



**21st  
ANNUAL  
REPORT  
2012-2013**

**NOVA  
IRON & STEEL LTD.**



## NOVA IRON & STEEL LTD.

**21st ANNUAL REPORT 2012-2013**  
Year ended 31st March, 2013

### **DIRECTORS**

Mr. Sanjay Singal  
Mr. R.P. Goyal  
Mr. Narsingh Awatar  
Mr. M.Ramachandran  
Mr. Arvind Gupta

### **AUDITORS**

M/s Antima & Goel  
Chartered Accountants  
A-6, Lower Ground Floor,  
Defence Colony, New Delhi-110024

### **BANKERS**

Punjab National Bank  
Axis Bank Ltd.

### **REGISTERED OFFICE**

Village Dagori, Tehsil Belha  
District Bilaspur, (Chhattisgarh) Pin 495224

### **CORPORATE OFFICE**

4th Floor, Tolstoy House, 15-17th Tolstoy Marg  
Connaught Place, New Delhi-110001

### **PLANT**

Village-Dagori Tehsil-Belha  
Distt. Bilaspur (Chattisgarh) Pin 495224

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## **NOTICE**

Notice is hereby given that the 21<sup>st</sup> Annual General Meeting of Nova Iron & Steel Limited will be held on Saturday, the 28<sup>th</sup> day of September, 2013 at 3.00 P.M at its Regd. Office at Village Dagori, Tehsil Belha, District Bilaspur, Chhattisgarh to transact the following Business:-

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2013 and Profit & Loss Account and Cash Flow Statement for the year as on that date together with Auditors' Report and Directors' Report thereon.
2. To appoint a Director in place of Mr. Sanjay Singal who retires by rotation and being eligible, has offered himself for re-appointment.
3. To appoint a Director in place of Mr. Narsingh Awatar who retires by rotation and being eligible, has offered himself for re-appointment.
4. To Appoint Auditors of the Company and to fix their remuneration. M/s Antima & Goel, Chartered Accountants retire at the conclusion of this Annual General Meeting and being eligible, has offered themselves for re-appointment.

### **SPECIAL BUSINESS**

5. To consider and if thought fit to pass with or without modification (s) the following Resolution as an **Ordinary Resolution**:-

**"RESOLVED THAT** Mr. Aniket Singal, who has been appointed as an Additional Director of the Company w.e.f. 05.08.2013 by the Board of Directors of the Company pursuant to the provisions of Section 260 and under Article of Association of the Company and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company whose term of office shall be determined by retirement by rotation."

6. To consider and if thought fit to pass with or without modification (s) the following Resolution as an **Ordinary Resolution**:-

**"RESOLVED THAT** Mr. Hardev Chand Verma who has been appointed as an Additional Director of the Company w.e.f. 05.08.2013 by the Board of Directors of the Company pursuant to the provisions of Section 260 and under Article of Association of the Company and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company whose term of office shall be determined by retirement by rotation."

7. To consider and if thought fit to pass with or without modification (s) the following Resolution as a **Special Resolution**:-

**"RESOLVED AS A SPECIAL RESOLUTION THAT** pursuant to the provisions of Section 198, 269, 309, 310 and 311 other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the said Act (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of Members of the Company be and is hereby accorded for

appointment of Mr. Aniket Singal as Managing Director of the Company for a period of five years w.e.f. 28.09.2013 on the agreed terms and conditions with liberty to the Board to alter and vary the terms and conditions."

**"RESOLVED FURTHER THAT** notwithstanding anything contained herein above, where, the company has no profits or its profit are inadequate, the remuneration payable to the Managing Director including Salary, Perquisites and any other allowances shall be governed and be subject to the conditions and ceiling provided under Schedule XIII to the Companies Act, 1956 or such other limits as may be prescribed by the Government from time to time as minimum remuneration."

**"RESOLVED FURTHER THAT** Draft Agreement containing terms and conditions and produced before the meeting be and is hereby specifically approved and the Board of Directors of the Company be and is hereby authorised to execute Agreement of Appointment and take all necessary or desirable steps for the aforesaid purpose and matters incidental thereto."

8. To consider and if thought fit to pass with or without modification (s) the following Resolution as an **Ordinary Resolution**:-

### **AUTHORITY TO BOARD OF DIRECTORS TO BORROW**

**"RESOLVED THAT** in supercession of Resolution passed by the Shareholders of the Company in their meeting held on 11.10.2011, and pursuant to the provisions of section 293 (1)(d) and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory amendments/ modifications or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors for borrowing for and on behalf of the Company from time to time any sum or sums of money on such terms and conditions as the Board may deem fit notwithstanding that the money to be borrowed together with money already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed in the aggregate for the time being of the paid up capital of the company and its free reserves, that is to say, reserves not set apart for any specific purpose provided that the total amount upto which money may be borrowed together with the money already borrowed under section 293 (1)(d) of the Companies Act, 1956, shall not at any time exceed Rs. 8000 Crores (Rupees Eight Thousand Crores only) over and above the paid up capital and free reserves of the Company."

By order of the Board  
For Nova Iron & Steel Limited

Sd/-  
Dheeraj Kumar  
Company Secretary

Place: New Delhi  
Date: 08.08.2013



## NOVA IRON & STEEL LTD.

### NOTES FOR MEMBERS ATTENTION:

1. A member entitled to attend and vote is entitled to appoint Proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxy, in order to be effective, must be deposited with the Company at its Registered Office not less than 48 hours before the time fixed for the meeting.
2. An explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect business set out at item no. 5, 6 and 7 above and the relevant details pursuant to the provisions of Clause 49 of the Listing Agreement executed with Stock Exchanges are annexed hereto.
3. Members are informed that as per SEBI directive the Company has entered into an agreement with M/s Skyline Financial Services Pvt. Ltd, to act as Share Transfer Agents of the Company for all matters connected with Transfers and Transmission of shares and also dematerialization of Shares and other related functions etc.  
**ANY CORRESPONDENCE RELATING TO SHARES CAN BE MADE TO THE COMPANY'S REGISTRAR AND TRANSFER AGENT AT:-**  
M/s Skyline Financial Services Private Limited,  
D-153A, 1<sup>st</sup> Floor, Okhla Industrial Area,  
Phase-I, New Delhi-110020,  
Ph. Nos. 011-30857575 (10 Lines), Fax-011-30857562,  
email: rta.nova.rg@gmail.com
4. Members/Proxies should fill the attendance slip for attending the meeting.
5. Corporate members are requested to send duly certified copy of Board Resolution authorizing representatives to attend and vote at the Annual General Meeting.
6. In case of joint holders of shares attending the meeting, only such joint holders who is higher in the order of names will be entitled to vote.
7. The Register of Members and the Share Transfer Books shall remain closed from 21<sup>st</sup> September 2013 to 28<sup>th</sup> September 2013 (both days inclusive)
8. Members seeking information about the accounts are requested to write at least 10 days before the date of the meeting to the Company so that it may be convenient to keep the information ready for the meeting.
9. All the documents referred to accompanying Notice and Explanatory Statement are open for inspection at the corporate office of the Company on all working days except Sunday between 11.00 AM to 1.00 PM upto the date of Annual General Meeting
10. Members who hold shares in dematerialized form are requested to bring their client ID and DP ID numbers for easy identification of attendance at the meeting.
11. Members are requested to bring their copy of Annual Report at the Meeting and proxies should bring attendance slips duly filled in for attending the Meeting.
12. Members are requested to notify immediately any change in their addresses quoting their folio numbers to Registrar and Transfer Agent of the Company.
13. 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
14. Ministry of Corporate Affairs, Govt. of India, vide Circular No.

35/2011 dated 06/06/2011 has facilitated shareholders to have soft copy Annual Report and voting through E-Voting. Company is taking steps to facilitate the shareholders for E Voting. Shareholders are requested to register their mail ID with the Registrar & Transfer Agent to avail the said facilities.

15. As per the requirement of Clause 49 of the Listing Agreement with Stock Exchanges, the details of Directors proposed to be appointed/ re-appointed at the Annual General Meeting is annexed hereto.

Particulars	Names of Directors to be Appointed / Re-appointed			
	Mr. Aniket Singal	Mr. H.C. Verma	Mr. Sanjay Singal	Mr. Narsingh Awatar
Name	Mr. Aniket Singal	Mr. H.C. Verma	Mr. Sanjay Singal	Mr. Narsingh Awatar
Date of Birth	26.08.1992	15.11.1952	19.06.1960	26.02.1937
Expertise/ Experience in Area	Steel Sector- Marketing and administration	Experience about 40 years in steel sector, specialized field Marketing	Steel Sector- Project Implementation, Planning and Marketing	Chartered Accountant Professional
Qualification	Undergoing Management Course		Graduation	FCA
Directorship in other companies	Jasmine Steel Trading Ltd Vision Steel Ltd Diyajyoti Steel Ltd.	Bhushan Power & Steel Limited	Bhushan Power & Steel Limited Essenn Investments Pvt. Ltd. Atmaram House Investment Pvt. Ltd. Rohne Coal Company Private Limited Bhushan Aluminium & Power Limited Skap Electronics Pvt. Ltd. Avantika Real Estate Pvt. Ltd.	Shubhlabh Leasing Ltd NTR Estates Pvt. Ltd. Excel Portfolios Pvt. Ltd.
Share holding in the Company as on 31.03.2013	NIL	NIL	NIL	NIL

### EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

#### ITEM NO. 5 & 6

Mr. Aniket Singal and Mr. Hardev Chand Verma were appointed as an Additional Director w.e.f. 05.08.2013 and holds office upto the date of this Annual General Meeting, pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article of the Association of the Company. The Company has received notices in writing from a member under the provisions of Section 257 of the Companies Act, 1956, proposing the candidature of Mr. Aniket Singal and Mr. Hardev Chand Verma for the office of Directors. To avail the benefits of experience of Mr. Aniket Singal and Mr. Hardev Chand Verma the Board of Directors recommend the appointment of Mr. Aniket Singal and Mr. Hardev Chand Verma for approval of shareholders.

Except Mr. Aniket Singal and Mr. Hardev Chand Verma none of the Directors are concerned or interested in the Resolution.

#### ITEM NO. 7

Board of Directors of the Company in its Meeting held on 05.08.2013 has also recommended the appointment of Mr. Aniket Singal as Managing Director of the Company for a period of five years w.e.f. 28.09.2013 on the agreed terms and conditions.

Mr. Aniket Singal has not completed the age of 25 years, but has attained the age of majority. Board has recommended his



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appointment for approval as a special resolution in compliance of Schedule XIII of the Companies Act, 1956. Mr. Aniket Singal had not been sentenced to imprisonment / conviction /detained under any Acts stated in Part 1 of Schedule XIII of the Companies Act, 1956.

Company has inadequate profits but the effective capital of the Company is Rs. 23.31 crore, hence in accordance with Clause (A) of Para I of section II of Part II of Schedule XIII and other applicable provisions of the Companies Act, 1956 Mr. Aniket Singal is eligible for maximum remuneration of Rs. 125000/- p.m.

Mr. Aniket Singal is undergoing Management Course from a foreign university and has experience in Steel Sector in marketing and administration in promoter company i.e. Bhushan Power and Steel Limited.

### **TERMS AND CONDITIONS OF APPOINTMENT**

(A) **SALARY:** In the pay scale of Rs. 75000-10000-115000 p.m. (Rupees Seventy Five Thousand-Ten Thousand-One Lac Fifteen Thousand)

#### **(B) PERQUISITES**

##### **CATEGORY A:**

###### **Housing:**

House Rent Allowance shall be allowed as per the rules of the Company within the overall limit specified above.

###### **Club Fees**

Club Fees subject to a maximum of two clubs excluding admission and life membership fee.

###### **Personal Accident Insurance and Mediclaim Policy**

Premium not exceeding Rs. 10,000 per annum for both policies.

EXPLANATION: Family means the spouse, the dependent, Children and dependent parents of the Managing Director. Perquisites as above shall be restricted to an amount equal to the annual salary.

##### **CATEGORY B:**

- (a) Company's contribution towards Provident Fund as per the Rules of the Company but not exceeding 10% of the Salary.
- (b) Company's contribution towards Superannuation Fund as per the Rules of the Company but it shall not, together with Company's contribution to Provident Fund, exceed 25% of the Salary.

Contribution to provident fund and superannuation fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the income tax act.

Gratuity as per the Rules of the Company.

Earned Leave: On full pay and allowances as per the rules of the Company.

##### **CATEGORY C:**

Provision of providing of Car for use on Company's business and telephone facility provided at residence will not be considered as perquisites.

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

### **MINIMUM REMUNERATION:**

During the currency of the tenure of the Managing Director, if the

company continues to has no profits or its profits are inadequate, the remuneration payable shall be in accordance with the applicable provisions of the Schedule XIII of the Act with in the aforesaid ceiling.

### **TERMINATION:**

Either party can terminate the contract by giving one month's Notice to the other party.

None of the Directors are concerned or interested in this Resolution except Mr. Aniket Singal and Mr. Sanjay Singal being relative. The Directors recommend the resolution for approval of members.

### **ITEM NO. 8.**

Consequent upon reduction of Capital, the erosion of net worth has come down to less than 50%. Company is planning for expansion of its activities and necessary steps are initiated. Board of Directors will be required, in the course of business activities and to improve the working of the Company, to approach various Indian/Financial Financial Institutions/Banks for sanctioning of Term Loans, Working capital Facilities and/or any other kind of Credit Facilities to the Company in the best interest of the Company from time to time. At present company is not availing any terms loan or working credit facilities from Bank/FIs. Shareholders in their meeting held on 11.10.2011 has authorized the Board of Directors of the Company to borrow money including money already borrowed (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) upto a limit of Rs. 3000 Crores (Rupees Three Thousand Crores only). Board recommend that the present limit be revised to 8,000 Crores (Rupees Eight Thousand Cores only). Pursuant to Section 293(1)(d) of the Companies Act, 1956, consent of the Shareholders is required to increase the borrowing limits to Rs. 8,000 Crores and give authority to Board of Directors (which term include Committee on Director on Borrowings thereof) to give effect to this resolution. Board recommends adoption of the said Resolution as set out in the Notice.

None of the Directors is concerned or interested in the resolution.

By order of the Board  
For Nova Iron & Steel Ltd.

Place: New Delhi  
Date 08.08.2013

Sd/-  
Dheeraj Kumar  
Company Secretary

**DIRECTORS' REPORT****To Members,**

Your Directors have pleasure in presenting the 21<sup>st</sup> Annual Report together with Audited Accounts for the year ended 31<sup>st</sup> March, 2013.

**FINANCIAL HIGHLIGHTS**

Particulars	(Rs. in Lacs)	
	<u>2012-13</u> (12 Months)	<u>2011-12</u> (9 Months)
Total Income	12151.07	7773.73
Profit/Loss before Interest, Depreciation and Tax	554.40	1032.55
Interest & Financial Cost	728.60	331.62
Depreciation & Amortisation	275.45	213.90
Loss before Tax	449.66	1578.07
Deferred Tax	28.28	4.37
Earlier Year Tax	—	1.72
Loss after Tax	477.94	1584.16
Net Loss transferred to Balance Sheet	477.94	1584.16

**REDUCTION OF CAPITAL**

Pursuant to order dated 18.09.2012 of Hon'ble High Court of Chhattisgarh and subsequent consolidation of shares, the existing paid up capital of the Company has been reduced and consolidated to Rs. 36,13,94,880 consisting 3,61,39,488 equity shares of Rs 10/- each.

**DIVIDEND**

In view of the losses incurred, Directors express their inability to recommend dividend for the year under review.

**OPERATIONS & FUTURE OUTLOOK**

During the year under report Company has earned total revenue of Rs. 12151.07 Lacs as compared to Rs 7773.73 last year. Company has achieved the salable production of 46650 MT as compared to 34243 MT last year.

Your company has been sourcing the requirement of coal through e-auction, rates of which are quiet exorbitant, besides quality of coal, thus increasing the cost of production. Fuel Supply Agreement with Southern Eastern Coalfield Ltd is in dispute and is pending before Hon'ble Supreme Court for adjudication. Non availability of higher grade of quality of iron ore at the competitive prices has affected profits. In the current market conditions, to compete in the market, installation of captive power plant for continues power supply, utilization of waste heat of kilns for maximize production capacity utilization, installation of furnace, is needed to produce cost effective Sponge Iron. Your Company does not have its own captive iron ore mines. The Company has applied for grant of prospecting license for iron ore over an area of 11.47 sq kms in Village Madamnar, Dist Narayanpur, Chhattisgarh, expected to contain high grade iron ore, which is yet to be recommended. The demand of Sponge Iron in the

market also remained low because of higher cost of production resulting into lower sales. The installation of induction furnace is in progress.

Power supply from the State Govt. remained irregular. The installation of 12 MW waste heat recovery based ( WHRB ) power plant is expected to be complete in next financial year. This will not only save high power cost but also allow the company to sell the excess power through open access thereby generating extra revenues.

**LISTING OF SHARES**

BSE accorded approval on 16.01.2013 for listing of shares after reduction of capital and consequent consolidation and trading approval was received on 19.03.2013. Pursuant to approval of Board of Directors in its meeting held on 08.10.2010, Company has filed application for delisting of shares from National Stock Exchange vide letter dated 27.10.2010 and Ahmadabad, Calcutta, Delhi, Madras vide letter dated 02.06.2011, which are yet to be delisted.

**DIRECTORS**

Since the last Annual General Meeting there is no change in the Directorship of the Company.

In accordance with the provisions of Articles of Association of the Company, Mr. Sanjay Singal and Mr Narsingh Awatar Directors retire by rotation and being eligible and offer themselves for re-appointment.

None of the Directors has incurred disqualification under section 274(1)(g) of the Companies Act, 1956.

**DIRECTOR IDENTIFICATION NUMBER (DIN)**

Present Directors on the Board have obtained Director Identification Number (DIN) and have complied with the Companies (Director Identification Number) Rules, 2006 as amended to date.

**DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217(2AA) OF THE COMPANIES ACT, 1956**

Pursuant to Section 217(2AA) of Companies Act, 1956, with regard to Directors' Responsibility Statement, your Directors hereby confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year ;



- (iii) the Directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the annual accounts on a going concern basis.

**AUDIT COMMITTEE**

In compliance with the provisions of Section 292A of Companies Act, 1956 and Corporate Governance, Company has constituted Audit Committee and presently Mr. N. Awatar and Mr Arvind Gupta, Independent Director and Mr. R. P. Goyal are Members of the Committee Mr. N. Awatar is Chairman of the company. Audit Committee shall have powers and authority as provided under the aforesaid provisions and shall act in accordance with the terms of reference specified by the Board of Directors from time to time.

**AUDITORS**

M/s Antima & Goel, Chartered Accountants, New Delhi hold office until the conclusion of Annual General Meeting and are eligible for re-appointment. M/s Antima & Goel, Chartered Accountants, New Delhi has confirmed their eligibility under Section 224(IB) of the Companies Act, 1956. Accordingly members approval is being sought for their re-appointment as Statutory Auditors of the Company at the ensuing Annual General Meeting.

**AUDITORS' REPORT**

Auditors have not made any qualification/adverse remarks on the annual accounts for the year ended 31<sup>st</sup> March 2013 Notes to Accounts are self-explanatory and therefore calls for no further comments.

**COST AUDITORS**

Central Government has appointed M/s Kabra & Associates, Cost Accountants, New Delhi as Cost Auditors of the company for the financial year 2012-13. Subject to the approval of Central Govt., Company has also appointed M/s Kabra & Associates, Cost Accountants, New Delhi as Cost Auditors of the Company for the financial year 2013 - 2014. Cost Audit Report for the year ended 31<sup>st</sup> March 2012 has been filed with Central Govt. in time.

**PUBLIC DEPOSITS**

The Company has not invited or accepted any deposits from public within the meaning of Section 58A of the Companies Act, 1956.

**SEGMENT REPORTING**

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

**SUBSIDIARY COMPANY**

Company do not have any subsidiary company.

**REFERENCE TO BIFR**

Consequent to erosion of net worth of the Company by more than 50% based on the audited annual accounts for the year ended 30<sup>th</sup> June 2010, a reference has been made to BIFR on 06.12.2010 in accordance with the provisions of Sick Industrial Companies (Special Provision) Act, 1985. However the erosion of net worth of the company is below 50% based on audited annual accounts for the year ended 31.03.2013.

**PARTICULARS RELATING TO EMPLOYEES**

During the year the Company had no employees to whom the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended from time to time, is applicable, hence the information be treated as NIL.

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

Information pursuant to Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 regarding conservation of Energy, Technology Absorption, foreign exchange earnings and outgo is enclosed at **Annexure A**.

**CORPORATE GOVERNANCE**

A detailed report on Corporate Governance and a Certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance in terms of Clause 49 of Listing Agreement are appended at **Annexure - B** and **Annexure - C** to this report.

**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.

**EMPLOYEES STOCK OPTION**

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

**ACKNOWLEDGEMENTS**

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

**For and on behalf of the Board**

Sd/-  
**(Sanjay Singal)**  
Chairman  
DIN00006579

Place : New Delhi  
Date : 30.05.2013

**ANNEXURE - 'A' TO THE DIRECTORS' REPORT:**

INFORMATION AS PER SECTION 217 (1) (e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2013.

**CONSERVATION OF ENERGY:**

- (a, b & c) Your Company has always been conscious of the need to conserve energy and has always attempted various measures for the same wherever possible to achieve reduction in the cost of production.
- (d) The details regarding present energy consumption including captive generation are furnished as per Form A of the Annexure to the Rules.

**FORM A**

<b>A. POWER &amp; FUEL CONSUMPTION</b>			
		2012-13	2011-12
<b>1. Electricity</b>	<b>(a) Purchased</b>		
	Units (No. in Lacs)	54.84	38.04
	Total Amount (Rs. In Lacs)	301.67	167.25
	Average rate per unit (Rs.)	5.50	4.40
	<b>(b) Own Generation</b>		
	<b>(i) Through Diesel</b>		
	Units (No. in Lacs)	2.73	2.01
	Qty (Ltrs in Lacs)	0.82	0.83
	Total Amount (Rs. In Lacs)	39.44	37.28
	Average rate per unit (Rs.)	14.45	18.50
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>			
Net Saleable Production (MTs)***		46650	34243
Electricity (Unit/MT)		117.56	111.08

**FORM B****RESEARCH & DEVELOPMENT (R & D)**

1	Specific area in which R & D is carried out by the Company.	No specific research was carried out during the year.
2	Benefits derived as a result of the above R&D	NIL
3	Future Plan of action	Company proposed to set up captive power plant to generate its own power for uninterrupted supply of power thus creating synergies and efficiency of production cost.
4	Expenditure on R&D (Rs. in lacs) Capital/Recurring	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.	NIL
3.	In case of import technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished.	Not Applicable
	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.	Activities relating to exports, initiatives taken to increase exports, development of new export market for products and services and export plan.	Presently Company is not exporting its products in international market.
2	Total Foreign Exchange used and Earned	Used : Rs 29.15 Lacs Earned : Rs. NIL

**ANNEXURE- 'B' TO THE DIRECTORS' REPORT:****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 And 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 :**

The Board consists of five directors. More than 50% are non-executive independent Directors and remaining are non-executive promoter Directors.

**b) Meetings and attendance records of each Director**

During the year Five meetings of Board of Directors were held on 30.05.2012, 31.07.2012, 29.09.2012, 03.11.2012 and 31.01.2013. The intervening period between the two Board Meetings was well within the maximum prescribed period.



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Attendance record of Directors at Board/ Committee/ General Meetings and details of directorship/ committee membership/Chairmanship during the year ended 31<sup>st</sup> March 2013 is given below:-

Sr. No.	Name of Director	Attendance Particulars			No. of Other Directorship and Committee Member/ Chairmanship			Remarks
		No. of Board Meetings held	No. of Board Meetings attended	Attendance at last AGM	Other Directorships	Committee Members(**)	Committee Chairmanships(**)	
1.	Sanjay Singal	05	03	N.A	07	01	01	
2.	R.P.Goyal	05	03	N.A	07	03	01	
3.	N.Awatar	05	05	N.A	01	03	02	
4.	M.Ramachandran	05	Nil	Yes	-	-	-	
5.	Arvind Gupta	05	05	Yes	Nil	04	N.A	

(\*\*) Committee here means Audit Committee, Remuneration Committee, Share Transfer Committee and Shareholder' Grievance Committee.

- c) The Non-Executive Directors had no pecuniary relationship or transactions with the Company in their personal capacity during the year under review.
- d) Mr. Sanjay Singal and Mr. Narsingh Awatar Directors are retiring by rotation and have offered themselves for re-appointment.  
Mr. Sanjay Singal is a graduate and has rich experience of about 34 years in Steel Industry. Mr Sanjay Singal is a Promoter nominee.  
Mr. N. Awatar is a practicing Chartered Accountant and has a vast experience of about 53 years in Commerce & Industry. He is an independent Director on the Board.

### 3. AUDIT COMMITTEE

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

A representative of the Statutory Auditors and Cost Auditors is a permanent invitee to the Audit Committee Meetings.

The terms of reference of the Committee conform to the provisions of section 292A of the Companies Act, 1956 and clause 49 of the Listing Agreement as detailed hereunder :-

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial' statements before submission to the board for approval, with particular reference to:
  - a. Matter required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
  - 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. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
  7. 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.
  8. Discussion with internal auditors any significant findings and follow up there on.
  9. 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.
  10. 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.
  11. 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.
  12. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee. During the year Committee held Four Meetings on 30.05.2012, 31.07.2012, 03.11.2012 and 31.01.2013.

#### 4. REMUNERATION COMMITTEE

Committee has been constituted for fixation of Remuneration of Executive Directors of the Company. Committee review Company's Policy on specific remuneration package for the executive directors.

Remuneration Committee consists Mr. N Awatar and Mr. Arvind Gupta, independent directors as members of the Committee. Mr. N Awatar is the Chairman of the Committee. No meeting was held during the year.

a) Details of remuneration paid to the Directors during the Period under review :

(i) Executive Directors

Sr. No.	Name of the Director	Salary (Rs)	Perquisites & Allowances(Rs.)	PERIOD	
				From	To
-	NIL	NIL	NIL	NIL	NIL

(i) Non-Executive Independent Directors

Sr. No.	Name of the Directors	Sitting fee Paid during the year (Rs)	Remarks	PERIOD	
				From	To
1.	Mr. N.Awatar	9000/-	Rs. 1000/- per meeting of the Board or Committee except Share Transfer Committee Meetings	01.04.2012	31.03.2013
2.	Mr. Arvind Gupta	9000/-	Rs. 1000/- per meeting of the Board or Committee except Share Transfer Committee Meetings	01.04.2012	31.03.2013

**5. SHAREHOLDERS' GRIEVANCES COMMITTEE**

Shareholder's' Grievances' Committee has been constituted to look into the grievance of the Shareholders. During the year under review four Meetings of Shareholders' Grievances Committee were held on 09.05.2012, 07.07.2012, 15.10.2012 and 15.01.2013. The Committee consist Mr. R.P. Goyal, Mr. N. Awatar and Mr. Arvind Gupta, Directors as members of the committee. Mr. R.P. Goyal is Chairman of the Committee.

Since the last AGM 319 Nos of complaints were received from various shareholders and all of them have been replied/resolved satisfactorily. As on date there are no pending request for share transfer.

**6. SHARE TRANSFER COMMITTEE**

Share Transfer Committee has been constituted to consider and approve transfer of shares lodged for transfer with RTA. The Share Transfer Committee meetings are being held every fortnight.

Mr. Sanjay Singal, Mr. R. P. Goyal and Mr. Arvind Gupta are the Members of the Committee. Mr. Sanjay Singal is the Chairman of the Committee.

**7 GENERAL BODY MEETINGS:****(a) Annual General Meeting**

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

AGM	Date	Time	Venue	Special Resolution Passed
18 <sup>th</sup>	08.10.2010	12.30 PM	Registered Office	<ul style="list-style-type: none"><li>• Re-appointment of Mr S.P. Maken as Whole Time Director</li><li>• Re-allotment of forfeited shares at a rate not less than Rs 17.42 per share</li></ul>
19 <sup>th</sup>	11.10.2011	12.30 PM	Registered Office	<ul style="list-style-type: none"><li>• Appointment of Mr Arvind Gupta as a Director.</li><li>• Appointment of Mr Sanjay Singal as a Director .</li><li>• Appointment of Mr R. P. Goyal as a Director.</li><li>• Authority to create Charge on immovable property.</li><li>• Authority to borrow</li></ul>
20 <sup>th</sup>	26.09.2012	3.00 PM	Registered Office	<ul style="list-style-type: none"><li>• No Special Resolution passed</li></ul>

**(b) Extra Ordinary General Meeting**

The details date, time and venue of EGM of the Company held and Special Resolutions Passed during the preceding three years is as under :-

Year	Date	Time	Venue	Special Resolution Passed
2010-11	03.12.2010	12.30 P.M.	Registered office	<ul style="list-style-type: none"><li>• Re-allotment of forfeited shares at a rate not less than Rs 17.42 per share</li></ul>
2011-12	17.03.2012	2.30 P.M.	Registered office	<ul style="list-style-type: none"><li>• Reduction in capital and consequent consolidation of share</li></ul>
2012-13	No meeting held	NIL	NIL	NIL

**(c) No Special Resolutions was passed through Postal Ballot during the last three years i.e. 2010-2011, 2011-12, 2012-13.**



**8. DISCLOSURES**

**a) Related party transactions**

The Company has not entered into any transaction of material nature with Promoters, Directors or their relatives etc. which may have potential conflict with the interests of the Company at large. The disclosure of related party transactions has been made in the annual accounts for the year ended 31.03.2013.

**b) Compliances by the Company**

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. Non-mandatory requirements have not been adopted for compliance.

**9. MEANS OF COMMUNICATION :**

The Company normally publishes quarterly and annual financial results in English Daily, in Hindi daily widely circulated and in Local Hindi daily and results are promptly furnished to stock exchanges for display on their website. Annual Reports and other important information is circulated to members. Company has also a website.

**10. MANAGEMENT DISCUSSION & ANALYSIS REPORT:**

The Management Discussion & Analysis Report under clause 49 of the Listing Agreement forms part of Annual Report.

**11. GENERAL SHAREHOLDERS INFORMATION:**

- a) Annual General Meeting for the year ended 31<sup>st</sup> March 2013 : 28<sup>th</sup> September, 2013 at 3.00 PM at registered office.
- b) Financial calendar : April to March each year.
- Financial reporting for the quarter ending : Reporting Month
- 30<sup>th</sup> June 2012 : July 2012
- 30<sup>th</sup> September 2012 : November 2012
- 31<sup>st</sup> December 2012 : January 2013
- 31<sup>st</sup> March 2013 : May 2013
- c) Dates of Book Closure : 21<sup>st</sup> September 2013 to 28<sup>th</sup> September 2013
- d) Dividend Payment Dates : No dividend is recommended for the financial year ended 31<sup>st</sup> March 2013.

**e) Listing of Securities**

After reduction of Capital the shares of the Company are listed with the Stock Exchanges at Bombay Stock Exchange. Company has filed application for delisting of shares from National Stock Exchange on 27.10.2010 and Ahmedabad Stock Exchange, Calcutta Stock Exchange, Delhi Stock Exchange, Madras Stock Exchange on 02.06.2011. Delisting of shares has yet not taken place. Company has paid Annual Listing fee for the year 2012-13 to Bombay Stock Exchange.

**Stock Code/Security Symbol**

Stock Code : 513566

Security Symbol : Symbol in BSE - NOVIS

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

**NOVA IRON & STEEL LTD.**

## g) Market Price Data at BSE

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

Month	High (Rs. Per Share)	Low (Rs. Per Share)	Volume (No of Shares)
April 2012	6.90	5.88	83,097
May 2012	6.94	5.53	127,457
June 2012	6.65	5.70	125,098
July 2012	6.68	5.60	137,900
August 2012	6.46	5.70	100,658
September 2012	7.10	6.00	98,270
October 2012	12.27	7.16	262,482
November 2012	Nil	Nil	Nil
December 2012	Nil	Nil	Nil
January 2013	Nil	Nil	Nil
February 2013	Nil	Nil	Nil
March 2013	10.15	7.60	5,427

Note : Trading of shares after reduction of capital was allowed by BSE on 19.03.2013. Trading of shares with NSE, ASE, DSE, MSE & CSE remained suspended.

h) Distribution of Shareholding as on 31<sup>st</sup> March, 2013.

Range	No of Shareholders	Nos of Shares	%age
1-500	166003	7011714	19.40
501-1000	514	358507	0.99
1001-2000	247	328229	0.91
2001-3000	95	228911	0.63
3001-4000	27	95192	0.26
4001-5000	15	69073	0.19
5001-10000	35	244022	0.68
10001 & above	40	27803840	76.93
Total	166976	36139488	100.00

i) Shareholding pattern as on 31<sup>st</sup> March, 2013.

Category	No. of Shares held	%age
Promoter & Associates	24231786	67.05
Financial Institutions	144	0.00
Mutual Funds/ Insurance Companies	518136	1.43
NRIs	233318	0.65
Corporate Bodies	2853627	7.90
Public	8302477	22.97
Total	36139488	100.00

j) Registrar & Share Transfer Agent (RTA) : M/s Skyline Financial Services Private Limited  
D-153A, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase-1  
New Delhi -110020.  
Ph : 011-30857575 (10 lines)  
Fax: 011-30857562



**Delegation of Authority to the Registrar & Share Transfer Agents.**

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

**k) Share Transfer System**

Transfer of shares held in physical form can be lodged with Registrar & Share Transfer Agent at the above mentioned address. The transfer requests are normally processed within 15 days of receipt of documents, if documents are found in order. Shares under objections are returned within two weeks.

**Share Transfer Committee**

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 is are placed at the next Board Meeting.

**Reconciliation of Share Capital Audit Report**

SEBI has vide Circular No CIR/MRD/DP/30/2010 dated 06.09.2010 renamed "Secretarial Audit Report" as "Reconciliation of Share Capital Audit Report" The Company obtains the said report from a Company Secretary in Practice, confirming that total issued capital of the Company is in agreement with the total number of shares held in physical form and total number of shares held in dematerialized form and is placed before the Board on a quarterly basis. A certificate from Company Secretary in Practice is also obtained half yearly and placed before the Board Meeting as required under clause 47(c) of Listing Agreement with Stock Exchanges.

**l) Nomination Facility:**

Pursuant to provisions of Section 109A of Companies Act, 1956, members are entitled to make nomination in respect of shares held by them. Members holding shares in physical form and are intending to make / change nomination in respect of their shares may submit Form 2B to company's Registrar & Transfer Agent. All correspondence by the Shareholders may be sent at the following address :-

Registered office & Plant Location :-  
Nova Iron & Steel Ltd.  
Village-Dagori, Tehsil-Belha, Distt. Bilaspur- (Chhattisgarh)

**m) Compliance Officer and Address for Communication**

Mr. R.P. Goyal, Director has been appointed Compliance Officer w.e.f. 31.03.12 by the Board consequent upon resignation of Ms. Anuradha Tandon from the post of Company Secretary w.e.f. 31st March 2012.

**CODE OF CONDUCT**

The Board had approved a 'Code of Conduct' binding on all Board Members and Senior Management Personnel in its meeting held on 28<sup>th</sup> April, 2006. The same was circulated to all concerned for compliance.

**CERTIFICATION**

The Company has obtained a Certificate as stipulated in clause 49 of Listing agreement regarding compliance of conditions of Corporate Governance and is annexed herewith.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

Company's plant is one of the initial coal-based Sponge Iron plant in India with the Technical knowhow from Lurgi Chemie Metallurgie Industriebau GmbH, Germany. Major equipment both imported and indigenous has been used as per LURGI's proprietary design. The technology being new at that point of time the cost of project was high. In today's scenario, the cost of similar project would be much lower. During the year Company procured raw material from open market while coal was produced through e-auction .

In the recent years smaller indigenous Sponge Iron plants involving less capital cost have been set up right near the iron ore mines. These smaller plants are giving tough competition in the market. The prices of Iron Ore and coal has been increased many fold in recent past. Besides, since 1-1-2008 as per the new Coal Distribution Policy of the Govt., only 75% of the coal linkage through Fuel Supply Agreement at notified price is available. The balance 25% requirement



## **NOVA IRON & STEEL LTD.**

of coal has to be sourced through e-auction, rates for which are quite exorbitant and thus increasing the cost of production. Southern Coal Fields Ltd (SECL) is not making the supply of coal under Fuel Supply Agreement.

In the current scenario for a sponge iron plant, it is very difficult to earn profits without having own captive iron ore mines. The Company has applied for grant of prospecting license for iron ore mines over an area of 11.47 sq. kms in village Madamnar Distt Narayanpur, Chhattisgarh expected to contain high grade iron ore.

The operations can be made profitable mainly by (i) having own captive mines (ii) installation of power plant utilizing waste heat of the Kiln and (iii) expansion of production capacity; installation of furnace and installation of down stream facilities manufacturing finished products of steel.

The company is planning to increase its production capacity to 15,00,000 tones per annum. MECON has been assigned the job for expansion of the project.

The power plant of 12 MW waste heat recovery based ( WHRB ) is being installed and is expected to be complete in the end of the current financial year. Besides reducing costing of production, surplus power , if any, will be sold through open access. Further, the installation of induction furnace is also in progress.

### **CERTIFICATE**

#### **To The Members of Nova Iron & Steel Ltd.**

We have examined the compliance of conditions of Corporate Governance by Nova Iron & Steel Ltd. ('the Company') for the year ended on 31<sup>st</sup> March , 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges. The Company has complied with the same materially.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

We have been explained that no investor grievances remained un-attended for a period exceeding one month, as at 31<sup>st</sup> March, 2013 against the Company as per the records maintained by the Company.

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

#### **For ANTIMA & GOEL Chartered Accountants**

Sd/-  
**(R.B.Goel)**  
**Partner**  
Membership No. : 086862

Place: New Delhi  
Date: 30.05.2013





**INDEPENDENT AUDITOR'S REPORT**

TO THE MEMBERS OF  
NOVA IRON & STEEL LIMITED

**Report on the Financial Statements**

We have audited the accompanying financial statements of **NOVA IRON & STEEL LIMITED**, which comprise the Balance Sheet as at 31<sup>st</sup> March 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial

statements give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India :-

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2013;
- b) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date ; and
- c) in the case of Cash Flow Statement, of cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order, 2003( 'the Order') issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. As required by Section 227(3) of the Act, we report that :-
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet and Statement of Profit and Loss Account and Cash Flow Statement dealt with by this report, are in agreement with the books of account;
  - d) In our opinion the Balance Sheet, Statement of Profit and Loss Account and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - e) On the basis of the written representations received from the Directors and taken on record by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March, 2013 from being appointed as a Director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.

**FOR ANTIMA & GOEL**

Chartered Accountants  
Firm Registration No : 009062N

Sd/-  
**(R.B. Goel)**  
Partner  
M.NO: 086862

Place : New Delhi  
Date : 30.05.2013



**ANNEXURE**

**(Referred to in our report of even date for the year ended 31<sup>st</sup> March 2013)**

- (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. On the basis of available information, in our opinion, the fixed assets covering significant value have been physically verified by the management at reasonable intervals, having regard to the size of the Company and the nature of its fixed assets. As informed to us, no material discrepancies were noticed on such verification. No substantial part of fixed assets has been disposed off during the year, which may affect the going concern status of the company.
- (ii) In our opinion and according to the information and explanations given to us, the inventory of the Company in its possession has been physically verified by the Management at reasonable intervals. Stocks in the possession and custody of the third parties and stocks in transit as on 31<sup>st</sup> March, 2013 have been verified by the Management with regard to confirmation or statement of account or correspondence of the third parties or subsequent receipt of goods. The procedures of physical verification of inventories of the Company followed by the Management is reasonable and adequate in relation to the size of the Company and nature of its business.
- The Company is maintaining proper records of inventories. As explained to us, no material discrepancies were noticed on such physical verification as compared to book records.
- (iii) (a) The Company has taken unsecured loan from two body corporates covered under the Register maintained U/s 301 of the Companies Act, 1956. The maximum amount outstanding during the year was Rs. 78,59,95,901/- and balance at year end was Rs.77,39,38,000/-. In our opinion, the rate of Interest and other terms and conditions on which loan has been taken from the body corporates listed in register maintained under Section 301 of the Act are not, prima facie, prejudicial to the interest of the Company.
- (iii) (b) The Company has not granted any loans, secured or unsecured to companies, firms or other parties listed in Register maintained U/s 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and with regard to sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in such internal controls.
- (v) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements have been entered in the register maintained U/s 301 of the Companies Act, 1956.
- (vi) To the best of our knowledge, the Company has not accepted any deposits covered under Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956.
- (vii) To the best of our knowledge and explanations given to us, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) The Central Government has under clause (d) of sub section (1) of Section 209 of the Companies Act, 1956 prescribed maintenance of Cost Records for the Company. On the basis of records produced to us, we are of the opinion that, prima facie, such accounts and records have been made and maintained by the Company. However, we have not, nor we are required to carry out any detailed examination of such accounts and records.
- (ix) To the best of our knowledge and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities. There were no arrears of outstanding statutory dues at the last



## NOVA IRON & STEEL LTD.

day of financial year for a period of more than six months from the date they became payable. According to the information and explanations given by the management, there was no disputed dues of custom duty, excise duty were outstanding, at the year end for a period of more than six months from the date they became payable **except** Entry Tax (including interest due) & Service Tax amounting to Rs. 3,42,44,722/- & Rs. 21,63,303/- respectively.

According to the information and explanations given to us and according to records of the Company, there are no dues outstanding of Wealth Tax, Custom Duty, Cess etc. on account of any dispute, Except Sales Tax(VAT), Income Tax and Excise Duty, as per details given below:-

Sr. No.	Nature of the statute	Nature of dues	Amount (Rs. In Lacs)	Period to which amount related	Forum where dispute is pending
1.	Excise Duty Disallowed	Modvat Credit Plus Penalty	72.62	A.Y. 2004-05	Appeal filed with Custom Excise & Service Tax Appellate Tribunal, New Delhi.
2.	Income Tax	Demand	18.70	A.Y. 1994-95	Appeal Pending before ITAT.
3.	Income Tax	Demand	143.38	A.Y. 2007-08	Appeal Pending before Commissioner of Income Tax (appeals).
4.	VAT	Demand	2.23	A.Y. 2004-05	Commissioner of Commercial Tax.
5.	VAT	Demand	0.25	A.Y. 2006-07	Revision Pending with Asstt. Commissioner of Commercial Tax.
6.	VAT	Demand	530.60	A.Y. 2003-04	Revision filed before Addl. Comm. Commercial Tax was filed and order was issued in favour of the Company Case remanded back to A.C. Commercial Tax.
7.	VAT	Demand	594.08	A.Y. 2004-05	Revision filed before Addl. Comm. Commercial Tax was filed and order was issued in favour of the Company Case remanded back to A.C. Commercial Tax.
8.	Excise Duty	Demand	2.90	A.Y. 2007-08	Commissioner Central Excise.
9.	Entry Tax	Tax Demand	5.05	A.Y. 2006-07	Revision Pending with Addl. Commissioner of Commercial Tax

- (x) The Company has accumulated losses of Rs.12.53 Crore as against the Net worth of Rs. 36.14 Crore, consisting of Share Capital & free Reserves. The company has incurred cash loss during the current year and in the immediately preceding audit period.
- (xi) In our opinion, the Company has not defaulted in repayment of dues to Financial Institutions or Banks or Debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.



- (xiii) In our opinion the Company is not chit fund or a nidhi / mutual benefit fund / society.
- (xiv) According to the information and the explanations given to us, the company is trading in Commodities. Proper records & timely entries have been maintained in this regard.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by its subsidiaries and associates from banks or financial institutions during the current year.
- (xvi) Based on information and explanations given to us by the management, no term loans were obtained during the current year.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
- (xviii) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956. The company has not issued any debentures.
- (xix) The Company has not issued any secured Debentures during the period and there is no outstanding Debenture as on the Balance Sheet date for which security need to be created.
- (xx) According to the information and explanations given to us, the Company has not raised any money by a Public Issue during the year.
- (xxi) Based upon the audit procedure performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

**FOR ANTIMA & GOEL**

Chartered Accountants

Firm Registration No : 009062N

Sd/-

**(R.B. Goel)**

Partner

M.NO : 086862

Place : New Delhi

Date : 30.05.2013



**BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2013**

(Amount in Rs.)

PARTICULARS	Note	As at 31.03.2013		As at 31.03.2012	
<b>EQUITY AND LIABILITIES</b>					
<b>SHAREHOLDERS' FUNDS</b>					
Share Capital	2	36 13 94 880		1 51 96 12 000	
Reserves & Surplus	3	- 12 53 55 988	23 60 38 892	-1 23 57 79 374	28 38 32 626
<b>NON-CURRENT LIABILITIES</b>					
Other Long -Term Liabilities	4	94 88 484		1 03 21 766	
Long-Term Provisions	5	57 64 058	1 52 52 542	80 96 401	1 84 18 167
<b>CURRENT LIABILITIES</b>					
Short -Term Borrowings	6	77 39 38 000		73 09 89 327	
Trade Payables	7	8 70 09 858		3 76 15 894	
Short -Term Provisions	8	10 92 224		-	
Other Current Liabilities	9	6 72 03 009	92 92 43 091	4 58 45 964	81 44 51 185
<b>TOTAL</b>			<b>1 18 05 34 525</b>		<b>1 11 67 01 978</b>
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Fixed Assets:					
Tangible Assets	10	55 68 41 391		43 53 10 417	
Intangible Assets		-		-	
Capital Work In Progress		24 93 39 720	80 61 81 111	1 28 69 456	44 81 79 873
Non - Current Investments	11	30 78 000		30 78 000	
Deferred Tax Assets ( Net )	12	70 10 133		98 38 214	
Long-Term Loans and Advances	13	5 31 48 813	6 32 36 946	5 70 44 631	6 99 60 845
<b>CURRENT ASSETS</b>					
Inventories	14	26 02 85 149		33 54 91 805	
Trade Receivables	15	1 50 96 270		1 66 015	
Cash & Cash Equivalents	16	1 24 84 313		7 49 14 388	
Short-Term Loan & Advances	17	2 32 50 736	31 11 16 468	18 79 89 052	59 85 61 260
<b>TOTAL</b>			<b>1 18 05 34 525</b>		<b>1 11 67 01 978</b>
Significant Accounting Policies	1				
The Accompanying Notes on Financial Statements	2 to 32				

As per our report of even date attached

For & on behalf of the Board

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

Sd/-  
(R.B.Goel)  
Partner  
Membership No. 086862

Sd/-  
(N. Awatar)  
Director

Sd/-  
(R.P.Goyal)  
Director

Place : New Delhi  
Date : 30.05.2013



**NOVA IRON & STEEL LTD.**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2013**

(Amount in Rs.)

PARTICULARS	Note	For the Year Ended 31.03.2013 (12 Months)	For the Period Ended 31.03.2012 (9 Months)
<b>I. Revenue from Operations</b>			
Sale of Products	18	1 18 19 55 177	80 07 73 274
Less : Excise Duty		12 83 07 833	7 63 56 349
		1 05 36 47 344	72 44 16 925
<b>II. Other Income</b>	19	16 14 60 273	5 29 55 952
<b>III. Total Revenue (I +II) :</b>		<b>1 21 51 07 617</b>	<b>77 73 72 877</b>
<b>IV. Expenses:</b>			
Cost of Material Consumed	20	1 02 87 70 905	83 25 28 895
Changes in Inventories of finished goods, work-in-progress and Stock-in-Trade	21	- 3 04 12 039	- 3 16 73 526
Employee Benefit Expense	22	3 66 98 306	2 53 84 271
Finance Costs	23	7 28 60 202	3 31 61 877
Depreciation and Amortization Expenses	24	2 75 45 231	2 13 89 899
Other Expenses	25	12 46 10 665	5 43 88 643
<b>Total Expenses :</b>		<b>1 26 00 73 270</b>	<b>93 51 800 58</b>
<b>V. Loss before tax (IV-III)</b>		<b>4 49 65 653</b>	<b>15 78 071 81</b>
<b>VI. Tax Expenses:</b>			
Current Tax		-	-
Deferred Tax Assets (-) / Liability		28 28 081	4 37 508
Earlier Year Tax		-	1 72 241
<b>VII. Loss from the period from continuing operations(V + VI)</b>		<b>4 77 93 734</b>	<b>15 84 16 930</b>
<b>VIII. EARNINGS PER SHARE (Face Value Rs. 10/-) Basic and Diluted (Restated in Previous Year)</b>	26	<b>(0.50)</b>	<b>(4.38)</b>
<b>Significant Accounting Policies The Accompanying Notes on Financial Statements</b>	1 2 to 32		

As per our report of even date attached

For & on behalf of the Board

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

Sd/-  
(R.B.Goel)  
Partner  
Membership No. 086862

Sd/-  
(N. Awatar)  
Director

Sd/-  
(R.P.Goyal)  
Director

Place : New Delhi  
Date : 30.05.2013



**NOVA IRON & STEEL LTD.**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2013**

(Amount in Rs.)

PARTICULARS		Current Year Ended 31.03.2013		Previous Period Ended 31.03.2012
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
NET PROFIT / (LOSS) BEFORE TAX		- 4 49 65 653		-15 78 07 181
Adjustments for:				
Depreciation	2 75 45 231		1 89 76 774	
Interest Expenses (Net)	7 22 13 415	9 97 58 646	2 97 37 743	4 87 14 517
		<b>5 47 92 993</b>		<b>-10 90 92 664</b>
<b>CHANGES</b>				
<b>Adjustment for:</b>				
(Increase ) / Decrease in trade and other receivables	14 95 03 248		- 13 36 92 076	
(Increase ) / Decrease in investments	-		- 30 78 000	
(Increase ) / Decrease in inventories	7 52 06 656		- 32 24 51 829	
Misc. Expenditure written off	-		24 13 125	
Increase / (Decrease) in trade and other payables	6 86 77 608	29 33 87 512	4 01 01 687	-41 67 07 093
<b>NET CASH (USED IN) FROM OPERATING ACTIVITIES : A</b>		<b>34 81 80 505</b>		<b>-52 57 99 757</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	-14 90 76 205		- 25 97 71 691	
(Increase) / Decrease in Capital Advances	42 00 631		- 3 78 44 300	
(Increase) / Decrease in Capital Work in Progress	-23 64 70 264		- 1 28 69 456	
Interest Received	6 46 787	-38 06 99 051	34 24 134	-30 70 61 313
<b>NET CASH (USED IN) FROM INVESTING ACTIVITIES : B</b>		<b>-38 06 99 051</b>		<b>-30 70 61 313</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Interest Paid		- 7 28 60 202		-3 31 61 877
Proceeds from Short Term Borrowings (Net)		4 29 48 673		72 71 42 979
<b>NET CASH (USED IN) FROM FINANCING ACTIVITIES : C</b>		<b>- 2 99 11 529</b>		<b>69 39 81 102</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>		<b>6 24 30 075</b>		<b>-13 88 79 968</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		<b>7 49 14 388</b>		<b>21 37 94 356</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<b>1 24 84 313</b>		<b>7 49 14 388</b>

As per our report of even date attached

For & on behalf of the Board

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

Sd/-  
(R.B.Goel)  
Partner  
Membership No. 086862

Sd/-  
(N. Awatar)  
Director

Sd/-  
(R.P.Goyal)  
Director

Place : New Delhi  
Date : 30.05.2013



**NOTES ON FINANCIAL STATEMENTS AS AT 31<sup>st</sup> MARCH, 2013**

**NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES**

**(I) BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

**(a) Basis of Accounting:**

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India and presented under the historical cost convention on accrual basis of accounting to comply with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 and with the relevant provisions of the Companies Act, 1956.

**(b) Use of Estimates:**

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

**(II) FIXED ASSETS**

**(a) Tangible Fixed Assets**

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

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

Machinery spares that can be used only in connection with an item of fixed asset and their use is expected to be irregular are capitalized. Replacement of such spares is charged to revenue. Capital expenditure on assets not owned by the company with exclusive right to use is reflected in capital work in progress till the period of completion and thereafter in fixed assets.

**(b) Assets in the Course of construction**

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

**(III) IMPAIRMENT OF ASSETS**

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

**(IV) DEPRECIATION**

Depreciation on the assets other than Plant & machinery is provided for at written down value method as per the rates prescribed under Schedule XIV of the Companies Act, 1956. Plant & Machinery is being depreciated @ 25% per annum on written down method.

Freehold Land is not depreciated. Leasehold land is being written off over the lease period.

**(V) REVENUE RECOGNITION**

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





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

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

**(VI) FOREIGN CURRENCY TRANSACTIONS**

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

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

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

**(VII) INVESTMENTS**

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

**(VIII) INVENTORY VALUATION**

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

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

**(IX) INCOME TAX**

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

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

**(X) BORROWING COST**

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

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



**(XI) MODVAT / CENVAT / VAT**

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

**(XII) CLAIMS**

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

**(XIII) RETIREMENT/POST RETIREMENT BENEFITS**

- (a) Short term employee benefits are recognized as an expense at the undiscounted amount in the year in which related service is rendered.
- (b) The Company has defined contribution plan for post retirement benefits, namely Employees Provident Fund scheme administered through Provident Fund Commissioner. The Company's contribution is charged to revenue every year.
- (c) The Company has defined benefits plans namely Leave encashment / Compensated absence and Gratuity, the liability for which is determined on the basis of Actuarial valuation at the end of the year.
- (d) Termination benefits are recognized as an expense immediately.
- (e) Gain or Loss arising out of actuarial valuation are recognized in the Statement of Profit and Loss as income or expense.
- (f) In compliance with the Accounting Standard 15 (revised 2005) "Employee Benefits", the Company has got the employee benefits evaluated from an Actuary from the current year. There is a change in basis of estimating the amount and the same is being made to comply with the AS 15 & to disclose better presentation of the financial statement.

**(XIV) PROVISIONS**

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

**(XV) CONTINGENT LAIBILITIES & COMMITMENTS**

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

**(XVI) DEFERRED TAX**

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

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


**NOVA IRON & STEEL LTD.**

(Amount in Rs.)

PARTICULARS	As at 31.03.2013	As at 31.03.2012
<b>NOTE 2 : SHARE CAPITAL</b>		
<b>(A) Authorised Capital :</b> 16,00,00,000 Equity Shares of Rs. 10/- each	1 60 00 00 000	1 60 00 00 000
<b>(B) Issued and Subscribed :</b> Issued: 3,61,39,488 Equity Shares of Rs. 10/- each (Previous Year 15,05,81,200 No. of Equity Shares.) (Consequent to reduction of Capital, the Issued & Subscribed Capital is also Restated)	36 13 94 880	1 55 00 00 000
<b>Paid Up:</b> (Opening) 15,05,81,200 Equity Shares of Rs. 10/- each	1 50 58 12 000	1 50 58 12 000
<b>Add:</b> Amount of forfeited Shares on 44,18,800 Shares of Rs. 10/- each (Amount adjusted towards losses brought forward as per Hon'ble High Court Order Dt. 18.09.2012)	-	1 38 00 000
	1 50 58 12 000	1 51 96 12 000
<b>Less :</b> Accumulated Losses adjusted from Share Capital 3,61,39,488 No. of Equity Shares of Rs. 10/- each (Previous Year 15,05,81,200 No. of Equity Shares of Rs. 10/- each.) (Capital Reduction to set off Losses of the Company not represented by assets as per order dated 18.09.2012 of Hon'ble High Court of Chhattisgarh. Consequently paid up value per share reduced from Rs. 10/- to Rs. 2.40 per share. Subsequently, such Reduced Equity Shares of Rs. 2.40 per share, consolidated to Rs. 10/- per share i.e. 15,05,81,200 No. of Equity Shares of Rs. 2.40 per share consolidated to 3,61,39,488 No. of Equity Shares of Rs. 10/- each, as approved by the General Meeting (Ref. Note 32 E also.)	1 14 44 17 120	-
	36 13 94 880	1 51 96 12 000
<b>(C) Reconciliation of number of Equity Shares outstanding at the Beginning and at the end of the reporting period:</b> <b>Equity Shares:</b> No. of Shares Outstanding at Beginning of the year Add: Further Issue During the year Less : Reduction of Share Capital @ Rs. 7.60 per Share Shares of Rs.2.40 each <b>Sub Total</b> Less / Adj. on consolidation of Shares to Rs. 10/- per share No. of Shares of Rs.10/- each Outstanding at year End	15 05 81 200 Nil - 15 05 81 200 11 44 41 712 3 61 39 488	1 50 58 12 000 Nil - - - 1 50 58 12 000
<b>(D) Details of Shareholders holding more than 5 percent:</b> <b>Name of the Shareholders</b>	<b>As At 31.03.2013</b>	<b>As At 31.03.2012</b>
	<b>% Held</b>	<b>% Held</b>
	<b>No. of Shares</b>	<b>No. of Shares</b>
1 Bhushan Power & Steel Ltd.	39.48	28.16
2 Ambey Steel & Power P. Ltd.	27.57	27.57
3 Master Capital Services Ltd.	6.41	6.29
4 Sh. R.K. Gambhir	-	5.66
5 Sh. G.K. Gambhir	-	5.66
	73.46	73.34
	2 65 49 403	11 04 43 230
<b>E) Bonus Shares / Buy Back/ Shares for consideration other than cash allotted as fully paid up pursuant to contracts during past five years: NIL</b>		
<b>(F) Details of Forfeited shares :</b> Equity Share of Rs. 10/- each	No.of Shares Nil	Value(Rs.) Nil
	No.of Shares 44 18 800	Value(Rs.) 1 38 00 000


**NOVA IRON & STEEL LTD.**

(Amount in Rs.)

PARTICULARS	As at 31.03.2013	As at 31.03.2012
<b>NOTE 3 : RESERVES &amp; SURPLUS</b>		
<b>(A) Securities Premium Account:</b>		
Balance at Beginning of the year	22 97 73 000	22 97 73 000
Less : Amount of Loss adjusted from Securities Premium Account ( As per Hon'ble High Court Order Dated : 18.09.2012)	22 97 73 000	-
Closing Balance	-	<b>22 97 73 000</b>
<b>(B) Surplus</b>		
Balance at beginning of the year	- 1 46 55 52 374	- 1 30 71 35 444
Less : Loss adjusted by Securities Premium Account	22 97 73 000	-
Less : Loss adjusted by Share Forfeiture Amount	1 38 00 000	-
Less : Amount of Loss adjusted by Writing off Paid up Share Capital (As per Hon'ble High Court Order Dated : 18.09.2012)	1 14 44 17 120	-
Add : Loss for the year	-4 77 93 734	- 15 84 16 930
Closing Balance	<b>-12 53 55 988</b>	<b>- 1 46 55 52 374</b>
<b>TOTAL :</b>	<b>-12 53 55 988</b>	<b>- 1 23 57 79 374</b>
<b>NOTE 4: OTHER LONG-TERM LIABILITIES</b>		
<b>Trade Payables</b>	-	-
<b>Others</b>		
Interest on Entry Tax Payable	91 32 454	1 01 16 798
Security Deposits	3 56 030	2 04 968
<b>TOTAL :</b>	<b>94 88 484</b>	<b>1 03 21 766</b>
<b>NOTE 5 : LONG-TERM PROVISIONS</b>		
<b>Provision for employee benefits</b>		
Gratuity	44 77 127	63 78 694
Earned Leave Encashment	12 86 931	17 17 707
<b>TOTAL :</b>	<b>57 64 058</b>	<b>80 96 401</b>
<b>NOTE 6 : SHORT-TERM BORROWINGS</b>		
Unsecured:		
<b>Loans and Advances from related parties</b>		
Loans From Corporates	77 39 38 000	73 09 89 327
<b>TOTAL :</b>	<b>77 39 38 000</b>	<b>73 09 89 327</b>
(c) Terms of Repayment: The Unsecured Loans are at 12% p.a. Interest and are repayable of Demand.		
(d) Details of Defaults on repayment of long-term Loans and Interest there of: Nil Nil		
<b>NOTE 7 : TRADE PAYABLES</b>		
Trade Payables	8 70 09 858	3 76 15 894
<b>TOTAL :</b>	<b>8 70 09 858</b>	<b>3 76 15 894</b>
<b>NOTE 8 : SHORT-TERM PROVISIONS</b>		
<b>Provision for employee benefits</b>		
Gratuity	8 80 237	-
Earned Leave Encashment	2 11 987	-
<b>TOTAL :</b>	<b>10 92 224</b>	<b>-</b>


**NOVA IRON & STEEL LTD.**

(Amount in Rs.)

PARTICULARS	As at 31.03.2013	As at 31.03.2012
<b>NOTE 9 : OTHER CURRENT LIABILITIES</b>		
<b>Other Payables</b>		
Service Tax Payable	24 47 771	21 63 303
Entry Tax Payable	2 51 12 268	2 93 36 716
Expenses Payable	2 30 18 310	66 49 897
Audit Fees Payable	2 02 248	1 55 110
Other Statutory Dues payable	90 30 387	38 99 143
Excise duty Payable	49 32 542	15 30 204
Employees Credit Balance	24 59 483	21 11 591
<b>TOTAL :</b>	<b>6 72 03 009</b>	<b>4 58 45 964</b>

**NOTE 10 : FIXED ASSESTS**

Description of Fixed Assets	Gross Block			Depreciation			Net Block	
	As At 01.04.2012	Additions	As At 31.03.2013	As At 31.03.2012	For the Year	Total upto 31.03.2013	As At 31.03.2013	As At 31.03.2012
Tangible Assets :								
Own Assets :								
Land - Lease Hold	67 00 507	-	67 00 507	6 23 773	74 432	698205	60 02 302	6 07 67 34
- Free Hold	23 85 12 752	13 05 27 783	36 90 40 535	-	-	-	36 90 40 535	2 38 51 27 52
Building	42 22 28 851		42 22 28 851	30 54 18 424	77 98 854	313217278	10 90 11 573	11 68 10 427
Plant & Equipments	1 74 50 19 799	1 62 15 649	1 76 12 35 448	1 69 02 99 540	1 57 61 920	1706061460	5 51 73 988	5 47 20 259
Railway Siding	2 14 77 461		2 14 77 461	1 07 77 141	14 88 415	12265556	92 11 905	1 07 00 320
Office Equipments	1 24 33 741	15 10 152	1 39 43 893	9 33 0142	10 15 576	10345718	35 98 175	31 03 599
Furniture & Fixtures	2 39 65 870	5 70 188	2 45 36 058	2 22 94 760	4 09 762	22704522	18 31 536	16 71 110
Vehicles	88 27 647	2 52 433	90 80 080	51 12 431	9 96 272	6108703	29 71 377	37 15 216
<b>Total:</b>	<b>2 47 91 66 628</b>	<b>14 90 76 205</b>	<b>2 62 82 42 833</b>	<b>2 04 38 56 211</b>	<b>2 75 45 231</b>	<b>2071401442</b>	<b>55 68 41 391</b>	<b>43 53 10 417</b>
Previous Year Balance	2 21 93 94 937	25 97 71 691	2 47 91 66 628	2 02 48 79 438	18976773	2 04 38 56 211	43 53 10 417	-
Capital Work in Progress							24 93 39 720	1 28 69 456

PARTICULARS	As at 31.03.2013	As at 31.03.2012
<b>NOTE 11 : NON CURRENT INVESTMENTS</b>		
<b>Non Trade, Unquoted (At Cost)</b>		
<b>Adarsh Info Tech. P. Ltd., Chandigarh</b> 2,23,800 Shares of Rs. 10/- each	22 38 000	22 38 000
<b>Prudent Transport Co. P. Ltd., Chandigarh</b> 28,000 Shares of Rs. 10/- each	8 40 000	8 40 000
<b>TOTAL :</b>	<b>30 78 000</b>	<b>30 78 000</b>



**NOVA IRON & STEEL LTD.**

(Amount in Rs.)

PARTICULARS	As at 31.03.2013	As at 31.03.2012
<b>NOTE 12 : DEFERRED TAX ASSETS (NET)</b>		
The break up of deferred tax assets and liabilities into major components arising on account of timing differences at the year end are as below:-		
Opening Deferred Tax Assets	98 38 214	1 02 75 722
<b>Deferred Tax Assets on account of :</b>		
Related to fixed assets	10 32 290	10 27 708
Amortisation of Expenses	1 16 008	6 66 948
<b>Disallowance under the Income Tax Act 1961</b>		
(a) Accrued Compensation to Employees	-	
<b>Deferred Tax Liabilities on account of :</b>		
Allowance under the Income Tax Act 1961	39 76 379	21 32 164
<b>Deferred Tax (Liabilities) / Assets During the period</b>	- 28 28 081	- 4 37 508
<b>Net Deferred Tax</b>	<b>70 10 133</b>	<b>98 38 214</b>
<b>NOTE 13 : LONG-TERM LOAN AND ADVANCES</b>		
<b>Unsecured and considered good</b>		
Capital Advances	3 36 43 669	3 78 44 300
Security Deposits		
Lease Rent Security	1 25 002	1 25 002
With Government Departments	1 55 34 290	1 54 84 290
Others	1 17 000	1 56 75 292
Other Loans and Advances		
Advance Tax	17 71 536	15 67 723
Balance With Excise Dept	17 57 316	17 57 316
Balance With Income Tax	2 00 000	2 00 000
<b>TOTAL :</b>	<b>5 31 48 813</b>	<b>5 70 44 631</b>
<b>NOTE 14 : INVENTORIES</b>		
Inventories		
<b>(Lower of cost or Net Realisable Value, Except Scrap &amp; Waste at NRV)</b>		
Raw Materials	13 89 71 616	26 89 51 964
Stock in Progress	35 56 800	33 22 800
Finished Goods	3 99 07 300	1 39 08 906
Scrap & Waste	2 19 31 973	1 77 52 328
Stores and Spares	1 62 45 591	1 18 63 841
Diesel	5 28 771	12 31 972
Packing Material	13 34 471	11 93 041
Raw Material - Stock In Transit	3 78 08 627	1 72 66 953
<b>TOTAL :</b>	<b>26 02 85 149</b>	<b>33 54 91 805</b>
<b>NOTE 15 : TRADE RECEIVABLES</b>		
<b>Unsecured and considered good</b>		
Outstanding for more than 6 months from due date	-	-
Others	1 50 96 270	1 66 015
<b>TOTAL :</b>	<b>1 50 96 270</b>	<b>1 66 015</b>


**NOVA IRON & STEEL LTD.**

(Amount in Rs.)

PARTICULARS	As at 31.03.2013	As at 31.03.2012
<b>NOTE 16 : CASH &amp; CASH EQUIVALENTS</b>		
Cash on Hand	9 12 044	15 00 578
Cheques , Drafts on Hand	1 05 34 496	3 55 86 000
Balances with Scheduled Banks		
In Current Accounts	10 09 964	3 78 01 640
Other Bank Balance		
Deposit with more than 12 Months Maturity (Including Interest Accrued) (Under Bank lien Rs 27810/- Previous Year Rs. 26170/-)	27 810	26 170
<b>TOTAL :</b>	<b>1 24 84 313</b>	<b>7 49 14 388</b>
<b>NOTE 17 : SHORT-TERM LOANS &amp; ADVANCES</b>		
<b>(A) Unsecured and considered good</b>		
Prepaid Expenses	5 42 162	5 58 213
Advances to Suppliers	1 42 92 361	16 65 12 230
Advances Recoverable	-	1 44 54 381
Advances to Employees	6 82 111	8 67 634
Interest Recoverable	5 38 448	3 46 146
Balance of Modvat/Cenvat/Service Tax	71 95 654	52 50 448
<b>TOTAL :</b>	<b>2 32 50 736</b>	<b>18 79 89 052</b>
<b>(B) With reference to the Loans and advances due by directors or other officers of the company.</b>	Nil	Nil

PARTICULARS	For the Year Ended 31.03.2013	For the Period Ended 31.03.2012
<b>NOTE 18 : REVENUE FROM OPERATIONS</b>		
Sales including excise duty	1 15 10 21 038	79 95 33 446
Other Operating Income - Scrap / Waste	3 09 34 139	12 39 828
<b>TOTAL :</b>	<b>1 18 19 55 177</b>	<b>80 07 73 274</b>
<b>NOTE 19 : OTHER INCOME</b>		
Interest Income	6 46 787	34 24 134
Profit on Sale of Commodities	16 08 09 135	4 95 18 968
Miscellaneous Income	4 351	12 850
<b>TOTAL :</b>	<b>16 14 60 273</b>	<b>5 29 55 952</b>
<b>NOTE 20 : COST OF MATERIALS CONSUMED:</b>		
Raw Material Consumed	1 02 87 70 905	83 25 28 895
<b>TOTAL :</b>	<b>1 02 87 70 905</b>	<b>83 25 28 895</b>
<b>NOTE 21 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN PROGRESS AND STOCK IN TRADE:-</b>		
<b>Inventories (at closing)</b>		
Finished Goods	3 99 07 300	1 39 08 906
Stock in Process	35 56 800	33 22 800
Scrap	2 19 31 973	1 77 52 328
<b>Inventories (at beginning)</b>		
Finished Goods	1 39 08 906	-
Stock in Process	33 22 800	-
Scrap	1 77 52 328	33 10 508
<b>(INCREASE)/ DECREASE IN CLOSING STOCK</b>	<b>- 3 04 12 039</b>	<b>- 3 16 73 526</b>


**NOVA IRON & STEEL LTD.**

(Amount in Rs.)

PARTICULARS	For the Year Ended 31.03.2013	For the Period Ended 31.03.2012
<b>NOTE 22 : EMPLOYEE BENEFITS EXPENSES:</b>		
Salaries & Wages	4 01 85 522	2 29 90 305
Contribution to Provident and Other Funds	16 61 086	10 32 201
Staff Welfare Expenses	14 80 624	13 61 765
	4 33 27 232	2 53 84 271
Less : Salary & Wages Capitalised	66 28 926	-
<b>TOTAL :</b>	<b>3 66 98 306</b>	<b>2 53 84 271</b>
<b>NOTE 23 : FINANCE COSTS:</b>		
Interest Expense	8 44 65 931	3 31 61 877
Less : Interest Capitalised	1 16 05 729	-
<b>TOTAL :</b>	<b>7 28 60 202</b>	<b>3 31 61 877</b>
<b>NOTE 24 : DEPRECIATION &amp; AMORTIZATION EXPENSES:</b>		
Depreciation	2 75 45 231	1 89 76 774
Preliminary Expenses Written off	-	24 13 125
<b>TOTAL :</b>	<b>2 75 45 231</b>	<b>2 13 89 899</b>
<b>NOTE 25 : OTHER EXPENSES :</b>		
Stores Consumed	70 02 014	41 89 791
Packing & Forwarding Charges	1 50 28 651	85 74 696
Repairs to Machinery	37 78 577	47 71 744
Electric Power & Fuel	3 79 01 387	2 35 55 348
Excise Duty Provided on Finished Goods	34 02 338	15 30 204
Water Charges	3 60 95 162	-
Lease Rent	5 87 534	3 88 979
Rent Paid	1 77 650	-
Legal & Professional Charges	63 43 032	36 81 760
Insurance	5 91 006	1 95 304
Rates & Taxes	18 92 552	3 25 379
Travelling & Conveyance Expenses	3 55 097	3 54 635
<b>Payment to Auditors</b>		
Audit Fees	1 75 000	1 31 250
Tax Audit Fees	25 000	25 000
Company Law Matters	70 000	1 00 000
Out of Pocket Expenses	38 146	11 772
Advertisement Expenses	6 29 516	3 44 467
Printing & Stationery	9 74 174	4 07 620
Postage ,Telegram & Telephone Exp	24 82 911	24 71 235
Other Miscellaneous Expenses	18 848	3 99 964
Prior Period Expenses(Net)	31 47 910	6 25 893
Bank Charges	42 116	25 979
Director's Sitting Fee	18 000	15 000
General Expenses	3 06 267	1 18 451
Charity & Donation	-	1 001
<b>Repairs and Maintenance</b>		
Building	2 85 208	516 460
Vehicles	32 42 569	16 26 710
<b>TOTAL :</b>	<b>12 46 10 665</b>	<b>5 43 88 643</b>





**NOVA IRON & STEEL LTD.**

(Amount in Rs.)

PARTICULARS	For the Year Ended 31.03.2013	For the Period Ended 31.03.2013 (Restated)
<b>NOTE 26 : EARNING PER SHARE (EPS) :</b>		
Basic EPS:		
(i) -Net Loss	- 4 77 93 734	- 15 84 16 930
(ii) -Weighted average number of Equity Shares	9 60 25 425	3 61 39 488
<b>Basic EPS (Rs.) (I) / (II)</b>	<b>(0.50)</b>	<b>(4.38)</b>

PARTICULARS	As at 31.03.2013	As at 31.03.2012
<b>NOTE 27 : CONTINGENT LIABILITIES &amp; COMMITMENTS :</b>		
<b>(TO THE EXTENT NOT PROVIDED FOR):</b>		
<b>(A) Contingent liabilities.</b>		
Claims against the Company not acknowledged as debts(*)	8 81 32 097	6 11 24 000
Income Tax demands under appeal	1 62 08 225	18 70 000
Excise & Service Tax demand under dispute	75 52 102	75 52 102
Sales Tax (2004-05) Demand under Dispute	2 23 000	2 23 000
<b>(B) Commitments</b>		
Estimated amounts of contracts remaining to be executed on Capital account and not Provided for	14 41 29 765	16 86 84 333

**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 desolve upon the Company on account of these cases.

The Income - Tax assessments of the Company have been completed upto Assessment Year 2007-08. The disputed demand outstanding up to the said Assessment Year is Rs 162.08 lacs. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.

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



**NOTE 28 : DISCLOSURE RELATING TO EMPLOYEE BENEFITS :**

In Compliance with the Accounting Standard 15 (revised 2005) from Current Year only " Employee Benefits", the Company has got the employee benefits evaluated from actuarial valuer. As such previous year figures are not given.

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

(Amount in Rs.)

<b>PARTICULARS</b>	<b>As at 31.03.2013</b>	<b>As at 31.03.2012</b>
Provident Fund & Other Funds	15 87 720	10 32 201
(B)Labour Welfare Fund	43 410	14 688
(C)Defined Benefit Plans:-		
(a) Contribution to Gratuity Funds - Employee's Gratuity Fund	-	-
(b) Leave Encashment / Compensated Absence	-	-

In accordance with Accounting Standard 15 (revised 2005), the actuarial valuation carried out in respect of the aforesaid defined benefit plans is based on the following assumption.

<b>PARTICULARS</b>	<b>Leave Encashment/ Compensated Absence 31.03.2013</b>	<b>Employee Gratuity Provision 31.03.2013</b>
<b>(i) Actuarial Assumptions</b>		
Discount rate (per annum)	8%	8%
Rate of increase in compensation levels	5%	5%
Rate of return on plan assets	-	-
Expected Average remaining working lives of employees (Years)	6.80	6.80
<b>(ii) Change in the obligation during the year ended 31st March, 2013</b>		
Present value obligation as at beginning of the year	-	-
Interest Cost	-	-
Past Service Cost (Non - Vested)	-	3 04 491
Past Service Cost (Vested)	14 87 917	43 56 999
Current Service Cost	9 41 208	7 90 929
Curtailment Cost	-	-
Settlement Cost	-	-
Benefits Paid	- 2 96 099	- 14 17 453
Actuarial (gain) / loss on obligations	- 6 34 108	13 22 398
Present value obligation as at end of the year	14 98 918	53 57 364
<b>(iii) Change in the fair value plan Assets</b>		
Fair value of plan assets as at beginning of the year	-	-
Expected return on plan assets	-	-
Contributions	-	-
Benefits Paid	-	-
Actuarial (gain) / loss on plan assets	-	-
Fair value of plan assets as at end of the year	-	-



**NOVA IRON & STEEL LTD.**

(Amount in Rs.)

PARTICULARS	Leave Encashment/ Compensated Absence 31.03.2013	Employee Gratuity Provision 31.03.2013
<b>(iv) Reconciliation of Present value of Defined Benefit Obligation and Fair value of Assets</b>		
Present value obligation as at end of the year	14 98 918	18 17 272
Fair value of plan assets as at end of the year	-	-
Funded Status	- 14 98 918	- 18 17 272
Present value of unfunded obligation as at end of the year	-	-
Excess of actual overestimated	-	-
Unfunded Net Asset / (Liability) recognised in Balance Sheet	- 14 98 918	- 18 17 272
<b>(v) Expenses recognised in Statement of Profit and Loss</b>		
Current Service Cost	9 41 208	7 90 929
Past Service Cost (Non - Vested)	-	3 04 491
Past Service Cost (Vested)	14 87 917	43 56 999
Interest Cost	-	-
Expected return on plan assets	-	-
Curtailment Cost	-	-
Settlement Cost	-	-
Net Actuarial (gain) / loss recognised during the year	- 6 34 108	13 22 398
Paid to left employees	-	-
Total Expense recognised in statement of Profit and Loss (including transferred to Capital work in progress)	17 95 017	67 74 817

**Note:** - The estimate of future salary increase considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

Leave encashment / compensated absence are not funded. Hence, change in fair value of Plan Assets have not been given.

**NOTE 29 :** The Company is engaged in the manufacturing / trading of Iron & Steel business which, in context of Accounting Standard - 17 as notified under Companies (Accounting Standard) Rules, 2006 is considered the only business segment.

**NOTE 30 : RELATED PARTY TRANSACTIONS :**

**(i) Key Managerial Personnel:**

	Relationship
1) Sh. Sanjay Singhal	Director
2) Sh. Ravi Prakash Goyal	Director
3) Sh. Narsingh Awatar	Director
4) Sh. Arvind Gupta	Director
5) Sh. Manickam Ramachandran	Director

**(ii) List of related parties with whom transactions have taken place**

1) M/s Ambey Steel & Power P. Ltd.	Promoter Company
2) M/s Bhushan Power & Steel Ltd	Promoter Company



## NOVA IRON & STEEL LTD.

(iii) Transactions with above related party as identified by the management, in accordance with Accounting Standard – 18. "Related Party Disclosures" are as follows:-

(Amount In Rs.)

Name of the related party	Nature of Transactions	As At 31.03.2013	As At 31.03.2012
(i) M/s Bhushan Power & Steel Ltd	Sale of Finished Goods	1 15 10 21 038	80 04 40 451
(ii) M/s Bhushan Power & Steel Ltd	Sale of Scrap & Others	29 12 921	-
(iii) M/s Bhushan Power & Steel Ltd	Purchase of Raw Material	1 57 17 018	12 22 93 915
(iv) M/s Bhushan Power & Steel Ltd	Purchase of Store & Machinery	2 45 15 627	96 83 581
(v) M/s Bhushan Power & Steel Ltd	Loan Received	-	69 85 00 000
(vi) M/s Bhushan Power & Steel Ltd	Interest on Loan	8 38 20 000	3 20 14 918
(vii) M/s Bhushan Power & Steel Ltd	Reimbursement of Expenses	-	1 44 500
(viii) Anuradha Tandon	Advance given	-	4 00 000
(ix) M/s Ambey Steel & Power P. Ltd.	Interest on Loan	4 05 764	3 06 557
(x) M/s Ambey Steel & Power P. Ltd.	Loan Given	-	1 09 68 000
(xi) M/s Ambey Steel & Power P. Ltd.	Repayment of Loan	34 00 000	1 09 68 000
<b>Closing Balances</b>		<b>As At 31.03.2013</b>	<b>As At 31.03.2012</b>
(i) Bhushan Power & Steel Ltd.		77 39 38 000	72 73 13 426
(ii) Bhushan Power & Steel Ltd.		4 39 71 946	57 736
(iii) Ambey Steel & Power P. Ltd.		-	36 75 901
(iv) Anuradha Tandon		-	3 26 881

**Note : - Related party relationship is as identified by the Company and relied upon by the auditors.**



**NOVA IRON & STEEL LTD.**

**NOTE 31 : OTHER ADDITIONAL INFORMATION**

**A: DETAIL OF OPENING STOCK, CLOSING STOCK AND SALES:**

(Amount In Rs.)

Particulars		As At 31.03.2013		As At 31.03.2012
<b>(i) Opening Stock:</b>				
-Sponge Iron		1 39 08 906		-
<b>(ii) Closing Stock:</b>				
-Sponge Iron		3 99 07 300		1 39 08 906
<b>(iii) Turnover:</b>				
-Sponge Iron		1 15 10 21 038		79 28 46 334
-Others		3 09 34 139		79 26 940
		<b>1 18 19 55 177</b>		<b>80 07 73 274</b>
<b>B: CONSUMPTION OF RAW MATERIAL AND COMPONENTS:</b>				
<b>Raw Material Consumed</b>				
-Iron Ore / Pellets		64 63 61 913		55 99 55 423
-Coal		38 18 86 712		27 19 66 349
-Dolomite		5 22 280		6 07 123
		<b>1 02 87 70 905</b>		<b>83 25 28 895</b>
<b>C: C.I.F. VALUE OF IMPORTS:</b>				
- Advance for Machinery		29 15 426		Nil
<b>D: VALUE OF IMPORTED AND INDIGENOUS RAW MATERIAL, SPARES AND COMPONENTS CONSUMED:</b>				
<b>(i) Raw Material</b>				
-Indigenous	1 02 87 70 905	100%	83 25 28 895	100%
<b>(ii) Stores &amp; Spares</b>				
-Indigenous	70 02 014	100%	41 89 791	100%
	<b>1 03 57 72 919</b>		<b>83 67 18 686</b>	

**NOTE 32 : OTHER ADDITIONAL INFORMATIONS:**

- The accounts have been prepared for a period of 12 months i.e. from 1st April, 2012 to 31st March, 2013 and of previous year figures are of 9 month's period i.e. from 1st July, 2011 to 31st March, 2012 and hence Previous period figures are not comparable.
- In the opinion of the Management, the Current Assets, Loans and Advances etc., are of the approximate value stated, if realised in the ordinary course of business.
- In respect of amounts due to Micro, Small and Medium enterprises under "The Micro, Small and Medium Enterprises Development Act 2006", the Company has certified that as a policy the payment to suppliers is made within 30 days except in disputed cases.
- Balances on account of trade/other receivable, trade/other payables and loans and advances are subject to the confirmation and reconciliation with respective parties.
- The Capital of the Company has been reduced from 15,05,81,200 No. of Equity Shares of Rs. 10/- each to 15,05,81,200 No. of Equity Shares of Rs. 2.40 paisa each pursuant to Order dated 18.09.2012 of Hon'ble High Court of Chhatisgarh. Simultaneously pursuant to shareholders approval, 100 shares of Rs. 2.40/- each have been consolidated to 24 equity shares of Rs. 10/- each comes equal to paid up Capital of 3,61,39,488 No. of Equity Shares of Rs. 10/- each. The Shares are listed with Bombay Stock Exchange Ltd.
- Notes No. 1 to 32 form an integral part of the accounts and has duly been authenticated.

As per our report of even date attached

For & on behalf of the Board

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

Sd/-  
(R.B.Goel)  
Partner  
Membership No. 086862

Sd/-  
(N. Awatar)  
Director

Sd/-  
(R.P.Goyal)  
Director

Place : New Delhi  
Date : 30.05.2013



**NOVA IRON & STEEL LIMITED**

Regd. Office : Village Dagori, Tehsil Belha  
Distt. Bilaspur (Chhattisgarh) PIN 495224

**ATTENDANCE SLIP**

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

I hereby record my presence at the 21st Annual General Meeting of the Company held at **Village Dagori, Tehsil-Belha, Distt. Bilaspur (Chhattisgarh) PIN-495 224**, on Saturday, 28<sup>th</sup> day of September, 2013 at 3.00P.M.

(Signature of Shareholder / Proxy)

**IMPORTANT**

This attendance slip must be handed over at the entrance of the Meeting Hall.



**NOVA IRON & STEEL LIMITED**

Regd. Office : Village Dagori, Tehsil Belha  
Distt. Bilaspur (Chhattisgarh) PIN 495224

**PROXY**

Registered Folio No. : ..... No. of Shares : .....

Client ID ..... DP ID .....

I / We ..... of .....

being member/members of NOVA IRON & STEEL LIMITED, hereby appoint Mr./Mrs./Miss. ....

..... of ..... as my/our Proxy in my/our absence to attend and vote for me/us and on our behalf at the 21st Annual General Meeting of the Company to be held at Village Dagori, Tehsil-Belha, Distt. Bilaspur (Chhattisgarh) PIN-495224 on Saturday, 28<sup>th</sup> day of September, 2013 at 3.00 P.M. and at any adjourned there of.

Signed his ..... day of ..... 2013

Signature of the Shareholder (s) .....

Affix 30  
Paise  
Revenue  
Stamp.

Note : This proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting. A Proxy need not be a member of the Company.

BOOK POST

*If undelivered, Please return to :*

**NOVA IRON & STEEL LIMITED**

Corporate Office : 4th Floor, Tolstoy House  
15-17th Tolstoy Marg, Connaught Place,  
New Delhi-110001



FORM A

1	Name of the Company	Nova Iron & Steel Limited
2	Annual Financial statements for the year ended	31 <sup>st</sup> March 2013
3	Type of Audit observation	Un-qualified/Matter of Emphasis
4	Frequency of observation	Appeared repetitive since 31.03.1990
5	To be signed by: Auditor of the company	