



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

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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)

Particulars	(Rs. in Lacs)	
	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



/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



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.

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 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 Singal)
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	-



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(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Equity share holding during the year
		No. of Equity Shares	%of total Equity Shares of the company	%of Equity Shares Pledged/ encumbered to total Equity shares	No. of Equity Shares	%of total Equity Shares of the company	%of Equity Shares Pledged/ encumbered to total Equity shares	
1	M/s Bhushan Power & Steel Ltd.	14269146	39.48	-	14269146	39.48	-	No change
2	M/s Ambey Steel and Power Pvt. Ltd.	10959675	30.33	-	10959675	30.33	-	No change
	Total	25228821	69.81		25228821	69.81	-	No change

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. no.	Name of the Promoters	At the Beginning of The Year		Date wise increase / decrease in shareholding specifying reasons for increase /decrease (e.g. allotment /transfer/bonus/sweat equity etc)			Cumulative Shareholding during the year		At the end of the year (or on the date of separation, if separated during the year)	
		No of Equity Shares	%age to total Eq. Shares	As on Benpos Date	No of Equity Shares	Reasons	No of Equity Shares	%age to total Eq. Shares	No of Equity Shares	%age to total Eq. Shares
NIL										

(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :

Sr. No.	Name of Shareholder	At the beginning of the year		Date wise increase/decrease in shareholding specifying reason for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)			Cumulative shareholding during		At the end of year	
		No of Equity Shares	% to total Equity Shares	As on Benpos Date	No of Equity Shares	Reasons	No of Equity Shares	% to total Equity Shares	No of Equity Shares	% to total Equity Shares
	For Each of the Top 10 Shareholders									
1	Shrim Investment Solutions Private Ltd.	0	0	05.08.2016	21658	Transfer	21658	0.06		
				19.08.2016	6709	Transfer	28367	0.08		
				26.08.2016	4083	Transfer	32450	0.09		
				02.09.2016	200	Transfer	32650	0.09		
				06.01.2017	394240	Transfer	426890	1.18		
				13.01.2017	935500	Transfer	1362390	3.77		
				20.01.2017	126000	Transfer	1488390	4.12		
				24.02.2017	-500	Transfer	1487890	4.12		
				10.03.2017	-4968	Transfer	1482922	4.10		
				17.03.2017	-850	Transfer	1482072	4.10		
				24.03.2017	-2073	Transfer	1479999	4.09		
				31.03.2017	-1615	Transfer	1478384	4.09	1478384	4.09



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2	Somya Traders Pvt Ltd	204474	0.56	Nil	Nil	Nil	204474	0.56	204474	0.56
3	Raj Kumar Kedia	181237	0.50	NIL	NIL	NIL	181237	0.50	181237	0.50
4	Indian Bank	147816	0.41	Nil	Nil	Nil	147816	0.41	147816	0.41
5	Stock Holding Corpn of India Ltd	96672	0.27	NIL	NIL	NIL	96672	0.27	96672	0.27
6	Shrim Investment Solutions Pvt. Ltd	91646	0.25	Nil	Nil	Nil	91646	0.25	91646	0.25
7	Canara Bank	88776	0.24	NIL	NIL	NIL	88776	0.24	88776	0.24
8	Bank of India	83664	0.23	25.11.2016	-24	Transfer	83640	0.23	83640	0.23
9	Gurminder Pal Singh Arneja	47280	0.13	Nil	Nil	Nil	47280	0.13	47280	0.13
10	Stock Holding Corpn of India Ltd.	41952	0.12	02.12.2016	-408	Transfer	41544	0.11	41544	0.11
11	Pallavi Niraj Shah	53000	0.15	14.10.2016	-22871	Transfer	30129	0.08		
				21.10.2016	-7200	Transfer	22929	0.06		
				28.10.2016	-1936	Transfer	20993	0.05		
				04.11.2016	-3952	Transfer	17041	0.04		
				11.11.2016	-3000	Transfer	14041	0.03		
				18.11.2016	-2142	Transfer	11899	0.03		
				03.02.2017	-400	Transfer	11499	0.03		
				10.02.2017	-100	Transfer	11399	0.03	11399	0.03
12	Raj Kumar Kedia HUF	1449280	4.01	07.10.2016	-1449280	Transfer	0	0	0	0

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of the Shareholder	At the Beginning of the year		Date wise increase / decrease in shareholding specifying reasons for increase /decrease (e.g. allotment /transfer/ bonus/ sweat equity etc)			Cumulative Shareholding during the year		At the end of the year (or on the date of separation, if separated during the year)	
		No of Equity Shares	%age to total Eq. Shares	As on Benpos Date	No of Equity Shares	Reasons	No of Equity Shares	%age to total Eq. Shares	No of Equity Shares	%age to total Eq. Shares
1	Sanjay Singal	0	0	0	0	0	0	0	0	0
2	Aniket Singal	0	0	0	0	0	0	0	0	0
3	H.C. Verma	0	0	0	0	0	0	0	0	0
4	R.P. Goyal	0	0	0	0	0	0	0	0	0
5	Arvind Gupta	0	0	0	0	0	0	0	0	0
6	Narsingh Awatar	0	0	0	0	0	0	0	0	0
7	M. Ramchandran	144	0	0	0	0	0	0	144	0
8	Sumiran Aggarwal	0	0	0	0	0	0	0	0	0
9	Ajoy Shah	0	0	0	0	0	0	0	0	0
10	Dheeraj Kumar	0	0	0	0	0	0	0	0	0



NOVA IRON AND STEEL LTD.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans Excluding deposits (Rs.)	Unsecured Loans (Rs.)	Deposits (Rs.)	Total Indebtedness (Rs)
Indebtedness at the beginning of the financial year				
i) Principal Amount	NIL	153,76,04,626.00	NIL	153,76,04,626.00
ii) Interest due but not paid *	NIL	39,11,60,186.00	NIL	39,11,60,186.00
iii) Interest accrued but not due	NIL	0.00	NIL	0.00
Total (i+ii+iii)	NIL	192,87,64,812.00	NIL	192,87,64,812.00
Change in Indebtedness during the financial year				
i) Addition	NIL	50,04,63,160.00	NIL	50,04,63,160.00
ii) Reduction	NIL	45,12,75,567.00	NIL	45,12,75,567.00
Net Change	NIL	4,91,87,593.00	NIL	4,91,87,593.00
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	178,77,88,945.00	NIL	178,77,88,945.00
ii) Interest due but not paid *	NIL	19,01,63,460.00	NIL	19,01,63,460.00
iii) Interest accrued but not due	NIL	0.00	NIL	0.00
Total(i+ii+iii)	NIL	197,79,52,405.00	NIL	197,79,52,405.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director , Whole-Time Directors and/or Manager

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount Rs.
		Hardev Chand Verma (WTD)		
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of Salary Under Section 17 (3) Income Tax, 1961	1500000		1500000
2	Stock Option	-		-
3	Sweat Equity	-		-
4	Commission - as% of profit - others, specify...	-		-
5	Others, please specify	-		-
	Total(A)	1500000		1500000
	Ceiling as per the Act	Remuneration payable by company having no profit or inadequate profit as per Section II of Part II of Schedule V of Companies Act, 2013 Rs. 84 lakhs		

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors							Total Amount
		Sanjay Singal	Aniket Singal	R.P. Goyal	N. Awatar	Arvind Gupta	M. Ramchandran	Sumiran Aggarwal	
1	Independent Directors Fee for attending board committee meetings	Nil	Nil	Nil	12000	12000	2000	6000	32000



NOVA IRON AND STEEL LTD.

	·Commission ·Others, please specify	-	-	-	-	-	-	-	-
	Total(1)	-	-	-	12000	12000	2000	6000	32000
2	Other Non-Executive Directors ·Fee for attending board committee meetings ·Commission ·Others, please specify	-	-	-	-	-	-	-	-
	Total(2)	-	-	-	-	-	-	-	-
	Total(B)=(1+2)	-	-	-	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	12000	12000	2000	6000	32000
	Overall Ceiling as per the Act	Remuneration payable by company having no profit or inadequate profit as per Section II of Part II of Schedule V of Companies Act, 2013 Rs. 84 lakhs.							

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-Tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	-	381000	508200	889200
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	381000	508200	889200

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL



**Form No. MR-3
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
NOVA IRON AND STEEL LIMITED

I/We have conducted the Secretarial Audit of the Compliance of applicable statutory provisions and the adherence to good corporate practices by **NOVA IRON AND STEEL LIMITED**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the Corporate conducts/Statutory Compliances and expressing our opinion thereon.

Based on our verification of the **NOVA IRON AND STEEL LIMITED**, Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the Audit period covering the Financial Year ended on **31st March, 2017** complied with the Statutory Provisions Listed hereunder and also that the Company has proper Board-processes and Compliance-Mechanism in place to the extent, in the manner and subject to the Reporting made hereinafter:

We have examined the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by **NOVA IRON AND STEEL LIMITED** for the Financial Year ended on **31st March, 2017**, according to the Provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; No such transaction during the financial year 2016-17.
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; No such transaction during the financial year 2016-17.
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; No such transaction during the financial year 2016-17.
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; No such transaction during the financial year 2016-17.
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and No such transaction during the financial year 2016-17.
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; No such transaction during the financial year 2016-17.
- (vi) Other laws as may be applicable specifically to the Company:-
 - (i) The Electricity Act, 2003;
 - (ii) The Limestone And Dolomite Mines Labour Welfare Fund Act, 1972;
 - (iii) Tax laws (Income Tax, VAT, Excise and Service Tax)

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s), if applicable;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Including the Women Director. The changes in the Composition of the Board of Directors that took place



during the period under review were carried out in Compliance with the Provisions of the Act.

Adequate notice is given to all Directors to Schedule the Board Meetings, Agenda and detailed notes on Agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the Agenda items before the meeting and for meaningful participation at the meeting.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure Compliance with Applicable Laws, Rules, Regulations and Guidelines.

We further report that during the audit period the Company has not done any of the following activities:

- (i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013.
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations.

For Sharma Sarin & Associates

Place: Chandigarh

Date: 12.08.2017

PARTNER

P.D. SHARMA

FCS 2285, CP No. 2692

ANNEXURE 3

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

1. **Regulatory Requirement**

Pursuant Section 178 and other applicable provisions of Companies Act, 2013, (Act) and rules made thereunder and SEBI (LODR) Regulations 2015, the Nomination and Remuneration Committee ("Committee") shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

The Policy has been framed by the Nomination and Remuneration Committee of the Board of Directors and based on its recommendation, approved by the Board of Directors of the Company. The policy may be reviewed by the Nomination and Remuneration Committee of the Board of Directors.

2. **Purpose**

Remuneration Policy ("Policy") provides a framework for remuneration to be paid to the members of the Board of Directors ("Board") and Key Managerial Personnel ("KMP") of the Company (collectively referred to as "Executives"). The expression KMP shall have the same meaning as defined under the provisions of Act. The Policy also provides a framework for identification of persons who are qualified to become directors.

3. **Objectives**

- 3.1 The remuneration policy seeks to enable the company to provide a well-balanced and performance-related compensation package, taking into account shareholder interests, industry practices and relevant Indian corporate regulations.
- 3.2 The remuneration policy will ensure that the interests of Executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the company and will be consistent with the "pay-for-performance" principle.
- 3.3 The remuneration policy will ensure that remuneration to Executives involves a balance between fixed pay and incentive (by way of increment/bonus/ promotion/any other form) reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

4. **Principles of Remuneration and Criteria for determining Remuneration**

- 4.1 The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors and KMP of the quality required to run the company successfully;
- 4.2 Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- 4.3 Remuneration to directors, key managerial personnel and senior management involves a balance between short and long term performance objectives appropriate to the working of the company and its goals



The criteria for determining the remuneration shall be broadly guided by:

- 4.4 Skills,
- 4.5 Requisite qualification, commensurate with the Job profile
- 4.6 characteristics and
- 4.7 experience in business, government, academics, technology, human resources, social responsibilities, finance, law etc. and in such other areas as may be considered relevant or desirable to conduct the Company's business in a holistic manner and as may be decided by Committee.
- 4.8 Director should possess high level of personal and professional ethics, integrity and values. They should be able to balance the legitimate interest and concerns of all the Company's stakeholders in arriving at decisions, rather than advancing the interests of a particular constituency.
- 4.9 Directors must be willing to devote time and energy in carrying out their duties and responsibilities effectively. They must have the aptitude to critically evaluate management working.
- 4.10 In case of other employees other than director, KMP, the criteria will be decided by the HR department.

5. Remuneration to Executives

- 5.1 Executives may be paid remuneration by way of fixed salary and allowances as per Company rules subject to the provisions of Companies Act, 2013
- 5.2 Personal benefits Executives may have access to benefits/perquisites as per the rules and regulations of the Company. Executives may also be entitled to retirement benefits such as provident fund, gratuity and/or such other benefits as per the rules of the Company.
- 5.3 The Remuneration of other employees other than Executives will be decided by the HR department of the Company in accordance with the skill, qualification and etc.

6. Remuneration to non-executive Directors

- 6.1 Non - Executive Directors may be paid remuneration by way of sitting fee and reimbursement of expenses for participation in the Board and other meetings and commission and/or such other payments as may be permitted by the law applicable to such payments. Such payments shall be subject to the provisions of Companies Act, 2013.

7. Amendments to this Policy

The Nomination and Remuneration Committee is entitled to amend this policy including any amendment or discontinuation of one or more incentive programs introduced in accordance with this Policy.

ANNEXURE - 4

INFORMATION AS PER SECTION 134(3) (M) OF COMPANIES ACT, 2013 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2017

CONSERVATION OF ENERGY:

1	Steps taken or impact on conservation of energy	All business units are continuously putting in their efforts to improve energy usage efficiencies and increase contributions from renewable sources of energy. Energy saving initiatives throughout the plants helped the Company in reducing energy cost.
2	Steps taken by the company for utilizing alternate sources of energy	Use of natural light by placing transparent roof and side glass windows in day time for panel manufacturing unit to reach green building concepts
3	Capital investment on energy conservation equipments	Nil



NOVA IRON AND STEEL LTD.

TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION:

1.	Efforts in brief made towards technology absorption, adaptation and innovation.	In the past five years no new technology has been adopted
2.	Benefits derived as a result of above efforts e.g. product improvement, cost reduction, product development, import substitution etc.	Not Applicable
3.	In case of import technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished.	
a.	Technology Imported	Not Applicable
b.	Year of Import	Not Applicable
c.	Has Technology been fully absorbed.	Not Applicable
d.	If not fully absorbed, areas where this has not taken place reason there of and future plan of action.	Not Applicable

FOREIGN EXCHANGE EARNINGS AND OUTGO:

1	The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.	Presently Company is not exporting its products in international market. Used : NIL Earned : Rs. 382.24 lacs
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Place: New Delhi
Date: 12.08.2017

(Sanjay Singal)
Chairman
DIN: 00006579

ANNEXURE – 5

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

S.N	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
	a	b	c	d	e	f	g	h
	Not Applicable							



NOVA IRON AND STEEL LTD.

2. Details of material contracts or arrangements or transactions at arm's length basis

Sr. No.	Particulars	Detail
(a)	Name(s) of the related party and nature of relationship	<i>Bhushan Power & Steel Limited Common Director holding more than 2% of paid up capital</i>
(b)	Nature of contracts / arrangements / transactions	<i>Sale/Purchase/Arrangements</i>
(c)	Duration of the contracts/arrangements/transactions	<i>running contract normally for one year</i>
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	At market price as applicable to non related customers. Rs. 560 crore
(e)	Date(s) of approval by the Board, if any	30.05.2016
(f)	Amount paid as advances, if any	<i>Nil</i>

Place: New Delhi
Date: 12.08.2017

(Sanjay Singal)
Chairman
DIN: 00006579

ANNEXURE – 6

DETAILS PURSUANT TO THE PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Relevant clause u/r 5(1)	Prescribed Requirement	Particulars
(i)	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	Ratio of the remuneration of Shri Hardev Chand Verma, Whole Time Director to the median remuneration of the employees – 12.91:1
(ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Company Secretary-29.03% (increment for the year 2014-15 (10.64%), 2015-16(9.62%) and 2016-17(8.77%))
(iii)	The percentage increase in the median remuneration of employees in the financial year	Nil
(iv)	The number of permanent employees on the rolls of Company	247
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average increase in remuneration of Managerial Personnel (except WTD)– nil – Average increase in remuneration of employees other than the Managerial Personnel – nil
(vi)	Affirmation that the remuneration is as per the remuneration policy of the company	The remuneration is as per the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and Other Employees of the Company, formulated pursuant to the provisions of section 178 of the Companies Act, 2013.

Place: New Delhi
Date: 12.08.2017

(Sanjay Singal)
Chairman
DIN: 00006579



NOVA IRON AND STEEL LTD.

ANNEXURE-7

Pursuant to Rule 5(2) of Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014
Detail of top ten employees in terms of Remuneration drawn

Name	Salary Per month In Rs.	Designation	Nature of employment whether contractual or otherwise	qualification and experience of the employee	date of commencement of employment	the age of such employee	the last employment held by such employee before joining the company	the percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above and	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager.
Mr. Jyoti Shankar Sahay	1 60 000	E.D.	Contractual	B.Sc. (Mechanical)	05.09.2011	65	Bhushan Power & Steel Ltd	NIL	N.A.
Mr. H.C. Verma	1 25 000	Director	Contractual	Graduation	30.05.2014	65	Bhushan Power & Steel Ltd	NIL	N.A.
Mr. Naresh Kumar	70 180	A.G.M.	Contractual	Diploma (Mechanical)	15.07.2008	40	Bhushan Power & Steel Ltd	NIL	N.A.
Mr. Shrawan Kumar Kumbhkar	65 000	Manager	Contractual	Diploma (Electrical)	05.06.2014	37	Bhushan Power & Steel Ltd	NIL	N.A.
Mr. Anil Kumar Sharma	52 650	A.G.M.	Contractual	M.Sc. (Chemistry)	29.09.2011	51	Bhushan Power & Steel Ltd	NIL	N.A.
Mr. S K Chatterjee	47 456	Sr.Manager	Contractual	M.Sc. (Chemistry)	19.07.2011	47	Ind Synergy Ltd (Raigarh)	NIL	N.A.
Mr. Dineswar Singh	44 165	Dy.Manager	Contractual	Diploma (Electrical)	10.04.2012	41	Raipur Power & Steel Ltd (Durg)	NIL	N.A.
Mr. Surendra Ku.Verma	44 020	Sr.Manager	Contractual	B.Sc.(PCB)	01.12.2014	45	Bhushan Power & Steel Ltd	NIL	N.A.
Mr. Ajoy Shah	42 350	Manager	Contractual	C.A.	06.04.2012	35	Vidya & Co. (Kolkata)	NIL	N.A.
Mr. Mohit Ghai	40 700	Dy.Manager	Contractual	B.Tech (Mechanical)	28.07.2012	32	ISGEC (Noida)	NIL	N.A.

Annexure- 8

Declaration Regarding Compliance by Board Members and Senior Management Personnel with the Code of Conduct

I hereby confirm that the Company has received declaration of Compliance of Code of Conduct as applicable to them from the senior management personnel of the Company and the Members of the Board in respect of the Financial Year ended 31st March, 2017.

Place: New Delhi
Date: 12.08.2017

(H.C. Verma)
Whole Time Director
DIN 00007681



**ANNUAL REPORT ON CSR PURSUANT TO RULES 8 & 9 OF COMPANIES
(CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014**

S N	Particulars	Remarks	
1	A brief outline of the company's CSR policy including overview of projects or programme proposed to be undertaken and a reference to web-link to CSR policy and projections or programme.	CSR policy, reflecting ethos of the company, broad areas interest and overview of activities, proposes rural focus and woman empowerment can be reached at http://www.novaironsteel.coma/pdfs/csr%/20policy.pdf Policy state the list of activities/projects undertaken/to be undertaken in future.	
2	The composition of the CSR Committee	Constitution of the Committee comprises One independent director and two executive directors	
3	Average Net Profit of the company for the last three financial years	Loss of Rs. -239.87 lacs (Calculated in accordance with section 198 of the Act)	
4	Prescribed CSR expenditure (2% of the amount as in item 3 above)	Nil.	
5	Details of CSR spent for the financial year		
	a	total amount to be spent for the financial year	Nil
	b	amount spent , if any.	Nil
	c	Manner in which the amount spent during the financial year is detailed below	N.A.
6	In case the company has failed to spend the 2% of Average Net Profit (INR) of last 3 financial years, the company shall provide the reasons for not spending the amount in its board report	As per Sr. No.3 no amount was required to be spent because there is average loss of last three years. Otherwise Company being in loss could not do much in CSR activities.	
7	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company	The members of the CSR Committee declare that company has formulated CSR policy in compliance with CSR objectives and Policy of the Company and its implements and monitoring is in accordance with policy.	

For Nova Iron and Steel Limited

**Place: New Delhi
Date: 12.08.2017**

**(R. P. Goyal)
Chairman (CSR Committee)
DIN 00006595**

**(Sanjay Singal)
Chairman
DIN: 00006579**



NOVA IRON AND STEEL LTD.

ANNEXURE-10

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014).

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part A Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)
Company has no subsidiary, hence the information under this part is – NIL

Part B Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Joint Venture	Bijahan Coal Private Limited
1. Latest audited Balance Sheet date	31-03-2017
2. Date on which the Joint Venture was associated or acquired	04-05-2015
3. Share of Joint Venture held by the company on the year end	
No.	500
Amount of Investment in Joint Venture	5000
Extent of Holding (in percentage)	5%
4. Description of how there is significant influence	Joint Control
5. Reason why the Joint venture is not consolidated	N.A.
6. Networth attributable to shareholding as per latest audited Balance Sheet	3157.05
7. Loss for the year	(25761.00)
i. Considered in Consolidation	(25761.00)
ii. Not Considered in Consolidation	NIL

- Names of associates or joint ventures which are yet to commence operations – **Bijahan Coal Private Limited**
- Names of associates or joint ventures which have been liquidated or sold during the year - Nil

For Antima & Goel
Chartered Accountants
Firm Regd. No.009062N

(R.B. Goel)
Partner
Membership No.086862

(H.C. Verma)
Whole Time Director
DIN00007681

(R.P.Goyal)
Director
DIN00006595

Place: New Delhi
Date: 12.08.2017

(Ajoy Shah)
Chief Financial Officer

(Dheeraj Kumar)
Company Secretary

**REPORT ON CORPORATE GOVERNANCE****1. Company's Philosophy**

The Company is committed to good Corporate Governance practices. Your Directors endeavour to adhere to the Standards set out by the Securities & Exchange Board of India (SEBI). Your Company is, therefore, complying in all material respects the mandatory requirements as explained hereunder.

2. Board of Directors**a) Composition**

In compliance of SEBI (LODR) Regulations 2015, Board consists of eight Directors, comprising one executive and seven non-executive Directors out of which four are independent Directors including one woman independent Director. Chairman of the Company is non-executive Director.

b), c), d) Meetings and attendance records of each Director

During the year five meetings of Board of Directors were held on 30.05.2016, 12.08.2016, 11.11.2016 and 11.02.2017 and a separate Meeting of the Independent Directors was held on 03.03.2017. The intervening period between the two Board Meetings was well within the maximum prescribed period.

Attendance record of Directors at Board/ Committee/ General Meetings and details of directorship/ committee membership/Chairmanship during the year ended 31st March 2017 are given below:-

Sr. No.	Name of Director	Category	Attendance Particulars			No. of Other Directorship and Committee Member/ Chairmanship			Remarks
			No. of Board Meetings held	No. of Board Meetings attended	Attendance at last AGM	Other Directorships	Committee Members(**)	Committee Chairmanships (**)	
1.	Sanjay Singal	Non-Independent	4	1	No	7	1	1	
2.	Aniket Singal	Non-Independent	4	1	No	0	0	0	
3.	Hardev Chand Verma	Non-Independent	4	4	Yes	1	3	1	
4	R.P.Goyal	Non-Independent	4	2	No	6	9	5	
5.	N.Awatar	Independent	5	5	Yes	3	4	2	
6.	M.Ramachandran	Independent	5	2	No	7	0	0	
7.	Arvind Gupta	Independent	5	5	No	1	4	0	
8.	Sumiran Aggarwal	Independent	5	5	No	1	4	0	

(**) Committee here means Audit Committee, Nomination and Remuneration Committee, Share Transfer Committee, Stakeholder Relationship Committee and CSR Committee.

e) Disclosure of relationships between directors inter-se:

Mr. Aniket Singal, Non-Executive Director on the Board of Directors is the son of Shri Sanjay Singal, Non-Executive Chairman of the Company. The Non-Executive Directors had no pecuniary relationship or transactions with the Company in their personal capacity during the year under review.

f) Number of shares and convertible instruments held by non-executive directors: Nil**g) Familiarisation Programme for Independent Directors**

All Independent Directors are apprised/familiarized about the company, its business, industry etc and roles, rights, responsibilities of independent Directors, nature of the industry in which the company operates, business model of the



company, etc. from time to time. Detailed agenda is provided to all the Directors to take informed decisions and perform its functions and fulfill its role effectively. The details of such familiarisation Programmes are disclosed at weblink <http://www.novaironsteel.com/pdfs/Familiarisation%20Programme%20for%20Independent%20Director.pdf>.

Committees of Board of Directors

3. Audit Committee:

(a) Brief description of terms of reference

The terms of reference of the Audit Committee as defined under the relevant provisions of Section 177 of the Act and Regulation 18 of SEBI (LODR) Regulations, 2015 are as under:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (5) of section 134 of the Act.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Review and monitor the Auditor's independence, and effectiveness of audit process;
7. Approval or any subsequent modification of transactions of the company with related parties.
8. Scrutiny of inter-corporate loans and investments.
9. Valuation of undertakings or assets of the company, wherever it is necessary.
10. Evaluation of internal financial controls and risk management systems.
11. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
12. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
13. Discussion with internal auditors any significant findings and follow up thereon.
14. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control system of a material nature and reporting the matter to the board.
15. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
16. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
17. Reviewing the functioning of Whistle Blower mechanism in the Company.



18. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
19. Considering such other matters the Board may specify.
20. Reviewing other areas that may be brought under the purview of role of Audit Committee as specified in SEBI (LODR) Regulations, 2015 and the Act, as and when amended.

(b) Composition, name of members and chairperson

The Company has an Audit Committee and at present the composition of the Committee consists 3 members namely Mr. N Awatar, Independent Director, Mr R. P. Goyal, Director and Mr Arvind Gupta, Independent Director. Mr. N Awatar is Chairman of the Committee. He is a senior practicing Chartered Accountant.

(c) Meeting and attendance during the year

The committee met four times during the year i.e. on 30.05.2016, 12.08.2016, 11.11.2016 and 11.02.2017 and attendance is as under.

Name	Designation	Meeting Attended (No. of Meeting(s) held: 4)
Mr. N. Awatar	Chairman	04
Mr. R.P. Goyal	Member	02
Mr. Arvind Gupta	Member	04

Representative(s) of the Statutory Auditors normally attends meetings of Audit Committee.

4. NOMINATION AND REMUNERATION COMMITTEE

(a) Brief description of terms of reference

The terms of reference decided by the Board for the functioning of Nomination and Remuneration Committee, inter alia, to determine Company's remuneration policy, parameters for appointment of directors, key managerial personnel and determine remuneration structure performance based as well as the nomination and also covers such functions and scope as prescribed under section 178 of the Act, read with allied Rules framed thereunder and Regulation 19 of SEBI (LODR) Regulations, 2015.

(b) Composition, name of members and chairperson

Nomination and Remuneration Committee consists Mr. N Awatar, Mr. Arvind Gupta and Mrs. Sumiran Aggarwal, independent directors as members of the Committee. Mr. N Awatar is the Chairman of the Committee.

(c) Meeting and attendance during the year

The committee has not met during the year.

(d) Performance evaluation criteria for Independent Directors

The Nomination and Remuneration Committee of the Board has laid out the evaluation criteria for performance evaluation of the Board, its Committees and all the independent directors, in adherence to SEBI (LODR), Regulations 2015. The performance evaluation criteria includes attendance of directors, active participation in discussion etc.

5. Remuneration of Directors:

(a) All pecuniary relationship or transactions of the non-executive directors

Mr. Aniket Singal, Non-Executive Director on the Board of Directors is the son of Shri Sanjay Singal, Non-Executive Chairman of the Company. The Non-Executive Directors had no pecuniary relationship or transactions with the Company in their personal capacity during the year under review.

(b) Criteria of making payments to non-executive directors

Company has adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Employees; regulated by the Nomination and Remuneration Committee of the Board. The policy provide the criteria and qualification for appointment of Directors, KMP, remuneration to them. The Policy is also available on the website of the Company www.novaironsteel.com in the investor section. (Also refer Annexure – 3 of Board's Report).

The remuneration to the Whole-time Director(s) is paid on the scale determined by the Nomination and Remuneration Committee within the limits approved by the Shareholders at the General Meeting. The Non-Executive, Independent Directors, are entitled to sitting fees for attending meetings of the Board, its Committees.



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(c) Disclosure with respect to remuneration:

SN	Name of Director	Element of Remuneration Package	Details of fixed component	Sitting fee Paid/ Payable	Service Contract , Notice period , severance fee	Stock option details , if any	No of shares held be non - executive directors
1	Mr. H.C. Verma (Whole Time Director)	1500000	Fixed		Contract for three years. Notice period three months. Salary in lieu of notice short of agreed period.	NIL	N.A.
2	Mr. Sanjay Singal (Non-Executive Director)	-	-	-	-	-	-
3	Mr. Aniket Singal (Non-Executive - Director)	-	-	-	-	-	-
4	Mr. R.P. Goyal (Non-Executive Director)	-	-	-	-	-	-
5	Mr. N. Awatar (Independent Director)	-	-	12000	-	-	-
6	Mr. Arvind Gupta (Independent Director)	-	-	12000	-	-	-
7	Mr. M Ramchandran (Independent Director)	-	-	2000	-	-	144
8	Mrs. Sumiran Aggarwal (Woman Independent Director)	-	-	6000	-	-	-

6. STAKEHOLDER RELATIONSHIP COMMITTEE

(a) Name of non-executive director heading the committee:

The Committee consists Mr. R.P. Goyal, Director Mr. N. Awatar, Independent Director and Mr. Arvind Gupta, Independent Director as members of the committee. Mr. R.P. Goyal is Chairman of the Committee. During the year under review four Meetings of Stakeholders Relationship Committee were held on 15.04.2016, 15.07.2016, 15.10.2016, and 16.01.2017.

(b) Name and designation of compliance officer:

Mr. Dheeraj Kumar, Company Secretary is the Compliance Officer.

(c),(d),(e) Number of shareholders complaints received so far, Number not solved to the satisfaction of shareholder and Number of pending complaints:

During the year 178 Nos. of complaints were received from various shareholders and all of them have been replied/resolved to the satisfaction of the complainants. As on date there is no complaint pending.

SHARE TRANSFER COMMITTEE

Share Transfer Committee has been constituted to consider and approve transfer of shares lodged for transfer with RTA. The Share Transfer Committee meetings are being held every fortnight. Mr. Sanjay Singal, Director, Mr. R. P. Goyal, Director and Mr. Arvind Gupta, Independent Director are the Members of the Committee. Mr. Sanjay Singal is the Chairman of the Committee.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Corporate Social Responsibility Committee constituted pursuant to section 135 of the Act, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and CSR Committee recommend to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified in Schedule VII to the Act and amount of expenditure to be incurred on such activities/programs and to monitor the Corporate Social Responsibility Policy from time to time. Mr. H. C. Verma, Whole Time Director, Mr. R. P. Goyal, Director and Mr. Narsing Awatar, Independent Director are the Members of the Committee. Mr. R.P. Goyal is the Chairman of the Committee.



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The Corporate Social Responsibility Policy of the Company is available on the weblink of the Company <http://www.novaironsteel.com/pdfs/CSR%20Policy.pdf>.

7. GENERAL BODY MEETINGS:

Sr. No.	Last three AGM	2013-14	2014-15	2015-16
(a)	Location and time, where last three annual general meetings held;	27.09.2014, 11.30 am at Registered office	29.09.2015, 02.30 pm at Registered office	28.09.2016, 11.00 am at Registered office
(b)	Whether any special resolution passed in the previous three annual general meeting	(i) Appointment of Whole Time Director (ii) Adoption of new set of Articles of Association (iii) Authority to Board of Directors to Borrow (iv) Authority to Invest/Give Loan/ Give Guarantees /Provide Security (v) Authority to create charge	(i) Revision of period of appointment of Mr. H.C. Verma, Whole Time Director (ii) Approval of Related Party Transactions	(i) Approval of Related Party Transactions
(c)	Whether any special resolution passed last year through postal ballot-details of voting pattern			No
(d)	Person who conducted the postal ballot exercise			NA
(e)	Whether any special resolution is proposed to be conducted through postal ballot			NA
(f)	Procedure for postal ballot			NA

8. MEANS OF COMMUNICATION:

(a) Quarterly Results:

Prior intimation of Board Meeting where to consider and approve Unaudited/Audited Financial Results of the Company is given to the Stock Exchanges and also disseminated on the website of the Company at www.novaironsteel.com

(b) Newspapers wherein results normally published:

The Company normally publishes quarterly, half yearly and annual financial results in Financial Express, English daily, in Jansatta, a Hindi daily and Amrit Sndesh, regional daily widely circulated.

(c) Any website, where displayed:

Company's website www.novaironsteel.com

(d) Official news release:

Official new releases including news on financial results of the company are sent to the Stock Exchange and the same are simultaneously hosted on the website of the Company.

(e) Presentations made to institutional investors or to the analysts:

All price sensitive information is promptly intimated to the Stock Exchanges before releasing to the Media, other stakeholders and uploading on Company website.

9. GENERAL SHAREHOLDERS INFORMATION:

- a) Annual General Meeting for the year ended 31st March 2017 : 27th September, 2017 at 11.00 AM at registered office.
- b) Financial year : 1st April to 31st March
- c) Dividend payment date : No dividend is recommended for the financial year ended 31st March 2017
- Dates of Book Closure : 21st September 2017 to 27th September 2017
- d) The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of stock exchange(s) : Bombay Stock Exchange Payment of Annual Listing fee upto 2016-17 has been paid
- e) Stock Code : 513566

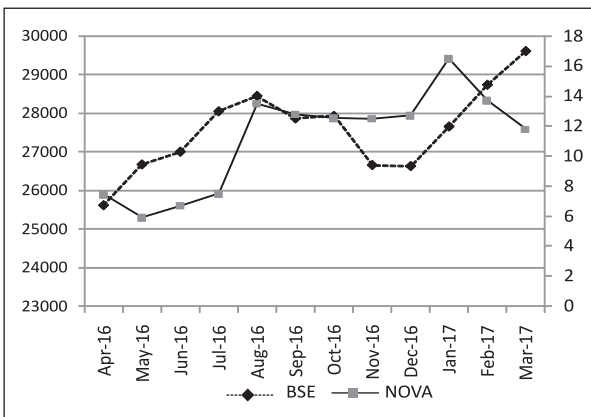


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f) Market Price date- high, low during each month in last financial year:

Month	High (Rs. Per share)	Low (Rs. Per share)	Volume (No. of Shares)
April 2016	7.59	6.22	16673
May 2016	7.08	5.78	130477
June 2016	7.16	5.63	18616
July 2016	8.26	6.37	30655
August 2016	13.51	7.50	59028
September 2016	17.22	12.80	47950
October 2016	13.51	11.40	60216
November 2016	15.28	11.57	55865
December 2016	16.25	11.82	26503
January 2017	16.51	12.30	56412
February 2017	20.30	13.30	103953
March 2017	15.39	11.60	61618

g) Performance in comparison to broad-bases BSE sensex :



h) In case the securities are suspended from trading, the director report shall explain the reason thereof; : NA

i) Registrar and share transfer agents : M/s Skyline Financial Services Private Limited
D-153A, 1st Floor, Okhla Industrial Area, Phase-1,
New Delhi -110020.
Ph : 011-64732681-88 (10 lines) Fax : 011-30857562

j) Share transfer system : Board has delegated the authority for approving transfer, transmission etc. of the Company's securities to Share Transfer Committee. The decisions of Share Transfer Committee are placed at the next Board Meeting. The transfer requests are normally processed within 15 days of receipt of documents, if documents are found in order. Shares under objections are returned within two weeks. Transfer of shares held in physical form can be lodged with Registrar & Share Transfer Agent at the above mentioned address.



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k) Distribution of shareholding :

Range	No. of Shareholders	No. of Shares	%age
1-500	158820	6624712	18.33
501-1000	462	326123	0.90
1001-2000	224	304429	0.84
2001-3000	87	213874	0.59
3001-4000	30	105403	0.29
4001-5000	24	110331	0.31
5001-10000	37	248096	0.69
10001 & above	44	28206520	78.05
Total	159728	36139488	100.00

(l) Dematerialization of shares and liquidity : Demat facility for demat of shares is available of both the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As at 31st March, 2017, 29773582 Equity shares out of 36139488 Equity Shares of the Company, forming 82.38% of the Company's paid up capital are held in the dematerialized form. The Company's shares are liquid and actively traded on the BSE.

m) Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity : Nil

n) Commodity price risk or foreign exchange risk and hedging activities : Nil

o) Plant locations : Village Dagori, Tehsil-Bolha, Distt Bilaspur, Chhattisgarh-495224

p) Address for correspondence : First Floor, F-Block, International Trade Tower, Nehru Place, New Delhi 110019

10. OTHER DISCLOSURES:

a) Related party transactions

The particulars of transactions between the company and its related parties as per the Accounting Standard 18 "Related Party Disclosures" are disclosed in Notes to Financial Statements. However these transactions are not likely to have any conflict with the Company's interest. All related party transactions are on arms' length price, and are in the ordinary course of business. The company has adopted the Related Party Transaction policy which is also available on the website of the Company at [weblink:http://www.novaironsteel.com/pdfs/Related%20Party%20Transaction%20policy.pdf](http://www.novaironsteel.com/pdfs/Related%20Party%20Transaction%20policy.pdf)

b) Compliances

The Company has complied with the material requirements of the Stock Exchanges, SEBI and other Statutory Authorities on matters related to capital markets. No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authorities relating to the above.

c) Vigil Mechanism, Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee.

Refer to details of establishment of Vigil/Whistle Blower Policy of Board's Report. The Policy empower any person associated with the organisation to file a grievance if he/ she notices any irregularity. No person has been denied access to the Audit Committee for any grievance.



(d) Detail of compliance with mandatory and non-mandatory requirements:

The Company has fully complied with the mandatory requirements of SEBI (LODR) Regulations, 2015.

Adoption of Non-Mandatory requirements under SEBI (LODR) Regulations, 2015 are reviewed by the Board from time to time.

(e) Web link where policy for determining material subsidiaries is disclosed:

Company does not have a Material Subsidiary as defined under Regulation 16(1)(c) of the SEBI (LODR) Regulations, 2015. Company shall formulate a policy to determine material subsidiary as and when considered appropriate in the future.

(f) Web link where policy on dealing with related party transaction:

weblink:<http://www.novaironsteel.com/pdfs/Related%20Party%20Transaction%20policy.pdf>

(g) Disclosure of commodity price risks and commodity hedging activities:

Not Applicable

Auditor Certification on Corporate Governance

The Company has obtained a Certificate as stipulated in SEBI (LODR) Regulations, 2015 regarding compliance of conditions of Corporate Governance and is enclosed as Annexure at 12.

Whole Time Director and CFO Certification

As required under SEBI (LODR) Regulation, 2015, the Certificate of Whole Time Director/ Chief Financial Officer of the Company regarding Financial Statements for the year ended March 31, 2017 is at Annexure-13.

Disclosure with respect to demat suspense account/unclaimed suspense account : NIL

Company's Policy on Prohibition of Insider Trading

The Company has formulated a Policy for Prohibition of Insider Trading to deter the insider trading in the securities of the Company based on the unpublished price sensitive information. The policy envisages procedures to be followed and disclosures to be made while dealing in the securities of the Company. The full text of the policy is available on the weblink <http://www.novaironsteel.com/pdfs/Insider%20Trading%20Policy.pdf>.

Other Useful Information for Shareholders

Updation of E-mails for receiving notice/documents in e-mode:

The Ministry of Corporate Affairs (MCA) has through its circular issued in 2011, allowed service of documents by companies including Notice calling General Meeting(s), Annual Report etc., to their shareholders through electronic mode.

In accordance of the same, company has been sending notice calling General Meetings, Annual Report and other documents in electronic mode to all the shareholders on their email addresses. Shareholders may inform the company/RTA in case the shareholders wish to receive the above documents in physical form.

The shareholders who have not registered their email addresses with the Company are requested to kindly register their e-mail addresses with the Company.

Dematerialisation of Shares

Members are advised to consider dematerialization of their shareholding so as to avoid inconvenience involved in the physical shares such as mutilation, possibility of loss/misplacement, delay in transit etc. ISIN No. for dematerialisation of Equity Shares is INE 608C01026 and Security Symbol in BSE is NOVIS.

Update your Correspondence Address/Bank Mandate/Email Id

To ensure all communication benefits received promptly, all shareholders holding shares in physical, demat form are requested to notify to the Company or their respective DPs, change in their address/bank details/email id instantly by written request under the signatures of sole/first joint holder.

Quote Folio No./DP ID No.

Shareholders/Beneficial Owners are requested to quote their Folio Nos./DP ID Nos., as the case may be, in all correspondence with the Company and their E-mail IDs, Contact/Fax numbers for prompt reply to their correspondence.



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Development

The Global steel market having dealt with the structural problems and fall in commodity prices, the Russian and Brazilian economies are stabilising and expected to show modest growth in 2017. Russian growth will continue to pick up in 2018 as structural reforms take more effect. After the demonetisation shock, the Indian economy is expected to resume growth, although on a slightly weakened basis. The ASEAN countries are expected to demonstrate solid growth in 2017-18. However, the region remains vulnerable to currency volatilities associated with US interest rate hikes and dollar appreciation. Steel demand in the emerging and developing economies excluding China, which accounts for 30% of world total, is expected to grow by 4.0% in 2017 and then 4.9% in 2018. (sources World Steel Association)

India is currently the world's 3rd largest produce of crude steel producer and is expected to become the 2nd largest producer of Crude Steel in the world soon. In the year FY17 total finished steel imports were 5.49 million tonnes while the exports for the same year was 4.98 million tones. As of 2017,; Easy availability of low-cost manpower & presence of abundant iron ore reserves make India competitive in the global set up. Steel manufacturing output of India is expected to increase by 2021. (sources Annual Report 2016-17 of Ministry of Steel)

India recorded a growth rate of 7.1 per cent during 2016-17, notwithstanding the fears that demonetisation of high-value currency notes of Rs 500/1,000 in November last year would adversely impact the economic growth. Growth is expected to pick up to 7.4 per cent in fiscal year (2017-18) and 7.6 per cent in 2018-19, following the 7.1 per cent registered last FY. (sources Indian Express)

Opportunity

Government focuses on rationalizing the Acts governing mines and steel industry, priorities infrastructure development with speedy growth. Encouraging public, private partnership in execution of projects. Liberalizing FDI norm and encouraging capital market. Rationalization of taxation both direct and indirect.

The Government of India has ushered in various reforms in agriculture, manufacturing and services sectors to help the economy realize its full potential. Stability in the political environment and the Governments pro-reform approach continued to strengthen the confidence of entrepreneurs and investors. The Government 'Make in India' initiative has also encouraged domestic entrepreneurs to match global best practices and also attracted FDI. The Make in India initiative is expected to help the country emerge as a hub for global manufacturing bellwethers.

Threat

E-auction placed for allocation of mines is yet to test its efficiency. Litigation erupted for various terms of tender documents. Rising cost of input coupled with scarcity in supply. Volatility in prices of crude oil in international market. Volatility in foreign exchange currency. Weak rupee against USD.

Segment wise performance

The Company is engaged in the manufacturing/trading of Iron & Steel, Metals business which is considered the only business segment. The turnover of the Company is Rs. 5342.99 lacs, driven by sale of By Products of Iron & Steel i.e. coal fine, iron ore fines, sponge iron fines etc.,

Outlook

Economic activity is projected to pick up pace in 2017 and 2018, especially in emerging markets and developing economics. India is also leading producer of sponge iron with host of coal based units, located in the mineral-rich states of the country. Over the years, the coal based route has emerged as a key contributor and accounted for 89 percent of total sponge iron production in the contry in 2015-16 and 80% during 2016-17(prov). (Sources annual report of Ministry of Steel 2016-17)

Sponge Iron is reduced directly in solid state using Coal gas, natural gas or Coal reluctant and is also known as Directly Reduced Iron (DRI). Basically, Sponge Iron is a substitute for steel scrap and therefore the price of Sponge Iron varies from time to time in view of the availability of the steel scrap in the country.

Company's plant is one of the initial coal-based Sponge Iron plant in India with the Technical knowhow from Lurgi Chemie Metallurgie Industriebau GmbH, Germany. Major equipment both imported and indigenous has been used as per LURGI's proprietary design. The technology being new at that point of time the cost of project was high. In today's scenario, the cost of similar



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project would be much lower. During the year Company procured raw material from open market. The operations can be made profitable mainly by (i) having own captive mines (ii) installation of power plant utilizing waste heat of the Kiln and (iii) expansion of production capacity. During the year under review, company has undertaken trial run of plant and operations of 500 TPD Sponge Iron Plant and commencement of Inductions Furnace, 12 MW waste heat recovery based (WHRB) captive power plant for continuous power to Induction Furnace completed. Cost of power expected to be minimum since power shall be generated from waste heats generated in the plant. Installation of furnace will produce cost effective Sponge Iron. The company is planning to expansion of Sponge Iron Plant (DRI Klin 500 TPD and Induction Furnace 3000 TPA to integrated Steel Plant 1.5 MTPA Crude Steel along with establishment of Coal Washery 1.5 MTPA, Sinter Plant 2.25 MTPA and Captive Power Plant 311.5 MW at village Dagori, Ameri Akbari, Satighat, Tehsil Bilha, Distt Bilaspur, Chhattisgarh.

Others:

For Risk and Concern, Inter Control System and their Adequacy, Financial Performance with respect to operation performance, Material Development in Human Resources/Industrial Relations front, including number of people employed please refer to Board Report.

Annexure 12

CERTIFICATE

*(Under Schedule V(E) of
the SEBI (LODR) Regulations 2015*

**To the Members of
Nova Iron & Steel Limited**

We have examined the relevant records of Nova Iron & Steel Limited for the purpose of certifying the compliances of conditions of Corporate Governance as stipulated in SEBI (LODR) Regulations, 2015, for the year ended 31st March 2017.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance.

In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the conditions of Corporate Governance, as stipulated in SEBI (LODR) Regulations, 2015, for the year ended 31st March 2017.

**For Antima & Goel
Chartered Accountants
Sd/-
(R.B. Goel)
Partner**

**Place: New Delhi
Dated: 12.08.2017**

Membership Number: 086862



CERTIFICATION OF WHOLE TIME DIRECTOR AND CFO

*(Under Regulation 17(8) of
SEBI (LODR) Regulations, 2015*

Date: 12.08.2017

To

**The Board of Directors
Nova Iron & Steel Limited**

We hereby Certify that --

We have reviewed the financial statements and the cash flow statement for the year 2016-17 and to the best of our knowledge and belief:

- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- b. to the best of our knowledge and belief, no transactions entered into by the Company during the year 2016-17 are fraudulent, illegal or violative of the Company's code of conduct;
- c. We accept responsibility for establishing and maintaining internal controls and have evaluated the effectiveness of the internal control systems of the Company and have disclosed to the auditors and the Audit Committee, deficiencies, if any, in the design or operation of the internal control, of which we are aware of and steps have taken or propose to take to rectify these deficiencies.
- d. We have also indicated to the Auditors and the Audit Committee -
 - There has not been any Significant changes in internal control over the financial reporting during the year
 - There has not been any Significant changes in accounting policies during the year except in respect of depreciation and the same have been disclosed in the notes to the financial statements; and
 - Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over the financial reporting.

**Ajoy Shah
Chief Financial Officer**

**H.C. Verma
Whole Time Director
DIN 00007681**



INDEPENDENT AUDITOR'S REPORT

To The Members of
NOVA IRON & STEEL LIMITED

Report on the Financial Statements

We have audited the accompanying standalone financial statements of NOVA IRON & STEEL LIMITED, which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information for the year then ended.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("The Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provision of the Act, the accounting standards and the matters which are required to be included in the audit report under the provision of the act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit

also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, we report that the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India:-

- in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2017;
- in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- in the case of Cash Flow Statement, of cash flows for the year ended on that date;

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act, we give in Annexure – A, a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.
- As required by Section 143(3) of the Act, we report that :-
 - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - The Balance Sheet and Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - On the basis of the written representations received from the Directors as on 31st March, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, from being appointed as a director in terms of section 164(2) of the Act;
 - With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and



NOVA IRON AND STEEL LTD.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
- i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
- ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

FOR ANTIMA & GOEL
Chartered Accountants
Firm Registration No : 009062N

Place : New Delhi
Date : 30.05.2017

(R.B. GOEL)
PARTNER
M.NO: 086862

ANNEXURE : A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in independent auditor's report to the members of NOVA IRON & STEEL LIMITED ("the Company") on the standalone financial statements for the year ended March 31st, 2017. We report that :

I. In Respect of its Fixed Assets :

- a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- c) According to the information and explanation given to us during the course of our audit the title deeds of immovable properties are held in the name of the company Except Registration of Freehold Land amounting to Rs. 1,94,34,130/- is pending in the name of the Company.

II. In Respect of its Inventory :

- a) The management has conducted the physical verification of inventory at reasonable intervals.
- b) As informed to us no material discrepancies were found on physical verification of Inventory.
- III. The Company has not granted and loans, secured or unsecured to companies, firms or other parties listed in Register maintained u/s 189 of the Companies Act, 2013. Therefore the provisions of Clause 3(iii), (a) to (c) of the said Order are not applicable to the Company.
- IV. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- V. The Company has generally not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- VI. To the best of our knowledge, the Central Government has prescribed the maintenance of cost records under Section 148 (1) of the Companies Act, 2013, which have been maintained by the company and these have been broadly reviewed by us and we are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not, nor we are required, carried out any detailed examination of such accounts and records.

VII. In respect of statutory dues :

- a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31st , 2017 for a period of more than six months from the date they become payable, Except Entry Tax (including interest due) & Service Tax amounting to Rs. 3,42,44,722/- & Rs. 21,40,012/- respectively.
- b) According to records of the Company, there are no undisputed dues outstanding of Custom Duty, Service Tax, Cess etc. on account of any dispute, except Sales Tax(VAT), Income Tax and Excise Duty, Entry Tax as per details given below :-



NOVA IRON AND STEEL LTD.

Name of the statute	Nature of dues	Net of amount paid (Rs. In Lacs)	Period to which amount related	Forum where dispute is pending
Excise Duty	Modvat Credit Disallowed	72.62 Plus Penalty	A.Y. 2004-05	Appeal filed with Custom Excise & Service Tax Appellate Tribunal, New Delhi.
Excise Duty	Demand	2.90	A.Y. 2007-08	Commissioner Central Excise.
Excise Duty	Demand	57.58	Oct – 1999 To March - 2004	Commissioner of Central Excise – Raipur.
Excise Duty	Demand	126.70	April – 2007 To July – 2011	Commissioner of Central Excise – Raipur.
Excise Duty	Modvat Credit Disallowed	14.93	November –2008 To March – 2009	Add. Commissioner – Raipur.
Excise Duty	Modvat Credit Disallowed	26.30	March – 2014 & January – 2015	Commissioner Appeal – Raipur
	And Penalty Imposed	13.15		
Excise Duty	Demand on under valuation	54.41	Oct – 2011 To June - 2012	Joint Commissioner – Raipur
	And Penalty Imposed	27.20		
Income Tax	Demand	18.70	A.Y. 1994-95	Appeal Pending before ITAT.
Income Tax	Demand	143.38	A.Y. 2007-08	Appeal Pending before ITAT.
VAT	Demand	2.23	A.Y. 2004-05	Commissioner of Commercial Tax.
VAT	Demand	0.25	A.Y. 2006-07	Revision Pending with Asstt. Commissioner of Commercial Tax.
VAT	Demand	530.60	A.Y. 2003-04	Revision filed before Addl. Comm. Commercial Tax was filed and order was issued in favour of the Company Case remanded back to A.C. Commercial Tax.
VAT	Demand	594.08	A.Y. 2004-05	Revision filed before Addl. Comm. Commercial Tax was filed and order was issued in favour of the Company Case remanded back to A.C. Commercial Tax.
Entry Tax	Tax Demand	5.05	A.Y. 2006-07	Revision Pending with Addl. Commissioner of Commercial Tax

- VII. Based on our audit procedure and in accordance with the information and explanation given to us by the management, the Company has not availed any loan from the Financial Institutions or Banks or Debenture holders. Accordingly, paragraph 3(VIII) of the order is not applicable.
- IX. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company.
- X. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- XI. According to the information and explanations given to us by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

- XII. In our opinion and according to the information and explanations given to us by the management, the Company is not a Nidhi Company. Accordingly paragraph 3(xii) of the Order is not applicable.
- XIII. According to the information and explanations given to us by the management and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- XIV. According to the information and explanations given to us by the management and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- XV. According to the information and explanations given to us by the management and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or person connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.
- XVI. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

FOR ANTIMA & GOEL
Chartered Accountants
Firm Registration No : 009062N

Place : New Delhi
Date : 30.05.2017

(R.B. GOEL)
PARTNER
M.NO: 086862

ANNEXURE : B TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **NOVA IRON & STEEL LIMITED** ("the Company") as of March 31st, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of



internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in

accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2017, based on the Internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR ANTIMA & GOEL
Chartered Accountants
Firm Registration No : 009062N

(R.B. GOEL)
PARTNER
M.NO: 086862

Place : New Delhi
Date : 30.05.2017



NOVA IRON AND STEEL LTD.

BALANCE SHEET AS AT 31st MARCH, 2017

(Amount in Rs.)

PARTICULARS	Note	As at	
		31.03.2017	31.03.2016
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2	36 13 94 880	36 13 94 880
Reserves & Surplus	3	- 9 74 11 765	- 12 30 81 945
		26 39 83 115	23 83 12 935
NON-CURRENT LIABILITIES			
Other Long -Term Liabilities	4	8 37 23 658	6 56 11 868
Long-Term Provisions	5	1 15 19 419	1 08 27 944
		9 52 43 077	7 64 39 812
CURRENT LIABILITIES			
Short -Term Borrowings	6	197 79 52 405	192 87 64 813
Trade Payables	7	10 06 82 236	13 42 61 306
Short -Term Provisions	8	20 67 424	14 19 884
Other Current Liabilities	9	76 39 56 979	76 88 30 355
		284 46 59 044	283 32 76 358
TOTAL		320 38 85 236	314 80 29 105
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets:	10		
Tangible Assets		62 93 30 790	64 10 32 641
Intangible Assets		-	-
Capital Work In Progress		237 05 66 424	206 13 99 328
		299 98 97 214	270 24 31 969
Non - Current Investments	11	27 83 000	27 83 000
Deferred Tax Assets (Net)	12	37 51 616	49 14 902
Long-Term Loans and Advances	13	5 47 50 169	4 80 26 476
		6 12 84 785	5 57 24 378
CURRENT ASSETS			
Inventories	14	6 13 84 838	28 28 68 757
Trade Receivables	15	22 63 681	29 999
Cash & Cash Equivalents	16	55 26 009	40 68 442
Short-Term Loan & Advances	17	7 35 28 709	10 29 05 560
		14 27 03 237	38 98 72 758
TOTAL		320 38 85 236	314 80 29 105
Significant Accounting Policies	1		
The Accompanying Notes on Financial Statements	2 to 33		
As per our report of even date attached		For & on behalf of the Board	
For Antima & Goel Chartered Accountants Firm Regn. No. 009062N			
(R.B.Goel) Partner Membership No. 086862		(H.C.Verma) Whole Time Director DIN : 00007681	(R.P.Goyal) Director DIN : 00006595
Place : New Delhi Date : 30.05.2017		(Ajoy Shah) Chief Financial Officer	(Dheeraj Kumar) Company Secretary



NOVA IRON AND STEEL LTD.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2017

(Amount in Rs.)

PARTICULARS	Note	For the Year Ended 31.03.2017	For the Year Ended 31.03.2016
I. Revenue from Operations			
Sales From Operations	18	37 90 14 031	13 01 16 388
Less : Excise Duty		3 49 30 945	1 42 07 487
Other Operating Income		18 86 07 122	4 00 33 712
		53 26 90 208	15 59 42 613
II. Other Income	19	16 08 921	11 67 543
III. Total Revenue (I +II) :		53 42 99 129	15 71 10 156
IV. Expenses:			
Cost of Material Consumed	20	37 37 58 289	14 57 81 508
Changes in Inventories of finished goods, work-in-progress and Stock-in-Trade	21	68 76 572	- 2 82 32 045
Employee Benefit Expense	22	4 19 23 372	2 49 00 173
Finance Costs	23	6 66 26 820	6 01 38 067
Depreciation	24	1 18 59 078	1 32 67 080
Other Expenses	25	7 75 84 556	3 23 61 786
Expenditure Incurred Under Trial Run Capitalised	-	- 7 11 63 024	- 2 89 59 260
Total Expenses :		50 74 65 663	21 92 57 309
V. Profit / (-) Loss before tax, extra ordinary items and Exceptional Items (III - IV)		2 68 33 466	- 6 21 47 153
VI. Extra Ordinary Items			
Prior Period Incomes		-	2 03 17 432
VII. Profit / (-) Loss after extra ordinary items before tax (V + VI)		2 68 33 466	- 4 18 29 721
VIII. Tax Expenses:			
Deferred Tax Assets (+) / Liability (-)		- 11 63 286	- 26 21 112
IX. Profit / (-) Loss for the year from continuing operations(VII + VIII)		2 56 70 180	- 4 44 50 833
X. Earning Per Share (Face Value Rs. 10/-)	26		
Basic and Diluted		0.71	(1.23)
Significant Accounting Policies	1		
The Accompanying Notes on Financial Statements	2 to 33		

As per our report of even date attached

For & on behalf of the Board

For Antima & Goel
Chartered Accountants
Firm Regn. No. 009062N

(R.B.Goel)
Partner
Membership No. 086862

(H.C.Verma)
Whole Time Director
DIN:00007681

(R.P.Goyal)
Director
DIN:00006595

Place : New Delhi
Date : 30.05.2017

(Ajoy Shah)
Chief Financial Officer

(Dheeraj Kumar)
Company Secretary



NOVA IRON AND STEEL LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

(Amount in Rs.)

Particulars		For The Year Ended 31.03.2017	For The Year Ended 31.03.2016
A.	Cash Flow from Operating Activities		
	Net Profit / Loss (+) before Tax	2 68 33 466	- 4 18 29 721
	Adjustments for:		
	Depreciation	1 18 59 078	1 32 67 080
	Interest Expenses (Net)	6 60 45 784	7 79 04 862
	Operating Profit / Loss (-) before Working Capital Changes	10 47 38 328	3 12 72 558
	Adjustment for:		
	Increase (-) / Decrease in trade and other receivables	2 54 16 090	- 1 42 67 234
	Increase (-) / Decrease in inventories	22 14 83 919	- 14 81 90 768
	Increase / Decrease (-) in trade and other payables	- 1 90 01 640	22 78 98 369
	Net Cash (Used In) from Operating Activities : A	33 26 36 697	12 71 85 868
B.	Cash Flow from Investing Activities		
	Purchase of Fixed Assets	- 1 57 227	- 3 78 54 011
	Purchase of Investment	-	- 5 000
	Sale of Fixed Assets	-	8 58 513
	Sale of Investments	-	3 00 000
	Increase (-) / Decrease in Capital Advances	- 49 96 614	1 95 55 015
	Increase (-) / Decrease in Capital Work in Progress	- 30 91 67 096	- 26 23 15 429
	Interest Received	5 81 036	- 31 37 39 902
	Net Cash (Used In) from Investing Activities : B	- 31 37 39 902	- 27 91 58 044
C.	Cash Flow from Financing Activities		
	Interest Paid	- 6 66 26 820	- 6 01 38 067
	Proceeds from Short Term Borrowings (Net)	4 91 87 592	21 23 34 429
	Net Cash (Used In) from Financing Activities : C	- 1 74 39 228	15 21 96 362
	Net Increase in Cash and Cash Equivalents : (A-B-C) :	14 57 567	2 24 186
	Cash and Cash Equivalents at the Beginning of the Year :	40 68 442	38 44 256
	Cash and Cash Equivalents at the End of the Year :	55 26 009	40 68 442

As per our report of even date attached

For & on behalf of the Board

For Antima & Goel
Chartered Accountants
Firm Regn. No. 009062N

(R.B.Goel)
Partner
Membership No. 086862

(H.C.Verma)
Whole Time Director
DIN : 00007681

(R.P.Goyal)
Director
DIN : 00006595

Place : New Delhi
Date : 30.05.2017

(Ajoy Shah)
Chief Financial Officer

(Dheeraj Kumar)
Company Secretary



Notes on Financial Statements as at 31st March, 2017

Note 1 : Significant Accounting Policies

(I) Basis of Preparation of Financial Statements

(a) Basis of Accounting:

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India and presented under the historical cost convention on accrual basis of accounting to comply with the accounting standards and section 133 of Companies Act, 2013.

(b) Application of IND – AS :

The applicability for preparation of financial statement as per IND AS is from financial year 2017-18. Thus, these financial statements for 2016 -17, have been prepared in accordance with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(c) Use of Estimates:

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of income and expenses during the period. Difference between the actual result and estimates are recognized in the period in which the results are known/ materialized.

(II) Fixed Assets

(a) Tangible Fixed Assets

Fixed Assets are stated at cost, net of VAT/ MODVAT/ CENVAT, less accumulated depreciation. The costs comprises purchase price, borrowing costs relating to qualifying assets till commencement of commercial production and directly attributable cost of bringing the assets to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing assets beyond its previously assessed standard of performance.

Gain or losses arising from de-recognition of fixed assets are measured as the difference between the net disposable proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized

Machinery spares that can be used only in connection with an item of fixed asset and their use is expected to be irregular are capitalized. Replacement of such spares is charged to revenue.

(b) Assets in the Course of Construction

Assets in the Course of Construction are reflected in capital work in progress. At the point when an asset is operating at management's intended use, the cost of construction is transferred to appropriate category of fixed assets. Costs associated with the commissioning of an asset are capitalized where the asset is available for use but incapable of operating at normal levels until a period of commissioning has been completed.

(III) Impairment of Assets

Carrying amount of cash generating units / assets is reviewed for impairment, if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists, the recoverable amount is estimated as higher of its net selling price and value in use. An impairment loss is recognized in the Statement of Profit and Loss, whenever the carrying amount of an asset/cash generating unit exceeds its recoverable amount.

(IV) Depreciation / Amortization on Tangible Fixed Assets

Depreciation is the systematic allocation of the depreciable amount of an asset over useful life. The depreciable amount of an asset is the cost of an asset or other amount substituted for cost, less its residual value.

Owned Assets

Pursuant to applicability of Schedule II, of Companies Act 2013, with effect from 1st April 2014, Management has reassessed the useful life of tangible assets based on the internal and external technical evaluation. The Depreciation on fixed assets is provided on Written Down Value Method in accordance with applicable Schedule of the Companies Act, 2013.

Depreciation for addition to/deductions from, owned assets is calculated on pro-rata basis from the date of such addition or, as



the case may be, up to the date on which such asset has been sold, discarded, demolished or destroyed.

Residual values of assets have been considered at 5% of the original cost of the assets.

Difference of Exchange Rate fluctuation on imported plant and machineries procured out of long term foreign currency loans is amortized over the residual life of relevant plant and machineries.

Depreciation on assets carried at carrying amount as on 01.04.2014 and is depreciated as per Written Down Value Method over the remaining useful life of the assets. Further the assets whose remaining useful life are nil, has been adjusted with Profit & Loss Account. Refer the same as transitional provision of the Companies Act.

The depreciation calculation is based on the balance useful lives of assets.

Leased Assets

Land acquired under long term lease is classified under "Tangible Assets" and is amortized over the period of lease.

(V) Revenue Recognition

Revenue is recognized when it can be reliably measured and when all significant risks and rewards/ownership are transferred to the customer. Sales are inclusive of sales during trial run, excise duty and net of sales tax/vat.

Interest income is recognized on accrual basis in the income statement.

Expenditure is accounted for on accrual basis and provision is made for all known losses and liabilities.

(VI) Foreign Currency Transactions

Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing at the date of the transactions. Monetary items denominated in foreign currencies outstanding at the year-end are translated at the exchange rate applicable as on that date. Non monetary items are valued at the exchange rate prevailing on the date of transaction.

From accounting periods commencing on or after 7 December 2006, the company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as follows:

- (i) Exchange differences relating to long-term monetary items, arising during the year, in so far as they relate to the acquisition of depreciable capital assets are added to/deducted from the cost of asset and depreciated over the remaining useful life of the asset.
- (ii) All other exchange differences are recognized as income or expenses in the Statement of Profit and Loss in the period in which they arise.

(VII) Investments

Investments are classified into current and long-term investments. Current investments except for current maturities of long term investments are stated at the lower of cost and quoted/ fair value. Long term investments are stated at cost less any provision for other than temporary diminution in value.

(VIII) Inventory Valuation

Inventories are valued at lower of cost or net realizable value except scrap which is valued at net realizable value. The cost is determined by using first-in-first-out (FIFO) method. Finished goods and work-in progress include costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Excise duty on closing stock of finished goods and scrap are accounted for on the basis of payments made in respect of goods cleared as also provision made for goods lying in the factory and included in the value of such stocks.

(IX) Income Tax

Provision for current income tax is made after taking credit for allowances and exemptions. In case of matters under appeal, due to disallowance or otherwise, provision is made when the said liabilities are accepted by the Company.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay income tax higher than that computed under MAT, during the period that MAT is permitted to be set off under the Income Tax Act, 1961 (specified period). In the year, in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in the guidance note issued by the Institute of Chartered Accountants of India (ICAI), the said asset is created by way of a credit to the statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay Income Tax higher than MAT during the specified period.

**(X) Borrowing Cost**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from Short – term foreign currency borrowings to the extent they are regarded as an adjustment to interest cost.

Borrowing Cost that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are expensed in the Statement of Profit and Loss in the period they occur.

(XI) Modvat / Cenvat / Vat

Modvat/ Cenvat/ VAT claimed on capital assets is credited to assets / capital work in progress account. Modvat/ Cenvat/ VAT on purchase of raw materials and other materials are deducted from the cost of such materials.

(XII) Claims

Claims receivable are accounted for depending on the certainty of receipt and claims payable are accounted at the time of acceptance.

(XIII) Retirement / Post Retirement Benefits

- (a) Short term employee benefits are recognized as an expense at the undiscounted amount in the year in which related service is rendered.
- (b) The Company has defined contribution plan for post retirement benefits, namely Employees Provident Fund scheme administered through Provident Fund Commissioner. The Company's contribution is charged to revenue every year.
- (c) The Company has defined benefits plans namely Leave encashment / Compensated absence and Gratuity, the liability for which is determined on the basis of Actuarial valuation at the end of the year.
- (d) Termination benefits are recognized as an expense immediately.
- (e) Gain or Loss arising out of actuarial valuation are recognized in the Statement of Profit and Loss as income or expense.

(XIV) Provisions

Show cause notices issued by various government authorities are not considered as obligation. When the demand notice are raised against such show cause notice and are disputed by the Company then these are classified as possible obligations. Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

(XV) Extraordinary and Exceptional Items

Income or expenses that arise from events or transactions that are clearly differs from the ordinary activities of the Company are classified as extraordinary items. Specific disclosure of such events/transactions is made in the financial statements. Similarly, any external events beyond the control of the Company, significantly impacting income or expense, is also treated as extraordinary item and disclosed as such.

(XVI) Contingent Liabilities & Commitments

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the company. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, these are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements, although there can be no assurance regarding the final outcome of the legal proceedings, the company does not expect them to have a materially adverse impact on the financial position or profitability.

(XVII) Deferred Tax

Deferred Tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax law enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In case of unabsorbed depreciation and carry forward of losses under tax laws, deferred tax assets are recognised only to the extent that there is virtual certainty support by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

At each Balance Sheet date, the company reassesses unrecognized deferred tax assets. It recognised unrealized deferred tax assets to the extent it has become reasonably or virtually certain, as the case may be, that sufficient taxable income will be available against which the deferred tax can be realized.



NOVA IRON AND STEEL LTD.

(Amount in Rs.)

PARTICULARS	As at 31.03.2017		As at 31.03.2016	
NOTE 2 : SHARE CAPITAL				
(A) Authorised Capital :				
16,00,00,000 Equity Shares of Rs. 10/- each	160 00 00 000		160 00 00 000	
(B) Issued, Subscribed and Paid Up Capital :				
3,61,39,488 Equity Shares of Rs. 10/- each (Previous Year 3,61,39,488 No. of Equity Shares of Rs. 10/- each)	36 13 94 880		36 13 94 880	
(C) Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the reporting year:				
Equity Shares:				
No. of Shares Outstanding at Beginning of the year	3 61 39 488	36 13 94 880	3 61 39 488	36 13 94 880
Add: Further Issue During the year	Nil	Nil	Nil	Nil
No. of Shares of Rs.10/- each Outstanding at year End	3 61 39 488	36 13 94 880	3 61 39 488	36 13 94 880
(D) There is no (previous year-no) rights, preference and restriction attaching to each class of shares including restriction on company / or the distribution of dividend and repayment of capital.				
(E) There are nil number of shares (previous year nil) in respect of each class in the company held by its holding/ultimate holding their submission / associates.				
(F) Details of Shareholders holding more than 5% shares in the Company :				
Equity Shares of Rs. 10 each , fully paid up				
	As At 31.03.2017		As At 31.03.2016	
	% Held	No. of Shares	% Held	No. of Shares
1 Bhushan Power & Steel Ltd.	39.48	1 42 69 146	39.48	1 42 69 146
2 Ambey Steel & Power Pvt. Ltd.	30.33	1 09 59 675	30.33	1 09 59 675
	69.81	2 52 28 821	69.81	2 52 28 821
(G) There are nil number of shares (previous year nil) reserved for issue under option and contracts/commitment for the sale of Shares / Disinvestment including the terms and amounts.				
(H) Bonus Shares / Buy Back/ Shares for consideration other than cash allotted as fully paid up pursuant to contracts during past five years : NIL				
(I) There are no securities (Previous Year - No) convertible into Equity / Preferential Shares.				
(J) There are no calls unpaid (Previous Year - No) including calls unpaid by Directors and Officers as on Balance Sheet date.				
(K) Details of Forfeited shares :				
Equity Share of Rs. 10/- each	Nil	Nil	Nil	Nil
NOTE 3 : RESERVES & SURPLUS				
Surplus				
Balance at beginning of the year		- 12 30 81 945		-7 55 44 042
Add : Profit / Loss (-) for the Year		2 56 70 180		-4 44 50 833
Add : Tax Adjustment for Earlier Years		-		- 30 87 070
Closing Balance at the year end		- 9 74 11 765		-12 30 81 945



NOVA IRON AND STEEL LTD.

(Amount in Rs.)

PARTICULARS		As at 31.03.2017		As at 31.03.2016
NOTE 4 : LONG-TERM LIABILITIES				
Other Long Term Liabilities				
Trade Payables				
Interest on Entry Tax Payable		91 32 454		91 32 454
Service Tax Payable		21 40 012		21 44 340
Entry Tax Payable		2 51 12 268		2 51 12 268
Water Charges Payable		4 60 29 127		2 49 94 877
Security Deposits		13 09 797		42 27 929
TOTAL :		8 37 23 658		6 56 11 868
NOTE 5 : LONG-TERM PROVISIONS				
Provision for employee benefits				
Gratuity		92 10 377		84 98 189
Earned Leave Encashment		23 09 042		23 29 755
TOTAL :		1 15 19 419		1 08 27 944
NOTE 6 : SHORT-TERM BORROWINGS				
Unsecured:				
Loans and Advances from related parties				
Loans From Corporates		140 74 73 341		170 96 64 513
Loans From Other Parties		57 04 79 064		21 91 00 300
TOTAL :		1 97 79 52 405		1 92 87 64 813
<p>(a) The Corporate Loan is at 13% p.a. Interest and From other parties Loans are at 10% Interest respectively (Unsecured). All the term loan are repayable on Demand.</p> <p>(b) Details of Defaults on repayment of long-term Loans and Interest there of: Nil Nil</p>				
NOTE 7 : TRADE PAYABLES				
Trade Payables		10 06 82 236		13 42 61 306
TOTAL :		10 06 82 236		13 42 61 306
NOTE 8 : SHORT-TERM PROVISIONS				
Provision for employee benefits				
Gratuity		13 15 354		9 50 449
Earned Leave Encashment		7 52 070		4 69 435
TOTAL :		20 67 424		14 19 884
NOTE 9 : OTHER CURRENT LIABILITIES				
Other Payables				
Advance From Customer's		73 18 42 203		74 00 67 780
Excise duty Payable		4 16 219		19 86 036
Expenses Payable		18 21 202		24 88 121
Other Statutory Dues payable		2 25 84 854		2 08 26 773
Due to Directors		2 58 371		73 900
Employees Credit Balance		70 34 130		33 87 745
TOTAL :		76 39 56 979		76 88 30 355



NOVA IRON AND STEEL LTD.

NOTE 10: Fixed Assets

(Amount in Rs.)

DESCRIPTION OF FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2016	ADDITIONS	SALE / ADJUSTMENTS	AS AT 31.03.2017	UPTO 31.03.2016	FOR THE YEAR	ADJUSTMENTS	TOTAL UPTO 31.03.2017	AS AT 31.03.2017	AS AT 31.03.2016
TANGIBLE ASSETS:										
OWN ASSETS:										
LAND - LEASE HOLD	4 17 75 783	-	-	4 17 75 783	12 83 857	5 12 667	-	17 96 524	3 99 79 259	4 04 91 926
- FREE HOLD **	46 38 29 408	-	-	46 38 29 408	-	-	-	-	46 38 29 408	46 38 29 408
BUILDING	42 22 28 851	-	-	42 22 28 851	33 22 16 400	53 24 778	-	33 75 41 178	8 46 87 673	9 00 12 451
PLANT & EQUIPMENTS	176 70 16 552	-	-	176 70 16 552	172 88 99 933	38 49 747	-	173 27 49 680	3 42 66 872	3 81 16 619
RAILWAY SIDING	2 14 77 461	-	-	2 14 77 461	1 69 97 524	11 12 572	-	1 81 10 096	33 67 365	44 79 937
OFFICE EQUIPMENTS	1 62 72 999	1 57 227	-	1 64 30 226	1 47 37 502	5 08 841	-	1 52 46 343	11 83 883	15 35 497
FURNITURE & FIXTURES	2 48 55 084	-	-	2 48 55 084	2 37 23 965	1 86 183	-	2 39 10 148	9 44 936	11 31 119
VEHICLES	1 00 06 228	-	-	1 00 06 228	85 70 545	3 64 290	-	89 34 835	10 71 393	14 35 683
TOTAL :	276 74 62 366	1 57 227	-	276 76 19 593	212 64 29 726	1 18 59 078	-	213 82 88 804	62 93 30 790	64 10 32 641
PREVIOUS YEAR BALANCE	273 04 66 868	3 78 54 011	8 58 513	276 74 62 366	211 31 62 645	1 32 67 080		212 64 29 725		-
CAPITAL WORK IN PROGRESS									2 37 05 66 424	2 06 13 99 328

Note : **Out of the Total Amount Registration of Freehold Land in the name of the Company is pending (Rs. 1,94,34,130/-)

: There are no Intangible Assets.

(Amount in Rs.)

PARTICULARS	As at 31.03.2017	As at 31.03.2016
NOTE 11 : NON CURRENT INVESTMENTS		
Non Trade, Unquoted (At Cost)		
Adarsh Info Tech. P. Ltd., Chandigarh	22 38 000	22 38 000
2,23,800 Equity Shares (Previous Year 2,23,800 Equity Shares) of Rs. 10/- each.		
Prudent Transport Co. Ltd., Chandigarh	5 40 000	5 40 000
18,000 Equity Shares (Previous Year 18,000 Equity Shares) of Rs. 30/- each.		
- Joint Venture		
Bijahan Coal P. Ltd., Chandigarh	5 000	5 000
500 Equity Shares (Previous Year 500 Equity Shares) of Rs. 10/- each fully paid up.		
TOTAL :	27 83 000	27 83 000
NOTE 12 : DEFERRED TAX ASSETS (NET)		
The break up of deferred tax assets and liabilities into major components arising on account of timing differences at the year end are as below:-		
Opening Deferred Tax Assets	49 14 902	75 36 014
Deferred Tax Assets on account of :		
Related to fixed assets	10 53 163	17 07 394
Amortisation of Expenses	-	-
Disallowance under the Income Tax Act 1961		
Accrued Compensation to Employees	-	-
Deferred Tax Liabilities on account of :		
Allowance under the Income Tax Act 1961	- 1 10 123	- 9 13 718
Deferred Tax Assets (+) / Liabilities (-) During the Year	- 11 63 286	- 26 21 112
Net Deferred Tax	37 51 616	49 14 902



NOVA IRON AND STEEL LTD.

PARTICULARS	As at 31.03.2017	As at 31.03.2016
(Amount in Rs.)		
NOTE 13 : LONG-TERM LOAN AND ADVANCES		
Unsecured and considered good		
Capital Advances	3 27 68 807	2 77 72 193
Security Deposits		
-Lease Rent Security	1 25 002	1 25 002
-With Government Departments	89 13 406	72 21 460
-Others	81 978	81 978
Other Loans and Advances		
Mat Recoverable	1 08 92 586	1 08 92 586
Advance Tax	2 11 074	1 75 941
Balance With Excise Dept	17 57 316	17 57 316
TOTAL :	5 47 50 169	4 80 26 476
NOTE 14 : INVENTORIES		
Inventories		
(Lower of cost or Net Realisable Value, Except Scrap & Waste at NRV)		
Raw Materials	27 85 847	21 95 86 756
Finished Goods	33 29 792	2 19 59 865
Scrap & Waste	2 16 67 232	83 03 331
WIP	-	16 10 400
Stores and Spares	3 31 46 421	3 00 31 832
Diesel	62 216	7 32 772
Packing Material	3 93 330	3 86 909
Stock In Transit	-	2 56 892
TOTAL :	6 13 84 838	28 28 68 757
NOTE 15 : TRADE RECEIVABLES		
Unsecured and considered good		
Outstanding for more than 6 months from due date	-	-
Others	22 63 681	29 999
TOTAL :	22 63 681	29 999
NOTE 16 : CASH & CASH EQUIVALENTS		
Cash on Hand	2 11 828	5 29 656
Cheques , Drafts on Hand	28 00 642	-
Balances with Scheduled Banks		
-In Current Accounts	24 84 089	35 09 336
- In Other Bank Accounts		
Fixed Deposit with more than 12 Months Maturity (Including Interest Accrued)	29 450	29 450
Under Bank lien Rs 29450/-(Previous Year Rs. 29450/-)		
TOTAL :	55 26 009	40 68 442



NOVA IRON AND STEEL LTD.

Specified Bank Notes Disclosures : (SBNs)				
In accordance with MCA notification G.S.R308(E) dated March 30,2017 details of Specified Bank Notes (SBN) and Other Denomination Notes (ODN) held and transacted during the period from November 8,2016 to December 30,2016 is given below:-				
Particulars		SBNs	ODNs	Total
Closing cash on hand as on November 8,2016		-	4 41 415	4 41 415
(+) Non Permitted Receipts		-	-	-
(+) Permitted Receipts		-	-	-
(-) Permitted Payments		-	4 24 225	4 24 225
(-) Amount Deposited in Banks		-	-	-
Closing Cash on hand on December 30,2016		-	17 190	17 190
Particulars		As at 31.03.2017		As at 31.03.2016
NOTE 17 : SHORT-TERM LOANS & ADVANCES				
(A) Unsecured and considered good				
Prepaid Expenses		16 45 944		5 99 329
Advances to Suppliers		2 60 43 127		3 17 56 139
Advances to Employees		2 40 990		3 40 200
Interest Recoverable		3 57 212		3 35 785
Balance of Modvat/Cenvat/Service Tax		4 52 41 436		6 98 74 107
TOTAL :		7 35 28 709		10 29 05 560
(B) With reference to the Loans and advances due from directors or other officers of the company.				
		Nil		Nil
PARTICULARS		For the year Ended 31.03.2017		For the year Ended 31.03.2016
NOTE 18 : REVENUE FROM OPERATIONS				
Sales including excise duty		35 11 18 208		12 36 20 981
Other Operating Income - Scrap / Waste		2 78 95 823		64 95 407
Other Operating Income		18 86 07 122		4 00 33 712
TOTAL :		56 76 21 153		17 01 50 100
NOTE 19 : OTHER INCOME				
Interest Income		5 81 036		3 02 868
Miscellaneous Income		10 27 885		8 64 675
TOTAL :		16 08 921		11 67 543
NOTE 20 : COST OF MATERIALS CONSUMED:				
Opening Stock	21 95 86 756		6 31 30 989	
Add : Purchases	15 69 57 380	37 65 44 136	30 22 37 275	36 53 68 264
Less : Closing Stock		27 85 847		21 95 86 756
TOTAL :		37 37 58 289		14 57 81 508
NOTE 21 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN PROGRESS AND STOCK IN TRADE :				
Inventories (at beginning)				
Finished Goods	2 19 59 865		3 48 129	
Stock in Process	16 10 400		-	
Scrap	83 03 331	3 18 73 596	32 93 422	36 41 551
Inventories (at closing)				
Finished Goods	33 29 792		2 19 59 865	
Stock in Process	-		16 10 400	
Scrap	2 16 67 232	2 49 97 024	83 03 331	3 18 73 596
INCREASE (-) / DECREASE IN CLOSING STOCK		68 76 572		- 2 82 32 045



NOVA IRON AND STEEL LTD.

(Amount in Rs.)

PARTICULARS		For the Year Ended 31.03.2017		For the Year Ended 31.03.2016
NOTE 23 : FINANCE COSTS:				
Interest Expense	21 08 86 049		19 97 06 683	
Less : Transferred to Projects Under Commissioning	14 42 59 229	6 66 26 820	13 95 68 616	6 01 38 067
TOTAL :		6 66 26 820		6 01 38 067
NOTE 24 : DEPRECIATION :				
Depreciation		1 18 59 078		1 32 67 080
TOTAL :		1 18 59 078		1 32 67 080
NOTE 25 : OTHER EXPENSES:				
Stores Consumed		83 31 661		10 92 624
Excise Duty Provided on Stock		- 15 69 817		19 43 007
Packing & Forwarding Charges		97 92 914		8 36 290
Power & Fuel		3 45 58 098		3 19 83 228
Water Charges		2 20 34 250		2 45 57 708
Payment to Auditors				
-Audit Fee	1 75 000		1 75 000	
-Tax Audit Fee	25 000		25 000	
-Company Law Matters	1 00 000		1 00 000	
-Out of Pocket Expenses	34 754	3 34 754	48 324	3 48 324
Repairs and Maintenance				
Machinery		5 70 665		8 76 274
Vehicles		20 09 571		18 43 897
Building		5 53 040		-
Legal & Professional Charges		18 00 822		20 04 366
Rates & Taxes		34 97 217		10 84 477
Traveling & Conveyance Expenses		8 63 977		8 08 514
Advertisement Expenses		1 32 952		2 64 728
Printing & Stationery		23 93 933		18 77 204
Postage ,Telegram & Telephone Expenses		25 87 747		22 71 284
Other Miscellaneous Expenses		22 179		35 108
Prior Period Expenses		1 09 598		10 83 822
Bank Charges		1 10 221		87 546
Director's Sitting Fee		17 000		6 000
Loss on sale of Assets		-		2 15 006
Commission & Brokerage		8 90 949		6 94 162
Rebate & Discounts		2 32 809		-
Exchange Fluctuations		6 40 792		49 203
General Expenses		3 30 046		4 61 199
Lease Rent		20 01 788		13 82 945
		9 22 47 167		7 58 06 916
Less : Transferred to Projects Under Commissioning		1 46 62 611		4 34 45 129
TOTAL :		7 75 84 556		3 23 61 786



NOVA IRON AND STEEL LTD.

PARTICULARS		For the Year Ended 31.03.2017		For the Year Ended 31.03.2016
NOTE 26 : EARNING PER SHARE (EPS) :				
Basic EPS:				
(i) - Net Profit / Loss (-)		2 56 70 180		- 4 44 50 833
(ii) -Total No. of Equity Shares for EPS		3 61 39 488		3 61 39 488
Basic EPS (Rs.) (i) / (ii)		0.71		(1.23)

NOTE 27 : The Company has one joint venture namely Bijahan Coal Private Limited incorporated in India. The Company has 5% holding in the joint venture. Based on the audited financial statements received, the proportionate share of assets, liabilities, Income and Expenditure of the entity is as under :

(Amount in Rs.)				
PARTICULARS		As at 31.03.2017		As at 31.03.2016
Assets				
-Cash and Bank Balances		78 141		1 09 440
Total		78 141		1 09 440
Liabilities				
-Short Term Borrowings		-		20 000
-Trade Payables		15 000		7 500
Total		15 000		27 500
Income				
-Other Income		-		-
Expenditure				
-Other Expenses		18 799		9 357
-Expenses Amortised		6 962		1 741
Total		25 761		11 098

NOTE 28 : CONTINGENT LIABILITIES & COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(A) Contingent liabilities.				
Claims against the Company not acknowledged as debts(*)		79 22 98 654		69 62 07 842
Income Tax demands under appeal		1 62 08 225		1 62 08 225
Excise & Service Tax demand under dispute		3 95 78 903		2 78 91 968
Sales Tax (2004-05) Demand under Dispute		2 23 000		2 23 000
(B) Commitments				
Estimated amounts of contracts remaining to be executed on Capital account and not provided for		22 67 43 288		3 32 56 031

Other Commitments :

(*) The Company also, has its own claims / counter claims against these parties as per terms of their respective contracts. In effect the Management does not expect any major liability devolve upon the Company on account of these cases.

The Income - Tax assessments of the Company have been completed upto Assessment Year 2014-2015. The disputed demand outstanding up to the said Assessment Year is Rs 162.08 lacs. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.

Besides the above, the amount in respect of claims of interest etc. claimed by the parties cannot be quantified.



NOVA IRON AND STEEL LTD.

NOTE 29 : DISCLOSURE RELATING TO EMPLOYEE BENEFITS

In Compliance with the Accounting Standard 15 (revised 2005) from Current Year only " Employee Benefits", the Company has got the employee benefits evaluated from actuarial valuer.

The Company has calculated the various benefits provided to employees as under :

(Amount in Rs.)

		As at 31.03.2017		As at 31.03.2016
(A) Provident Fund & Other Funds		36 98 090		35 66 607
(B) Labour Welfare Fund		23 073		23 688
(C) Defined Benefit Plans:- In accordance with Accounting Standard 15 (revised 2005), the actuarial valuation carried out in respect of the aforesaid defined benefit plans is based on the following assumption.				
(i) Actuarial Assumptions	Employee Gratuity Provision	Leave Encashment / Compensated Absence	Employee Gratuity Provision	Leave Encashment / Compensated Absence
	31.03.2017	31.03.2017	31.03.2016	31.03.2016
Discount rate (per annum)	7%	7%	8%	8%
Rate of increase in compensation levels	5%	5%	5%	5%
Rate of return on plan assets	-	-	-	-
Expected Average remaining working lives of employees (Years)	6.50	-	6.90	-
(ii) Change in the obligation during the year ended 31st March, 2017				
Present value obligation as at beginning of the year	94 48 638	27 99 190	85 13 805	21 75 260
Interest Cost	6 61 405	1 95 943	6 81 104	1 74 021
Past Service Cost (Non - Vested)	-	-	-	-
Past Service Cost (Vested)	-	-	-	-
Current Service Cost	11 78 310	15 92 120	15 09 163	16 43 753
Curtailement Cost	-	-	-	-
Settlement Cost	-	-	-	-
Benefits Paid	- 5 56 064	- 1 14 299	- 6 28 924	- 1 61 057
Actuarial (gain) / loss on obligations	- 2 06 558	- 14 11 842	- 6 26 510	- 10 32 787
Present value obligation as at end of the year	1 05 25 731	30 61 112	94 48 638	27 99 190
(iii) Change in the fair value plan Assets				
Fair value of plan assets as at beginning of the year	-	-	-	-
Expected return on plan assets	-	-	-	-
Contributions	-	-	-	-
Benefits Paid	-	-	-	-
Actuarial (gain) / loss on plan assets	-	-	-	-
Fair value of plan assets as at end of the year	-	-	-	-
(iv) Reconciliation of Present value of Defined Benefit Obligation and Fair value of Assets				
Present value obligation as at end of the year	1 05 25 731	30 61 112	94 48 638	27 99 190
Fair value of plan assets as at end of the year	-	-	-	-
Funded Status	- 1 05 25 731	- 30 61 112	- 94 48 638	- 27 99 190
Present value of unfunded obligation as at end of the year	-	-	-	-
Excess of actual overestimated	-	-	-	-
Unfunded Net Asset / (Liability) recognised in Balance Sheet	- 1 05 25 731	- 30 61 112	- 94 48 638	- 27 99 190
(v) Expenses recognised in Statement of Profit and Loss				
Current Service Cost	11 78 310	15 92 120	15 09 163	16 43 753
Past Service Cost (Non - Vested)	-	-	-	-
Past Service Cost (Vested)	-	-	-	-
Interest Cost	6 61 405	1 95 943	6 81 104	1 74 021
Expected return on plan assets	-	-	-	-
Curtailement Cost	-	-	-	-
Settlement Cost	-	-	-	-
Net Actuarial (gain) / loss recognised during the year	- 2 06 558	- 14 11 842	- 6 26 510	- 10 32 787
Paid to left employees	-	-	-	-
Total Expense recognised in statement of Profit and loss (including transferred to capital work in progress)	16 33 157	3 76 221	15 63 757	7 84 987
Note : - The estimate of future salary increase considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors. Leave encashment / compensated absence are not funded. Hence, change in fair value of Plan Assets have not been given.				



NOVA IRON AND STEEL LTD.

NOTE 30 : The Company is engaged in the manufacturing / trading of Iron & Steel, Metals & Natural Resources business which, in context of Accounting Standard - 17 as notified under Companies (Accounting Standard) Rules, 2006 is considered the only business segment.

NOTE 31 : RELATED PARTY TRANSACTIONS

	(i)	Key Managerial Personnel / Director as per Accounting Standard - 18 :		Relationship		
	1	Sh. Sanjay Singal		Director		
	2	Sh. Aniket Singal		Director		
	3	Sh. H.C. Verma		Whole Time Director		
	4	Sh. Ravi Prakash Goyal		Director		
	5	Sh. Ajoy Shah		Chief Financial Officer		
	6	Sh. Dheeraj Kumar		Company Secretary		
	(ii)	List of related Companies:				
	1	M/s Bhushan Power & Steel Ltd		Promoter Company		
	2	M/s Ambey Steel & Power Pvt. Ltd.		Promoter Company		
	3	M/s Bijahan Coal Private Limited		Joint Venture		
	(iii)	Transactions with above related party as identified by the management, in accordance with Accounting Standard – 18. "Related Party Disclosures" are as follows:-				
		Name of the related party	Relation	Nature of Transactions	As At 31.03.2017 (Rs.)	As At 31.03.2016 (Rs.)
	(i)	M/s Bhushan Power & Steel Ltd	Promoter Company	Sale of Scrap & Others	3 81 33 519	98 66 245
	(ii)	M/s Bhushan Power & Steel Ltd		Purchase of Raw Material	-	7 18 20 000
	(iii)	M/s Bhushan Power & Steel Ltd		Purchase of Store & Machinery	86 55 035	1 97 55 639
	(iv)	M/s Bhushan Power & Steel Ltd		Loan Received	-	10 34 09 598
	(v)	M/s Bhushan Power & Steel Ltd		Loan Repaid	6 05 15 681	21 80 00 000
	(vi)	M/s Bhushan Power & Steel Ltd		Interest on Loan	16 56 49 328	19 92 49 479
	(vii)	Sh. H.C. Verma	Whole Time Director	Director Remuneration	15 00 000	15 00 000
	(viii)	Sh. Ajoy Shah	Chief Financial Officer	Salary	5 08 200	5 08 200
	(ix)	Sh. Dheeraj Kumar	Company Secretary	Salary	3 81 000	2 82 000
		Closing Balances				
	(i)	Bhushan Power & Steel Ltd. - Loan Account			140 74 73 341	1 70 96 64 513
	(ii)	Bhushan Power & Steel Ltd.			73 13 26 650	73 74 42 298
		Note : - Related party relationship is as identified by the Company in accordance with AS-18. There may be such parties which do not fall under section 2(76) of Companies Act, 2013.				



NOVA IRON AND STEEL LTD.

NOTE 32 : OTHER ADDITIONAL INFORMATION

A: DETAIL OF OPENING STOCK,CLOSING STOCK AND SALES: (Amount in Rs.)				
Particulars		As at 31.03.2017		As at 31.03.2016
(i)	Opening Stock:			
	-Sponge Iron	1 78 85 078		3 48 129
	-Billet	40 74 787		-
(ii)	Closing Stock:			
	-Sponge Iron	33 21 801		1 78 85 078
	-Billet	7 991		40 74 787
(iii)	Turnover:			
	-Sponge Iron	22 68 56 060		10 00 51 578
	-Billet	8 95 71 698		98 33 736
	-Others	2 76 55 328		60 23 587
		34 40 83 086		11 59 08 901
B: CONSUMPTION OF RAW MATERIAL AND COMPONENTS:				
Raw Material Consumed				
	-Iron Ore / Pellets	19 44 83 997		7 54 04 623
	-Coal	17 25 71 234		6 85 89 893
	-Dolomite	7 92 112		1 86 657
	-Others	59 10 946		16 00 335
		37 37 58 289		14 57 81 508
C: C.I.F. VALUE OF IMPORTS:				
	- Machinery / Refectories		Nil	24 17 600
D: VALUE OF IMPORTED AND INDIGENOUS RAW MATERIAL, SPARES AND COMPONENTS CONSUMED :				
		Value (Rs.) 31.03.2017	% of Consumption	Value (Rs.) 31.03.2016
(i)	Raw Material			
	-Indigenous	37 37 58 289	100%	14 57 81 508
(i)	Stores & Spares			
	-Indigenous	83 31 661	100%	10 92 624
		38 20 89 950		14 68 74 132

NOTE 33 :

- A.** The accounts have been prepared for a period of 12 months i.e. from 1st April, 2016 to 31st March, 2017.
- B.** In the opinion of the Management, the Current Assets, Loans and Advances etc., are of the approximate value stated, if realised in the ordinary course of business.
- C.** In respect of amounts due to Micro, Small and Medium enterprises under "The Micro, Small and Medium Enterprises Development Act 2006", the Company has certified that as a policy the payment to suppliers is made within 30 days except in disputed cases.
- D.** Balances on account of trade/other receivable, trade/other payables and loans and advances are subject to the confirmation and reconciliation with respective parties.
- E.** The figures of the previous year have been regrouped / reclassified ,where ever considered necessary, to conform to current year's classification.
- F.** Notes No. 1 to 33 form an integral part of the accounts and has duly been authenticated.

As per our report of even date attached

For & on behalf of the Board

For Antima & Goel
Chartered Accountants
Firm Regn. No. 009062N

(R.B.Goel)
Partner
Membership No. 086862

(H.C.Verma)
Whole Time Director
DIN : 00007681

(R.P.Goyal)
Director
DIN : 00006595

Place : New Delhi
Date : 30.05.2017

(Ajoy Shah)
Chief Financial Officer

(Dheeraj Kumar)
Company Secretary



INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To The Members of

NOVA IRON & STEEL LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **NOVA IRON & STEEL LIMITED** ('the Holding Company') and jointly controlled entity comprising of Consolidated Balance Sheet as at 31st March 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information for the year then ended.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Company is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities, the selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provision of the Act, the accounting standards and the matters which are required to be included in the audit report under the provision of the act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit

evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at 31st March 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of jointly controlled entity M/s Bijahan Coal Private Limited, which has not yet done any business / operations. The financial statement of such Company has been audited by other auditor firm.

Our opinion on the consolidated financial statements in so far as it relates to the amount and disclosure included in respect of aforesaid jointly controlled entity and our report in terms of sub-section 3 and 11 of section 143 of the Act in so far as it relates to the aforesaid jointly controlled entity is based solely on the reports of the other auditor.

Report on Other Legal and Regulatory Requirements :

- 1 Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act is not applicable on Consolidated Financial Statements as referred in provision to para 2 of the Order.
- 2 As required by Section 143(3) of the Act, we report, to the extent applicable, that :-
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - b) In our opinion proper books of account as required by law relating to preparation of aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
 - c) The Consolidated Balance Sheet, Consolidated



Statement of Profit and Loss and Consolidated Cash Flow Statement dealt with by this report are in agreement with the relevant the books of account maintained for the purpose of preparation of the consolidated financial statements;

- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the Directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of Jointly Controlled Company incorporated in India, none of the directors of the Group Companies incorporated in India is disqualified as on 31st March, 2017, from being appointed as a Director of that Company in terms of section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
 - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the holding company and jointly controlled entity to the consolidated financial statements.
 - ii) The Group and jointly controlled entity did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its jointly controlled companies incorporated in India.

FOR ANTIMA & GOEL
Chartered Accountants
Firm Registration No : 009062N

Place : New Delhi
Date : 30.05.2017

(R.B. GOEL)
PARTNER
M.NO: 086862

ANNEXURE : A TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub – section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2017, we have audited the internal financial controls over financial reporting of Nova Iron & Steels Ltd. ('the Holding Company') and its jointly controlled company, which are incorporated in India.

Management's Responsibility for Internal Financial Controls

The Respective Borad of Directors of the Holding Company management and its jointly controlled company, which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements,



whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal

financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its jointly controlled company which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2017, based on the Internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to Joint Venture – M/s Bijahan Coal Private Limited which is incorporated in India, is based on the corresponding report of the auditor of such Company.

FOR ANTIMA & GOEL
Chartered Accountants
Firm Registration No : 009062N

Place : New Delhi
Date : 30.05.2017

(R.B. GOEL)
PARTNER
M.NO: 086862



NOVA IRON AND STEEL LTD.

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2017

(Amount in Rs.)

PARTICULARS	Note	As at	
		31.03.2017	31.03.2016
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2	36 14 94 880	36 14 94 880
Reserves & Surplus	3	- 9 74 48 625	- 12 30 93 043
		26 40 46 255	23 84 01 837
NON-CURRENT LIABILITIES			
Other Long -Term Liabilities	4	8 37 23 658	6 56 11 868
Long-Term Provisions	5	1 15 19 419	1 08 27 944
		9 52 43 077	7 64 39 812
CURRENT LIABILITIES			
Short -Term Borrowings	6	197 79 52 405	192 87 84 813
Trade Payables	7	10 06 97 236	13 42 68 806
Short -Term Provisions	8	20 67 424	14 19 884
Other Current Liabilities	9	76 39 56 979	76 88 30 355
		284 46 74 044	283 33 03 858
TOTAL		320 39 63 376	314 81 45 507
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets:			
Tangible Assets:			
Tangible Assets	10	62 93 30 789	64 10 32 641
Intangible Assets		-	-
Capital Work In Progress		237 05 66 424	206 13 99 328
		299 98 97 213	270 24 31 969
Non - Current Investments	11	27 83 000	27 83 000
Deferred Tax Assets (Net)	12	37 51 616	49 14 902
Long-Term Loans and Advances	13	5 47 50 169	4 80 26 476
		6 12 84 785	5 57 24 378
CURRENT ASSETS			
Inventories	14	6 13 84 838	28 28 68 757
Trade Receivables	15	22 63 681	29 999
Cash & Cash Equivalents	16	56 04 150	41 77 882
Short-Term Loan & Advances	17	7 35 28 709	10 29 05 560
		14 27 81 378	38 99 82 198
MISC. EXPENDITURE			
Preliminary Expenses	-	-	6 962
TOTAL		320 39 63 376	314 81 45 507
Significant Accounting Policies	1		
The Accompanying Notes on Financial Statements	2 to 33		

As per our report of even date attached

For & on behalf of the Board

For Antima & Goel
Chartered Accountants
Firm Regn. No. 009062N
(R.B.Goel)
Partner
Membership No. 086862

(H.C.Verma)
Whole Time Director
DIN: 00007681

(R.P.Goyal)
Director
DIN: 00006595

Place : New Delhi
Date : 30.05.2017

(Ajoy Shah)
Chief Financial Officer

(Dheeraj Kumar)
Company Secretary



NOVA IRON AND STEEL LTD.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2017

(Amount in Rs.)

PARTICULARS	Note	For the Year Ended 31.03.2017	For the Year Ended 31.03.2016
I. Revenue from Operations			
Sales From Operations	18	37 90 14 031	13 01 16 388
Less : Excise Duty		3 49 30 945	1 42 07 487
Other Operating Income		18 86 07 122	4 00 33 712
		53 26 90 208	15 59 42 613
II. Other Income	19	16 08 921	11 67 543
III. Total Revenue (I +II) :		53 42 99 129	15 71 10 156
IV. Expenses:			
Cost of Material Consumed	20	37 37 58 289	14 57 81 508
Changes in Inventories of finished goods, work-in-progress and Stock-in-Trade	21	68 76 572	- 2 82 32 045
Employee Benefit Expense	22	4 19 23 372	2 49 00 173
Finance Costs	23	6 66 26 820	6 01 38 067
Depreciation	24	1 18 66 040	1 32 68 821
Other Expenses	25	7 76 03 355	3 23 71 143
Expenditure Incurred Under Trial Run Capitalised	-	- 7 11 63 024	- 2 89 59 260
Total Expenses :		50 74 91 424	21 92 68 407
V. Profit / (-) Loss before tax, extra ordinary items and Exceptional Items (III - IV)		2 68 07 705	- 6 21 58 251
VI. Extra Ordinary Items			
Prior Period Incomes		-	2 03 17 432
VII. Profit / (-) Loss after extra ordinary items before tax (V + VI)		2 68 07 705	- 4 18 40 819
VIII. Tax Expenses:			
Deferred Tax Assets (+) / Liability (-)		- 11 63 286	- 26 21 112
IX. Profit / (-) Loss for the year from continuing operations(VII + VIII)		2 56 44 419	- 4 44 61 931
X. Earning Per Share (Face Value Rs. 10/-)	26		
Basic and Diluted		0.71	(1.23)
Significant Accounting Policies	1		
The Accompanying Notes on Financial Statements	2 to 33		

As per our report of even date attached

For & on behalf of the Board

For Antima & Goel
Chartered Accountants
Firm Regn. No. 009062N

(R.B.Goel)
Partner
Membership No. 086862

(H.C.Verma)
Whole Time Director
DIN: 00007681

(R.P.Goyal)
Director
DIN: 00006595

Place : New Delhi
Date : 30.05.2017

(Ajay Shah)
Chief Financial Officer

(Dheeraj Kumar)
Company Secretary



NOVA IRON AND STEEL LTD.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

(Amount in Rs.)

		For The Year Ended 31.03.2017		For The Year Ended 31.03.2016
A. Cash Flow from Operating Activities				
Net Profit / Loss (-) before Tax		2 68 07 705		- 4 18 40 819
Adjustments for:				
Depreciation	1 18 59 078		1 32 67 080	
Preliminary Expenses	6 962		- 6 962	
Interest Expenses (Net)	6 60 45 784	7 79 11 824	5 98 35 199	7 30 95 317
Operating Profit / Loss (-) before Working Capital Changes		10 47 19 529		3 12 54 498
Adjustment for:				
Increase (-) / Decrease in trade and other receivables	2 54 16 090		- 1 42 67 234	
Increase (-) / Decrease in inventories	22 14 83 919		- 14 81 90 768	
Increase / Decrease (-) in trade and other payables	- 1 89 94 141	22 79 05 869	25 83 78 812	9 59 20 810
Net Cash (Used In) from Operating Activities : A		33 26 25 398		12 71 75 308
B. Cash Flow from Investing Activities				
Purchase of Fixed Assets	- 1 57 227		- 3 78 54 011	
Purchase of Investment	-		- 5 000	
Sale of Fixed Assets	-		8 58 513	
Sale of Investments	-		3 00 000	
Issue of Equity Share Capital			1 00 000	
Increase (-) / Decrease in Capital Advances	- 49 96 614		1 95 55 015	
Increase (-) / Decrease in Capital Work in Progress	- 30 91 67 096		- 26 23 15 429	
Interest Received	5 81 036	- 31 37 39 902	3 02 868	- 27 90 58 044
Net Cash (Used In) from Investing Activities : B		- 31 37 39 902		- 27 90 58 044
C. Cash Flow from Financing Activities				
Interest Paid		- 6 66 26 820		- 6 01 38 067
Proceeds from Short Term Borrowings (Net)		4 91 67 592		21 23 54 429
Net Cash (Used In) from Financing Activities : C		- 1 74 59 228		15 22 16 362
Net Increase in Cash and Cash Equivalents : (A-B-C) :		14 26 268		3 33 626
Cash and Cash Equivalents at the Beginning of the Year :		41 77 882		38 44 256
Cash and Cash Equivalents at the End of the Year :		56 04 150		41 77 882

As per our report of even date attached

For & on behalf of the Board

For Antima & Goel
Chartered Accountants
Firm Regn. No. 009062N

(R.B.Goel)
Partner
Membership No. 086862

(H.C.Verma)
Whole Time Director
DIN : 00007681

(R.P.Goyal)
Director
DIN : 00006595

Place : New Delhi
Date : 30.05.2017

(Ajoy Shah)
Chief Financial Officer

(Dheeraj Kumar)
Company Secretary



Notes on Consolidated Financial Statements as at 31st March, 2017

Note 1 A:

Notes on CONSOLIDATED Financial Statements

- I. The Consolidated Financial Statements (CFS) relate to Nova Iron & Steels Ltd. and its Joint Venture with M/s Bijahan Coal Private Limited. The Accounts are prepared on historical cost convention in accordance with the applicable accounting standards and other applicable relevant statutes.
- II. The Financial Statements of Joint Venture have been combined by applying proportionate consolidation method on a line by line basis on items of assets, liabilities, income and expenses after eliminating proportionate share of unrealized profit or losses in accordance with Accounting Standards (AS) 27 on "Financial Statements of Interests in Joint Ventures."
- III. The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate Financial Statements except as otherwise disclosed in the Notes to Accounts.
- IV. The J.V. Company has not yet done any business / not started operations.
- V. Investments other than Joint Ventures have been accounted for as per Accounting Standards (AS)-13 on Accounting for Investments.
- VI. The Consolidated Financial Statements represents Consolidation of Accounts of the Company and its Joint Venture Company – Bijahan Coal Private Limited.
- VII. Joint Venture Bijahan Coal Private Limited has been audited by some other auditor and the same has been relied upon by us.

Note 1 B : Significant Accounting Policies

(I) Basis of Preparation of Financial Statements

(a) Basis of Accounting:

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India and presented under the historical cost convention on accrual basis of accounting to comply with the accounting standards and section 133 of Companies Act, 2013.

(b) Application of IND – AS :

The applicability for preparation of consolidated financial statement as per IND AS is from financial year 2017-18. Thus, these consolidated financial statements for 2016 -17, have been prepared in accordance with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(c) Use of Estimates:

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of income and expenses during the period. Difference between the actual result and estimates are recognized in the period in which the results are known/ materialized.

(II) Fixed Assets

(a) Tangible Fixed Assets

Fixed Assets are stated at cost, net of VAT/ MODVAT/ CENVAT, less accumulated depreciation. The costs comprises purchase price, borrowing costs relating to qualifying assets till commencement of commercial production and directly attributable cost of bringing the assets to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.



Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing assets beyond its previously assessed standard of performance.

Gain or losses arising from de-recognition of fixed assets are measured as the difference between the net disposable proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized

Machinery spares that can be used only in connection with an item of fixed asset and their use is expected to be irregular are capitalized. Replacement of such spares is charged to revenue.

(b) Assets in the Course of construction

Assets in the Course of construction are reflected in capital work in progress. At the point when an asset is operating at management's intended use, the cost of construction is transferred to appropriate category of fixed assets. Costs associated with the commissioning of an asset are capitalized where the asset is available for use but incapable of operating at normal levels until a period of commissioning has been completed.

(III) Impairment of Assets

Carrying amount of cash generating units / assets is reviewed for impairment, if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists, the recoverable amount is estimated as higher of its net selling price and value in use. An impairment loss is recognized in the Statement of Profit and Loss, whenever the carrying amount of an asset/cash generating unit exceeds its recoverable amount.

(IV) Depreciation / Amortization on Tangible Fixed Assets

Depreciation is the systematic allocation of the depreciable amount of an asset over useful life. The depreciable amount of an asset is the cost of an asset or other amount substituted for cost, less its residual value.

Owned Assets

Pursuant to applicability of Schedule II, of Companies Act 2013, with effect from 1st April 2014, Management has reassessed the useful life of tangible assets based on the internal and external technical evaluation. The Depreciation on fixed assets is provided on Written Down Value Method in accordance with applicable Schedule of the Companies Act, 2013.

Depreciation for addition to/deductions from, owned assets is calculated on pro-rata basis from the date of such addition or, as the case may be, up to the date on which such asset has been sold, discarded, demolished or destroyed.

Residual values of assets have been considered at 5% of the original cost of the assets.

Difference of Exchange Rate fluctuation on imported plant and machineries procured out of long term foreign currency loans is amortized over the residual life of relevant plant and machineries.

Depreciation on assets carried at carrying amount as on 01.04.2014 and is depreciated as per Written Down Value Method over the remaining useful life of the assets. Further the assets whose remaining useful life are nil, has been adjusted with Profit & Loss Account. Refer the same as transitional provision of the Companies Act.

The depreciation calculation is based on the balance useful lives of assets.

Leased Assets

Land acquired under long term lease is classified under "Tangible Assets" and is amortized over the period of lease.

(V) Revenue Recognition

Revenue is recognized when it can be reliably measured and when all significant risks and rewards/ownership are transferred to the customer. Sales are inclusive of sales during trial run, excise duty and net of sales tax/vat.

Interest income is recognized on accrual basis in the income statement.

Expenditure is accounted for on accrual basis and provision is made for all known losses and liabilities.



(VI) Foreign Currency Transactions

Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing at the date of the transactions. Monetary items denominated in foreign currencies outstanding at the year-end are translated at the exchange rate applicable as on that date. Non monetary items are valued at the exchange rate prevailing on the date of transaction.

From accounting periods commencing on or after 7 December 2006, the company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as follows:

- (i) Exchange differences relating to long-term monetary items, arising during the year, in so far as they relate to the acquisition of depreciable capital assets are added to/deducted from the cost of asset and depreciated over the remaining useful life of the asset.
- (ii) All other exchange differences are recognized as income or expenses in the Statement of Profit and Loss in the period in which they arise.

(VII) Investments

Investments are classified into current and long-term investments. Current investments except for current maturities of long term investments are stated at the lower of cost and quoted/ fair value. Long term investments are stated at cost less any provision for other than temporary diminution in value.

(VIII) Inventory Valuation

Inventories are valued at lower of cost or net realizable value except scrap which is valued at net realizable value. The cost is determined by using first-in-first-out (FIFO) method. Finished goods and work-in progress include costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Excise duty on closing stock of finished goods and scrap are accounted for on the basis of payments made in respect of goods cleared as also provision made for goods lying in the factory and included in the value of such stocks.

(IX) Income Tax

Provision for current income tax is made after taking credit for allowances and exemptions. In case of matters under appeal, due to disallowance or otherwise, provision is made when the said liabilities are accepted by the Company.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay income tax higher than that computed under MAT, during the period that MAT is permitted to be set off under the Income Tax Act, 1961 (specified period). In the year, in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in the guidance note issued by the Institute of Chartered Accountants of India (ICAI), the said asset is created by way of a credit to the statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay Income Tax higher than MAT during the specified period.

(X) Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from Short – term foreign currency borrowings to the extent they are regarded as an adjustment to interest cost.

Borrowing Cost that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are expensed in the Statement of Profit and Loss in the period they occur.

(XI) Modvat / Cenvat / Vat

Modvat/ Cenvat/ VAT claimed on capital assets is credited to assets / capital work in progress account. Modvat/ Cenvat/ VAT on purchase of raw materials and other materials are deducted from the cost of such materials.



(XII) Claims

Claims receivable are accounted for depending on the certainty of receipt and claims payable are accounted at the time of acceptance.

(XIII) Retirement / Post Retirement Benefits

- (a) Short term employee benefits are recognized as an expense at the undiscounted amount in the year in which related service is rendered.
- (b) The Company has defined contribution plan for post retirement benefits, namely Employees Provident Fund scheme administered through provident Fund Commissioner. The Company's contribution is charged to revenue every year.
- (c) The Company has defined benefits plans namely Leave encashment / Compensated absence and Gratuity, the liability for which is determined on the basis of Actuarial valuation at the end of the year.
- (d) Termination benefits are recognized as an expense immediately.
- (e) Gain or Loss arising out of actuarial valuation are recognized in the Statement of Profit and Loss as income or expense.

(XIV) Provisions

Show cause notices issued by various government authorities are not considered as obligation. When the demand notice are raised against such show cause notice and are disputed by the Company then these are classified as possible obligations. Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

(XV) Extraordinary and Exceptional Items

Income or expenses that arise from events or transactions that are clearly differs from the ordinary activities of the Company are classified as extraordinary items. Specific disclosure of such events/transactions is made in the financial statements. Similarly, any external events beyond the control of the Company, significantly impacting income or expense, is also treated as extraordinary item and disclosed as such.

(XVI) Contingent Liabilities & Commitments

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the company. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, these are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements, although there can be no assurance regarding the final outcome of the legal proceedings, the company does not expect them to have a materially adverse impact on the financial position or profitability.

(XVII) Deferred Tax

Deferred Tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax law enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In case of unabsorbed depreciation and carry forward of losses under tax laws, deferred tax assets are recognised only to the extent that there is virtual certainty support by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

At each Balance Sheet date, the company reassesses unrecognized deferred tax assets. It recognised unrealized deferred tax assets to the extent it has become reasonably or virtually certain, as the case may be, that sufficient taxable income will be available against which the deferred tax can be realized.



NOVA IRON AND STEEL LTD.

(Amount in Rs.)

PARTICULARS	As at 31.03.2017		As at 31.03.2016	
NOTE 2 : SHARE CAPITAL				
(A) Authorised Capital : 16,01,00,000 Equity Shares of Rs. 10/- each	160 01 00 000		160 01 00 000	
(B) Issued, Subscribed and Paid Up Capital : 3,61,49,488 Equity Shares of Rs. 10/- each (Previous Year 3,61,49,488 No. of Equity Shares of Rs. 10/- each)	36 14 94 880		36 14 94 880	
(C) Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the reporting year :				
Equity Shares:	No. of Shares	Amount(Rs.)	No. of Shares	Amount (Rs.)
No. of Shares Outstanding at Beginning of the year	3 61 49 488	36 14 94 880	3 61 49 488	36 14 94 880
Add: Further Issue During the year	Nil	Nil	Nil	Nil
No. of Shares of Rs.10/- each Outstanding at year End	3 61 49 488	36 14 94 880	3 61 49 488	36 14 94 880
(D) There is no (previous year-no) rights, preference and restriction attaching to each class of shares including restriction on company / or the distribution of dividend and repayment of capital.				
(E) There are nil number of shares (previous year nil) in respect of each class in the company held by its holding/ultimate holding their submission / associates.				
(F) Details of Shareholders holding more than 5% shares in the Company :	As At 31.03.2017		As At 31.03.2016	
Equity Shares of Rs. 10 each , fully paid up				
	% Held	No. of Shares	% Held	No. of Shares
1 Bhushan Power & Steel Ltd.	39.50	1 42 78 646	39.50	1 42 78 646
2 Ambey Steel & Power Pvt. Ltd.	30.32	1 09 59 675	30.32	1 09 59 675
3 Bijahan Coal Pvt. Ltd.	0.00	500	0.00	500
	69.82	2 52 38 821	69.82	2 52 38 821
(G) There are nil number of shares (previous year nil) reserved for issue under option and contracts/commitment for the sale of Shares / Disinvestment including the terms and amounts.				
(H) Bonus Shares / Buy Back/ Shares for consideration other than cash allotted as fully paid up pursuant to contracts during past five years : NIL				
(I) There are no securities (Previous Year - No) convertible into Equity / Preferential Shares.				
(J) There are no calls unpaid (Previous Year - No) including calls unpaid by Directors and Officers as on Balance Sheet dated.				
(K) Details of Forfeited shares :	No. of Shares	Value	No. of Shares	Value
Equity Share of Rs. 10/- each	Nil	Nil	Nil	Nil
NOTE 3 : RESERVES & SURPLUS				
Surplus				
Balance at beginning of the year		- 12 30 93 043		-7 55 44 042
Add : Profit / Loss (-) for the Year		2 56 44 419		-4 44 61 931
Add : Tax Adjustment for Earlier Years		-		- 30 87 070
Closing Balance at the year end		- 9 74 48 625		-12 30 93 043



NOVA IRON AND STEEL LTD.

PARTICULARS		As at 31.03.2017		As at 31.03.2016
NOTE 4: LONG-TERM LIABILITIES				
Other Long Term Liabilities				
Trade Payables				
Interest on Entry Tax Payable		91 32 454		91 32 454
Service Tax Payable		21 40 012		21 44 340
Entry Tax Payable		2 51 12 268		2 51 12 268
Water Charges Payable		4 60 29 127		2 49 94 877
Security Deposits		13 09 797		42 27 929
TOTAL :		8 37 23 658		6 56 11 868
NOTE 5 : LONG-TERM PROVISIONS				
Provision for employee benefits				
Gratuity		92 10 377		84 98 189
Earned Leave Encashment		23 09 042		23 29 755
TOTAL :		1 15 19 419		1 08 27 944
NOTE 6 : SHORT-TERM BORROWINGS				
Unsecured:				
Loans and Advances from related parties				
Loans From Corporates		140 74 73 341		170 96 64 513
Loans From Other Parties		57 04 79 064		21 91 00 300
Loans From Director		-		20 000
TOTAL :		1 97 79 52 405		1 92 87 84 813
(a) The Corporate Loan is at 13% p.a. Interest and From other parties Loans are at 10% Interest respectively (Unsecured). All the term loan are repayable of Demand.				
(b) Details of Defaults on repayment of long-term Loans and Interest there of:				
		Nil		Nil
NOTE 7 : TRADE PAYABLES				
Trade Payables		10 06 97 236		13 42 68 806
TOTAL :		10 06 97 236		13 42 68 806
NOTE 8 : SHORT-TERM PROVISIONS				
Provision for employee benefits				
Gratuity		13 15 354		9 50 449
Earned Leave Encashment		7 52 070		4 69 435
TOTAL :		20 67 424		14 19 884
NOTE 9 : OTHER CURRENT LIABILITIES				
Other Payables				
Advance From Customer's		73 18 42 203		74 00 67 780
Excise duty Payable		4 16 219		19 86 036
Expenses Payable		18 21 202		24 88 121
Other Statutory Dues payable		2 25 84 854		2 08 26 773
Due to Directors		2 58 371		73 900
Employees Credit Balance		70 34 130		33 87 745
TOTAL :		76 39 56 979		76 88 30 355



NOVA IRON AND STEEL LTD.

NOTE 10 : FIXED ASSETS

(Amount in Rs.)

DESCRIPTION OF FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2016	ADDITIONS	SALE / ADJUSTMENTS	AS AT 31.03.2017	UPTO 31.03.2016	FOR THE YEAR	ADJUSTMENTS	TOTAL UPTO 31.03.2017	AS AT 31.03.2017	AS AT 31.03.2016
TANGIBLE ASSETS:										
OWN ASSETS:										
LAND - LEASE HOLD	4 17 75 783	-	-	4 17 75 783	12 83 857	5 12 667	-	17 96 524	3 99 79 258	4 04 91 926
- FREE HOLD **	46 38 29 408	-	-	46 38 29 408	-	-	-	-	46 38 29 408	46 38 29 408
BUILDING	42 22 28 851	-	-	42 22 28 851	33 22 16 400	53 24 778	-	33 75 41 178	8 46 87 673	9 00 12 451
PLANT & EQUIPMENTS	1 76 70 16 552	-	-	1 76 70 16 552	1 72 88 99 933	38 49 747	-	1 73 27 49 680	3 42 66 872	3 81 16 619
RAILWAY SIDING	2 14 77 461	-	-	2 14 77 461	1 69 97 524	11 12 572	-	1 81 10 096	33 67 365	44 79 937
OFFICE EQUIPMENTS	1 62 72 999	1 57 227	-	1 64 30 226	1 47 37 502	5 08 841	-	1 52 46 343	11 83 883	15 35 497
FURNITURE & FIXTURES	2 48 55 084	-	-	2 48 55 084	2 37 23 965	1 86 183	-	2 39 10 148	9 44 936	11 31 119
VEHICLES	1 00 06 228	-	-	1 00 06 228	85 70 545	3 64 289	-	89 34 834	10 71 394	14 35 683
TOTAL :	2 76 74 62 367	1 57 227	-	2 76 76 19 594	2 12 64 29 726	1 18 59 078	-	2 13 82 88 803	62 93 30 790	64 10 32 641
PREVIOUS YEAR BALANCE	2 73 04 66 868	3 78 54 011	8 58 513	2 76 74 62 366	2 11 31 62 645	1 32 67 080		2 12 64 29 725		-
CAPITAL WORK IN PROGRESS									2 37 05 66 424	2 06 13 99 328

Note : **Out of the Total Amount Registration of Freehold Land in the name of the Company is pending (Rs. 1,94,34,130/-)
: There are no Intangible Assets.

PARTICULARS		As at 31.03.2017	As at 31.03.2016
NOTE 11 : NON CURRENT INVESTMENTS			
Non Trade, Unquoted (At Cost)			
Adarsh Info Tech. P. Ltd., Chandigarh 2,23,800 Equity Shares (Previous Year 2,23,800 Equity Shares) of Rs. 10/- each.		22 38 000	22 38 000
Prudent Transport Co. Ltd., Chandigarh 18,000 Equity Shares (Previous Year 18,000 Equity Shares) of Rs. 30/- each.		5 40 000	5 40 000
- Joint Venture			
Bijahan Coal P. Ltd., Chandigarh 500 Equity Shares (Previous Year 500 Equity Shares) of Rs. 10/- each fully paid up.		5 000	5 000
TOTAL :		27 83 000	27 83 000
NOTE 12 : DEFERRED TAX ASSETS (NET)			
The break up of deferred tax assets and liabilities into major components arising on account of timing differences at the year end are as below:-			
Opening Deferred Tax Assets		49 14 902	75 36 014
Deferred Tax Assets on account of :			
Related to fixed assets	10 53 163		17 07 394
Amortisation of Expenses	-		-
Disallowance under the Income Tax Act 1961			
Accrued Compensation to Employees	-		-
Deferred Tax Liabilities on account of :			
Allowance under the Income Tax Act 1961	- 1 10 123		- 9 13 718
Deferred Tax Assets (+) / Liabilities (-) During the Year		- 11 63 286	- 26 21 112
Net Deferred Tax		37 51 616	49 14 902



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PARTICULARS		As at 31.03.2017		As at 31.03.2016
NOTE 13 : LONG-TERM LOAN AND ADVANCES				
Unsecured and considered good				
Capital Advances		3 27 68 807		2 77 72 193
Security Deposits				
-Lease Rent Security	1 25 002		1 25 002	
-With Government Departments	89 13 406		72 21 460	
-Others	81 978	91 20 386	81 978	74 28 440
Other Loans and Advances				
Mat Recoverable		1 08 92 586		1 08 92 586
Advance Tax		2 11 074		1 75 941
Balance With Excise Dept		17 57 316		17 57 316
TOTAL :		5 47 50 169		4 80 26 476
NOTE 14 : INVENTORIES				
Inventories (Lower of cost or Net Realisable Value, Except Scrap & Waste at NRV)				
Raw Materials		27 85 847		21 95 86 756
Finished Goods		33 29 792		2 19 59 865
Scrap & Waste		2 16 67 232		83 03 331
WIP		-		16 10 400
Stores and Spares		3 31 46 421		3 00 31 832
Diesel		62 216		7 32 772
Packing Material		3 93 330		3 86 909
Stock In Transit		-		2 56 892
TOTAL :		6 13 84 838		28 28 68 757
NOTE 15 : TRADE RECEIVABLES				
Unsecured and considered good				
Outstanding for more than 6 months from due date		-		-
Others		22 63 681		29 999
TOTAL :		22 63 681		29 999
NOTE 16 : CASH & CASH EQUIVALENTS				
Cash on Hand		2 58 614		5 39 146
Cheques , Drafts on Hand		28 00 642		-
Balances with Scheduled Banks				
- In Current Accounts		25 15 444		36 09 286
- In Other Bank Accounts				
Fixed Deposit with more than 12 Months Maturity (Including Interest Accrued)		29 450		29 450
Under Bank lien Rs 29450/- (Previous Year Rs. 29450/-)				
TOTAL :		56 04 150		41 77 882
Specified Bank Notes Disclosures : (SBNs)				
In accordance with MCA notification G.S.R308(E) dated March 30,2017 details of Specified Bank Notes (SBN) and Other Denomination Notes (ODN) held and transacted during the period from November 8,2016 to December 30,2016 is given below:-				
Particulars		SBNs	ODNs	Total
Closing cash on hand as on November 8,2016		-	4 41 415	4 41 415
(+) Non Permitted Receipts		-	-	-
(+) Permitted Receipts		-	-	-
(-) Permitted Payments		-	4 24 225	4 24 225
(-) Amount Deposited in Banks		-	-	-
Closing Cash on hand on December 30,2016		-	17 190	17 190



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(Amount in Rs.)

PARTICULARS		As at 31.03.2017		As at 31.03.2016
NOTE 17 : SHORT-TERM LOANS & ADVANCES				
(A) Unsecured and considered good				
Prepaid Expenses		16 45 944		5 99 329
Advances to Suppliers		2 60 43 127		3 17 56 139
Advances to Employees		2 40 990		3 40 200
Interest Recoverable		3 57 212		3 35 785
Balance of Modvat/Cenvat/Service Tax		4 52 41 436		6 98 74 107
TOTAL :		7 35 28 709		10 29 05 560
(B) With reference to the Loans and advances due from directors or other officers of the company.				
		Nil		Nil
PARTICULARS		For the Year Ended 31.03.2017		For the Year Ended 31.03.2016
NOTE 18 : REVENUE FROM OPERATIONS				
Sales including excise duty		35 11 18 208		12 36 20 981
Other Operating Income - Scrap / Waste		2 78 95 823		64 95 407
Other Operating Income		18 86 07 122		4 00 33 712
TOTAL :		56 76 21 153		17 01 50 100
NOTE 19 : OTHER INCOME				
Interest Income		5 81 036		3 02 868
Miscellaneous Income		10 27 885		8 64 675
TOTAL :		16 08 921		11 67 543
NOTE 20 : COST OF MATERIALS CONSUMED:				
Opening Stock	21 95 86 756		6 31 30 989	
Add : Purchases	15 69 57 380	37 65 44 136	30 22 37 275	36 53 68 264
Less : Closing Stock		27 85 847		21 95 86 756
TOTAL :		37 37 58 289		14 57 81 508
NOTE 21 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN PROGRESS AND STOCK IN TRADE :				
Inventories (at beginning)				
Finished Goods	2 19 59 865		3 48 129	
Stock in Process	16 10 400		-	
Scrap	83 03 331	3 18 73 596	32 93 422	36 41 551
Inventories (at closing)				
Finished Goods	33 29 792		2 19 59 865	
Stock in Process	-		16 10 400	
Scrap	2 16 67 232	2 49 97 024	83 03 331	3 18 73 596
INCREASE (-) / DECREASE IN CLOSING STOCK		68 76 572		- 2 82 32 045
NOTE 22 : EMPLOYEE BENEFITS EXPENSES:				
Salaries & Wages	5 26 03 984		5 33 84 669	
Contribution to Provident and Other Funds	37 21 805		36 27 330	
Staff Welfare Expenses	8 59 437		10 77 175	
	5 71 85 226		5 80 89 174	
Less : Transferred to Projects Under Commissioning	1 52 61 854	4 19 23 372	3 31 89 001	2 49 00 173
TOTAL :		4 19 23 372		2 49 00 173



NOVA IRON AND STEEL LTD.

(Amount in Rs.)

PARTICULARS	For the Year Ended 31.03.2017		For the Year Ended 31.03.2016
NOTE 23 : FINANCE COSTS:			
Interest Expense	21 08 86 049		19 97 06 683
Less : Transferred to Projects Under Commissioning	14 42 59 229	6 66 26 820	13 95 68 616
TOTAL :		6 66 26 820	6 01 38 067
NOTE 24 : DEPRECIATION :			
Depreciation		1 18 59 078	1 32 67 080
Preliminary Expenses		6 962	1 741
TOTAL :		1 18 66 040	1 32 68 821
NOTE 25 : OTHER EXPENSES:			
Stores Consumed		83 31 661	10 92 624
Excise Duty Provided on Stock		- 15 69 817	19 43 007
Packing & Forwarding Charges		97 92 914	8 36 290
Power & Fuel		3 45 58 098	3 19 83 228
Water Charges		2 20 34 250	2 45 57 708
Payment to Auditors			
-Audit Fee	1 82 500		1 82 500
-Tax Audit Fee	25 000		25 000
-Company Law Matters	1 00 000		1 00 000
-Out of Pocket Expenses	34 754	3 42 254	48 324
Repairs and Maintenance			
Machinery		5 70 665	8 76 274
Vehicles		20 09 571	18 43 897
Building		5 53 040	-
Legal & Professional Charges		18 04 122	20 05 866
Rates & Taxes		35 02 317	10 84 777
Traveling & Conveyance Expenses		8 63 977	8 08 514
Advertisement Expenses		1 32 952	2 64 728
Printing & Stationery		23 96 337	18 77 204
Postage ,Telegram & Telephone Expenses		25 87 747	22 71 284
Other Miscellaneous Expenses		22 179	35 108
Prior Period Expenses		1 09 598	10 83 822
Bank Charges		1 10 716	87 603
Director's Sitting Fee		17 000	6 000
Loss on sale of Assets		-	2 15 006
Commission & Brokerage		8 90 949	6 94 162
Rebate & Discounts		2 32 809	-
Exchange Fluctuations		6 40 792	49 203
General Expenses		3 30 046	4 61 199
Lease Rent		20 01 788	13 82 945
		9 22 65 966	7 58 16 273
Less : Transferred to Projects Under Commissioning		1 46 62 611	4 34 45 129
TOTAL :		7 76 03 355	3 23 71 143
NOTE 26 : EARNING PER SHARE (EPS) : Basic EPS:			
(i) - Net Profit / Loss (-)		2 56 44 419	- 4 44 61 931
(ii) -Total No. of Equity Shares for EPS		3 61 49 488	3 61 49 488
Basic EPS (Rs.) (i) / (ii)		0.71	(1.23)



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NOTE 27 : The Company has one joint venture namely Bijahan Coal Private Limited incorporated in India.
The Company has 5% holding in the joint venture.
Based on the audited financial statements received, the proportionate share of assets, liabilities, Income and Expenditure of the entity is as under :

		(Amount in Rs.)	
PARTICULARS		As at 31.03.2017	As at 31.03.2016
Assets			
-Cash and Bank Balances		78 141	1 09 440
Total		78 141	1 09 440
Liabilities			
-Short Term Borrowings		-	20 000
-Trade Payables		15 000	7 500
Total		15 000	27 500
Income			
-Other Income		-	-
Expenditure			
-Other Expenses		18 799	9 357
-Expenses Amortised		6 962	1 741
Total		25 761	11 098

NOTE 28 : CONTINGENT LIABILITIES & COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(A) Contingent liabilities.			
Claims against the Company not acknowledged as debts(*)		79 22 98 654	69 62 07 842
Income Tax demands under appeal		1 62 08 225	1 62 08 225
Excise & Service Tax demand under dispute		3 95 78 903	2 78 91 968
Sales Tax (2004-05) Demand under Dispute		2 23 000	2 23 000
(B) Commitments			
Estimated amounts of contracts remaining to be executed on Capital account and not provided for		22 67 43 288	3 32 56 031

Other Commitments :

(*) The Company also, has its own claims / counter claims against these parties as per terms of their respective contracts. In effect the Management does not expect any major liability devolve upon the Company on account of these cases.

The Income - Tax assessments of the Company have been completed upto Assessment Year 2014-2015. The disputed demand outstanding up to the said Assessment Year is Rs 162.08 lacs. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.

Besides the above, the amount in respect of claims of interest etc. claimed by the parties cannot be quantified.



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NOTE 29 : DISCLOSURE RELATING TO EMPLOYEE BENEFITS

In Compliance with the Accounting Standard 15 (revised 2005) from Current Year only " Employee Benefits", the Company has got the employee benefits evaluated from actuarial valuer.

The Company has calculated the various benefits provided to employees as under :

(Amount in Rs.)

PARTICULARS	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
(A) Provident Fund & Other Funds	36 98 090	35 66 607		
(B) Labour Welfare Fund	23 073	23 688		
(C) Defined Benefit Plans:- In accordance with Accounting Standard 15 (revised 2005), the actuarial valuation carried out in respect of the aforesaid defined benefit plans is based on the following assumption.				
(i) Actuarial Assumptions	Employee Gratuity Provision	Leave Encashment / Compensated Absence	Employee Gratuity Provision	Leave Encashment / Compensated Absence
	31.03.2017	31.03.2017	31.03.2016	31.03.2016
Discount rate (per annum)	7%	7%	8%	8%
Rate of increase in compensation levels	5%	5%	5%	5%
Rate of return on plan assets	-	-	-	-
Expected Average remaining working lives of employees (Years)	6.50	-	6.90	-
(ii) Change in the obligation during the year ended 31st March, 2017				
Present value obligation as at beginning of the year	94 48 638	27 99 190	85 13 805	21 75 260
Interest Cost	6 61 405	1 95 943	6 81 104	1 74 021
Past Service Cost (Non - Vested)	-	-	-	-
Past Service Cost (Vested)	-	-	-	-
Current Service Cost	11 78 310	15 92 120	15 09 163	16 43 753
Curtailment Cost	-	-	-	-
Settlement Cost	-	-	-	-
Benefits Paid	- 5 56 064	- 1 14 299	- 6 28 924	- 1 61 057
Actuarial (gain) / loss on obligations	- 2 06 558	- 14 11 842	- 6 26 510	- 10 32 787
Present value obligation as at end of the year	1 05 25 731	30 61 112	94 48 638	27 99 190
(iii) Change in the fair value plan Assets				
Fair value of plan assets as at beginning of the year	-	-	-	-
Expected return on plan assets	-	-	-	-
Contributions	-	-	-	-
Benefits Paid	-	-	-	-
Actuarial (gain) / loss on plan assets	-	-	-	-
Fair value of plan assets as at end of the year	-	-	-	-
(iv) Reconciliation of Present value of Defined Benefit Obligation and Fair value of Assets				
Present value obligation as at end of the year	1 05 25 731	30 61 112	94 48 638	27 99 190
Fair value of plan assets as at end of the year	-	-	-	-
Funded Status	- 1 05 25 731	- 30 61 112	- 94 48 638	- 27 99 190
Present value of unfunded obligation as at end of the year	-	-	-	-
Excess of actual overestimated	-	-	-	-
Unfunded Net Asset / (Liability) recognised in Balance Sheet	- 1 05 25 731	- 30 61 112	- 94 48 638	- 27 99 190
(v) Expenses recognised in Statement of Profit and Loss				
Current Service Cost	11 78 310	15 92 120	15 09 163	16 43 753
Past Service Cost (Non - Vested)	-	-	-	-
Past Service Cost (Vested)	-	-	-	-
Interest Cost	6 61 405	1 95 943	6 81 104	1 74 021
Expected return on plan assets	-	-	-	-
Curtailment Cost	-	-	-	-
Settlement Cost	-	-	-	-
Net Actuarial (gain) / loss recognised during the year	- 2 06 558	- 14 11 842	- 6 26 510	- 10 32 787
Paid to left employees	-	-	-	-
Total Expense recognised in statement of Profit and loss (including transferred to capital work in progress)	16 33 157	3 76 221	15 63 757	7 84 987
Note :- The estimate of future salary increase considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors. Leave encashment / compensated absence are not funded. Hence, change in fair value of Plan Assets have not been given.				



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NOTE 30 : The Company is engaged in the manufacturing / trading of Iron & Steel, Metals & Natural Resources business which, in context of Accounting Standard - 17 as notified under Companies (Accounting Standard) Rules, 2006 is considered the only business segment.

NOTE 31 : RELATED PARTY TRANSACTIONS

	(i)	Key Managerial Personnel / Director as per Accounting Standard - 18 :			Relationship	
	1	Sh. Sanjay Singal			Director	
	2	Sh. Aniket Singal			Director	
	3	Sh. H.C. Verma			Whole Time Director	
	4	Sh. Ravi Prakash Goyal			Director	
	5	Sh. Ajoy Shah			Chief Financial Officer	
	6	Sh. Dheeraj Wadhawan			Company Secretary	
	(ii)	List of related Companies:				
	1	M/s Bhushan Power & Steel Ltd			Promoter Company	
	2	M/s Ambey Steel & Power Pvt. Ltd.			Promoter Company	
	3	M/s Bijahan Coal Private Limited			Joint Venture	
	(iii)	Transactions with above related party as identified by the management, in accordance with Accounting Standard – 18. "Related Party Disclosures" are as follows:-				
		Name of the related party	Relation	Nature of Transactions	As At 31.03.2017 (Rs.)	As At 31.03.2016 (Rs.)
	(i)	M/s Bhushan Power & Steel Ltd	Promoter Company	Sale of Scrap & Others	3 81 33 519	98 66 245
	(ii)	M/s Bhushan Power & Steel Ltd		Purchase of Raw Material	-	7 18 20 000
	(iii)	M/s Bhushan Power & Steel Ltd		Purchase of Store & Machinery	86 55 035	1 97 55 639
	(iv)	M/s Bhushan Power & Steel Ltd		Loan Received	-	10 34 09 598
	(v)	M/s Bhushan Power & Steel Ltd		Loan Repaid	6 05 15 681	21 80 00 000
	(vi)	M/s Bhushan Power & Steel Ltd		Interest on Loan	16 56 49 328	19 92 49 479
	(vii)	Sh. H.C. Verma	Whole Time Director	Director Remuneration	15 00 000	15 00 000
	(viii)	Sh. Ajoy Shah	Chief Financial Officer	Salary	5 08 200	5 08 200
	(ix)	Sh. Dheeraj Wadhawan	Company Secretary	Salary	3 81 000	2 82 000
		Closing Balances				
	(j)	Bhushan Power & Steel Ltd. - Loan Account			140 74 73 341	1 70 96 64 513
	(ii)	Bhushan Power & Steel Ltd.			73 13 26 650	73 74 42 298
	Note : - Related party relationship is as identified by the Company in accordance with AS-18. There may be such parties which do not fall under section 2(76) of Companies Act, 2013.					



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NOTE 32 : OTHER ADDITIONAL INFORMATION

A: DETAIL OF OPENING STOCK,CLOSING STOCK AND SALES: (Amount in Rs.)				
	Particulars		As at 31.03.2017	As at 31.03.2016
(i)	Opening Stock:			
	-Sponge Iron		1 78 85 078	3 48 129
	-Billet		40 74 787	-
(ii)	Closing Stock:			
	-Sponge Iron		33 21 801	1 78 85 078
	-Billet		7 991	40 74 787
(iii)	Turnover:			
	-Sponge Iron		22 68 56 060	10 00 51 578
	-Billet		8 95 71 698	98 33 736
	-Others		2 76 55 328	60 23 587
			34 40 83 086	11 59 08 901
B:	CONSUMPTION OF RAW MATERIAL AND COMPONENTS:			
	Raw Material Consumed			
	-Iron Ore / Pellets		19 44 83 997	7 54 04 623
	-Coal		17 25 71 234	6 85 89 893
	-Dolomite		7 92 112	1 86 657
	-Others		59 10 946	16 00 335
			37 37 58 289	14 57 81 508
C:	C.I.F. VALUE OF IMPORTS:			
	- Machinery / Refectories		Nil	24 17 600
D:	VALUE OF IMPORTED AND INDIGENOUS RAW MATERIAL, SPARES AND COMPONENTS CONSUMED :	Value (Rs.) 31.03.2017	% of Consumption	Value (Rs.) 31.03.2016
(i)	Raw Material			
	-Indigenous	37 37 58 289	100%	14 57 81 508
(i)	Stores & Spares			
	-Indigenous	83 31 661	100%	10 92 624
		38 20 89 950		14 68 74 132

NOTE 33 :

- A. The accounts have been prepared for a period of 12 months i.e. from 1st April, 2016 to 31st March, 2017.
- B. In the opinion of the Management, the Current Assets, Loans and Advances etc., are of the approximate value stated, if realised in the ordinary course of business.
- C. In respect of amounts due to Micro, Small and Medium enterprises under "The Micro, Small and Medium Enterprises Development Act 2006", the Company has certified that as a policy the payment to suppliers is made within 30 days except in disputed cases.
- D. Balances on account of trade/other receivable, trade/other payables and loans and advances are subject to the confirmation and reconciliation with respective parties.
- E. The figures of the previous year have been regrouped / reclassified, where ever considered necessary, to confirm to current year's classification.
- F. Notes No. 1 to 33 form an integral part of the accounts and has duly been authenticated.

As per our report of even date attached

For & on behalf of the Board

For Antima & Goel
Chartered Accountants
Firm Regn. No. 009062N

(R.B.Goel)
Partner
Membership No. 086862

(H.C.Verma)
Whole Time Director
DIN: 00007681

(R.P.Goyal)
Director
DIN: 00006595

Place : New Delhi
Date : 30.05.2017

(Ajoy Shah)
Chief Financial Officer

(Dheeraj Kumar)
Company Secretary



NOTICE

Notice is hereby given that 25th Annual General Meeting of Nova Iron and Steel Limited will be held on Wednesday the 27th day of September, 2017 at 11.00 a.m. at its Regd. Office at Village Dagori, Tehsil Belha, District Bilaspur, Chhattisgarh to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt Audited Standalone and Consolidated Financial Statements of the Company for the year ended 31st March 2017 i.e. Audited Balance Sheet as at 31st March, 2017 and the Statement of Profit & Loss and Cash Flow Statement for the year as on that date together with Auditors' Report and Board's Report thereon.
2. To appoint a Director in place of Mr. Ravi Parkash Goyal, (DIN 00006595), who retires by rotation and being eligible, has offered himself for re-appointment.
3. To appoint auditor in place of retiring Auditors who is ineligible for re-appointment, and to fix their remuneration and to consider if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"Resolved that pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s Antima & Goel, Chartered Accountants, New Delhi (Registration No. 009062N) retiring auditors are ineligible for re-appointment as auditor on completion of number of years as auditor as per provision of Act and rule made thereunder and in place of retiring auditor M/s Mehra Goel & Co., Chartered Accountants, firm Reg. No.000517N, who have offered for appointment & has confirmed their eligibility be and are hereby appointed as Statutory Auditors of the Company for a term of five consecutive years to hold the office from the conclusion of 25th Annual General meeting until the conclusion of the 30th Annual General Meeting of the Company to be held in 2022 at remuneration to be decided by the Chairman of the Company subject to ratification of appointment of Auditor in each Annual General Meeting."

SPECIAL BUSINESS

4. To consider re-appointment of Sh. Hardev Chand Verma (DIN 00007681) as Whole Time Director (WTD) and revision in remuneration and to consider if thought fit, to pass the following Resolution with or without modification, as a Special Resolution:

"Resolved that pursuant to provisions of Section 196, 197, 203 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V thereof, the consent of Shareholders of the Company be and is hereby accorded to the re-appointment of Mr. Hardev Chand Verma (DIN 00007681) as a Whole-time Director of the Company for the period of three years with effect from 30.05.2017 and the terms and conditions as set out here in below be and is hereby specifically approved."

"Resolved further that pursuant to the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule V of the Act including any statutory modification(s) or re-enactment thereof and such other permissions, sanction(s) as may be required, the consent of the shareholders of the Company, be and is hereby accorded for revision in the maximum remuneration payable to Mr. Hardev Chand Verma, Whole-time Director (DIN: 00007681) of the Company with effect from 01.09.2017, for the remaining period of his present term of appointment upto 29.05.2020, as set out below:

1. Remuneration, Perquisites and Allowances

- (a) Salary: in the pay of Rs. 2,50,000-25,000-3,00,000/- p.m. with benefits as per provisions of Companies Act, 2013
- (b) Contribution to Provident Fund, superannuation fund or annuity fund to be the extent these either singly or put together are not taxable under the Income Tax Act, 1961 (43 of 1961)
- (c) Gratuity payable at the rate not exceeding half a Month's salary for each completed year of Service.
- (d) Encashment of leave at the end of the tenure as per the rules of the Company,
- (e) Holiday passage for children studying outside India or family staying abroad: Return holiday passage once in a year by economy class or once in two years by first class to children and to the members of the family from the place of their study



or stay abroad to India if they are not residing in India, with the managerial person.

- (f) Leave travel concession: Return passage for self and family in accordance with the rules specified by the company where it is proposed that the leave be spent in home country instead of anywhere in India.

2. Reimbursement of Expenses

Expenses incurred for traveling, boarding and lodging including for their respective spouses and attendant(s) during business trips, any medical assistance provided including or premium of any mediclaim policy for their respective family members; and provision of cars for use on the Company's business and mobile/telephone expenses at residence shall be reimbursed at actual and shall not be considered perquisites.

3. Termination:

The service of WTD may be terminated by the Company by giving the other 1 (One) months prior notice in writing. WTD shall also give three month notice to the Company in case he resigned.

4. Loan :

As per the policy of the Company for other employee, WTD shall be entitled to avail loan not exceeding Rs. 50 lacs from the Company for the purpose of house construction, marriage of children, medical purpose or any lawful purpose acceptable to the Company

5. Sitting Fee

WTD shall not be paid any sitting fee for attending meetings of the Board of Directors or Committee(s).

6. Minimum Remuneration

The remuneration to be paid in case of Company has no profits or the profit of the Company are inadequate shall be the minimum remuneration.

"Resolved further that subject to the applicable provisions of Companies Act 2013 and rules made thereunder. WTD shall perform duties under the superintendence and control of Board of Directors and subject to such directions and restrictions imposed by the Board from time to time."

"Resolved further that the WTD shall exercise the following powers and duties during the currency of tenure:-

- (i) WTD shall adhere to the Company's code of Conduct for Directors and Management Personnel.
- (ii) Without prejudice to the generality of the powers vested in the WTD under the preceding clause hereof, the WTD shall be entitled to exercise the following powers: -
 - (a) To enter into any contract(s)/Agreement(s) for purchase, sale, hiring of services of professionals, agents, consultants, and fix their fee any other contracts including commercial contracts for general business of the company for and on behalf of the Company and to represent before various Authority(ies) of Central/State Government and Local bodies/ Authorities, Banks/Financial Institutions and to enter into memorandum of understanding(s), agreement(s), contracts on behalf of the Company and to do and perform all other acts, deeds and things, which in the ordinary course of business WTD may consider necessary or in the interest of the Company.
 - (b) To institute, prosecute, defend, oppose, appear or appeal, to compromise, refer to arbitration, abandon subject to judgment, proceed to judgment and execution or become non-suited in any legal proceedings before the courts/quasi-judicial authorities of the County.
 - (iii). WTD may delegate all or any of the powers to such persons as WTD deem fit and shall have power to grant to such officials, agents or delegates such Power of Attorney(s) as WTD may deem expedient in the interest of the Company and may also revoke such powers, if and, when he may deem fit, necessary and proper.
 - (iv). WTD shall not, without the previous consent in writing of the Board engage or interest himself either directly or indirectly in the business or affairs of any other person, firm, Company, body corporate or concern or in any undertaking or business of similar nature to or competing with the Company's business, shall not use, apply or utilize his knowledge or experience for or in the interest of any such person, firm, company, body corporate or concern as aforesaid or any such competing



undertaking or business as aforesaid.

- (v). WTD shall not or any time thereafter, divulge or disclose to any person, firm, company, body corporate or concern whatsoever or make any use whatever for his own or for whatever purpose of any confidential information or knowledge obtained by him during his employment of the business or affairs of the Company or any of trade secret or secrets of company and the WTD shall always use his best endeavor to prevent any other person, firm, Company, body corporate or concern from doing so.
- (vi). WTD on termination of employment shall deliver any property of the Company or relating to the business of the Company, including memoranda, notes, records, reports, plates, sketches, plans or other documents which may be in his possession or has any time access be delivered to the Company or shall not be entitled to the copyright in any such document which he hereby acknowledge to be vested in the Company or its assignees and binds himself not to retain copies of any of them.
- (vii) WTD shall fully disclose to the Company the progress of his investigation and any discovery he may make himself or in conjunction with others any improvement, invention or discovery arising out of or in connection with the said employment he shall forthwith disclose to the Company or any patent agent appointed by it a full and complete description of the nature of the said improvement, invention or discovery and the mode of performing the same. The said improvement, invention or discovery and in all future improvements thereon at any time discovered or invented by him alone or in conjunction as aforesaid, shall be the sole and absolute property of the company.
- (viii). If WTD at any time shall be prevented by ill-health or accident from performing his duties hereunder, he shall inform the Company and if he shall be unable by reason of ill-health or accident for a continuous period of one hundred twenty days in any period of twelve consecutive calendar months to perform his duties hereunder, the Company may terminate his employment.
- (ix). In case of any dispute between the company and WTD in respect of his employment, power or duties, the matter shall be decided in accordance with the provisions of Arbitration & Conciliation Act, 1996.
- (x) WTD may appoint employees, terminate services of employees, give financial benefits to employees.

“Resolved further that the Board shall have the discretion and authority to modify the aforesaid terms and remuneration within, however, the limit as approved by the members.”

“Resolved further that for the purpose of giving effect to the aforesaid resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in the said regard.”

5. To consider re-appointment of Sh. Narsingh Awatar (DIN 00376193) as Independent Director and in this regard, to consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:-

“Resolved that pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies Appointment and Qualification of Directors) Rules,2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable regulations of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 consent of the company be and is hereby accorded to the re-appointment of Sh. Narsingh Awatar (DIN 00376193) as, Independent Director of the Company, who is eligible for re-appointment, for a term of five consecutive years from the date of appointment in this Annual General Meeting to 30th Annual General Meeting and who shall not be liable to retire by rotation.”

6. To consider re-appointment of Sh. Manickam Ramchandran (DIN 00204342) as Independent Director and in this regard, to consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:-

“Resolved that pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies Appointment and Qualification of Directors) Rules,2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable regulations of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 consent of the company be and is hereby accorded to the re-appointment of Sh. Manickam Ramchandran (DIN 00204342) as Independent Director of the Company, who is eligible for re-appointment, for a term of five consecutive years from the date of appointment in this Annual General Meeting to 30th Annual



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General Meeting, and who shall not be liable to retire by rotation.”

7. To consider re-appointment of Sh. Arvind Gupta (DIN 03423291) as Independent Director and in this regard, to consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:-

“Resolved that pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable regulations of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 consent of the company be and is hereby accorded to the re-appointment of Sh. Arvind Gupta (DIN 03423291), as Independent Director of the Company, who is eligible for re-appointment, be and is hereby re-appointed for a term of five consecutive years from the date of appointment in this Annual General Meeting to 30th Annual General Meeting and who shall not be liable to retire by rotation.”.

8. To consider approval of material related party transactions and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

“Resolved that pursuant to Regulation 23 of SEBI (LODR) Regulations, 2015 and applicable provisions of Companies Act, 2013 (Act) omnibus approval of the Company be and is hereby accorded to the Board of Directors, for contracts / arrangements / transactions entered/to be entered into with Related parties by the Company on such terms and conditions mutually agreed upon between the Company and a related party M/s Bhushan Power and Steel Limited, for an amount not exceeding in aggregate Rs. 400 crore (Rupees Four hundred crore only) for the financial year 2017-18 as detailed below:

Nature of Services agreed under the agreement	Proposed Values of Services to be availed (annually) (Rs. In Crores)	Basis of Charges
Sale	100	Market Price or actual expenses.
Purchase	100	Market Price or actual expenses.
Arrangement	200	Market Price or actual expenses.
Total	400	

“Resolved further that the Board of Directors of the Company be and is hereby authorised to enter into agreement and to do all such acts, deeds and things, that may arise with regard to any transactions with the related party(ies), finalise the terms and conditions as may be considered necessary, expedient or desirable and execute agreement(s), document(s) as may be necessary or desirable, in order to give effect to this Resolution.”

“Resolved further that all contracts/arrangement entered into by the Board in connection with any matter referred to or contemplated in any of the foregoing resolution are hereby approved, ratified and confirmed in all respects.”

By order of the Board
For **Nova Iron and Steel Limited**
Dheeraj Kumar
Company Secretary

Place: New Delhi
Date: 12.08.2017



NOTES FOR MEMBERS ATTENTION:

1. A member entitled to attend and vote at the meeting is entitled to appoint Proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. A person can act as proxy on behalf of members not exceeding fifty(50) and holding in aggregate not more than ten(10) percent of the total share capital of the Company. The proxy, in order to be effective, must be deposited with the Company at its Registered Office duly completed and signed, not less than 48 hours before the commencement of the meeting. A proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
2. Pursuant to the provision of Section 152 of Companies Act, 2013, Mr. Narsingh Awatar, Mr. Manickam Ramchandran and Mr. Arvind Gupta, Independent Director of the Company are not eligible for retire by rotation.
3. M/s. Antima & Goel, Chartered Accountants, New Delhi who were appointed Statutory Auditor for a period of three years in 22nd Annual General Meeting held on 27.09.2014 to hold office till the conclusion of the 25th Annual General Meeting of the Company. After this Annual General Meeting M/s. Antima & Goel, Chartered Accountants, New Delhi the retiring statutory auditor are ineligible for re-appointment under Section 141 of Companies Act, 2013 and rules made thereunder. Board received offer from M/s. Mehra Goel & Co., Chartered Accountants, Firm Regd. No. 000517N, New Delhi to consider their appointment in place of M/s Antima & Goel as Statutory Auditor and have confirmed their eligibility under section 139 and 141 of the Companies Act, 2013.(Act). Board recommends the appointment for a term of consecutive 5 years and their re-appointment will be ratified each year in the annual general meeting.
4. Non Resident members are requested to inform immediately to RTA (a) change in residential status on relating to India for permanent settlement (b) particulars of bank account maintained in India with complete name of bank, branch address, account type, account number, if not furnished earlier.
5. M/s Skyline Financial Services Pvt. Ltd, are Registrar & Share Transfer Agents (RTA) of the Company. Any correspondence relating to shares can be made to the company's registrar at their following address:
M/s Skyline Financial Services Private Limited,
D-153A, 1st Floor, Okhla Industrial Area,
Phase-I, New Delhi-110020,
Ph. Nos. 011-64732681 to 88
Email: rta.nova.rg@gmail.com
Website: www.skylinerta.com
Members are requested to notify the change of Address if any.
6. In case of joint holders of shares attending the meeting, only such joint holders who are higher in the order of names will be entitled to vote.
7. The Register of Members and the Share Transfer Books shall remain closed from 21st September 2017 to 27th September 2017 (both days inclusive).
8. Members seeking information about the accounts are requested to write at least 10 days before the date of the meeting to the Company so that it may be convenient to keep the information ready for the meeting.
9. All the documents referred to accompanying Notice are open for inspection at the registered office of the Company on all working days except Sunday between 11.00 AM to 1.00 PM upto the date of Annual General Meeting.
10. Members who hold shares in dematerialized form are requested to bring their client ID and DP ID numbers for easy identification of attendance at the meeting.
11. Members are requested to bring their copy of Annual Report at the Meeting and proxies should bring attendance slips duly filled in for attending the Meeting.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/RTA.



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13. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Companies (Management and Administration Rules), 2014, companies will serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or RTA.

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

14. Notice of Annual General Meeting will be sent to those shareholders/beneficial owners whose name will appear in the register of the members/list of beneficiaries received from the depositories as on 25th day of August, 2017.
15. The detail of Directors proposed to be re-appointed, under the provisions of Companies Act, 2013 and Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 at the Annual General Meeting are given below.

Sr. No	Detail of Director to be re-appointed					
	Name	Date of Birth	Expertise/ Experience in Area	Qualification	Directorship in other Companies	Share-holding in the Company as on 31.03.2017
1.	Mr. Ravi Parkash Goyal	09.09.1951	Rich Experience of 37 years in commercial, legal and administration	Commerce Graduation	(i) Bhushan Power and Steel Limited (ii) Aarti Tubes Private Limited (iii) Marble Finvest Ltd (iv) Rohne Coal Company Pvt Ltd (v) Atma Ram House Investment Pvt Ltd (vi) Bijahan Coal Pvt. Ltd.	Nil
2.	Arvind Gupta	22.12.1957	More than 40 years experience in legal	LLB	(i) Askindialaw.com private limited	Nil
3.	Narsingh Awatar	26.02.1937	More than 50 year experience in Accounts Taxation etc., Chartered accountant by profession	FCA	(i) Excel Portfolios Private Limited (ii) NTR Estates Private Limited (iii) Shubh Labh Leasing Limited	Nil
4.	M. Ramchandran	13.02.1947	Rich Experience more that 40 years in setting up sponge iron and special steel projects and is technocrat by profession	M.Tech	(i) Prikar Steel Private Limited (ii) RLS Alloys Private Limited (iii) IPS engineering consultants private limited (iv) Randal Equipments private limited (v) Ramkar Engineers Private Limited (vi) Indus Valves engineering works private limited	144
5.	Hardev Chand Verma	15.11.1952	Rich Experience of about 40 years in steel sector, specialized in field marketing in domestic and international market	Graduation	(i) Bhushan Power & Steel Ltd	Nil

16. Statement pursuant to Section 102 of the Companies Act, 2013 is annexed in respect of special business.

17. Voting through electronic means

- (i) The Company is pleased to provide its members facility to exercise their to vote on resolutions proposed to be considered at the 25th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL):

The instructions and procedure for shareholders voting through electronically are as under:

- (ii) The voting period begins on 24.09.2017 at 10:00 AM and ends on 26.09.2017 at 5:00 PM. During this period shareholders' of



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the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21.09.2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (iii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iv) The shareholders should log on to the e-voting website www.evotingindia.com.
- (v) Click on Shareholders.
- (vi) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vii) Next enter the Image Verification as displayed and Click on Login.
- (viii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (ix) If you are a first time user follow the steps given below:

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

- (x) After entering these details appropriately, click on "SUBMIT" tab.
- (xi) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xiii) Click on the EVSN for the relevant Nova Iron & Steel Limited on which you choose to vote.
- (xiv) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xvi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.



- (xvii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xviii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xix) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xx) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) Any person, who acquires shares of the Company and become Member of the Company after despatch of the Notice and holding shares as on the cut-off date i.e. 21.09.2017 may follow the same instructions as mentioned above for e-Voting.
- (xxii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com
18. A member can opt for only one mode of voting i.e. either through remote e-voting or at the meeting. If a member casts votes by both mode then voting done through remote e-voting shall prevail.
19. The member who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
20. The scrutinizer for voting is M/s V.P. Chhabra & Associates, Practicing Company Secretary, 386-C, Rajguru Nagar, Ludhiana



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

ITEM NO.4

The Board of Directors at its meeting held on 30.05.2017 approved the re-appointment of Mr. Hardev Chand Verma as Whole-time Director, for a further period of 3 years with effect from 30.05.2017 to 29.05.2020, subject to the shareholders' approval. The details of particulars of Mr. Hardev Chand Verma, as required to be given pursuant to the SEBI (LODR) Regulations 2015 and Secretarial Standards, are given elsewhere attached to the Notice. The re-appointment was recommend on the existing terms and conditions of appointment & payment of remuneration.

Mr. Hardev Chand Verma has significant contribution to the overall growth of the Company. The Nomination and Remuneration committee and Board in their meetings held on 12.08.2017 is of the view that the existing upper limit remuneration in respect of Mr. Hardev Chand Verma of the Company may not be sufficient enough to pay the increased remuneration over a period of 3 years of his term, therefore the approval of the members of the Company is sought for revision in the maximum limit of remuneration as provided in the resolution no. 4 with effect from 01.09.2017 for the remaining period of his appointment upto 29.05.2020. In case of inadequacy or absence of profits, subject to the approval of the Central Government, if required. The main terms and conditions of appointment of Sh. Hardev Chand Verma as contained in the respective board resolution dated 30.05.2017 as revised on 12.08.2017 are furnished in item no. 4.

STATEMENT OF INFORMATION FOR THE MEMBERS PURSUANT TO SECTION II OF PART II OF SCHEDULE V TO THE COMPANIES ACT, 2013.

I. General Information

1. Nature of industry: Iron and Steel industry.
2. Date of commencement of commercial production: The Company carries on manufacturing of iron and steel products business since its incorporation.
3. Financial performance based on given indicators: Standalone Financial Results:

Particulars	2016-17 (amount in Rs. lacs)
Profit after Tax	256.71
Net worth	2639.83
Earning per share (in Rs.)	0.71
Turnover	5326.90

4. Foreign investment or collaboration if any: Nil

II. Information about the appointee:

1. Background detail: The background details and profile of Mr. Hadev chand Verma is stated in "PROFILE OF DIRECTORS" to this Notice under Notes.
2. Past remuneration: Rs. 1,25,000-25,000-2,25,000/- per month
3. Recognition or awards: Nil
4. Job profile and his suitability:
Mr. Hardev Chand Verma is highly experienced in marketing and administration. He has contributed significantly towards growth in performance of the Company. He has rich experience of about 40 years in domestic and international marketing of steel and iron products and also managed at project site. He is actively involved in business strategy, business development functions of the Company.
5. Remuneration proposed: Details of remuneration proposed for approval of the Shareholders at this Annual General Meeting of the Company are as provided in the respective resolutions and in Conformity of schedule V of Companies Act, 2013.
6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person: The current



remuneration being paid to the Whole Time Director (looking at the profile of the position and person) is lower than the remuneration being paid by the Companies of comparable size in the industry in which the Company operates.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: Apart from the remuneration and perquisites paid to them as Whole-time Directors as stated above the Director do not have any pecuniary relationship directly or indirectly with the Company and its managerial personnel.

III. Other Information

1. Reasons of inadequate profits and steps taken or proposed to be taken for improvement: The Company has reported an inadequate profit on standalone basis primarily on account of measures being carried out by the company post expansion and installation of power plant. The Company's integration and optimization exercise is progressing well and is as per schedule. However, the Company earn profit as on 31.03.2017 and hence there are no specific steps required to take and proposed to be taken for improvement other than working towards resolving some of the aforementioned constraints.
2. Expected increase in productivity and profits in measurable terms: The Company has earned the profit of Rs. 2.56 Crores during the year ended 31st March, 2017 and the Company is expected to do well in future.

IV. Disclosures:

The disclosures as required on all elements of remuneration package such as salary, benefits, bonuses, pensions, details of fixed components and performance linked incentives along with performance criteria, service contract details, notice period, severance fees, etc. have been made in the resolution of Sr. No.4 of the Notice.

Accordingly, the Board recommends passing of the Resolution at Item No.4 of the Notice as a Special Resolution.

Except Mr. Hardev Chand Verma and his relatives being an appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

ITEM NO. 5,6 AND 7

The Members of the Company, at the 22nd Annual General Meeting held on 27.09.2014 had approved the appointment of Mr. Narsingh Awatar, Mr. Arvind Gupta and Mr. M. Ramchandran as an Independent Director of the Company, whose term are due to expire on this Annual General Meeting. As per Section 149(10) of the Companies Act, 2013 (Act), an Independent Director shall hold office for a term of five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of five consecutive years on the Board of a Company. In line with the aforesaid provisions of the Act and in view of rich experience, continued valuable guidance to the management and Board performance of Mr. Narsingh Awatar, Mr. Arvind Gupta and Mr. M. Ramchandran, Board recommended to re-appoint them for the another term of five consecutive years from the date of appointment in this Annual General Meeting to 30th Annual General Meeting. The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Narsingh Awatar, Mr. Arvind Gupta and Mr. M. Ramchandran as an Independent Director. Accordingly, Resolutions set out at Item No.5, 6 and 7 of the Notice as a Special Resolution.

Except Mr. Narsingh Awatar, Mr. Arvind Gupta and Mr. M. Ramchandran or their relatives none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 5,6 and 7.

ITEM NO. 8

Pursuant to Regulation 23(4) of SEBI (LODR) Regulations, 2015. Company is require to take approved of Shareholder for material Related Party Transaction. The Company is inter alia, engaged in the business of manufacturing, marketing, trading, purchase and sale of Iron and Steel products. The Company in the ordinary course of its business engaged in purchase and sell machines, spare parts, raw material, take loan/advances etc., from M/s Bhushan Power & Steel Limited, of which Company is an associate company. The Mutual Transaction in the contract of SEBI Regulation is("*All material related party transactions shall require approval of the shareholders through resolution and the related parties shall abstain from voting on such resolutions whether the entity is a related party to the particular transaction or not*") The said transaction are at Arm's length and not a related party transaction under section 188 of Companies Act, 2013.



NOVA IRON AND STEEL LTD.

M/s Bhushan Power & Steel Limited is a 'Related Party' within the meaning Section 2 (76) of the Companies Act, 2013 and Regulation 23 of SEBI (LODR) Regulations, 2015.

The Company purchases raw material, machinery, spare parts for commissioning & operation of 12 MW Power Plant and induction furnace and loan/advances for manufacture of products. Similarly, products manufactured by the Company are sold to M/s Bhushan Power & Steel Limited. The Board is of the opinion that the said transactions are in the best interest of the Company.

Transactions for Sale and purchase, transfer or receipt of products, goods, materials, services, other obligations such as loan/advances from and sale of products to Bhushan Power & Steel Limited are deemed to be 'material' in nature as defined in Regulation 23 of SEBI (LODR) Regulations, 2015 as they may exceed 10% of the annual turnover of the Company in future. Thus, in terms of explanation to Regulation 23(4) of the SEBI (LODR) Regulations 2015, these transactions require the approval of the Members. Board considered these transaction in the meeting held on 12.08.2017 and recommend for the approval of shareholders as set out in resolution at no. 8 of the Notice.

The particulars of the contracts / arrangements / transactions with related party are as under:

Particulars	Information
Name of the Related Party	Bhushan Power & Steel Limited
Name of Director(s) or Key Managerial Personnel who is related	Sanjay Singal
Nature of Relationship	Common director and holding more than 2% shares in Bhushan Power & Steel Limited
Material terms of the Contracts / arrangements / transactions	Purchase, Sale, transfer or receipt of products, goods, materials or other obligations on arm's length basis
Monetary Value	a) Not -exceeding Rs. 100 Crore towards purchases of products, materials, services etc. b) Not exceeding Rs. 100 crore towards Sale of products c) Not exceeding Rs. 200 crore toward loan/advances.
Are the transactions in the ordinary course of business	Yes
Are the transactions on an arm's length basis	Yes
Whether the transactions would meet the arm's length standard in the opinion of the Company's Transfer Pricing Consultants	Yes
Whether the transactions have been approved by Audit Committee and the Board of Directors	Yes
Any other information relevant or important for the Members to make a decision on the proposed transactions	None

Except Mr. Sanjay Singal, Mr. Aniket Singal (Director and relative) none of the Directors and Key Managerial Personnel of the Company or their respective relatives, are concerned or interested 'financially' or 'otherwise' in the Resolution at Item No. 8 of the Notice.

By order of the Board
For **Nova Iron and Steel Ltd.**
Dheeraj Kumar
Company Secretary

Place: New Delhi

Date 12.08.2017



NOVA IRON AND STEEL LTD.

NOVA IRON AND STEEL LIMITED

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

Email: rai_nisl2007@yahoo.com, website: www.novaironsteel.com

(CIN: L02710CT1989PLC010052) Phone: 07752-285206, Fax 07752-285213

ATTENDANCE SLIP

1. Full Name of Shareholder / Proxy
2. Registered Folio No No of Shares
3. Client ID..... DP ID.....
4. If, Proxy, Full Name of Shareholder

I hereby record my presence at the 25th Annual General Meeting of the Company held at **Village Dagori, Tehsil-Belha, Distt. Bilaspur (Chhattisgarh) PIN-495224** on Wednesday, the 27th day of September, 2017 at 11.00 a.m.

(Signature of Shareholder / Proxy)

Name of Member/Proxy

Note:

Please complete the Folio. DP ID-Client ID No. and name, sign the Attendance Slip and hand it over at the Attendance Verification counter at the entrance of the Meeting Hall.



NOVA IRON AND STEEL LTD.

MGT-11

NOVA IRON AND STEEL LIMITED

Registered Office: Village-Dagori, Tehsil-Belha District-Bilaspur (Chhattisgarh)
Email: rai_nisl2007@yahoo.com, website: www.novaironsteel.com
(CIN: L02710CT1989PLC010052) Phone: 07752-285206, Fax 07752-285213

Proxy Form

Name of the Member (s):
Registered Address:
Email id:
Folio No./Client Id:
DPID:

I/We, being the member(s) of Shares of the above named Company, hereby appoint

- 1 Name : Address E-mail Id : Signature :
or failing him
- 2 Name : Address E-mail Id : Signature :
or failing him
- 3 Name : Address E-mail Id : Signature :
or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the company, to be held on Wednesday, the 27th day of September 2017 at 11.00 a.m. at Village-Dagori, Tehsil-Belha, District-Bilaspur (Chhattisgarh) and at any adjournment thereof in respect of such resolutions as are indicated below:

No.	Resolutions
-----	-------------

Ordinary Business

- | | |
|----|---|
| 1. | Adoption of Audited Standalone and Consolidated Financial Statement of the company for year ended 31st March 2017 i.e. Audited Balance Sheet as at 31st March 2017 and the Statement of Profit and Loss and Cash Flow statement for the year as on that date together with Auditors' Report and Board's Report thereon. |
| 2. | To appoint a Director in place of Mr. Ravi Parkash Goyal (DIN 00006595), who retires by rotation and being eligible has offered himself for re-appointment. |
| 3. | To appoint auditor in place of retiring auditor who is ineligible for re-appointment and to fix their remuneration. |

Special Business

- | | |
|----|--|
| 4. | To consider re-appointment of Sh. Hardev Chand Verma (DIN 00007681), as whole time director and revision in remuneration |
| 5. | To consider re-appointment of Sh. Narsingh Awatar (DIN 00376193) as Independent Director |
| 6. | To consider re-appointment of Sh. Manickam Ramchandran (DIN 00204342) as Independent Director |
| 7. | To consider re-appointment of Sh. Arvind Gupta (DIN 03423291) as Independent Director |
| 8. | To consider approval of material related party transaction |

Signed this day of 2017

Signature of shareholder

Signature of Proxy holder(s)

Affix
Rs. 1/=
Revenue
Stamp

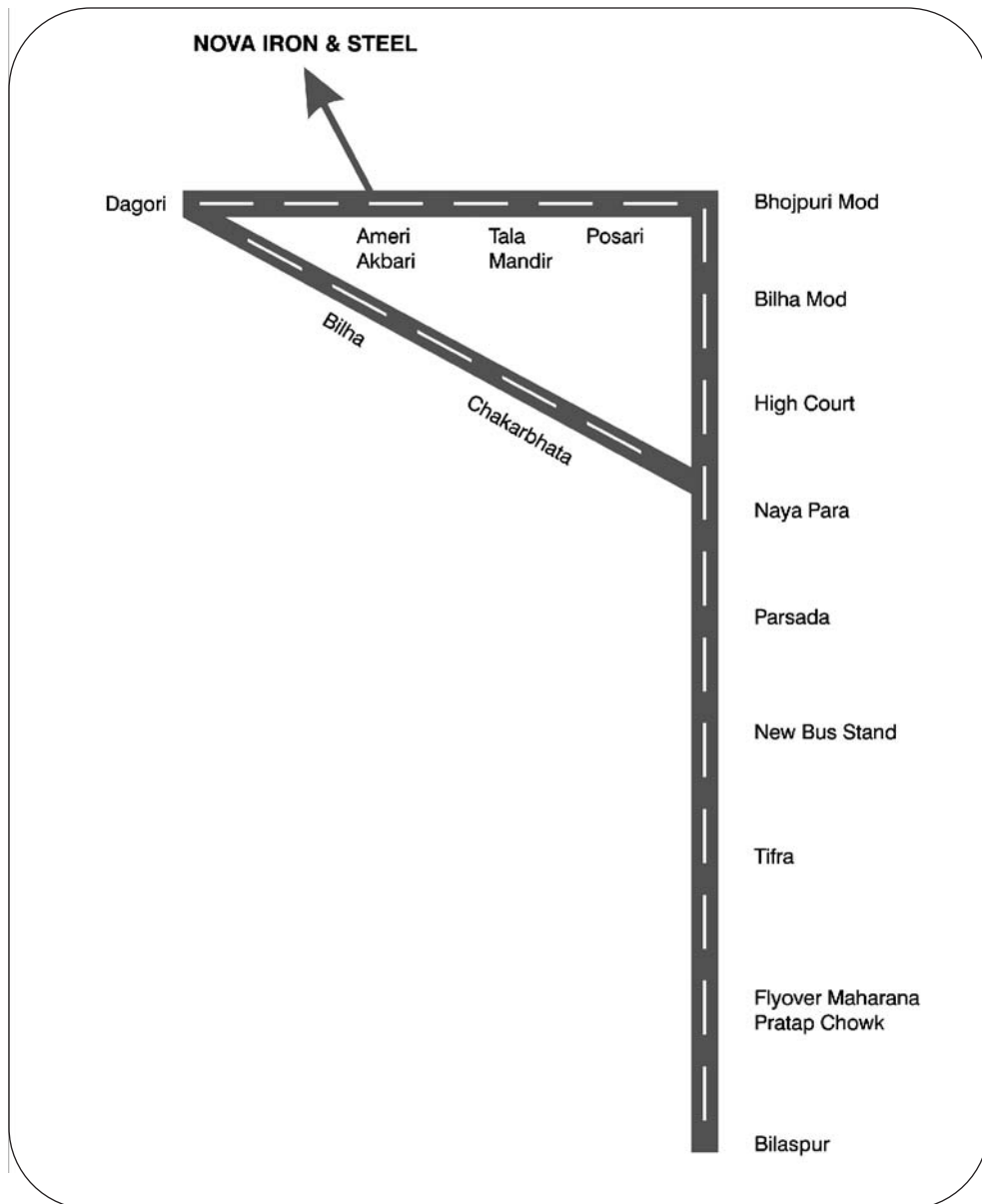
Note:

- 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- 2. For the resolution, explanatory statement and notes please refer to the Notice of 25th Annual General Meeting.
- 3. Please complete all details including details of member(s) in above box before submission.

ROUTE MAP TO THE VENUE OF THE 25TH ANNUAL GENERAL MEETING OF NOVA IRON AND STEEL LIMITED

Venue:

Nova Iron & Steel Ltd.
Regd. Office: Village Dagori,
Tehsil Belha, Distt-Bilaspur
Chhattisgarh- 495224



REGISTERED BOOK POST/COURIER

If undelivered, Please return to:

NOVA IRON AND STEEL LIMITED

Regd. Office:

Village Dagori, Tehsil Belha

Distt-Bilaspur, (Chhattisgarh)- 495224