

# **NOVA IRON AND STEEL LTD.**



Certificate True Copy  
For Nova Iron & Steel Ltd.

*Aceeray*  
Company Secretary

**22nd ANNUAL REPORT A**  
**2013-2014**



## NOVA IRON AND STEEL LTD.

**22nd ANNUAL REPORT 2013-14**  
**Year ended 31st March 2014**

### BOARD OF DIRECTORS

#### CHAIRMAN

Sh. Sanjay Singal

#### WHOLE TIME DIRECTOR

Mr. Hardev Chand Verma

#### DIRECTORS

Mr. Aniket Singal

Mr. R.P. Goyal

Mr. Narsingh Awatar

Mr. M.Ramachadran

Mr. Arvind Gupta

#### CHIEF FINANCIAL OFFICER

Mr. Ajoy Shah

#### COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Dheeraj Kumar

#### AUDITORS

M/s Antima & Goel

Chartered Accountants

A-6, Lower Ground Floor, Defence Colony,  
New Delhi-110024

#### COST AUDITOR

J.K Kabra & Company

Cost Accountants

552/1B, Arjun Street, Main Vishwas Road,  
Vishwas Nagar, Delhi - 32

#### BANKERS

Punjab National Bank

Axis Bank Ltd.

#### REGISTERED OFFICE

Village - Dagori, Tehsil - Belha, Distt - Bilaspur  
Chhattisgarh - 495224

#### CORPORATE OFFICE

4th floor, Tolstoy House,  
15-17 Tolstoy Marg, Connaught Palace,  
New Delhi- 110001

#### PLANT

Village - Dagori, Tehsil - Belha, Distt - Bilaspur  
Chhattisgarh - 495224

#### REGISTRAR AND SHARE TRANSFER AGENT

Skyline Financial Services Private Limited

D-153A, 1st Floor, Okhla Industrial Area,

Phase- 1, New Delhi - 110020

Tel: +91 11 30857575, Fax +91 1130857562

Contact Person- Mr. Virender Rana

Email: viren@skylinerta.com

#### EMAIL & WEBSITE

rai.nisl2007@yahoo.com

www.novaironsteel.com

#### CIN No.:

L2710CT1989PLC010052

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NOVA IRON AND STEEL LTD.

## NOVA IRON AND STEEL LIMITED

Registered Office: Village-Dagori, Tehsil-Belha, District-Bilaspur Chhattisgarh - 495224

Email: [rai\\_nisl2007@yahoo.com](mailto:rai_nisl2007@yahoo.com), website: [www.novaironsteel.com](http://www.novaironsteel.com)

(CIN: L02710CT1989PLC010052) Phone:011-30451000, Fax:011-23712737

### NOTICE

Notice is hereby given that the 22nd Annual General Meeting of Nova Iron and Steel Limited will be held on Saturday, the 27th day of September, 2014 at 11.30 A.M. at its Regd. Office at Village Dagori, Tehsil Belha, District Bilaspur, Chhattisgarh to transact the following Business:-

### ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March 2014 i.e. Audited Balance Sheet as at 31st March, 2014 and the Statement of Profit & Loss and Cash Flow Statement for the year as on that date together with Auditors' Report and Directors' Report thereon.
2. To appoint a Director in place of Mr. Aniket Singal, (DIN 03478511), who retires by rotation and being eligible, has offered himself for re-appointment.
3. To appoint a Director in place of Mr. R.P. Goyal (DIN 00006595), who retires by rotation and being eligible, has offered himself for re-appointment.
4. To Appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that M/s Antima & Goel, Chartered Accountants, New Delhi (Registration No. 009062N) be and is hereby appointed as Statutory Auditor of the Company to hold office for a period of three years i.e. from the conclusion of the this Annual General Meeting until the conclusion of the 25th Annual General Meeting of the Company at a remuneration to be decided by the Board of Directors of the Company thereof."

### SPECIAL BUSINESS

- 5.. To note Sh. Narsingh Awatar (DIN 00376193) Independent Director continued to be an Independent Director under Companies Act, 2013 and in this regard to consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and clause 49 of the Listing Agreement, Sh. Narsingh Awatar (DIN 00376193), presently Independent Director of the Company whose period of office is liable to retirement by rotation under the provisions of Companies Act, 1956 will continue to be an Independent Director whose term of office will not be liable to retirement by rotation under the provisions of Companies Act, 2013 and who has submitted a declaration of Independence under Section 149(6) of the Companies Act, 2013 and who is eligible to continue as Independent Director, be and is hereby continue and considered to be an Independent Director of the Company, to hold office for three consecutive years from the date of Annual General Meeting.

6. To note Sh. Manickam Ramchandran (DIN 00204342) Independent Director continued to be an Independent Director under Companies Act, 2013 and in this regard to consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution: -

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and clause 49 of the Listing Agreement, Shri Manickam Ramchandran (DIN 00204342), presently Independent Director of the Company whose period of office is liable to retirement by rotation under the provisions of Companies Act, 1956 will continue to be an Independent Director whose term of office will not be liable to retirement by rotation under the provisions of Companies Act, 2013 and who has submitted a declaration of Independence under Section 149(6) of the Companies Act, 2013 and who is eligible to continue as an Independent Director, be and is hereby continue and considered to be an Independent Director of the Company, to hold office for three consecutive years from the date of Annual General Meeting.



## NOVA IRON AND STEEL LTD.

7. To note Sh. Arvind Gupta (DIN 03423291) Independent Director continued to be an Independent Director under Companies Act, 2013 and in this regard to consider and if thought fit to pass with or without modification(s) the following resolution as Ordinary Resolution :-
- "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and clause 49 of the Listing Agreement, Sh. Arvind Gupta (DIN 03423291), presently Independent Director of the Company whose period of office is liable to retirement by rotation under the provisions of Companies Act, 1956 will continue to be an Independent Director whose term of office will not be liable to retirement by rotation under the provisions of Companies Act, 2013 and who has submitted a declaration of Independence under Section 149(6) of the Companies Act, 2013 and who is eligible to continue as an Independent Director, be and is hereby continue and considered to be an Independent Director of the Company, to hold office for three consecutive years from the date of Annual General Meeting.
8. To consider and approve the Appointment and remuneration to be paid to Sh. Hardev Chand Verma as Whole Time Director and if thought fit to pass with or without modification (s) the following Resolution as a Special Resolution:-
- "RESOLVED AS A SPECIAL RESOLUTION THAT the Company hereby accords its approval and consent under provisions of Section 196, 197 and 203 of the Companies Act, 2013 and the Companies (Appointment of Managerial Personnel) Rules 2014 (including any amendment and/or re-enactment thereof) and with Schedule V to the Companies Act, 2013 and subject to the approval of Central Government or other Government authority/agency/board, if any, the consent of the shareholders of the Company be and is hereby accorded, to the appointment of Sh. Hardev Chand Verma (DIN 00007681), Director of the Company as Whole Time Director of the Company for the period of five years on the terms and conditions stated in the Board Resolution dated 30.05.2014.
- RESOLVED FURTHER THAT the Board of Directors of the Company or any Committee thereof be and is hereby authorised to take such steps and do all such acts, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution."
9. To consider and adoption of new set of Articles of Association of the Company containing regulations in line with the Companies Act, 2013, and in this regard to consider if thought fit, to pass with or without modification, the following resolution as Special Resolution:
- "RESOLVED AS A SPECIAL RESOLUTION THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 (statutory modification (s) or re-enactment thereof, for the time being in force), the new set of Articles of Association submitted before this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company".
10. Ratification of Remuneration of Cost Auditors for the Financial Year ended 31st March 2015 and to ratify and approve the remuneration of the Cost Auditors for the financial year ending March 31, 2015 and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
- "RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the Company be and is hereby given for payment of Remuneration of Rs. 25000/- to M/s J. K. Kabra & Company, New Delhi, Cost Auditors (Firm Registration No. 2890) appointed by the Board of Directors of the Company, to conduct cost audit of the Company for the financial year ending March 31, 2015."
11. Authority to Board of Directors to Borrow and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:
- "RESOLVED AS A SPECIAL RESOLUTION THAT in supercession of all earlier resolutions for authority to Board of Directors to Borrow and pursuant to section 180 (1)(c) and other applicable provisions, if any, of the Companies Act, 2013, and applicable rules of the Companies (Meetings of Board and its Powers) Rules, 2014, (including any statutory amendments/ modification or re-enactment thereof for the time being in force) and consent of the shareholders be and is hereby accorded to the Board of the Company for borrowing for and on behalf of the Company from time to time any sum or sums of money on such terms and conditions as the Board may deem fit notwithstanding that the money to be borrowed together with money already borrowed, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, will or may exceed in the aggregate for the time being of the paid up capital of the company and its free reserves, provided that the total amount upto which money may be borrowed together with the money already borrowed under section 180 (1)(c) of the Companies Act, 2013, shall not at any time exceed Rs. 10000 crore" (Rupees Ten thousand Crore only).



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12. Authority to Invest/Give Loan/Give Guarantee/Provide Security and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:-

"RESOLVED AS A SPECIAL RESOLUTION THAT and in supercession of all earlier resolutions for authority to Invest/Give Loan/Give Guarantee/Provide Security and pursuant to section 186 and other applicable provisions, if any, of the Companies Act, 2013 and applicable rules of the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory amendments/modification or re-enactment thereof for the time being in force) and consent of the shareholders be and is hereby accorded to the Board, to directly or indirectly invest funds of the company and/or give loans and/or give guarantee and/or provide security in connection with a loan together with existing investment of funds of the Company/ Loan given / Guarantee given/ Securities provided, exceeding sixty percent of its paid up share capital, free reserves and securities premium account or one hundred percent of its free reserves and securities premium account, whichever is more, including the funds of the company already invested and/or given loans and/or given guarantee and/or provided security but not exceeding Rs.1000 crore ( Rupees One thousand Crore only ).

"RESOLVED FURTHER THAT Board is authorized to decide the amount within the upper limit as specified above, to be invested / loans to be given /guarantees to be given /securities to be provided in one or more trenches as they deem fit and to do all such acts, deeds, matters and things as may be necessary, desirable or expedient for giving effect to this resolution".

13. Authority to create charge on immovable and movable assets of the Company and in this regard to consider and if thought fit to pass with or without modification(s) the following Resolution as a Special Resolution: -

"RESOLVED AS A SPECIAL RESOLUTION THAT in supercession of all earlier resolutions for authority to create charge and the consent of the Company be and is hereby accorded to the Board of Directors in terms of Section 180 (1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and rules made their under (including any amendment or enactment) to mortgage/hypothecate or/and to create of all the immovable and movable assets of the Company, through deposits of title deeds or any other manner, wheresoever situate, present and future with power to take over the management of the business and concern of the Company in certain events, to or in favour of all or any Bank(s)/Financial Institution both domestic and foreign whether in public sector or private sector or joint venture to secure the loans/working capital of the company together with the interest at the respective agreed rates, compound/additional interest, commitment charge, premium on prepayment or on redemption, costs, charges, expenses and all other moneys payable to any Bank(s)/Financial Institution(s), both domestic and foreign whether in Public Sector or Private Sector or Joint Sector, in terms of their respective Loan Agreements/Heads of Agreement/Letters of Sanction/ Memorandum of terms and conditions, entered into/to be entered into by the Transferor Companies/by the Company, in respect of the term loans/working capital facility(ies) etc."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to negotiate and finalise with Bank(s)/Financial Institution(s), whether in public sector or private sector or joint sector both domestic and foreign, the documents for creating/modifying/amending aforesaid mortgage and/or charge either by way of first charge or by way of second charge or by way of pari-passu charge and to do all such acts, deeds, matters and things as may be necessary, desirable or expedient for giving effect to this Resolution."

By order of the Board  
For Nova Iron And Steel Limited

Place : New Delhi  
Date: 11.08.2014

Sd/-  
Dheeraj Kumar  
Company Secretary



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### NOTES FOR MEMBERS ATTENTION:

1. A member entitled to attend and vote at the meeting is entitled to appoint Proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. A person can act as proxy on behalf of members not exceeding fifty(50) and holding in aggregate not more than ten(10) percent of the total share capital of the Company. The proxy, in order to be effective, must be deposited with the Company at its Registered Office duly completed and signed, not less than 48 hours before the commencement of the meeting. A proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
2. Members are informed that as per SEBI directive the Company has entered into an agreement with M/s Skyline Financial Services Pvt. Ltd, to act as Share Transfer Agents of the Company for all matters connected with Transfers and Transmission of shares and also dematerialization of Shares and other related functions etc.
3. Any correspondence relating to shares can be made to the company's registrar at:  
M/s Skyline Financial Services Private Limited,  
D-153A, 1st Floor, Okhla Industrial Area,  
Phase-I, New Delhi-110020,  
Ph. Nos. 011-30857575 (10 Lines), Fax-011-30857562,  
Email: rta.nova.rg@gmail.com
4. In case of joint holders of shares attending the meeting, only such joint holders who is higher in the order of names will be entitled to vote.
5. The Register of Members and the Share Transfer Books shall remain closed from 21st September 2014 to 27th September 2014(both days inclusive)
6. Members seeking information about the accounts are requested to write at least 10 days before the date of the meeting to the Company so that it may be convenient to keep the information ready for the meeting.
7. All the documents referred to accompanying Notice are open for inspection at the corporate office of the Company on all working days except Sunday between 11.00 AM to 1.00 PM upto the date of Annual General Meeting.
8. Members who hold shares in dematerialized form are requested to bring their client ID and DP ID numbers for easy identification of attendance at the meeting.
9. Members are requested to bring their copy of Annual Report at the Meeting and proxies should bring attendance slips duly filled in for attending the Meeting.
10. Members are requested to notify immediately any change in their addresses quoting their folio numbers to Registrar and Transfer Agent of the Company.
11. Non Resident members are requested to inform immediately to RTA (a) change in residential status on relating to India for permanent settlement (b) particulars of bank account maintained in India with complete name of bank, branch address, account type, account number, if not furnished earlier.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
13. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Companies (Management and Administration Rules), 2014, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository.

Members who have not registered their e-mail address with the Company are requested to submit their request with their valid e-mail address to M/s Skyline Financial Services Private Limited. Members holding shares in demat form are requested to register/update their e-mail address with their Depository Participant(s) directly. Members of the Company, who have registered their email-address, are entitled to receive such communication in physical form upon request.



## NOVA IRON AND STEEL LTD.

14. Notice of Annual General Meeting will be sent to those shareholders/beneficial owners whose name will appear in the register of the members/list of beneficiaries received from the depositories as on 15th day of August, 2014.
15. As per the requirement of Clause 49 of the Listing Agreement with Stock Exchanges, the details of Directors proposed to be re-appointed, appointed & designated as Whole Time Director and Continued to be Independent Director under provision of Companies Act, 2013 at the Annual General Meeting is annexed hereto.

Particulars	Name of Directors to be re-appointed				
Name	Date of Birth	Expertise/Experience in Area	Qualification	Directorship in other Companies	Shareholding in the Company as on 31.03.2014
Mr. Aniket Singal	26.08.1992	Steel Sector-Marketing and administration	Undergoing Management Course	NIL	NIL
Mr. R.P. Goyal	09.09.1951	Rich experience of about 34 years in commercial, legal and administration	Graduate Commerce	Marble Finvest Limited Bhushan Power and Steel Limited Atma Ram House Investment Private Limited Rohne Coal Company Private Limited Avantika Real Estate Private Limited	NIL
Particulars	Name of Directors to be appointed & designated as Whole Time Director				
Mr. Hardev Chand Verma	15.11.1952	Experience of about 34 years in steel sector, specialized field Marketing both domestic and exports		Bhushan Power & Steel Limited	NIL
Particulars	Name of Directors Continued to be Independent Director under provision of Companies Act, 2013				
Mr. Narsingh Awatar	26.02.1937	Chartered accountant by profession 54 year experience of profession	FCA	Shubh Labh Leasing Ltd NTR Estates Pvt .Ltd Excel Portfolios Pvt. Ltd	NIL
Mr. M. Ramchandran	13.02.1947	Technocrat by profession 36 years experience in setting up Management and Consultancy of sponge iron and special projects	M. Tech	Prikar Steel Private Limited RLS alloys private limited IPS Engineering consultancy private limited Randal equipment private limited Anuradha Steels private limited Ramkar Engineers Private limited Indusves engineering works private limited	NIL
Mr. Arvind Gupta	22.12.1957	40 year experience in Legal	L.L.B	Askindianlaw.com Private limited	NIL



## NOVA IRON AND STEEL LTD.

### 16. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, under clause 35 of visiting agreement and the Company is pleased to provide members facility to exercise their right to vote at the 22nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

The instructions for e-voting are as under:

- (i) The voting period begins on 19.09.2014 at 10:00 am and ends on 20.09.2014 at 05:00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 15.08.2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) * Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the Folio number / Client ID in the PAN field. * In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with Folio/ Client ID 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. * Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the Number of Shares in the Dividend Bank details field as mentioned in instruction (v).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the Nova Iron & Steel Limited on which you choose to vote.



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- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non-Individual Shareholders & Custodians:
- \* Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates and Custodians respectively.
  - \* A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - \* After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - \* A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).



## NOVA IRON AND STEEL LTD.

### EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

#### ITEM NO. 5, 6 & 7

Pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors which came into effect from April 1, 2014, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation. The Term shall be effective prospectively. The Board of Directors of the Company have decided to adopt the provisions for tenure of present Independent Directors which is consistent with the Companies Act, 2013 and the amended Listing Agreement. Mr. Narsingh Awatar (DIN 00376193), Mr. Manickam Ramchandran (DIN 00204342) and Mr. Arvind Gupta (DIN 03423291) Directors continued and considered as Non-Executive Independent Directors of the Company. The period of office of these Directors are not liable to determination by retirement by rotation under the applicable provisions of the Companies Act, 2013 henceforth. Company has received the declaration of Independence under Section 149(6) of the Companies Act, 2013, from the aforesaid directors.

In the opinion of the Board, each of these Directors fulfil the conditions specified in the Companies Act, 2013 and Rules made thereunder and under the listing agreement to be continued as an Independent Directors of the Company and they are independent of the management. These Directors are not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and they have given their consent to act as Director.

The Board recommends the resolution as set out in Item No. 5 to 7 of the Notice for the approval by the shareholders.

Except Mr. Narsingh Awatar, Mr. Manickam Ramchandran and Mr. Arvind Gupta Directors, or their relatives, and Key Managerial Personnel of the Company and their relatives none of the Directors are concerned or interested, financially or otherwise, in the resolutions set out at item Nos. 5 to 7.

#### ITEM NO. 8

Mr. Hardev Chand Verma, (DIN00007681) Director of the Company appointed as a Whole Time Director of the Company in terms of the provisions of the Companies Act, 2013 the Board of Directors have, in meeting held on May 30, 2014, appointed Mr Hardev Chand Verma as a Whole Time Director of the Company for a period of five years with effect from May 30, 2014 on the terms & conditions as approved by the Board in its meeting held on 30.05.2014 and is reproduced below:

#### Terms & Conditions:

##### Remuneration, Perquisites and Allowances

- (a) Salary: In the pay scale of Rs. 1,25,000-25,000-2,25,000/- p.m.
- (b) Housing: Accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and /or allowances for utilisation of gas, electricity, water, furnishing and repairs and leave travel concession for self and family including dependents. The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment thereof; in the absence of such rules, perquisites and allowances shall be evaluated at actual cost.
- (c) Contribution towards Provident Fund, superannuation fund or annuity fund to be the extent these either singly or put together are not taxable under the Income Tax Act, 1961
- (d) Gratuity payable at the rate not exceeding half a Month's salary for each completed year of Service.
- (e) Encashment of leave at the end of the tenure as per the rules of the Company,
- (f) Children Education allowance: In case children studying in or outside India, an allowance limited to maximum of Rs 12,000/- per month per child or actual expenses incurred, whichever is less. Such allowance is admissible up to a maximum of two children.
- (g) Leave Travel Concession will be as per the rules specified by the Company.
- (h) Club Fees subject to a maximum of two clubs excluding admission and life membership fee.
- (i) Personal Accident Insurance Premium not exceeding Rs. 10,000 per annum.