



NOVA IRON AND STEEL LTD.
25th ANNUAL REPORT
2016-2017

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 64732681 to 88, Email : rta.nova.rg@gmail.com.



NOVA IRON AND STEEL LTD.

25th ANNUAL REPORT 2016-17
Year ended 31st March 2017

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.Ramachadran

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 64732681-88, Fax +91 11 30857562

Contact Person- Mr. Virender Rana

Email: viren@skylinert.com

EMAIL : rai_nisl2007@yahoo.com

WEBSITE

www.novaironsteel.com

CIN No.:

L02710CT1989PLC010052

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NOVA IRON AND STEEL LTD.

BOARD' REPORT

To Members,

Nova Iron and Steel Limited

Registered office: Village-Dagori,

Tehsil-Belha, Distt.-Bilaspur

Chhattisgarh

Your Directors have pleasure in presenting the 25th Annual Report together with Standalone & Consolidated Audited Accounts for the year ended 31st March, 2017.

FINANCIAL HIGHLIGHTS (STANDALONE)

(Rs. in Lacs)

Particulars	2016-17 (12 Months)	2015-16 (12 Months)
Gross Revenue	5342.99	1571.10
Profit/Loss before Interest, Depreciation and Tax	1053.19	112.58
Interest & Financial Cost	666.26	601.38
Depreciation & Amortization	118.59	132.67
Profit/(Loss) before Tax	268.33	-621.47
Extraordinary items	-	203.17
Deferred Tax Assets (+)/Liability(-)	-11.63	-26.21
Profit/(Loss) after Tax	256.70	-444.51
Net Profit/(Loss) transferred to Balance Sheet	256.70	-444.51

FINANCIAL SUMMARY

Company earned gross revenue Rs. 5342.99 lacs from operations and other income for the financial year under review as compared to Rs. 1571.10 lacs for the previous financial year. Company earned profit of Rs. 256.70 lacs after tax as compared to Loss of Rs. 444.51 lacs for the previous year.

OPERATION AND FUTURE OUTLOOK

During the year, the turnover of the Company is Rs. 5342.99 lacs, an increase of 200% over the previous year. The growth is largely driven by sale of By-Products i.e. coal fine, iron ore fines, sponge iron fines and Kiln waste etc., The industry witnessed recovery in steel prices mainly driven by increase in iron ore prices improvement in underlying global demand.

In response to recent declines and higher volatility in steel and raw material prices, the Company is in process to implement a number of cost-saving measures intended to improve operating income as well as measures to enhance cash generation from the business.

CAPITAL & RESERVES

There is no change in the capital of the Company as on 31.03.2017. Company has not transferred any amount to the General Reserve. Balance of profit has been transferred to Reserve and Surplus.

DIVIDEND

In view of inadequate profit during the year, Board of Directors has not recommended Dividend for distribution for the year 2016-17.

CHANGE IN NATURE OF BUSINESS

There was no change in the nature of business of the Company

during the financial year ended 31st March, 2017.

BOARD MEETINGS

During the financial year 2016-17, 05 (Five) meetings of Board of Directors of the Company held including one Meeting of the Independent Directors.

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 Regulation 18 of SEBI (LODR) Regulations 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. During the year 4(four) meeting of audit committee held and committee has reviewed related party transactions periodically.

EXTRACT OF ANNUAL RETURN

The extract of the Annual Return in Form MGT-9 under Companies Act 2013('Act') and rules made thereunder is at Annexure-1 attached to Board's Report.

AUDITORS

In terms of Section 139, of the Act read with the Companies (Audit and Auditors) Rules, 2014 M/s. Antima & Goel, Chartered Accountants, New Delhi, statutory auditor of the company shall hold office till the conclusion of the ensuing Annual General Meeting (AGM) pursuant to sub section 2 of section 139 of the Act and Rule 6 of The Companies (Audit and Auditors) Rules, 2014. M/s. Antima & Goel, Chartered Accountants, New Delhi are ineligible for re-appointment due to expiry of the maximum permissible tenure as an Auditor of the Company.

Board recommended appointment of M/s. Mehra Goel & Co., Chartered Accountants, Firm Regd. No. 000517N, New Delhi as Statutory Auditor in place of M/s Antima & Goel, Chartered Accountants, New Delhi for a term of five consecutive years to hold office from the conclusion of 25th Annual General Meeting till the conclusion of 30th Annual General Meeting of the Company to be held in the year 2022, subject to ratification as to the re - appointment at every Annual General Meeting for approval of shareholders.

Secretarial Auditor

In terms of Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Board at its meeting held on 30.05.2017 appointed M/s Sharma Sarin & Associates, Practicing Company Secretary, Chandigarh as the Secretarial Auditor of the Company, to conduct the Secretarial Audit for the financial year 31.03.2017 and to submit Secretarial Audit Report in Form No. MR-3. A copy of the Secretarial Audit Report is at Annexure-2 attached to Board Report.

Auditors' Reports

Auditors have not made any qualification/adverse remarks



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/observations/ disclaimer on the Financial Statement for the year ended 31st March 2017. 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. Company has submitted the application along with required documents with the concerned authorities and registration is pending.

There is no qualification, reservation or adverse remark made by the Secretarial Auditor in their Secretarial Audit Report for the financial year ended 31.03.2017.

COST AUDIT

Company is not required to appoint Cost Auditor since the turnover of the Company is below prescribed limit. However Company is maintaining Cost Records.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Company's Board is duly constituted which is in compliance with the requirements of the Act, and the SEBI (LODR) Regulation, 2015.

Since last Financial year, the following changes have taken place in the Directorship/KMPs of the Company.

Sh. Ravi Parkash Goyal (DIN 00006595), Non-Executive Director is due to retire by rotation at the ensuing AGM and being eligible, offers himself for re-appointment. A brief profile along with necessary disclosures of Sh. Ravi Parkash Goyal has been annexed to the Notice convening the ensuing AGM.

Mr. Narsingh Awatar, Mr. Arvind Gupta and Mr. Manikam Ramchandran, Independent Directors of the Company shall hold office till the conclusion of the ensuing AGM. Board recommends their re-appointment for a term of five consecutive years for approval of shareholders.

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 Act and rules thereunder.

None of the Directors has incurred disqualification under Section 164 of the Act or liable to cease director under section 167 of Act.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) In the preparation of the annual accounts, for the year ended 31.03.2017 the applicable accounting standards have been followed to the extent of its applicability alongwith proper explanation relating to material departures (Ind-AS is not applicable);
- (b) 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;

- (c) 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;
- (d) The Directors have prepared the annual accounts on a going concern basis.
- (e) The internal financial controls to be followed by the company were laid down and such internal financial controls were adequate and were operating effectively.
- (f) Proper systems to ensure compliance with the provisions of all applicable laws were devised.

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 has 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 at Annexure-3 attached to the Board's Report which can be assessed at Company's weblink; <http://www.novaironsteel.com/pdfs/Remuneration%20Policy.pdf>.

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

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

INTERNAL AUDITORS AND ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Company has appointed M/s Rajesh Aggarwal & Associates, Practicing Chartered Accountant as Internal Auditor. 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 half yearly.

PARTICULARS OF LOAN, GUARANTEE, INVESTMENT OR PROVIDING SECURITY

During the financial year ended 31st March, 2017, Company has neither given Loan nor given guarantee nor provided security or made investment u/s 186 of the Act. (Please refer



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note 11 attached to financial statements of the Company for the year ended 31.03.2017 in respect of investments of the Company).

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review, 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 Act including certain contract/arrangement at arm's length are disclosed in Form No. AOC-2 at Annexure – 5 attached to Board's Report. Pursuant to regulation 23(4) of SEBI (LODR) Regulation 2015, company has taken the approval of shareholders in 24th AGM for material related party transactions. (Please refer note 31 of attached financial statement of related party transaction under AS-18)

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 2016-17.

Pursuant to approval of Board of Directors in its meeting held on 08.10.2010, Company has filed application for delisting of shares from Delhi Stock Exchange (DSE) vide letter dated 02.06.2011. Further vide SEBI order dated 19.11.2014, DSE has been derecognized and consequently Equity Shares of the Company stand unlisted from DSE. DSE vide letter no. DSE/LIST/8495/1953 dated 19.04.2017 has confirmed the delisting/unlisted of shares from DSE.

BUYBACK OF SHARES

During the year, Company has not made buy back of 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 Company's weblink: <http://www.novaironsteel.com/pdfs/Risk%20Management%20Policy.pdf>.

PERFORMANCE EVALUATION OF BOARD

During the year under report Board of Directors evaluated performance of 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 annual performance of Chairman and executive directors and expressed satisfaction on their performance.

DEPOSITS

During the year under report, Company has not accepted any deposits under Chapter V of the Act, from the public and as such no amount of principal or interest was outstanding on the date of Balance Sheet. Information under Rule 8(5)(v)(vi) of Companies (Accounts), Rules 2014 be treated as NIL.

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 to be the only business segment. Indian Account Standard (Ind AS) notified recently are not applicable.

SIGNIFICANT AND MATERIAL ORDERS

During the year there was no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

PARTICULARS RELATING TO REMUNERATION OF EMPLOYEES OF THE COMPANY

Details pursuant to section 197(12) of the Act, read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is at Annexure -6 attached to the 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 as attached to Board Report is at Annexure-7.

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-8 attach to the Board Report.

CORPORATE SOCIAL RESPONSIBILITY POLICY

Company has constituted Corporate Social Responsibility (CSR) Committee. Mr. R.P. Goyal, Director, Mr. H.C. Verma, Whole Time Director and Mr. Narsingh Awatar, Independent Director are members of the Committee. Mr. R.P. Goyal is the Chairman of the Committee. On the recommendation of CSR Committee, CSR Policy of the Company has been approved by the Board which is uploaded at Company's 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 -9 attached to the Board's Report. Company was not required to spend any amount on CSR Activities during the year 2016-17 since company has incurred net average loss in last three years of the company.



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SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

Company do not have Subsidiary or Associates company. Company has one Joint Venture. A report on performance and financial position of Joint Venture company included in the consolidated financial statement in form AOC-1 annexed to the Board' Report at Annexure-10.

VIGIL MECHANISM /WHISTLE BLOWER POLICY

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>. Audit Committee periodically reviewed Vigil Mechanism.

CORPORATE GOVERNANCE

A report on Corporate Governance in compliance of conditions of Corporate Governance in terms of SEBI (LODR) Regulations, 2015 is at Annexure-11.

A certificate of Statutory Auditors and a certificate from Whole Time Director/CEO of the Company is at Annexure-12 and 13 respectively attached to Board's Report in compliance of SEBI (LODR) Regulations, 2015.

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 2016-17, 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 Singai)
Chairman
DIN:00006579

Place: New Delhi
Date: 12.08.2017



NOVA IRON AND STEEL LTD.

ANNEXURE-1

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2017
[Pursuant to section 92(3) of the Companies Act, 2013 and
Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

	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:07752-285217, Fax:07752-285213	(vi) Whether listed company	Yes
(vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	Skyline Financial Services Private Limited, D-153A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi 1100020, Tel+91 11 64732681 to 88		

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 JOINT VENTURE, 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.	25228821	-	25228821	69.81	25228821	-	25228821	69.81	-
(e) Banks/ FI	-	-	-	-	-	-	-	-	-
(f) Any other...	-	-	-	-	-	-	-	-	-
Sub- Total (A) (1) :-	25228821	-	25228821	69.81	25228821	-	25228821	69.81	-



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(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)	25228821	-	25228821	69.81	25228821	-	25228821	69.81	-
B. Public Shareholding									
1. INSTITUTIONS									
a) Mutual Funds	3600	498168	501768	1.39	3600	497736	501336	1.39	-
b) Banks /FI	0	144	144	0	0	144	144	0	-
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	498312	501912	1.39	3600	497880	501480	1.39	-
2. NON-INSTITUTIONS									
(a) BODIES CORP.									
(i) Indian	469538	20880	490418	1.36	1928683	20880	1949563	5.39	4.03
(ii) Overseas	-	-	-	-	-	-	-	-	-
(b) INDIVIDUALS									
(i) Individual Shareholders holding nominal share capital upto Rs. 1 Lakh	1983094	5687210	7670304	21.22	2008806	5656778	7665584	21.21	-0.01
(ii) Individual Shareholders holding nominal share Capital in excess of Rs. 1 Lakh	2030447	44112	2074559	5.74	579574	44112	623686	1.73	-4.01
(c) Others (Specify) Non Residents	26090	147384	173474	0.48	24098	146256	170354	0.47	-0.01
Sub-Total (B) (2) :-	4509169	5899586	10408755	28.80	4541161	5868026	10409187	28.80	-
Total Shareholding (B)= (B)(1)+(B)(2)	4512769	6397898	10910667	30.19	4544761	6365906	10910667	30.19	-
C. Shares held by custodian for GDRs & ADRS	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	29745190	6397898	36139488	100	29773582	6365906	36139488	100	-