming part of the financial statements

1 - 36

For and on behalf of the Board of Directors

In terms of our report attached.
For Rajesh Mohan & Associates
Firm Registration No: 323131E
Chartered Accountants

Mukesh Goel
Managing Director
[DIN-00555061]

[Rajesh Kumar Agrawal]
Partner
ICAI Membership No. 057271

Manoj Goel
Director
[DIN-00554986]

Place : Kolkata
Date : The 30th Day of May, 2016

Amit Sarawagi [CFO]
Priyanka Bhauwala [Company Secretary]
Place : Kolkata
Date The 30th Day of May, 2016

Notes forming part of the financial statements

1 Corporate information

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

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

2 Significant accounting policies

2.1 Basis of accounting and preparation of financial statements

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

2.2 Use of estimates

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

2.3 Fixed Assets

Tangible Assets

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

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

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

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

2.4 Depreciation and amortisation

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

2.5 Impairment of assets

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

2.6 Investments

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties. Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalised and depreciated (where applicable) in accordance with the policy stated for Tangible Fixed Assets. Impairment of investment property is determined in accordance with the policy stated for Impairment of Assets.

2.7 Inventories

Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

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

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

2.8 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition),

highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.9 Cash Flow Statement

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

2.10 Revenue recognition

Sale of Goods

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

2.11 Other Income

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

2.12 Employee benefits

- (a) Short term employee benefits (i.e benefits payable within one year) are recognised in the period in which employees services are rendered. These benefits include performance incentives and compensated absences.
- (b) Contribution made towards Provident Fund in accordance with applicable rules / statute, is charged to the revenue.
- (c) Based on Actuarial Valuation necessary provisions has been created in the books to meet the liability as per AS - 15

2.13 Borrowing costs

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

2.14 Segment Reporting

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

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

2.15 Earnings per share

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

2.16 Taxes on income

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

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

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

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

2.17 Provisions and contingencies

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

2.18 Insurance claims

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

2.19 Service tax input credit

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

Note 3: Share capital

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Number of shares		Number of shares	
(a) Authorised Equity shares of Rs. 10/- each with voting rights	22,000,000	220,000,000	22,000,000	220,000,000
	22,000,000	220,000,000	22,000,000	220,000,000
(b) Issued Equity shares of Rs. 10/- each with voting rights	20,853,750	208,537,500	20,853,750	208,537,500
	20,853,750	208,537,500	20,853,750	208,537,500
(c) Subscribed and fully paid up Equity shares of Rs. 10/- each with voting rights	20,853,750	208,537,500	20,853,750	208,537,500
Total	20,853,750	208,537,500	20,853,750	208,537,500

Refer Notes (i) to (iii) below

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

Particulars	Opening Balance	Fresh Issue	Other Changes	Closing Balance
Issued, Subscribed and Fully Paid-up				
Equity shares with voting rights				
year ended 31st March, 2016				
- Number of shares	20,853,750	-	-	20,853,750
- Amount (Rs.)	208,537,500	-	-	208,537,500
Year ended 31st March, 2015				
- Number of shares	4,283,250	16,570,500	-	20,853,750
- Amount (Rs.)	42,832,500	165,705,000	-	208,537,500

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

Class of shares / Name of shareholder	As at 31st March, 2016		As at 31st March, 2015	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<u>Equity shares with voting rights</u>				
Mukesh Goel	1,994,850	9.57	1,994,850	9.57
Manoj Goel	1,716,900	8.23	1,716,900	8.23
Maina Securities Pvt Ltd	4,740,000	22.73	4,740,000	22.73
Pratik Suppliers Pvt Ltd	4,128,000	19.80	4,128,000	19.80
Total	12,579,750	60.32	12,579,750	60.32

(iii) Terms and Conditions attached to Equity Shares

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

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

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

Note 4: Reserves & Surplus

(Amount in Rs.)

Particulars	As at 31-Mar-16	As at 31-Mar-15
(a) Securities premium account		
Opening balance	145,867,500	151,492,500
Add : Premium on shares issued during the year	-	80,040,000
	145,867,500	231,532,500
Less : Utilised during the year for:		
Issuance of Bonus Share	-	85,665,000
Closing balance	145,867,500	145,867,500
(b) General Reserve		
Opening balance	3,600,000	3,600,000
Add : Transfer from Statement of Profit and Loss	-	-
	3,600,000	3,600,000
Less : Utilised during the year for:		
Closing balance	3,600,000	3,600,000
(c) Surplus /(Deficit) in Statement of Profit and Loss		
Opening balance	34,039,345	31,895,844
Add: Profit / (Loss) for the year	10,036,146	3,858,083
Adjustments on account of deferred tax	-	766,724
	44,075,491	36,520,651
Less: Adjustments on account of Depreciation on fixed assets	-	2,481,306
Closing balance	44,075,491	34,039,345
Total	193,542,991	183,506,845

Note 5: Long Term Borrowings

(Amount in Rs.)

Particulars	As at 31-Mar-16	As at 31-Mar-15
(a) Secured Borrowings		
<i>From Banks</i>		
<i>Term Loans</i>		
- Standard Chartered Bank (Refer Note (i) below)	5,679,159	9,068,694
Less: Considered under Other Current Liabilities as current maturities of Long Term Debt	1,768,248	3,389,535
	3,910,911	5,679,159
Total	3,910,911	5,679,159

Conditions

Note (i)

- The SME / LAP Residential Loan from Standard Chartered Bank carries interest at 15.25% P.A.
- The Loan is repayable in monthly installments of Rs. 147,354/- from the date first disbursement.
- Secured against mortgage of residential property of old directors.

Note 6 : Long Term Provisions

(Amount in Rs.)

Particulars	As at 31-Mar-16	As at 31-Mar-15
Provision for Gratuity	654,205	526,814
Total	654,205	526,814

Note 7: Short Term Borrowings

(Amount in Rs.)

Particulars	As at 31-Mar-16	As at 31-Mar-15
Secured Borrowings		
<i>From Banks</i>		
<i>(a) Term Loans</i>		
- Equipment Finance from LT Finance (Refer Note (i) below)	724,099	-
<i>(b) Cash Credit</i>		
- Karur Vysya Bank (Refer Note (ii) below)	249,150,403	226,972,209
Unsecured Borrowings		
<i>Loans repayable on demand</i>		
From Others	18,200,000	-
	268,074,502	226,972,209

Note (i)

- Secured against equitable mortgage of equipment financed
- The Vehicle Loan from L & T Finance carries interest at 11.62% P.A.
- The Loan is repayable in monthly installments of Rs. 94,500/- from the date first disbursement.

Note (ii)

Cash Credit from Karur Vysya Bank is secured by (a) Hypothecation of present and future stocks of raw materials, work-in-progress and finished goods, consumables, stores and spares book debts,

money receivables, right and other movable assets excluding bills purchased/discounted by bank and bills against which advance has been paid which belong to the company

(b) Charge and mortgage on immovable properties of the company.

Note 8 : Trade Payables

(Amount in Rs.)

Particulars	As at 31-Mar-16	As at 31-Mar-15
Acceptances	93,978,987	44,219,830
Other than Acceptances	190,716,975	189,785,440
Total	284,695,962	234,005,270

Note 9 : Other Current Liabilities

(Amount in Rs.)

Particulars	As at 31-Mar-16	As at 31-Mar-15
a) Current Maturities of Long Term Debt <i>Term Loan</i>		
- Standard Chartered Bank	1,768,248	3,389,535
b) Advances for Capital Goods	4,088,972	7,041,313
c) Advances from Customers	26,307,744	6,237,590
d) Statutory Dues	4,472,593	1,845,481
Total	36,637,557	18,513,919

Note 10 : Short Term Provisions

(Amount in Rs.)

Particulars	As at 31-Mar-16	As at 31-Mar-15
a) Provision for Income Tax	6,411,907	3,787,480
b) Provision for Excise Duty	15,467,763	16,328,080
c) Provision for Service Tax (Transport)	-	904,870
d) Provision for Gratuity	15,821	12,149
Total	21,895,492	21,032,580

Note 12 : Long Term Loans and Advances

(Amount in Rs.)

Particulars	As at 31-Mar-16	As at 31-Mar-15
Advances - Unsecured - Considered good		
Security Deposits	1,630,851	1,889,367
Capital Advances	-	1,000,000
Advances		
- To Others	4,573,044	4,573,044
Total	6,203,895	7,462,411

Note 13 : Other Non Current Assets

(Amount in Rs.)

Particulars	As at 31-Mar-16	As at 31-Mar-15
Balances with Bank		
- In Recurring Deposit A/c	10,400,000	24,000,000
Total	10,400,000	24,000,000

Note 14: Inventories

(Amount in Rs.)

Particulars	As at 31-Mar-16	As at 31-Mar-15
Raw Materials	51,575,635	85,731,599
Traded Goods	179,391,190	18,389,960
Finished Goods	139,209,870	146,952,723
Stores, Spare Parts and Fuels (Including goods in transit Rs. Nil) (P.Y. Rs. Nil)	1,029,350	4,630,000
Total	371,206,045	255,704,281

Note 15: Trade Receivables

(Amount in Rs.)

Particulars	As at 31-Mar-16	As at 31-Mar-15
Trade Receivables		
- Unsecured, Considered Good	489,822,586	538,650,421
Total	489,822,586	538,650,421

Note 16: Cash and Cash Equivalents

(Amount in Rs.)

Particulars	As at 31-Mar-16	As at 31-Mar-15
Cash in hand	478,876	256,414
Balances with banks		
In current accounts	145,748	395,221
In Fixed Deposit A/c	40,850,663	2,451,316
In Recurring Deposit A/c	10,400,000	24,000,000
	51,875,287	27,102,951
Less: Considered as Non Current Assets	10,400,000	24,000,000
Total	41,475,287	3,102,951

Note (i) : Balances with banks include deposits amounting to Rs 3,10,00,000/- (As at 31 March, 2015 ' Nil) which have an original maturity of more than 12 months.

Note 17: Short Term Loans and Advances

(Amount in Rs.)

Particulars	As at 31-Mar-16	As at 31-Mar-15
Advances - Unsecured - Considered good		
(a) Security Deposits	17,500	17,500
(b) Trade Advances	20,267,321	6,958,818
(c) Other Advances	116,290	21,700
(d) Balances with government authorities		
- Income Tax Payments	334,587	47,252
- Balance with Excise & VAT Authorities	15,096,927	11,333,822
	35,832,626	18,379,091
Total	35,832,626	18,379,091

Note 18: Other Current Assets

(Amount in Rs.)

Particulars	As at 31-Mar-16	As at 31-Mar-15
Accruals		
Accrued Interest on Fixed Deposits	1,970,782	30,623
Total	1,970,782	30,623

Note 11 : FIXED ASSETS

Particulars	Gross Block			Depreciation				Net Block		
	As at 01.04.2015	Additions	Deductions	Total	Upto 31.03.2015	For the year	Sales/ Adjustments	Total	As at 31.03.2016	As at 31.03.2015
TANGIBLE ASSETS -										
Owned										
Land	2,894,531	-	-	2,894,531	-	-	-	-	2,894,531	2,894,531
Plant & machinery (20Years)	54,167,181	4,308,680	-	58,475,861	20,506,306	2,572,885	-	23,079,191	35,396,670	33,660,875
Plant & machinery (15 Years)	592,400	-	-	592,400	153,565	40,976	-	194,540	397,860	438,835
Building	24,105,461	11,266,517	-	35,371,978	6,996,612	886,124.33	-	7,882,736	27,489,242	17,108,849
Furniture & Fixtures	9,632,921	-	-	9,632,921	7,697,547	1,124,572	-	8,822,119	810,802	1,935,374
Office Equipments	2,066,553	21,583	-	2,088,136	1,865,183	52,514	-	1,917,697	170,439	201,370
Computers & Peripherals	888,959	439,764	-	1,328,723	680,089	171,491	-	851,580	477,143	208,870
Motor Vehicles	9,225,422	1,052,153	617,137.00	9,660,438	7,165,448	376,457	286,522	7,255,383	2,405,055	2,059,974
Motor Cycles (10Years)	162,356	87,022	-	249,378	78,252	22,945	-	101,197	148,181	84,104
Total	103,735,784	17,175,719	617,137	120,294,366	45,143,001	5,247,963.76	286,522	50,104,443	70,189,923	58,592,782
Previous Year	95,055,522	8,680,262	-	103,735,784	36,275,692	6,386,004	(2,481,306)	45,143,001	58,592,782	

Note 19 : Revenue from operations

Particulars	For the year ended 31-Mar-16	For the year ended 31-Mar-15
Sale of Goods (Refer Note : i Below)	2,430,645,539	2,065,297,103
Less: Excise Duty	164,017,693	158,543,364
Total	2,266,627,846	1,906,753,739

Note (i)

Particulars	For the year ended 31-Mar-16	For the year ended 31-Mar-15
Sale of products comprises of:		
- Iron and Steel	1,475,780,642	1,453,073,366
- Cement, Clinker and Charcoal	790,847,204	453,680,373
Total	2,266,627,846	1,906,753,739

Note 20 : Other Income

Particulars	For the year ended 31-Mar-16	For the year ended 31-Mar-15
Interest Income		
- Bank Deposits	6,113,307	437,693
Discount Received	3,505,423	168,843
Provisions for Excise Duty W/back	860,317	236,387
Sundry Balances written off	769,330	-
Total	11,248,378	842,922

Note 21 : Cost of Raw Material Consumed

Particulars	For the year ended 31-Mar-16	For the year ended 31-Mar-15
Inventories at the beginning of the year	85,731,599	31,568,222
Add : Purchases	829,448,941	1,296,180,120
	915,180,540	1,327,748,342
Less : Inventories at the end of the year	51,575,635	85,731,599
Total	863,604,905	1,242,016,743

Note (i) :

Particulars	For the year ended 31-Mar-16	For the year ended 31-Mar-15
Material Consumed comprises of :		
- Billet/ Ingot	850,581,424	1,233,101,595
- Coal	13,023,480	8,915,149
	863,604,905	1,242,016,743

Note 22 : Changes in Inventories

Particulars	For the year ended 31-Mar-16	For the year ended 31-Mar-15
Inventories at the beginning of the year		
Finished Goods	146,952,723	150,581,191
Stock- in - Trade	18,389,960	72,264,445
	165,342,683	222,845,636
Less : Inventories at the end of the year		
Finished Goods	139,209,870	146,952,723
Stock- in - Trade	179,391,190	18,389,960
	318,601,060	165,342,683
Total	(153,258,378)	57,502,953

Note 23 : Purchases of Stock-in-Trade

Particulars	For the year ended 31-Mar-16	For the year ended 31-Mar-15
Purchases (Refer Note (i) below)	1,335,028,487	465,866,862
Total	1,335,028,487	465,866,862

Note (i) :

Particulars	For the year ended 31-Mar-16	For the year ended 31-Mar-15
Purchases of Traded Goods comprises of :		
- Iron & Steel	611,819,630	988,373,256
- Cement, Clinker and Charcoal	723,208,857	292,940,103
	1,335,028,487	1,281,313,360

Note 24 : Employee Benefit Expenses

Particulars	For the year ended 31-Mar-16	For the year ended 31-Mar-15
Salaries, Wages and Bonus	6,328,944	4,876,036
Directors' Remuneration	360,000	360,000
Directors Sitting fee	122,333	42,000
Contribution to Provident and Other Funds	457,962	443,667
Medical Expenses	35,580	-
Staff Welfare Expenses	50,000	53,342
Provision for Gratuity	131,063	538,963
Total	7,485,882	6,314,008

Note 25 : Other Expenses

Particulars	For the year ended 31-Mar-16	For the year ended 31-Mar-15
Direct Expenses		
Carriage Inward	91,068,199	26,220,051
Carriage Outward	32,172	50,163
Consumption of Stores and Spares	5,641,192	6,187,775
Electricity charges	40,457,828	36,967,473
Labour Charges	9,922,165	3,853,765
Wastage and Handling Loss	486,710	-
Security Expenses	739,992	762,362
Administrative Expenses		
Rent including lease rent	205,443	528,019
Rates & Taxes	812,315	24,694
Repair & Maintenance - P & M	217,772	176,085
Repair & Maintenance - Others	303,586	-
Computer Expenses	122,069	95,493
Insurance	251,637	190,614
Bank Charges	204,673	179,512
Filing fees	49,600	1,275,000
Listing Expenses	25,000	-
Custodian Fees NSDL	75,000	-
Dematerialisation Expense	106,380	27,100
Communication Cost	100,322	58,555
Motor Car Expenses	72,203	289,350

Printing & Stationery	138,910	65,673
Postage & Courier	2,188	-
Travelling & Conveyance	132,124	100,821
General Expenses	961,732	1,666,525
Legal & Professional Fees	661,410	615,455
Payment to auditors		
Audit Fee	200,000	150,000
Tax Audit	50,000	-
other Services	-	25,000
Reimbursement of Expenses	-	25,000
Fees for delayed compliances	113,043	199,789
Selling & Distribution Expenses		
Advertisement Expense	10,618	750,579
Subscription & Donation	172,661	162,102
Sales Promotion	53,560	-
Selling & Distribution Expenses	28,525	-
Discount Allowed	117,902	19,473
Irrecoverable debts w/off	1,000,000	-
Other Expenses		
Prior Period Expenses	788,780	-
IPO Expenses	-	5,110,359
IPO Expenses - Prior Period	143,138	-
Loss on Sale of Motor Car	180,615	-
Total	155,649,464	85,776,787

Note 26 : Depreciation and Amortisations

Particulars	For the year ended 31-Mar-16	For the year ended 31-Mar-15
Depreciation on Tangible Assets	5,247,964	6,386,004
Total	5,247,964	6,386,004

Note 27 : Finance Cost

Particulars	For the year ended 31-Mar-16	For the year ended 31-Mar-15
Interest Expense		
- Borrowings	46,009,159	34,667,991
- Delayed Payment of Statutory Dues	365,748	322,837
- Others	18,735	-

Other Borrowing Costs		
Loan Processing Charges	1,167,360	337,080
LC Charges & Commission	1,892,566	1,819,998
Total	49,453,568	37,147,906

Note 28: Contingent Liabilities and Commitments to the extent not provided for

Amount (‘)

			As at 31 st March, 2016	As at 31 st March, 2015
(A) Contingent Liabilities				
(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/-
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. 755,000/-)	Rs. 6,034,194/-	-
Demand Notice u/s 156 of the IT Act, 1961 raised by DCIT, Circle-3(1), Kolkata	FY 2012-13	Appeal filed by the company on 04.04.2016 before CIT(A)-1, Kolkata	Rs. 3,233,690/-	-
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. 25,227,448/-	-
(b) Commitments	Nil	Nil		

Note 29: Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

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

Note 30:

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.

Note 31: Earning and Expenditure in Foreign Currency

	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Expenditure in foreign currency	Nil	Nil
Earnings in foreign exchange	Nil	Nil

Note 32: Related Parties, Related Party Transactions and Balances receivable/payable as at the end of the year

32.a: Related Parties

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

32.b: Related Party Transactions

Year Ended 31.03.2016

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

Year Ended 31.03.2015

Particulars of Related Party	Nature of Transaction	Amount of Transaction	Amount (‘)
			Balance as at 31st March, 2016 Dr. / (Cr.)
Associates	Bonus Shares Issued	31,600,000	Nil
	Transactions on Current Account	4,347,745	Nil
Key Managerial Persons	Bonus Shares issued	24,745,000	Nil
	Director Remuneration	360,000	Nil
	Sitting Fees	42,000	Nil
	Transactions on Current Account	4,200	4,200
	Short Term Advances given/taken	3,300,000	Nil
Relatives of KMP	Transactions on Current Account	1,569,824	Nil
	Bonus Shares issued	600,000	Nil
Company in which KMP / Relatives of KMP can exercise significant influence	Transactions on Current Account	11,779,472	Nil
	Short Term Advances given/taken	7,000,000	Nil
	Bonus Shares Issued	28,720,000	Nil

Note 33: Deferred Tax Assets/ Liability

		As at 31.03.2016			As at 31.03.2015	
		Timing Difference			Timing Difference	
		Negative	Positive		Negative	Positive
On Account of Net Block						
- As per Income Tax Act	40,571,722			28,823,325		
- As per Cos. Act	70,189,923	29,618,200	-	58,592,782	29,769,457	-
		29,618,200	-		29,769,457	92,10,141
Net Timing Difference		29,618,200	-		29,769,457	-
Rate of Tax		30.90%	30.90%		30.90%	30.90%
Deferred Tax Liability		9,152,024			9,198,762	
Less: Deferred Tax Liability b/f		7,148,265			8,473,329	
Deferred Tax Provision for the year		(46,738)			725,433	
Provision Wrongly reversed		-			(1,325,064)	
Deferred Tax Provision (Prior Period)		2,050,497			-	

Note 34: Earning Per Shares
Year Ended 31.03.2016

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

Year Ended 31.03.2015

	Continuing Operations						Discontinuing Operations				Total Operations					
	Before Extraordinary and Exceptional Items		After Extraordinary and Exceptional Items		Before Extraordinary and Exceptional Items		After Extraordinary and Exceptional Items		Before Extraordinary and Exceptional Items		After Extraordinary and Exceptional Items		Before Extraordinary and Exceptional Items		After Extraordinary and Exceptional Items	
	Basic	Diluted	Basic	Diluted												
Face Value of Shares	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Profit	3858084	3858084	3858084	3858084	0	0	0	0	0	0	0	3858084	3858084	3858084	3858084	3858084
Weighted Average No. of Shares	20853750	20853750	20853750	20853750	20853750	20853750	20853750	20853750	20853750	20853750	20853750	20853750	20853750	20853750	20853750	20853750
EPS (Rs.)	0.19	0.19	0.19	0.19	—	—	—	—	—	—	—	0.19	0.19	0.19	0.19	0.19

Note 35: Previous Year Figures

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

In terms of our report attached.
For Rajesh Mohan & Associates
Firm Registration No: 323131E
Chartered Accountants

[Rajesh Kumar Agrawal]
Partner
ICAI Membership No. 057271

Place : Kolkata
Date : The 30th Day of May, 2016

For and on behalf of the Board of Directors

Mukesh Goel
Managing Director
[DIN-00555061]

Manoj Goel
Director
[DIN-00554986]

Amit Sarawagi [CFO]
Priyanka Bhauwala [Company Secretary]

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 21st Annual General Meeting of the Members of Aanchal Ispat Limited will be held on **Wednesday** the 28th day of **September, 2016** at **10.00 AM** at **Hotel Oasis, National Highway 6, Kona Expressway, Post : Chamrail, P.S : Liluah, Howrah - 711 114** to transact the following business:

ORDINARY BUSINESS

1. **To receive, consider and adopt the Audited Balance Sheet as at 31st March 2016, the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.**
2. **Re-appointment of Mr. Manoj Goel as a Director liable to retire by rotation.**
"RESOLVED THAT Mr. Manoj Goel (DIN: 00554986) who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation."
3. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Special Resolution:**

Appointment of Auditor:

To appoint M/s. Raj Chandra & Associates, Chartered Accountants (Firm Registration No.: 326312E) as statutory auditors of the Company and fix their remuneration.

"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 recommendations of audit committee, consent of the Board of Directors of the Company be and is hereby accorded, subject to the approval of Shareholders in General Meeting, to appoint M/s Raj Chandra & Associates, Chartered Accountants (Firm Registration No.: 326312E), as the Statutory Auditors of the Company in place of M/s Rajesh Mohan & Associates, Chartered Accountants, to hold office from the conclusion of this Annual General Meeting till the conclusion of the 26th Annual General Meeting to be held in the year 2021, subject to ratification by the shareholders annually, at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS

4. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution for ratification of remuneration to Cost Auditors:-**

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof) and subject to applicable notification or circular as may be issued by the Ministry of Corporate Affairs (MCA) in this regard, the remuneration of Rs. 30000/- plus service tax 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. M P R & Associates, Cost Accountants, Cost Auditor (Registration No. 000413) of the Company for the Financial Year 2016-2017, be and is hereby ratified, confirmed and approved."

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution for Migration from SME Platform to Main Board of Bombay Stock Exchange:-

"RESOLVED THAT pursuant to provisions laid down in Chapter XB of Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 and other applicable provisions, if any of Companies Act, 2013, Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 and the rules framed there under, including any amendment, modification, variation or re-enactment thereof, the consent of the members of the Company be and is hereby accorded for the purpose of migration of the Company's existing listing from SME platform of BSE Limited to the Main Board of BSE Limited."

"RESOLVED FURTHER THAT the Directors of the Company be and are hereby authorized jointly and severally to deal with any Government or Semi-Government authorities or any other concerned intermediaries including but not limited to Bombay Stock Exchange, Securities and Exchange Board of India, Registrar of Companies, to apply, modify, rectify, and submit any application and/or related documents on behalf of the Company for the purpose of migration of the Company's existing listing from SME platform of BSE Limited to Main Board of BSE Limited."

6.. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution for Regularisation of Additional Director, Ms. Preetee Agarwal:-

"RESOLVED THAT Ms. Preetee Agarwal, who was appointed as an Additional Director with effect from November 14, 2015 on the Board of the Company in terms of Section 161 of the Companies Act, 2013 and Article 80 of Article of Association of the Company and who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a member in writing, under Section 160 of the Companies Act, 2013 along with requisite deposit, proposing her candidature for the office of a Director, be and is hereby appointed as a director of the company."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution for appointment of Ms. Preetee Agarwal as an Independent Director:-

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, and the rules made there under, including any amendment, modification, variation or re-enactment thereof read with Schedule IV to the Companies Act, 2013, for the time being in force, Ms. Preetee Agarwal (holding DIN 07344364), Director of the Company, in respect of whom the Company has received a notice in writing from a Member proposing her candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company, to hold office as such for a period of 5 (five) consecutive years, with effect from the date of this Meeting and that she shall not be liable to retire by rotation."

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

By Order of the Board
For, Aanchal Ispat Limited

Date :29th day of August , 2016
Place : Kolkata

Priyanka Bhauwala
Company Secretary
(ACS- 34911)

NOTES

1. The relevant Explanatory Statement pursuant to section 102 (1) of the Companies Act, 2013, in respect of Special Business at the meeting, is annexed hereto and forms part of this notice.
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective must be received by the company not later than forty eight (48) hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.
3. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.
4. The register of members and share transfer books of the Company will remain closed from Thursday, September 22, 2016 to Wednesday, September 28, 2016 (both days inclusive), in terms of the provisions of the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges, where the equity shares of the Company are listed, for the purpose of Annual General Meeting.
5. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
7. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours up to the date of the Meeting.
8. The Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Act is available for inspection by the Members at the Registered Office on all working days except on Sundays, during business hours of the Company and the same will be open for inspection at the AGM.
9. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
10. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL)..

11. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date on Wednesday, September 21, 2016 and as per the Register of Members of the Company.
12. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice of Annual General Meeting and holding shares as of the cut-off date, i.e., September 21, 2016, may obtain the login ID and password by sending a request at . 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.
13. Voting at AGM: the facility of voting through Ballot paper will also be made available at the AGM and the Members, who have not cast their vote through remote e-voting, shall be able to exercise their voting rights at the AGM through the Ballot Paper. Members, who have cast their vote through remote e- voting prior to the AGM, may attend the AGM but shall not be entitled to cast their votes again.
14. The remote e-voting period commences on 25th September, 2016 (9:00 am IST) and ends on 27th September, 2016 (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 21st September, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
15. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
16. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to send their e-mail address to the following:cs@aanchalispac.com

The Notice of the AGM along with the Annual Report 2015-16 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
17. Abridged and full version of the Annual Reports will also be available under the Investor Relations section on the website of the Company:www.aanchalispac.com
18. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

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

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

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

20.. **E- Voting :**

The procedure with respect to remote e-voting is provided below: -

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

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :

- (i) Open email and open PDF file viz; "noticeaanchalispata" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder - Login
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select "EVEN" of "Aanchal Ispat Limited".
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, through e-mail to manisha_saraf2007@yahoo.co.in with a copy marked to evoting@nsdl.co.in

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

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:
EVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN
- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members

and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

- III. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date on Wednesday, September 21, 2016.
- VI. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. on Wednesday, September 21, 2016, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer.

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 or contact NSDL at the following toll free no.: 1800-222-990.

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

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

By Order of the Board
For, Aanchal Ispat Limited

Date :29th day of August , 2016
Place : Kolkata

Priyanka Bhauwala
Company Secretary
(ACS- 34911)

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

Resolution No. 3

The Company has received a special notice under section 140 (4)(i) of the Companies Act, 2013 proposing the name of M/s Raj Chandra & Associates, Chartered Accountants (Firm Registration No.: 326312E) as statutory Auditors.

The Audit Committee has considered the qualifications and experience of the proposed Auditors and recommended their appointment. The Board of Directors has also considered the matter and recommends passing of the Special Resolution of appointing M/s Raj Chandra & Associates, Chartered Accountants in place of M/s Rajesh Mohan & Associates, Chartered Accountants.

Written consent of the proposed auditors together with the certificate that the appointment, if made, shall be made in accordance with the conditions specified in Rule 4 of the Companies (Audit and Auditors) Rules, 2014 has been received.

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. 3 for the approval of Members.

Resolution No. 4

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. M P R & Associates, Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2017. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, consent of the Members is sought to ratify the remuneration payable to the Cost Auditors.

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

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

Resolution No. 5

The Company has been listed and traded on the SME platform since December 10, 2014 (about to complete 2 years) and has paid up capital between INR 10 Crore and up to INR 25 Crore, hence eligible to migrate on to the Main Board as per the guidelines specified by SEBI and as per the procedures laid down in Chapter XB of SEBI ICDR Regulations, 2009. Also listing on the main board of BSE Limited will take the Company into a different league altogether with enhanced recognition and increased participation by retail investors.

The members are therefore, requested to accord their approval, for the purpose of migration of Company's present listing from SME platform of BSE Limited to Main Board of BSE Limited as set out in the resolution.

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. 5 for the approval of Members.

Resolution No. 6

Ms. Preetee Agarwal was appointed as an Additional Director w.e.f. November 14, 2015 in accordance with the provisions of Section 161 of the Companies Act, 2013 and Article 80 of Article of Association of the Company. Pursuant to Section 161 of the Companies Act, 2013 the above director holds office up to the

date of the ensuing Annual General Meeting.

In this regard the Company has received request in writing from a member of the company proposing Ms. Preetee Agarwal candidature 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 Ms. Preetee Agarwal on the Board is desirable and would be beneficial to the company and hence recommend resolution No. 6 for adoption.

None of the Directors (except Ms. Preetee Agarwal) 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.

Resolution No. 7

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. Preetee Agarwal 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 special 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 proposes to appoint Ms. Preetee Agarwal as Independent Directors of the Company for a period of 5 years with effect from the date of this Meeting, as set out at Item Nos. 7 of this Notice. Notices as required under Section 160 of the Companies Act, 2013 have been received from some Members proposing the candidature of the said Independent Directors of the Company. Upon the confirmation of the appointment of Ms. Preetee Agarwal 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.

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. 7 for the approval of Members.

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

Date :29th day of August , 2016
Place : Kolkata

By Order of the Board
For, Aanchal Ispat Limited

Priyanka Bhauwala
Company Secretary
(ACS- 34911)

Aanchal Ispat Limited
21st Annual Report 2015 - 16

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	Mr. Manoj Goel	Ms. Preetee Agarwal
Directors Identification Number (DIN)	00554986	07344364
Date of Birth	18/06/1980	25/04/1981
Original date of appointment	September 3, 2014	November 14, 2015
Qualifications	Bachelors in Commerce from Calcutta University	Bachelors in Commerce from Calcutta University and a member of Institute of Company Secretaries of India.
Experience and expertise in specific functional area	Experience of over 11 years in Iron & Steel Industry. He started his career in Iron & Steel Trading and was involved in trading of the same.	Experience of over 6 Years Expertise in Corporate Secretarial Practice, Financial Management, ect.
Shareholding in Aanchal Ispat Limited	1716900 Equity Shares (8.23%)	NIL
Remuneration last drawn	N.A.	N.A
No. of Board meetings attended during the year	As mentioned in the Corporate Governance report	As mentioned in the Corporate Governance report
Terms and conditions of re-appointment and remuneration	Existing Terms and Conditions.	Existing Terms and Conditions.
Relationship with other Directors or KMPs	Brother to Mr. Mukesh Goel (Managing Director)	N.A
Directorships held in other companies in India	9	NIL
Membership / Chairmanship of committees in public limited companies in India	Membership - 3 Chairmanship - Nil	Membership – NIL Chairmanship – Nil

Form No. MGT-11

Proxy form

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

Name of the Member(s) :

Registered Address :

E-mail Id :

Folio No /Client ID :

DP ID :

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

Name :

E-mail Id:

Address:

Signature , or failing him :

Name :

E-mail Id:

Address:

Signature , or failing him

Name :

E-mail Id:

Address:

Signature , or failing him :

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

Resolution No.

Sl. No.	Resolution(S)	Optional*	
		For	Against
1.	Adoption of statement of Profit & Loss, Balance Sheet, report of Director's and Auditor's for the financial year 31st March, 2016		
2.	Appointment of M/s. Raj Chandra & Associates, Chartered Accountants as Statutory Auditors & fixing their remuneration.		
3.	Re-appointment of Mr. Manoj Goel as Director liable to retire by rotation		
4.	To ratify the remuneration paid to M/s. M. P. R & Associates, Cost Auditors for the year 2016-17		
5.	To seek existing listing migration from SME Platform to Main Board of Bombay Stock Exchange.		
6.	Regularisation of Additional Director, Ms. Preetee Agarwal.		
7.	To appoint Ms. Preetee Agarwal as an Independent Director of the Company.		

* Applicable for investors holding shares in Electronic form.

Signed this ____ day of ____ 20 ____

Signature of Shareholder
across Revenue Stamp

Signature of Proxy holder

Signature of the shareholder

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

ATTENDANCE SLIP

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

21st Annual General Meeting on: Wednesday, 28th of September, 2016

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 21st Annual General Meeting of **Aanchal Ispat Limited, at Hotel Oasis, National Highway 6, Kona Expressway, Post : Chamrail, P.S : Liluah, Howrah - 711 114, on Wednesday, the 28th, of September, 2016**

(Member's /Proxy's Signature)

Note:

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

AANCHAL ISPAT LIMITED

CIN: L27106WB1996PLC076866

Dear Shareholder(s),

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

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

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

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

Folio No. :

Pan No. :

E-mail ID :

Telephone No. :

Name and Signatures : i.

ii.

iii.

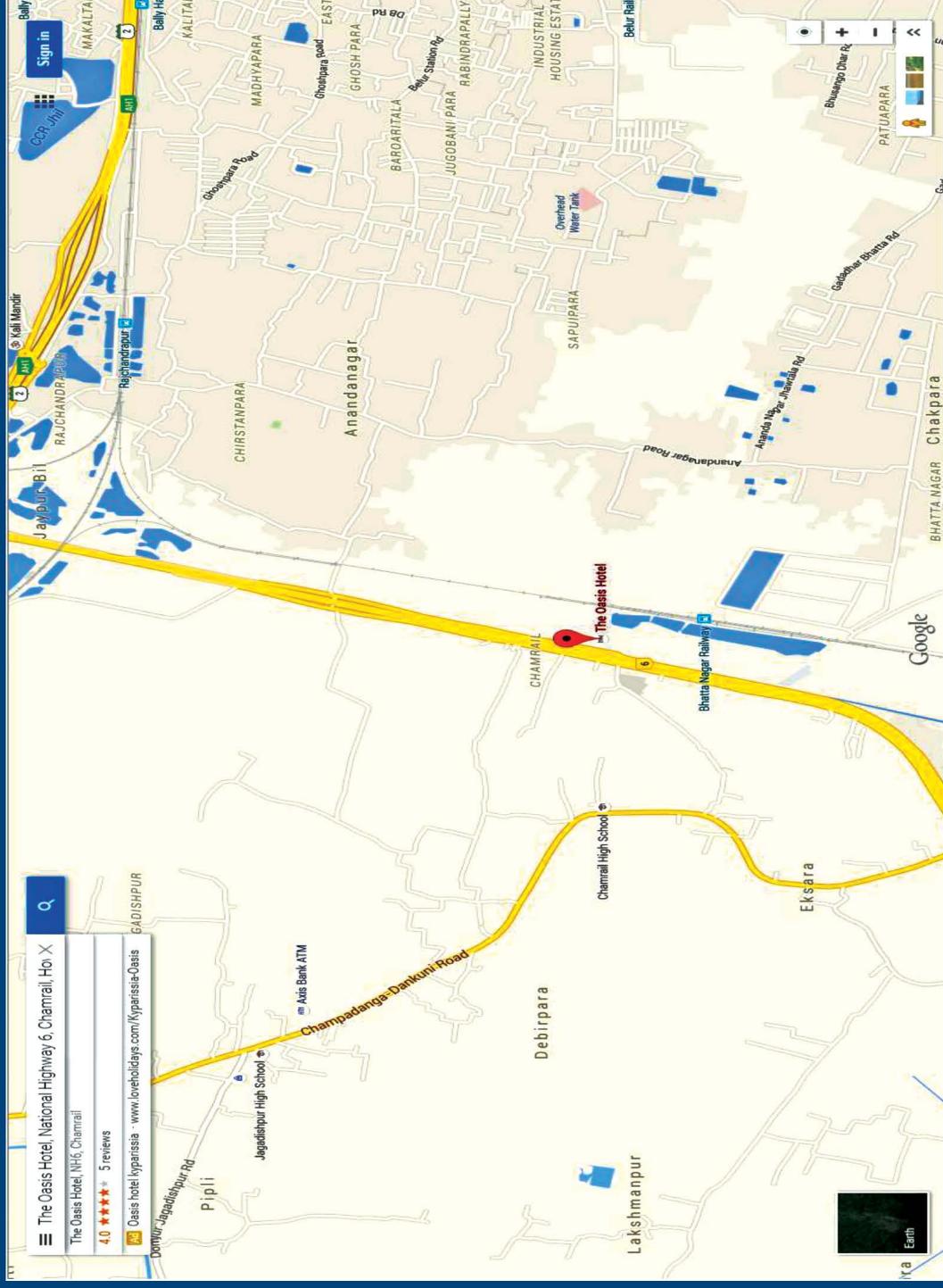
Thanking you,

For, Aanchal Ispat Limited

Priyanka Bhauwala

(Company Secretary)

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



21st Annual General Meeting (AGM) of Aanchal Ispat Limited to be held on Wednesday, 28th day of September 2016 at 10:00 AM at Hotel Oasis, National Highway 6, Kona Expressway, Post: Chamrail, P.S: Liluah, Howrah- 711114

Landmark: Opp- Tata Motors Showroom. Approximately 20.1 Kms from Airport and 5.3 Kms from Belur Railway Station.



AANCHAL ISPAT LIMITED

Registered Office:

National Highway No.6, Chamrail, Howrah 711 114

Phone : 90070209-33/37/40/41 & 9830439005