

NOVA

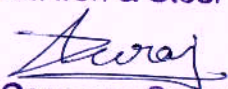
IRON AND STEEL LTD.



24th ANNUAL REPORT

2015-2016

Certificate True Copy
For Nova Iron & Steel Ltd.


Company Secretary

FOR THE ATTENTION OF SHAREHOLDERS

Since trading of shares on the Bombay Stock Exchange Ltd. is only in demat form, the shareholders holding shares in physical form are requested to get the shares dematerialized. For this you are required to open a demat account with any Depository Participant (DP) and send the shares to Registrar and Share Transfer Agent (RTA) through DP for dematerialization. In case your shares are not traceable, you may get in touch with the Registrar and Share Transfer Agent for the procedure to get the duplicate share certificates and/or any other help/clarification. The contact detail of RTA are : M/s Skyline Financial Services Private Limited, D-153A, 1st Floor, Okhla Industrial Area, Phase-1, New Delhi-110020, Ph Nos. 011-30857575 (10 lines), Email : rta.nova.rg@gmail.com.



NOVA IRON AND STEEL LTD.

24th ANNUAL REPORT 2015-16
Year ended 31st March 2016

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BOARD OF DIRECTOR

CHAIRMAN

Mr. Sanjay Singal

WHOLE TIME DIRECTOR

Mr. Hardev Chand Verma

DIRECTORS

Mr. Aniket Singal

Mr. R.P. Goyal

Mr. Narsingh Awatar

Mr. M. Ramachandran

Mr. Arvind Gupta

Mrs. Sumiran Aggarwal

CHIEF FINANCIAL OFFICER

Mr. Ajoy Shah

COMPANY SECRETARY

Mr. Dheeraj Kumar

AUDITORS

M/s Antima & Goel

Chartered Accountants

A-6, Lower Ground Floor,

Defence Colony, New Delhi-110024

BANKERS

Punjab National Bank

Axis Bank Ltd.

REGISTERED OFFICE

Village Dagori,

Tehsil Belha, Distt-Bilaspur

(Chhattisgarh)- 495224

CORPORATE OFFICE

F-Block, 1st Floor,

International Trade Tower,

Nehru Place, New Delhi-110019

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: virenr@skylinerta.com

EMAIL : rai_nisl2007@yahoo.com

WEBSITE

www.novaironsteel.com

CIN No.:

L02710CT1989PLC010052

CHIEF FINANCIAL OFFICER
JANUARY 1980
COMPANY SECRETARY
JANUARY 1980

1980-1981

1980-1981



NOVA IRON AND STEEL LTD.

BOARD' REPORT

To Members,

Your Directors have pleasure in presenting the 24th Annual Report together with Audited Accounts for the year ended 31st March, 2016.

FINANCIAL HIGHLIGHTS

Particulars	(Rs. in Lacs)	
	2015-16 (12 Months)	2014-15 (12 Months)
Gross Revenue	1571.10	930.44
Profit/Loss before Interest, Depreciation and Tax	-112.58	-29.95
Interest & Financial Cost	601.38	601.05
Depreciation & Amortization	132.67	169.45
Profit/(Loss) before Tax	-621.47	-800.45
Extraordinary items	203.17	591.00
Deferred Tax Assets (+)/Liability(-)	-26.21	10.21
Profit/(Loss) after Tax	-444.51	-199.24
Net Loss transferred to Balance Sheet	-444.51	-199.24

FINANCIAL SUMMARY

Company earned gross revenue from operations and other income for the financial year under review Rs. 1571.10 lacs as compared to Rs. 930.44 lacs for the previous financial year. Company incurred loss of Rs. 444.51 lacs as compared to Loss of Rs. 199.24 lacs for the previous year.

OPERATION AND FUTURE OUTLOOK

During the year under review, installation of 12 MW Waste Heat Recovery Based (WHRB) Power Plant and Induction Furnace has been completed. Plant operations of 500 TPD Sponge Iron Plant restarted. Unavailability of coal due to cancellation of coal blocks pursuant to order of Supreme Court of India vide its judgement dated 25.08.2014 and 24.09.2014 and delay in E-auction of coal blocks caused lower capacity utilization in the 2015-16 and squeezed the margins. Availability of higher grade quality of iron ore at higher prices has affected profit. In the current market condition to compete in the market, installation of captive power plant for continuous power supply, utilisation of waste heat of kilns for maximize production capacity utilization, installation of furnace, is needed to produce cost effective sponge iron. The MMDR Amendment Act, 2015 & dispensed with the Central Government Approval and States are empowered to execute prospecting license or mining leases where there is letter of intent. Remaining minis will be allocated through E-Auction. The demand of sponge iron in the market also remained low because of higher cost of production resulting into lower sales and import of steel at lower rates. Power supply from the state government remained irregular. The installation of 12 MW waste heat recovery based (WHRB) power plan is completed and expected to be commenced in this year. This will not only save high power cost but also allow the company to sell the excess power through open access there by generating extra revenue.

CHANGE IN NATURE OF BUSINESS,

There was no change in the nature of business of the Company during the financial year ended 31st March, 2016.

EXTRACT OF ANNUAL RETURN

The extract of the Annual Return in Form MGT-9 is at Annexure -1 to Board's Report.

BOARD MEETINGS

During the financial year 2015-16, the Board of Directors of the Company, met 06 (Six) times on 02.04.2015, 21.04.2015, 30.05.2015, 12.08.2015, 13.11.2015 and 11.02.2016. Further a separate Meeting of the Independent Directors was also held on 11.02.2016, whereat the prescribed items enumerated under Schedule IV to the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were discussed.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of Companies Act, 2013, with regard to Directors' Responsibility Statement, your Directors hereby confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- the Directors have 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 or loss of the Company for the year;
- the Directors have taken proper and sufficient care of 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;
- the Directors have prepared the annual accounts on a going concern basis.
- the internal financial controls to be followed by the company were laid down and such internal financial controls were adequate and were operating effectively.
- proper systems to ensure compliance with the provisions of all applicable laws were devised.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

- Company has received declaration of independence from Independent Directors namely Mr. Narsingh Awatar, Mr. Arvind Gupta, Mr. M Ramchandran and Mrs. Sumiran Aggarwal confirming the requirements of Section 149(6) of the Companies Act, 2013 and rules thereunder.
- Since last Annual General Meeting there is following changes have taken place in the Directorship/KMPs of the Company.

In accordance with the provisions of Articles of Association of the Company and provisions of Companies Act, 2013, Mr. Aniket Singal (DIN03478511) Director retires by rotation and being eligible has offered himself for re-appointment. None of the Directors has incurred disqualification under Section 164 of the



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Companies Act, 2013. During the year there is no change in KMP.

CODE OF CONDUCT

Declaration pursuant to Regulation 34(3) of SEBI (LODR) Regulations, 2015 in respect of compliance with code of conduct by Whole Time Director/CEO is at Annexure-9.

DIRECTOR IDENTIFICATION NUMBER (DIN)

Present Directors have obtained Director Identification Number (DIN) under Director Identification Rules, 2006 which is valid DIN under Companies (Appointment and Qualification of Directors) Rules, 2014.

NOMINATION AND REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

Board of Directors of the Company, approved a policy for nomination and remuneration for directors, KMP and other employees containing interalia criteria for determining qualifications, positive attributes, independence of a director, payment of Managerial remuneration, and other related matters is annexed at Annexure-2 of Board's Report which can be assessed at our weblink; <http://www.novaironsteel.com/pdfs/Remuneration%20Policy.pdf>.

AUDIT COMMITTEE

The composition of Audit Committee comprises, 3(three) members, Mr. N. Awatar, Independent Director and Mr Arvind Gupta, Independent Director and Mr. R. P. Goyal, Director. Mr. N. Awatar is Chairman of the committee. Audit Committee have powers and authority as provided under the provisions of Companies Act 2013 and SEBI (LODR) Regulation 2015 in accordance with the terms of reference specified by the Board of Directors from time to time. Board has accepted all recommendations of the Committee made during the year.

AUDITORS

M/s Antima & Goel, Chartered Accountants, New Delhi (Regd. No. 009062N), Statutory Auditors have been appointed for period of three years in the 22nd AGM held on 27.09.2014 and hold office till the conclusion of the 25th Annual General Meeting of the Company to be held in the year 2017, subject to ratification of their appointment at every Annual General Meeting. Statutory Auditors have confirmed their eligibility u/s 139 of the Act to continue as Auditors of the Company.

AUDITORS' REPORT

Auditors have not made any qualification/adverse remarks /observations/ disclaimer on the Financial Statement for the year ended 31st March 2016. The observations, if any, are self-explanatory and calls for no comments. However, the Auditor has observation that Registration of Freehold Land amounting to Rs. 1,94,34,130/- is pending in the name of the Company. It is for the information of Members that Company has submitted the required documents with the concerned authorities and registration is pending.

COST AUDIT

Rule 4(2) of Cost Audit Rules 2014 is not applicable on the Company as notified vide notification dated 31.12.2014 since overall annual turnover of the Company from all its products and services during the year is less than Rs. 100 crore, hence company is not required to appoint Cost Auditors.

SECRETARIAL AUDIT

M/s Sharma Sarin & Associates who were appointed as secretarial auditors of the Company for the Financial year 2015-16 after conducting the Secretarial Audit has given Secretarial Auditor's Report in form MR-3 and is annexed as Annexure-3 to the Board Report. There are no qualifications, reservations or adverse remarks made by Secretarial Auditors in their Report.

PARTICULARS RELATING TO TECHNOLOGY ABSORPTION, CONSERVATION OF ENERGY & FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pursuant to Section 134(3)(m) of Companies Act, 2013 regarding conservation of Energy, Technology Absorption, foreign exchange earnings and outgo is enclosed at Annexure-4 to the Board's Report.

INTERNAL AUDITORS AND ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Company has appointed M/s Rajesh Aggarwal & Associates, Chartered Accountant as Internal Auditor for the F.Y. 2015-16. Internal control framework of the Company is adequate and commensurate with the nature of the business and size of the Company. The internal auditors monitor and evaluate the efficacy and adequacy of Internal Financial Control system in the company, its compliance with operating system, accounting procedures and policy. Internal Auditors submit his report to Audit committee periodically.

PARTICULARS OF LOAN, GUARANTEE OR INVESTMENT UNDER SECTION 186

During the financial year ended 31st March, 2016, Company has neither made Loan nor given guarantees nor provided security u/s 186 of the Act. The Company has made investment during the year. The particular of investment made by the company are furnished in note 11 attached to financial statements of the Company in respect of investments of the Company.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of contract and arrangement entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain contract/arrangement at arm's length are disclosed in Form No. AOC-2 at Annexure-5 to Board's Report.

CAPITAL & RESERVES

There is no change in the capital of the Company as on 31.03.2016. Company has not transferred any amount to the General Reserve.



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DIVIDEND

In view of losses incurred during the year, Board of Directors has not recommended Dividend for distribution for the year 2015-16.

EMPLOYEES STOCK OPTION

Company has not issued Sweat Equity Shares or ESOP (Employees Stock Option) to its employees.

LISTING/DELISTING

The Equity shares of the company are listed at Bombay Stock Exchange. The Company has paid listing fees to the Stock Exchange for the year 2015-16. Pursuant to approval of Board of Directors in its meeting held on 08.10.2010, Company has filed application for delisting of shares from National Stock Exchange vide letter dated 27.10.2010 and from Delhi Stock Exchange vide letter dated 02.06.2011. Further Delhi Stock Exchange has also been derecognized under SEBI order dated 19.11.2014. The Equity shares of the Company has been delisted from National Stock Exchange of India w.e.f. 04.07.2016 vide NSE letter no. NSE/LIST/77956 dated 27.06.2016.

BUY BACK OF SHARES

During the year, Company has not made buy back its shares nor it has given any loan for purchase of its own shares.

MATERIAL CHANGE(S)

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

RISK MANAGEMENT POLICY

Board of Directors has adopted a Risk Management Policy/Plan for the Company, whereby, risks are broadly categorized. The Policy outlines the parameters of identification, assessment, monitoring and mitigation of various risks which are key to business objectives which is also available at weblink: <http://www.novaironsteel.com/pdfs/Risk%20Management%20Policy.pdf>.

CORPORATE SOCIAL RESPONSIBILITY POLICY

Being listed company, the Board of Directors of your Company, has constituted CSR Committee (for composition of committee please refer Corporate Governance Report attached to Board Report). On the recommendation of CSR Committee, CSR Policy of the Company has been approved by the Board which is available on our weblink: <http://www.novaironsteel.com/pdfs/CSR%20Policy.pdf>. The Annual Report on CSR activities as per Companies (Corporate Social Responsibility Policy) Rules, 2014 is at Annexure -6 to the Board Report. Company has not spent any amount since net average net profit of the last three years of the company is negative.

SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

During the year M/s Bijahan Coal Private Limited become Joint

Venture and M/s Prudent Transport Private Limited ceased to be an Associate. A report on performance and financial position of Joint Venture company included in the consolidated financial statement is presented in a separate section in this annual report. Company do not have Subsidiary or Associates. Please refer AOC-1 annexed to the financial statement in the Annual Report as Annexure-10.

PERFORMANCE EVALUATION OF BOARD

During the year Board of Directors evaluated performance of its own, Committees and all the individual Directors including Independent Directors and concluded by affirming that the Board summarizing as a whole as well as all of its Directors, individually and the Committees of the Board continued to good governance and contribute its best in the overall growth of the organisation. Independent directors also held separate meeting to evaluate performance of Chairman and executive directors and expressed satisfaction on their performance.

DEPOSITS

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

SEGMENT REPORTING

The Company is engaged in Iron & Steel business, which in the context of Accounting Standard -17 of Companies (Accounting Standard) Rules, 2006 as amended to date is considered only business segment.

MATERIAL ORDERS

There was no significant and material order passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

PARTICULARS RELATING TO EMPLOYEES

Details pursuant to section 197(12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is at Annexure -7 of Board Report. During the year no employee has remuneration equal to or more than prescribed limit under Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, hence information under these rules be treated as NIL. Pursuant to MCA Notification dated 30.06.2016 detail of top ten employees enclosed as Annexure-8

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM /WHISTLE BLOWER POLICY FOR DIRECTORS AND EMPLOYEES

Company has in place a composite 'Vigil Mechanism' Policy/Whistle Blower Policy available to the employees and directors to blow the whistle/ highlight any fraud, irregularity, wrongdoing etc. which is also available at weblink: <http://www.novaironsteel.com/pdfs/Vigil%20Mechanism.pdf>.

CORPORATE GOVERNANCE

A report on Corporate Governance is At Annexure-11 and a certificate of Statutory Auditors and a certificate from Whole Time Director and CEO of the Company regarding compliance of conditions of Corporate Governance in terms of SEBI



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(Listing Obligations and Disclosures Requirements) Regulations, 2015 is at Annexure-12 and 13 respectively to Board's Report.

GENERAL

(i) ENVIRONMENT & OTHER APPLICABLE LAW

The Company is committed to the protection of environment and is not involved in any activity hazardous to environment. The Company adheres to the provisions of the applicable provisions of environment laws.

(ii) HEALTH & SAFETY

In order to build a sustainable work place environment, a common health and safety management system is being implemented. All efforts are being made to enhance safety standards and processes in order to minimize safety risks in all our operations.

(iii) SEXUAL HARASSMENT OF WOMEN

The Company has zero tolerance towards sexual harassment at the workplace. During the Financial Year

2015-16, the Company has received no complaints of sexual harassment since there is no female employee.

(iv) INDUSTRIAL RELATIONS

Relations between the Management and its employees/workmen have been cordial and management expressed their appreciation for the co-operation and dedication of the Employees/Workmen at all levels of the Company.

ACKNOWLEDGEMENTS

Your Directors convey their sincere thanks to the Bankers, various departments in Central and State Governments and all others associated with the Company for their co-operation, continued support and confidence reposed by them in the Company.

For and on behalf of the Board

(Sanjay Singal)
Chairman
DIN:00006579

Place: New Delhi
Date: 12.08.2016



NOVA IRON AND STEEL LTD.

ANNEXURE-1

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	L02710CT1989PLC010052	(ii) Registration Date	01/05/1989
(iii) Name of Company	Nova Iron & Steel Limited	(iv) Category/Sub-Category of the Company	Company limited by shares/ Indian Non-government Company.
(v) Address of the Registered office and contact details	Village -Dagori, Tehsil Belha, Bilaspur, Chhattisgarh 495224 Tel:07752 -285206 , Fax:07752-285213	(vi) Whether listed company	Yes
(vii) Name, address and Contact details of Registrar and Transfer Agents, if any	Skyline financial Services Private Limited, D-153A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi 1100020, Tel+91 11 30857575		

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1.	Iron & Steel	271	100.00

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No	Name and address of the company	CIN/GLN	Holding/ subsidiary /Associate	% of equity shares held	Applicable section
1	Bijahan Coal Private Limited	U10101CH2015PTC035511	Joint Venture	5%	2(6) of Companies Act, 2013

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

(i) Category-wise Share Holding

Category of Shareholders	No. of Equity Shares held at the beginning of the year				No. of Equity Shares held at the end of the year				% Change during The year
	Demat	Physical	Total	% of Total Equity Shares	Demat	Physical	Total	% of Total Equity Shares	
A. PROMOTERS									
(1) Indian									
(a) Individual/HUF	-	-	-	-	-	-	-	-	-
(b) Central Govt.	-	-	-	-	-	-	-	-	-
(c) State Govt.	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	24231786	-	24231786	67.05	25228821	-	25228821	69.81	2.76
(e) Banks/FI	-	-	-	-	-	-	-	-	-
(f) Any other...	-	-	-	-	-	-	-	-	-



NOVA IRON AND STEEL LTD.

Sub- Total (A) (1) :-	24231786	-	24231786	67.05	25228821	-	25228821	69.81	2.76
(2) FOREIGN									
(a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
(b) Other- Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Banks/FI	-	-	-	-	-	-	-	-	-
(e) Any other.....	-	-	-	-	-	-	-	-	-
Sub- Total(A) (2) :-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1)+A(2)	24231786	-	24231786	67.05	25228821	-	25228821	69.81	2.76
B. Public Shareholding									
1. INSTITUTIONS									
a) Mutual Funds	3600	503496	507096	1.40	3600	498168	501768	1.39	-0.01
b) Banks /FI	0	144	144	0	0	144	144	0	No change
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub- Total (B) (1) :-	3600	503640	507240	1.40	3600	498312	501912	1.39	-0.01
2.NON-INSTITUTIONS									
(a) BODIES CORP.									
(i) Indian	2965572	20880	2986452	8.26	469538	20880	490418	1.36	-6.90
(ii) Overseas	-	-	-	-	-	-	-	-	-
(b) INDIVIDUALS									
(i) Individual Shareholders holding nominal share capital upto Rs. 1 Lakh	1982516	5708882	7691398	21.28	1983094	5687210	7670304	21.22	-0.06
(ii) Individual Shareholders holding nominal share Capital in excess of Rs. 1 Lakh	502772	44112	546884	1.51	2030447	44112	2074559	5.74	4.23
(c) Others (Specify) Non Residents	27384	148344	175728	0.49	26090	148344	173474	0.48	-0.01
Sub- Total (B) (2) :-	5478244	5922218	11400462	31.54	4509169	5900546	10408755	28.80	-2.74
Total Shareholding (B)= (B)(1)+(B)(2)	5481844	6425858	11907702	32.94	4512769	6398858	10910667	30.19	-2.75
C. Shares held by custodian for GDRs & ADRS									
Grand Total (A+B+C)	29713630	6425858	36139488	100	29741590	6398858	36139488	100	-