



28th Annual Report

2019-2020

NOVA IRON AND STEEL LIMITED

Regd. Office : Village-Dagori, Tehsil- Belha, District-Bilaspur
(Chhattisgarh)-495224

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. 011-40450193 to 97, Email : rai_nisl2007@yahoo.com.

BOARD OF DIRECTOR
CHAIRMAN

Mr. H. C. Verma

WHOLE TIME DIRECTOR

Mr. Hardev Chand Verma

DIRECTORS

Mr. R.P. Goyal

Mr. Narsingh Awatar

Mrs. Sumiran Aggarwal

CHIEF FINANCIAL OFFICER

Mr. Ajoy Shah

COMPANY SECRETARY

Mr. Dheeraj Kumar

AUDITORS

M/s Ashwani & Associates

Chartered Accountants

19-A, Udham Singh Nagar,

Ludhiana (PB) - 141001

Phone: 0161-2301394, 0161-2301923

G-mail: info@ashwaniassociates.in

Web: www.ashwaniassociates.in

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

Ph. No.: 011-30451000

PLANT

Village Dagori, Tehsil-Belha

Distt-Bilaspur, (Chhattisgarh)-495224

Ph. No.: 07752-285206, 285217

Fax No.: 07752-285213

REGISTRAR AND SHARE TRANSFER AGENT

Skyline Financial Services Private Limited

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

Phase- 1, New Delhi – 110020

Tel: +91 011 40450193 to 97, Fax +91 11 30857562

Contact Person- Mr. Virender Rana

Email: viren@skylinerta.com

EMAIL : rai_nisl2007@yahoo.com

WEBSITE : www.novaironsteel.com

CIN No.: L02710CT1989PLC010052

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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 28th Annual Report together with Standalone Audited Accounts for the year ended 31st March, 2020.

FINANCIAL HIGHLIGHTS (STANDALONE)

Particulars	2019-20	2018-19
	(12 Months)	(12 Months)
Gross Revenue	5523.44	526.97
Profit/Loss before Interest, Depreciation and Tax	(3408.03)	(206.02)
Interest & Financial Cost	1.69	-
Depreciation & Amortization	732.61	90.80
Profit/(Loss) before Exceptional item & tax	(4142.33)	(296.82)
Exceptional item	-	363.85
Profit/(Loss) after Exceptional item & before Tax	(4142.33)	67.03
Tax Expenses:		
Current Tax	-	12.89
Deferred Tax Assets (+) / Liability (-)	(1080.74)	(17.76)
Net Profit/(Loss) after tax	(5223.07)	62.16

OPERATION AND FUTURE OUTLOOK

The outbreak of coronavirus 2019 (COVID19) has globally disrupted people's lives, interrupted businesses and jeopardized decades of development progress. In a bid to combat the COVID-19 threat, the nationwide lockdown in India was first announced by the Government of India on March 24, 2020 which was further extended in a phased manner. With a considerable uncertainty around the world, the pandemic, its macroeconomic fallout, and the associated impact on financial and commodity markets, the World Economic Outlook has estimated global growth to decline in 2020 before recovering in 2021. According to industry estimates, 90% of the workforce employed in real estate and construction sector is engaged in the core construction activities, while the rest 10% is involved in other ancillary activities. Since majority of the workers are immigrants, labour shortage could possibly pose a major challenge for the sector post COVID19 lockdown. For FY2020-21, while the outbreak of COVID-19 has caused supply chain disruption and limited availability of labour. However, there are certain green-shoots in this adverse situation.

The lockdown and restrictions imposed on various activities due to COVID-19 pandemic, while being a necessary measure to contain its spread, have also posed unprecedented challenges to all businesses, and the business operations of the Company have been no exception to this. The impact of COVID-19 has been disruptive on the operations of the Company. With the lockdown in many States/Union Territories across the country, the supply chains have been put under stress which has resulted in loss of business.

However, the management of the Company is confident that the business operations will pick up progressively. The Company is taking all necessary measures in terms of mitigating the impact of the challenges being faced in the business. It is focused on controlling the fixed costs, maintaining liquidity and closely monitoring the supply chain to ensure that the manufacturing facilities operate smoothly.

In response to recent declines, the Company has entered into an Operation and Management Agreement with M/s R.K. Sponge Iron Limited for a period of three years to improve operating income as well as measures to enhance cash generation from the business.

FINANCIAL SUMMARY

Company earned gross revenue Rs. 5523.44 lacs for the financial year under review as compared to Rs. 526.97 lacs for the previous financial year. During the year Company incurred loss of Rs.5223.07 lacs after tax as compared to Profit of Rs. 62.16 lacs for the previous year.

In last quarter impact of Covid-19 pandemic in the country and during the year increase in prices of key raw material, rupee depreciation impacted the profitability and thus the loss for the year.

CAPITAL & RESERVES

During the year there is no change in the capital of the Company. 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.

CHANGE IN NATURE OF BUSINESS

There was no change in the nature of business of the Company during the financial year.

BOARD MEETINGS

During the financial year, 06 (Six) meetings of Board of Directors of the Company held including one Meeting of the Independent Directors.

AUDIT COMMITTEE

Composition of Audit Committee comprises, 3(three) members, Mr. N. Awatar, Independent Director, Mr. R. P. Goyal, Director and Mrs. Sumiran Aggarwal, Independent 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 5(five) 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 AND AUDITORS' REPORTS

At the AGM of the Company held on 28/09/2019, pursuant to the provisions of the Act and the Rules made thereunder, M/s Ashwani & Associates, Chartered Accountants, Firm Regd. No. 000497N, Ludhiana (Punjab), were appointed as Statutory Auditors of the Company from the conclusion of the 27th AGM held on 28/09/2019 till the conclusion of the 32nd AGM to be held in the year 2024.

The Audit Report on the Financial Statements of the Company for FY 2019-20 is a part of the Annual Report.

The Auditors, in their Audit Report, have given qualified opinion relating to:-

a. The company has not provide for interest expenses of Rs 3174.24 Lakhs (Estimated) for the year ended March 31st ,2020 related to borrowings of Rs 32,931.74 Lakhs. Statements of accounts were not available to confirm the balance/interest chargeable thereon.

In reply to Auditors above observation, Since the interest has not been paid and is payable on demand as mutual agreed with the lenders, therefore the same will be provide as and when demand by the lenders.

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 14/11/2019 appointed M/s V.P. Chhabra & Associates, Practicing

Company Secretary, Chandigarh as the Secretarial Auditor of the Company, to conduct the Secretarial Audit for the financial year 31/03/2020 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.

COST AUDIT

M/s J.K. Kabra & company, Cost Accountant, Delhi, who have consented to act as Cost Auditors of the Company, appointed as the Cost Auditor of the Company for the year 2020-21 at a remuneration to be determined by the Chairman of the Company in consultation with Cost Auditor.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

Sh. Aniket Singal, Director of the Company has resigned w.e.f. 15/11/2019 from the Directorship and Mr. Ajoy Shah, Chief Financial Officer of the Company has also resigned w.e.f. 25/11/2019.

None of the Directors has incurred disqualification under Section 164 of the Act or liable to cease director under section 167 of the 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 31.03.2020 the applicable accounting standards have been followed to the extent of its applicability alongwith proper explanation relating to material departures and the annual accounts have been prepared in compliance with the provisions of the Companies Act, 2013;
- (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 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, Company has neither given Loan nor given guarantee nor provided security or made investment u/s 186 of the Act. (Please refer notes attached to financial statements of the Company in respect of investments of the Company).

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review, there is no 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. Hence no Disclosure in Form AOC-2 is required to be attached with Board's Report.

EMPLOYEES STOCK OPTION

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

LISTING

The Equity shares of the company are listed at Bombay Stock Exchange. The Company has paid listing fees to the Stock Exchange.

BUY BACK 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 primarily engaged in the business of manufacturing / trading of Iron & Steel, Metals, Securities & Natural Resources business. So accordingly no segment report required to be disclosed.

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 -5** 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-6**.

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-7** 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. Narsingh Awatar 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 -8** attached to the Board's Report.

SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

Company do not have Subsidiary or Associates or Joint Venture company. Therefore consolidated financial statement in form AOC-1 annexed to the Board' Report is not applicable.

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 (Listing Obligations and Disclosures Requirements) Regulations, 2015 is at **Annexure-9**.

A certificate of Auditors and a certificate from Whole Time Director/CEO of the Company regarding is at **Annexure-10 and 11** 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 2019-20, 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.

ACKNOWLEDGMENTS

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

(H.C. Verma)
Chairman
DIN: 00007681

Place : New Delhi
Date :11/11/2020

ANNEXURE 1
**Form No. MGT-9
 EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31st March, 2020

[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:07752-285217, Fax:07752-285213 Email: rai_nisl2007@yahoo.com
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, 1 st Floor, Okhla Industrial Area, Phase-I, New Delhi 1100020, Tel+91 11 40450193 to 97

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	94.52

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
Nil					

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	4340000	0	4340000	12.01	4340000	0	4340000	12.01	-
(b) Central Govt.	-	-	-	-	-	-	-	-	-
(c) State Govt.	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	20888821	0	20888821	57.80	20888821	0	20888821	57.80	-
(e) Banks/FI	-	-	-	-	-	-	-	-	-
(f) Any other...	-	-	-	-	-	-	-	-	-
Sub- Total (A) (1) :-	25228821	0	25228821	69.81	25228821	0	25228821	69.81	-