



31st Annual Report

2022-2023

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 DIRECTORS
CHAIRMAN

Mr. Hardev Chand Verma

WHOLE TIME DIRECTOR

Mr. Dinesh Kumar Yadav

DIRECTORS

Mr. Suraj Parkash Choudhary

Mrs. Sumiran Aggarwal

CHIEF FINANCIAL OFFICER

Mr. Birender Kumar Bhardwaj

COMPANY SECRETARY

Mr. Dheeraj Kumar

AUDITORS

M/s MNRS & Associates

Chartered Accountants

 I-35B, First Floor, Lajpat Nagar -2,
 South Delhi – 110024

Phone: 011-46502975, 46102975

 Email: neeraj@mnrsindia.com

 Website: www.mnrsindia.com
BANKERS

Punjab National Bank

Axis Bank Ltd.

REGISTERED OFFICE

Village Dagori,

Tehsil Belha, Distt-Bilaspur

(Chhattisgarh)- 495224

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@skylinert.com
E-mail : rai_nisl2007@yahoo.com
Website : www.novaironsteel.com
CIN No.: L02710CT1989PLC010052

Board Report	4
Financial Statement	39
Notice	105

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 31st Annual Report together with Standalone Audited Accounts for the year ended 31st March, 2023.

FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

Particulars	2022-23	2021-22
	(12 Months)	(12 Months)
Gross Revenue	70308.87	61382.67
Profit/Loss before Interest, Depreciation and Tax	3057.53	2405.75
Interest & Financial Cost	1725.80	2486.66
Depreciation & Amortization	991.15	993.01
Profit/(Loss) before Exceptional item & tax	340.58	(1073.95)
Exceptional item	-	-
Profit/(Loss) after Exceptional item & before Tax	340.58	(1073.95)
Tax Expenses:		
Current Tax	-	-
Deferred Tax	519.92	404.26
Net Profit/(Loss) after tax	(179.34)	(1478.21)

PERFORMANCE

During the year under review, the Company achieved highest Gross Sales of Rs.703.09 crores as against Rs.613.83 crores in the previous year reflecting growth of 14.54% over the previous year. The EBITDA for the year was Rs.30.57 crores as against Rs.24.06 crores in the previous year, up by 27.09% over the previous year. However, after providing for interest, depreciation and tax, Company has minimized the losses to Rs. 1.79 crore as compare to previous year Rs. 14.78 crore. The performance of the Company was satisfactory during the year despite the economy having been impacted by the COVID pandemic. Although the year was marked by high volatility in the raw material prices, the Company was able to insulate itself to a significant extent. Overall business performance of the Company during the year has been good.

FUTURE OUTLOOK

Company is in the process of increasing the production capacity of Billet from the existing capacity of 250000 to 360000 Ton / Annum(Approx) and is under process. We have started project for 1.0 MTPA Coal Washery with Coal Handling System towards self-dependence to meet our requirement. Company is also in process to start soon for 2 Kilns of 100 TPD each with WHRB based CPP in the year 2023-24 only.

Company have a Private Railway siding served at Dagori Railway Station (3.5 kms approx from plant) and is in operation since 2006. We are in the process of bringing the Railway siding inside the plant premises from Railway Station, Dagori (3.5kms apprx form plant), the process for land acquisition / necessary approvals is going on.

Presently Company have 33 KV connectivity from Chhattisgarh State Power Distribution Company Ltd. (CSPDCL). For stabilization of plant and further expansion, we are in the process of taking 220 KV

connectivity from Chhattisgarh State Power Transmission Company Ltd. (CSPTCL) to our plant and is under progress.

Fiscal-2023 marked the first full year after the end of Covid pandemic. Business activities remained smooth throughout the year, even though some trading sectors & manufacturing units showed suppressed demand as well as poor capacity utilization. Over previous year the Company has entered operation and Management Agreement with M/s R.K. Sponge Iron Pvt. Ltd. The performance of said Agreement was satisfactory. The tenure of said operation and management agreement ended on 30/06/2023 and now company is controlling the operation and management. 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 addition, efforts would continue for cost control, and efficient utilization of all our resources.

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 Loss 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 Eight 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, Mrs. Sumiran Aggarwal, Independent Director, Mr. Suraj Prakash Choudhary, Independent Director and Mr. Dinesh Kumar Yadav, Director. Mr. Suraj Prakash Choudhary 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 7 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

The Board of Directors have appointed M/s MNRS & Associates, Chartered Accountants, New Delhi (FRN: 018340N) as Statutory Auditors of the Company in Annual General Meeting held on 30/11/2022 for a term of five consecutive years to hold the office from the conclusion of 30th Annual General meeting until the conclusion of the 35th Annual General Meeting..

The Auditors in their Report to the members, have given qualified opinions and the explanations of Board with respect to it in pursuant to section 134(3)(f) of Companies Act, 2013 are as follows:

Explanations to note on Basis for Qualified opinion of Independent Auditor's Report.

(a) Property, Plant and Equipment register has contained full particulars and updating with particular as described under the Companies (Auditor's Report) Order, 2020. Further management is implementing a systematic procedure for physical verification at regular intervals.

(b) To identify supplier registered under Micro, Small and Medium Enterprises Development Act, 2006, company is in process to make an operating procedure in due course.

(c) Company has sent confirmation letters to outstanding trade receivables, trade payables, pending security deposits and advances to suppliers during previous year. However, no response was received till date. Company shall obtain the confirmation during the current year for the outstanding balances.

(d) Company will try to adhere with the opinion made by the auditor with respect to recognise loss allowance for expected credit loss on financial assets based on Expected Credit Loss (ECL) approach of lifetime expected credit losses or 12-months expected credit losses depending on credit risk. Necessary steps shall be taken to comply with the same.

(e) The company's outstanding borrowings as at 31-March-2023 are under disputes.

(f) Shivalikview Steel Trading Pvt. Ltd. is one of group company. The amount remitted is only to mitigate some expenses which is repayable on demand as mutually agreed.

(g) Due to some unavoidable circumstances, there is some delay in payments, which shall be cleared in due course.

(h) The Management is contesting the borrowings and also trade payable of Rs.68.22 crores from Bhushan Power and Steel Limited and disputing that such demand is not due and payable, copy of the all correspondence has been provided to the auditors.

(i) Company will try to adhere with the opinion made by the auditor with respect to the impairment of non-financial assets and impairment testing and will provide the same in the near future.

(j) Company has not entered in to any transaction with the companies which have been strike off under CA, 2013. Company is implementing the procedure to identify details of struck off companies with Ministry of Corporate Affairs portal and sending letters of confirmation.

(k) Company has already appointed Mr. Birender Kumar Bhardwaj, as Chief Financial Officer of the Company w.e.f. 30/06/2023 in compliance with Section 203 of CA, 2013.

(l) Company will try to adhere with the opinion made by the auditor with respect to measuring the amortised cost of security deposits, the information related to this has already provided and any other information will provide the same in the near future.

(m) Company is taking necessary steps to measure the contingent liabilities and pending litigations and accordingly company will make provision or necessary arrangements against said contingent liabilities.

Explanations to note on Basis for Emphasis of Matter of Independent Auditors Report.:

(a) The Company has designated its investments in equity shares at fair value through other comprehensive income in terms of Ind AS 109. Both the investee companies had conducted valuation of their equity shares dated 29-Mar-2023 under the provisions of Rule 11UA of the Income Tax Rules, 1962. The Company has used such valuation reports to arrive at the fair value as at 31-March-2023. The management believes that valuation techniques under such statute are appropriate in the circumstances.

(b) Company will try to adhere with the opinion made by the auditor with respect to one of the bank accounts of the Co. is dormant, company is contacting with the bank and provide confirmation in the near future.

(c) Company will try to adhere with the opinion made by the auditor with respect to capitalization of certain items of stores and spares, company will provide the details of such items in the near future.

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, M/s K.V. Bindra & Associates, Practicing Company Secretary, Chandigarh as the Secretarial Auditor of the Company, has conducted the Secretarial Audit for the financial year 31/03/2023 and submitted 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

Pursuant to Section 148(1) of the Companies Act, 2013, Company is required to maintain cost records as specified by the Central Government and accordingly such accounts and records are made and maintained. Accordingly, the Board of Directors in its meeting held on 20/09/2022 has appointed M/s. J.K. Kabra & Company, Cost Accountant, Delhi, on the recommendation of the Audit Committee, for auditing the cost records of the Company for the Financial Year 2022-23. Appropriate resolution seeking your ratification of the remuneration of Cost Auditors, is included in the Notice convening the 31st Annual General Meeting of the Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

Sh. Dinesh Kumar Yadav, has been re-designated as Whole Time Director of the Company w.e.f. 07/02/2023.

Sh. Hardev Chand Verma, has resigned from the position of Whole Time Director of the Company w.e.f. 19/01/2023 and he will continue as Non-Executive Director.

Mr. Birender Bhardwaj has been appointed as Chief Financial Officer of the Company w.e.f. 30/06/2023.

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 31/03/2023 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 inter alia 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 Ankit Singla & Co., Chartered Accountants as Internal Auditor of the Company. 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 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 for the FY 2023-24.

Further, during the year trading of securities of the Company was suspended by Bombay Stock Exchange Limited due to penal provision of non-compliance of SEBI (LODR) Regulations, 2015. However, company has complied with said regulations and file an application for Revocation of Suspension of Trading of Securities with Bombay Stock Exchange. In response to our said application Bombay Stock Exchange has waive off the maximum penalty and revoked the suspension of trading w.e.f. 03/04/2023.

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 statement 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's 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. Hardev Chand Verma, Director, Mr. Dinesh Kumar Yadav, Whole Time Director and Mr. Suraj Prakash Choudhary, Independent Director are members of the Committee. Mr. Suraj Prakash Choudhary 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's 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: <https://www.novaironsteel.com/pdf/vigil%20mechanism.pdf> 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 2022-23, 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

(H.C. Verma)
Chairman
DIN:00007681

Place: New Delhi

Date: 14/08/2023