



## CHENNAI FERROUS INDUSTRIES LIMITED

Registered Office & Factory : OPG Nagar, Periya Obulapuram Village,  
Near Nagaraja Kandigai, Gummidipoondi to Madharpakkam Road,  
Gummidipoondi - 601 201. Thiruvallur District, Tamil Nadu.  
Telefax : 044 27991450 Email; : chennaiferrous@gmail.com  
CIN : L27310TN2010PLC075626 GSTIN : 33AAECC0681N1ZL

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Date: 07<sup>th</sup> September, 2021

**Bombay Stock Exchange  
Floor 25, P J Towers,  
Dalal Street,  
Mumbai – 400 001.**

Dear Sirs,

**Sub: Annual Report under Regulation 34(1) of the SEBI (LODR) Regulation 2015**

**Ref: Scrip Code: 539011**

**Scrip Name: CHENFERRO**

Pursuant to the Regulation 34(1) of the Listing Regulation, we are enclosing the Annual Report 2021 of the Company along with the Notice of the Eleventh Annual General Meeting and other statutory reports for the financial year 2020-21. The Annual Report 2021 is also being sent through electronic mode to those members whose email addresses are registered with the Company/Depository participants/RTA.

Please take into records.

Thanking You,

**For Chennai Ferrous Industries Limited**

R. Natarajan,  
Managing Director  
DIN: 00595027

# **CHENNAI FERROUS INDUSTRIES LIMITED**

**ELEVENTH ANNUAL REPORT FY 2020-21**

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**CHENNAI FERROUS INDUSTRIES LIMITED**

CIN: L27310TN2010PLC075626

**BOARD OF DIRECTORS**

Mr. R. Natarajan	Chairman & Managing Director
Mr.Chandikeshwar Sharma (upto 30.06.2021)	Director
Mr.Suresh Kedia (upto 13.08.2021)	Director
Mrs.Kesavan Deepa (upto 13.08.2021)	Director
Mr. A. Balasubramanian (from 13.08.2021)	Additional Director
Mrs. M Chitra (from 13.08.2021)	Additional Director
Mr. Karthikeyan Kunjithapatham	Chief Financial Officer
Mrs. Priyanka Saraf	Company Secretary

**REGISTERED OFFICE**

OPG Nagar, Periya Obulapuram Village  
Nagaraja Kandigai, Madharapakkam  
Road Gummidipoondi 601201  
Website: [www.chennaiferrous.com](http://www.chennaiferrous.com)

**AUDITORS**

M/s. S.K. GULECHA & ASSOCIATES,  
Chartered Accountants,  
No.374, Mint Street, Adinath Arcade,  
2<sup>nd</sup> Floor, Sowcarpet, Chennai-600079.

**BANKERS**

State Bank of India,  
115, Oriental House,  
Broadway, Chennai - 600 108

**SHARE TRANSFER AGENT**

Cameo Corporate Services Limited,  
No.1, Subramanian Building,  
Club House Road, Chennai - 60002.

## **NOTICE TO MEMBERS**

**Notice** is hereby given that the Eleventh Annual General Meeting (AGM) of Chennai Ferrous Industries Limited will be held on Thursday, 30<sup>th</sup> September 2021, at 11:30 A.M. (I.S.T) through Video Conferencing / Other Audio Visual Means, to transact the following business:

### **ORDINARY BUSINESS**

- 1. Adoption of Standalone Financial statements comprising of Director's Report, Auditor's report, Balance sheet and Profit and Loss A/c, Cash Flow Statement and other relevant documents.**

To receive, consider and adopt the Audited Standalone Financial statements comprising of Director's Report, Auditor's report, Balance sheet and Profit and Loss A/c, Cash Flow Statement and all other relevant documents of the Company for the financial year ended 31<sup>st</sup> March, 2021.

- 2. Appointment of Mr. R. Natarajan as a Director, liable to retire by rotation**

To appoint a Director in place of Mr. R. Natarajan (DIN: 00595027), who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

### **SPECIAL BUSINESS:**

- 3. Appointment of Mr. A. Balasubramanian as Non-Executive Independent Director**

To consider and, if thought fit, to pass with or without modification(s), the following resolution passed as an ordinary resolution:

"RESOLVED that, pursuant to sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. A. Balasubramanian (DIN: 02314860) who was appointed as an Additional Director of the

Company in the category of an Independent Director by the Board of Directors the Company with effect from 13<sup>th</sup> August, 2021 who holds office up to this (11<sup>th</sup>) Annual General Meeting, in terms of section 161 of the Companies Act, 2013 be and is hereby appointed /ratified as an Non-Executive Independent Director of the Company for a period of Five Years with effect from 13<sup>th</sup> August, 2021 up to 12<sup>th</sup> August, 2026 who is not liable to retire by rotation.”

#### **4. Appointment of Mrs. Mohan Chitra as Non-Executive Independent Director**

To consider and, if thought fit, to pass with or without modification(s), the following resolution passed as an ordinary resolution:

“RESOLVED that, pursuant to sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mrs. Mohan Chitra (DIN: 09235815) who was appointed as an Additional Director of the Company in the category of an Independent Director by the Board of Directors the Company with effect from 13<sup>th</sup> August, 2021 who holds office up to this Annual General Meeting, in terms of section 161 of the Companies Act, 2013 be and is hereby appointed /ratified as an Non-Executive Independent Director of the Company for a period of Five Years with effect from 13<sup>th</sup> August, 2021 up to 12<sup>th</sup> August, 2026 who is not liable to retire by rotation.”

(By Order of the Board)

Chennai Ferrous Industries Limited,

Date: 13<sup>th</sup> August 2021

Place: Gummidipoondi

R. NATARAJAN

Chairman & Managing Director

DIN: 00595027

**Notes:**

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the EGM/AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.chennaiferrous.com](http://www.chennaiferrous.com). The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER: -**

The remote e-voting period begins on 26<sup>th</sup> September 2021 at 9:00 A.M. and ends on 29<sup>th</sup> September 2021 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e., 22<sup>nd</sup> September 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 22<sup>nd</sup> September 2021.

**How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*

**Step 1: Access to NSDL e-Voting system**





**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in	1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the " <b>Beneficial Owner</b> " icon under " <b>Login</b> " which is available under ' <b>IDeAS</b> '



<p>demat mode with NSDL.</p>	<p>section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</p> <div data-bbox="591 1387 1086 1682"> <p><b>NSDL Mobile App is available on</b></p> <div>  App Store            Google Play         </div> <div>   </div> </div>
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Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.

c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***
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5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [cs.madhavanmk@gmail.com](mailto:cs.madhavanmk@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [company.secretarial@chennaiferrous.com](mailto:company.secretarial@chennaiferrous.com)
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [company.secretarial@chennaiferrous.com](mailto:company.secretarial@chennaiferrous.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [company.secretarial@chennaiferrous.com](mailto:company.secretarial@chennaiferrous.com) . The same will be replied by the company suitably.
6. Any shareholder who is desirous to speak at the AGM shall send his/her query(ies) to the Company at [company.secretarial@chennaiferrous.com](mailto:company.secretarial@chennaiferrous.com) on or before 29<sup>th</sup> September 2021 (5:00 P.M.).

# **DETAILS OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT IN THE TENTH ANNUAL GENERAL MEETING**

[Pursuant to Regulations 26(4) and 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2)]

## **Mr. R. Natarajan**

Name of the Director	Mr. R. Natarajan
Category	Executive, Chairman and Managing Director
Director Identification Number (DIN)	00595027
Date of birth	02/06/1952
Date of appointment/ re-appointment	13/08/2014
Qualifications	Graduate of Business Administration
Expertise in specific functional areas	R.Natarajan,aged 65 years, has been serving for the Company since 2014. His rich experience of around 39 years in Steel industry and his guidance, will continue to be beneficial to the Company.
Directorships held in other companies	2
Chairmanships/ Memberships of statutory committees across Companies	2
Details of shareholding (both own or held by/for other persons on a beneficial basis), if any, in the Company	NIL



**Mr. Balasubramanian Anandan**

Name of the Director	Mr. Balasubramanian Anandan
Category	Independent Director
Director Identification Number (DIN)	02314860
Date of birth	28/08/1977
Date of appointment/ re-appointment	13/08/2021
Qualifications	M B A (Finance) , L L B
Expertise in specific functional areas	Mr. Balasubramanian Anandan is a professional Having an experience for more than 2 Decades Specialising in Taxation, Finance & Accounts.
Directorships held in other companies	Nil
Chairmanships/ Memberships of statutory committees across Companies	Nil
Details of shareholding (both own or held by/for other persons on a beneficial basis), if any, in the Company	Nil

**Mrs. Mohan Chitra**

Name of the Director	Mrs. Mohan Chitra
Category	Independent Director
Director Identification Number (DIN)	09235815
Date of birth	04/05/1986
Date of appointment/ re-appointment	13/08/2021
Qualifications	MBA Finance
Expertise in specific functional areas	Mrs. Mohan Chitra is a professional Having an experience for more than 11 years in Accounting, Banking, Taxation, Trade Finance and Forex
Directorships held in other companies	Nil
Chairmanships/ Memberships of statutory committees across Companies	Nil
Details of shareholding (both own or held by/for other persons on a beneficial basis), if any, in the Company	Nil

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### **Item no. 3**

The Nomination and Remuneration Committee and the Board of Directors at their respective meeting held on 13<sup>th</sup> August 2021 has recommended the appointment of Mr. A. Balasubramanian, (DIN: 02314860) as Non-Executive Independent Director of the Company.

Mr. A. Balasubramanian has given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, he fulfils the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and he is independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of Mr. A. Balasubramanian as Non-Executive Independent Director with effect from 13<sup>th</sup> August, 2021 is recommended for member's approval.

The terms and conditions of appointment of Mr. A. Balasubramanian shall be open for inspection by the members at the Registered Office of the Company during normal business hours on any working day.

The company has received a notice under Section 160 of the Companies Act, 2013 from a member proposing Mr. A. Balasubramanian as a candidate for being appointed as an independent director, together with requisite deposit.

Details of Mr. A. Balasubramanian are furnished to the Explanatory statement pursuant to Regulations 26(4) and 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that forms an integral part of this Notice.

Except Mr. A. Balasubramanian, no other directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

### **Item no. 4**

The Nomination and Remuneration Committee and the Board of Directors at their respective meeting held on 13<sup>th</sup> August 2021 has recommended the appointment of Mrs. Mohan Chitra

(DIN: 09235815) as Non-Executive Independent Director of the Company.

Mrs. Mohan Chitra has given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, he fulfils the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and he is independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of Mrs. Mohan Chitra as Non-Executive Independent Director with effect from 13<sup>th</sup> August, 2021 is recommended for member's approval.

The terms and conditions of appointment of Mrs. Mohan Chitra shall be open for inspection by the members at the Registered Office of the Company during normal business hours on any working day.

The company has received a notice under Section 160 of the Companies Act, 2013 from a member proposing Mrs. Mohan Chitra as a candidate for being appointed as an independent director, together with requisite deposit.

Details of Mrs. Mohan Chitra are furnished to the Explanatory statement pursuant to Regulations 26(4) and 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that forms an integral part of this Notice.

Except Mrs. Mohan Chitra, no other directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

(By Order of the Board)

Chennai Ferrous Industries Limited,

R. NATARAJAN

Chairman & Managing Director

DIN: 00595027

Date: 13<sup>th</sup> August 2021

Place: Gummidipoondi

## DIRECTORS' REPORT

Dear Members,

The Directors take pleasure in presenting the Eleventh Annual Report together with its financial statements for the year ended 31<sup>st</sup> March 2021.

### FINANCIAL HIGHLIGHTS

The financial highlights for the year under review are as follows:

(Amount in Rupees)

Particulars	Year Ended 31 <sup>st</sup> March 2021	Year Ended 31 <sup>st</sup> March 2020
Sales (Net of Excise Duty) and other income	46,54,06,435	8,14,23,355
Profit /(loss) after Interest & Depreciation	5,06,04,025	3,20,37,768
Provision for Tax	-	-
Profit /(loss) after Tax	5,06,04,025	3,20,37,768
Other Comprehensive Income	-	-
Total Comprehensive Income for the period	5,06,04,025	3,20,37,768
Profit available for Appropriation	5,06,04,025	3,20,37,768

### OPERATIONS

During the year, in view of the slowdown in the business segment the company is unable to operate temporarily. The Company has taken adequate steps to rejuvenate the plant operations in the current year. During the year under review, the revenue of your Company has increased to Rs.46,54,06,435/- as compared to the revenue of the previous year Rs.8,14,23,355/-.

### DIVIDEND

The Board of Directors has not recommended any dividend for the financial year ended 31<sup>st</sup> March 2021.

#### **TRANSFER TO RESERVES**

Transfer of profit to the General Reserve did not arise during the financial year.

#### **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

Management Discussion and Analysis report that forms part of this Report as giving an overview of Industry and company's future operations is enclosed as **Annexure I**.

#### **CODE OF CONDUCT**

The Board has formulated a Code of Conduct for Directors and Senior Management of the Company. A Declaration affirming the compliance of Code of Conduct is provided as **Annexure II**.

#### **NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE THE SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR**

The Company has no Subsidiaries, Joint Ventures or Associate Companies. During the year no companies have become or ceased to be the Subsidiaries, Joint Ventures or Associate Companies of the Company.

#### **DIRECTOR(S) AND KEY MANAGERIAL PERSONNEL**

During the financial year 2020-21, there was no change in the Board of Directors and KMP of the Company.

Changes in the Board of Directors post the financial year:

Mr. Chandikeshwar Sharma, Independent Director resigned on 30<sup>th</sup> June 2021. The Board places its appreciation and thanks to Mr. Chandikeshwar Sharma for his services rendered to the Company.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of its knowledge and ability, confirm that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the Directors had 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 loss of the company for that period;
- the Directors had taken proper and sufficient care for 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;
- the Directors had prepared the annual accounts on a going concern basis; and
- the Directors had laid down internal financial control to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **BOARD EVALUATION**

The Nomination and Remuneration Committee and the Board of Directors of the Company had laid down the process and criteria for annual performance evaluation of the Board, its Committees and individual Directors. For the year the Board of Directors have carried out an evaluation of its own performance, its Committees and that of its individual Directors in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. Details of the same are given in the Report on Corporate Governance annexed hereto.

## **MEETINGS OF THE BOARD**

During the year under review, Four (4) Board Meetings were held the details of meetings have been provided in the Corporate Governance report that forms part of this Report.

## **CORPORATE GOVERNANCE**

Pursuant to the provisions of Regulation 34 read with point C & E of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 a separate Report on Corporate Governance for the financial year ended 31st March 2021 on its compliance is enclosed and forming part of this Report as **Annexure III**.

Bombay Stock exchange (BSE) vide its Circular No. LIST/COMP/12/2019-20 dated 14/05/2019 titled Clarification on Annual Secretarial Audit Report and Annual Secretarial Compliance Report for listed entities and their material subsidiaries, the provisions of Regulation 24A regarding the companies seeking exemption for Non-Applicability Certificate for Corporate Governance Report are not required to submit any other document or disclosure of Annual Secretarial Compliance Certificate.

The Company is fulfilling the following criteria laid down under the Regulation 15(2) of SEBI (LODR) Regulation, 2015 ie

(1) The paid up equity share capital not exceeds Rs. 10.00 crore; and

(2) The net worth is also not exceeding Rs. 25.00 crore,

as on the last day of the previous financial year as on 31/03/2020

The Net Worth of the Company is below Rs.25 Crores as on 31/03/2020. Since the Company is falling under the criteria as laid down under Regulations 15(2) of SEBI (LODR) Regulation, 2015, your company already submitted letter to BSE seeking exemption for applicability of submission of Certificate for Corporate Governance Report, any other document or disclosure and Annual Secretarial Compliance Certificate.

However, your company has provided the above reports voluntarily for this year.



#### **AUDIT COMMITTEE**

The Board of Directors has constituted its Audit Committee. The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 177 of the Companies Act, 2013 read with the rules made thereunder and Regulation 18 and 21 read with Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Details of Committee along with Meetings held during the year are given in the Corporate Governance Report that forms part of this Report.

#### **STATUTORY AUDITORS**

M/s. S.K. Gulecha & Associates, Chartered Accountants, Chennai were appointed as statutory auditors from the conclusion of the Tenth Annual General Meeting (AGM) held on 30th September 2020 till the conclusion of the Fifteenth Annual General Meeting (AGM) of the Company to be held in the year 2025.

There are no qualifications, reservation or adverse remark or disclaimer made by the auditors in their report and thus the explanations or comments by the Board does not arise.

#### **PARTICULARS OF EMPLOYEES**

None of the employees draws remuneration in excess of the prescribed limits during the financial year 2020-21. Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this report as **Annexure IV**.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS HELD BY THE COMPANY**

Pursuant to the provisions of Section 186 of the Companies Act, 2013 read with the rules made thereunder, particulars of loans, guarantees and investments covered under are given in the notes to the Financial Statements.

## **RELATED PARTY TRANSACTIONS**

The Company has formulated a Policy on dealing with Related Party Transactions. The Policy is disclosed on the website of the Company.

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the year were in the ordinary course of business and on an arms' length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. However, pursuant to the provisions of Regulation 23 (2) of the SEBI (LODR) Regulations, 2015, prior approval of the Audit Committee was sought for entering into the Related Party Transactions.

During the year, the Company had not entered into any contract / arrangement / transactions with Related Parties which could be considered as material in terms of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In accordance with Accounting Standard 18, the Related Party Transactions are disclosed in the notes to the Financial Statements.

Particulars of Contracts or Arrangements with Related Parties referred to in Section 188(1) of the Companies Act, 2013 is furnished in accordance with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC - 2 as **Annexure V**.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

As required under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014, particulars regarding conservation of energy, technology absorption, foreign exchange earnings and outgo are annexed to this report as **Annexure VI**.

## **SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had

appointed M/s. M. K. Madhavan & Associates, Company Secretaries in Practice, to undertake the Secretarial Audit of the Company for the financial year 2020-21.

The Secretarial Audit Report for the financial year 2020-21, is annexed herewith as **Annexure VII**.

There are no qualifications, reservation or adverse remark or disclaimer made by the auditors in their report and thus the explanations or comments by the Board does not arise.

#### **ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

The company has formulated an internal controls policy. In the opinion of Board, It is adequate to mitigate risks and provided reasonable assurance that operations/transactions are efficient and assets are safeguarded.

#### **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

During the year under review, there has been no material changes and commitments affecting the financial position of the Company.

#### **EXTRACT OF ANNUAL RETURN**

The extract of the Annual Return as provided under Section 92(3) of the Companies Act, 2013 is available in our website under Shareholders' information.

#### **REMUNERATION POLICY**

The Remuneration policy of the Company comprising appointment and remuneration of the Directors, Key Managerial Personnel and Senior Executives of the Company including criteria for determining qualifications, positive attributes, independence of a Director and other related matters has been provided in the Corporate Governance Report.

#### **DEPOSITS**

During the year, the Company has not accepted any "Deposits", as defined under the Companies Act, 2013.

### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORY BODIES/ COURTS**

During the financial year under review, no significant or material orders were passed by the Regulatory/ Statutory Authorities or the Courts which would impact the going concern status of the Company and its future operations.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR):**

The company is not covered under section 135 of the Companies Act, 2013 and formulation of CSR policy and constitution of a CSR committee did not arise.

### **VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

Pursuant to section 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules 2014 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The Company has a vigil mechanism / “Whistle Blower Policy”, which is available on the website of the Company, namely [www.chennaiferrous.com](http://www.chennaiferrous.com)

### **PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE**

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. During the financial year 2020-2021, no complaint was reported to the Company.

### **CEO/ CFO CERTIFICATION:**

Mr. R. Natarajan, Chairman and Managing Director and Mr. Karthikeyan Kunjithapatham, Chief Financial Officer have certified to the Board in terms of Regulation 17(8) of the SEBI (Listing Obligations & Disclosure Requirements Regulations), 2015 were laid before the Board at its meeting held on 30<sup>th</sup> June 2021.

**ACKNOWLEDGEMENT:**

Your directors place on record their great appreciation of the fine efforts of all Executives and Employees of the Company which were instrumental in attaining considerable financial position in a difficult year. The Board takes this opportunity to sincerely thank all its stakeholders namely, shareholders, customers, suppliers/ contractors, bankers, employees, Government agencies, local authorities, and the immediate society for their un-stinted support and co-operation during the year.

For and behalf of Board of Directors of  
Chennai Ferrous Industries Limited,

R. NATARAJAN

Chairman & Managing Director

DIN: 00595027

Date: 30<sup>th</sup> June 2021

Place: Gummidipoondi

**ANNEXURE I**

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Company has one business segment namely trading of metals and metal products. Steel occupies a prominent place in Indian manufacturing sectors. India's steel production capacity has expanded rapidly over the past few years.

Chennai Ferrous Industries Limited during the year generated revenue through trading of iron and coal and the opportunities and threats available for the company are briefly provided below: In the recent years, the demand for Sponge Iron is sluggish. The factors like COVID-19 pandemic, slowdown in infrastructure and constructions, fluctuating volatile raw materials prices, regional demand & supply imbalances, and INR Value against global currencies have impacted significantly the Indian steel industry. Cheap import of steels products from neighboring countries may result in the lowering prices and making the market highly competitive. This may be improved in future.

The Company moved to trading of steel and coal as the Demand of steel and coal is expected to rise in future with economic and Industrial growth. Growing infrastructure like roads and highways, railways, aviation, shipping, energy, power or oil & gas will boost the demand for specialized steel and the Company expects to revive the operations as the demand for sponge iron products seems better in the future with economic and Industrial growth. Coal trading has potential growth opportunities considering demand from power generating units on timely basis. The company has leased its Sponge Iron Plant to MTC Business Pvt.Ltd last year.

The management has initiated steps to revive the company with various other business opportunities with positive economic outlook and improvement in industrial growth in forthcoming years.

For and behalf of Board of Directors of  
Chennai Ferrous Industries Limited,

R. NATARAJAN

Chairman & Managing Director

DIN: 00595027

Date: 30<sup>th</sup> June 2021

Place: Gummidipoondi

**ANNEXURE II**

**CODE OF CONDUCT**

As per Regulation 26(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 all members of the Board & Senior Management Personnel have affirmed compliance with the code of conduct for the year ended 31<sup>st</sup> March 2021.

For and behalf of Board of Directors of  
Chennai Ferrous Industries Limited,

R. NATARAJAN

Chairman & Managing Director

DIN: 00595027

Date: 30<sup>th</sup> June 2021

Place: Gummidipoondi

## ANNEXURE III

### REPORT ON CORPORATE GOVERNANCE

(For the Financial Year 2020-21)

#### 1. Company's philosophy on code of Corporate Governance:

The prime objective of practicing good corporate governance at Chennai Ferrous Industries Limited is to promote an inclusive growth by protecting the interests and enhancing the trust of shareholders, customers, suppliers, creditors, employees, government agencies and the society. In order to achieve this objective, Chennai Ferrous Industries Limited follows the principles of equity, fairness transparency, disclosure, independent supervision, healthy competition, promotion of health, safety and welfare, production of quality products and services, compliance with all relevant laws, rules and regulations and adopt the principles that suit the changing eras and desires of the Business, Society and the Nation as a whole.

#### BOARD OF DIRECTORS

##### Composition of the Board

The Board has been constituted in conformity with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

The Company has an optimum combination of Executive Directors and Non – Executive Directors including one Women Director prescribed as under;

Sl.No	Name of the Director	Executive / Non-Executive	Non-Independent/ Independent
1	R.Natarajan	Managing Director, Executive Director	Non-Independent Director
2	Mr. Chandikeahwar Sharma	Non-Executive Director	Independent Director
3	Mr. Suresh Kedia	Non-Executive Director	Independent Director
4	Mrs. Deepa	Non-Executive Director	Non-Independent Director



The Chairman of the Board is an Executive Director and is not a promoter of the company. There are two Independent Directors which is more than half of the Board. All the other non-independent directors retire by rotation and in general, seek re-appointment at the Annual General Meeting.

All the Independent Directors have given the declarations pursuant to Section 149(7) of the Act affirming that they meet the criteria of independence as provided in sub section (6) of Section 149 of Companies Act 2013.

None of the independent Director of the Company serves in more than 7 listed companies as Independent Director and holds office of whole-time director in any listed company.

Letter of Appointments together with the terms thereto were issued to Independent directors and have been posted on the Company website.

None of the Directors on the Board holds directorships in more than ten public companies.

Further, none of them is a Member of more than ten committees or Chairman of more than five Committees across all public companies in which he/ she is a director. The necessary disclosures regarding Committee positions have been made by the Directors.

None of the Directors hold any shares in the Company as on 31st March 2021. None of the Directors are related to each other.

As required under the Companies Act, 2013 and SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, none of the directors hold directorship in more than 20 companies, nor membership of board committees (Audit, Nomination and Remuneration, Stakeholders Relationship committees) in excess of 10 and chairmanship of afore- mentioned committees in excess of 5.

Name of the Directors	No. of Directorships held in other public companies#	No of Committee Memberships held in other companies\$	
		Chairmanships	Member
Mr. R.Natarajan	2	-	2
Mr. Suresh Kedia	2	1	2
Mr. Chandikeshwar Sharma	2	1	1
Mrs. Deepa	-	-	-

# excludes directorships held on the boards of Private Companies, Foreign Companies and Section 8 Companies

\$ Companies, Membership in Audit Committee and Stakeholders' Relationship Committee of other public companies are considered as per Regulation 26 of the SEBI (LODR) Regulations.

#### B. Board Meetings:

The names and categories of Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting are prescribed as under

Name of the Directors	DIN	Category	Attendance at Board Meeting		Attendance at last AGM held on 30.09.2020
			Held	Attended	
Mr. R. Natarajan	00595027	Executive Non-Independent Director	4	4	Yes
Mr. Chandikeshwar Sharma	06598312	Non-Executive Independent Director	4	4	Yes

Mr. Suresh Kedia	06596808	Non-Executive Independent Director	4	4	Yes
Mrs. Deepa	07140954	Non-Executive Non-Independent Director	4	4	Yes

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Number of Board Meeting 4

Board Meeting dates 17th July 2020, 27th August 2020, 15th October 2020,  
12th February 2021

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The interval between two consecutive Board Meetings did not exceed one hundred and twenty days. No Board meeting was conducted through video conferencing or other audio visual means. The necessary quorum was present for all the meetings.

During the year 2020-21, information as mentioned in Schedule II Part A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 has been placed before the Board for its consideration.

As per Regulation 25(7) of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, the Company has laid down a detailed policy/ programme for familiarization of Independent Directors. During the year, the Board was regularly apprised with the operations of the Company by the Management. The Directors of the Company regularly updated on any information which has a direct impact on the Company as well as regulatory changes. Details of the Familiarization Policy is available on the website of the Company, viz, [www.chennaiferrous.com](http://www.chennaiferrous.com).

#### 4. COMMITTEES OF THE BOARD

The Company has in place the following committees namely

- A. Audit Committee
- B. Nomination and Remuneration Committee
- C. Stakeholders' Relationship Committee

##### A. AUDIT COMMITTEE

The Audit Committee provides an insight to the Board on the effectiveness of accounting, auditing and reporting practices of the Company. The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act 2013.

The Chairman of the Audit Committee, Mr. Chandikeshwar Sharma was present at the Tenth Annual General Meeting held on 30<sup>th</sup> September 2020.

The composition of the Audit Committee and the details of meetings attended by the Members during FY 2020-21, are given below

Name of the members	Independent / Non Independent	Position	Audit Committee	
			Held	Attended
Mr. Chandikeshwar Sharma	Non-Executive Independent Director	Chairman	4	4
Mr. Suresh Kedia	Non-Executive Independent Director	Member	4	4
Mr.R. Natarajan	Executive Non-Independent Director	Member	4	4

No. of Audit Committee meetings held during the 4 year

Dates of Audit Committee Meeting                      17th July 2020, 27th August 2020, 15th October  
2020, 12th February 2021

The interval between two consecutive Audit Committee Meetings did not exceed one hundred and twenty days. No meeting was conducted through video conferencing or other audio visual means. The necessary quorum was present for all the meetings.

#### **B.        NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee periodically reviews the size and composition of the Board, formulate the criteria determining qualifications, positive attributes and independence of a Director, recommend candidates to the Board, evaluates Board Performance, reviews and makes recommendations to the Board on the remuneration of the Key Managerial Personnel and Directors.

The Nomination and Remuneration committee of the Company is constituted in line with the provisions of Regulation 19 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013. Majority of the committee members are Independent.

The Chairman of the Nomination and Remuneration Committee, Mr Suresh Kedia was present at the Tenth Annual General Meeting held on 30<sup>th</sup> September 2020.

The composition of the Nomination and Remuneration Committee and the details of meetings attended by the Directors during FY 2020-21, are given below

Name of the members	Independent / Non Independent	Position	No. of meetings	
			Held	Attended
Mr. Suresh Kedia	Non-Executive Independent Director	Chairman	1	1
Mr. Chandikeshwar Sharma	Non-Executive Independent Director	Member	1	1
Ms. Deepa	Non-Executive Non-Independent Director	Member	1	1

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No. of Nomination and Remuneration Committee 1

meetings held during the year

Nomination and Remuneration Committee Meeting date 17.07.2020

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The necessary quorum was present for all the meetings.

#### Remuneration Policy:

The company has framed a remuneration policy in view of retaining suitable employees with remuneration commensurate with size of the company, nature the business and nature of duties and responsibilities of the employee. The Board of the company may fix remuneration to Directors and Key Managerial Personnel on the recommendation of the Nomination and Remuneration committee.

The Company has not paid sitting fees to any Non-executive Directors/Independent Directors.

#### C. Stakeholders Relationship Committee

The Stakeholders' Relationship Committee is constituted in line with the provisions of Regulation 20 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with section 178 of the Companies Act 2013 for review of various information/ data pertaining to the stakeholders' and redressal/ resolution of stakeholders' grievances

The Chairman of the Stakeholders' Relationship Committee Mrs. Deepa was present at the Tenth General Meeting held on 30th September 2020.

The composition of the Stakeholders' Relationship Committee and the details of meetings attended by the Directors during FY 2020-21 are given below:

Sl.No	Name of the members	Category	Position	No. of meetings attended
1	Mrs. Deepa	Non-Executive Non-Independent Director	Chairman	1
2	Mr. R.Natarajan	Executive Non- Independent Director	Member	1
3	Mr. Suresh Kedia	Non-Executive-Independent Director	Member	1

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No. of Stakeholders' Relationship Committee 1

meetings held during the year

Stakeholders' Relationship Committee

Meeting date 12th February 2021

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Report on number of shareholder complaints received and resolved by the Company during the year ended 31st March 2021.

No. of complaints pending as on April 1, 2020	0
No. of complaints identified and reported during FY 2020-21	0
No. of Complaints disposed of during the year ended March 31, 2021	0
No. of pending complaints as on March 31, 2021	0

## 5. INDEPENDENT DIRECTORS' MEETING:

During the year under review, one Meeting of the Independent Directors held on 12th February 2021 inter alia, to:

- i. Review the performance of Non Independent Directors and the Board of Directors as a whole;
- ii. Review the performance of the Chairman of the Company, taking into account the views of the Executive and Non- Executive Directors.
- iii. Assess the quality, content and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the said meeting.

## 6. General shareholder information:

Details of Annual General Meeting as follows:

Year	Date	Time	Venue
2017-18	28.09.2018	2.00 P.M	OPG Nagar, Periya Obulapuram Village, Nagaraja Kandigai, Madaharapakkam Road, Gummidipoondi – 601201.
2018-19	30.09.2019	2.00 P.M	OPG Nagar, Periya Obulapuram Village, Nagaraja Kandigai, Madaharapakkam Road, Gummidipoondi – 601201.
2019-20	30.09.2020	10.00 A.M	OPG Nagar, Periya Obulapuram Village, Nagaraja Kandigai, Madaharapakkam Road, Gummidipoondi – 601201 through Video Conferencing / Other Audio Visual Means

No Extra-Ordinary General Meeting of the shareholders was held during the year. No resolution was passed by Postal Ballot.



**Special Resolutions passed in previous three Annual General Meetings:**

- At the Annual General Meeting held on 30th September 2020 the following special resolutions were passed for approval for
  - Reclassification of Shareholder from Promoter Group category to Public category
- At the Annual General Meeting held on 30th September 2019 no special resolutions were passed
- At the Annual General Meeting held on 28th September 2018 the following special resolutions were passed for approval for
  - Leasing of property
  - Reclassification of certain Shareholders from Promoter Group category to Public category

The company has already filed the requisite application for reclassification of promoters as public category under Regulation 31A of Listing Regulations 2015 with the Bombay Stock Exchange. The application is still pending for approval from the Stock Exchange due to some procedural delays.

  - Appointment of Mr. Chandikeshwar Sharma as an Independent Director

**7. MEANS OF COMMUNICATION**

The quarterly unaudited Standalone financial Results and Annual audited Standalone financial Results of the Company are published in “Trinity Mirror”- the English Daily and “Makkal Kural” - Tamil Daily. The quarterly unaudited Standalone financial Results and Annual audited Standalone financial Results , the shareholding pattern, Corporate Governance, Reconciliation of Share capital Audit, Report on Investor Complaints, Compliance Certificates as per Regulation 7(2) and Regulation 40(9) of SEBI Listing Obligations and Disclosure Requirements) Regulations 2015 are properly reported with Stock Exchange and are available in the Bombay Stock Exchange website [www.bseindia.com](http://www.bseindia.com) .

Further to the compliance of Regulation 46 of SEBI Listing Obligations and Disclosure Requirements, all the basic information about the Company is made available in the company’s

Website [www.chennaiferrous.com](http://www.chennaiferrous.com) at all times at no cost for the benefit of all stakeholders concerned.

## 8. GENERAL SHAREHOLDER INFORMATION

11 <sup>th</sup> Annual General Meeting	Date	30 <sup>th</sup> September 2021
	Time	11.30 A.M.
	Mode:	Video / Other Audio Visual Means (OVAM)
Financial Year	2020-21	
Financial Calendar	For the Financial year 1 <sup>st</sup> April 2021 to 31 <sup>st</sup> March, 2022 reporting for Un audited Financial Result for the quarter ending 30 <sup>th</sup> Jun 2021- Latest by 14th Aug 2021 30 <sup>th</sup> Sep 2021 –Latest by 14th Nov 2020 31 <sup>st</sup> Dec 2021– Latest by 14th Feb 2022 31 <sup>st</sup> Mar 2022 –Latest by 30th May 2022	
Annual General Meeting	On or before 30 <sup>th</sup> September, 2022 for the year ending 31 <sup>st</sup> March, 2022	
Dates of Book closure	From 23rd September 2021 to 30th September 2021 (both days inclusive)	

Dividend Payment	Nil
Listing on Stock Exchanges	BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400 001
Depository Participant	National Securities Depository Limited Central Depository Services Limited
Stock Code	Equity Share
ISIN Code	INE 777001016
Scrip Code	539011

Security ID	CHENFERRO
Listing on Stock Exchange (overseas)	Nil
Plant Location Rolling & Furnace Mills	OPG Nagar, Periya Obulapuram Village, Nagaraja Kandigai, Madaharapakkam Road, Gummidipoondi – 601201.

## 9. Stock market price data

High/Low of monthly Market Price of the Company's Equity Shares traded on the Bombay Stock Exchange; Mumbai during the financial year 2020-21 is furnished below:

Month	Open Price (in Rs.)	High Price (in Rs.)	Low Price (in Rs.)	Close Price (in Rs.)	No.of Shares
Apr-20	5.42	5.42	5.42	5.42	500
May-20	5.4	5.4	5.4	5.4	100
Jun-20	5.4	5.4	4.35	4.35	4493
Jul-20	4.5	4.55	4.5	4.5	184
Aug-20	4.5	4.97	4.5	4.97	1096
Sep-20	4.97	4.97	4.73	4.73	108
Dec-20	4.73	4.73	3.32	3.69	2333
Jan-21	3.69	6.05	3.69	5.75	4050
Feb-21	5.75	6.33	5.75	6.02	743
Mar-21	6.02	6.02	4.8	4.8	1892

## 10. Share transfer system

The Company has engaged M/s. Cameo Corporate Services Limited, Chennai to carry out the transfer related activities. Authorized signatories are approving the transfer on periodical basis. All valid transfers are affected within stipulated days.

Share certificates received at Registered Office are also sent to Registrars and Share Transfer Agents for doing the needful. In case of electronic transfers, the bye laws of Depositories are complied with.

No. of shares received for transfer /Transmission/Transposition up to 31st March 2021 is 12 Shares and shares pending for transfer as on 31st March 2021 is NIL

Registrar and Transfer Agents	<p>Cameo Corporate Services Limited</p> <p>Subramanian Building</p> <p>No.1, Club House Road Ph:</p> <p>044-28460390 (6 lines)</p> <p>E-Mail: cameo@cameoindia.com</p>
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#### 11. Distribution of Shareholding

Shareholding	Shareholders		ShareAmount	
	Numbers	% of total	In Rs.	% of total
10 - 5000	4901	97.5129	1543090	4.2809
5001 - 10000	45	0.8953	322970	0.8960
10001 - 20000	20	0.3979	251750	0.6984
20001 - 30000	8	0.1591	187020	0.5188
30001 - 40000	4	0.0795	131810	0.3656
40001 - 50000	6	0.1193	272010	0.7546
50001 - 100000	9	0.1790	680910	1.8890
100001 - And Above	33	0.6565	3265530	90.5963
<b>Total :</b>	<b>5026</b>	<b>100.00</b>	<b>36045090</b>	<b>100.00</b>

#### 12. Categories of shareholders as on 31st March 2021

SL.NO	CATEGORY	NO. OF SHARES HELD	PERCENTAGE OF SHARE HOLDING
	Shareholding of Promoter & Promoter Group		
	Indian		
	Individuals/Hindu undivided Family	1024127	28.41
	Central Government/ State Government(s)	-	-
	Financial Institutions/ Banks	-	-

	Any Other (specify)	1029792	28.57
	Sub-Total (A)(1)	2053919	56.98
	Foreign		
	Individuals (Non Resident Individuals/ Foreign Individuals)	250000	6.94
	Government	-	-
	Institutions	-	-
	Foreign Portfolio Investor	-	-
	Any Other (specify)	250000	6.94
	Sub-Total (A)(2)	500000	13.87

Sl.no	Category	No. Of shares Held	Percentage of share Holding
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	2555020	70.85
	Table II - Statement showing shareholding pattern of the Public shareholder		
	Institutions	-	-
	Mutual Funds	-	-
	Venture Capital Funds	-	-
	Alternate Investment Funds	-	-
	Foreign Venture Capital Investors	-	-
	Foreign Portfolio Investors	-	-
	Financial Institutions/ Banks	-	-
	Insurance Companies	-	-

	Provident Funds/ Pension Funds	-	-
	Any Other (specify)	-	-
	Sub-Total (B)(1)	-	-
	Central Government/ State Government(s)/ President of India	-	-
	Sub-Total (B)(2)	-	-
	Non-Institutions		
(a(i))	"Individuals - i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs. "	286722	7.95
(a(ii))	"Individuals - ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs."	69483	1.93
(b)	NBFCs registered with RBI	-	-
(c)	Employee Trusts	-	-
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	-
(e)	Any Other (specify)	694385	19.26
	Sub-Total (B)(3)	1050590	29.15
	Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	1050590	29.15

Sl.no	Category	No. Of shares Held	Percentage of share Holding
	Table III - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder		

	Custodian/DR Holder - Name of DR Holders (If Available)	-	-
	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-
	"Total NonPromoter- Non Public Shareholding (C)= (C)(1)+(C)(2)"	-	-
	Total ( A+B+C2 )	3604509	100.00
	Total (A+B+C )	3604509	100.00

Mode of Holding	No.of Holders	Percentage of No.of Holders	No.of shares	Percentage of No.of shares
Physical	2798	55.6705	321196	8.9110
NDSL	1485	29.5464	2243791	62.2496
CDSL	743	14.7831	1039522	28.8395
Total	5026	100.0000	3604509	100.00

### 13. Demat of shares:

Trading in Ordinary (Equity) Shares of the Company through recognised Stock Exchanges is permitted only in dematerialised form. Percentage of shares held electronically is 91.09% as on 31st March 2021 of the paid up share capital of the company held through National Securities Depository Limited and Central Depository Services Limited. The company appointed Cameo Corporate Services Limited as Registrar & Transfer Agent and entered into an agreement for availing depository services.

### Request to Shareholders

The Companies Act, 2013 read with the Companies (Management & Administration) Rules, 2014 requires the company to keep the Register of Members in Form No.MGT-1. As compared to the existing Register of Members under the old Act, the new Law calls for certain additional

information to be recorded. In order that the company is facilitated to comply with same, shareholders are requested to send the following information for updating their records in our Register of Members:

Name of the member, Folio/ DP ID – Client ID, Email address, Permanent Account Number (PAN), CIN (in the case of company), unique Identification Number, Father's/ Mother's/ Spouse's name, Occupation, Status, Nationality, In case of minor, name of guardian and date of birth of minor, Instructions, if any for sending Notice etc.

Investor query/address for correspondence:

The Compliance officer

Chennai Ferrous Industries Limited,

OPG Nagar, Periya Obulapuram Village, Nagaraja Kandigai,

Madharapakkam Road,

Gummidipoondi – 601201

Ph: 044 27991450 Fax: 044 27991450

E-mail: investor@chennaiferrous.com

Shareholders holding shares in electronic mode should address all their correspondence to:

M/s. Cameo Corporate Services Limited

Subramanian Building No.1, Club House Road Chennai- 600 002

Ph: 044-28460390 (6 lines)

E-Mail: cameo@cameoindia.com

For and behalf of Board of Directors of  
Chennai Ferrous Industries Limited,

R. NATARAJAN

Chairman & Managing Director

DIN: 00595027

Date: 30<sup>th</sup> June 2021

Place: Gummidipoondi



**ANNEXURE IV**

**Statement pursuant to Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

1. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:
  - Not applicable since no remuneration was paid.
2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:
  - No increase in remuneration during the year.
3. The percentage increase in the median remuneration of employees in the financial year:
  - No increase in remuneration during the year:
4. The number of permanent employees on the rolls of company:
  - 6 (which includes 1 Director)
5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
  - No change in, parameters for any variable component of remuneration availed by the directors
6. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration
  - Not Applicable
7. Comparison of each remuneration of the Key Managerial Personnel against the performance of the company:
  - No increase in remuneration of Key Managerial Personnel.
8. The key remuneration in excess of the highest paid director during the year:
  - NIL
9. Affirmation that the remuneration is as per the remuneration policy of the company:
  - Remuneration is as per the remuneration policy of the company.

For and behalf of Board of Directors of  
Chennai Ferrous Industries Limited,

Date: 30<sup>th</sup> June 2021  
Place: Gummidipoondi

R. NATARAJAN  
Chairman & Managing Director  
DIN: 00595027

**ANNEXURE V**

**Form No. AOC-2**

**[Pursuant to Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]**

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

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

Chennai Ferrous Industries Limited has not entered into any contract/ arrangement or transaction with its related parties which is not at arm's length during the financial year 2020-21. Nil

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

a	Name(s) of the related party and nature of relationship	Nil
b	Nature of contracts/arrangements/transactions	
c	Duration of the contracts / arrangements/transactions	
d	Salient terms of the contracts or arrangements or transactions including the value, if any	
e	date(s) of approval by the Board, if any:	
f	Amount paid as advances, if any:	

For and behalf of Board of Directors of  
Chennai Ferrous Industries Limited,

Date: 30<sup>th</sup> June 2021  
Place: Gummidipoondi

R. NATARAJAN  
Chairman & Managing Director  
DIN: 00595027

## ANNEXURE VI

### INFORMATION UNDER SECTION 134 (3) (m) OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014.

#### A. CONSERVATION OF ENERGY

- i. The steps taken or impact on conservation of energy
  - Regularly monitoring & analyzing energy consumption
- ii. The steps taken by the company for utilizing alternate sources of energy-NIL
- iii. The capital investment on energy conservation equipment's- NIL

#### B. TECHNOLOGY ABSORPTION

- i. the efforts made towards technology absorption in financial year 2020-21 : NIL
- ii. the benefits derived like product improvement, cost reduction, product development or import substitution in financial year 2020-21 : NIL
- iii. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

a. the details of technology imported	NIL
b. the year of import	Not Applicable
c. whether the technology been fully absorbed	Not Applicable
d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	NIL

- iv the expenditure incurred on Research and Development in financial year 2020-21: NIL

#### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows in financial year 2020-21: NIL

For and behalf of Board of Directors of  
Chennai Ferrous Industries Limited,

Date: 30<sup>th</sup> June 2021

Place: Gummidipoondi

R. NATARAJAN

Chairman & Managing Director.

DIN: 00595027

FORM NO. MR-3

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March 2021**

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To

The Members of

Chennai Ferrous Industries Limited.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Chennai Ferrous Industries Limited (hereinafter called the “**Company**”) [CIN: L27310TN2010PLC075626] for the financial year 2020-21. The Secretarial Audit was conducted based on the records made available to us, in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion/understanding thereon.

1. Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and made available to us and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we, on strength of those records, and information so provided, hereby report that in our opinion and understandings, the Company, during the audit period covering the financial year ended on 31<sup>st</sup> March 2021, appears to have complied with the statutory provisions listed hereunder and also in our limited review, the Company has proper and required Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes' book, forms and returns filed and other records maintained by the Company and made available to us, for the financial year ended on 31<sup>st</sup> March 2021 according to the applicable provisions of:

- i) The Companies Act, 2013 (the "**Act**") and the rules made thereunder read with notifications, exemptions, and clarifications thereto.
- ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder.
- iii) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder.
- iv) (a) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (FDI).

(b) Overseas Direct Investment (ODI) and External Commercial Borrowings (ECBs)-

***Not applicable as the Company has no ODI and ECBs, under review.***

- v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992('SEBI ACT'):
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009-***Not applicable as the Company has not issued any debt securities during the financial year under review.***
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - ***Not applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review;***
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - ***Not applicable as the Company has not issued any debt securities during the financial year under review;***

- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - ***Not applicable as the Company has not delisted/ propose to delist its shares from any stock exchange during the financial year under review;***
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - ***Not applicable as the Company has not bought back/ propose to buyback any of its securities during the financial year under review.***
- vi) The other laws applicable specifically to the Company are as follows:
  - i) The Electricity Act, 2003.
  - ii) Water (Prevention and Control of Pollution) Act, 1974.
  - iii) Air (Prevention and Control of Pollution) Act, 1981.
  - iv) The Boilers Act, 1923

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI) with respect to Meetings of Board of Directors (SS-1) and the Meetings of General Meetings (SS-2).

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

#### **We further report that**

The Board of Directors of the Company is duly constituted with a balance of Executive Directors, Non-Executive Directors, Independent Directors and a Women director. There was no change in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the Board resolutions passed unanimously and the same have recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period the company has considered the following businesses:

At the 10<sup>th</sup> AGM held on 30<sup>th</sup> September 2020,

- (i) an ordinary resolution was passed for appointment of M/s. S.K. Gulecha and Associates, Chartered Accountant as Statutory Auditors for five years.
- (ii) an ordinary resolution was passed for reclassification of promoters to public category.

We further report that there are adequate systems and processes in the Company, which are commensurate with the size and operations of the Company, to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

For **M K MADHAVAN & ASSOCIATES**

Company Secretaries

**M K MADHAVAN**

Proprietor

Membership No.: F-8408 / C.P. No.: 16796

P.R. No. 1221/2021

UDIN: **F008408C000546616**

Date: 30-06-2021

Place: Chennai

[This Report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.]

**Annexure-A**

To,  
The Members of  
Chennai Ferrous Industries Limited.

Sub.: Secretarial Audit of Chennai Ferrous Industries Limited for the financial year ended 31<sup>st</sup> March 2021.

This letter forms integral part of our secretarial audit report dated 30-06-2021.

**Management's Responsibility:**

1. It is the responsibility of the management of the Company to maintain secretarial record by the Company and devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the system is adequate and operate effectively.

**Auditor's Responsibility:**

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. The Compliance of the provisions of corporate and other applicable laws, rules and regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on the random test basis.
4. We believe that audit evidence and information obtained from the Company's management is reasonably adequate and appropriate to provide a reasonable basis for our opinion.
5. We have obtained the necessary Management's representation about the compliance of laws, rules and regulations and happening of events etc.



**Disclaimer:**

6. We have not verified the correctness and appropriateness of financial records and books of accounts and other such information/records of the Company, which were outside our agreed scope.
7. The Secretarial Audit is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **M K MADHAVAN & ASSOCIATES**

Company Secretaries

**M K MADHAVAN**

Proprietor

Membership No.: F-8408 / C.P.No.: 16796

P.R. No. 1221/2021

Date: 30-06-2021

Place: Chennai

## **INDEPENDENT AUDITORS' REPORT**

To

The Members of Chennai Ferrous Industries Limited

### **Report on the audit of the Ind As financial statements**

#### **Opinion**

We have audited the accompanying Ind As financial statements of Chennai Ferrous Industries Limited ("the Company"), which comprise the balance sheet as at March 31, 2021, and the Statement of Profit and Loss including statement of other comprehensive income, statement of cash flows and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind As financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit (or Loss)\* including other Comprehensive income its cash flows and the changes in equity for the year ended on that date.

#### **Basis for opinion**

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

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

**Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind As financial statements of the current period. These matters were addressed in the context of our audit of the Ind As financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Information other than the financial statements and auditors' report thereon**

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the Ind As financial statements and our auditor's report thereon.

Our opinion on the Ind As financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

### **Management's responsibility for the financial statements**

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these Ind As financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting standards (Ind-As) specified under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind As financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The board of directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's responsibilities for the audit of the Ind As financial statements**

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

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

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

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

- Evaluate the overall presentation, structure and content of the Ind As financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind As financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on other legal and regulatory requirements**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we

give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and 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 it appears from our examination of those books;
- (c) The balance sheet, the statement of profit and loss including the statement of comprehensive income, the cash flow statement and statement of changes in equity dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian accounting standards (Ind-As) specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid/provided by the company to its directors in accordance with the provisions of section 197 read with schedule V to the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

- a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- c. There were no accounts which were required to be transferred, to the Investor Education and Protection Fund by the Company

**For S.K GULECHA & ASSOCIATES**

Chartered Accountants

Firm Registration No. 013340S

**(Sandeep Kumar Gulecha)**

Membership No. 226263

UDIN No: 21226263AAAAGQ9163

Place: Chennai

Date 30.06.2021



**Annexure “A” to the Independent Auditor’s Report\***

(Referred to in paragraph 1 under ‘Report on other legal and regulatory requirements’ section of our report to the members of Chennai Ferrous Industries Limited of even date)

1.	In respect of the Company’s fixed assets:	
	(a)	The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
	(b)	The Company has a program of verification to cover all the items of fixed assets in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. However, no physical verification has been carried on by the management during the year. Accordingly, we were unable to comment on whether any material discrepancies were noticed on such verification and whether they are properly dealt with in the financial statements.
	(c)	According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
2.	The inventory (if any) has been physically verified by the management during the year at reasonable intervals. Based on the explanations given by the company. In our opinion, and according to the information and explanations given to us and as examined by us, no material discrepancies were noticed.	
3.	According to information and explanation given to us, the company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required under section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) of the order is not applicable.	
4.	In our opinion and according to information and explanation given to us, in respect of	

	loans, investments, guarantees and security, the Company has complied with the provisions of sections 185 and section 186 of the Companies Act, 2013 except applicability of interest on the loans and advances given. The company has not charged any interest on the advances given under the proviso of Section 186.
5.	In our opinion and according to the information and explanations given to us, the company has not accepted any deposits and accordingly paragraph 3 (v) of the order is not applicable.
6.	We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the same.
7.	In respect of statutory dues:
(a)	According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been generally regularly deposited during the year by the company with the appropriate authorities.
	According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable
(b)	According to the information and explanations given to us and the records of the company examined by us, there are no dues of income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute, except as per details below:

		<b>Statute</b>	<b>Nature of dues</b>	<b>Amount (Rs.in lakhs)</b>	<b>Period to which the amount relates</b>	<b>Forum where the dispute is pending</b>
				NIL		
8	In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institutions or banks or any government. or any debenture holders during the year. The Company does not have any dues to debenture holders during the year.					
9.	The term loans taken during the year have been applied for the purposes for which those are raised. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments).					
10.	To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.					
11.	According to the information and explanations given by the management, the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act, 2013					
12.	The Company is not a Nidhi Company and accordingly, paragraph 3 (xii) of the order is not applicable to the Company.					
13.	According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.					
14	According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the order is not applicable.					

15	According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the order is not applicable.
16	According to the information and explanations given to us and based on our examination of the records of the company, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For S.K GULECHA & ASSOCIATES**

Chartered Accountants

Firm Registration No. 013340S

**(Sandeep Kumar Gulecha)**

Membership No. 226263

UDIN No: 21226263AAAAGQ9163

Place: Chennai

Date: 30.06.2021

**Balance Sheet as at 31<sup>st</sup> March, 2021**

Particulars	Note No.	As at 31 March, 2021	As at 31 March, 2020
<b>(1) ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	3	9,05,98,552	9,79,33,990
Financial Assets			
(i) Investments	4	3,09,16,274	3,19,56,294
(ii) Trade receivables		-	-
(iii) Loans	5	34,53,878	66,45,142
(iv) Others (to be specified)		-	-
Other non-current assets		-	-
		<b>12,49,68,704</b>	<b>13,65,35,426</b>
<b>(2) Current assets</b>			
Inventories	6	6,29,92,800	-
Financial Assets			
(i) Investments		-	-
(ii) Trade receivables	7	22,54,69,039	13,81,780
(iii) Cash and cash equivalents	8	34,68,694	16,88,844
(iv) Loans	9	2,39,21,274	-
(v) Others (to be specified)		-	-
Other current assets	10	2,18,17,395	77,63,970
		<b>33,76,69,202</b>	<b>1,08,34,594</b>
<b>Total Assets</b>		<b>46,26,37,906</b>	<b>14,73,70,020</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	11	3,60,45,090	3,60,45,090
Other Equity			
Retained Earnings	11.1	(13,51,64,530)	(18,57,68,556)
FVTOCI Reserve		-	-
		<b>(9,91,19,440)</b>	<b>(14,97,23,466)</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade payables		2,51,50,000	-
(iii) Other financial liabilities (to be specified)		-	-
Deferred tax liabilities (Net)		2,57,49,633	2,57,49,633
Other non-current liabilities		-	-
		<b>5,08,99,633</b>	<b>2,57,49,633</b>

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<b>Current liabilities</b>			
Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade payables		46,88,02,804	21,96,71,109
(iii) Other financial liabilities		4,07,72,137	5,07,72,137
Other current liabilities	12	12,82,772	9,00,606
Provisions		-	-
		<b>51,08,57,713</b>	<b>27,13,43,853</b>
<b>Total Equity and Liabilities</b>		<b>46,26,37,906</b>	<b>14,73,70,020</b>

Significant Accounting Policies 2

Additional Information to financial statements 20

**Accompanying notes are an integral part of the Financial Statements**

**As Per our report of Even Dated**

**For S.K. Gulecha & Associates**

**Chartered Accountants**

**Firm Registration.No.013340S**

For Chennai Ferrous Industries Limited

R Natarajan

Chairman & Managing Director

DIN: 00595027

Suresh Kedia

Director

DIN: 06596808

**Sandeep Kumar Gulecha**

**Membership.No: 226263**

**UDIN No: 21226263AAAAGQ9163**

**Place: Chennai**

**Date: 30.06.2021**

K.Karthikeyan

Chief Financial Officer

Priyanka Saraff

Company Secretary

**Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2021**

Particulars	Note No.	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Revenue from operations (gross)	13	46,42,23,560	7,96,05,426
Less: Excise duty		-	-
Revenue from operations (net)		46,42,23,560	7,96,05,426
Other income	14	11,82,875	18,17,929
<b>Total revenue</b>		<b>46,54,06,435</b>	<b>8,14,23,355</b>
<b>Expenses</b>			
(a) Cost of materials consumed	15	-	86,21,788
(b) Purchases of stock-in-trade		44,44,91,744	-
(c) Changes in inventories of F.G, W.I.P and stock-in-trade	16	(6,29,92,800)	-
(d) Employee benefits expense	17	20,99,580	26,59,015
(e) Finance costs	18	3,441	77,570
(f) Depreciation and amortisation expense	5	1,08,97,248	1,07,31,319
(g) Other expenses	19	2,03,03,197	2,72,95,896
<b>Total expenses</b>		<b>41,48,02,410</b>	<b>4,93,85,588</b>
<b>Profit before exceptional and tax</b>		<b>5,06,04,025</b>	<b>3,20,37,768</b>
Exceptional items		-	-
<b>Profit / (Loss) before tax</b>		<b>5,06,04,025</b>	<b>3,20,37,768</b>
<b>Tax expense:</b>			
(a) Current tax expense		-	-
(b) Deferred Tax		-	-
		-	-
<b>Profit (Loss) for the period from continuing operations</b>		<b>5,06,04,025</b>	<b>3,20,37,768</b>
<b>Discontinuing Operations</b>			
Profit/(loss) from discontinued operations		-	-
Tax expense of discontinued operations		-	-
<b>Profit/(loss) from Discontinued operations (after tax) (X-XI)</b>		<b>-</b>	<b>-</b>
<b>Profit/(loss) for the period (IX+XII)</b>		<b>5,06,04,025</b>	<b>3,20,37,768</b>
<b>Other Comprehensive Income</b>			
A Re measurement of defined benefit plans		-	-
Income tax effect		-	-
		-	-

B Measurement of financial assets through OCI		-	-
Income tax effect		-	-
		-	-
<b>Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>		<b>5,06,04,025</b>	<b>3,20,37,768</b>
Earnings per equity share (for continuing operation):			
(1) Basic		14.04	8.89
(2) Diluted		14.04	8.89
Earnings per equity share (for discontinued operation):			
(1) Basic		-	-
(2) Diluted		-	-
Earnings per equity share(for discontinued & continuing operations)			
(1) Basic		14.04	8.89
(2) Diluted		14.04	8.89

Significant Accounting Policies

2

Additional Information to financial statements

20

**Accompanying notes are an integral part of the  
Financial Statements**

**As Per our report of Even Dated  
For S.K. Gulecha & Associates  
Chartered Accountants  
Firm Registration.No.013340S**

For Chennai Ferrous Industries Limited

R Natarajan

Chairman & Managing Director

DIN: 00595027

Suresh Kedia

Director

DIN: 06596808

**Sandeep Kumar Gulecha**

**Membership.No: 226263**

**UDIN No: 21226263AAAAGQ9163**

**Place: Chennai**

**Date: 30.06.2021**

K.Karthikeyan

Chief Financial Officer

Priyanka Saraff

Company Secretary



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2021**

Particular	Year Ended 31-03-2021 (Amount in Rs.)		Year Ended 31-03-2020 (Amount in Rs.)	
<b>A.CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Net Profit before Tax And Extradinary Items		5,06,04,025		3,20,37,768
Add:				
Depreciation	1,08,97,248		1,07,31,319	
Interest Expenses	3,441	1,09,00,688	77,570	1,08,08,889
<b>Operating Profit before Working Capital Changes</b>		6,15,04,714		4,28,46,657
Adjustments for movement in Working Capital:				
- (Increase)/Decrease in Inventories	(6,29,92,800)		1,51,89,598	
- (Increase)/Decrease in Trade Receivable	(22,40,87,259)		5,44,38,368	
Short Term Loans & Advances (Asset)	(2,39,21,274)		43,60,266	
Long Term Loans & Advances (Assets)	31,91,264		34,82,428	
Other Current Assets	(1,40,53,425)		(42,72,393)	
Other Financial Liabilities	(1,00,00,000)		-	
Trade Payables	27,42,81,695		(10,59,07,913)	
Other Current Liabilities	3,82,166		(87,17,686)	
		(5,71,99,632)		(4,14,27,333)
		43,05,081		14,19,324
Less: Direct Taxes Paid		-		-
<b>Net Cash Flow Operating activities (A)</b>		<b>43,05,081</b>		<b>14,19,324</b>
<b>B.CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Purchase of Fixed Assets	(35,61,810)		(43,86,858)	
Purchase of Shares & Bonds	10,40,020		30,10,63,097	
<b>Net Cash Flow Investing activities (B)</b>		<b>(25,21,790)</b>		<b>29,66,76,238</b>

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<b>C.CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Interest Paid	(3,441)		(77,570)	
Movement in Long Term Liabil. (Customer Advances)	-		(32,05,50,000)	
Long Term Provisions	-		-	
<b>Net Cash Flow From Financing activities ( C )</b>		<b>(3,441)</b>		<b>(32,06,27,570)</b>
<b>Net Increase in cash Equivalents (A)+(B)+( C )</b>		<b>17,79,850</b>		<b>(2,25,32,009)</b>
Cash & Cash Equivalents (Opening Balance)	16,88,844		2,42,20,852	
Cash & Cash Equivalents (Closing Balance)	34,68,694		16,88,844	
Net Increase/ (Decrease ) in Cash & Cash Equivalents		<b>17,79,850</b>		<b>(2,25,32,009)</b>

**As Per our report of Even Dated  
For S.K. Gulecha & Associates  
Chartered Accountants  
Firm Registration.No.013340S**

For Chennai Ferrous Industries Limited

R Natarajan  
Chairman & Managing Director  
DIN: 00595027

Suresh Kedia  
Director  
DIN: 06596808

**Sandeep Kumar Gulecha  
Membership.No: 226263  
UDIN No: 21226263AAAAGQ9163  
Place: Chennai  
Date: 30.06.2021**

K.Karthikeyan  
Chief Financial Officer

Priyanka Saraff  
Company Secretary

**STATEMENT OF CHANGES IN EQUITY****Statement of Changes in Equity for the period ended March 31st, 2021****A. Equity Share Capital**

(in Rupees)

Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
3,60,45,090	-	3,60,45,090

**B. Other Equity 31.03.2021**

	Reserves and Surplus		Total
	General Reserve	Retained Earnings	
Balance at the beginning of the reporting period	17,44,62,564	(36,02,31,119)	(18,57,68,555)
Changes in accounting policy or prior period errors	-	-	-
Restated balance at the beginning of the reporting period	17,44,62,564	(36,02,31,119)	(18,57,68,555)
Total Comprehensive Income for the year	-	-	-
Dividends	-	-	-
Transfer to retained earnings	-	5,06,04,025	5,06,04,025
Any other change (to be specified)	-	-	-
<b>Balance at the end of the reporting period</b>	<b>17,44,62,564</b>	<b>(30,96,27,094)</b>	<b>(13,51,64,530)</b>

**B. Other Equity 31.03.2020**

	Reserves and Surplus		Total
	General Reserve	Retained Earnings	
Balance at the beginning of the reporting period	17,44,62,564	(39,22,68,887)	(21,78,06,323)
Changes in accounting policy or prior period errors	-	-	-
Restated balance at the beginning of the reporting period	17,44,62,564	(39,22,68,887)	(21,78,06,323)
Total Comprehensive Income for the year	-	-	-
Dividends	-	-	-
Transfer to retained earnings	-	3,20,37,768	3,20,37,768
Any other change (to be specified)	-	-	-
<b>Balance at the end of the reporting period</b>	<b>17,44,62,564</b>	<b>(36,02,31,119)</b>	<b>(18,57,68,555)</b>

## **NOTES TO ACCOUNTS AS ON MARCH 31, 2021**

### **Note 1:**

Notes attached to and forming part of the Balance Sheet as at 31-03-2021 and the Profit and Loss account for the period ended on that date:

### **1. Corporate Information:**

Chennai Ferrous Industries Limited (the company) incorporated under the Companies Act, 1956, in the year 2010, is into trading in iron & coal related products. The company's shares are listed on the Bombay Stock Exchange Limited and the shares are traded regularly.

### **2. Significant Accounting Policies:**

#### **2.1 Basis of preparation**

The financial statements of the company have been prepared in accordance with Indian accounting standards (Ind AS) as notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013.

#### **2.2 Use of Estimates**

The preparation of the financial statements in conformity with IND AS requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. The Company believes that the estimates used in the preparation of the financial statements as prudent and reasonable. Accounting estimates could change from period to period. Actual results could differ from those estimates.

### 2.3 Revenue Recognition:

- i) Revenue is recognized to the extent that is probable that the economic benefits will flow to the company and the revenue can be reliably measured.
- ii) Sale of products is recognized when the significant risk and reward of ownership of the goods have been passed to the buyer. Revenue is measured at fair value of the consideration received or receivable, after deduction of any taxes or duties collected on behalf of the government which are levied on sales such as VAT, GST, etc.
- iii) Dividend income, if any, is recognized when the company's right to receive dividend is established by the reporting date.
- iv) Interest income from financial assets is recognized at the effective interest rate applicable on initial recognition.
- v) Scrap sales is recognized at the fair value of consideration received or receivable upon transfer of significant risk and rewards. It comprises of invoice value of goods and after deducting applicable taxes on sale.
- vi) Operating Lease rentals are accounted on the straight-line basis over the lease term.

### 2.4 Depreciation:

Depreciation on Tangible assets is provided on the straight-line method over the useful lives of assets as per the rates specified under Schedule II of the Companies Act, 2013 on pro-rata basis.

### 2.5 Property, Plant and Equipment (PPE) :

- i) Property, Plant and Equipment are stated at cost of acquisition net of accumulated depreciation/amortization and impairment losses if any, except free hold land which is carried at cost less impairment losses if any. The cost comprises purchase prices, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

ii) The Company identifies the significant parts of plant and equipment separately which are required to be replaced at intervals. Such parts are depreciated separately based on their specific useful lives. The cost of replacement of significant parts are capitalized and the carrying amount of replaced parts are de-recognized. When each major inception/overhauling is performed, its cost is recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any remaining carrying amount of the cost of the previous inspection/overhauling (as distinct from physical parts) is de-recognized.

iii) Other expenses on fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts that does not meet the capitalization criteria in accordance with IND AS 16 are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

iv) PPEs are eliminated from the financial statements on disposal or when no further benefit is expected from its use or disposal. Gains or losses arising from disposal of plant, property and equipment are measured as the difference between the net disposal proceeds and the carrying amount of such assets are recognized in the statement of profit and loss.

#### 2.6 Impairment of Non – Financial Assets:

- i) The carrying values of non-financial assets are reviewed for impairment at each Balance Sheet date, if there is any indication of impairment based on internal and external factors.
- ii) Non-financial assets are treated as impaired when the carrying amount of such asset exceeds its recoverable value. After recognition of impairment loss, the depreciation /amortization for the said assets is provided for remaining useful life based on the revised carrying amount, less its residual value if any, on straight line basis.

- iii) An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.
- iv) An impairment loss is reversed when there is an indication that the impairment loss may no longer exist or may have decreased.

#### 2.7 Foreign Exchange Transactions:

Foreign Currency Transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions and from translation of monetary assets and liabilities at the reporting date exchange rates are recognized in the statement of Profit and Loss. Non- monetary items which are carried at historical cost denominated in foreign currency are reported using the exchange rates at the time of transaction.

During the year, the company has not entered into any foreign exchange contract under review.

#### 2.8 Borrowing Cost:

All borrowing costs are charged to revenue except to the extent they are attributable to qualifying assets, which are capitalized. During the year under review, there was no borrowing attributable to qualifying assets and hence no borrowing cost was capitalized.

#### 2.9 Segment Accounting:

The company is principally engaged in a single business segment viz., Manufacture of Sponge Iron.

#### 2.10 Current versus non-current classification:

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve Months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has evaluated and considered its operating cycle as 12 months.

Deferred tax assets/ liabilities are classified as non-current assets/ liabilities.

#### 2.11 Inventories:

- i) Inventories are valued at cost or net realizable value whichever is lower. Cost includes the cost incurred in bringing the inventories to their present location and condition.
- ii) Raw materials, stores and spares are valued at cost or net realizable value whichever is lower. Cost includes the cost incurred in bringing the inventories to their present location and condition. For cost calculation of Raw materials as it is not ordinarily inter changeable specific identification method is used. For cost calculation of stores and spares weighted average method is used.



- iii) For valuation of finished goods / stock-in-process, cost includes material, direct labour, overheads (other than abnormal amount of wasted materials, storage costs, selling and Administrative overheads) wherever applicable.

**2.12 Taxes on Income:**

- Provision for current tax is made in accordance with the Income Tax Act, 1961.
- In accordance with the IND AS 12, Deferred Tax Liability / Asset arising from timing differences between book and income tax profits is accounted for at the current rate of tax to the extent these differences are expected to crystallize in later years. However, Deferred Tax Assets are recognized only if there is a reasonable / virtual certainty of realization thereof.

**2.13 Provisions and Contingencies:**

Provisions involving a substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the accounts by way of a note. Contingent assets are neither recognized nor disclosed in the financial statements contingencies are recorded when it is probable that a liability will be incurred and the amounts can reasonably be estimated.

Differences between the actual results and estimates are recognized in the year in which the results are known materialized.

**2.14 Financial Instruments**

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

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

#### 2.14.1 Financial Asset

i) Financial assets comprise of investments in Equity, Trade Receivables, Cash and Cash Equivalents and Other Financial Assets.

ii) Depending on the business model (i.e) nature of transactions for managing those financial assets and its contractual cash flow characteristics, the financial assets are initially measured at fair value and subsequently measured and classified at:

- a) Amortized cost; or
- b) Fair value through Other Comprehensive Income (FVTOCI); or
- c) Fair value through Profit or Loss (FVTPL)
- d) Amortized cost represents carrying amount on initial recognition at fair value plus or minus transaction cost.

iii) The Company classifies its financial assets for measurement as below:-

Basis of Measurement	Financial Assets
Amortized Cost	Trade Receivables, Loan and advances given to employees and related parties, deposits and other advances recoverable in cash or kind.
FVTOCI	Investment in Equity instruments
FVTPL	Forward exchange contracts

iv) The company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On de-recognition of a financial asset or part thereof, the difference between the carrying amount measured at the date of recognition and the consideration received including any new asset obtained less any new liability assumed shall be recognized in the statement of profit and Loss.

v) The company assesses at each balance sheet date whether the financial asset or group of financial assets is impaired. IND AS 109 requires expected credit losses to be measured through a loss allowance. The company recognizes lifetime expected losses for trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal to lifetime expected losses, if the credit risk on the financial asset has increased significantly since initial recognition.

#### 2.14.2 Financial Liability

i) Financial liabilities comprise of Borrowings from Banks, Trade payables, Derivative financial instruments, financial guarantee obligation and other financial liabilities.

ii) The Company measures its financial liabilities as below:

<b>Basis of measurement</b>	<b>Financial Liability</b>
Amortised Cost	Borrowings, trade payables, interest accrued, unclaimed / disputed dividends, security deposits and other financial liabilities not for trading.
FVTPL	Foreign exchange forward contracts being derivative contracts do not qualify for hedge accounting under IND AS 109.

iii) Financial liabilities are derecognised when and only when it is extinguished (i.e) when the obligation specified in the contract is discharged or cancelled or expired.

iv) Upon de-recognition of its financial liabilities or part thereof, the difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid including any non-cash assets transferred or liabilities assumed is recognized in the Statement of Profit and Loss.

#### **2.15 Fair value measurement**

i) Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

ii) The fair value of an asset or a liability is measured / disclosed using the assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in the economic best interest.

iii) All assets and liabilities for which fair value is measured are disclosed in the financial statements are categorised within fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level inputs that are significant to the fair value measurement are directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level inputs that are significant to the fair value measurement are unobservable.

iv) For assets and liabilities that are recognised in the Balance sheet on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period (i.e) based on the lowest level input that is significant to the fair value measurement as a whole.

v) For the purpose of fair value disclosures, the company has determined the classes of assets and liabilities based on the nature, characteristics and risks of the assets or liabilities and the level of the fair value hierarchy as explained above.

vi) The basis for fair value determination for measurement and / or disclosure purposes is detailed below:

a. Investments in Equity

The fair value is determined by reference to their quoted prices at the reporting date.

In the absence of the quoted price, the fair value of the equity is measured using generally accepted valuation techniques.

b. Forward exchange contracts

The fair value of forward exchange contracts is based on the quoted price if available; otherwise, it is estimated by discounting the difference between contractual forward price and current forward price for the residual maturity of the contract using government bond rates.

c. Non-derivative financial liabilities

The fair value of non-derivative financial liabilities viz, borrowings are determined for disclosure purposes calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

**Note No.3 Property, Plant and Equipment**

Details	Land Freehold	Buildings	Plant & Machinery	Office Equipment	Furniture and Fixtures	Vehicles	TOTAL
Year ended 31 Mar 2021							
Gross carrying amount							
Opening Gross Carrying Amount	1,75,62,794	6,09,23,650	16,74,41,877	-	-	4,19,911	24,63,48,232
Additions	35,61,810	-	-	-	-	-	35,61,810
Deletions	-	-	-	-	-	-	-
Closing Gross Carrying Amount as at 31 Mar 2021	2,11,24,604	6,09,23,650	16,74,41,877	-	-	4,19,911	24,99,10,042
Accumulated Depreciation and Impairment							
Opening accumulated depreciation	-	2,66,98,063	12,13,93,296	-	-	3,22,888	14,84,14,247
Depreciation charged during the year	-	28,93,873	79,53,489	-	-	49,885	1,08,97,248
IND AS Adjustment Entries (Depreciation P&L)	-	-	-	-	-	-	-
Deduction/Adjustment	-	-	-	-	-	-	-
Closing Accumulated Depreciation and Impairment as at 31 Mar 2021	-	2,95,91,936	12,93,46,785	-	-	3,72,773	15,93,11,495
Net Carrying Amounts as at 31 Mar 2021	2,11,24,604	3,13,31,714	3,80,95,092	-	-	47,138	<b>9,05,98,552</b>

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Details	Land Freehold	Buildings	Plant & Machinery	Office Equipment	Furniture and Fixtures	Vehicles	TOTAL
Year ended 31 Mar 2020							
Gross carrying amount							
Opening Gross Carrying Amount	1,75,62,794	5,89,29,891	16,50,48,778	15,97,265	5,23,266	4,19,911	24,40,81,905
Additions	-	19,93,759	23,93,099	-	-	-	43,86,858
Deletions	-	-	-	15,97,265	5,23,266	-	21,20,531
Closing Gross Carrying Amount as at 31 Mar 2020	1,75,62,794	6,09,23,650	16,74,41,877	-	-	4,19,911	24,63,48,232
Accumulated Depreciation and Impairment							
Opening accumulated depreciation	-	2,38,88,889	11,35,21,173	15,97,265	5,23,266	2,72,866	13,98,03,459
Depreciation charged during the year	-	28,09,174	78,72,123	-	-	50,022	1,07,31,319
IND AS Adjustment Entries (Depreciation P&L)	-	-	-	-	-	-	-
Deduction/Adjustment	-	-	-	15,97,265	5,23,266	-	21,20,531
Closing Accumulated Depreciation and Impairment as at 31 Mar 2020	-	2,66,98,063	12,13,93,296	-	-	3,22,888	14,84,14,247
Net Carrying Amounts as at 31st Mar 2020	1,75,62,794	3,42,25,587	4,60,48,581	-	-	97,023	<b>9,79,33,986</b>

**Note 4 Non Current Investment**

Particulars	As at 31 March, 2021	As at 31 March, 2020
Trade Investment (Stated at Cost) Investment in unquoted Equity Shares, Fully Paid Up 10000 Class-C Equity Shares of Rs.10/- each of OPG Energy Private Limited	1,00,000	1,00,000
Trade Investment (Stated at Cost) Investment in unquoted Equity Shares, Fully Paid Up 12,600 Class-A Equity Shares of Rs.37/- each of OPG Energy Private Limited	4,66,200	15,09,600
Trade Investment (Stated at Cost) Investment in unquoted Equity Shares, Fully Paid Up 120000 Class-A Equity Shares of Rs.12.81/- each of OPG Renewable Energy Private Limited	15,35,664	18,44,784
Trade Investment (Stated at Cost) Investment in unquoted Equity Shares, Fully Paid Up 38,745 Equity Shares of Rs.81/- each of Goodfaith Vinimay Pvt.Ltd.	31,38,345	31,38,345
Trade Investment (Stated at Cost) Investment in Punjab National Bonds	53,19,045	53,19,045
Trade Investment (Stated at Cost) Investment in unquoted Equity Shares, Fully Paid Up 625,000 Equity Shares of Rs.0.50/- each of Apollo Polyvinyl Pvt Ltd	3,12,500	-
Trade Investment (Stated at Cost) Investment in unquoted Equity Shares, Fully Paid Up 20,195 Equity Shares of Rs.126/- each of Avanti Metals Private Limited	25,44,570	25,44,570
Trade Investment (Stated at Cost) Investment in unquoted Equity Shares, Fully Paid Up 5,38,460 Equity Shares of Rs.32.50/- each of Veea Fiscal Services Private Limited	1,74,99,950	1,74,99,950
<b>Total</b>	<b>3,09,16,274</b>	<b>3,19,56,294</b>



**Note 5 Long-term loans and advances**

Particulars	As at 31 March, 2021	As at 31 March, 2020
(Unsecured and Considered good)		
(i) Capital Advance	-	31,91,264
(ii) Other Deposits	2,18,578	2,18,578
(iii) Security Deposits	32,35,300	32,35,300
<b>Total</b>	<b>34,53,878</b>	<b>66,45,142</b>

**Note 6 Inventories**

Particulars	As at 31 March, 2021	As at 31 March, 2020
(a) Raw Materials	-	-
(b) Others	6,29,92,800	-
<b>Total</b>	<b>6,29,92,800</b>	<b>-</b>

**Note 7 Trade Receivable**

Particulars	As at 31 March, 2021	As at 31 March, 2020
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	22,54,69,039	13,81,780
<b>Total</b>	<b>22,54,69,039</b>	<b>13,81,780</b>

**Note 8 Cash and cash equivalents**

Particulars	As at 31 March, 2021	As at 31 March, 2020
(a) Cash on hand	13,246	46,339
(b) Balances with banks		
(i) In current accounts	21,78,526	4,39,295
(ii) In Deposit accounts	12,76,922	12,03,210
<b>Total</b>	<b>34,68,694</b>	<b>16,88,844</b>
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 C.F.S	34,68,694	16,88,844

**Note 9 Short Term Loans & Advances**

Particulars	As at 31 March, 2021	As at 31 March, 2020
(a) Loans & Advances	2,39,21,274	-
<b>Total</b>	<b>2,39,21,274</b>	<b>-</b>

**Note 10 Other Current Assets**

Particulars	As at 31 March, 2021	As at 31 March, 2020
(a) Balance with GST & Excise Authorities	1,65,11,923	4,62,970
(b) T.C.S (A.Y 2021-2022)	13,35,338	72,59,447
(c) Income Tax Refund Due (A.Y 2020-2021)	39,27,846	-
(d) Others	42,288	41,553
<b>Total</b>	<b>2,18,17,395</b>	<b>77,63,970</b>

**Note No.11 Equity Share capital**

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	Number of shares	Amount (Rs.)	Number of shares	Amount (Rs.)
(a) Authorised 3750000 Equity shares of Rs.10 each				
- Opening Balance	37,50,000	3,75,00,000	37,50,000	3,75,00,000
- Increase during the Year	-	-	-	-
- Closing Balance	37,50,000	3,75,00,000	37,50,000	3,75,00,000
(b) Issued, Subscribed and Fully paid-up Movement in the Equity Shares				
Opening Balance	36,04,509	3,60,45,090	36,04,509	3,60,45,090
Add: Issued during the year	-	-	-	-
Less: Cancelled during the year	-	-	-	-
Closing Balance	36,04,509	3,60,45,090	36,04,509	3,60,45,090
(c) Share Application Money			-	-
<b>TOTAL</b>		<b>3,60,45,090</b>		<b>3,60,45,090</b>

**Notes:**

**(a) Movement of shares**

**Authorised Capital, Issued, Subscribed and fully paid up capital:**

There is no movement of shares outstanding at the beginning and at the end of the reporting period

**(b) Terms / rights attached to equity shares**

The company has only one class of equity shares having a par value of Rs 10/- per share. Each holder of

equity share is entitled to one vote per share

**The details of Share Holders holding more than 5% of shares in the Company are given below;**

Name of the shareholders	As at 31 March, 2021		As at 31 March, 2020	
	No of Shares	% of shareholding	No of Shares	% of shareholding
Chennai Material Recycling and Trading Company Limited	3,11,198	8.63	3,11,198	8.63
Avantika Gupta	3,28,092	9.10	3,28,092	9.10
Tamilnadu Enterprises & Investments Private Limited	2,51,937	6.99	2,51,937	6.99
Tamilnadu Property Developers Private Limited	3,00,000	8.32	3,00,000	8.32
Radiant Solutions Private Limited	2,50,000	6.94	2,50,000	6.94
Ameena Begum	2,50,000	6.94	2,50,000	6.94
Sudha Gupta	1,88,580	5.23	1,88,580	5.23

**Note. No 11.1 Other Equity**

Particulars	As at 31 March, 2021	As at 31 March, 2020
(i) General Reserves	17,44,62,564	17,44,62,564
(ii) Retained earnings	-30,96,27,094	-36,02,31,119
<b>Total</b>	<b>-13,51,64,530</b>	<b>-18,57,68,555</b>

**Note 12 Other current liabilities**

Particulars	As at 31 March, 2021	As at 31 March, 2020
(i) EPF & ESI Payable	19,636	19,351
(ii) Salary Payable	2,81,902	3,11,902
(iii) Statutory Liabilities	2,75,310	66,593
(iv) Provision for Employee Benefit	6,25,924	5,02,760
(v) Others	80,000	-
<b>Total</b>	<b>12,82,772</b>	<b>9,00,606</b>

**Note 13 Revenue from operations**

	Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
(a)	<u>Sale of Goods:</u>		
	- Traded Items	46,42,23,560	10,48,511
(b)	Other Operating Income	-	7,85,56,915
	<b>Total</b>	<b>46,42,23,560</b>	<b>7,96,05,426</b>

**Note 14 Other Income**

	Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
(a)	Profit from Sale of Share Investment	-	-
(b)	Interest Received	11,82,875	15,541
(c)	Dividend Received	-	17,95,502
(d)	Liability No longer required written back	-	6,886
	<b>Total</b>	<b>11,82,875</b>	<b>18,17,929</b>

**Note 15 Cost of Materials Consumed**

	Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
(a)	Opening stock	-	86,21,788
(b)	Add: Purchases	-	-
		-	86,21,788
(c)	Less: Closing Stock	-	-
	<b>Total</b>	-	<b>86,21,788</b>

**Note 16 Changes in inventories of finished goods, work-in-progress and stock-in-trade**

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
<u>Inventories at the end of the year:</u>		
Stock-in-trade	6,29,92,800	-
	6,29,92,800	-
<u>Inventories at the beginning of the year:</u>		
Stock-in-trade	-	-
	-	-
<b>Net (increase) / decrease</b>	<b>(6,29,92,800)</b>	<b>-</b>

**Note 17 Employee Benefit Expenses**

	Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
(a)	Salary and Wages	18,28,100	23,18,000
(b)	Contribution to EPF & ESI	1,24,176	1,49,179
(c)	Employee Benefit	1,23,164	1,49,404
(d)	Staff Welfare	24,140	42,432
	<b>Total</b>	<b>20,99,580</b>	<b>26,59,015</b>

**Note 18 Finance Costs**

	Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
(a)	Bank Charges	3,441	19,066
(b)	Interest Paid	-	58,504
	<b>Total</b>	<b>3,441</b>	<b>77,570</b>

**Note 19 Other expenses**

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
<b>A. Material &amp; Manufacturing Expenses</b>		
Stores and Spares Consumed	-	65,67,810
Stevedoring & Wharfage Expenses	1,80,54,000	
Freight Charges	-	44,000
<b>B. Repairs &amp; Maintenance</b>		
Building Repairs and Maintenance	31,881	24,11,095
Computer Maintenance	42,037	55,026
Machinery Maintenance	86,928	1,07,08,724
Vehicle Maintenance	45,983	-
<b>C. Administrative Expenses</b>		
Office Administration Expenses	-	28,14,628
Directors Remuneration	5,55,000	6,99,000
Miscellaneous	3,003	14,09,000
Filing Fees	20,340	3,036
Insurance	5,409	7,008
Postage Expenses	914	5,915
Printing and Stationery	22,025	66,951
Professional & Consultancy	5,31,647	3,84,700
Payment to Auditors		
i) As Statutory Audit Fees	50,000	47,500
ii) As Tax Audit Fees	25,000	20,000
iii) Other Services	5,000	5,000
Rates & Taxes	2,60,400	6,21,701
Loss on the sale of Investment	-	4,23,268
Listing Fees / Share Transfer Charges	3,83,312	4,11,687
Telephone Expenses	19,213	-
Travelling & Conveyance	1,15,962	3,40,998
<b>D. Selling &amp; Distribution Expenses</b>		
Advertisement Expenses	45,143	2,48,850
<b>Total</b>	<b>2,03,03,197</b>	<b>2,72,95,896</b>

**Note No 20: Additional Information to the Financial Statements**

- i) Lease income for the period July 2020 till March 2021 arising out of operating lease agreement with a customer has not been recognized during the financial year since the company has waived off rentals till the year end due to difficulties faced by the customer in terms of additional capex expenditure incurred by them to improve the overall efficiency of the factory and sluggish business activity due to covid-19.
  
- ii) Contingent liability not provided for:
  - Counter Guarantees furnished to the bank Rs.5,75,374/- (Previous year Rs.5,43,950 /-)
  - Towards outstanding Letter of Credit Nil (Previous year Nil) on account of import of raw materials.
  
- iii) Claims against the Company not acknowledged as Debt Rs. Nil. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. Nil.  
Contingent liabilities not provided for: Nil
  
- iv) Employee Benefits:
  - a) Defined Contribution plan:

Contribution to defined contribution plan recognized as expenses for the year 2020-21 accordingly an amount of Rs.1,23,164/- (previous year Rs.1,49,179/-) is debited towards contribution to PF & ESI.
  - b) Defined Benefit plan:

As per the explanations given by the management of the company except for gratuity there are no other plans for the employees of the company. The present value of gratuity obligation is determined during the year based on actuarial valuation using projected unit credit method. Accordingly, provision of Rs. NIL has been made.

	Particulars	2020-21 (Amount in Rs.)	2019-20 (Amount in Rs.)
I	Expenses recognized in the statement of profit and loss for the year ended 1.Current Service Cost 2. Interest Cost/ Interest on obligation 3. Expected return on plan assets 4.Net Actuarial (gains)/losses 5.Total Expenses	89,813 33,351 - - 1,23,164	1,19,941 29,463 - - 1,49,404
II	Net (Asset)/ Liability recognized in the balance sheet as on 31-03-2021 1. Present Value of funded Obligations 2. Present Value of unfunded Obligations 3. Fair Value of plan assets as at 31-03-2020 4. Unrecognized past service cost 5.Net liability as at 31-03-2021	- 4,96,058 - - 4,96,058	- 4,76,448 - - 4,76,448
III	Changes in Benefit obligations during the year ended 1.Present Value of Defined Benefit Obligation at the beginning of the year 2.Current Service Cost 3.Interest Cost 4.Actuarial(Gains)/losses 5.Benefit payments 6.Present Value of Defined Benefit Obligation at the end of the year	4,76,448 89,813 33,351 (1,03,554) NIL 4,96,058	4,20,898 1,19,941 29,463 (93,854) NIL 4,76,448
IV	Changes in Asset during the year ended 1.Plan assets at the beginning of the year 2. Expected return on plan assets 3.Contribution by the Employer 4.Actual Benefits paid 5.Actuarial gains/(losses) 6.Plan assets at the end of the year	- - - - - -	- - - - - -
V	Category of Plan Assets: Government of India Securities High Quality Corporate Bonds Equity Shares of Listed Companies Property Funds Managed by Insurer Bank Balance	Nil	Nil
VI	Principal Actuarial Valuation 1.Discount Rate	7.00%	7.00%



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	2.Expected rate of Return on plan assets 3.Annual Increase in Salary Costs 4.Mortality Table 5.Withdrawal Rate	- 7.25% IALM(2012- 14) Ult. 5% at younger ages reducing gradually to 1% at older Ages	- 7.25% ILAM(2012-14) Ult. 5% at younger ages reducing gradually to 1% at older Ages
VII	Table Showing Surplus/ (Deficit) Defined Benefit Obligation Plan Assets Surplus/ (Deficit)	4,96,058 - (4,96,058)	4,76,448 - (4,76,448)

(iv) There are no dues to enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, as at March 31, 2021 which is on the basis of such parties having been identified by the management and relied upon by the auditors.

(v) Company has circularized/sought confirmation of balance letters to/from sundry debtors & advance parties / sundry creditors. In the absence of negation, the balances appearing the books are taken as confirmed.

(vi) Value of Raw Materials and Spare Parts Components consumed

Year	2020-21		2019-20	
Particulars	Amount in Rs.	%	Amount in Rs.	%
Imported	-		-	-
Raw Material	-		86,21,788	
Spares	-	-	65,67,810	100

(vii) CIF Value of Imports: Nil (Previous year: Rs. Nil)

(viii) Earnings in Foreign Currency Rs. Nil (Previous year Rs. Nil) Expenditure in Foreign Currency Rs. Nil (Previous year Nil)

(ix) The Company intends to opt for payment of income-tax under Section 115BAA of the Income-tax Act, 1961, which provides for taxation at lower rates upon foregoing certain deductions. The tax for the current year has been calculated accordingly.

(x) RELATED PARTY DISCLOSURES

Details of related parties including summary of transactions entered into by the Branch during the year ended 31 March 2021 are summarized below:

Names of related parties and description of relationship:	
Key management personnel	Mr. R Natarajan
Other Related Party	Gita Renewable Energy Limited

Note: Related party relationship is as identified by the Company and relied upon by the Auditors

**Related party transactions:**

Particulars	Amount	Amount Outstanding as on 31.03.2021
Directors Salary – R Natarajan	4,80,000/-	40,000 /-
Advance Returned – Gita Renewable	79,00,000/-	Nil

(xii) SEGMENT INFORMATION FOR THE YEAR ENDED 31st MARCH 2021.

(a) Business Segment:

The Company operates in Single Business Segment of 'Trading of iron and coal related products'. Therefore, the Company is of the view that the disclosure requirement of Indian Accounting Standard (IND AS- 108) issued by the Institute of Chartered Accountants of India is not applicable to the Company.

xiii)	Earnings Per Share:	2020-21	2019-20
a)	Weighted Average No. of Equity Shares of Rs.10/- each		
	I. No. of Shares at the beginning of the year	36,04,509	36,04,509
	II. No. of Shares at the end of the year	36,04,509	36,04,509
	Weighted average number of equity shares outstanding during the year	36,04,509	36,04,509
b)	Net profit After Tax available for equity shareholders (Rs.)	5,06,04,025	3,20,37,768
c)	Basic and Diluted earnings per share (Rs.)	14.04	8.89

(xiv) Previous year figures:

Previous year's figures have been regrouped /reclassified wherever necessary to correspond with the current year's classification / disclosure.

**As per books of accounts produced  
For S.K. Gulecha & Associates  
Chartered Accountants  
Firm Registration.No.013340S**

For Chennai Ferrous Industries Limited

R Natarajan	Suresh Kedia
Chairman & Managing Director	Director
DIN : 00595027	DIN: 06596808

**Sandeep Kumar Gulecha  
Membership.No: 226263  
UDIN No: 21226263AAAAGQ9163  
Place: Chennai  
Date: 30.06.2021**

K.Karthikeyan	Priyanka Saraff
Chief Financial Officer	Company Secretary