

NOVA

IRON AND STEEL LTD.



24th ANNUAL REPORT

2015-2016

FOR THE ATTENTION OF SHAREHOLDERS

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



NOVA IRON AND STEEL LTD.

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

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BOARD OF DIRECTOR

CHAIRMAN

Mr. Sanjay Singal

WHOLE TIME DIRECTOR

Mr. Hardev Chand Verma

DIRECTORS

Mr. Aniket Singal

Mr. R.P. Goyal

Mr. Narsingh Awatar

Mr. M.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 30857575, Fax +91 1130857562

Contact Person- Mr. Virender Rana

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EMAIL : rai_nisl2007@yahoo.com

WEBSITE

www.novaironsteel.com

CIN No.:

L02710CT1989PLC010052



NOVA IRON AND STEEL LTD.

BOARD' REPORT

To Members,

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

FINANCIAL HIGHLIGHTS

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

FINANCIAL SUMMARY

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

OPERATION AND FUTURE OUTLOOK

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

CHANGE IN NATURE OF BUSINESS,

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

EXTRACT OF ANNUAL RETURN

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

BOARD MEETINGS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- (ii) 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 ;
- (iii) 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;
- (iv) the Directors have prepared the annual accounts on a going concern basis.
- (v) the internal financial controls to be followed by the company were laid down and such internal financial controls were adequate and were operating effectively.
- (vi) proper systems to ensure compliance with the provisions of all applicable laws were devised.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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



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

CODE OF CONDUCT

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

DIRECTOR IDENTIFICATION NUMBER (DIN)

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

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

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

AUDIT COMMITTEE

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

AUDITORS

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

AUDITORS' REPORT

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

COST AUDIT

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

SECRETARIAL AUDIT

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

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

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

INTERNAL AUDITORS AND ADEQUACY OF INTERNAL FINANCIAL CONTROLS

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

PARTICULARS OF LOAN, GUARANTEE OR INVESTMENT UNDER SECTION 186

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

CAPITAL & RESERVES

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



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DIVIDEND

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

EMPLOYEES STOCK OPTION

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

LISTING/DELISTING

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

BUY BACK OF SHARES

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

MATERIAL CHANGE(S)

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

RISK MANAGEMENT POLICY

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

CORPORATE SOCIAL RESPONSIBILITY POLICY

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

SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

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

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

PERFORMANCE EVALUATION OF BOARD

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

DEPOSITS

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

SEGMENT REPORTING

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

MATERIAL ORDERS

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

PARTICULARS RELATING TO EMPLOYEES

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

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

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

CORPORATE GOVERNANCE

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



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

GENERAL

(i) ENVIRONMENT & OTHER APPLICABLE LAW

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

(ii) HEALTH & SAFETY

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

(iii) SEXUAL HARASSMENT OF WOMEN

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

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

(iv) INDUSTRIAL RELATIONS

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

ACKNOWLEDGEMENTS

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

For and on behalf of the Board

(Sanjay Singal)
Chairman
DIN:00006579

Place: New Delhi
Date: 12.08.2016



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ANNEXURE-1

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

(i) Category-wise Share Holding

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



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



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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.	9962640	27.57	-	10959675	30.33	-	2.76
	Total	24231786	67.05		25228821	69.81	-	2.76

(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
1	Ambey Steel and Power Pvt. Limited	9962640	27.57	28.08.2015	997035	Transfer	10959675	30.33	10959675	30.33

(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 the year		At the end of year (or on the date of separation, if separated during the 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
1	Gala Finance And Investment Ltd	1499785	4.1500	10.9.2015	1000000	Transfer	499785	1.3829		
				18.9.2015	-400000	Transfer	99785	0.2761		
				23.9.2015	-64469	Transfer	35316	0.0977		
				25.9.2015	-35316	Transfer	0	0.0000	0	0.0000



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2	Shivalik Securities Ltd	996135	2.7564	12.6.2015	900	Transfer	997035	2.7589		
				28.8.2015	-997035	Transfer	0	0.0000	0	0.0000
3	Raj Kumar Kedia	181237	0.5015	NIL	NIL	NIL	181237	0.5015	181237	0.5015
4	Indian Bank	150720	0.4171	20.6.2015	-720	Transfer	150000	0.4151		
				19.3.2016	-2184	Transfer	147816	0.4090	147816	0.4090
5	Somya Traders Pvt Ltd	103154	0.2854	6.11.2015	101320	Transfer	204474	0.5658	204474	0.5658
6	Stock Holding Corp. of India Ltd	96672	0.2675	NIL	NIL	NIL	96672	0.2675	96672	0.2675
7	Shrim Investment Solutions Private Lim	91646	0.2536	NIL	NIL	NIL	91646	0.2536	91646	0.2536
8	Canara Bank	88776	0.2456	NIL	NIL	NIL	88776	0.2456	88776	0.2456
9	Bank of India	86064	0.2381	19.3.2016	-2400	trf	83664	0.2315	83664	0.2315
10	Pallavi Niraj Shah	53000	0.1467	NIL	NIL	NIL	53000	0.1467	53000	0.1467
11	Raj kumar kedia huf	0	0.0000	10.9.2015	1000000	Transfer	1000000	2.7671		
				18.9.2015	400000	Transfer	1400000	3.8739		
				29.1.2016	49280	Transfer	1449280	4.0102	1449280	4.0102
12	Gurminder Pal Singh Arneja	47280	0.1308	NIL	NIL	NIL	47280	0.1308	47280	0.1308

(v) Shareholding of Directors and Key Managerial Personnel:

Sn.	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	Mrs. 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		1504995029		1504995029
ii) Interest due but not paid	NIL	211435355	NIL	211435355
iii) Interest accrued but not due		NIL		NIL
Total (i+ii+iii)	NIL	1716430384	NIL	1716430384
Change in Indebtedness during the financial year				
i) Addition	NIL	501834429	NIL	501834429
ii) Reduction		289500000		289500000
Net Change	NIL	212334429	NIL	212334429
Indebtedness at the end of the financial year				
i) Principal Amount		1537604627	NIL	1537604627
ii) Interest due but not paid	NIL	391160186		391160186
iii) Interest accrued but not due				
Total(i+ii+iii)	NIL	1928764813	NIL	1928764813

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 1(7) 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. 42 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	11000	11000	1000	6000	29000



NOVA IRON AND STEEL LTD.

	·Commission ·Others, please specify	-	-	-	-	-	-	-	-
	Total(1)	-	-	-	11000	11000	1000	6000	29000
2	Other Non-Executive Directors ·Fee for attending board committee meetings ·Commission ·Others, please specify	-	-	-	-	-	-	-	-
	Total(2)	-	-	-	-	-	-	-	-
	Total(B)=(1+2)	-	-	-	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	*11000	*11000	*1000	6000	29000
	Overall Ceiling as per the Act	Rs. 01 lakh per meeting							

* Payment yet to be made

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 section17(1)of the Income-tax Act, 1961 (b)Value of perquisites u/s17(2)Income-taxAct,1961 (c)Profits in lieu of salary under section17(3)Income-taxAct,1961	-	282000	508200	790200
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	282000	508200	790200

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



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 employee 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-3

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2016
[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, 2016 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, 2016, 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'):-



NOVA IRON AND STEEL LTD.

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (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;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (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
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (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

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 who was appointed on 02.04.2015. 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: 12.08.2016

PARTNER
P.D. SHARMA
FCS 2285, CP No. 2692



NOVA IRON AND STEEL LTD.

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 2016

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

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 : Rs. 24.18 Lacs Earned : Rs. NIL
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Place: New Delhi
Date: 12.08.2016

(Sanjay Singal)
Chairman
DIN: 00006579



NOVA IRON AND STEEL LTD.

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								

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</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.
(e)	Date(s) of approval by the Board, if any	<i>02.04.2015, 21.04.2015, 12.08.2015, 13.11.2015 and 11.02.2016</i>
(f)	Amount paid as advances, if any	<i>Nil</i>

Place: New Delhi
Date: 12.08.2016

(Sanjay Singal)
Chairman
DIN: 00006579



**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 legally required to be spent. 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. However during the year due to losses incurred no major CSR activity was undertaken.

For Nova Iron and Steel Limited

**Place: New Delhi
Date: 12.08.2016**

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

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



NOVA IRON AND STEEL LTD.

ANNEXURE – 7

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 – 12.24:1
(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	Nil
(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	264
(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: 12.08.2016

(Sanjay Singal)
Chairman
DIN: 00006579



NOVA IRON AND STEEL LTD.

ANNEXURE-8

**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.	Permanent	B.Sc. (Mechanical)	05.09.2011	65	Bhushan Power & Steel Ltd	NIL	N.A.
Mr. H.C. Verma	1 25 000	Director	Permanent	Graduation	30.05.2014	65	Bhushan Power & Steel Ltd	NIL	N.A.
Mr. Naresh Kumar	70 180	A.G.M.	Permanent	Diploma (Mechanical)	15.07.2008	40	Bhushan Power & Steel Ltd	NIL	N.A.
Mr. Shrawan Kumar Kumbhkar	65 000	Manager	Permanent	Diploma (Electrical)	05.06.2014	37	Bhushan Power & Steel Ltd	NIL	N.A.
Mr. Anil Kumar Sharma	52 650	A.G.M.	Permanent	M.Sc. (Chemistry)	29.09.2011	51	Bhushan Power & Steel Ltd	NIL	N.A.
Mr. S K Chatterjee	47 456	Sr.Manager	Permanent	M.Sc. (Chemistry)	19.07.2011	47	Ind Synergy Ltd (Raigarh)	NIL	N.A.
Mr. Dineswar Singh	44 165	Dy.Manager	Permanent	Diploma (Electrical)	10.04.2012	41	Raipur Power & Steel Ltd (Durg)	NIL	N.A.
Mr. Surendra Ku.Verma	44 020	Sr.Manager	Permanent	B.Sc.(PCB)	01.12.2014	45	Bhushan Power & Steel Ltd	NIL	N.A.
Mr. Ajoy Shah	42 350	Manager	Permanent	C.A.	06.04.2012	35	Vidya & Co. (Kolkata)	NIL	N.A.
Mr. Mohit Ghai	40 700	Dy.Manager	Permanent	B.Tech (Mechanical)	28.07.2012	32	ISGEC (Noida)	NIL	N.A.

Annexure-9

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

I hereby confirm that the Company has received declarations 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 31 March, 2016.

Place: New Delhi
Date: 12.08.2016

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



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	31-03-2016
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	(INR) 88902.00
7. Loss for the year	(INR)11098.00
i. Considered in Consolidation	(INR)11098.00
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: 30.05.2016

(Ajoy Shah)
Chief Financial Officer

(Dheeraj Kumar)
Company Secretary

**REPORT ON CORPORATE GOVERNANCE****Vision**

A focused mindset with continuous learning aimed to have completely integrated operations for self reliance in the business.

Mission

To attain a level where there is no defined limit for growth, to promote a work climate that harness the best of human potential, encourage to compete with self, protect environment and to explore all possible means for unmatched growth.

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.

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) Meetings and attendance records of each Director

During the year six meetings of Board of Directors were held on 02.04.2015, 21.04.2015, 30.05.2015, 12.08.2015, 13.11.2015 and 11.02.2016 and a separate Meeting of the Independent Directors was held on 11.02.2016. 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 2016 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	06	01	No	07	0	0	
2.	Aniket Singal	Non-Independent	06	01	No	0	0	0	
3.	Hardev Chand Verma	Non-Independent	06	01	Yes	01	0	0	
4	R.P.Goyal	Non-Independent	06	06	No	06	06	02	
5.	N.Awatar	Independent	07	07	Yes	03	0	0	
6.	M.Ramachandran	Independent	07	02	No	07	0	0	
7.	Arvind Gupta	Independent	07	07	No	01	0	0	
8.	Sumiran Aggarwal	Independent	07	07	No	0	0	0	

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



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- c) The Non-Executive Directors had no pecuniary relationship or transactions with the Company in their personal capacity during the year under review.
- d) Sh. Aniket Singal, Director is retiring by rotation and has offered himself for re-appointment.
Sh. Aniket Singal is B.B.A. from London and has experience in Steel Sector Marketing and Administration. He is non-executive Director of the Company

Relationship 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.

Performance evaluation of 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, discussion of the item at length with import latest knowledge of industry and business etc.

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 decision and perform its function and fulfill its role effectively. The details of such familiarisation Programmes are disclosed at weblink <http://www.novaironsteel.com/pdfs/Familiarisation%20Programme%20for%20Independisent%20Director.pdf>.

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>.

Committees of Board of Directors

Audit Committee

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 as its members. Mr. N Awatar is Chairman of the Committee and he is independent Director. He is a senior practicing Chartered Accountant. The committee met five times during the year i.e. on 02.04.2015, 30.05.2015, 12.08.2015, 13.11.2015 and 11.02.2016 and attendance is as under.

Name	Designation	Meeting Attended (No. of Meeting(s) held: 5)
Mr. N. Awatar	Chairman	05
Mr. R.P. Goyal	Member	05
Mr. Arvind Gupta	Member	05

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

The terms of reference of the Audit Committee as defined under the relevant provisions of Section 177 of the Companies Act, 2013 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 of 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. Matter required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (5) of section 134 of the Companies Act, 2013.
 - 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 there on.
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 Companies Act, as and when amended.

NOMINATION AND REMUNERATION COMMITTEE

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 Companies Act, 2013 read with allied Rules framed thereunder and Regulation 19 of SEBI (LODR) Regulations, 2015. 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. The Committee has not met during the financial year.

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 is also available on the website of the Company www.novaironsteel.com in the investor section. (Also refer Annexure - 2 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 and the Shareholders



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Details of remuneration paid to the Directors during the year under review :

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 lue 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)	-	-	11000	-	-	-
6	Mr. Arvind Gupta	-	-	11000	-	-	-
7	Mr. M Ramchandran	-	-	1000	-	-	144
8	Mrs. Sumiran Aggarwal (Women Independent Director)	-	-	6000	-	-	-

STAKEHOLDERS RELATIONSHIP COMMITTEE

During the year under review four Meetings of Stakeholders Relationship Committee were held on 15.04.2015, 15.07.2015, 15.10.2015, and 15.01.2016. 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. Mr. Dheeraj Kumar, Company Secretary is the Compliance Officer under Regulation 6(1) of SEBI (LODR) Regulations, 2015. During the year 255 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 COMMITTEE

Corporate Social Responsibility Committee constituted pursuant to section 135 of the Companies Act, 2013 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/programmes 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.

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



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GENERAL BODY MEETINGS:

(a) Annual General Meeting

The details of Annual General Meetings held during the preceding three years and special Resolutions passed is as under :-

AGM	Date	Time	Venue	Special Resolution Passed
21 st	28.09.2013	3.00PM	Registered office	<ul style="list-style-type: none">• Appointment of Managing Director
22 nd	27.09.2014	11.30 am	Registered Officer	<ul style="list-style-type: none">• Appointment of Whole time director• Adoption of new set of Article of Association• Authority to Board of Director to Borrow• Authority to Invest/Give Loan/Give Guarantees/Provide Security• Authority to create charge
23 rd	29.09.2015	2.30pm	Registered Office	<ul style="list-style-type: none">• Revision of period of appointment of Mr. H.C. Verma, Whole Time Director• Approval of Related Party Transaction

(b) Extra Ordinary General Meeting : No extra ordinary general meeting was held during the years 2013-14, 2014-15 and 2015-16

© No Special Resolution was passed through Postal Ballot during the last three years i.e., 2013-14, 2014-15 and 2015-16.

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>

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.

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

"Adoption of Non Mandatory requirements under SEBI (LODR) Regulations, 2016 are reviewed by the Board from time to time."

c) 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.

MEANS OF COMMUNICATION:

The Company normally publishes quarterly, half yearly and annual financial results in English daily, in Hindi daily widely circulated and in local Hindi daily and results are promptly furnished to stock exchanges for display on the website. Annual Reports and other important information is circulated to members and are also placed on the Company's website www.novaironsteel.com



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GENERAL SHAREHOLDERS INFORMATION:

- a) Annual General Meeting for the year ended 31st March 2016 : 28th September, 2016 at 11.00 AM at registered office.
- b) Financial calendar : April to March each year.
Financial reporting for the quarter ending : Reporting Month
30th June 2016 : August 2016
30th September 2016 : November 2016
31st December 2016 : February 2017
31st March 2017 : May 2017
- c) Dates of Book Closure : 12th September 2016 to 20th September 2016
- d) Dividend Payment Dates : No dividend is recommended for the financial year ended 31st March 2016
- e) Listing of Securities

Shares of the Company are listed with the Stock Exchange at Bombay Stock Exchange Limited. Company has filed application for delisting of shares from National Stock Exchange on 27.10.2010 and Delhi Stock Exchange, on 02.06.2011. Madras Stock Exchange, Ahmedabad Stock Exchange and Calcutta Stock Exchange have accorded approval of delisting of shares. National Stock Exchange has also delisted the security w.e.f.04.07.2016 vide NSE letter no. NSE/LIST/77956 dated 27.06.2016. Vide SEBI order No. WTM/PS/4S/MRD/DSA/NOV/2014 dated 19.11.2014 Delhi Stock Exchange has been de-recognised.

Stock Code/Security Symbol

Stock Code : 513566
Security Symbol in BSE : NOVIS

- f) ISIN No. for dematerialisation of Equity Shares : INE 608C01026.

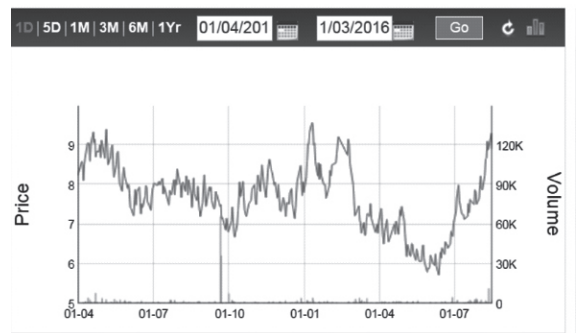
g) Market Price Data at BSE

The details of High Low share price of equity shares of the Company during each month of the year under report are as under –

Month	High (Rs. Per share)	Low (Rs. Per share)	Volume (No. of Shares)
April 2015	9.59	7.58	30661
May 2015	9.87	7.56	23915
June 2015	8.5	6.91	13182
July 2015	8.51	7.12	18890
August 2015	8.82	7.05	16346
September 2015	8.25	6.53	110996
October 2015	8.48	6.47	20825
November 2015	8.77	7.13	9973
December 2015	8.9	6.87	19530
January 2016	10.04	7.32	25227
February 2016	9.21	7.58	6673
March 2016	8.37	6.43	28630

h) Stock Performance

The performance of your Company's stock relative to the BSE Sensitive Index (SENSEX) is as under drawn from BSE website : www.bseindia.com and more details can be accessed from said website





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l) Registrar & Share Transfer Agent (RTA) :

M/s Skyline Financial Services Private Limited
D-153A, 1st Floor, Okhla Industrial Area, Phase-1, New Delhi -110020.
Ph : 011-30857575 (10 lines)
Fax : 011-30857562

The Board has delegated authority to M/s Skyline Financial Services Private Limited, the Registrar for electronic connectivity and Share Transfer Agents of the Company, the authority to attend to Share Transfer formalities atleast once in a fortnight, to be approved/ratified by the Share Transfer Committee. This facilitates expeditious processing of Share Transfers in the interest of Shareholders.

j) Share Transfer System

Transfer of shares held in physical form can be lodged with Registrar & Share Transfer Agent at the above mentioned address. 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.

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.

k) Distribution of Shareholding as on 31st March, 2016.

Range	No. of Shareholders	No. of Shares	%age
1-500	160419	6702390	18.55
501-1000	469	329258	0.91
1001-2000	229	309516	0.86
2001-3000	81	197889	0.55
3001-4000	30	106031	0.29
4001-5000	26	119322	0.33
5001-10000	31	220539	0.61
10001 & above	40	28154543	77.91
Total	161325	36139488	100.00

l) Shareholding pattern as on 31st March, 2016

Category	No. of Shares held	%age
Promoter & Associates Companies	25228821	69.81
Financial Institutions/Banks	144	0.00
Mutual Funds/ Insurance Companies	501768	1.39
NRIs	173474	0.48
Corporate Bodies	490418	1.36
Public	9744863	26.96
Total	36139488	100.00

m) 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, 2016, 29741590 Equity shares out of 36139488 Equity Shares of the Company, forming 82.30% 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.

n) Nomination Facility:

Members are entitled to nominate in respect of shares held by them. Members holding shares in physical form and intending to make/change nomination in respect of their shares may submit Form SH-13 to company's Registrar & Transfer Agent.

o) GDRs/ADRs

Company has not issued GDR/ADR.



p) Plant Location and address for communication:

Plant: Village Dagori-495224, Belha Distt Bilaspur, Chhattisgarh

Communication : F-Block 1st Floor International Trade Tower, Nehru Place, New Delhi – 110019.

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 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, 2016 is at Annexure 13.

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.

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

Industries Development

During the year under review, global headwinds and slowing world trade resulted in diminishing margin in International market.

The global steel industry is expected to edge back into growth this year in spite of waning Chinese demand, at a time when low prices for the metal are casting a shadow over producers. World steel forecasts that global steel demand will decrease by -0.8% to 1,488 Mt in 2016 following a contraction of -3.0% in 2015. In 2017, it is forecast that world steel demand will return to growth of 0.4% and will reach 1,494 Mt. A number of anti-dumping trade cases under way in the US and EU, targeting countries such as China and Russia, could boost domestic steelmakers by in effect blocking some imports. While iron ore prices fell, leading to the exit of several small scale mining operations from the global mining industry.

Industry Review and Structure

In 2015, India retained its position as the 3rd largest steel producing country in the world, behind China, and USA. India's gross domestic product (GDP) grew 7.6 per cent in 2015-16, powered by a rebound in farm output, and an improvement in electricity generation and mining production in the fourth quarter of the fiscal. India's prospects are brightening due to low oil prices, the reform momentum and policies to increase infrastructure and manufacturing output. India's steel demand will increase by 5.4 per cent in both 2016 and 2017 reaching 88.3 mt in 2017. Indian GDP is likely to grow at a rate higher than 7.6% in 2016-17.

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.

The government also introduced the JAM Trinity (Jan Dhan Yojana, Aadhaar and Mobile) to bolster financial inclusion and bring large unbanked parts of the population into the ambit of formal channels of finance. In addition, payment banks and small finance banks are expected to drive micro-credit offtake, besides reforming the Indian Financial sector.

OUTLOOK

During the year under review, company has undertaken trial run of plant and operations of 500 TPD Sponge Iron Plant restarted and Installation 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.

Cancellation of coal blocks allotted between 1993 to 2008 pursuant to the order dated 25.09.2014 of the Honable Supreme Court of India on stopping of unauthorized mining has adversely impacted the Steel Industry. This has further resulted into less availability of coal blocks for steel industry. Fuel Supply Agreement with Southern Eastern Coalfield Ltd is in dispute and is pending before Hon'ble Supreme Court for adjudication. Non availability of higher grade of quality of iron ore at the competitive prices has affected profits.

The demand of Sponge Iron in the market also remained low because of higher cost of production resulting into lower sales. 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 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; installation of furnace and installation of down stream facilities manufacturing finished products of steel. The company is planning to increase its production capacity to 15,00,000 tones per annum.



NOVA IRON AND STEEL LTD.

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.

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.

For Segment wise performance, Risk Management and Concern, Inter Control System and their Adequacy, financial and Operation Performance, Material Development, Industrial Relation please refer to Board Report.

ANNEXURE 12

CERTIFICATE

*(Under Clause 49(xi) of Listing Agreement
and Schedule V(E) of the SEBI (LODR) Regulations 2015*

To the Members of
Nova Iron & Steel Limited

We have examined the compliance of conditions of Corporate Governance by Nova Iron & Steel Limited ('the Company') for the year ended 31 March 2016, as stipulated in Clause 49 of the Listing Agreements and Schedule V(E) of the SEBI (LODR) Regulations, 2015 with Stock Exchanges in India. The Company has complied with the same materially.

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. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, the Company has complied in material respects with the conditions of Corporate Governance, except as reported in the Corporate Governance report, as stipulated in the Listing Agreement.

We have been explained that no investor grievances remained un-attended for a period exceeding one month, as at 31.03.2016 against the Company as per the record maintained by the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Antima & Goel
Chartered Accountants
Sd/-
(R.B. Goel)
Partner
Membership Number: 086862

Place: New Delhi
Dated: 12.08.2016



NOVA IRON AND STEEL LTD.

ANNEXURE-13

CERTIFICATION OF WHOLE TIME DIRECTOR AND CFO

*(Under Clause 49(ix) of Listing Agreement)
and Regulation 17(8) of SEBI (LODR) Regulations, 2015*

Date: 12.08.2016

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 2015-16 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 2015-16 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 2016, 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 thereunder. 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:-

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2016;
- b) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date ; and
- c) in the case of Cash Flow Statement, of cash flows for the year ended on that date;

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2015("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.
2. As required by Section 143(3) of the Act, we report 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.
 - b) 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;
 - c) 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;
 - d) 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;
 - e) On the basis of the written representations received from the Directors as on 31st March, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 , from being appointed as a director 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 company and the operating effectiveness of such controls, refer to our



NOVA IRON AND STEEL LTD.

separate report in 'Annexure B'; 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 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

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

Place : New Delhi
Date : 30.05.2016

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, 2016. 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 any 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, 2016 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, as per details given below :-



NOVA IRON AND STEEL LTD.

Nature 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	2.90	March – 2012 To December – 2013	Commissioner Appeal – Raipur.
Excise Duty	Modvat Credit Disallowed	14.93	November – 2008 To March – 2009	Add. Commissioner – Raipur.
Excise Duty	Demand	1.29	June – 2014 to July – 2014	Asstt. Commissioner – Bilaspur.
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 Tax.
Entry Tax	Tax Demand	5.05	A.Y. 2006-07	Revision Pending with Addl. Commissioner of Commercial Tax

- VIII. Based on our audit procedure and in accordance with the information and explanation given to us by the management the Company has not defaulted in repayment of dues to Financial Institutions or Banks or Debenture holders.
- 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 : 30.05.2016

(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, 2016 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



NOVA IRON AND STEEL LTD.

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 judgement, 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, 2016, 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

Place : New Delhi
Date : 30.05.2016

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



NOVA IRON AND STEEL LTD.

BALANCE SHEET AS AT 31st MARCH, 2016

(Amount in Rs.)

PARTICULARS	Note	As at	
		31.03.2016	31.03.2015
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2	36 13 94 880	36 13 94 880
Reserves & Surplus	3	- 12 30 81 945	- 7 55 44 042
		23 83 12 935	28 58 50 838
NON-CURRENT LIABILITIES			
Other Long -Term Liabilities	4	6 56 11 868	9 40 68 748
Long-Term Provisions	5	1 08 27 944	92 59 069
		7 64 39 812	10 33 27 817
CURRENT LIABILITIES			
Short -Term Borrowings	6	192 87 64 813	171 64 30 384
Trade Payables	7	13 42 61 306	19 09 07 085
Short -Term Provisions	8	14 19 884	14 29 996
Other Current Liabilities	9	76 88 30 355	42 69 15 147
		283 32 76 358	233 56 82 612
TOTAL			
		314 80 29 105	272 48 61 267
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets:			
Tangible Assets:			
Tangible Assets	10	64 10 32 641	61 73 04 223
Capital Work In Progress		206 13 99 328	179 90 83 898
		270 24 31 969	241 63 88 121
Non - Current Investments	11	27 83 000	30 78 000
Deferred Tax Assets (Net)	12	49 14 902	75 36 014
Long-Term Loans and Advances	13	4 80 26 476	7 64 86 753
		5 57 24 378	8 71 00 767
CURRENT ASSETS			
Inventories	14	28 28 68 757	13 46 77 989
Trade Receivables	15	29 999	-
Cash & Cash Equivalents	16	40 68 442	38 44 256
Short-Term Loan & Advances	17	10 29 05 560	8 28 50 134
		38 98 72 758	22 13 72 379
TOTAL			
		314 80 29 105	272 48 61 267
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 : 30.05.2016

(Ajay Shah)
Chief Financial Officer

(Dheeraj Kumar)
Company Secretary



NOVA IRON AND STEEL LTD.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2016

(Amount in Rs.)

PARTICULARS	Note	For the Year Ended 31.03.2016		For the Year Ended 31.03.2015
I. Revenue from Operations				
Sales From Trial Run Activities	18	12 36 20 981		-
Sales From Operations		64 95 407		5 32 26 719
Less : Excise Duty		1 42 07 487		23 08 564
Other Operating Income		4 00 33 712		4 02 90 030
		15 59 42 613		9 12 08 185
	19	11 67 543		18 35 559
II. Other Income				
III. Total Revenue (I +II)		15 71 10 156		9 30 43 744
IV. Expenses				
Cost of Material Consumed	20	14 57 81 508		4 53 768
Changes in Inventories of finished goods, work-in-progress and Stock-in-Trade	21	- 2 82 32 045		3 79 18 025
Employee Benefit Expense	22	2 49 00 173		2 48 10 349
Finance Costs	23	6 01 38 067		6 01 05 051
Depreciation	24	1 32 67 080		1 69 44 922
Other Expenses	25	3 23 61 786		3 28 57 399
Expenditure Incurred for Trial Run Capitalised	-	- 2 89 59 260		-
Total Expenses		21 92 57 309		17 30 89 514
V. Profit / (-) Loss before tax, extra ordinary items and Exceptional Items (III - IV)		- 6 21 47 153		- 8 00 45 770
VI. Extra Ordinary Items				
Interest Written Back		-		5 91 00 000
Prior Period Incomes		2 03 17 432		-
VII. Profit / (-) Loss after extra ordinary items before tax (V+ VI)		- 4 18 29 721		- 2 09 45 770
VIII. Tax Expenses				
Tax for Earlier Years (MAT / Advance Tax)	-		1 22 54 970	
Mat Credit Entitlement	-		1 22 54 970	
			-	
Deferred Tax Assets (+) / Liability (-)	- 26 21 112	- 26 21 112	10 21 393	10 21 393
IX. Profit / (-) Loss for the year from continuing operations(VII + VIII)		- 4 44 50 833		- 1 99 24 377
X. Earning Per Share (Face Value Rs. 10/-)	26			
Basic and Diluted		(1.23)		(0.55)
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 : 30.05.2016

(Ajay Shah)
Chief Financial Officer

(Dheeraj Kumar)
Company Secretary



NOVA IRON AND STEEL LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016

(Amount in Rs.)

		For The Year Ended 31.03.2016		For The Year Ended 31.03.2015
A.	Cash Flow from Operating Activities			
	Net Profit / Loss (-) before Tax	- 4 18 29 721		- 2 09 45 770
	Adjustments for:			
	Depreciation	1 32 67 080	1 69 44 922	
	Interest Expenses (Net)	5 98 35 199	7 31 02 279	7 66 72 561
	Operating Profit / Loss (-) before Working Capital Changes	3 12 72 558		5 57 26 791
	Adjustment for:			
	Increase (-) / Decrease in trade and other receivables	- 1 42 67 234	- 4 47 56 518	
	Increase (-) / Decrease in inventories	- 14 81 90 768	- 6 51 21 680	
	Increase / Decrease (-) in trade and other payables	25 83 71 312	9 59 13 310	5 96 11 951
	Net Cash (Used In) from Operating Activities : A	12 71 85 868		54 60 544
B.	Cash Flow from Investing Activities			
	Purchase of Fixed Assets	- 3 78 54 011	- 93 50 783	
	Purchase of Investment	- 5 000	-	
	Sale of Fixed Assets	8 58 513	10 43 540	
	Sale of Investments	3 00 000	-	
	Increase (-) / Decrease in Capital Advances	1 95 55 015	3 37 16 724	
	Increase (-) / Decrease in Capital Work in Progress	- 26 23 15 429	- 91 06 01 550	
	Interest Received	3 02 868	- 27 91 58 044	3 77 412
	Net Cash (Used In) from Investing Activities : B	- 27 91 58 044		- 88 48 14 657
C.	Cash Flow from Financing Activities			
	Interest Paid	- 6 01 38 067		- 6 01 05 051
	Proceeds from Short Term Borrowings (Net)	21 23 34 429		93 62 05 884
	Net Cash (Used In) from Financing Activities : C	15 21 96 362		87 61 00 833
	Net Increase in Cash and Cash Equivalents : (A+B+C) :	2 24 186		- 32 53 280
	Cash and Cash Equivalents at the Beginning of the Year :	38 44 256		70 97 536
	Cash and Cash Equivalents at the End of the Year :	40 68 442		38 44 256

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 : 30.05.2016

(Ajoy Shah)
Chief Financial Officer

(Dheeraj Kumar)
Company Secretary



Notes on Financial Statements as at 31st March, 2016

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) 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.



NOVA IRON AND STEEL LTD.

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 31.03.2016		As at 31.03.2015	
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 period:				
Equity Shares:	No. of Shares	Amount(Rs.)	No. of Shares	Amount (Rs.)
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 :	As At 31.03.2016		As At 31.03.2015	
Equity Shares of Rs. 10 each , fully paid up				
	% 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	27.57	99 62 640
	69.81	2 52 28 821	67.05	2 42 31 786
(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		- 7 55 44 042		-5 56 19 665
Add : Profit / (-) Loss for the Year		- 4 44 50 833		-1 99 24 377
Add : Tax Adjustment for Earlier Years		- 30 87 070		-
Closing Balance		- 12 30 81 945		-7 55 44 042



NOVA IRON AND STEEL LTD.

(Amount in Rs.)

PARTICULARS		As at 31.03.2016		As at 31.03.2015
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 44 340		21 58 478
Entry Tax Payable		2 51 12 268		2 51 12 268
Water Charges Payable		2 49 94 877		5 24 31 255
Security Deposits		42 27 929		52 34 293
TOTAL :		6 56 11 868		9 40 68 748
NOTE 5 : LONG-TERM PROVISIONS				
Provision for employee benefits				
Gratuity		84 98 189		74 44 737
Earned Leave Encashment		23 29 755		18 14 332
TOTAL :		1 08 27 944		92 59 069
NOTE 6 : SHORT-TERM BORROWINGS				
Unsecured:				
Loans and Advances from related parties				
Loans From Corporates		170 96 64 513		171 64 30 384
Loans From Other Parties		21 91 00 300		-
TOTAL :		192 87 64 813		171 64 30 384

(a) Terms of Repayment: The Unsecured Loans are at 13% p.a. Interest and 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		13 42 61 306		19 09 07 085
TOTAL :		13 42 61 306		19 09 07 085
NOTE 8 : SHORT-TERM PROVISIONS				
Provision for employee benefits				
Gratuity		9 50 449		10 69 068
Earned Leave Encashment		4 69 435		3 60 928
TOTAL :		14 19 884		14 29 996
NOTE 9 : OTHER CURRENT LIABILITIES				
Other Payables				
Advance From Customer's		74 00 67 780		40 03 62 246
Excise duty Payable		19 86 036		43 029
Expenses Payable		24 88 121		18 22 683
Other Statutory Dues payable		2 08 26 773		2 12 33 373
Due to Directors		73 900		76 894
Employees Credit Balance		33 87 745		33 76 922
TOTAL :		76 88 30 355		42 69 15 147



NOVA IRON AND STEEL LTD.

NOTE 10: Fixed Assets

(Amount in Rs.)

DESCRIPTION OF FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2015	ADDITIONS DURING THE YEAR	SALE / ADJUSTMENTS	AS AT 31.03.2016	UPTO 31.03.2015	FOR THE YEAR	ADJUSTMENTS	TOTAL UPTO 31.03.2016	AS AT 31.03.2016	AS AT 31.03.2015
TANGIBLE ASSETS:										
OWN ASSETS:										
LAND - LEASE HOLD	67 00 507	3 50 75 276	-	4 17 75 783	8 46 659	4 37 198	-	12 83 857	4 04 91 926	58 53 848
- FREE HOLD *	46 46 87 921	-	8 58 513	46 38 29 408	-	-	-	-	46 38 29 408	46 46 87 921
BUILDING	42 22 28 851	-	-	42 22 28 851	32 65 21 820	56 94 580	-	33 22 16 400	9 00 12 451	9 57 07 031
PLANT & EQUIPMENTS	1 76 43 78 576	26 37 976	-	1 76 70 16 552	1 72 48 97 995	40 01 938	-	1 72 88 99 933	3 81 16 619	3 94 80 581
RAILWAY SIDING	2 14 77 461	-	-	2 14 77 461	1 55 17 328	14 80 196	-	1 69 97 524	44 79 937	59 60 133
OFFICE EQUIPMENTS	1 61 32 240	1 40 759	-	1 62 72 999	1 38 81 840	8 55 662	-	1 47 37 502	15 35 497	22 50 400
FURNITURE & FIXTURES	2 48 55 084	-	-	2 48 55 084	2 34 63 493	2 60 471	-	2 37 23 965	11 31 119	13 91 591
VEHICLES	1 00 06 228	-	-	1 00 06 228	80 33 510	5 37 035	-	85 70 545	14 35 683	19 72 718
TOTAL :	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	64 10 32 641	61 73 04 223
PREVIOUS YEAR BALANCE	2 72 28 23 128	93 50 783	17 07 043	2 73 04 66 868	2 09 68 81 225	1 69 44 922	6 63 502	2 11 31 62 645	61 73 04 223	-
CAPITAL WORK IN PROGRESS									2 06 13 99 328	1 79 90 83 898

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 31.03.2016	As at 31.03.2015
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 (Prev. Year 2,23,800) of Rs. 10/- each		
Prudent Transport Co. P. Ltd., Chandigarh	5 40 000	8 40 000
18,000 Equity Shares (Prev. Year 28,000) of Rs. 30/- each		
- Joint Venture		
Bijahan Coal P. Ltd., Chandigarh	5 000	-
500 Equity Shares (Prev. Year - Nil) of Rs. 10/- each fully paid up		
TOTAL :	27 83 000	30 78 000
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	75 36 014	65 14 621
Deferred Tax Assets on account of :		
Related to fixed assets	17 07 394	5 47 753
Deferred Tax Liabilities on account of :		
Allowance under the Income Tax Act 1961	- 9 13 718	15 69 146
Deferred Tax Assets (+) / Liabilities (-) During the Year	- 26 21 112	10 21 393
Net Deferred Tax	49 14 902	75 36 014



NOVA IRON AND STEEL LTD.

(Amount in Rs.)

PARTICULARS		As at 31.03.2016		As at 31.03.2015
NOTE 13 : LONG-TERM LOAN AND ADVANCES				
Unsecured and considered good				
Capital Advances		2 77 72 193		4 73 27 208
Security Deposits				
Lease Rent Security	1 25 002		1 25 002	
With Government Departments	72 21 460		1 29 75 073	
Others	81 978	74 28 440	1 75 040	1 32 75 115
Other Loans and Advances				
Mat Recoverable		1 08 92 586		1 22 54 970
Advance Tax		1 75 941		16 72 144
Balance With Excise Dept		17 57 316		17 57 316
Balance With Income Tax		-		2 00 000
TOTAL :		4 80 26 476		7 64 86 753
NOTE 14 : INVENTORIES				
Inventories (Lower of cost or Net Realisable Value, Except Scrap & Waste at NRV)				
Raw Materials		21 95 86 756		6 31 30 989
Finished Goods		2 19 59 865		3 48 129
Scrap & Waste		83 03 331		32 93 422
WIP		16 10 400		-
Stores and Spares		3 00 31 832		2 14 95 277
Diesel		7 32 772		8 58 402
Packing Material		3 86 909		4 94 034
Stock In Transit		2 56 892		4 50 57 736
TOTAL :		28 28 68 757		13 46 77 989
NOTE 15 : TRADE RECEIVABLES				
Unsecured and considered good				
Outstanding for more than 6 months from due date		-		-
Others		29 999		-
TOTAL :		29 999		-
NOTE 16 : CASH & CASH EQUIVALENTS				
Cash on Hand		5 29 656		7 48 273
Cheques , Drafts on Hand		-		60 558
Balances with Scheduled Banks				
In Current Accounts		35 09 336		30 05 975
Other Bank Balance				
Deposit with more than 12 Months Maturity (Including Interest Accrued)		29 450		29 450
TOTAL :		40 68 442		38 44 256



NOVA IRON AND STEEL LTD.

(Amount in Rs.)

PARTICULARS		As at 31.03.2016		As at 31.03.2015
NOTE 17 : SHORT-TERM LOANS & ADVANCES				
(A) Unsecured and considered good				
Prepaid Expenses		5 99 329		4 77 754
Advances to Suppliers		3 17 56 139		77 72 573
Advances to Employees		3 40 200		6 05 225
Interest Recoverable		3 35 785		3 94 782
Balance of Modvat/Cenvat/Service Tax		6 98 74 107		7 35 99 800
TOTAL :		10 29 05 560		8 28 50 134
(B) With reference to the Loans and advances due from directors or other officers of the company.				
		Nil		Nil
(Amount in Rs.)				
PARTICULARS		For the Year Ended 31.03.2016		For the Year Ended 31.03.2015
NOTE 18 : REVENUE FROM OPERATIONS				
Sales including excise duty (Trial Run)		12 36 20 981		-
Other Operating Income - Scrap / Waste		64 95 407		5 32 26 719
Other Operating Income		4 00 33 712		4 02 90 030
TOTAL :		17 01 50 100		9 35 16 749
NOTE 19 : OTHER INCOME				
Interest Income		3 02 868		3 77 412
Miscellaneous Income		8 64 675		14 58 147
TOTAL :		11 67 543		18 35 559
NOTE 20 : COST OF MATERIALS CONSUMED				
Opening Stock	6 31 30 989		71 02 005	
Add : Purchases	30 22 37 275	36 53 68 264	5 64 82 752	6 35 84 757
Less : Closing Stock		21 95 86 756		6 31 30 989
TOTAL :		14 57 81 508		4 53 768
NOTE 21 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN PROGRESS AND STOCK IN TRADE:-				
Inventories (at beginning)				
Finished Goods	3 48 129		3 48 129	
Stock in Process	-		-	
Scrap	32 93 422	36 41 551	4 12 11 447	4 15 59 576
Inventories (at closing)				
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
INCREASE (-) / DECREASE IN CLOSING STOCK		- 2 82 32 045		3 79 18 025



NOVA IRON AND STEEL LTD.

(Amount in Rs.)

PARTICULARS		For the Year Ended 31.03.2016		For the Year Ended 31.03.2015
NOTE 22 : EMPLOYEE BENEFITS EXPENSES:				
Salaries & Wages	5 33 84 669		5 71 57 712	
Contribution to Provident and Other Funds	36 27 330		34 15 678	
Staff Welfare Expenses	10 77 175		22 83 365	
	5 80 89 174		6 28 56 755	
Less : Transferred to Projects Under Commissioning	3 31 89 001	2 49 00 173	3 80 46 406	2 48 10 349
TOTAL :		2 49 00 173		2 48 10 349
NOTE 23 : FINANCE COSTS:				
Interest Expense	19 97 06 683		20 08 21 890	
Less : Transferred to Projects Under Commissioning	13 95 68 616	6 01 38 067	14 07 16 839	6 01 05 051
TOTAL :		6 01 38 067		6 01 05 051
NOTE 24 : DEPRECIATION :				
Depreciation		1 32 67 080		1 69 44 922
TOTAL :		1 32 67 080		1 69 44 922
NOTE 25 : OTHER EXPENSES:				
Stores Consumed		10 92 624		2 54 413
Excise Duty Provided on Stock		19 43 007		-
Packing & Forwarding Charges		8 36 290		25 40 196
Power & Fuel		3 19 83 228		2 24 67 304
Water Charges		2 45 57 708		4 67 36 250
Payment to Auditors				
Audit Fees	1 75 000		1 75 000	
Tax Audit Fees	25 000		25 000	
Company Law Matters	1 00 000		1 00 000	
Out of Pocket Expenses	48 324	3 48 324	37 618	3 37 618
Repairs and Maintenance				
Building		-		3 78 899
Machinery		8 76 274		8 37 503
Others		-		21 08 826
Vehicles		18 43 897		29 44 888
Legal & Professional Charges		20 04 366		21 72 322
Rates & Taxes		10 84 477		8 43 789
Travelling & Conveyance Expenses		8 08 514		5 49 856
Advertisement Expenses		2 64 728		2 10 792
Printing & Stationery		18 77 204		15 66 251
Postage ,Telegram & Telephone Exp		22 71 284		26 01 247
Other Miscellaneous Expenses		35 108		39 648
Prior Period Expenses		10 83 822		9 26 660
Bank Charges		87 546		78 197
Director's Sitting Fee		6 000		23 000
Loss on sale of Assets		2 15 006		20 209
Commision & Broakrage		6 94 162		-
Exchange Fluctuations		49 203		-
General Expenses		4 61 199		1 10 611
Lease Rent		13 82 945		8 58 967
Rent Paid		-		1 64 560
		7 58 06 916		8 87 72 005
Less : Transferred to Projects Under Commissioning		4 34 45 129		5 59 14 607
TOTAL :		3 23 61 786		3 28 57 399



NOVA IRON AND STEEL LTD.

(Amount in Rs.)

NOTE 26 : EARNING PER SHARE (EPS) :			
PARTICULARS		For the Year Ended 31.03.2016	For the Year Ended 31.03.2015
Basic EPS:			
(i) -Net Profit / Loss (-)		- 4 44 50 833	- 1 99 24 377
(ii) -Total No. of Equity Shares for EPS		3 61 39 488	3 61 39 488
Basic EPS (Rs.) (i) / (ii)		(1.23)	(0.55)

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 :

PARTICULARS		As at 31.03.2016	As at 31.03.2015
Assets			
-Cash and Bank Balances		1 09 440	-
Total		1 09 440	-
Liabilities			
-Short Term Borrowings		20 000	-
-Trade Payables		7 500	-
Total		27 500	-
Income			
-Other Income		-	-
Expenditure			
-Other Expenses		9 357	-
-Expenses Amortised		1 741	-
Total		11 098	-

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

PARTICULARS		As at 31.03.2016	As at 31.03.2015
(A) Contingent liabilities.			
Claims against the Company not acknowledged as debts(*)		69 62 07 842	53 33 89 678
Income Tax demands under appeal		1 62 08 225	1 62 08 225
Excise & Service Tax demand under dispute		2 78 91 968	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		3 32 56 031	44 40 71 962

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 2013-14. 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.)

PARTICULARS	As at 31.03.2016		As at 31.03.2015	
(A) Provident Fund & Other Funds	35 66 607		33 54 906	
(B) Labour Welfare Fund	23 688		39 267	
(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
	31.03.2016	31.03.2016	31.03.2015	31.03.2015
Discount rate (per annum)	8%	8%	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)	6.90	-	6.72	-
(ii) Change in the obligation during the year ended 31st March, 2015				
Present value obligation as at beginning of the year	85 13 805	21 75 260	48 48 525	15 81 129
Interest Cost	6 81 104	1 74 021	3 87 882	1 26 490
Past Service Cost (Non - Vested)	-	-	-	-
Past Service Cost (Vested)	-	-	-	-
Current Service Cost	15 09 163	16 43 753	12 96 574	14 61 123
Curtailment Cost	-	-	-	-
Settlement Cost	-	-	-	-
Benefits Paid	- 6 28 924	- 1 61 057	- 3 14 673	- 51 419
Actuarial (gain) / loss on obligations	- 6 26 510	- 10 32 787	22 95 497	- 9 42 063
Present value obligation as at end of the year	94 48 638	27 99 190	85 13 805	21 75 260
(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	94 48 638	27 99 190	85 13 805	21 75 260
Fair value of plan assets as at end of the year	-	-	-	-
Funded Status	- 94 48 638	- 27 99 190	- 85 13 805	- 21 75 260
Present value of unfunded obligation as at end of the year	-	-	-	-
Excess of actual overestimated	-	-	-	-
Unfunded Net Asset / (Liability) recognised in Balance Sheet	- 94 48 638	- 27 99 190	- 85 13 805	- 21 75 260
(v) Expenses recognised in Statement of Profit and Loss				
Current Service Cost	15 09 163	16 43 753	12 96 574	14 61 123
Past Service Cost (Non - Vested)	-	-	-	-
Past Service Cost (Vested)	-	-	-	-
Interest Cost	6 81 104	1 74 021	3 87 882	1 26 490
Expected return on plan assets	-	-	-	-
Curtailment Cost	-	-	-	-
Settlement Cost	-	-	-	-
Net Actuarial (gain) / loss recognised during the year	- 6 26 510	- 10 32 787	22 95 497	- 9 42 063
Paid to left employees	-	-	-	-
Total Expense recognised in statement of Profit and loss (including transferred to capital work in progress)	15 63 757	7 84 987	39 79 953	6 45 550

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. Manickam Ramachandran		Director		
	6 Sh. Arvind Gupta		Director		
	7 Sh. Narsingh Awatar		Director		
	8 Smt. Sumiran Aggarwal		Director		
	9 Sh. Ajoy Shah		Chief Financial Officer		
	10 Sh. Dheeraj Wadhawan		Company Secretary		
	(ii) List of related Companies:				
	1 M/s Ambey Steel & Power Pvt. Ltd.		Promoter Company		
	2 M/s Bhushan Power & Steel Ltd		Promoter Company		
	3 M/s Shivalikview Steel Trading Pvt. Ltd.		Director is a Member		
	(iii) List of Associate Companies:				
	1 M/s Bijahan Coal Private Limited		Joint Venture		
	(iv) 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 31.03.2016 (Rs.)	As At 31.03.2015 (Rs.)
	(i) M/s Bhushan Power & Steel Ltd	Promoter Company	Sale of Scrap & Others	98 66 245	1 45 52 539
	(ii) M/s Bhushan Power & Steel Ltd		Purchase of Raw Material	7 18 20 000	7 06 80 000
	(iii) M/s Bhushan Power & Steel Ltd		Sale of Raw Material	-	4 91 940
	(iv) M/s Bhushan Power & Steel Ltd		Purchase of Store & Machinery	1 97 55 639	20 12 54 072
	(v) M/s Bhushan Power & Steel Ltd		Loan Received	10 34 09 598	80 64 95 029
	(vi) M/s Bhushan Power & Steel Ltd		Interest on Loan	19 92 49 479	20 07 89 839
	(vii) M/s Shivalikview Steel Trading Pvt. Ltd.	Related Party	Amount Paid on behalf of Co.	-	4 00 69 154
	(viii) Sh. H.C. Verma	Whole Time Director	Director Remuneration	15 00 000	12 67 532
	(ix) Sh. Ajoy Shah	Chief Financial Officer	Salary	5 08 200	4 34 700
	(x) Sh. Dheeraj Wadhawan	Company Secretary	Salary	2 82 000	2 24 750
	(xi) Sh. Narsingh Awatar	Director	Sitting Fee	-	11 000
	(xii) Sh. Arvind Gupta	Director	Sitting Fee	-	11 000
	(xiii) Sh. Manickam Ramachandran	Director	Sitting Fee	-	1 000
	(xiv) Smt. Sumiran Aggarwal	Director	Sitting Fee	6 000	-
	Closing Balances				
	(i) Bhushan Power & Steel Ltd. - Loan Account			170 96 64 513	1 71 64 30 384
	(ii) Bhushan Power & Steel Ltd.			73 74 42 298	39 96 95 089

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		31.03.2016		31.03.2015	
(i) Opening Stock:					
-Sponge Iron		3 48 129		3 48 129	
-Billet		-		-	
(ii) Closing Stock:					
-Sponge Iron		1 78 85 078		3 48 129	
-Billet		40 74 787		-	
(iii) Turnover:					
-Sponge Iron		10 00 51 578		-	
-Billet		98 33 736		-	
-Others		60 23 587		5 32 26 719	
		11 59 08 901		5 32 26 719	
B: CONSUMPTION OF RAW MATERIAL AND COMPONENTS:					
Raw Material Consumed / Sold					
-Iron Ore / Pellets		7 54 04 623		4 53 768	
-Coal		6 85 89 893		-	
-Dolomite		1 86 657		-	
-Others		16 00 335		-	
		14 57 81 508		4 53 768	
C: C.I.F. VALUE OF IMPORTS:					
- Machinery / Refractories		24 17 600		23 44 929	
D: VALUE OF IMPORTED AND INDIGENOUS RAW MATERIAL, SPARES AND COMPONENTS SOLD / CONSUMED :	Value (Rs.)	% of Consumption	Value (Rs.)	% of Consumption	
	31.03.2016		31.03.2015		
(i) Raw Material					
-Indigenous	14 57 81 508	100%	4 53 768	100%	
(i) Stores & Spares					
-Indigenous	10 92 624	100%	2 54 413	100%	
	14 68 74 132		7 08 181		

NOTE 33 :

- The accounts have been prepared for a period of 12 months i.e. from 1st April, 2015 to 31st March, 2016.
- 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.
- 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.
- Balances on account of trade/other receivable, trade/other payables and loans and advances are subject to the confirmation and reconciliation with respective parties.
- The figures of the previous year have been regrouped / reclassified ,where ever considered necessary, to confirm to current year's classification.
- 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 : 30.05.2016

(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 2016, 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 thereunder.

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 2016, and their consolidated Loss 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



NOVA IRON AND STEEL LTD.

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, 2016 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, 2016, 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

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

Place : New Delhi
Date : 30.05.2016

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 2016, 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 Board 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 judgement, including the assessment of the risks of material misstatement of the financial



NOVA IRON AND STEEL LTD.

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, 2016, 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 : 30.05.2016

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



NOVA IRON AND STEEL LTD.

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2016

(Amount in Rs.)

PARTICULARS	Note	As at	
		31.03.2016	
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2	36 14 94 880	
Reserves & Surplus	3	- 12 30 93 043	23 84 01 837
NON-CURRENT LIABILITIES			
Other Long -Term Liabilities	4	6 56 11 868	
Long-Term Provisions	5	1 08 27 944	7 64 39 812
CURRENT LIABILITIES			
Short -Term Borrowings	6	1 92 87 84 813	
Trade Payables	7	13 42 68 806	
Short -Term Provisions	8	14 19 884	
Other Current Liabilities	9	76 88 30 355	283 33 03 858
TOTAL			314 81 45 507
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets:	10		
Tangible Assets		64 10 32 641	
Capital Work In Progress		2 06 13 99 328	270 24 31 969
Non - Current Investments	11	27 83 000	
Deferred Tax Assets (Net)	12	49 14 902	
Long-Term Loans and Advances	13	4 80 26 476	5 57 24 378
CURRENT ASSETS			
Inventories	14	28 28 68 757	
Trade Receivables	15	29 999	
Cash & Cash Equivalents	16	41 77 882	
Short-Term Loan & Advances	17	10 29 05 560	38 99 82 198
MISC. EXPENDITURE			
Preliminary Expenses	-		6 962
TOTAL			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 : 30.05.2016

(Ajay 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, 2016

(Amount in Rs.)

PARTICULARS	Note	For the Year Ended 31.03.2016
I. Revenue from Operations		
Sales From Trial Run Activities	18	12 36 20 981
Sales From Operations		64 95 407
Less : Excise Duty		1 42 07 487
Other Operating Income		4 00 33 712
		15 59 42 613
II. Other Income	19	11 67 543
III. Total Revenue (I +II) :		15 71 10 156
IV. Expenses:		
Cost of Material Consumed	20	14 57 81 508
Changes in Inventories of finished goods, work-in-progress and Stock-in-Trade	21	- 2 82 32 045
Employee Benefit Expense	22	2 49 00 173
Finance Costs	23	6 01 38 067
Depreciation	24	1 32 67 080
Other Expenses	25	3 23 71 143
Expenses Amortised	-	1 741
Expenditure Incurred Under Trial Run Capitalised	-	- 2 89 59 260
Total Expenses :		21 92 68 407
V. Profit / (-) Loss before tax, extra ordinary items and Exceptional Items (III - IV)		- 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)		- 4 18 40 819
VIII. Tax Expenses:		
Deferred Tax Assets (+) / Liability (-)		- 26 21 112
IX. Profit / (-) Loss for the year from continuing operations(VII + VIII)		- 4 44 61 931
X. Earning Per Share (Face Value Rs. 10/-)	26	
Basic and Diluted		(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 : 30.05.2016

(Ajoy Shah)
Chief Financial Officer

(Dheeraj Kumar)
Company Secretary



NOVA IRON AND STEEL LTD.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016

(Amount in Rs.)

			For The Year Ended 31.03.2016
A.	Cash Flow from Operating Activities		
	Net Profit / Loss (-) before Tax		- 4 18 40 819
	Adjustments for:		
	Depreciation	1 32 67 080	
	Preliminary Expenses (Not Written off)	- 6 962	
	Interest Expenses (Net)	5 98 35 199	7 30 95 317
	Operating Profit / Loss (-) before Working Capital Changes		3 12 54 498
	Adjustment for:		
	Increase (-) / Decrease in trade and other receivables	- 1 42 67 234	
	Increase (-) / Decrease in inventories	- 14 81 90 768	
	Increase / Decrease (-) in trade and other payables	25 83 98 812	9 59 40 810
	Net Cash (Used In) from Operating Activities : A		12 71 95 308
B.	Cash Flow from Investing Activities		
	Purchase of Fixed Assets	- 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	1 95 55 015	
	Increase (-) / Decrease in Capital Work in Progress	- 26 23 15 429	
	Interest Received	3 02 868	- 27 90 58 044
	Net Cash (Used In) from Investing Activities : B		- 27 90 58 044
C.	Cash Flow from Financing Activities		
	Interest Paid		- 6 01 38 067
	Proceeds from Short Term Borrowings (Net)		21 23 34 429
	Net Cash (Used In) from Financing Activities : C		15 21 96 362
	Net Increase in Cash and Cash Equivalents : (A+B+C) :		3 33 626
	Cash and Cash Equivalents at the Beginning of the Year :		38 44 256
	Cash and Cash Equivalents at the End of the Year :		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

Place : New Delhi
Date : 30.05.2016

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

(Ajay Shah)
Chief Financial Officer

(R.P.Goyal)
Director
DIN: 00006595

(Dheeraj Kumar)
Company Secretary



Notes on Consolidated Financial Statements as at 31st March, 2016

Note: 1A:

Notes on CONSOLIDATED Financial Statements :

1. 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.
2. 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."
3. 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.
4. The J.V. Company has not yet done any business / not started operations.
5. Investments other than Joint Ventures have been accounted for as per Accounting Standards (AS)-13 on Accounting for Investments.
6. The Consolidated Financial Statements represents Consolidation of Accounts of the Company and its Joint Venture Company –Bijahan Coal Private Limited.
7. The figures of the previous year for the Consolidated Accounts have not been given as during the previous year there was no Joint Venture/Subsidiary Company.
8. Joint Venture Bijahan Coal Private Limited has been audited by some other auditor and the same has been relied upon by us.

Note: 1B: Significant Accounting Policies

(I) Basis of Preparation of Consolidated 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) 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.



NOVA IRON AND STEEL LTD.

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 31.03.2016	
NOTE 2 : SHARE CAPITAL		
(A) Authorised Capital : 16,00,10,000 Equity Shares of Rs. 10/- each	160 01 00 000	
(B) Issued, Subscribed and Paid Up Capital : 3,61,49,488 Equity Shares of Rs. 10/- each (Previous Year) 3,61,39,488 No. of Equity Shares of Rs. 10/- each	36 14 94 880	
(C) Reconciliation of number of Equity Shares outstanding at the Beginning and at the end of the reporting period:		
Equity Shares:	No. of Shares	Amount(Rs.)
No. of Shares Outstanding at Beginning of the year	3 61 49 488	36 14 94 880
Add: Further Issue During the year	Nil	Nil
No. of Shares of Rs.10/- each Outstanding at year End	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 : Equity Shares of Rs. 10 each , fully paid up	As At 31.03.2016	
	% Held	No. of Shares
1 Bhushan Power & Steel Ltd.	39.50	1 42 78 646
2 Ambey Steel & Power Pvt. Ltd.	30.32	1 09 59 675
3 Bijahan Coal Pvt. Ltd.	0.00	500
	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 : Equity Share of Rs. 10/- each	No.of Shares Nil	Value Nil
NOTE 3 : RESERVES & SURPLUS		
Surplus		
Balance at beginning of the year	- 7 55 44 042	
Add : Profit / (-) Loss for the Year	- 4 44 61 931	
Add : Tax Adjustment for Earlier Years	- 30 87 070	
Closing Balance	- 12 30 93 043	



NOVA IRON AND STEEL LTD.

(Amount in Rs.)

PARTICULARS		As at 31.03.2016
NOTE 4: LONG-TERM LIABILITIES		
Other Long Term Liabilities		
Trade Payables		
Interest on Entry Tax Payable		91 32 454
Service Tax Payable		21 44 340
Entry Tax Payable		2 51 12 268
Water Charges Payable		2 49 94 877
Security Deposits		42 27 929
TOTAL :		6 56 11 868
NOTE 5 : LONG-TERM PROVISIONS		
Provision for employee benefits		
Gratuity		84 98 189
Earned Leave Encashment		23 29 755
TOTAL :		1 08 27 944
NOTE 6 : SHORT-TERM BORROWINGS		
Unsecured:		
Loans and Advances from related parties		
Loans From Corporates		170 96 64 513
Loans From Other Parties		21 91 00 300
Loans From Director		20 000
TOTAL :		1 92 87 84 813
(a) Terms of Repayment: The Unsecured Loans are at 13% p.a. Interest and are repayable of Demand.		
(b) Details of Defaults on repayment of long-term Loans and Interest there of: Nil		
NOTE 7 : TRADE PAYABLES		
Trade Payables		13 42 68 806
TOTAL :		13 42 68 806
NOTE 8 : SHORT-TERM PROVISIONS		
Provision for employee benefits		
Gratuity		9 50 449
Earned Leave Encashment		4 69 435
TOTAL :		14 19 884
NOTE 9 : OTHER CURRENT LIABILITIES		
Other Payables		
Advance From Customer's		74 00 67 780
Excise duty Payable		19 86 036
Expenses Payable		24 88 121
Other Statutory Dues payable		2 08 26 773
Due to Directors		73 900
Employees Credit Balance		33 87 745
TOTAL :		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 01.04.2015	ADDITIONS DURING THE YEAR	SALE / ADJUSTMENTS	AS AT 31.03.2016	UPTO 31.03.2015	FOR THE YEAR	ADJUSTMENTS	TOTAL UPTO 31.03.2016	AS AT 31.03.2016
TANGIBLE ASSETS:									
OWN ASSETS:									
LAND - LEASE HOLD	67 00 507	3 50 75 276	-	4 17 75 783	8 46 659	4 37 198	-	12 83 857	4 04 91 926
- FREE HOLD *	46 46 87 921	-	8 58 513	46 38 29 408	-	-	-	-	46 38 29 408
BUILDING	42 22 28 851	-	-	42 22 28 851	32 65 21 820	56 94 580	-	33 22 16 400	9 00 12 451
PLANT & EQUIPMENTS	1 76 43 78 576	26 37 976	-	1 76 70 16 552	1 72 48 97 995	40 01 938	-	1 72 88 99 933	3 81 16 619
RAILWAY SIDING	2 14 77 461	-	-	2 14 77 461	1 55 17 328	14 80 196	-	1 69 97 524	44 79 937
OFFICE EQUIPMENTS	1 61 32 240	1 40 759	-	1 62 72 999	1 38 81 840	8 55 662	-	1 47 37 502	15 35 497
FURNITURE & FIXTURES	2 48 55 084	-	-	2 48 55 084	2 34 63 493	2 60 471	-	2 37 23 965	11 31 119
VEHICLES	1 00 06 228	-	-	1 00 06 228	80 33 510	5 37 035	-	85 70 545	14 35 683
TOTAL :	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	64 10 32 641
PREVIOUS YEAR BALANCE	2 72 28 23 128	93 50 783	17 07 043	2 73 04 66 868	2 09 68 81 225	1 69 44 922	6 63 502	2 11 31 62 645	61 73 04 223
CAPITAL WORK IN PROGRESS									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/-)



NOVA IRON AND STEEL LTD.

PARTICULARS		(Amount in Rs.)
		As at 31.03.2016
NOTE 11 : NON CURRENT INVESTMENTS		
Non Trade, Unquoted (At Cost)		
Adarsh Info Tech. P. Ltd., Chandigarh		22 38 000
2,23,800 Equity Shares of Rs. 10/- each		
Prudent Transport Co. P. Ltd., Chandigarh		5 40 000
18,000 Equity Shares of Rs. 30/- each		
- Joint Venture		
Bijahan Coal P. Ltd., Chandigarh		5 000
500 Equity Shares of Rs. 10/- each fully paid up		
TOTAL :		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		
Deferred Tax Assets on account of :		75 36 014
Related to fixed assets	17 07 394	
Deferred Tax Liabilities on account of :		
Allowance under the Income Tax Act 1961	- 9 13 718	
Deferred Tax Assets (+) / Liabilities (-) During the Year		- 26 21 112
Net Deferred Tax		49 14 902
NOTE 13 : LONG-TERM LOAN AND ADVANCES		
Unsecured and considered good		
Capital Advances		2 77 72 193
Security Deposits		
Lease Rent Security	1 25 002	
With Government Departments	72 21 460	
Others	81 978	74 28 440
Other Loans and Advances		
Mat Recoverable		1 08 92 586
Advance Tax		1 75 941
Balance With Excise Dept		17 57 316
TOTAL :		4 80 26 476
NOTE 14 : INVENTORIES		
Inventories		
(Lower of cost or Net Realisable Value, Except Scrap & Waste at NRV)		
Raw Materials		21 95 86 756
Finished Goods		2 19 59 865
Scrap & Waste		83 03 331
WIP		16 10 400
Stores and Spares		3 00 31 832
Diesel		7 32 772
Packing Material		3 86 909
Stock In Transit		2 56 892
TOTAL :		28 28 68 757



NOVA IRON AND STEEL LTD.

(Amount in Rs.)

PARTICULARS		As at 31.03.2016
NOTE 15 : TRADE RECEIVABLES		
Unsecured and considered good		
Outstanding for more than 6 months from due date		-
Others		29 999
TOTAL :		29 999
NOTE 16 : CASH & CASH EQUIVALENTS		
Cash on Hand		5 39 146
Balances with Scheduled Banks		
In Current Accounts		36 09 286
Other Bank Balance		
Deposit with more than 12 Months Maturity (Including Interest Accrued)		29 450
TOTAL :		41 77 882
NOTE 17 : SHORT-TERM LOANS & ADVANCES		
(A) Unsecured and considered good		
Prepaid Expenses		5 99 329
Advances to Suppliers		3 17 56 139
Advances to Employees		3 40 200
Interest Recoverable		3 35 785
Balance of Modvat/Cenvat/Service Tax		6 98 74 107
TOTAL :		10 29 05 560
(B) With reference to the Loans and advances due from directors or other officers of the company.		Nil
PARTICULARS		For the Year Ended 31.03.2016
NOTE 18 : REVENUE FROM OPERATIONS		
Sales including excise duty (Trial Run)		12 36 20 981
Other Operating Income - Scrap / Waste		64 95 407
Other Operating Income		4 00 33 712
TOTAL :		17 01 50 100
NOTE 19 : OTHER INCOME		
Interest Income		3 02 868
Miscellaneous Income		8 64 675
TOTAL :		11 67 543
NOTE 20 : COST OF MATERIALS CONSUMED:		
Opening Stock	6 31 30 989	
Add : Purchases	30 22 37 275	36 53 68 264
Less : Closing Stock		21 95 86 756
TOTAL :		14 57 81 508



NOVA IRON AND STEEL LTD.

(Amount in Rs.)

PARTICULARS		For the Year Ended 31.03.2016
NOTE 21 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN PROGRESS AND STOCK IN TRADE		
Inventories (at beginning)		
Finished Goods	3 48 129	
Stock in Process	-	
Scrap	32 93 422	36 41 551
Inventories (at closing)		
Finished Goods	2 19 59 865	
Stock in Process	16 10 400	
Scrap	83 03 331	3 18 73 596
INCREASE (-) / DECREASE IN CLOSING STOCK		- 2 82 32 045
NOTE 22 : EMPLOYEE BENEFITS EXPENSES		
Salaries & Wages	5 33 84 669	
Contribution to Provident and Other Funds	36 27 330	
Staff Welfare Expenses	10 77 175	
	5 80 89 174	
Less : Transferred to Projects Under Commissioning	3 31 89 001	2 49 00 173
TOTAL :		2 49 00 173
NOTE 23 : FINANCE COSTS:		
Interest Expense	19 97 06 683	
Less : Transferred to Projects Under Commissioning	13 95 68 616	6 01 38 067
TOTAL :		6 01 38 067
NOTE 24 : DEPRECIATION & EXPENSES AMORTISED :		
Depreciation		1 32 67 080
Preliminary Expenses		1 741
TOTAL :		1 32 68 821
NOTE 25 : OTHER EXPENSES:		
Stores Consumed		10 92 624
Excise Duty Provided on Stock		19 43 007
Packing & Forwarding Charges		8 36 290
Power & Fuel		3 19 83 228
Water Charges		2 45 57 708
Payment to Auditors		
Audit Fees	1 82 500	
Tax Audit Fees	25 000	
Company Law Matters	1 00 000	
Out of Pocket Expenses	48 324	3 55 824
Repairs and Maintenance		
Machinery		8 76 274
Vehicles		18 43 897
Legal & Professional Charges		20 05 866
Rates & Taxes		10 84 777
Travelling & Conveyance Expenses		8 08 514
Advertisement Expenses		2 64 728
Printing & Stationery		18 77 204
Postage ,Telegram & Telephone Exp		22 71 284
Other Miscellaneous Expenses		35 108



NOVA IRON AND STEEL LTD.

(Amount in Rs.)

PARTICULARS		For the Year Ended 31.03.2016
Prior Period Expenses		10 83 822
Bank Charges		87 603
Director's Sitting Fee		6 000
Loss on sale of Assets		2 15 006
Commision & Broakrage		6 94 162
Exchange Fluctuations		49 203
General Expenses		4 61 199
Lease Rent		13 82 945
		7 58 16 273
Less : Transferred to Projects Under Commissioning		4 34 45 129
TOTAL :		3 23 71 143

NOTE 26 : EARNING PER SHARE (EPS) :

PARTICULARS		For the Year Ended 31.03.2016
Basic EPS:		
(i) -Net Profit / Loss (-)		- 4 44 61 931
(ii) -Total No. of Equity Shares for EPS		3 61 49 488
Basic EPS (Rs.) (i) / (ii)		(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 :

PARTICULARS		As at 31.03.2016
Assets		
-Cash and Bank Balances		1 09 440
Total		1 09 440
Liabilities		
-Short Term Borrowings		20 000
-Trade Payables		7 500
Total		27 500
Income		
-Other Income		-
Expenditure		
-Other Expenses		9 357
-Expenses Amortised		1 741
Total		11 098



NOVA IRON AND STEEL LTD.

(Amount in Rs.)

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

PARTICULARS	As at 31.03.2016
(A) Contingent liabilities.	
Claims against the Company not acknowledged as debts(*)	69 62 07 842
Income Tax demands under appeal	1 62 08 225
Excise & Service Tax demand under dispute	2 78 91 968
Sales Tax (2004-05) Demand under Dispute	2 23 000
(B) Commitments	
Estimated amounts of contracts remaining to be executed on Capital account and not Provided for	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 2013-14. 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.

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 :

PARTICULARS	As at 31.03.2016	
(A) Provident Fund & Other Funds	35 66 607	
(B) Labour Welfare Fund	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
31.03.2016		
Discount rate (per annum)	8%	8%
Rate of increase in compensation levels	5%	5%
Rate of return on plan assets	-	-
Expected Average remaining working lives of employees (Years)	6.90	-
(ii) Change in the obligation during the year ended 31st March, 2015		
Present value obligation as at beginning of the year	85 13 805	21 75 260
Interest Cost	6 81 104	1 74 021
Past Service Cost (Non - Vested)	-	-
Past Service Cost (Vested)	-	-
Current Service Cost	15 09 163	16 43 753



NOVA IRON AND STEEL LTD.

(Amount in Rs.)

	Curtailment Cost	-	-
	Settlement Cost	-	-
	Benefits Paid	- 6 28 924	- 1 61 057
	Actuarial (gain) / loss on obligations	- 6 26 510	- 10 32 787
	Present value obligation as at end of the year	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	94 48 638	27 99 190
	Fair value of plan assets as at end of the year	-	-
	Funded Status	- 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	- 94 48 638	- 27 99 190
(v)	Expenses recognised in Statement of Profit and Loss		
	Current Service Cost	15 09 163	16 43 753
	Past Service Cost (Non - Vested)	-	-
	Past Service Cost (Vested)	-	-
	Interest Cost	6 81 104	1 74 021
	Expected return on plan assets	-	-
	Curtailment Cost	-	-
	Settlement Cost	-	-
	Net Actuarial (gain) / loss recognised during the year	- 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)	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 : 1 Sh. Sanjay Singal 2 Sh. Aniket Singal 3 Sh. H.C. Verma 4 Sh. Ravi Prakash Goyal 5 Sh. Manickam Ramachandran 6 Sh. Arvind Gupta 7 Sh. Narsingh Awatar 8 Smt. Sumiran Aggarwal 9 Sh. Ajoy Shah 10 Sh. Dheeraj Wadhawan	Relationship Director Director Whole Time Director Director Director Director Director Director Chief Financial Officer Company Secretary		
	(ii)	List of related Companies: 1 M/s Ambey Steel & Power Pvt. Ltd. 2 M/s Bhushan Power & Steel Ltd	Promoter Company Promoter Company		
	(iii)	List of Associate Companies: 1 M/s Bijahan Coal Private Limited	Joint Venture		
	(iv)	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 31.03.2016 (Rs.)
	1	M/s Bhushan Power & Steel Ltd	Promoter Company	Sale of Scrap & Others	98 66 245
	2	M/s Bhushan Power & Steel Ltd		Purchase of Raw Material	7 18 20 000
	3	M/s Bhushan Power & Steel Ltd		Purchase of Store & Machinery	1 97 55 639
	4	M/s Bhushan Power & Steel Ltd		Loan Received	10 34 09 598
	5	M/s Bhushan Power & Steel Ltd		Interest on Loan	19 92 49 479
	6	Sh. H.C. Verma	Whole Time Director	Director Remuneration	15 00 000
	7	Sh. Ajoy Shah	Chief Financial Officer	Salary	5 08 200
	8	Sh. Dheeraj Wadhawan	Company Secretary	Salary	2 82 000
	9	Smt. Sumiran Aggarwal	Director	Sitting Fee	6 000
		Closing Balances			
	(i)	Bhushan Power & Steel Ltd. - Loan Account			170 96 64 513
	(ii)	Bhushan Power & Steel Ltd.			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 31.03.2016
(i)	Opening Stock:		
	-Sponge Iron		3 48 129
	-Billet		-
(ii)	Closing Stock:		
	-Sponge Iron		1 78 85 078
	-Billet		40 74 787
(iii)	Turnover:		
	-Sponge Iron		10 00 51 578
	-Billet		98 33 736
	-Others		60 23 587
B: CONSUMPTION OF RAW MATERIAL AND COMPONENTS:			11 59 08 901
Raw Material Consumed / Sold			
	-Iron Ore / Pellets		7 54 04 623
	-Coal		6 85 89 893
	-Dolomite		1 86 657
	-Others		16 00 335
C: C.I.F. VALUE OF IMPORTS:			14 57 81 508
	- Machinery / Refractories		24 17 600
VALUE OF IMPORTED AND INDIGENOUS RAW MATERIAL, SPARES AND COMPONENTS SOLD / CONSUMED :		Value (Rs.) 31.03.2016	% of Consumption
(i)	Raw Material		
	-Indigenous	14 57 81 508	100%
(i)	Stores & Spares		
	-Indigenous	10 92 624	100%
		14 68 74 132	

NOTE 33 :

- A. The accounts have been prepared for a period of 12 months i.e. from 1st April, 2015 to 31st March, 2016.
- 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 : 30.05.2016

(Ajay Shah)
Chief Financial Officer

(Dheeraj Kumar)
Company Secretary



NOTICE

Notice is hereby given that 24th Annual General Meeting of Nova Iron and Steel Limited will be held on Wednesday the 28th day of September, 2016 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 the Financial Statements of the Company for the year ended 31st March 2016 i.e. Audited Balance Sheet as at 31st March, 2016 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, and the Audited Consolidated Financial Statement of the Company for the year ended 31st March 2016 and Auditor's Reports thereon.
2. To appoint a Director in place of Mr. Aniket Singal, (DIN 03478511), who retires by rotation and being eligible, has offered himself for re-appointment.
3. To consider ratification of appointment of Auditors and 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 Rules made thereunder, as amended from time to time, the Company hereby ratify the appointment of M/s Antima & Goel, Chartered Accountants, New Delhi (Registration No. 009062N) who were appointed Auditors of the Company for a period of three years in 22nd AGM held on 27.09.2014 to hold office till the conclusion of the 25th Annual General Meeting of the Company to be held in year 2017, at such remuneration as may be decided mutually, in consultation with the Auditors by the Chairman of the Company."

SPECIAL BUSINESS

4. To consider approval of 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, entered/entering into contracts / arrangements / transactions with Related party as defined under Act and SEBI (LODR) Regulations, 2015 for contracts and arrangements on such terms and conditions mutually agreed upon between the Company and a related party, for an amount not exceeding in aggregate Rs. 700 crore (Rupees seven hundred crores only) for the financial year 2016-17 as detailed in statement annexed.

"Resolved further that the Board of Directors of the Company be and is hereby authorised to do or cause to be done all such acts, deeds and things, settle any queries, difficulties, doubts that may arise with regard to any transactions with the related party, finalise the terms and conditions as may be considered necessary, expedient or desirable and execute such agreements, documents and writings and to make such filings as may be necessary or desirable, in order to give effect to this Resolution in the best interest of the Company."

"Resolved further that all items taken by the Board in connection with any matter referred to or contemplated in the foregoing resolution are hereby approved, ratified and confirmed in all respects."

**By order of the Board
For Nova Iron and Steel Limited**

**Place: New Delhi
Date: 12.08.2016**

**Dheeraj Kumar
Company Secretary**



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. Members are informed that as per SEBI directive the Company has entered into an agreement with M/s Skyline Financial Services Pvt. Ltd, to act as Share Transfer Agents of the Company for all matters connected with Transfers and Transmission of shares and also dematerialization of Shares and other related functions etc.
3. Any correspondence relating to shares can be made to the company's registrar at:
M/s Skyline Financial Services Private Limited,
D-153A, 1st Floor, Okhla Industrial Area,
Phase-I, New Delhi-110020,
Ph. Nos. 011-30857575 (10 Lines), Fax-011-30857562,
Email: rta.nova.rg@gmail.com
4. 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.
5. The Register of Members and the Share Transfer Books shall remain closed from 12th September 2016 to 20th September 2016 (both days inclusive).
6. 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.
7. 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.
8. 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.
9. 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.
10. Members are requested to notify immediately any change in their addresses quoting their folio numbers to Registrar and Transfer Agent of the Company.
11. Non Resident members are requested to inform immediately to RTA (a) change in residential status on reaching 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.
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.
13. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Companies (Management and Administration Rules), 2014, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with M/s Skyline Financial Services Private Limited (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 M/s Skyline Financial Services Private Limited (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.



NOVA IRON AND STEEL LTD.

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 19th day of August, 2016.
15. As per the requirement of Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the detail of Director proposed to be re-appointed, under the provisions of Companies Act, 2013 at the Annual General Meeting is given below:

Detail of Director to be re-appointed					
Name	Date of Birth	Expertise/Experience in Area	Qualification	Directorship in other Companies	Shareholding in the Company as on 31.03.2016
Mr. Aniket Singal	26.08.1992	Steel Sector Marketing and Administration	BBA from London	NII	NIL

16. Voting through electronic means

- (i) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Regulation 44 of the SEBI (LODR) Regulations, 2015 and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide its members facility to exercise their right to vote on resolutions proposed to be considered at the 24th 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 for shareholders voting electronically are as under:

- (ii) The voting period begins on 25.09.2016 at 10:00 AM and ends on 27.09.2016 at 5:00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23.09.2016, 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	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none">• 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.• 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)	<p>Enter the 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.</p> <ul style="list-style-type: none">• 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



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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 dispatch of the Notice and holding shares as on the cut-off date i.e.23.09.2016 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
17. 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.
 18. 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.



NOVA IRON AND STEEL LTD.

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

ITEM NO. 4

The Board of Directors on the recommendation and omnibus approval of Audit Committee approved the material transactions with related party under the applicable provisions of SEBI (LODR) Regulations, 2015 and Companies Act, 2013. 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, has/will purchase and sell machines, spare parts, raw material, product, goods services, take loan/advances etc., from M/s Bhushan Power & Steel Limited.

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

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 consequent on future business projections. Thus, in terms of explanation to Regulation 23(4) of the SEBI (LODR) Regulations 2015, these transactions require the approval of the Members by way of a Special Resolution.

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
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. 150 Crore towards purchases of products, services, materials, services etc. b) Not exceeding Rs. 150 crore towards Sale of products c) Not exceeding Rs. 400 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

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

The annual value of the transactions proposed is estimated on the basis of the Company's current transactions and future business projections.

M/s Bhushan Power & Steel Limited is Promoter Company of Nova Iron and Steel Limited and has integrated steel plant in Odisha.

The Company purchases raw material, machinery, spare parts for 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.

The Board, therefore, recommends the Special Resolution set out in Item No. 4 of the Notice for the approval of the Members in



NOVA IRON AND STEEL LTD.

terms of Regulation 23 of SEBI (LODR) Regulation 2015 and provisions of Companies Act, 2013. Interested Directors do not have personal financial or other interest in such transactions.

None of the Directors and Key Managerial Personnels of the Company or their respective relatives, except Mr. Sanjay Singal, Mr. Aniket Singal (Director and relative) are concerned or interested financially or otherwise in the Resolution mentioned at Item No. 4 of the Notice.

**By order of the Board
For Nova Iron and Steel Ltd.**

**Place: New Delhi
Date 12.08.2016**

**Dheeraj Kumar
Company Secretary**



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 24th Annual General Meeting of the Company held at **Village Dagori, Tehsil-Belha, Distt. Bilaspur (Chhattisgarh) PIN- 495224** on Wednesday, the 28th day of September, 2016 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.



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:.....
DP ID:.....

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 24th Annual General Meeting of the company, to be held on Wednesday, the 28th day of September 2016 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 Financial Statement of the Company for the year ended 31st March, 2016 i.e. Audited Balance Sheet, 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 and the Audited Consolidated Financial Statement of the Company for the year ended 31st March 2016 and Auditor's Reports thereon.
2	To appoint a Director in place of Mr. Aniket Singal (DIN 03478511), who retires by rotation and being eligible has offered himself for re-appointment.
3	To ratify the appointment of Auditors and fix their remuneration
Special Business	
4.	Approval of Related Party Transactions

Signed this day of 2016
Signature of shareholder
Signature of Proxy holder(s)

Affix
Rs. 1/=
Revenue
Stamp

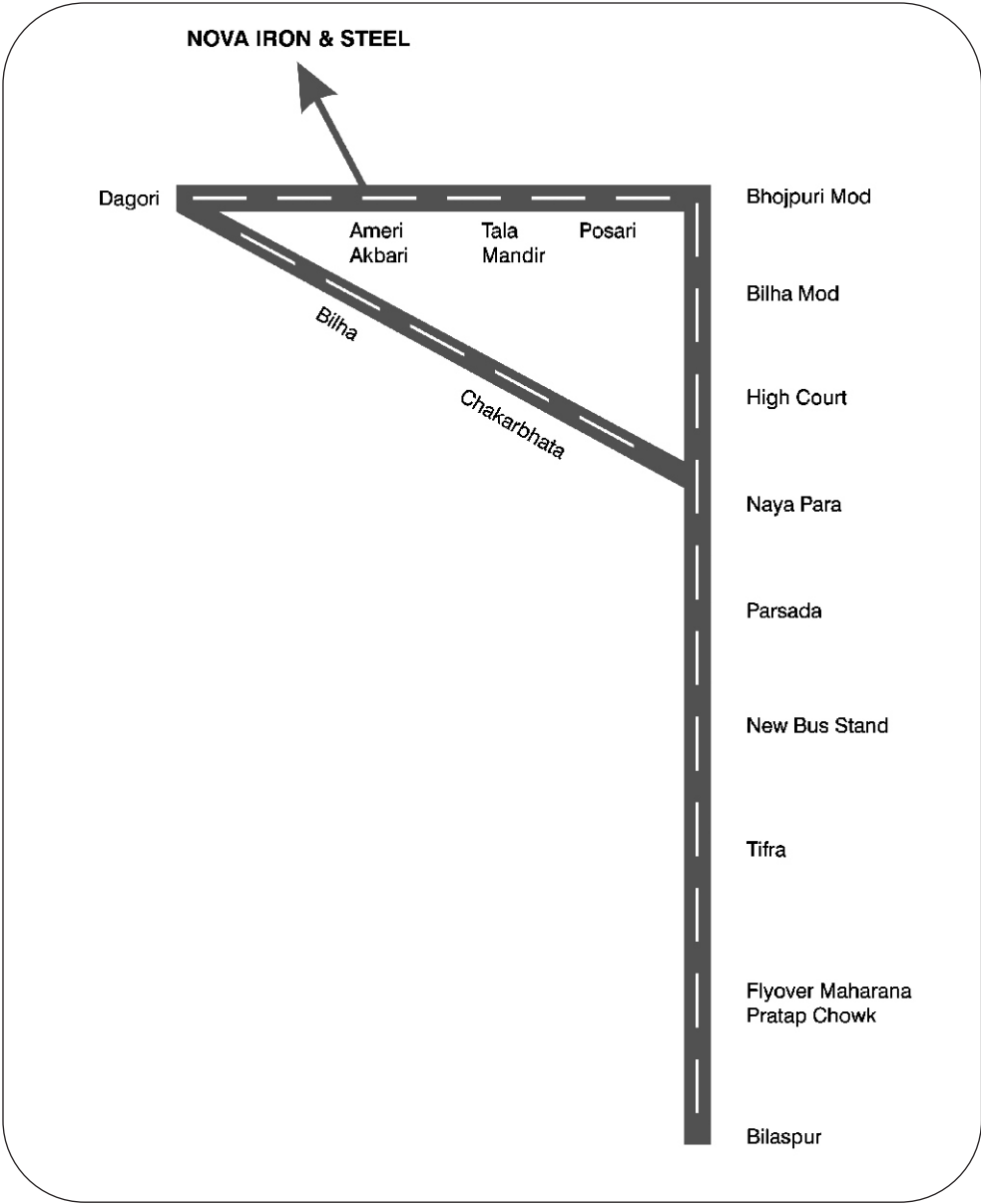
Note:

- 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 24th 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 24TH 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