



28th Annual Report

2019-2020

NOVA IRON AND STEEL LIMITED
Regd. Office : Village-Dagori, Tehsil- Belha, District-Bilaspur
(Chhattisgarh)-495224

FOR THE ATTENTION OF SHAREHOLDERS

Since trading of shares on the Bombay Stock Exchange Ltd. is only in demat form, the shareholders holding shares in physical form are requested to get the shares dematerialized. For this you are required to open a demat account with any Depository Participant (DP) and send the shares to Registrar and Share Transfer Agent (RTA) through DP for dematerialization. In case your shares are not traceable, you may get in touch with the Registrar and Share Transfer Agent for the procedure to get the duplicate share certificates and/or any other help/clarification. The contact detail of RTA are: M/s Skyline Financial Services Private Limited, D-153A, 1st Floor, Okhla Industrial Area, Phase-1, New Delhi-110020, Ph. Nos. 011-40450193 to 97, Email : rai_nisl2007@yahoo.com.

BOARD OF DIRECTOR

CHAIRMAN

Mr. H. C. Verma

WHOLE TIME DIRECTOR

Mr. Hardev Chand Verma

DIRECTORS

Mr. R.P. Goyal

Mr. Narsingh Awatar

Mrs. Sumiran Aggarwal

CHIEF FINANCIAL OFFICER

Mr. Ajoy Shah

COMPANY SECRETARY

Mr. Dheeraj Kumar

AUDITORS

M/s Ashwani & Associates

Chartered Accountants

19-A, Udham Singh Nagar,

Ludhiana (PB) - 141001

Phone: 0161-2301394, 0161-2301923

G-mail: info@ashwaniassociates.in

Web: www.ashwaniassociates.in

BANKERS

Punjab National Bank

Axis Bank Ltd.

REGISTERED OFFICE

Village Dagori,

Tehsil Belha, Distt-Bilaspur

(Chhattisgarh)- 495224

CORPORATE OFFICE

F-Block, 1st Floor,

International Trade Tower,

Nehru Place, New Delhi-110019

Ph. No.: 011-30451000

PLANT

Village Dagori, Tehsil-Belha

Distt-Bilaspur, (Chhattisgarh)-495224

Ph. No.: 07752-285206, 285217

Fax No.: 07752-285213

REGISTRAR AND SHARE TRANSFER AGENT

Skyline Financial Services Private Limited

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

Phase- 1, New Delhi – 110020

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

Contact Person- Mr. Virender Rana

Email: viren@skylinerta.com

EMAIL : raj_nisl2007@yahoo.com

WEBSITE : www.novaironsteel.com

CIN No.: L02710CT1989PLC010052

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BOARD' REPORT

To Members,

Nova Iron and Steel Limited

Registered office: Village-Dagori,

Tehsil-Belha, Distt.-Bilaspur

Chhattisgarh

Your Directors have pleasure in presenting the 28th Annual Report together with Standalone Audited Accounts for the year ended 31st March, 2020.

FINANCIAL HIGHLIGHTS (STANDALONE)

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

OPERATION AND FUTURE OUTLOOK

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

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

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

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

FINANCIAL SUMMARY

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

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

CAPITAL & RESERVES

During the year there is no change in the capital of the Company. Company has not transferred any amount to the General Reserve. Balance of profit has been transferred to Reserve and Surplus.

DIVIDEND

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

CHANGE IN NATURE OF BUSINESS

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

BOARD MEETINGS

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

AUDIT COMMITTEE

Composition of Audit Committee comprises, 3(three) members, Mr. N. Awatar, Independent Director, Mr. R. P. Goyal, Director and Mrs. Sumiran Aggarwal, Independent Director. Mr. N. Awatar is Chairman of the Committee. Audit Committee have powers and authority as provided under the provisions of Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations 2015, in accordance with the terms of reference specified by the Board of Directors from time to time. Board has accepted all recommendations of the Committee made during the year. During the year 5(five) meeting of audit committee held and committee has reviewed related party transactions periodically.

EXTRACT OF ANNUAL RETURN

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

AUDITORS AND AUDITORS' REPORTS

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

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

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

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

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

Secretarial Auditor

In terms of Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Board at its meeting held on 14/11/2019 appointed M/s V.P. Chhabra & Associates, Practicing

Company Secretary, Chandigarh as the Secretarial Auditor of the Company, to conduct the Secretarial Audit for the financial year 31/03/2020 and to submit Secretarial Audit Report in Form No. MR-3. A copy of the Secretarial Audit Report is at **Annexure-2** attached to Board Report.

COST AUDIT

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the annual accounts, for the year ended 31.03.2020 the applicable accounting standards have been followed to the extent of its applicability alongwith proper explanation relating to material departures and the annual accounts have been prepared in compliance with the provisions of the Companies Act, 2013;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year;
- (c) the Directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts on a going concern basis.
- (e) the internal financial controls to be followed by the company were laid down and such internal financial controls were adequate and were operating effectively.
- (f) proper systems to ensure compliance with the provisions of all applicable laws were devised.

DIRECTOR IDENTIFICATION NUMBER (DIN)

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

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

Board of Directors of the Company has approved a policy for nomination and remuneration for directors , KMP and other employees containing interalia criteria for determining qualifications, positive attributes, independence of a director, payment of Managerial remuneration, and other related matters is at **Annexure-3** attached to the Board's Report which can be assessed at Company's weblink;

<http://www.novaironsteel.com/pdfs/Remuneration%20Policy.pdf>.

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

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

INTERNAL AUDITORS AND ADEQUACY OF INTERNAL FINANCIAL CONTROLS

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

PARTICULARS OF LOAN, GUARANTEE, INVESTMENT OR PROVIDING SECURITY

During the financial year, Company has neither given Loan nor given guarantee nor provided security or made investment u/s 186 of the Act. (Please refer notes attached to financial statements of the Company in respect of investments of the Company).

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review, there is no contract and arrangement entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013. Hence no Disclosure in Form AOC-2 is required to be attached with Board's Report.

EMPLOYEES STOCK OPTION

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

LISTING

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

BUY BACK OF SHARES

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

MATERIAL CHANGE(S)

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

RISK MANAGEMENT POLICY

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

PERFORMANCE EVALUATION OF BOARD

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

DEPOSITS

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

SEGMENT REPORTING

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

SIGNIFICANT AND MATERIAL ORDERS

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

PARTICULARS RELATING TO REMUNERATION OF EMPLOYEES OF THE COMPANY

Details pursuant to section 197(12) of the Act read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is at **Annexure -5** attached to the Board' Report. During the year no employee has remuneration equal to or more than prescribed limit under Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, hence information under these rules be treated as NIL. Pursuant to MCA Notification dated 30.06.2016 detail of top ten employees as attached to Board Report is at **Annexure-6**.

CODE OF CONDUCT

Declaration pursuant to Regulation 34(3) of SEBI (LODR) Regulations, 2015 in respect of compliance with code of conduct by Whole Time Director/CEO is at **Annexure-7** attach to the Board Report.

CORPORATE SOCIAL RESPONSIBILITY POLICY

Company has constituted Corporate Social Responsibility (CSR) Committee. Mr. R.P. Goyal, Director, Mr. H.C. Verma, Whole Time Director and Mr. Narsingh Awatar, Independent Director are members of the Committee. Mr. Narsingh Awatar is the Chairman of the Committee. On the recommendation of CSR Committee, CSR Policy of the Company has been approved by the Board which is uploaded at Company's weblink: <http://www.novaironsteel.com/pdfs/CSR%20Policy.pdf>. The Annual Report on CSR activities as per Companies (Corporate Social Responsibility Policy) Rules, 2014 is at **Annexure -8** attached to the Board's Report.

SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

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

VIGIL MECHANISM /WHISTLE BLOWER POLICY

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

CORPORATE GOVERNANCE

A report on Corporate Governance in compliance of conditions of Corporate Governance in terms of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 is at **Annexure-9**.

A certificate of Auditors and a certificate from Whole Time Director/CEO of the Company regarding is at **Annexure-10 and 11** respectively attached to Board's Report in compliance of SEBI (LODR) Regulations, 2015.

GENERAL

(i) ENVIRONMENT & OTHER APPLICABLE LAW

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

(ii) HEALTH & SAFETY

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

(iii) SEXUAL HARASSMENT OF WOMEN

The Company has zero tolerance towards sexual harassment at the workplace. During the Financial Year 2019-20, the Company has received no complaints of sexual harassment since there is no female employee.

(iv) INDUSTRIAL RELATIONS

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

ACKNOWLEDGMENTS

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

For and on behalf of the Board

(H.C. Verma)
Chairman
DIN: 00007681

Place : New Delhi
Date :11/11/2020

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

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

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]
I. REGISTRATION AND OTHER DETAILS

| | | |
|------|---|--|
| i. | CIN | L02710CT1989PLC010052 |
| ii. | Registration Date | 01/05/1989 |
| iii. | Name of Company | Nova Iron & Steel Limited |
| iv. | Category / Sub-Category of the Company | Company limited by shares/ Indian Non-government Company. |
| v. | Address of the Registered office and contact details | Village-Dagori, Tehsil Belha, Bilaspur, Chhattisgarh-495224 Tel:07752-285217, Fax:07752-285213 Email: rai_nisl2007@yahoo.com |
| vi. | Whether listed company | Yes |
| vii. | Name, Address and Contact details of Registrar and Transfer Agent, if any | Skyline Financial Services Private Limited, D-153A, 1 st Floor, Okhla Industrial Area, Phase-I, New Delhi 1100020, Tel+91 11 40450193 to 97 |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| Sl. No. | Name and Description of main products/ services | NIC Code of the Product/ service | % to total turnover of the company |
|---------|---|----------------------------------|------------------------------------|
| 1. | Iron & Steel | 271 | 94.52 |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND JOINT VENTURE, ASSOCIATE COMPANIES

| S. No | Name and address of the company | CIN/GLN | Holding/ subsidiary /Associate | % of equity shares held | Applicable section |
|-------|---------------------------------|---------|--------------------------------|-------------------------|--------------------|
| Nil | | | | | |

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
I) Category-wise Share Holding

| Category of Shareholders | No. of Equity Shares held at the beginning of the year | | | | No. of Equity Shares held at the end of the year | | | | % Change during the year |
|------------------------------|--|----------|-----------------|--------------------------|--|----------|-----------------|--------------------------|--------------------------|
| | Demat | Physical | Total | % of Total Equity Shares | Demat | Physical | Total | % of Total Equity Shares | |
| A. PROMOTERS | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| (a) Individual/HUF | 4340000 | 0 | 4340000 | 12.01 | 4340000 | 0 | 4340000 | 12.01 | - |
| (b) Central Govt. | - | - | - | - | - | - | - | - | - |
| (c) State Govt. | - | - | - | - | - | - | - | - | - |
| (d) Bodies Corp. | 20888821 | 0 | 20888821 | 57.80 | 20888821 | 0 | 20888821 | 57.80 | - |
| (e) Banks/FI | - | - | - | - | - | - | - | - | - |
| (f) Any other... | - | - | - | - | - | - | - | - | - |
| Sub- Total (A) (1) :- | 25228821 | 0 | 25228821 | 69.81 | 25228821 | 0 | 25228821 | 69.81 | - |

| | | | | | | | | | | |
|--|---|-----------------|----------------|-----------------|---------------|-----------------|----------------|-----------------|---------------|----------|
| (2) FOREIGN | | | | | | | | | | |
| (a) NRIs- Individuals | - | - | - | - | - | - | - | - | - | - |
| (b) Other- Individuals | - | - | - | - | - | - | - | - | - | - |
| (c) Bodies Corp. | - | - | - | - | - | - | - | - | - | - |
| (d) Banks/FI | - | - | - | - | - | - | - | - | - | - |
| (e) Any other..... | - | - | - | - | - | - | - | - | - | - |
| Sub- Total(A) (2) :- | - | - | - | - | - | - | - | - | - | - |
| Total Shareholding of Promoter (A)= (A)(1)+A(2) | 25228821 | 0 | 25228821 | 69.81 | 25228821 | 0 | 25228821 | 69.81 | - | - |
| B. Public Shareholding | | | | | | | | | | |
| 1. INSTITUTIONS | | | | | | | | | | |
| a) Mutual Funds | 3600 | 472246 | 475896 | 1.32 | 3600 | 472296 | 475896 | 1.32 | - | - |
| b) Banks /FI | 0 | 144 | 144 | 0 | 0 | 144 | 144 | 0 | - | - |
| c) Central Govt | - | - | - | - | - | - | - | - | - | - |
| d) State Govt(s) | - | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - | - |
| g) FIs | - | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - | - |
| i) Others (Specify) | - | - | - | - | - | - | - | - | - | - |
| Sub- Total (B) (1) :- | 3600 | 472440 | 476040 | 1.32 | 3600 | 472440 | 476040 | 1.32 | - | - |
| 2.NON-INSTITUTIONS | | | | | | | | | | |
| (a) | BODIES CORP. | | | | | | | | | |
| (i) | Indian | 1950088 | 16944 | 1967032 | 5.44 | 1946682 | 16944 | 1963626 | 5.43 | -0.01 |
| (ii) | Overseas | - | - | - | - | - | - | - | - | - |
| (b) | INDIVIDUAL S | | | | | | | | | |
| (i) | Individual Shareholders holding nominal share capital upto Rs. 1 Lakh | 2243744 | 5547798 | 7791542 | 21.56 | 1961215 | 5521830 | 7483045 | 20.71 | -0.85 |
| (ii) | Individual Shareholders holding nominal share Capital in excess of Rs. 1 Lakh | 460963 | 43872 | 504835 | 1.40 | 704055 | 43872 | 747927 | 2.07 | 0.67 |
| (c) | Others (Specify) | | | | | | | | | |
| | Non-Resident Indian (NRI) | 28034 | 143136 | 171170 | 0.47 | 27530 | 142512 | 170042 | 0.47 | - |
| | Trust | 48 | 0 | 48 | 0 | 72 | 0 | 72 | 0 | - |
| | HUF | 0 | 0 | 0 | 0 | 66219 | 120 | 66339 | 0.18 | 0.18 |
| | Clearing Member | 0 | 0 | 0 | 0 | 3576 | 0 | 3576 | 0.01 | 0.01 |
| | Sub- Total (B) (2) :- | 4682877 | 5751750 | 10424627 | 28.87 | 4709349 | 5725278 | 8471001 | 28.87 | - |
| | Total Shareholding (B)= (B)(1)+(B)(2) | 4686477 | 6224190 | 10910667 | 30.19 | 4712949 | 6197718 | 8947041 | 30.19 | - |
| C. | Shares held by custodian for GDRs & ADRS | - | - | - | - | - | - | - | - | - |
| | Grand Total (A+B+C) | 29813662 | 6325826 | 36139488 | 100.00 | 29941770 | 6197718 | 36139488 | 100.00 | - |

(ii) Shareholding of Promoters

| 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 | Bhushan Power & Steel Ltd. | 9269146 | 25.65 | - | 9269146 | 25.65 | - | - |
| 2 | Ambey Steel and Power Pvt. Ltd. | 10959675 | 30.33 | - | 10959675 | 30.33 | - | - |
| 3 | Aniket Singal | 4340000 | 12.01 | - | 4340000 | 12.01 | - | - |
| 4 | Shivalikview Steel Trading Private Limited | 94000 | 0.26 | - | 94000 | 0.26 | - | - |
| 5 | Vintage Steel Private Limited | 94000 | 0.26 | - | 94000 | 0.26 | - | - |
| 6 | Olympian Steel Industries Limited | 94000 | 0.26 | - | 94000 | 0.26 | - | - |
| 7 | Titanic Steel Industries Limited | 94000 | 0.26 | - | 94000 | 0.26 | - | - |
| 8 | Aromatic Steel Private Limited | 94000 | 0.26 | - | 94000 | 0.26 | - | - |
| 9 | Aarti Iron & Power Limited | 94000 | 0.26 | - | 94000 | 0.26 | - | - |
| 10 | Rockland Steel Trading Private Limited | 94000 | 0.26 | - | 94000 | 0.26 | - | - |
| 11 | RGF Holiday Resorts Private Limited | 1000 | 0.002 | - | 1000 | 0.002 | - | - |
| 12 | RGF Real Estate Private Limited | 1000 | 0.002 | - | 1000 | 0.002 | - | - |
| | Total | 25228821 | 69.81 | - | 25228821 | 69.81 | - | - |

(ii) 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 |
| No change | | | | | | | | | | |

(ii) 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 | Shrim Investment Solutions Private Ltd. | 1532426 | 4.24 | 28.02.2020 | 91646 | Transfer | 1624072 | 4.49 | 1624072 | 4.49 |
| 2. | Somya Traders Pvt Ltd | 204474 | 0.56 | - | - | - | - | - | 204474 | 0.56 |

| | | | | | | | | | | |
|------------|----------------------------------|----------|-------|------------|-------|----------|-------|------|--------|------|
| 3 | Raj Kumar Kedia | 181237 | 0.50 | - | - | - | - | - | 181237 | 0.50 |
| 4 | Indian Bank | 145 392 | 0.40 | - | - | - | - | - | 145392 | 0.40 |
| 5 | Stock Holding Corpn of India Ltd | 96576 | 0.27 | - | - | - | - | - | 96576 | 0.27 |
| 6 | Canara Bank | 87576 | 0.24 | - | - | - | - | - | 87576 | 0.24 |
| 7 | Bank of India | 61920 | 0.17 | - | - | - | - | - | 61920 | 0.17 |
| 8. | Sanjay Kumar Sarawagi | 48493 | 0.13 | 12.04.2019 | 1926 | Transfer | 50419 | 0.14 | | |
| | | | | 19.04.2019 | 1910 | Transfer | 52329 | 0.14 | | |
| | | | | 26.04.2019 | 2203 | Transfer | 54532 | 0.15 | | |
| | | | | 17.05.2019 | 62 | Transfer | 54594 | 0.15 | | |
| | | | | 27.09.2019 | 504 | Transfer | 55098 | 0.15 | | |
| | | | | 04.10.2019 | 1242 | Transfer | 56340 | 0.16 | | |
| | | | | 11.10.2019 | 866 | Transfer | 57206 | 0.16 | | |
| | | | | 18.10.2019 | 57 | Transfer | 57263 | 0.16 | | |
| | | | | 08.11.2019 | 192 | Transfer | 57455 | 0.16 | | |
| | | | | 13.12.2019 | 97 | Transfer | 57552 | 0.16 | | |
| | | | | 27.12.2019 | 626 | Transfer | 58178 | 0.16 | | |
| | | | | 31.12.2019 | 264 | Transfer | 58442 | 0.16 | | |
| | | | | 10.01.2020 | 96 | Transfer | 58538 | 0.16 | | |
| 07.02.2020 | 48 | Transfer | 58586 | 0.16 | 58586 | 0.16 | | | | |
| 9. | Vandana Bajaj | 16679 | 0.05 | 20.03.2020 | 32000 | Transfer | 48679 | 0.13 | 48679 | 0.13 |
| 10 | Kanwaljit Singh | 47280 | 0.13 | - | - | - | - | - | 47280 | 0.13 |

(ii) Shareholding of Directors and Key Managerial Personnel:

| Sr. No. | Name of the Shareholder | At the Beginning of the year | | Date wise increase / decrease in shareholding specifying reasons for increase /decrease (e.g. allotment /transfer/bonus/sweat equity etc) | | | Cumulative Shareholding during the year | | At the end of the year (or on the date of separation, if separated during the year) | |
|---------|-------------------------|------------------------------|--------------------------|---|---------------------|---------|---|--------------------------|---|--------------------------|
| | | No of Equity Shares | %age to total Eq. Shares | As on Benpos Date | No of Equity Shares | Reasons | No of Equity Shares | %age to total Eq. Shares | No of Equity Shares | %age to total Eq. Shares |
| 1 | H.C. Verma | - | - | - | - | - | - | - | - | - |
| 2 | R.P. Goyal | - | - | - | - | - | - | - | - | - |
| 3 | Narsingh Awatar | - | - | - | - | - | - | - | - | - |
| 4 | Sumiran Aggarwal | - | - | - | - | - | - | - | - | - |
| 5 | Dheeraj Kumar | - | - | - | - | - | - | - | - | - |

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

| | Secured Loans Excluding deposits (Rs.) | Unsecured Loans (Rs.) | Deposits(Rs .) | Total Indebtedness (Rs) |
|--|--|-----------------------|----------------|-------------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | NIL | 306,19,20,728.00 | NIL | 306,19,20,728.00 |
| ii) Interest due but not paid* | NIL | 32,10,48,398.00 | NIL | 32,10,48,398.00 |
| iii) Interest accrued but not due | NIL | 0.00 | NIL | 0.00 |
| Total (i+ii+iii) | NIL | 338,29,69,126.00 | NIL | 338,29,69,126.00 |

| | | | | |
|---|-----|------------------|-----|------------------|
| Change in Indebtedness during the financial year | | | | |
| i) Addition | NIL | 90,43,04,000.00 | NIL | 90,43,04,000.00 |
| ii) Reduction | NIL | 99,40,99,378.00 | NIL | 99,40,99,378.00 |
| Net Change | NIL | 8,97,95,378.00 | NIL | 8,97,95,378.00 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | NIL | 297,32,25,379.00 | NIL | 297,32,25,379.00 |
| ii) Interest due but not paid * | NIL | 31,99,48,369.00 | NIL | 31,99,48,369.00 |
| iii) Interest accrued but not due | NIL | 0.00 | NIL | 0.00 |
| Total(i+ii+iii) | NIL | 329,31,73,748.00 | NIL | 329,31,73,748.00 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager

| Sl. No. | Particulars of Remuneration | Name of MD/WTD/ Manager | | Total Amount (Rupees) |
|---------|---|--|--|-----------------------|
| | | Hardev Chand Verma (WTD) | | |
| 1 | Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of Salary under Section 17 (3) Income Tax, 1961 | 3000000 | | 3000000 |
| 2 | Stock Option | - | | - |
| 3 | Sweat Equity | - | | - |
| 4 | Commission - as % of profit - others, specify... | - | | - |
| 5 | Others, please specify | - | | - |
| | Total(A) | 3000000 | | 3000000 |
| | 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 is Rs. 84 lakhs. | | |

B. Remuneration to other directors:

| Sl. no. | Particulars of Remuneration | Name of Directors | | | Total Amount |
|---------|---|--|----------|------------------|--------------|
| | | R.P. Goyal | N.Awatar | Sumiran Aggarwal | |
| 1 | Independent Directors · Fee for attending board committee meetings · Commission · Others, please specify | - | - | 4000 | 4000 |
| | Total(1) | - | - | 4000 | 4000 |
| 2 | Other Non-Executive Directors · Fee for attending board committee meetings · Commission · Others, please specify | - | - | - | - |
| | Total(2) | - | - | - | - |
| | Total(B)=(1+2) | - | - | - | - |
| | Total Managerial Remuneration | - | - | 4000 | 4000 |
| | Overall Ceiling as per the Act | Remuneration payable by company having no profit or inadequate profit as per Section II of Part II of Schedule V of Companies Act, 2013 is Rs. 84 lakhs. | | | |

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

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | | |
|---------|---|--------------------------|-------------------|--------|--------|
| | | CEO | Company Secretary | CFO | Total |
| 1 | Gross salary (a)Salary as per provisions contained in section17(1)of the Income-Tax Act, 1961 (b)Value of perquisites u/s17(2)Income-Tax Act, 1961 (c)Profits in lieu of salary under section17(3)Income-Tax Act, 1961 | - | 558000 | 331450 | 889450 |
| 2 | Stock Option | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - |
| 4 | Commission - as % of profit | - | - | - | - |
| 5 | Others, please specify | - | - | - | - |
| | Total | - | 558000 | 331450 | 889450 |

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 |

(H.C. Verma)
Chairman
DIN 00007681

Place: New Delhi
Date: 11/11/2020

Form No. MR-3

SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020****[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

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, Minutes 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, 2020** complied with the Statutory Provisions listed hereunder and 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, 2020**, according to the applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
No such transaction during the year.
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
No such transaction during the year
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
No such transaction during the year.
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
No such transaction during the year.
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
No such transaction during the year.
 - (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
No such transaction during the year.
 - (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
No such transaction during the year.
- (vi) Other laws as may be applicable specifically to the Company:-
 - i. The Electricity Act, 2003;

- ii. The Limestone And Dolomite Mines Labour Welfare Fund Act, 1972;
- iii. Tax laws (Income Tax, Goods and Service Tax, and Excise Act,);
- iv. The Factories Act, 1948;
- v. The Employees Provident Funds and Miscellaneous Provision Act - 1952 (EPF);
- vi. The Employees State Insurance Corporation Act - 1948 (ESIC);
- vii. The Labour Welfare Fund Act -1965;
- viii. The Contract Labour (Regulation & Abolition) Act – 1970;
- ix. The Child Labour (Prohibition & Regulation Act), 1986;
- x. The Minimum Wages Act-1948;
- xi. The Payment of Wages Act-1936;
- xii. The Payment of Bonus Act-1965;
- xiii. The Maternity Benefit Act-1961; **Not Applicable since no Female Employee**
- xiv. The Payment of Gratuity Act-1972;
- xv. The Equal Remuneration Act-1976; **Not Applicable since no Female Employee**
- xvi. The Industrial Establishment Act- 1963;
- xvii. The Employment Exchange (Compulsory Notification of Vacancies) Act-1959;
- xviii. Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013;
- xix. The Employees Compensation Act-1923;
- xx. The Industrial Employment (Standing Orders) Act 1946;
- xxi. The Industrial Disputes Act 1947;
- xxii. The Apprentice Act, 1961;
- xxiii. The Interstate Migrant Workmen (Regulation of Employment and Conditions of Services) Act, 1979;

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 Woman Director.

The changes in the Composition of the Board of Directors that took place during the period under review were carried out in Compliance with the Provisions of the Act.

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

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

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

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

FOR V.P. CHHABRA & CO.
V.P. CHHABRA

M. NO.: 7878
CP No.: 5916

UDIN – A007878B001168972

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

1. Regulatory Requirement

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

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

2. Purpose

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

3. Objectives

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

4. Principles of Remuneration and Criteria for determining Remuneration

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

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

- 4.4 Skills,
- 4.5 Requisite qualification, commensurate with the Job profile
- 4.6 characteristics and
- 4.7 experience in business, government, academics, technology, human resources, social responsibilities, finance, law etc. and in such other areas as may be considered relevant or desirable to conduct the Company's business in a holistic manner and as may be decided by Committee.
- 4.8 Director should possess high level of personal and professional ethics, integrity and values. They should be able to balance the legitimate interest and concerns of all the Company's stakeholders in arriving at decisions, rather than advancing the interests of a particular constituency.

4.9 Directors must be willing to devote time and energy in carrying out their duties and responsibilities effectively. They must have the aptitude to critically evaluate management working.

4.10 In case of other employees other than director, KMP, the criteria will be decided by the HR department.

5. Remuneration to Executives

5.1 Executives may be paid remuneration by way of fixed salary and allowances as per Company rules subject to the provisions of Companies Act, 2013

5.2 **Personal benefits** Executives may have access to benefits/perquisites as per the rules and regulations of the Company. Executives may also be entitled to retirement benefits such as provident fund, gratuity and/or such other benefits as per the rules of the Company.

5.3 The Remuneration of other employees other than Executives will be decided by the HR department of the Company in accordance with the skill, qualification and etc.

6. Remuneration to non-executive Directors

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

7. Amendments to this Policy

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

Place: New Delhi
Date: 11/11/2020

(H.C.Verma)
Chairman
DIN 00007681

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 2020

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 imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished. | NIL |
| 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 thereof and future plan of action. | Not Applicable |

FOREIGN EXCHANGE EARNINGS AND OUTGO:

| | | |
|---|--|--|
| 1 | The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows. | Presently Company is not exporting its products in international market. Used : NIL Earned :Rs.2,53,53,401/- |
|---|--|--|

(H.C.Verma)
Chairman
DIN 00007681

Place: New Delhi
Date: 11/11/2020

ANNEXURE 5
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 – 1:19.23 |
| (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 | 271 |

| | | |
|------|--|--|
| (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. |

(H.C.Verma)
Chairman
DIN 00007681

Place: New Delhi

Date: 11/11/2020

ANNEXURE 6

**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. H.C. Verma | 250000 | Director | Contractual | Graduation | 30.05.2014 | 68 | Bhushan Power & Steel Ltd | NIL | N.A. |
| Mr. Subhash Chander Thakur | 183020 | Asst. V.P. | Contractual | B.Sc. | 01.06.2019 | 59 | Bhushan Power & Steel Ltd | NIL | N.A. |
| Mr. Nitin Yadav | 80000 | A.G.M. | Contractual | Graduation | 01.07.2019 | 35 | Aarti Steel Limited | NIL | N.A. |
| Mr Sadndesh Singh | 73200 | D.G.M. | Contractual | M.B.A. | 01.07.2019 | 48 | Shyam Sel & Power Limited | NIL | N.A. |
| Mr. Arvind Kumar Gupta | 70000 | A.G.M. | Contractual | 12Th Dip.In Elect.Engg. | 14/12/2018 | 45 | Neco Jayaswal Limited | NIL | N.A. |
| Manoj Sharma | 70000 | Manager | Contractual | B.Sc. | 04/01/2019 | 55 | Shyam DRI, calcutta | NIL | N.A. |
| Mr. Prabhakar Singh Thakur | 63200 | Manager | Contractual | 12Th Dip In Elect.Engg. | 21/02/2019 | 42 | Top Worth Steel & Power Ltd | NIL | N.A. |
| Mr. Devendra Chaudhary | 60000 | Manager | Contractual | 10Th, Dip. | 01/05/2019 | 47 | Bhushan Power & Steel Limited | NIL | N.A. |
| Mr. Sudhir Sharma | 53200 | Dy. Manager | Contractual | 12 th Diploma | 25/12/2018 | 37 | MSP Steel Private Limited | NIL | NA |
| Mr. Surenra Ku. Verma | 52020 | AGM | Contractual | Bsc | 01/12/2014 | 49 | Bhushan Power & Steel Ltd. | NIL | NA |

(H.C.Verma)
Chairman
DIN 00007681

Place: New Delhi

Date: 11/11/2020

ANNEXURE 7
Declaration Regarding Compliance by Board Members and Senior Management Personnel with the Code of Conduct

I hereby confirm that the Company has received declaration of Compliance of Code of Conduct as applicable to them from the senior management personnel of the Company and the Members of the Board in respect of the Financial Year ended 31st March, 2020.

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

Place: New Delhi
Dated: 11/11/2020

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

| S.No. | 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 of interest and overview of activities, purposes, rural focus and woman empowerment can be reached at http://www.novaironsteel.com/pdfs/csr%/20policy.pdf Policy states 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, one executive and one non-executive Director |
| 3 | Average Net Profit of the company for the last three financial years | 21089748 |
| 4 | Prescribed CSR expenditure (2% of the amount as in item 3 above) | 421794 |
| 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 | Not Applicable |
| 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 Balance Sheet, during the year company has incurred losses of Rs. 52.36 crore, and to minimize the losses and considering the impact of COVID -19 in the country and lockdown started in the last month of the FY, company was not in position to spent on CSR activities. |
| 7 | A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company | The members of the CSR Committee declare that company has formulated CSR policy in compliance with CSR objectives and Policy of the Company and its implements and monitoring is in accordance with policy. |

For Nova Iron and Steel Limited

(H.C.Verma)
Chairman
DIN 00007681

Place: New Delhi
Dated: 11/11/2020

REPORT ON CORPORATE GOVERNANCE
1. Company's Philosophy

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

2. Board of Directors
a) Composition

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

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

During the year five meetings of Board of Directors were held on 28/05/2019, 20/08/2019, 11/10/2019, 14/11/2019, and 13/02/2020 and a separate Meeting of the Independent Directors was held on 13/02/2020. 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 2020 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. | Aniket Singal | Non-Independent | 4 | 1 | No | 0 | 0 | 0 | |
| 2. | Hardev Chand Verma | Non-Independent | 5 | 4 | No | 1 | 1 | 0 | |
| 3. | R.P.Goyal | Non-Independent | 5 | 1 | No | 7 | 7 | 1 | |
| 4. | N.Awatar | Independent | 6 | 6 | Yes | 2 | 1 | 3 | |
| 5. | Sumiran Aggarwal | Independent | 6 | 6 | No | 1 | 6 | 1 | |

(*)Mr. Aniket Singal, Director has resigned w.e.f. 15/11/2019 respectively from the Directorship of the Company.

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

e) Disclosure of relationships between directors inter-se:

The Non-Executive Directors had no pecuniary relationship or transactions with the Company in their personal capacity during the year under review.

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

All Independent Directors are apprised/familiarized about the company, its business, industry etc and roles, rights, responsibilities of independent Directors, nature of the industry in which the company operates, business model of the company, etc. from time to time. Detailed agenda is provided to all the Directors to take informed decisions and perform its functions and fulfill its role effectively. The details of such familiarisation Programmes are disclosed at weblink <http://www.novaironsteel.com/pdfs/Familiarisation%20Programme%20for%20Independisent%20Director.pdf>.

Committees of Board of Directors**3. Audit Committee:****(a) Brief description of terms of reference**

The terms of reference of the Audit Committee as defined under the relevant provisions of Section 177 of the 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 audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial' statements before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (5) of section 134 of the 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 thereon.
14. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control system of a material nature and reporting the matter to the board.
15. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
16. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
17. Reviewing the functioning of Whistle Blower mechanism in the Company.
18. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
19. Considering such other matters the Board may specify.
20. Reviewing other areas that may be brought under the purview of role of Audit Committee as specified in SEBI (LODR) Regulations, 2015 and the Companies Act, as and when amended.

(b) Composition, name of members and chairperson

The Company has an Audit Committee and at present the composition of the Committee consists 3 members namely Mr. N Awatar, Independent Director, Mr R. P. Goyal, Director and Mrs. Sumiran Aggarwal, 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.

(c) Meeting and attendance during the year

The committee met four times during the year i.e. on 28/05/2019, 20/08/2019, 11/10/2019, 14/11/2019 and 13/02/2020 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 | 02 |
| Mrs. Sumiran Aggarwal | Member | 03 |

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

4. NOMINATION AND REMUNERATION COMMITTEE

(a) Brief description of terms of reference

The terms of reference decided by the Board for the functioning of Nomination and Remuneration Committee, inter alia, to determine Company's remuneration policy, parameters for appointment of directors, key managerial personnel and determine remuneration structure performance based as well as the nomination and also covers such functions and scope as prescribed under section 178 of the Companies Act, 2013 read with allied Rules framed thereunder and Regulation 19 of SEBI (LODR) Regulations, 2015.

(b) Composition, name of members and chairperson

The Nomination and Remuneration Committee consists Mr. N Awatar, independent directors, Mr. R.P. Goyal, Director and Mrs. Sumiran Aggarwal, independent directors as members of the Committee. Mr. N Awatar is the Chairman of the Committee.

(c) Meeting and attendance during the year

The committee has met one time during the year.

(d) Performance evaluation criteria for Independent Directors

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

5. Remuneration of Directors:

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

The Non-Executive Directors had no pecuniary relationship or transactions with the Company in their personal capacity during the year under review.

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

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

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

c) Disclosure with respect to remuneration:

| SN | Name of Director | Element of Remuneration Package | Details of fixed component | Sitting fee Paid/Payable | Service Contract , Notice period , severance fee | Stock option details , if any | No of shares held by non - executive directors |
|----|--|---------------------------------|----------------------------|--------------------------|--|-------------------------------|--|
| 1 | Mr. H.C. Verma (Whole Time Director) | 30,00,000 | Fixed | - | Contract for three years. Notice period three months. Salary in lieu of notice short of agreed period. | NIL | N.A. |
| 3 | Mr. R.P. Goyal (Non-Executive Director) | - | - | - | - | - | - |
| 4 | Mr. N. Awatar (Independent Director) | - | - | 10,000 | - | - | - |
| 5 | Mrs. Sumiran Aggarwal (Woman Independent Director) | - | - | 5,000 | - | - | - |

6. STAKEHOLDER RELATIONSHIP COMMITTEE

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

Committee consists Mr. R.P. Goyal, Director, Mr. N. Awatar, Independent Director and Mrs. Sumiran Aggarwal, Independent Director as members of the committee. Mr. R.P. Goyal is Chairman of the Committee. During the year under review four Meetings of Stakeholders Relationship Committee were held on 15/04/2019, 15/07/2019, 15/10/2019, and 15/01/2020.

(b) Name and designation of compliance officer:

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

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

During the year 39 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

Mr. R. P. Goyal, Director and Mrs. Sumiran Aggarwal, Independent Director are the Members of the Committee. During the year under review Meetings of Share Transfer Committee were held every fortnight.

CORPORATE SOCIAL RESPONSIBILITY (CSR) 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/programs and to monitor the Corporate Social Responsibility Policy from time to time. Mr. H. C. Verma, Whole Time Director Mr. R. P. Goyal, Director and Mr. Narsing Awatar, Independent Director are the Members of the Committee. Mr. N.Awatar 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>.

7. GENERAL BODY MEETINGS:

| Sr. No. | Last three AGM | 2016-17 | 2017-18 | 2018-19 |
|---------|--|--|--|---|
| (a) | Location and time, where last three annual general meetings held; | 27/09/2017 at 11:00am at Registered office | 27/09/2018 at 11:00am at Registered office | 28/09/2019 at 11:00 am Registered office |
| (b) | Whether any special resolution passed in the previous three annual general meeting | (i) Re-appointment of Sh. H.C. Verma as Whole Time Director and revision in remuneration (ii) Re-appointment of Sh. Narsingh Awatar as Independent Director (iii) Re-appointment of Sh. Manickam Ramchandran as Independent Director (iv) Re-appointment of Sh. Arvind Gupta as independent Director (v) Approval of material related party transactions | (i) Approval of Alteration of the Object Clause of the Memorandum of Association of the Company (ii) Approval of Related Party Transactions | (i) Appointment of Statutory Auditors to fill the Vacancy |
| (c) | Whether any special resolution passed last year through postal ballot- details of voting pattern | | | No |
| (d) | Person who conducted the postal ballot exercise | | | NA |
| (e) | Whether any special resolution is proposed to be conducted through postal ballot | | | NA |
| (f) | Procedure for postal ballot | | | NA |

8. MEANS OF COMMUNICATION:

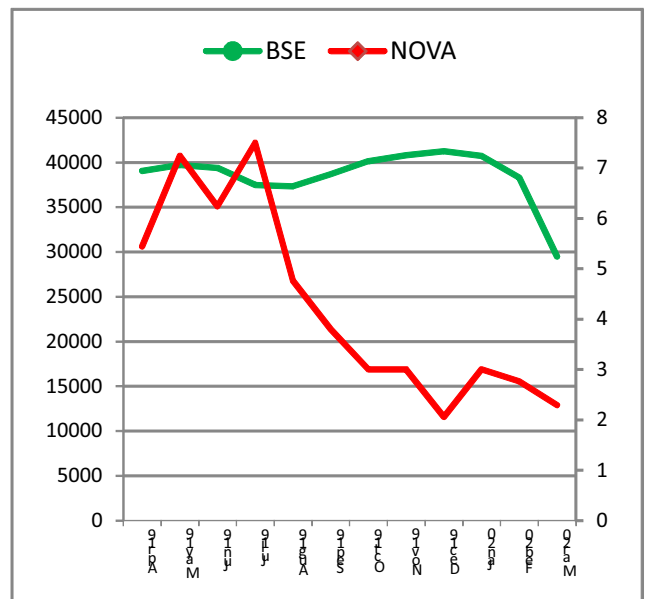
- (a) **Quarterly Results:**
 Prior intimation of Board Meeting where to consider and approve Unaudited/Audited Financial Results of the Company is given to the Stock Exchanges and also disseminated on the website of the Company at www.novaironsteel.com
- (b) **Newspapers wherein results normally published:**
 The Company normally publishes quarterly, half yearly and annual financial results in Financial Express, English daily, in Jansatta, a Hindi daily and Amrit Sandesh, regional daily widely circulated.
- (c) **Any website, where displayed:**
 Company's website www.novaironsteel.com
- (d) **Official news release:**
 Official new releases including news on financial results of the company are sent to the Stock Exchange and the same are simultaneously hosted on the website of the Company.
- (e) **Presentations made to institutional investors or to the analysts:**
 All price sensitive information is promptly intimated to the Stock Exchanges before releasing to the Media, other stakeholders and uploading on Company website.

9. GENERAL SHAREHOLDERS INFORMATION:

- a) Annual General Meeting for the year ended 31st March 2020 18th December, 2020 at 11:30 AM through VC/OAVM
- b) Financial year: 1st April to 31st March
- c) Dividend payment date: ended 31st March 2020 No dividend is recommended for the financial year
- Dates of Book Closure: 11th December 2020 to 18th December 2020
- d) The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of stock exchange(s): Bombay Stock Exchange
Payment of Annual Listing fee upto 2019-20 has been paid
- e) Stock Code 513566
- f) Market Price date- high, low during each month in last financial year

| Month | High | Low | Volume |
|----------------|-----------------|-----------------|-----------------|
| | (Rs. Per share) | (Rs. Per share) | (No. of Shares) |
| April 2019 | 5.44 | 4.28 | 13092 |
| May 2019 | 7.35 | 4.69 | 11309 |
| June 2019 | 8.19 | 5.47 | 11673 |
| July 2019 | 8.30 | 5.93 | 3243 |
| August 2019 | 7.50 | 4.76 | 485 |
| September 2019 | 4.53 | 3.80 | 6027 |
| October 2019 | 3.87 | 3.00 | 4055 |
| November 2019 | 3.15 | 2.62 | 6430 |
| December 2019 | 3.00 | 2.06 | 8764 |
| January 2020 | 3.00 | 2.05 | 6086 |
| February 2020 | 3.00 | 2.76 | 2999 |
| March 2020 | 2.72 | 2.09 | 36946 |

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



- h) In case the securities are suspended from trading the director report shall explain the reason thereof; NA
- i) Registrar and share transfer agents M/s Skyline Financial Services Private Limited
D-153A, 1st Floor, Okhla Industrial Area, Phase 1
New Delhi - 110020. Ph : 011-40450193 to 97
Fax : 011-30857562
- j) Share transfer system Board has delegated the authority for approving transfer, transmission etc. of the Company's securities to Share Transfer Committee. The decisions of Share Transfer Committee are placed at the next Board Meeting. The transfer requests are normally processed within 15 days of receipt of documents, if documents are found in order. Shares under objections are returned within two weeks. Transfer of shares held in physical form can be lodged with Registrar & Share Transfer Agent at the above mentioned address.
- k) Distribution of shareholding
- | Range | No. of Shareholders | No. of Shares | %age |
|---------------|---------------------|---------------|--------|
| 1-500 | 156357 | 6513459 | 18.02 |
| 501-1000 | 462 | 325710 | 0.09 |
| 1001-2000 | 216 | 296149 | 0.82 |
| 2001-3000 | 86 | 209513 | 0.58 |
| 3001-4000 | 30 | 106881 | 0.30 |
| 4001-5000 | 22 | 102350 | 0.28 |
| 5001-10000 | 33 | 228640 | 0.63 |
| 10001 & above | 53 | 2835678 | 78.46 |
| Total | 157259 | 3613948 | 100.00 |
- l) Dematerialization of shares and liquidity Demat facility for demat of shares is available of both the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As at 31st March, 2020, 29915298 Equity shares out of 36139488 Equity Shares of the Company, forming 82.85% of the Company's paid up capital are held in the dematerialized form. The Company's shares are liquid and actively traded on the BSE.
- m) Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity Nil
- n) Commodity price risk or foreign exchange risk and hedging activities Nil
- o) Plant locations Village Dagori-495224 Belha, Distt Bilaspur, Chhattisgarh
- p) Address for correspondence First Floor, F-Block, International Trade Tower, Nehru Place, New Delhi 110019

10. OTHER DISCLOSURES:**a) Related party transactions**

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

b) Compliances

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

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

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

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

The Company has fully complied with the mandatory requirements of SEBI (LODR) Regulations, 2015. Adoption of Non-Mandatory requirements under SEBI (LODR) Regulations, 2015 are reviewed by the Board from time to time.

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

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

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

[weblink:http://www.novaironsteel.com/pdfs/Related%20Party%20Transaction%20policy.pdf](http://www.novaironsteel.com/pdfs/Related%20Party%20Transaction%20policy.pdf)

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

Not Applicable

Auditor Certification on Corporate Governance

The Company has obtained a Certificate as stipulated in SEBI (LODR) Regulations, 2015 regarding compliance of conditions of Corporate Governance and is enclosed as **Annexure at 10**.

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 31/03/2020 is at **Annexure-11**.

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

Company's Policy on Prohibition of Insider Trading

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

Other Useful Information for Shareholders

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

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

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

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

Dematerialisation of Shares

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

As per SEBI Circular SEBI/LAD-NRO/GN/2018/24 dated 08th June 2018, as amended to date, shareholders are advised to dematerialized their physical securities, since requests for transfer (except transmission or transposition) only be processed after dematerialized of physical securities.

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.

(H.C.Verma)
Chairman
DIN: 00007681

Place: New Delhi
Dated: 11/11/2020

Annexure 10

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

To
The Members of
Nova Iron & Steel Limited

We have examined the relevant record of Nova Iron & Steel Limited for the purpose of certifying the compliance of conditions of Corporate Governance as stipulated in SEBI (LODR) Regulations, 2015 for the year ended 31st March 2020.

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

In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the conditions of Corporate Governance, as stipulated in SEBI (LODR) Regulations, 2015 for the year ended 31st March, 2020.

(V.P. Chhabra)
Practising Company Secretary
Membership No. 7878
C.P No. 5916
UDIN – A007878B001169082

Place: Chandigarh
Dated: 06/11/2020

**CERTIFICATION OF WHOLE TIME DIRECTOR AND CFO
(Under Regulation 17(8) of SEBI (LODR) Regulations, 2015)**

**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 2019-20 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 2019-20 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.

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

**Dated: 11/11/2020
Place: New Delhi**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This report is an integral part of the Board' Report.

Industry Structure and Development

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

Last year some of the major over-leveraged companies in the infrastructure, power generation and steel sector were referred to National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code (IBC). Overall the sectors that company operates in remained depressed, adversely impacting the business of the Company. Resolution under IBC and effective monitoring of credit quality by Banks is expected to provide stable and favorable markets from FY'20 onwards.

Meanwhile, the Company is reorienting its business structure and pursuing new business avenues of trade in commodities etc., which will improve the performance of the Company.

Opportunity

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

Significant opportunities of growth exists over the next few years in key sectors such as Steel, Ports, Mining and Power for equipment and life cycle services. Encouraging public, private partnership in execution of projects. Liberalizing FDI norm and encouraging capital market. Rationalization of taxation both direct and indirect.

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

Threat

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

Emergence of Global players delivering extended range of products endowed with latest technology. Litigation erupted for various terms of tender documents. Rising cost of input coupled with scarcity in supply. Volatility in prices of crude oil in international market. Volatility in foreign exchange currency. Weak rupee against USD.

Segment wise performance

The Company is engaged in the manufacturing/trading of Iron & Steel, Metals business which is considered the only business segments. The turnover of the Company is Rs. 360.65 lacs.

Outlook

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

Demand revival, resolution of stressed assets referred to National Company Law Tribunal (NCLT) leading and consolidation is expected to boost capacity utilization. New capacities ramp-up are expected in FY'21 to meet the demand growth.

Economic activity is projected to pick up pace in 2020, especially in emerging markets and developing economics. India is also leading producer of sponge iron with host of coal based units, located in the mineral-rich states of the country.

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.

Others

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

NOVA IRON & STEEL LIMITED

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of Nova Iron & Steel Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

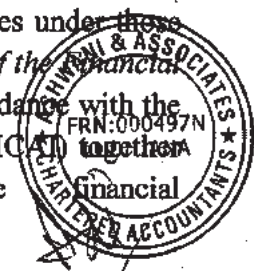
In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

- (a) As stated in Note No. 43 of the financial statements, the company has not provided for interest expense of Rs. 3,174.24 Lakhs (Estimated) for the year ended 31st March 2020 related to borrowings of Rs. 32,931.74 Lakhs. Statements of accounts were not available to confirm the balances/interest chargeable thereon.

Had the interest been so provided, the finance cost and net loss would have been higher by Rs. 3,174.24 Lakhs for the year ended 31st March 2020 and Short-term Borrowings would have been higher by the said amount as on 31st March 2020.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under these Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the



statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| S. No. | Key Audit Matter | Auditor's Response |
|--------|---|--|
| 1. | <p>Capitalization of Property, Plant & Equipment</p> <p>During the year ended March 31, 2020, the Company has incurred significant capital expenditure pertaining to upgradation of Kiln, Steel Melting Shop, Power plant, water treatment plant, buildings thereon and weighing bridge. All the plants have been successfully commissioned and capitalized during the year.</p> <p>Significant level of judgement is involved to ensure that the aforesaid capital expenditure/additions meet the recognition criteria of Ind AS 16 - Property, Plant and Equipment, specifically in relation to determination of trial run period and costs associated with trial runs for it to be ready for intended use.</p> <p>As a result, the aforesaid matter was determined to be a key audit matter</p> | <p>Principal Audit Procedures: Our Audit procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> • Performed walk-through of the capitalization process and tested the design and operating effectiveness of the controls in the process. • Assessed the nature of the additions made to property, plant and equipment and capital work-in-progress on a test check basis to test that they meet the recognition criteria as set out in para 16 to 22 of Ind AS 16, including any such costs incurred specifically for trial run. • Reviewed the project completion/handover certificate provided by the management to determine whether the asset is in the location and condition necessary for it to be capable of operating in the manner intended by the management. <p>Conclusion: Our procedures did not identify any material exceptions.</p> |

Information Other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information.



The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Financial Statements and our auditor's report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

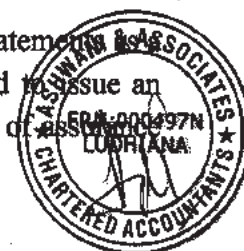
The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance.



but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

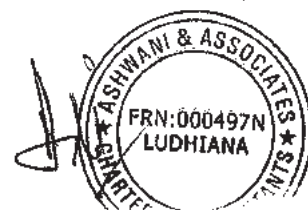
The procedures that we conducted and were required to be conducted form part of this report as Appendix 1.

Other Matter

The financial statements of the company for the year ended 31st March 2019 included in these financial statements have been audited by predecessor auditor (M/s Mehra Goel & Co.) who vide their audit report dated May 28, 2019 expressed a qualified opinion on these financial statements. Our Opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Companies (Auditor's Report) Order, 2016 ('the Order') issued by 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, based on our audit, we report that:
 - a) We have sought and except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph 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) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph in our opinion the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act;
 - d) Except for the possible effects of the matter described in the Basis for Qualified Opinion, the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - e) On the basis of the written representations received from the directors as on 31st March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) 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, as amended 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 has been no delay in transferring amounts, required to be transferred, if any, to the Investor Education and Protection Fund by the company.

Place: Ludhiana
Dated: 29.07.2020

For and on behalf of
Ashwani & Associates
Chartered Accountants

FRN-000497N



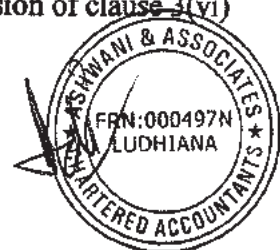
M. No.: 506955

UDIN: 20506955AAAKD6308

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Nova Iron & Steel Limited of even date)

1. In respect of Fixed Assets:
 - a) The Company is not maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) According to the information & explanation given to us, 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 and adequate having regard to the size of the company and nature of its business. No material discrepancies between the books and the physical fixed assets have been noticed by the management.
 - c) According to the information and explanations given to us, the Company has all the original title deeds of immovable properties in its own name, except land valued at Rs. 330.69 Lakhs in the name of third parties.
2. According to the information & explanations given us, the inventory of the Company has been physically verified by the management at reasonable intervals & no material discrepancies were noticed during such physical verification. In our opinion the frequency of verification is reasonable.
3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to Companies, firms or other parties covered in the register maintained under Section 189 of the Act.
4. According to the information and explanations given to us, the Company has not given any loans, purchased investment, given guarantees and security during the year. Therefore, the provision of clause 3(iv) is not applicable to the Company.
5. In our opinion and according to the information and explanations given to us, the Company has generally complied with the provisions of section 73 to 76 of the Companies Act, 2013 and Rules framed thereunder.
6. According to the information and explanations given to us, the provision of clause 3(vi) is not applicable to the company.

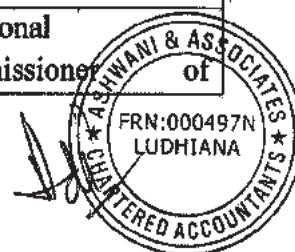


7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is *generally irregular* in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, excise duty, customs duty, value added tax, cess and other material statutory dues with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, cess and other material statutory dues were in arrears as at 31st March 2020 for a period of more than six months from the date they became payable except employees' state insurance contribution amounting to Rs. 8.94 Lakhs pertaining to September 2019 deposited in May 2020.

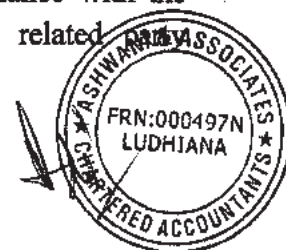
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, cess, sales tax, service tax, value added tax, customs duty and excise duty which have not been deposited on account of a dispute, except for the following:

| Nature of Statue | Nature of Dues | Net Amount Paid (Rs. In Lakhs) | Period | Forum where the dispute is pending |
|------------------|--------------------------|--------------------------------|-------------------------|--------------------------------------|
| Income Tax | Demand | 17.41 | AY 1994-95 | Income Tax Appellate Tribunal |
| Income Tax | Demand | 11.72 | AY 1995-96 | Income Tax Appellate Tribunal |
| Income Tax | Demand | 11.32 | AY 2017-18 | Commissioner of Income Tax (Appeals) |
| Income Tax | Demand | 121.51 | AY 2018-19 | Commissioner of Income Tax (Appeals) |
| Income Tax | Demand | 0.46 | AY 2019-20 | Commissioner of Income Tax (Appeals) |
| Excise Duty | Modvat Credit Disallowed | 72.62 | AY 2004-05 | CESTAT |
| Excise Duty | Demand | 2.90 | AY 2007-08 | Central Commissioner of Excise |
| Excise Duty | Demand | 57.58 | Oct 1999 to March 2004 | Central Commissioner of Excise |
| Excise Duty | Demand | 126.70 | April 2007 to July 2011 | Central Commissioner of Excise |
| CST | Demand | 2.23 | AY 2004-05 | Commissioner of Commercial Tax |
| VAT | Demand | 0.25 | AY 2006-07 | Additional Commissioner |



| Nature of Statute | Nature of Dues | Net Amount Paid (Rs. In Lakhs) | Period | Forum where the dispute is pending |
|-------------------|----------------|--------------------------------|------------|---|
| | | | | Commercial Tax |
| VAT | Demand | 530.60 | AY 2003-04 | Additional Commissioner of Commercial Tax |
| VAT | Demand | 594.08 | AY 2004-05 | Additional Commissioner of Commercial Tax |
| Entry Tax | Demand | 5.05 | AY 2006-07 | Additional Commissioner of Commercial Tax |

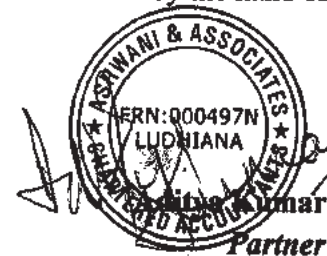
8. According to the information and explanations given to us, the Company has no loans or borrowing from a financial institution, government, Bank or dues to debenture holders. Therefore, the provisions of clause 3(viii) of the order are not applicable to the company.
9. In our opinion, and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (Including Debt instruments) or term loans. Therefore, the provisions of clause 3(ix) of the order are not applicable to the company.
10. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have, neither, come across any instance of fraud by the Company, or, any fraud on the company by its officers or employees, noticed or reported during the year, nor, have we been informed of such case by the management.
11. In our opinion, and according to the information and explanations given to us, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. The Company is not a Nidhi Company. Therefore, the provision of clause 3(xii) is not applicable to the Company.
13. In our opinion, and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of sections 177 and 188 the Act. The details of such related



transactions have been disclosed in the financial statements as required by Ind AS-24 'Related Party Disclosures.

14. According to the information and explanations given to us 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.
15. In our opinion, and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with directors, or, persons connected with them.
16. In our opinion, and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For and on behalf of
Ashwani & Associates
Chartered Accountants
FRN: 000497N
by the hand of



Place: Ludhiana
Dated: 29.07.2020

M. No.: 506955
UDIN: 20506955AAAAKD6308

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Nova Iron & Steel Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

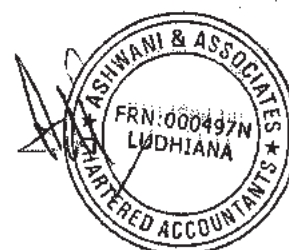
Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 respective 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 internal financial controls system over financial reporting of the Company.

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.

Limitations of Internal Financial Controls Over Financial Reporting

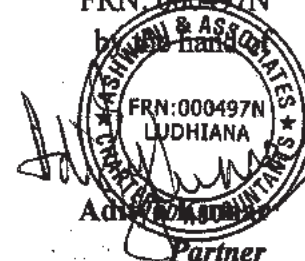
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal 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, to the best of our information and according to the explanations given to us, 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 31, 2020, 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 and on behalf of
Ashwani & Associates
Chartered Accountants

FRN: 000497N



Partner

M.No.: 506955

UDIN: 20506955AAAKD6308

Place: Ludhiana

Dated: 29.07.2020

Appendix 1

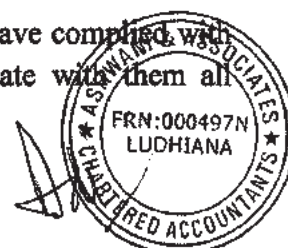
As part of our audit procedures in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial statements, including the disclosures, and whether the Financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all







relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguard.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



NOVA IRON & STEEL LIMITED
BALANCE SHEET AS AT 31st MARCH, 2020

| PARTICULARS | Note No. | (Amount in Rs.) | |
|--|----------|---|----------------------|
| | | As at 31.03.2020 | As at 31.03.2019 |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| (a) Property, Plant & Equipment | 3 | 380 21 56 300 | 61 06 75 461 |
| (b) Capital Work In Progress | | - | 315 41 48 321 |
| (c) Financial Assets | | | |
| Investments | 4 | 1 44 15 654 | 1 44 15 654 |
| Other Financial Assets | 5 | 43 07 960 | 40 37 974 |
| (d) Deferred Tax Assets | | - | 1 75 48 426 |
| (e) Other Non Current Assets | 6 | 2 29 01 802 | 8 57 08 817 |
| TOTAL NON CURRENT ASSETS | | 384 37 81 716 | 388 65 34 753 |
| CURRENT ASSETS | | | |
| (a) Inventories | 7 | 6 89 06 199 | 40 02 84 675 |
| (b) Financial Assets | | | |
| (i) Trade Receivables | 8 | 2 77 78 793 | 3 08 69 583 |
| (ii) Cash & Cash Equivalents | 9 | 6 35 023 | 35 78 751 |
| (iii) Bank Balance other than the (ii) above | 10 | 2 89 886 | - |
| (c) Current Tax Asset (Net) | 11 | 59 27 223 | 44 24 433 |
| (d) Other Current Assets | 12 | 25 06 70 038 | 34 53 47 117 |
| TOTAL CURRENT ASSETS | | 35 42 07 142 | 78 45 04 559 |
| TOTAL ASSETS | | 419 79 86 858 | 467 10 39 312 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| (a) Equity Share Capital | 13 | 36 13 94 880 | 36 13 94 880 |
| (b) Other Equity | 14 | - 58 34 26 712 | - 5 98 12 700 |
| TOTAL EQUITY | | - 22 20 31 832 | 30 15 82 180 |
| LIABILITIES | | | |
| NON-CURRENT LIABILITIES | | | |
| (a) Financial Liabilities | | | |
| - Other Financial Liabilities | 15 | 5 47 60 064 | 1 18 35 535 |
| (b) Deferred Tax Liabilities | 16 | 9 00 67 018 | - |
| (c) Provisions | 17 | 1 79 28 368 | 1 51 80 648 |
| (d) Deferred Revenue | 18 | 1 13 76 747 | - |
| TOTAL NON-CURRENT LIABILITIES | | 17 41 32 197 | 2 70 16 183 |
| CURRENT LIABILITIES | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 19 | 329 31 73 748 | 338 29 69 126 |
| (ii) Trade Payables | | | |
| - Total outstanding dues of micro enterprises and small enterprises | 20 | 16 48 51 914 | 15 35 47 980 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | | | |
| (iii) Other Financial Liabilities | 21 | 3 42 04 954 | 4 53 66 580 |
| (b) Provisions | 22 | 41 06 797 | 41 54 012 |
| (c) Deferred Revenue | 18 | 57 83 444 | - |
| (d) Other Current Liabilities | 23 | 73 95 39 805 | 75 21 75 420 |
| (e) Current Tax Liabilities (Net) | 24 | 42 27 831 | 42 27 831 |
| TOTAL CURRENT LIABILITIES | | 424 58 88 493 | 434 24 40 946 |
| TOTAL EQUITY & LIABILITIES | | 419 79 86 858 | 467 10 39 312 |
| Significant Accounting Policies | 2 | | |
| See Accompanying Notes on Financial Statements forming an integral part of the Financial Statements | 1 to 51 | | |
| Notes referred above form an integral part of the Financial Statements & should be read in conjunction therewith | | | |
| As per our report of even date attached | | For & on behalf of the Board of Directors | |
|  | |  (H.C. Verma) Director DIN : 00007681 Place: New Delhi | |
| Place : Ludhiana Date : 29.07.2020 | |  (R.P. Goyal) Director DIN : 00006595 Place: New Delhi | |
| | |  (Heeraj Kumar) Co. Secretary Place: New Delhi | |

NOVA IRON & STEEL LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2020

(Amount in Rs.)

| PARTICULARS | Note No. | For the Year Ended 31.03.2020 | For the Year Ended 31.03.2019 |
|---|----------|----------------------------------|----------------------------------|
| I. Revenue from Operations | 25 | 52 20 70 319 | 3 93 55 826 |
| II. Other Income | 26 | 3 02 73 923 | 1 33 40 810 |
| III. Total Revenue (I +II) : | | 55 23 44 242 | 5 26 96 636 |
| IV. Expenses: | | | |
| Cost of Material Consumed | 27 | 37 11 23 297 | 17 83 940 |
| Changes in Inventories of Finished Goods, Stock-in-Trade and WIP | 28 | 18 93 33 631 | - |
| Employee Benefit Expense | 29 | 7 03 67 287 | 2 65 54 857 |
| Finance Costs | 30 | 1 68 963 | - |
| Depreciation | 31 | 7 32 61 344 | 90 80 315 |
| Other Expenses | 32 | 26 23 22 961 | 4 49 59 383 |
| Total Expenses : | | 96 65 77 483 | 8 23 78 495 |
| V. Profit Before Exceptional Items & Tax (III - IV) | | - 41 42 33 241 | - 2 96 81 859 |
| VI. Exceptional Items | | - | 3 63 84 734 |
| VII. Profit after Exceptional Items before Tax (V+VI) | | - 41 42 33 241 | 67 02 875 |
| VIII. Tax Expenses: | 16 | | |
| Current Tax | | - | 12 89 634 |
| Deferred Tax | | - 10 80 74 429 | - 17 75 985 |
| Profit / Loss (-) For the Year | | - 52 23 07 670 | 62 16 524 |
| IX. Other Comprehensive Income | | | |
| Items that will not be reclassified subsequently to Profit and Loss | 33 | - 17 65 327 | 9 55 498 |
| Income Tax relating to items that will not be reclassified to Profit & Loss | 16 | 4 58 985 | - 2 46 572 |
| Items that will be reclassified to Statement of Profit and Loss | | - | - |
| Income Tax relating to items that will be reclassified to Statement of Profit & Loss | | - | - |
| X. Total Other Comprehensive income, net of Tax | | - 13 06 342 | 7 08 926 |
| XI. Total Comprehensive Income / Loss (-) : | | - 52 36 14 012 | 69 25 450 |
| XII. Earning Per Share (Face Value Rs. 10/-) | 34 | | |
| Basic and Diluted | | (14.45) | 0.19 |
| Significant Accounting Policies | 2 | | |
| See Accompanying Notes on Financial Statements forming an integral part of the Financial Statements | 1 to 51 | | |

Notes referred above form an integral part of the Financial Statements & should be read in conjunction therewith

As per our report of even date attached

For & on behalf of the Board of Directors



Place : Ludhiana
Date : 29.07.2020

(H.C.Verma)
Director
DIN : 00007681
Place: New Delhi

(R.P.Goyal)
Director
DIN : 00006595
Place: New Delhi

(Dheeraj Kumar)
Co. Secretary
Place: New Delhi

NOVA IRON & STEEL LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020

(Amount in Rs.)

| | | For The Year Ended 31.03.2020 | | For The Year Ended 31.03.2019 |
|--|----------------|-------------------------------------|----------------|-------------------------------------|
| A. Cash Flow from Operating Activities | | | | |
| Net Profit / Loss (-) before Tax as per Statement of Profit & Loss account | | - 41 42 33 241 | | 67 02 875 |
| Adjustments for: | | | | |
| Depreciation | 7 32 61 344 | | 90 80 315 | |
| Interest Expenses (Net) | - 6 87 231 | | 32 79 120 | |
| Remeasurement of Actuarial Gain / Loss | - 17 65 327 | 7 08 08 786 | 7 08 928 | 1 30 68 361 |
| Operating Profit / Loss (-) before Working Capital Changes | | - 34 34 24 455 | | 1 97 71 238 |
| Adjustment for: | | | | |
| Increase (-) / Decrease in Trade Receivables | 30 90 790 | | - 22 24 57 476 | |
| Increase (-) / Decrease in Other Current Assets | 9 46 77 078 | | - | |
| Increase (-) / Decrease in inventories | 33 13 78 476 | | - 36 15 60 834 | |
| Increase / Decrease(-) in Trade Payables | 1 13 03 934 | | - | |
| Increase / Decrease(-) in Other Financial Liabilities | - 1 11 61 626 | | - | |
| Increase / Decrease(-) in Deferred Revenue | 1 71 60 190 | | - | |
| Increase / Decrease(-) in Other Current Liabilities | - 1 26 35 614 | | - | |
| Increase / Decrease(-) in Provisions | 27 00 505 | 43 65 13 733 | 6 12 93 905 | - 50 27 24 405 |
| Net Cash (Used In) from Operating Activities : A | | 9 30 89 278 | | - 48 29 53 169 |
| Taxes (paid)/refund received | | - 15 02 790 | | - |
| | | 9 15 86 488 | | - 48 29 53 169 |
| B. Cash Flow from Investing Activities | | | | |
| Purchase of Property, Plant & Equipment (Net of Capital Work In Progress) | - 11 05 93 862 | | - 53 37 28 380 | |
| Increase (-) / Decrease in Capital Advances | 7 24 80 521 | | 3 27 31 018 | |
| FDR (made)/matured during the year | - 5 59 852 | | - | |
| Interest Received | 5 18 269 | - 3 81 54 925 | 2 42 866 | - 50 07 54 496 |
| Net Cash (Used In) from Investing Activities : B | | - 3 81 54 925 | | - 50 07 54 496 |
| C. Cash Flow from Financing Activities | | | | |
| Interest Paid | | 1 68 963 | | - 35 21 986 |
| Increase/Decrease in non-current security deposits | | 3 32 51 124 | | - |
| Proceeds from Short Term Borrowings (Net) | | - 8 97 95 378 | | 98 93 16 583 |
| Net Cash (Used In) from Financing Activities : C | | - 5 63 75 291 | | 98 57 94 597 |
| Net Increase in Cash and Cash Equivalents : (A+B+C) : | | - 29 43 728 | | 20 86 932 |
| Cash and Cash Equivalents at the Beginning of the Year | | 35 78 751 | | 14 91 819 |
| Cash and Cash Equivalents at the End of the Year (Refer Note 9) | | 6 35 023 | | 35 78 751 |

As per our report of even date attached

For & on behalf of the Board of Directors

For Ashwani & Associates
Chartered Accountants
Imm Regd. No. 000497



Partner
Membership No. 306955
UDIN: 20506955AAAKD6308

Place : Ludhiana
Date : 29.07.2020

(H.C.Verma)
Director
DIN : 00007681
Place: New Delhi

(R.P.Goyal)
Director
DIN : 00006595
Place: New Delhi

(Dheera) Kuthar
Company Secretary
Place: New Delhi

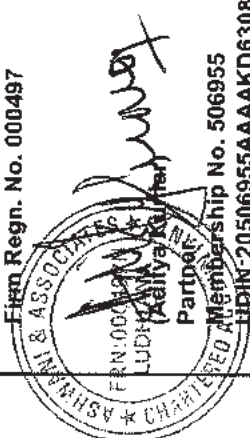
NOVA IRON & STEEL LIMITED

Statement of changes in equity for the year ended 31st March 2020

| | | (Amount in Rs.) | | | |
|---------------------------------|--|----------------------|-----------------|-----------------------|-----------------------|
| | | As at 1st April 2018 | During the year | As at 31st March 2019 | As at 31st March 2020 |
| (i) Equity Share Capital | | | | | |
| | Particulars | | | | |
| | Equity share of Rs.10 each | 36 13 94 880 | - | 36 13 94 880 | 36 13 94 880 |
| (ii) Other Equity | | | | | |
| | Particulars | Amount | | | |
| | As at 1st April 2018 | -6 67 38 150 | | | |
| | Changes in accounting policy / prior period errors | | | | |
| | Restated balance as at 1st April 2018 | -6 67 38 150 | | | |
| | Profit / Loss for the year | 62 16 524 | | | |
| | Other Comprehensive income for the year | 7 08 926 | | | |
| | As at 31st March 2019 | -5 98 12 700 | | | |
| | Changes in accounting policy / prior period errors | | | | |
| | Restated balance as at 31st March 2019 | -5 98 12 700 | | | |
| | Profit / Loss for the year | -52 23 07 670 | | | |
| | Other Comprehensive income for the year | - 13 06 342 | | | |
| | As at 31st March 2020 | -58 34 26 712 | | | |

As per our report of even date attached

For Ashwani & Associates
Chartered Accountants
Firm Regn. No. 000497



Membership No. 506955
UDIN:20506955AAAAAKD6308

Place : Ludhiana
Date : 29.07.2020

For & on behalf of the Board of Directors

(H.C. Verma)
Director
DIN : 00007681
Place: New Delhi

(R.P. Goyal)
Director
DIN : 00006595
Place: New Delhi

(Dheeraj Kumar)
Company Secretary
Place: New Delhi

NOTES FORMING PARTS OF IND AS FINANCIAL STATEMENTS

Note-1. General Information :

Nova Iron & steels Limited ("the company") is engaged in the manufacturing / trading of Iron & Steel, Metals, Securities & Natural Resources business. The company address of principal place of business is village-Dagori Tehsil -Belha, Bilaspur Chhatisgarh, 495224 .

The Financial Statements of the company for the year ended 31st March 2020 were approved for issue in accordance with the resolution of the board of directors on 29th July 2020.

Note-2. Significant Accounting Policies

a) Statement of Compliance

The Ind AS Financial Statements have been prepared as a going concern in accordance with Indian Accounting Standards (Ind AS) notified under the section 133 of the companies Act, 2013 ("the Act") read with the companies (Indian Accounting Standards) Rules,2015 and other relevant provisions of the Act.

b) Basis of preparation and presentation

The Ind AS financial statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies mentioned below. Historical cost is generally based on the fair value of the consideration given in exchange of goods or services. The principal accounting policies are set out below:-

All assets and liabilities have been classified as current or non-current according to the Company's operating cycle and other criteria set out in the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current non-current classification of assets and liabilities.

c) Use of estimates and judgments

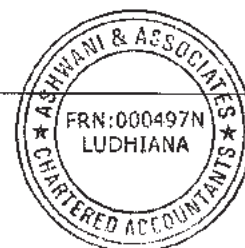
The preparation of Ind AS financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods affected.

d) Revenue Recognition

Sale of Products

Revenue is recognized for sale of products when the Company transfer control over such products to the customer which is generally on dispatch from the factory.



Sale of Services

Revenue from services are recognized as related services are performed.

Dividend and interest income

Dividend income from investments is recognized when the shareholders' right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

For all Financial instruments measured either at amortized or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of the financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instruments but does not consider the expected credit losses. Interest income is included in other income in the Statement of Profit and Loss. Interest income in respect of financial instruments measured at fair value through profit or loss is included in other income.

e) Leases

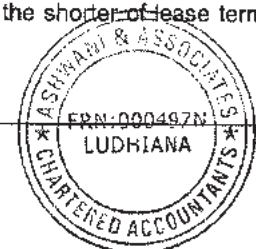
Ind AS 116 "Leases" replaces Ind AS 17 "Leases" with effect from April 1, 2019.

The new Standard has been applied using the modified retrospective approach. Prior periods have not been restated. However, no material impact of its application has been identified on the Financial Statements.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Company has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception comprises of the amount of initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.



Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

Lease liability is measured at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications. The Company recognises the amount of the remeasurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the remeasurement in statement of profit and loss.

f) Foreign Currencies

Functional and presentation currency

Items included in the Ind AS financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

Transactions and balances

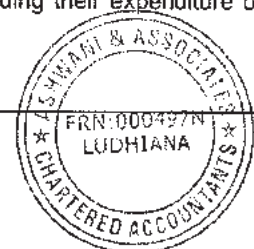
Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in statement of profit or loss.

Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference (translation differences on items whose gain or loss is recognised in other comprehensive income or the statement of profit and loss is also recognised in other comprehensive income or the statement of profit and loss respectively).

g) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets are deducted from the borrowing costs eligible for capitalization



All other borrowing costs are recognised in statement of profit or loss in the period in which they are incurred.

Borrowing costs consist of interest, which is computed as per effective interest method, and other costs that an entity incurs in connection with the borrowing of funds.

h) Employee benefits

Short-term obligations

Liabilities for wages and salaries including non-monetary benefits that are expected to be settled within the operating cycle after the end of the period in which the employees render the related services are recognised in the period in which the related services are rendered and are measured at the undiscounted amount expected to be paid.

Other long-term employee benefit obligations

Liabilities for leave encashment and compensated absences which are not expected to be settled wholly within the operating cycle after the end of the period in which the employees render the related service are measured at the present value of the estimated future cash outflows which is expected to be paid using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

Post-employment obligations

Defined benefit plans

The Company has defined benefit plans namely gratuity for employees. The liability or asset recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in profit or loss.

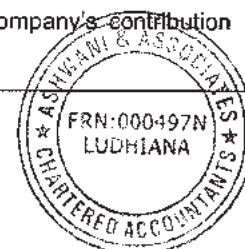
Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The Company has defined contribution plans for post-employment benefit namely Employee Provident Fund Scheme administered through Provident Fund Commissioner and the Company's contribution



thereto is charged to profit or loss every year. The Company has no further payment obligations once the contributions have been paid. The Company's contribution to State Plans namely Employees' State Insurance Fund and Employees' Pension Scheme are charged to the Statement of Profit and Loss every year.

Termination benefits

A liability for the termination benefit is recognised when the Company can no longer withdraw the offer of the termination benefit.

i) Taxation

Income tax expense represents the sum of the Current Tax and Deferred Tax.

Current tax

Current Tax is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

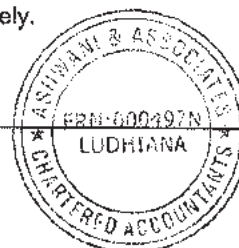
Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and incurred tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and Liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in Statement of Profit and Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the income taxes are also recognised in other comprehensive income or directly in equity respectively.



j) Property, Plant and Equipment (PPE)

Property, Plant and Equipment (PPE) are stated at cost of acquisition or construction, net of accumulated depreciation and accumulated impairment losses, if any. The cost of tangible asset includes purchase cost (net of rebates and discounts) including any import duties and non-refundable taxes, and any directly attributable costs on making the asset ready for its intended use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. The other repairs and maintenance of revenue nature are charged to Statement of Profit & Loss during the reporting period in which they have incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation on Steel Melting Shop, Power Plant, Boiler, Water treatment Plant, buildings of these plants, Weighing Bridge and staff colony is provided on Straight Line Basis. Depreciation on all other Property Plant and Equipment is provided using WDV Method.

Further, the Depreciation is calculated on all Property Plant and Equipment using the useful Lives prescribed in Schedule II of Companies Act, 2013 except the following, which are estimated on the basis of Technical Evaluation:

| S.no. | Name of Asset | Life (Years) | Shift |
|-------|-----------------------|--------------|--------------|
| 1. | Steel Melting Shop | 38 | Triple Shift |
| 2. | Power Plant | 38 | Triple Shift |
| 3. | Boiler | 38 | Triple Shift |
| 4. | Water treatment Plant | 38 | Triple Shift |
| 5. | Weighing Bridge | 38 | Triple Shift |

The assets' residual values estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

k) Intangible Assets

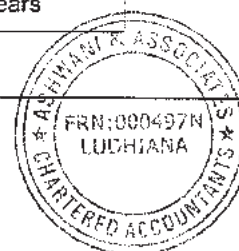
Intangible assets acquired separately are measured at cost on initial recognition and are subsequently stated net of accumulated amortization and accumulated impairment losses, if any.

The cost of an intangible asset includes purchase cost (net of rebates and discounts), including any import duties and non-refundable taxes, and any directly attributable costs on making the asset ready for its intended use.

Amortization methods and useful lives

The Cost of Intangible assets are amortized on a straight-line basis over their estimated useful life which is as follows. Residual Value is considered as Nil in the below cases:

| Nature of Assets | Life |
|--------------------|---------|
| Technical know how | 3 years |
| Computer software | 3 years |



The amortization period and method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

Impairment of Tangible and Intangible assets

At the end of each reporting period, the Company reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

l) Capital Work In Progress

Administrative and general overhead expenses attributable to construction of a capital asset incurred till they are ready for their intended use are identified and allocated on a systematic basis to the cost of related assets.

m) Inventories

Inventories are valued at the lower of cost or net realizable value, less any provisions for obsolescence. Cost is determined on the following basis:

Raw Material is recorded at cost on a first-in, first-out (FIFO) basis.

Stores & spares are recorded at cost on a weighted average cost formula.

Finished goods and work-in-process are valued at raw material cost + cost of conversion and attributable proportion of manufacturing overhead incurred in bringing inventories to its present location and condition.

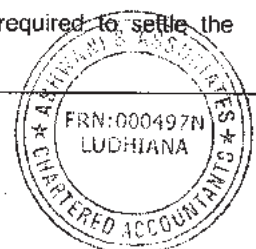
By products and scrap are valued at net realizable value.

Machinery spares (other than those qualify to be capitalized as PPE and depreciated accordingly) are charged to profit and loss on consumption.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

n) Provisions and contingencies

Provisions : Provisions are recognized when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the



obligation and there is a reliable estimate of the amount of the obligation. Provisions are determined based on best management estimate required to settle the obligation at balance sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent asset being a possible asset that arises from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, is not recognized but disclosed in the financial statements.

o) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial instruments (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost using the effective interest method or fair value, depending on the classification of the financial assets

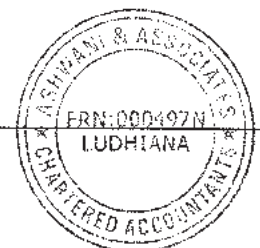
Classification of financial assets

Classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- Those measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.



A financial asset that meets the following two conditions is measured at amortised cost unless the asset is designated at fair value through profit or loss under the fair value option:

- **Business model test:** the objective of the Company's business model is to hold the financial asset to collect the contractual cash flows.
- **Cash flow characteristic test:** the contractual term of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option:

- **Business model test:** the financial asset is held within a business model whose objective is achieved by both collecting cash flows and selling financial assets.
- **Cash flow characteristic test:** the contractual term of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value through profit or loss.

p) Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost less provision for impairment.

q) Cash and cash equivalents

In the cash flow statement, cash and cash equivalents includes cash in hand, cheques and balances with bank. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet and forms part of financing activities in the cash flow statement. Book overdraft is shown within other financial liabilities in the balance sheet and forms part of operating activities in the cash flow statement.

r) Impairment of Financial Assets

The Company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets measured at amortised cost
 - Financial assets measured at fair value through other comprehensive income
- Expected credit losses are measured through a loss allowance at an amount equal to:**
- The twelve month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within twelve months after the reporting date);
or
 - Full life time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the ~~loss allowance~~ at an amount equal to lifetime expected credit losses.



Derecognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the exchange rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost or fair value through profit or loss the exchange differences are recognised in profit or loss except for those which are designated as hedge instrument in a hedging relationship. Further change in the carrying amount of investments in equity instruments at fair value through other comprehensive income relating to changes in foreign currency rates are recognised in other comprehensive income.

s) Financial liabilities and equity instruments**Classification of debt or equity**

Debt or equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

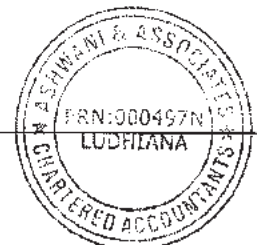
All financial liabilities are subsequently measured at amortized cost using the effective interest rate method or at fair value through statement of profit & loss.

Trade and other payables

Trade and other payables represent liabilities for goods or services provided to the Company prior to the end of financial year which are unpaid.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in Statement of Profit and Loss over the period of the borrowings using the effective interest rate method.



Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of Profit & Loss.

Foreign exchange gains or losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in Statement of Profit and Loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the exchange rate at the end of the reporting period. For financial liabilities that are measured as at fair value through profit or loss, the foreign exchange component forms part of the fair value gains or losses and is recognised in Statement of Profit Loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

t) **Dividends**

Final dividends on shares are recorded on the date of approval by the shareholders of the Company.



NOVA IRON & STEEL LIMITED

Notes to Financial Statements

NOTE NO. 3 - PROPERTY, PLANT & EQUIPMENTS

| Particulars | Freehold Land | Leasehold Land | Buildings | Plant and Equipments | Railway Siding | Office Equipments | Furniture & Fixtures | Vehicles | Total |
|---|---------------|----------------|----------------|----------------------|----------------|-------------------|----------------------|-------------|---------------|
| Cost as at 1st April, 2019 | 46 38 29 408 | 4 17 75 783 | 42 22 28 851 | 176 70 16 552 | 2 14 77 461 | 1 70 35 501 | 2 48 55 084 | 1 00 06 228 | 276 82 24 868 |
| Additions | 1 36 35 000 | - | 95 66 98 518 | 229 11 06 065 | 21 90 000 | 10 50 069 | 62 530 | - | 326 47 42 182 |
| Disposals | - | - | - | - | - | - | - | - | - |
| Transfers | - | - | - | - | - | - | - | - | - |
| Cost as at 31st March, 2020 | 47 74 64 408 | 4 17 75 783 | 1 37 89 27 369 | 405 81 22 617 | 2 36 67 461 | 1 80 85 570 | 2 49 17 614 | 1 00 06 228 | 603 29 67 050 |
| Accumulated depreciation as at 1st April, 2019 | - | 28 21 858 | 34 71 89 984 | 173 87 33 327 | 1 95 74 920 | 1 57 42 084 | 2 41 36 704 | 93 50 529 | 215 75 49 406 |
| Charge for the Year | - | 5 12 667 | 2 71 00 204 | 4 45 05 670 | 5 91 291 | 3 64 283 | 72 621 | 1 14 608 | 7 32 61 344 |
| Disposals | - | - | - | - | - | - | - | - | - |
| Accumulated depreciation as at 31st March, 2020 | - | 33 34 525 | 37 42 90 188 | 178 32 38 997 | 2 01 66 211 | 1 61 06 367 | 2 42 09 325 | 94 65 137 | 223 08 10 750 |
| Net carrying amount as at 31st March, 2020 | 46 38 29 408 | 3 84 41 258 | 100 46 37 181 | 227 48 83 620 | 35 01 250 | 19 79 203 | 7 08 289 | 5 41 091 | 380 21 56 300 |
| Net carrying amount as at 31st March, 2019 | 46 38 29 408 | 3 89 53 925 | 7 50 38 867 | 2 82 83 225 | 19 02 541 | 12 93 417 | 7 18 380 | 6 55 699 | 61 06 75 461 |

| Capital Work In Progress : | |
|---------------------------------------|------------------|
| Opening Balance as on 1st April 2019 | 315 41 48 321 |
| Add : Additions | 9 58 46 262 |
| Less : Capitalised during the year | - 3 24 99 94 583 |
| Closing Balance as on 31st March 2020 | - |

Notes:

- Borrowing cost Capitalised during the year is NIL
- Freehold Land comprises of Land Amounting ₹ 330.69 Lakhs (PY 194.34 Lakhs) registered in the name of third parties



NOVA IRON & STEEL LIMITED

Notes to Financial Statements

| PARTICULARS | (Amount in Rs.) | |
|--|-----------------------|-----------------------|
| | As at 31st March 2020 | As at 31st March 2019 |
| NOTE 4 : INVESTMENTS : | | |
| Non Trade, Unquoted (At Fair value) | | |
| Adarsh Info Tech. P. Ltd., Chandigarh 2,23,800 Eq. Shares (Prev. Year 2,23,800 Eq. Shares) of Rs. 10/- each | 1 13 98 134 | 1 13 98 134 |
| Prudent Transport Co. Ltd., Chandigarh 18,000 Eq. Shares (Prev. Year 18,000 Eq. Shares) of Rs. 30/- each | 30 17 520 | 30 17 520 |
| TOTAL : | 1 44 15 654 | 1 44 15 654 |
| (Aggregate Amount of Unquoted Investments : Rs. 1,44,15,654) | | |
| NOTE 5 : OTHER FINANCIAL ASSETS | | |
| Fixed Deposit Having Original & Remaining Maturity More Than 12 Months | 43 07 960 | 40 37 974 |
| TOTAL : | 43 07 960 | 40 37 974 |
| NOTE 6 : OTHER NON CURRENT ASSETS : | | |
| Capital Advances | | 7 24 80 521 |
| Security Deposits | | |
| (a) With Government Departments | 2 10 55 695 | 1 13 82 289 |
| (b) Others | 88 791 | 88 791 |
| Balance With Excise Dept | 17 57 316 | 17 57 316 |
| TOTAL : | 2 29 01 802 | 8 57 08 917 |
| NOTE 7 : INVENTORIES : | | |
| Raw Materials (at cost) | 1 08 62 846 | 15 49 17 175 |
| Finished Goods (at lower of cost or net realisable value) | 20 68 714 | 17 57 59 478 |
| Scrap & Waste (at net realisable value) | 1 52 26 406 | 1 26 60 340 |
| Stores and Spares (at cost) | 3 68 57 871 | 4 58 83 643 |
| Diesel (at cost) | 7 50 285 | 13 42 744 |
| Packing Material (at cost) | 11 40 077 | 3 83 878 |
| Stock In Process | - | 62 83 468 |
| Stock In Transf | - | 30 53 929 |
| TOTAL : | 6 89 06 189 | 40 02 84 675 |
| NOTE 8 : TRADE RECEIVABLES : | | |
| Unsecured and considered good | | |
| Trade Receivables | 2 77 78 793 | 3 08 69 583 |
| TOTAL : | 2 77 78 793 | 3 08 69 583 |
| Debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member is Nil. (P.Y. Nil) | | |
| NOTE 9 : CASH & CASH EQUIVALENTS : | | |
| Cash in Hand | 2 85 216 | 2 67 876 |
| Cheques, Drafts on Hand | - | 20 64 814 |
| Balances with Scheduled Banks | | |
| - In Current Accounts | 3 49 807 | 12 46 061 |
| In FDR's | | |
| TOTAL : | 6 35 023 | 35 78 751 |
| NOTE 10 : OTHER BANK BALANCES : | | |
| Deposits with Original Maturity of more than 3 months but less than 12 months | 2 89 866 | - |
| TOTAL : | 2 89 866 | |
| NOTE 11 : CURRENT TAX ASSET (NET) : | | |
| Advance Tax (Net) | 59 27 223 | 44 24 433 |
| TOTAL : | 59 27 223 | 44 24 433 |
| NOTE 12 : OTHER CURRENT ASSETS : | | |
| (A) Unsecured and considered good | | |
| Advances to Suppliers | 14 44 50 497 | 15 46 58 889 |
| Advances to Employees | 50 012 | 45 657 |
| Other Advances : | | |
| Interest Recoverable | 3 03 722 | 2 90 752 |
| Prepaid Expenses | 15 58 693 | 17 76 737 |
| Duty Drawback Receivable | 68 81 876 | 25 99 891 |
| Balance with Government Authorities | 8 54 25 238 | 19 59 85 191 |
| TOTAL : | 25 06 70 038 | 34 53 47 117 |
| (B) Out of (A) above Loans and advances due from directors or other officers of the company. | Nil | Nil |
| NOTE 13 : EQUITY SHARE CAPITAL : | | |
| (A) Authorised Capital : | As at 31st March 2020 | As at 31st March 2019 |
| 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 (PY 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: | As at 31st March 2020 | As at 31st March 2019 |
| Equity Shares: | No. of Shares | No. of Shares |
| Outstanding at the beginning of the year | 3 61 39 488 | 3 61 39 488 |
| Add: Further Issued during the year | Nil | Nil |
| Outstanding at the closing of the year | 3 61 39 488 | 3 61 39 488 |
| | Amount (Rs.) | Amount (Rs.) |
| Outstanding at the beginning of the year | 36 13 94 880 | 36 13 94 880 |
| Add: Further Issued during the year | Nil | Nil |
| Outstanding at the closing of the year | 36 13 94 880 | 36 13 94 880 |



NOVA IRON & STEEL LIMITED

Notes to Financial Statements

(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 subsidiaries / associates.

| (F) Details of Shareholders holding more than 5% shares in the Company : | (Amount in Rs.) | |
|--|-----------------------|-----------------------|
| | As at 31st March 2020 | As at 31st March 2019 |
| Equity Shares of Rs. 10 each , fully paid up | No. of Shares | No. of Shares |
| M/s. Bhushan Power & Steel Ltd. | 92 69 146 | 92 69 146 |
| M/s. Ambey Steel & Power Pvt. Ltd. | 1 09 59 675 | 1 09 59 675 |
| Sh. Aniket Singal | 43 40 000 | 43 40 000 |
| | 2 45 68 821 | 2 45 68 821 |
| | % Held | % Held |
| M/s. Bhushan Power & Steel Ltd. | 25.65 | 25.65 |
| M/s. Ambey Steel & Power Pvt. Ltd. | 30.33 | 30.33 |
| Sh. Aniket Singal | 12.01 | 12.01 |
| | 67.99 | 67.99 |
| NOTE 14 : OTHER EQUITY : | | |
| Retained Earnings | | |
| Balance at beginning of the year | - 6 84 12 125 | - 7 46 28 649 |
| Add : Profit / Loss (-) for the Year | - 52 23 07 670 | 62 16 524 |
| Add : Tax Adjustment for Earlier Years | - | - |
| Sub Total : | - 59 07 19 795 | - 6 84 12 125 |
| Other Comprehensive Income : | | |
| Opening Balance | 85 99 425 | 78 90 499 |
| Fair Valuation of Investment | - | 30 965 |
| Remeasurements of employee benefit obligations | - 17 65 327 | 9 24 533 |
| Income Tax relating to items that will not be reclassified to P&L A/c | 4 58 985 | - 2 46 572 |
| Closing Balance : | 72 93 083 | 85 99 425 |
| Closing Balance at the year end | - 58 34 26 712 | - 5 98 12 700 |
| NOTE 15 : OTHER FINANCIAL LIABILITIES : | | |
| Security Deposits | 5 47 60 064 | 1 18 35 535 |
| TOTAL : | 5 47 60 064 | 1 18 35 535 |

| PARTICULARS | As at 31st March 2020 |
|--|-----------------------|
| NOTE 16 : DEFERRED TAX LIABILITIES : | |
| (a) Income tax expense in the statement of profit and loss comprises : | |
| Current income tax charge | - |
| Deferred Tax - Relating to origination and reversal of temporary differences | 10 80 74 429 |
| Income tax expense reported in the statement of Profit or Loss | 10 80 74 429 |
| (b) Other Comprehensive Income : | |
| Re-measurement gains/ (losses) on defined benefit plans | 4 58 985 |
| Income tax related to items recognised in OCI during the year | 4 58 985 |
| (c) Deferred tax liabilities comprises : | |
| Deferred Tax Assets on account of : | |
| Related to fixed assets | 9 57 96 161 |
| Provision for employee benefits | - 57 29 143 |
| Preliminary Expenses to be Allowed u/s 35D : A | - |
| Deferred Tax Liabilities on account of : | |
| Allowance under the Income Tax Act 1961 | - |
| Deferred Tax Liabilities on items Recognised in OCI | - |
| Mat Recoverable | - |
| | 9 00 67 018 |
| (d) Statement of Profit & Loss (including other comprehensive income): | |
| Deferred Tax Assets on account of : | |
| Related to fixed assets | 9 69 38 001 |
| Provision for employee benefits | - 51 58 527 |
| Preliminary Expenses to be Allowed u/s 35D : A | - 92 950 |
| Deferred Tax Liabilities on account of : | |
| Allowance under the Income Tax Act 1961 | - |
| Deferred Tax Liabilities on items Recognised in OCI | - 2 46 572 |
| Mat Recoverable | 1 61 75 492 |
| | 10 76 15 444 |
| (e) Reconciliation of Deferred Tax Liabilities (net) : | |
| Opening balance as per last balance sheet | - 1 75 48 426 |
| Tax expense recognised in Profit and Loss account during the year | 10 80 74 429 |
| Tax expense recognised in Other Comprehensive Income during the year | - 4 58 985 |
| Mat Recoverable | - |
| Closing balance | 9 00 67 018 |



NOVA IRON & STEEL LIMITED

Notes to Financial Statements

| PARTICULARS | (Amount in Rs.) | |
|--|--|--|
| | As at 31st March 2020 | As at 31st March 2019 |
| NOTE 17 : PROVISIONS : | | |
| Non Current | | |
| Provision for Gratuity | 1 43 67 909 | 1 23 14 272 |
| Provision for Compensated Absences | 35 60 459 | 28 66 376 |
| TOTAL : | 1 79 28 368 | 1 51 80 648 |
| NOTE 18 : DEFERRED REVENUE : | | |
| Opening Balance | - | - |
| Deferred During the Year | 1 73 50 331 | - |
| Realised During the Year | - 1 90 141 | - |
| TOTAL : | 1 71 60 190 | - |
| Non Current Deferred Revenue | 1 13 76 747 | - |
| Current Deferred Revenue | 57 83 444 | - |
| TOTAL : | 1 71 60 190 | - |
| NOTE 19 : BORROWINGS : | | |
| Unsecured, Repayable on Demand: | | |
| Loans From Related Parties | 151 58 79 348 | 151 58 79 348 |
| Loans From Others | 177 72 94 400 | 186 70 89 778 |
| TOTAL : | 329 31 73 748 | 338 29 69 126 |
| NOTE 20 : TRADE PAYABLES : | | |
| Trade Payables | | |
| - Total outstanding dues of micro enterprises and small enterprises (Refer Note-42) | - | - |
| - Total outstanding dues of vendors other than micro enterprises and small enterprises | 16 48 51 914 | 15 35 47 980 |
| TOTAL : | 16 48 51 914 | 15 35 47 980 |
| NOTE 21 : OTHER FINANCIAL LIABILITIES : | | |
| Expenses Payable | 1 72 51 205 | 1 42 53 970 |
| Water Charges Payable | 1 01 48 314 | 2 48 22 009 |
| Due to Directors | 3 82 628 | 1 87 594 |
| Employees related Payable | 64 22 807 | 61 03 007 |
| TOTAL : | 3 42 04 954 | 4 83 66 580 |
| NOTE 22 : PROVISIONS : | | |
| Provision for Gratuity | 28 63 838 | 25 73 391 |
| Provision for Compensated Absences | 12 42 959 | 15 80 621 |
| TOTAL : | 41 06 797 | 41 54 012 |
| NOTE 23 : OTHER CURRENT LIABILITIES : | | |
| Other Payables | | |
| Capital Creditors | 3 66 21 359 | 6 31 62 646 |
| Advance From Customers | 69 63 89 457 | 68 22 62 990 |
| Excise duty Payable | - | - |
| Statutory Dues Payable | 65 28 989 | 67 49 784 |
| TOTAL : | 73 95 39 805 | 75 21 75 420 |
| NOTE 24 : CURRENT TAX LIABILITIES (NET) : | | |
| Provision for Income Tax (net of advance income tax) | 42 27 831 | 42 27 831 |
| TOTAL : | 42 27 831 | 42 27 831 |
| PARTICULARS | For the Year Ended 31.03.2020 | For the Year Ended 31.03.2019 |
| NOTE 25 : REVENUE FROM OPERATIONS | | |
| Sale of Products : | | |
| Sale of Goods | 109 94 18 174 | 17 65 02 345 |
| Sale of By Products & Scrap | 2 10 98 697 | - |
| Export Benefits | 2 53 53 401 | 32 90 209 |
| Less: Revenue under Trial Run | 114 58 70 272 | 17 97 92 554 |
| Net Sales | 62 37 99 953 | 17 44 36 765 |
| Other Operating Income | 52 20 70 319 | 53 55 789 |
| TOTAL : | 52 20 70 319 | 3 93 55 826 |
| NOTE 26 : OTHER INCOME | | |
| Interest Income | 5 18 268 | 2 42 866 |
| Rent Received | 1 46 51 735 | 80 48 885 |
| Deferred Revenue Realised During the Year (Refer Note No. 18) | 1 90 141 | - |
| Exchange Gain (Net) | - | 39 26 506 |
| Excess Provision Written Back | 1 46 73 695 | - |
| Miscellaneous Income (Refer Note 46) | 2 40 084 | 11 22 553 |
| TOTAL : | 3 02 73 923 | 1 33 40 810 |
| NOTE 27 : COST OF MATERIALS CONSUMED: | | |
| Opening Stock | 15 49 17 175 | 27 85 847 |
| Add: Purchases | 74 11 35 170 | 49 23 38 817 |
| Less: Closing Stock | 89 60 52 345 | 49 51 24 664 |
| Less: Transfer To Trial Run | 1 08 62 848 | 15 49 17 175 |
| TOTAL : | 51 40 66 202 | 33 84 23 549 |
| | 37 11 23 287 | 17 83 940 |



NOVA IRON & STEEL LIMITED

Notes to Financial Statements

| PARTICULARS | (Amount in Rs.) | |
|---|-------------------------------------|-------------------------------------|
| | For the Year Ended 31.03.2020 | For the Year Ended 31.03.2019 |
| NOTE 28 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN PROGRESS AND STOCK IN TRADE:- | | |
| Inventory at the beginning of the year | | |
| Finished Goods | 17 57 59 478 | 5 10 077 |
| Stock in Process | 62 83 488 | - |
| Scrap | 1 26 80 340 | 1 04 940 |
| | 19 47 03 306 | 6 15 017 |
| Inventory at the end of the year | | |
| Finished Goods | 20 68 714 | 17 57 59 478 |
| Stock in Process | - | 62 83 488 |
| Scrap | 1 52 26 406 | 1 26 80 340 |
| | 1 72 95 120 | 19 47 03 306 |
| INCREASE (-) / DECREASE IN INVENTORIES | 17 74 08 186 | - 19 40 88 289 |
| Less : Transfer To Trial Run | 1 19 25 445 | 19 40 88 289 |
| TOTAL : | 16 54 82 741 | - 39 29 177 |
| NOTE 29 : EMPLOYEE BENEFITS EXPENSES: | | |
| Salaries & Wages | 8 43 11 483 | 5 48 43 386 |
| Contribution to Provident and Other Funds | 62 90 386 | 46 25 711 |
| Staff Welfare Expenses | 13 81 198 | 28 38 112 |
| | 9 19 83 067 | 6 23 07 209 |
| Less : Transferred to Projects Under Commissioning | - | 2 66 94 392 |
| Less : Transfer To Trial Run | 2 16 15 780 | 90 57 960 |
| TOTAL : | 7 03 67 287 | 2 65 54 857 |
| NOTE 30 : FINANCE COSTS: | | |
| Interest on Amortisation of Financial Liability | 1 68 963 | - |
| TOTAL : | 1 68 963 | - |
| NOTE 31 : DEPRECIATION : | | |
| Depreciation | 7 32 61 344 | 90 80 315 |
| TOTAL : | 7 32 61 344 | 90 80 315 |
| NOTE 32 : OTHER EXPENSES: | | |
| Stores Consumed | 6 88 27 016 | 2 43 52 223 |
| Packing & Forwarding Charges | 1 60 73 057 | 17 06 612 |
| Power & Fuel | 20 96 38 961 | 8 16 40 056 |
| Contractor Labour Charges | 5 17 63 865 | 1 71 94 109 |
| Water Charges | 1 72 70 847 | 1 59 52 944 |
| Payment to Auditors | | |
| Audit Fees | 3 50 000 | 3 50 000 |
| Tax Audit Fees | 50 000 | 50 000 |
| Repairs and Maintenance | | |
| Machinery | 20 97 979 | 6 52 838 |
| Vehicles | 68 83 823 | 28 31 026 |
| Building | 1 76 125 | 4 62 627 |
| Legal & Professional Charges | 8 53 641 | 16 39 411 |
| Rates & Taxes | 25 33 820 | 18 98 284 |
| Travelling & Conveyance Expenses | 13 44 086 | 11 98 812 |
| Advertisement Expenses | 91 200 | 87 600 |
| Printing & Stationery | 10 80 193 | 23 40 413 |
| Postage, Telegram & Telephone Expenses | 41 61 048 | 48 20 054 |
| Other Miscellaneous Expenses | 51 210 | 85 445 |
| Foreign Exchange Gain / (Loss) - Net | 1 02 47 371 | - |
| Loss on Sale of MEIS License | 4 33 634 | - |
| Interest Expense | 15 63 731 | 35 21 986 |
| Bank Charges | 2 23 610 | 2 14 641 |
| Director's Sitting Fee | 4 000 | 26 000 |
| Commission & Brokerage | 4 10 976 | 9 389 |
| General Expenses | 11 53 594 | 6 46 461 |
| Lease Rent | 15 34 011 | 16 76 607 |
| | 39 88 17 798 | 16 33 07 539 |
| Less : | - | 2 06 57 357 |
| Less : Transfer To Trial Run | 13 64 94 837 | 9 76 90 799 |
| TOTAL : | 26 23 22 961 | 4 49 59 383 |
| NOTE 33 : ITEMS THAT WILL NOT BE RE-CLASSIFIED TO STATEMENT OF PROFIT & LOSS : | | |
| Change in fair value of Investment | - | 30 965 |
| Re-measurement gains / (losses) on defined benefit | - 17 65 327 | 9 24 533 |
| TOTAL : | - 17 65 327 | 9 55 498 |



NOVA IRON & STEEL LIMITED

Notes to Financial Statements

(Amount in Rs.)

NOTE 34 : EARNING PER SHARE (EPS) :

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity share holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity share holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares, unless the effect of potential dilutive equity shares is antidilutive.

The following reflects the income and share data used in the basic and diluted EPS computations:

| | | |
|--|----------------|-------------|
| Profit / (loss) after tax for Calculation of Basic EPS | - 52 36 14 012 | 69 25 450 |
| Add : Adjustment for Potential Shares | - | - |
| Profit / (loss) after tax for Calculation of Diluted EPS | - 52 36 14 012 | 69 25 450 |
| Weighted average number of equity shares in calculating basic EPS | 3 61 39 488 | 3 61 39 488 |
| Effect of dilution : | - | - |
| Total weighted average number of shares in calculating diluted EPS | 3 61 39 488 | 3 61 39 488 |
| Nominal value of each ordinary equity share (In Rs.) | 10 | 10 |
| Basic Earning per share | (14.45) | 0.19 |
| Diluted Earning per share | (14.45) | 0.19 |

NOTE 35 : RELATED PARTY TRANSACTIONS :

The list of related parties as identified by the management is as under :

| | | | |
|--------|--|--|------------------------------|
| (i). | Key 1 Sh. Anikat Singal (Upto: 15.11.2019) 2 Sh. H.C. Verma 3 Sh. Ravi Prakash Goyal 4 Sh. Ajoy Shah (Upto: 25.11.2019) 5 Sh. Narsingh Awatar 6 Smt. Sumiran Aggarwal 7 Sh. Dheera Kumar | Relationship Director Director Director Chief Financial Officer Independent Director Independent Director Company Secretary | |
| (ii). | Entities which have significant influence over the company: 1 M/s Ambey Steel & Power Pvt. Ltd. 2 M/s Bhushan Power & Steel Ltd | Promoter Company Promoter Company | |
| (iii). | Transactions with Related Parties | | |
| | Particulars | Year Ended March 2020 | Year Ended March 2019 |
| | Key Managerial Personnel | | |
| | Salaries | 38 89 450 | 40 21 200 |
| | Sitting Fees | 4 000 | 15 000 |
| | Balance Outstanding | | |
| | Particulars | Year Ended March 2020 | Year Ended March 2019 |
| | Key Managerial Personnel | | |
| (a) | Other Payables | 3 82 628 | 1 87 594 |
| | Entities which have significant influence over the company | | |
| (a) | Advance from Customers | 68 22 00 521 | 68 22 00 521 |
| (b) | Short Term Borrowings | 151 58 79 348 | 151 58 79 348 |

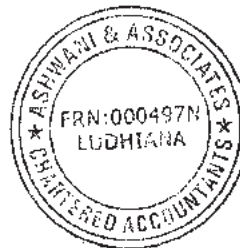
| PARTICULARS | For the Year Ended 31.03.2020 | For the Year Ended 31.03.2019 |
|---|-------------------------------|-------------------------------|
| NOTE 36 : CONTINGENT LIABILITIES & COMMITMENTS & ASSETS (TO THE EXTENT NOT PROVIDED FOR) | | |
| (A) Contingent Liabilities. | | |
| Claims against the Company not acknowledged as debts(*) | 3 97 67 509 | 80 85 961 |
| Income Tax demands under appeal | 1 62 41 292 | 1 62 08 225 |
| Excise Duty | 2 59 80 096 | 2 99 24 729 |
| Value added Tax / Sales Tax | 11 27 16 000 | 11 27 16 000 |
| Entry Tax | 5 05 000 | 5 05 000 |
| (B) Commitments | | |
| Estimated amounts of contracts remaining to be executed on Capital account and not Provided for | Nil | 2 48 10 179 |

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.

NOTE 37 : FINANCE LEASE :

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. Company has acquired a lease for a period of 99 years which has been acquired over the period of lease.

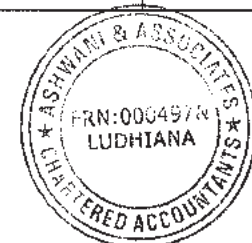


NOVA IRON & STEEL LIMITED

Notes to Financial Statements

(Amount in Rs.)

| PARTICULARS | For the Year Ended 31.03.2020 | For the Year Ended 31.03.2019 | For the Year Ended 31.03.2020 | For the Year Ended 31.03.2019 |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| NOTE 38 : EMPLOYEE BENEFITS | | | | |
| (i) Defined Contribution Plans, as per Ind - AS 19 Employee Benefits : Contribution to Defined Contribution Plan, as recognised as expense is as under: Contribution to Provident Fund & Other Funds | | | 62 90 386 | 46 25 711 |
| (ii) Defined Benefit Plans, as per Ind AS 19 Employee Benefits : The Company has defined benefit plans namely leave encashment / compensated absence and gratuity. The liability for both the liabilities is computed using the projected unit credit method by a qualified actuary. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. | | | | |
| PARTICULARS | For the Year Ended 31.03.2020 | For the Year Ended 31.03.2019 | For the Year Ended 31.03.2020 | For the Year Ended 31.03.2019 |
| | Gratuity | | Leave encashment | |
| Net employee benefit expense (recognized in Employee Cost) : | | | | |
| Current Service Cost | 17 93 881 | 13 83 632 | 9 82 376 | 7 02 160 |
| Net Interest Cost on net defined benefit liability | 11 32 951 | 10 52 585 | 3 38 416 | 2 87 125 |
| Re-measurement (or Actuarial) (gain) / loss | - | - | - 2 98 265 | - 3 08 294 |
| Net Benefit expense recognized in statement of profit and loss | 29 26 832 | 24 36 217 | 10 22 527 | 6 82 991 |
| Amount recognised in Other Comprehensive Income : | | | | |
| Actuarial (gain) / loss recognized in the year | 17 65 327 | - 9 24 533 | - | - |
| Return on plan assets, excluding amount recognised in net interest expense | - | - | - | - |
| Components of defined benefit costs recognised in other comprehensive income | 17 65 327 | - 9 24 533 | - | - |
| Funding Pattern The scheme is funded through an 'Approved Trust'. The Trust has taken a Policy from the Life Insurance Corporation of India (LIC) and the management of fund is undertaken by LIC. | | | | |
| Movement in the present value of the defined benefit obligation : | | | | |
| Present value of obligation as at the beginning | 1 48 87 663 | 1 41 28 661 | 44 46 997 | 38 54 021 |
| Current service cost | 17 93 881 | 13 83 632 | 9 82 376 | 7 02 160 |
| Interest cost | 11 32 951 | 10 52 585 | 3 38 416 | 2 87 125 |
| Re-measurement (or Actuarial) (gain) / loss | 17 65 327 | - 9 24 533 | - 2 98 265 | - 3 08 294 |
| Benefits paid | - 23 48 075 | - 7 52 682 | - 6 88 106 | - 90 015 |
| Present Value of Obligation as at the end | 1 72 31 747 | 1 48 87 663 | 48 03 418 | 44 46 997 |
| Current Liability (Short term) | 28 63 838 | 25 73 391 | 12 42 959 | 15 80 621 |
| Non-Current Liability (Long term) | 1 43 67 909 | 1 23 14 272 | 35 60 459 | 28 66 376 |
| PARTICULARS | For the Year Ended 31.03.2020 | For the Year Ended 31.03.2019 | For the Year Ended 31.03.2020 | For the Year Ended 31.03.2019 |
| | Gratuity | | Leave encashment | |
| Changes in the plan assets : | | | | |
| Fair Value of Plan Assets as at the beginning | - | - | - | - |
| Interest Income | - | - | - | - |
| Employer's Contribution | - | - | - | - |
| Benefits Paid | - | - | - | - |
| Return on plan assets, excluding amount recognised in net interest expense | - | - | - | - |
| Fair Value of Plan Assets as at the end | - | - | - | - |
| Reconciliation of Fair Value of Assets and Obligations | | | | |
| Fair value of plan assets as at closing of the year | | | | |
| Present value of obligation as at closing of the year | 1 72 31 747 | 1 48 87 663 | 48 03 418 | 44 46 997 |
| Amount recognized in Balance Sheet | 1 72 31 747 | 1 48 87 663 | 48 03 418 | 44 46 997 |
| Expected contribution for the next Annual reporting period. | | | | |
| Particulars | Leave Encashment | | Gratuity | |
| | 31-03-2019 | 31-03-2020 | 31-03-2019 | 31-03-2020 |
| a) Service Cost | 7,48,599 | 7,97,568 | 15,44,428 | 17,15,090 |
| b) Net interest Cost | 3,38,416 | 3,17,026 | 11,32,951 | 11,37,295 |
| c) Expected Expense for the next annual reporting period | 10,87,015 | 11,14,594 | 26,77,379 | 28,52,385 |
| The Principal Assumptions used in determining defined benefit obligations are shown below : | | | | |
| Discount rate | | | 6.60% | 7.61% |
| Withdrawal rate (per annum) | | | 10.00% | 10.00% |
| Salary growth rate | | | 5.00% | 5.00% |
| Mortality rate | | | 100% of IALM(2012-14) | 100% of IALM(2006-08) |
| Rate of Leave Availment | | | 8.00% | 8.00% |
| The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. | | | | |
| A quantitative sensitivity analysis for significant assumption as at 31 March 2020 & 31 March 2019 is as shown below: | | | | |
| PARTICULARS | For the Year Ended 31.03.2020 | For the Year Ended 31.03.2019 | For the Year Ended 31.03.2020 | For the Year Ended 31.03.2019 |
| | Gratuity | | Leave encashment | |
| Discount rate | | | | |
| Change in assumption | 0.5 % increase | 0.5 % increase | 0.5 % increase | 0.5 % increase |
| Impact on defined benefit obligation | - 4 22 516 | - 4 41 360 | - 1 24 526 | - 4 64 152 |
| Salary growth rate | | | | |
| Change in assumption | 0.5 % increase | 0.5 % increase | 0.5 % decrease | 0.5 % decrease |
| Impact on defined benefit obligation | 4 49 131 | 4 73 667 | 1 32 438 | - 4 51 163 |



NOVA IRON & STEEL LIMITED

Notes to Financial Statements

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

| | 31-03-2020 | 31-03-2019 |
|--|------------|------------|
| The following payments are expected contributions to the defined benefit plan (Gratuity & Leave Encashment) in future years: | | |
| Within the next 12 months (next annual reporting period) | 41 06 797 | 41 54 012 |
| Between 2 and 6 years | 83 31 431 | 64 52 479 |
| Between 5 and 10 years | 95 96 937 | 87 28 169 |

NOTE 39 : FAIR VALUE MEASUREMENT & HIERARCHY

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Fair Value Hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2 : other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3 : techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

The management assessed that cash and cash equivalents, trade receivables, short term loans and advances, short term borrowings, trade payables and short term financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

The fair value of investment being unquoted, have been done on NAV method based on the last available audited accounts.

| PARTICULARS | For the Year Ended | For the Year Ended | For the Year Ended | For the Year Ended |
|---|-----------------------|--------------------|--------------------|--------------------|
| | 31.03.2020 | 31.03.2019 | 31.03.2020 | 31.03.2019 |
| Level of Fair Valuation - Level 3 | Carrying Value | | Fair Value | |
| Financial Assets at amortised cost : | | | | |
| Investment (Level 3) | 1 44 15 654 | 1 44 15 654 | 1 44 15 654 | 1 44 15 654 |
| Other Financial Asset (Level 3) | 43 07 960 | 40 37 974 | 43 07 960 | 40 37 974 |
| Trade Receivables (Level 3) | 2 77 78 793 | 3 08 69 583 | 2 77 78 793 | 3 08 69 583 |
| Cash & Cash Equivalents (Level 3) | 6 35 023 | 35 78 751 | 6 35 023 | 35 78 751 |
| Other Bank Balances (Level 3) | 2 89 866 | - | 2 89 866 | - |
| Financial Liabilities at amortised cost : | | | | |
| Other Non Current Financial Liabilities (Level 3) | 5 47 60 064 | 1 18 35 535 | 5 47 60 064 | 1 18 35 535 |
| Borrowings (Level 3) | 3 29 31 73 748 | 3 38 29 69 126 | 3 29 31 73 748 | 3 38 29 69 126 |
| Trade Payables (Level 3) | 16 48 51 914 | 15 35 47 980 | 16 48 51 914 | 15 35 47 980 |
| Other Current Financial Liabilities (Level 3) | 3 42 04 994 | 4 53 66 580 | 3 42 04 954 | 4 53 66 580 |

NOTE 40 : CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is total debt to equity. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents

| | | |
|---|----------------|----------------|
| Borrowings Short Term | 329 31 73 748 | 338 29 69 126 |
| Less: Cash and cash equivalents (including other bank balances) | - 9 24 889 | - 35 78 751 |
| Net debts (A) | 329 22 48 859 | 337 93 90 375 |
| Equity (B) | - 22 20 31 832 | 30 15 82 180 |
| Net Debt & Equity (C = A + B) | 3 07 02 17 027 | 3 68 09 72 555 |
| Net Debt / Net Debt & Equity Ratio % (A / C) | 1.07 | 0.92 |

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2020 and 31 March 2019.

NOTE 41 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES :

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables, security deposits and employee liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include security deposits, trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Company is exposed to **market risk**, **credit risk** and **liquidity risk**. The Company's management assesses the financial risks, takes appropriate action to mitigate those risks and ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

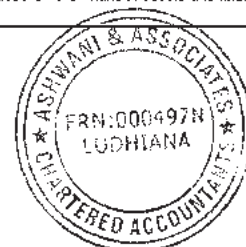
Market risk :

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include loans and borrowings and security deposits.

The sensitivity analyses in the following sections relate to the position as at 31 March 2020 and 31 March 2019.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity, other post-retirement obligations and other provisions.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2020 and 31 March 2019.



NOVA IRON & STEEL LIMITED

Notes to Financial Statements

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency). The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

Foreign Exchange Exposure

| Particulars | Year ended 31st March 2020 | | Year ended 31st March 2019 | |
|-------------------------|----------------------------|---------------|----------------------------|---------------|
| | Foreign Currency | Amount in Rs. | Foreign Currency | Amount in Rs. |
| Trade Receivable | | | | |
| - In USD | 1465 | 110577 | 367122 | 26024214 |
| Trade Payables | | | | |
| - In USD | Nil | Nil | Nil | Nil |
| Net Exposure | | | | |
| - In USD | 1465 | 110577 | 367122 | 26024214 |

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company profit before tax and equity is due to changes in the fair value of monetary assets and liabilities. Foreign currency exposures recognised by the Company that have not been hedged by a derivative instrument or otherwise are as under

| Currency / Currency Symbol | Year Ended March 2020 | | Gain / (loss) Impact on profit before tax and | |
|----------------------------|-----------------------|--------------|---|-------------|
| | Foreign Currency | Indian Rupee | 1% Increase | 1% Decrease |
| USD / \$ | 1465 | 110577 | 1100 | -1097 |

| Currency / Currency Symbol | Year Ended March 2019 | | Gain / (loss) Impact on profit before tax and | |
|----------------------------|-----------------------|--------------|---|-------------|
| | Foreign Currency | Indian Rupee | 1% Increase | 1% Decrease |
| USD / \$ | 367122 | 26024214 | 272735 | -277948 |

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

Trade receivables

Customer credit risk is being driven by Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on historical data of credit losses. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in the notes. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

In view of subsequent realisation the management believes that the trade receivables on 31 March 2020 and 31 March 2019 are not subject to any further credit risk. Accordingly, no new credit losses are being accounted for.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company as per the policy. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31st March 2020 is the carrying amounts. The Company's maximum exposure relating to financial is noted in liquidity table below.

| Particulars | (Amount in Rs.) | |
|---|-----------------------|-----------------------|
| | As At 31st March 2020 | As At 31st March 2019 |
| Financial assets for which allowance is measured using 12 months Expected Credit Loss Method (ECL) | | |
| Non Current Investments | 1 44 15 654 | 1 44 15 654 |
| Other Non Current Financial Assets | 43 07 960 | 40 37 974 |
| Cash & Cash Equivalents | 6 35 023 | 35 78 751 |
| Bank Balances other than above | 2 89 866 | |
| Total | 1 86 48 503 | 2 20 32 379 |
| Financial assets for which allowance is measured using Life time Expected Credit Loss Method (ECL) | | |
| Trade Receivables | 2 77 78 793 | 3 88 69 583 |
| Total | 2 77 78 793 | 3 88 69 583 |

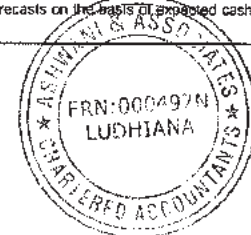
Balances with banks

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2020 and 31 March 2019 is the carrying amounts of balances with banks.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short term bank deposits and cash credit facility. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to its debt and concluded it to be low.



NOVA IRON & STEEL LIMITED

Notes to Financial Statements

| Maturity profile of financial liabilities | | | |
|--|------------------|------------------|----------------|
| The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments. | | | |
| The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date: | | | |
| As At 31st March 2020 | Less than 1 year | More than 1 year | Total |
| Borrowings | 3 29 31 73 748 | - | 3 29 31 73 748 |
| Trade Payables | 16 48 51 914 | - | 16 48 51 914 |
| Other Financial Liabilities | 3 42 04 954 | 5 47 80 064 | 8 89 85 018 |
| As At 31st March 2019 | Less than 1 year | More than 1 year | Total |
| Borrowings | 338 29 69 126 | - | 3 38 29 69 126 |
| Trade Payables | 15 35 47 980 | - | 15 35 47 980 |
| Other Financial Liabilities | 4 53 66 580 | 1 18 35 535 | 5 72 02 115 |

NOTE : 42 Information as required to be furnished as per Section 22 of Micro, Small & Medium Enterprises Development Act, 2006 (MSMED Act)

| S.No. | Particulars | As at March 31, 2020 | As at March 31, 2019 |
|-------|--|----------------------|----------------------|
| 1 | Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act: -Principal -Interest | - | - |
| 2 | The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year | - | - |
| 3 | The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act. | - | - |
| 4 | The amount of interest accrued and remaining unpaid at the end of each accounting year. | - | - |
| 5 | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006 | - | - |

NOTE : 43 Revenue from operation includes other operating revenue of Rs Nil (P.Y. 3,40,00,937) representing income from dealing in commodities and securities which is income other than manufacturing activities.

NOTE : 44 The company has not provided for interest expense of Rs 3174.24 Lakhs (Estimated) for the year ended 31st March 2020 related to short term borrowings of Rs 32931.74 Lakhs as on 31.03.2020.

NOTE : 45 During the year, the new plant was in trial run for the period 01-April-2019 to 30-June-2019, accordingly, Revenue amounting to Rs 6237.99 Lakhs and expenses amounting to Rs 6602.51 Lakhs has been Transferred to Capital Work in Progress after netting off the same in accordance with Ind AS 16.

NOTE : 46 The company has written off advances amounting to Rs. 3,02,49,883.96 & written back creditors amounting to Rs. 3,02,59,366 during the year. The net amount of Rs. 9,482.04 has been reflected in Other income.

NOTE : 47 Events after the Reporting Period :
The company has entered into an agreement wherein the plant located at Village Dagori, Tehsil Belha, Distt Bilaspur (C.G.) has been given out on a lease. Against this lease, the company has received a sum of Rs. Six Crores as a deposit and the agreement is effective w.e.f. 01.07.2020. Accordingly, the revenue and other operating impact will appear from that period onwards.

NOTE : 48 Note on Covid-19 :
Post declaration of COVID-19 as a pandemic by the World Health Organization, the Government in India has taken significant measures to curtail the wide spread of virus, including country wide lockdown and restriction in economic activities. In view of such lockdowns, operations at the Company's steel making facilities have been scaled down from the end week of March 2020.

In view of the impact of COVID-19, the Company has assessed the carrying amounts of property, plant and equipment, intangible assets, inventories, trade receivables investments and other financial assets. In assessing the recoverable value of such assets, the Company has considered various internal and external information such as existing long-term arrangements with customer and vendor partners, long-term business plan, cash flow forecasts and possible future uncertainties in economic conditions because of the pandemic including lockdowns and supply chain disruptions.

As per the Company's current assessment of recoverability of these assets, other than the impairment recorded, no significant impact on carrying amounts of these assets is expected. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements and the Company continues to closely monitor the situation including any material changes to future economic conditions and consequential impact on its financial statements.

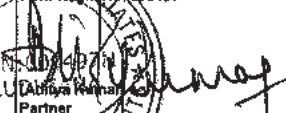
NOTE : 49 The Company has only one operating segment "Iron and Steel" which is generally received by the chief operating decision maker of the company for allocation of resources and review of financial performance. Therefore, no separate disclosures are required to be made, as per Ind AS- 108 "Operating Segments"


NOTE : 50 The figures regarding Trade receivables, Trade payables, Advances to Suppliers and others, Advances from customers etc. are subject to confirmation.


NOTE : 51 The previous year Previous GAAP figures have been reclassified/regrouped to make them comparable with Ind AS presentation.

As per our report of even date attached

For & on behalf of the Board of Directors

For Ashwani & Associates
Chartered Accountants
Firm Reg. No. 006497

Partner
Membership No. 006955
UDIN:20070031AAAKD6308
Place - Ludhiana
Date : 29.07.2020


(H.C. Verma)
Director
DIN : 00007681
Place: New Delhi


(R.P. Goyal)
Director
DIN : 00006595
Place: New Delhi


(Dheeraj Kumar)
Co.Secretary
Place: New Delhi

NOTICE

Notice is hereby given that 28th Annual General Meeting of Nova Iron and Steel Limited will be held on Friday, the 18th day of December 2020 at 11:30 a.m. through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”) to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt Audited Financial Statements of the Company for the year ended 31st March 2020 i.e. Audited Balance Sheet as at 31st March, 2020 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.

SPECIAL BUSINESS

2. **To consider appointment of Mr. Ved Parkash Chhabra (DIN: 00035412) as a Director who was appointed as an Additional Director and in this regard to consider and, if thought fit, to pass with or without modification the following Resolution as an ordinary resolution:-**

“Resolved that Mr. Ved Parkash Chhabra (DIN: 00035412), who was appointed as an Additional Director under Articles of Association of the Company w.e.f 11/11/2020 and holds office upto the date of Annual General Meeting, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

3. **To consider re-appointment of Mrs. Sumiran Aggarwal (Woman) (DIN 07147212) as an Independent Director for second term of five years and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as a Special resolution:**

“Resolved that pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable regulations of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 approval of the members of the company be and is hereby accorded for re-appointment of Mrs. Sumiran Aggarwal (DIN 07147212), Independent Director of the Company, for second term of five consecutive years to hold office and who shall not be liable to retire by rotation.”

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

“Resolved that pursuant to provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V thereof, the consent of Shareholders of the Company be and is hereby accorded to the re-appointment of Mr. Hardev Chand Verma (DIN 00007681) as a Whole-time Director of the Company for a further period of 2 (two) years with effect from 29/05/2020 on the terms and conditions including the remuneration less than the maximum permissible remuneration as specified in Section II of Part II of Schedule V to the Companies Act, 2013 as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company and as set out in the explanatory statement forming part of this resolution notwithstanding that the remuneration may exceed the limits prescribed in the provisions of Section 197, 198 and within the limits prescribed under Schedule V to the Companies Act, 2013 in case of no profits/inadequate profits.

RESOLVED FURTHER THAT notwithstanding anything contained in Section 197, 198 and Schedule V of the Companies Act, 2013 or any amendment/re-enactment thereof or any revised/new schedule thereof, in the event of absence of profits or inadequate profits in any financial year, the salary, perquisites and statutory benefits, as set out in the explanatory statement forming part of this resolution be paid as minimum remuneration to Mr. Hardev Chand Verma, Whole Time Director:

“Resolved further that the Board be and is authorised to modify the aforesaid terms and remuneration within, the limit as approved by the members.”

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

5. **To ratify and approve the remuneration of the Cost Auditors for the financial year ending March 31, 2021 and in this regard to consider and if thought fit, to pass with or without modification(s) , the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the Company be and is hereby given for payment of Remuneration of Rs. 25000/- to M/s J. K. Kabra & Company, New Delhi, Cost Auditors (Firm Registration No. 2890) appointed by the Board of Directors of the Company, to conduct cost audit of the Company for the financial year ending March 31, 2021.”

6. **To consider Further Issue of Securities and if thought fit, to pass the following Resolution with or without modification, as Special Resolution:**

“**RESOLVED** that pursuant to the provisions of Sections 41, 42, 55, 62, 63 and 71, and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) and the applicable rules there under (the “Companies Act”), the provisions of the Memorandum of Association and Articles of Association of the Company, and in accordance with any other applicable law or regulation, in India, including without limitation, the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the “SEBI ICDR Regulations”), the provision of SEBI (LODR) Regulations, 2015, the provisions of the Foreign Exchange Management Act, 1999, as amended, including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended, and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued from time to time by the Government of India (“GoI”), the Reserve Bank of India (“RBI”), the Securities and Exchange Board of India (“SEBI”), the Registrar of Companies (the “RoC”), the Stock Exchanges, and/ or any other competent authorities, the consent to the Board of Directors of the Company (hereinafter called the “Board” which term shall be deemed to include any committee which the Board has constituted or may hereinafter constitute to exercise its powers including the power conferred by this Resolution) be and is hereby accorded to create, issue, offer, allot by way of rights issue, preferential issue, and / or private placement and / or issue of fully / partly convertible debentures, preference shares convertible or non-convertible into Equity Shares, and / or any other financial instruments or securities convertible or non-convertible into Equity Shares or Conversion of Loan or otherwise with a face value of Rs. 10 each (Rupees Ten only) at par or premium (the “Equity Shares”), and/or any other financial instruments convertible into or exchangeable for Equity Shares, if any (all of which are hereinafter collectively referred to as the “Securities”) or any combination of Securities, in one or more tranches, through public and/or private offerings and/or on preferential allotment basis, and/or any other categories of investors whether or not such investors are members of the Company (collectively referred to as the “Investors”), as may be decided by the Board at its discretion and permitted under applicable laws and regulations for an aggregate amount not exceeding Rs. 120 Crores (Rupees One Crore Twenty thousand only), inclusive of such premium as may be fixed on such Securities at such time or times, in such a manner and on such terms and conditions including security etc., as may be deemed appropriate by the Board in its absolute discretion, including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary. The number and/or price of Securities shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of division or any such capital or corporate restructuring.

RESOLVED FURTHER that the relevant date for the determination of the applicable price for the issue of any other Securities shall be as per the regulations/guidelines prescribed by the SEBI, the Ministry of Finance, the RBI, the GoI through their various departments, or any other regulator, as the case may be, and the pricing of any Equity Shares issued upon the conversion of such Securities shall be made subject to and in compliance with the applicable rules and regulations.

RESOLVED FURTHER that subject to the applicable law, the Board be and is hereby authorized to form a Committee or delegate all or any of its powers to any Director (s) or Committee of Directors/Company Secretary/other persons authorized by the Board to do such acts, deeds and things in its absolute discretion as it deems necessary or expedient in connection with the creation, offer, issue, allotment, dematerialization or listing of the Securities, etc., including, without limitation, the following:

(a) appointing managers, arrangers, underwriters, guarantors, financial and/or legal advisors, depositories, custodians, principal paying/transfer/conversion agents, listing agents, registrars, trustees and all other agencies, intermediaries or advisors and finalizing the terms of and entering into or execution of all such agreements, arrangements or other documents with any such agencies, intermediaries or advisors, as may be required or expedient;

- (b) applying for and obtaining the consent of any relevant regulatory authorities/agencies, the Company's lenders/creditors, or any other parties (including, without limitation, any experts or persons with whom the Company has entered into commercial or other agreements), as may be required or expedient;
- (c) finalization and approval, and making arrangements for the submission, of the preliminary and/or draft and/or final placement document/offering circulars/information memoranda/prospectuses/offer documents, and any addenda or corrigenda thereto, with any applicable regulatory authorities or agencies, as may be required;
- (d) approval of the letters of allotment, security certificates, listing applications, engagement letters, memoranda of understanding and any other agreements or documents, placement agreement(s), deposit agreement(s), purchase/subscription/underwriting agreement(s), trust deed(s), indenture(s), escrow agreement(s), etc., including amending, varying or modifying the same, as may be necessary or expedient;
- (e) opening one or more bank accounts in the name of the Company or otherwise, in Indian currency or foreign currency(ies), with such banks in India and/or such foreign countries, as may be necessary or expedient in connection with the issue and allotment of the Securities;
- (f) finalization of the basis of allotment of the Securities on the basis of the subscriptions received (including in the event of over-subscription);
- (g) creation of mortgage/ charge in accordance with the provisions of the Companies Act in respect of any Securities as may be required either on *paripassu* basis or otherwise, as it may in its absolute discretion deem fit, necessary, proper or desirable;
- (h) to give instructions or directions and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilization of the issue proceeds and to accept and to give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions as may be required by the SEBI, the RoC, the lead managers, or other authorities or agencies involved in or concerned with the issue of Securities and as the Board or Committee thereof may in its absolute discretion deem fit and proper in the best interest of the Company without being required to seek any further consent or approval of the members or otherwise;
- (i) seeking listing of the Securities on any Indian and/or foreign stock exchanges, submitting listing applications to such stock exchanges and taking all actions that may be necessary in connection with obtaining or ensuring such listing;
- (j) convening any meetings of the shareholders of the Company either by way of an extraordinary general meeting or passing resolutions through postal ballot;
- (k) authorization of any director or officers of the Company, including by the grant of powers of attorney and/or on joint and/or several basis, to do such acts, deeds and things as the authorized persons in his or their absolute discretion may deem necessary or expedient in connection with the offer, issue and allotment of the Securities; and
- (l) all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary or expedient, including without limitation to settle any question, difficulty or doubt that may arise in regard to the offer, issue and allotment of the Securities.”

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

Dheeraj Kumar
Company Secretary

Place: New Delhi
Date: 11/11/2020

NOTES FOR MEMBERS ATTENTION:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its circular dated 5 May 2020 read with circulars dated 8 April 2020 and 13 April 2020 (collectively referred to as 'MCA Circulars') and SEBI circular dated 12 May 2020 permitted holding of the annual general meeting ('AGM') through VC/OAVM facility, without the physical presence of the members at a common venue. In compliance with the provisions of the Companies Act, 2013 (the 'Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI Listing Regulations') and MCA Circulars, the AGM of the Company is being conducted through VC/OAVM hereinafter called as 'e-AGM'.
2. The deemed venue for 28th e-AGM shall be the Registered Office of the Company at Chhattisgarh
3. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM facility, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the e-AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Institutional/Corporate shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (pdf/jpg format) of its board or governing body's resolution/authorisation, etc., authorising their representative to attend the e-AGM on its behalf and to vote through remote e-voting. The said resolution/authorisation shall be sent to the scrutinizer by email through its registered email address to cskaranvirbindra@gmail.com with a copy marked to rai_nisl2007@gmail.com
5. The facility of joining the e-AGM through VC/OAVM will be opened 15 minutes before and will be open upto 15 minutes after the scheduled start time of the e-AGM, i.e., from 11:15 am to 11:45 am and will be available for 1,000 members on a firstcome first-served basis. This rule would however not apply to participation of shareholders holding 2% or more shareholding, promoters, institutional investors, directors, key and senior managerial personnel, auditors, etc.
6. In terms of sections 101 and 136 of the Act, read with the rules made thereunder, the listed companies may send the notice of AGM and the annual report, including financial statements, boards' report, etc. by electronic mode. Pursuant to the said provisions of the Act read with MCA Circulars, SEBI Circular dated 12 May 2020, Notice of thirty-third e-AGM along with the Annual Report for FY2020 is being sent only through electronic mode to those members whose email addresses are registered with the Company/depositories. Members may note that the Notice and Annual Report for FY2020 will also be available on the Company's website at <https://www.novaironsteel.com> website of the stock exchanges i.e., BSE Limited at www.bseindia.com.
7. SEBI vide its notification dated 8 June 2018 as amended on 30 November 2018, has stipulated that w.e.f. 1 April 2019, the transfer of securities (except transmission or transposition of shares) shall not be processed, unless the securities are held in the dematerialised form. The Company has complied with the necessary requirements as applicable, including sending of letters to shareholders holding shares in physical form and requesting them to dematerialise their physical holdings.
8. In case of joint holders, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the e-AGM.
9. For ease of conduct, members who would like to ask questions/express their views on the items of the businesses to be transacted at the meeting can send in their questions/comments in advance during the period starting from 15 December 2020 (9.00 a.m.) upto 16 December 2020 (5.00 p.m.) mentioning their name, demat account no./Folio no., e-mail Id, mobile number, etc. The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the meeting.
10. Since the meeting will be conducted through VC/OAVM facility, the route map is not annexed to this Notice.
11. The Company's Statutory Auditors, M/s Ashwani & Associates, Chartered Accountants, Firm Regd. No. 000497N, Ludhiana (Punjab), were appointed for a period of 5 (Five) consecutive years at the 27th Annual General Meeting ("AGM") of the Members held on 28/09/2019 at a remuneration as decided by the Board of Directors of the Company.

Pursuant to the amendments made to Section 139 of the Companies Act, 2013 ("the Act") by the Companies (Amendment) Act, 2017, effective from May 7, 2018, the requirement of seeking ratification of the Members for

the appointment of the Statutory Auditors was withdrawn from the statute. Therefore, the approval of the Members for continuance of their appointment at this AGM is not being sought. The Statutory Auditors had given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors. The remuneration payable to the Statutory Auditors shall be determined by the Board of Directors based on the recommendation of the Audit Committee.

12. Non Resident members are requested to inform immediately to RTA (a) change in residential status on relating to India for permanent settlement (b) particulars of bank account maintained in India with complete name of bank, branch address, account type, account number, if not furnished earlier.
13. M/s Skyline Financial Services Pvt. Ltd, are Registrar & Share Transfer Agents (RTA) of the Company. Any correspondence relating to shares can be made to the company's registrar at their following address:
 M/s Skyline Financial Services Private Limited,
 D-153A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi-110020,
 Ph. Nos. 011-40450193 to 97, Email: rta.nova.rg@gmail.com, info@skyline.com
 website: www.skylinerta.com

Members are requested to notify the change of Address if any.

14. The Register of Members and the Share Transfer Books shall remain closed from 11th December 2020 to 18th December 2020 (both days inclusive).
15. 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.
16. All the documents referred to accompanying Notice are open for inspection at the registered office of the Company on all working days except Sunday and National Holiday between 11.00 AM to 1.00 PM upto the date of Annual General Meeting.
17. 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.
18. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/RTA.
19. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Companies (Management and Administration) Rules, 2014, companies will serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or RTA.

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

20. 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 13.11.2020.
21. The detail of Directors proposed to be appointed/re-appointed, under the provisions of Companies Act, 2013 and Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 at the Annual General Meeting are given below.

| S.No. | Detail of Director to be appointed/re-appointed | | | |
|-------|---|------------------------------|--|-----------------------|
| 1 | Name | Sh. Ved Parkash Chhabra | Sh. Hardev Chand Verma | Smt. Sumiran Aggarwal |
| 2 | Date of Birth | 06-03-1951 | 15.11.1952 | 08.08.1988 |
| 3 | Expertise/ Experience in Area | Practising Company Secretary | Steel Sector, Project Marketing Implementation, Domestic and international | Finance |

| | | | | |
|---|--|----------|------------------------------------|----------------------------|
| 4 | Qualification | MA, C.S. | Graduation | MBA Finance |
| 5 | Directorship in other Companies | Nil | i) Bhushan Power and Steel Limited | ii) Marble Finvest Limited |
| 6 | Shareholding in the Company as on 31/03/2020 | 1250 | Nil | Nil |

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

23. Voting through electronic means

For Remote e-voting and e-voting during AGM

- As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
- The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
- In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.novaironsteel.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
- (i) The Company is pleased to provide its members facility to exercise their right to vote on resolutions proposed to be considered at the 28th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by Central Depository Services (India) Limited (CDSL):

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

- (ii) The voting period begins on 14.12.2020 at 10:00 AM and ends on 17.12.2020 at 05:00 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 11.12.2020, 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
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - 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> <p>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.</p> <p>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</p> |
| Dividend Bank A/c Details OR Date of Birth (DOB) | <p>Enter your Dividend Bank A/c Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>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).</p> |

- (x) After entering these details appropriately, click on “SUBMIT” tab.
- (xi) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required

to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (xii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - (xiii) Click on the EVSN for the relevant Nova Iron & Steel Limited on which you choose to vote.
 - (xiv) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - (xv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
 - (xvi) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
 - (xvii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
 - (xviii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
 - (xix) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - (xx) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - (xxi) Any person, who acquires shares of the Company and become Member of the Company after despatch of the Notice and holding shares as on the cut-off date i.e.11.12.2020 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 or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542), Central Depository Services (India) Ltd., A wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (E), Mumbai 400013.
18. A member can opt for only one mode of voting i.e. either through remote e-voting or at the meeting. If a member casts votes by both mode then voting done through remote e-voting shall prevail.
19. The member who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
20. The scrutinizer for voting is M/s K.V. Bindra & Associates, Company Secretaries, SCO 34, Second Floor, Sector 31-D, Chandigarh, Email cskaranvirbindra@gmail.com, Contact No. 9646497043.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company/RTA email id**.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **2 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **2 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(xxiii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log

on to www.evotingindia.com and register themselves in the “Corporates” module.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login 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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; rai_nisl2007@yahoo.com (designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, 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 or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

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

ITEM NO. 2

Mr. Ved Parkash Chhabra was appointed as an Additional Director of the Company w.e.f 11/11/2020 under Section 161(1) of Companies Act, 2013 and Articles of Association of the Company and he hold office upto the date of Annual General Meeting. The Board recommends that the Company should continue to avail itself of his services. Board recommends the Ordinary Resolution as set out at Item No. 2 of the Notice for appointment of Mr. Ved Parkash Chhabra as Director for approval of shareholders.

Except Mr. Ved Parkash Chhabra, none of the Directors is concerned or interested, in the resolutions set out at item Nos. 2.

ITEM NO. 3

The Board of Directors of the Company at their meeting held on 11/11/2020 on the recommendation of the Nomination and Remuneration Committee, recommended for the approval of the Shareholders, the re-appointment of Mrs. Sumiran Aggarwal as an Independent Director of the Company in terms of Section 149 and other applicable provisions of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013 and applicable regulation of the SEBI (LODR) Regulations, 2015 or any amendment thereto or modification thereof.

The Board is of the view that the continued association of Mrs. Sumiran Aggarwal would benefit the Company, given the knowledge, experience and performance of Mrs. Sumiran Aggarwal and contribution to Board processes by her. Declaration has been received from Mrs. Sumiran Aggarwal that she meets the criteria of Independence prescribed under section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the SEBI (LODR) Regulations 2015. In the opinion of the Board, Mrs. Sumiran Aggarwal fulfils the conditions for re-appointment as an Independent Director of the Company.

The Board recommends the resolution as set out in Item No. 3 of the Notice for the approval by the shareholders. Except Mrs. Sumiran Aggarwal Director none of the Directors are concerned or interested, financially or otherwise, in the resolutions set out at item Nos. 3.

ITEM NO. 4

Mr. Hardev Chand Verma, (DIN00007681) Director of the Company appointed as a Whole Time Director of the Company in terms of the provisions of the Companies Act, 2013 the Board of Directors have, in meeting held on May 25, 2020, appointed Mr Hardev Chand Verma as a Whole Time Director of the Company for a further period of two years with effect from May 25, 2020 on the terms & conditions as approved by the Directors of the Company on 25/05/2020 and is reproduced below:

1. Remuneration, Perquisites and Allowances

- (a) Salary: In the pay of Rs. 2,50,000-25,000-3,00,000/- p.m.
- (b) Contribution to Provident Fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961 (43 of 1961)
- (g) Gratuity payable at the rate not exceeding half a Month's salary for each completed year of Service.
- (h) Encashment of leave at the end of the tenure as per the rules of the Company,
- (e) Holiday passage for children studying outside India or family staying abroad: Return holiday passage once in a year by economy class or once in two years by first class to children and to the members of the family from the place of their study or stay abroad to India if they are not residing in India, with the managerial person.
- (f) Leave travel concession: Return passage for self and family in accordance with the rules specified by the company where it is proposed that the leave be spent in home country instead of anywhere in India.

2. Reimbursement of Expenses

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

3. Termination:

The office of WTD may be terminated by the Company by giving the 1 (One) month prior notice in writing.

4. Loan

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

5. Sitting Fee

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

"Resolved further that subject to the applicable provisions of Companies Act 2013 and rules made thereunder and subject to superintendence and control of Board of Directors and subject to any directions and restrictions, from time to time, given or imposed by the Board and subject to the restrictions contained hereinafter, Mr. Hardev Chand Verma, shall exercise the following powers and duties during the continuance of his employment:-

- (i) WTD shall adhere to the Company's Code of Conduct for Directors and Management Personnel.
- (ii) Without prejudice to the generality of the powers vested in the WTD under the preceding clause hereof, the WTD shall be entitled to exercise the following powers: -
 - (a) To enter into any contract(s)/Agreement(s) for purchase, sale, hiring of services of professionals, agents, consultants, and fix their fee any other contracts including commercial contracts for general business of the company for and on behalf of the Company and to represent before various Authority(ies) of Central/State Government and Local bodies/ Authorities, Banks/Financial Institutions and to enter into memorandum of understanding(s), agreement(s), contracts on behalf of the Company and to do and perform all other acts, deeds and things, which in the ordinary course of business WTD may consider necessary or in the interest of the Company.
 - (b) To institute, prosecute, defend, oppose, appear or appeal, to compromise, refer to arbitration,

abandon subject to judgment, proceed to judgment and execution or become non-suited in any legal proceedings before the courts/quasi-judicial authorities of the County.

(iii). WTD may delegate all or any of the powers to such persons as WTD deem fit and shall have power to grant to

| Particulars | Detail | | |
|---|--|---|----------------------|
| I. General Information | | | |
| (1) Nature of Industry | Steel Industry (Manufacturing of sponge iron) | | |
| (2) Date or expected date of commencement of commercial production | 01.10.1994 | | |
| (3) In case of new companies, expected date of commencement of activities as per project approved by financial institution appearing in the prospectus | NA | | |
| (4) Financial performance based on given indicators | Total revenue is Rs. 5220.70 lacs and Company incurred loss of Rs. (5236.14) lacs during the year | | |
| (5) Foreign investments or collaborations, if any | No | | |
| II. Information about the appointee | | | |
| (1) Background Details | Experience of about 37 years in steel sector, specialized field marketing both domestic and exports | | |
| (2) Past remuneration | Salary & perks Rs.30 Lacs p.a. | | |
| (3) Recognition or awards | Nil | | |
| (4) Job profile and his suitability | Whole Time Director | | |
| (5) Remuneration proposed | Salary & perks Rs.30 Lacs p.a. | | |
| (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin) | Remuneration (in Rs. Lacs) | Size of the Company (net worth) (in Rs. Lacs) | Profile and position |
| | 30.00 | (2220.31) | Whole Time Director |
| (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any | No | | |
| III. Other information | | | |
| 1) Reasons of loss or inadequate profits | Refer Board report. | | |
| 2) Steps taken or proposed to be taken for improvement | Company has entered into an Operation and Management Agreement with R.K. Sponge for a period of three years. | | |
| 3) Expected increase in productivity and profits in measurable terms. | Its depend on start of operation | | |

None of the Directors and Key Managerial Personnel of the Company or their relatives, except Mr. H.C. Verma and his relatives, are concerned or interested financially or otherwise in the Resolution mentioned at Item No. 4 of the Notice.

The Board recommends the resolution set forth in Item No. 4 for the approval of the Members.

ITEM NO.5

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s J. K. Kabra & Company. Cost Auditors in its meeting held on 13/8/2020 to conduct cost audit of the Company for financial year ending March 31, 2021, subject to the approval of the Central Government, if any, the remuneration of the Cost Auditors has been approved and recommended at Rs.25000/-. The relevant Form regarding appointment and remuneration of the Cost Auditors approved by the Board has been filed with the Central Government as required under the Companies Act, 2013.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought as set out in the Resolution at item No.5 of the Notice for ratification of the remuneration payable to the Cost Auditor, subject to the approval of the Central Government for the financial year ending March 31, 2021 for conducting cost audit and giving their report thereon.

The Board recommends the Ordinary Resolution set out at item No. 5 of the Notice for approval by the shareholders.

Item No. 6

The Company is not having adequate capital to support its growth plans. While it is expected that the internal generation of funds would partially finance the need for capital and debt raising would be another source of funds, it is thought prudent for the Company to have enabling approvals to raise a part of the funding requirements for the said purposes as well as for such other corporate purposes as may be permitted under applicable laws through the issue of appropriate securities as defined in the resolution, in Indian or international markets.

Accordingly, the Company may propose to raise additional capital aggregating up to Rs. 120 Crores (Rupees one hundred twenty crore only) by way of rights issue, preferential issue, and / or private placement and / or issue of fully / partly convertible debentures, preference shares convertible or non-convertible into Equity Shares, and / or any other financial instruments or securities convertible or non-convertible into Equity Shares or Conversion of Loan or otherwise.

The issue of securities may be consummated in one or more tranches at such time or times at such price as the Board may in its absolute discretion decide, subject, however, to the SEBI ICDR Regulations and other applicable guidelines, notifications, rules and regulations.

The Board may in its discretion adopt any one or more of the mechanisms prescribed above to meet its objectives as stated in the aforesaid paragraphs without the need for fresh approval from the Members of the Company.

The Special Resolution also seeks to give the Board powers to issue Securities in one or more tranches, at such time or times, at such price or prices and to such person(s) including institutions, incorporated bodies and/ or individuals or otherwise as the Board in its absolute discretion deem fit. The detailed terms and conditions for the issue(s) / offering(s) will be determined by the Board or its committee in its sole discretion in consultation with the advisors, lead managers, underwriters and such other authority or authorities as may be necessary considering the prevailing market conditions and in accordance with the applicable provisions of law and other relevant factors.

The Equity Shares allotted would be listed on one or more stock exchanges in India. The offer/ issue / allotment would be subject to the availability of the regulatory approvals, if any.

Section 62(1)(a) of the Companies Act, 2013 provides, inter alia, that when it is proposed to increase the issued capital of a Company by allotment of further Equity Shares, such further Equity Shares shall be offered to the existing Members of such Company in the manner laid down therein unless the Members by way of a special resolution in a General Meeting decide otherwise. Since, the Special Resolution proposed in the Notice may result in the issue of Equity Shares of the Company to persons other than existing Members of the Company, consent of the Members is being sought pursuant to the provisions of Section 62(1)(c) and other applicable provisions of the Companies Act, 2013 as well as applicable rules notified by the Ministry of Corporate Affairs and in terms of the provisions of the Listing Agreements executed by the Company with the stock exchanges where the Equity Shares of the Company are listed. This Special Resolution, if passed, will have the effect of allowing the Board to offer, issue and allot Equity Shares to the investors who may or may not be the existing Members of the Company.

Your Directors, therefore, recommend the special resolution, as set forth in Item No. 6 of this Notice, for approval by the Members of the Company.

The Directors and Key Managerial Personnel of the Company and relatives thereof may be deemed to be concerned or interested in the passing of resolution to the extent of securities issued / allotted to them or to the companies in which they are director or member. Save as aforesaid, none of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested in this resolution.

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

Dheeraj Kumar
Company Secretary

Place: New Delhi
Dated: 11/11/2020